



# 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

March 21, 2024

CERTIFIED MAIL: 9589 0710 5270 0688 6529 63

Industrial Knife and Machine  
c/o Oregon Resource Recovery, LLC, Registered Agent  
9760 SW Freeman Dr  
Wilsonville, OR 97070

Re: Notice of Civil Penalty Assessment and Order  
Case No. WQ-SW-NWR-2023-528

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$24,667 for engaging in industrial activities that may discharge stormwater to surface waters of the state without registering under the National Pollutant Discharge Elimination System (NPDES) Industrial Stormwater General Permit No. 1200-Z (the Permit) for your facility located at 9600 SW Seely Ave in Wilsonville, Oregon.

DEQ issued this penalty because you were issued an Expedited Enforcement Order (EEO) on March 2, 2023, and you did not accept the EEO or respond to DEQ's request for more information within 30 days. You have operated without appropriate permit coverage since at least December 14, 2022. Stormwater runoff from industrial activities contains pollutants and is considered a waste that poses a risk of harm to beneficial uses of waters of the state, including the use of those waters as habitat for aquatic organisms. The Permit requires registrants to implement and maintain sufficient controls and best management practices to prevent the discharge of runoff from industrial activities and into waters of the state. By failing to obtain Permit coverage and implement sufficient pollution controls, your facility poses a risk of harm to waters of the state.

Included in Section IV is an order requiring you to submit a complete application for Permit coverage to DEQ by 30 days from the date this order becomes final. \$9,157 of the civil penalty represents the economic benefit you gained by failing to obtain and implement the Permit. If you complete these requirements, DEQ will consider recalculating the costs as delayed rather than avoided and will reduce the civil penalty accordingly.

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](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.

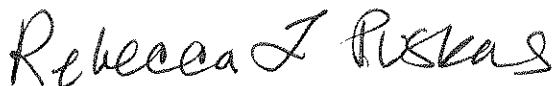
The attached Notice further details DEQ's reasons for issuing the penalty and provides further instructions for appealing the penalty. Please review and refer to it when discussing this case with DEQ.

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 Emily Knobbe at (971) 300-9770 or [emily.knobbe@deq.oregon.gov](mailto:emily.knobbe@deq.oregon.gov).

Sincerely,



Becca Puskas, Interim Manager  
Office of Compliance and Enforcement

Enclosures

cc: Michael Kennedy, Northwest Region  
Ben Benninghoff, 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 INDUSTRIAL KNIFE AND MACHINE, ) ASSESSMENT AND ORDER  
5 Respondent. ) CASE NO. WQ-SW-NWR-2023-528

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 Chapter 468B, ORS Chapter 183 and Oregon Administrative Rules (OAR) Chapter 340, Divisions  
10 011, 012, and 045.

11 II. FINDINGS OF FACT

12 1. Respondent is the operator of the facility located at 9600 SW Seely Ave in Wilsonville,  
13 Oregon (the Facility).

14 2. Respondent conducts industrial activities at the Facility including metal tools fabrication  
15 and knife manufacturing that are classified under Standard Industrial Classification (SIC) Code 3599  
16 for Industrial and Commercial Machinery and Equipment.

17 3. During precipitation events, industrial activities at the Facility are exposed to stormwater  
18 and have the potential to discharge industrial stormwater to catch basins that discharge to Coffee Lake  
19 Creek.

20 4. DEQ issued the National Pollutant Discharge Elimination System (NPDES) Industrial  
21 Stormwater Discharge General Permit No. 1200-Z (the Permit) for facilities that may discharge  
22 industrial stormwater to surface waters or to conveyance systems that discharge to surface waters of the  
23 state where the stormwater is associated with industrial activity identified in Tables 1 and 2 of the  
24 Permit.

25 5. Pursuant to Table 1 of the Permit, sources covered by the Permit include facilities with  
26 SIC group 35 codes for Industrial and Commercial Machinery and Computer Equipment.

27 \\\



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

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

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

11 2. Within 30 days of this order becoming final by operation of law or on appeal, submit a  
12 complete application for Permit coverage to DEQ through Your DEQ Online, including applicable fees.  
13 Written documentation confirming Respondent's application submission must be sent to Michael  
14 Kennedy at [mike.kennedy@deq.oregon.gov](mailto:mike.kennedy@deq.oregon.gov).

#### 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. DEQ  
17 must receive your request for hearing **within 20 calendar days** from the date you receive this Notice. If  
18 you have any affirmative defenses or wish to dispute any allegations of fact in this Notice or attached  
19 exhibit, you must do so in your request for hearing, as factual matters not denied will be considered  
20 admitted, and failure to raise a defense will be a waiver of the defense. (See OAR 340-011-0530 for  
21 further information about requests for hearing.) You must send your request to: **DEQ, Office of**  
22 **Compliance and Enforcement, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232**, fax  
23 it to **503-229-6762** or email it to [DEQappeals@deq.oregon.gov](mailto:DEQappeals@deq.oregon.gov). An administrative law judge  
24 employed by the Office of Administrative Hearings will conduct the hearing, according to ORS  
25 Chapter 183, OAR Chapter 340, Division 011 and OAR 137-003-0501 to 0700. You have a right to be  
26 represented by an attorney at the hearing, however you are not required to be. If you are an individual,  
27 you may represent yourself. If you are a corporation, partnership, limited liability company,

1 unincorporated association, trust or government body, you must be represented by an attorney or a duly  
2 authorized representative, as set forth in OAR 137-003-0555.

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

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

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3/21/2024  
Date

Becka Puska  
Becka Puska, Interim 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: Violating ORS 468B.050(1)(d) and OAR 340-045-0033(6) by conducting an activity described in the Permit without first applying for coverage under the Permit.
- CLASSIFICATION: This is a Class I violation pursuant to OAR 340-012-0055(1)(d).
- 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 \$4,000 for a Class I, moderate 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)(E)(iii) because Respondent should have applied for coverage under a NPDES General Permit.
- "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. Each day of violation is a separate occurrence. Respondent has engaged in qualifying industrial activities at the Facility from at least December 14, 2022, through the date of this Notice. As of the date of this Notice, Respondent does not have Permit coverage.
- "M" is the mental state of the Respondent, and receives a value of 8 according to OAR 340-012-0145(5)(d) because Respondent acted or failed to act intentionally with actual knowledge of the requirement. On December 14, 2022, DEQ communicated to Respondent in writing the requirement to obtain Permit coverage or otherwise submit additional information. On March 2, 2023, DEQ issued an Expedited Enforcement Offer (EEO) for the violation, which Respondent rejected. Respondent had actual knowledge that conducting industrial activities at the Facility without a Permit would be unlawful. Nonetheless, Respondent consciously set

out to commit the violation by continuing to conduct industrial activities at the Facility without Permit coverage.

"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 Respondent did not address the violation as described in paragraphs (6)(a) through (6)(e) and the facts do not support a finding under paragraph (6)(f). As of the date of this Notice, Respondent does not have Permit coverage.

"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 \$15,067. This is the amount Respondent gained by avoiding spending \$19,087 to apply for, obtain, and implement the Permit since December 2022. This "EB" was calculated pursuant to OAR 340-012-0150(1) using the U.S. Environmental Protection Agency's BEN computer model.

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

$$\begin{aligned} &= \$4,000 + [(0.1 \times \$4,000) \times (0 + 0 + 4 + 8 + 2)] + \$15,067 \\ &= \$4,000 + (\$400 \times 14) + \$15,067 \\ &= \$4,000 + \$5,600 + \$15,067 \\ &= \$24,667 \end{aligned}$$



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)**

<b>DATE:</b>	March 21, 2024
<b>RESPONSE DATE :</b>	May 30, 2024
<b>TOTAL PENALTY:</b>	\$24,667.00

Account Name:	IKM INDUSTRIAL KNIFE & MACHINE		
Account Type:	Vendor/Organization/Company	Reference Number:	CPGFD2400051
SubSystem ID:	213111	FIMS Acct. ID:	10532

**Penalty Summary**

Penalty Amount	Interest	Adjustment	Amount Paid	Total Penalty
\$ 24,667.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 24,667.00

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'



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 PLEASE RETURN THIS PORTION WITH YOUR PAYMENT



REFERENCE NO.	CPGFD2400051		
PAYCODE:	00401 7400 10040 74001 0500 000000 00		
FEE PROGRAM ID:	950	RESPONSE DATE:	May 30, 2024
FIMS ACCT. ID:	10532	TOTAL PENALTY DUE:	\$24667.00

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 0095000105327CPGFD240005100024667009



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
3/20/2024	2023-528 WQ-SW-NWR-2023-528	\$24,667.00

### 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 \_\_\_\_\_