



# 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 9, 2025

CERTIFIED MAIL: 9589 0710 5270 3236 6719 80

Black Butte Ranch Corporation  
c/o Josh Newton, Registered Agent  
360 SW Bond St., Suite 400  
Bend, OR 97702

Re: Notice of Civil Penalty Assessment and Order  
Case No. WQ/D-ER-2025-558

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$3,450 for violating an ammonia limit in your wastewater permit when discharging wastewater effluent to Indian Creek. Pollutant limits in permits are set at levels protective of aquatic life, water quality and public health. Ammonia is a toxic pollutant and by exceeding the permit limit you created a risk of impairment to the beneficial uses of Indian Creek.

DEQ appreciates your efforts to prevent additional violations by undertaking the corrective actions requested in DEQ's Pre-Enforcement Notice. 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, or

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 <https://www.oregon.gov/deq/Regulations/Pages/Administrative-Rules.aspx> or by calling the number below.

If you have any questions, please contact Jeff Bachman at 503-229-5950 or toll free in Oregon at 800-452-4011, extension 5950.

Sincerely,



Erin Saylor, Interim Manager  
Office of Compliance and Enforcement

Enclosures

cc: Justin Sterger, DEQ  
Mike Hiatt, DEQ  
Accounting, DEQ  
Alison Toviola, Best Best & Krieger LLP, 360 SW Bond Street, Suite 400, Bend, Oregon 97702  
Kyle Cummings, Black Butte Ranch, CEO (via email to: [kcummings@bbranch.org](mailto:kcummings@bbranch.org))  
Swen Petterson, Black Butte Ranch, WWTP Supervisor (via email to [spetterson@bbranch.org](mailto:spetterson@bbranch.org))

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION  
OF THE STATE OF OREGON

IN THE MATTER OF: )  
BLACK BUTTE RANCH CORPORATION, ) NOTICE OF CIVIL PENALTY  
an Oregon corporation, ) ASSESSMENT AND ORDER  
Respondent. ) CASE NO. WQ/D-ER-2025-558

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, ORS 468.126 through 468.140, ORS Chapters 183 and 468B and Oregon Administrative Rules (OAR) Chapter 340, Divisions 011 and 012.

II. FINDINGS OF FACT

1. At all relevant times, Respondent operated a domestic wastewater collection, treatment and disposal system in Sisters, Oregon, as authorized by a National Pollutant Discharge Elimination System permit (the Permit) issued and administered by DEQ.

2. Specifically, the Permit authorizes Respondent to operate a wastewater collection, treatment, control and disposal system and discharge treated wastewater to Indian Ford Creek, waters of the state, only in conformance with the requirements, limits, and conditions set forth in the Permit.

3. Schedule A, Condition 1 of the Permit limits the monthly average concentration of ammonia in Respondent's discharged effluent to 7.0 milligrams per liter (mg/L).

4. During the month of January 2025, Respondent discharged effluent with a monthly average ammonia concentration of 9.8 mg/L.

III. CONCLUSION

Respondent violated ORS 468B.025(2) by discharging effluent that contained ammonia in excess of the monthly average concentration limit established in Schedule A, Condition 1 of the Permit as described in Section II, above. This is a Class I violation pursuant to OAR 340-012-0055(1)(I). DEQ assesses a \$3,450 civil penalty for this violation.

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#### IV. 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 \$3,450. 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, please pay the 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 Reference Number and FIMS 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.

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

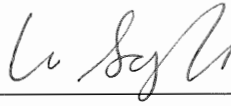
You have a right to a contested case hearing on this Notice, if you request one in writing. DEQ must receive your request for hearing **within 20 calendar days** from the date you receive this Notice. If you have any affirmative defenses or wish to dispute any allegations of fact in this Notice or attached exhibit, you must do so 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 send your request to: **DEQ, Office of Compliance and Enforcement, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232**, fax it to **503-229-6762** or email it to [DEQappeals@deq.oregon.gov](mailto:DEQappeals@deq.oregon.gov). 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, however you are not required to be. If you request a hearing, you will be notified of the time and place of the hearing and you will be given information on the

1 procedures, and other rights of parties relating to the conduct of the hearing before commencement of  
2 the hearing. If you are an individual, you may represent yourself. If you are a corporation, partnership,  
3 limited liability company, unincorporated association, trust or government body, you must be  
4 represented by an attorney or a duly authorized representative, as set forth in OAR 137-003-0555.

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

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

16  
17  
18  
19 10/9/2025  
20 Date

  
Erin Saylor, 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

<u>VIOLATION</u>	Exceeding a Permit effluent limit for ammonia in violation of ORS 468B.025(2).
<u>CLASSIFICATION:</u>	This is a Class I violation pursuant to OAR 340-012-0055(1)(l) because the limit violated is a water quality-based effluent limit.
<u>MAGNITUDE:</u>	The magnitude of the violation is moderate pursuant to OAR 340-012-0135(2)(a)(B)(ii) because the receiving stream flow at the time of the violation was greater than, but less than twice, the flow used to calculate the limit.
<u>CIVIL PENALTY FORMULA:</u>	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 \$1,500 for a Class I, moderate magnitude violation in the matrix listed in OAR 340-012-0140(4)(b)(A)(ii) and applicable pursuant to OAR 340-012-0140(4)(a)(F)(i) as Respondent operators a private domestic wastewater treatment facility with a flow of less than 2 million gallons per day.
"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 10 pursuant to OAR 340-012-0145(2)(a) as Respondent has prior significant actions consisting of nine Class I violations as established in Case No. WQ/D-ER-2022-061.
"H"	is Respondent's history of correcting prior significant actions and receives a value of 0 according to OAR 340-012-0145(3)(c) as there is insufficient information on which to base a finding under paragraphs (3)(a) or (b).
"O"	is whether the violation was repeated or ongoing and receives a value of 0 according to OAR 340-012-0145(4)(a) because there was a single occurrence of the 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. The ammonia limits are express conditions of Respondent's Permit. By failing to take the action necessary to comply with the monthly average concentration limit, Respondent failed to exercise reasonable care to avoid the foreseeable risk of committing the violation.

"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 that the violation would not be repeated by undertaking the corrective actions DEQ requested in the Pre-Enforcement Notice DEQ issued Respondent.

"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 because DEQ has insufficient information to arrive at reasonable estimate of any avoided or delayed costs.

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

$$\begin{aligned} &= \$1,500 + [(0.1 \times \$1,500) \times (10 + 0 + 0 + 4 + -1)] + \$0 \\ &= \$1,500 + (\$150 \times 13) + \$0 \\ &= \$1,500 + \$1,950 + \$0 \\ &= \$3,450 \end{aligned}$$

# CERTIFICATE OF MAILING

I hereby certify that I served DEQ Case No. WQ/D-ER-2025-558 upon:

9589 0710 5270 3236 6719 80

U.S. Postal Service <sup>™</sup>	
CERTIFIED MAIL <sup>®</sup> RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> .	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postmark Here	
Black Butte Ranch Corporation c/o Josh Newton, Registered Agent 360 SW Bond St., Suite 400 Bend, OR 97702	
PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions	

Alison Toviola  
Best Bet & Krieger LLP  
360 SW Bond St, Suite 400  
Bend, OR 97702

By mailing a true copy of the above by placing it in a sealed envelope, with postage prepaid at the DEQ/DAS mail services in Portland, Oregon on October 9, 2025

Isaac Griffith

Isaac Griffith, Case Coordinator

Office of Compliance & Enforcement

Department of Environmental Quality



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



State of Oregon  
**DEQ Department of Environmental Quality**

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

**CIVIL PENALTY - ORS 468.135(2)**

DATE:	October 9, 2025
RESPONSE DATE*:	December 18, 2025
TOTAL PENALTY:	\$3,450.00

Account Name:	BLACK BUTTE RANCH		
Account Type:	Vendor/Organization/Company	Reference Number:	CPGFD2600031
SubSystem ID:	213248	FIMS Acct. ID:	11592

**Penalty Summary**

Penalty Amount	Interest	Adjustment	Amount Paid	Total Penalty
\$ 3,450.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,450.00

\*This is the date the penalty is due if you do not exercise your right to appeal the attached order. 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.	CPGFD2600031		
PAYCODE:	00401 7400 10040 74001 0500 000000 00		
FEE PROGRAM ID:	950	RESPONSE DATE:	December 18, 2025
FIMS ACCT. ID:	11592	TOTAL PENALTY DUE:	\$3450.00

AMOUNT ENCLOSED:

MAKE CHECK PAYABLE TO: Department of Environmental Quality

☐

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

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

00401 7400 10040 74001 0500 000000 0095000115922CPGFD260003100003450002



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
10/9/2025	2025-558 WQ-D-ER-2025-558	\$3,450.00

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