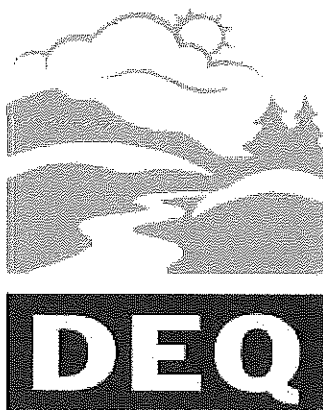


**OREGON  
ENVIRONMENTAL QUALITY  
COMMISSION MEETING  
MATERIALS 12/30/1997**



**State of Oregon  
Department of  
Environmental  
Quality**

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# AGENDA

## SPECIAL TELEPHONE CONFERENCE CALL MEETING ENVIRONMENTAL QUALITY COMMISSION MEETING

December 30, 1997  
DEQ Conference Room 11  
811 S. W. Sixth Avenue  
Portland, Oregon

Notes: Because of the uncertain length of time needed for each agenda item, the Commission may deal with any item at any time in the meeting. If a specific time is indicated for an agenda item, an effort will be made to consider that item as close to that time as possible. However, scheduled times may be modified if agreeable with participants. Anyone wishing to listen to the discussion on any item should arrive at the beginning of the meeting to avoid missing the item of interest.

*Beginning at 12:15 pm*

### A. Approval of Tax Credits

Hearings have already been held on the Rule Adoption items and the public comment period has closed. In accordance with ORS 183.335(13), no comments can be presented by any party to either the Commission or the Department on these items at any time during this meeting.

The Commission has set aside January 9, 1998, for their next meeting in Portland, Oregon.

Copies of staff reports for individual agenda items are available by contacting the Director's Office of the Department of Environmental Quality, 811 S. W. Sixth Avenue, Portland, Oregon 97204, telephone 229-5301, or toll-free 1-800-452-4011. Please specify the agenda item letter when requesting.

If special physical, language or other accommodations are needed for this meeting, please advise the Director's Office, (503)229-5301 (voice)/(503)229-6993 (TTY) as soon as possible but at least 48 hours in advance of the meeting.

December 15, 1997

**Addendum  
December 30, 1997  
Agenda Item A  
Approval of Tax Credits**

Agenda Item B is now Agenda Item A.


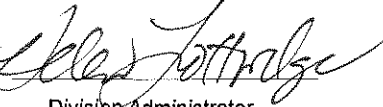

Merina & McCoy, P.C. identified additional ineligible costs included in the facility cost claimed on application number 4814 during the performance of the accountant's review on behalf of the Department. The Review Report reflects the adjusted amount. However, please update the summary as follows:

4814	Integrated Device Technology (IDT)	Exhaust scrubbers consist of 4 Harrington HPCA914-5LB 60,000 CFM Horizontal cross-flow packed wet scrubbers with 4 Harrington HPCA-5425 fans, 100 HP motors and 6 gusher PCL-4x6-10SE 7071M-b recirculating pumps.	<b>\$419,217</b>	100%	<b>\$ 209,609</b>
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## Environmental Quality Commission

- Rule Adoption Item
- Action Item
- Information Item

**Agenda Item B**  
**December 30, 1997, Meeting**

<b>Title</b>	Approval of Tax Credits		
<b>Summary</b>			
	Staff recommends the approval of tax credits as follows:		
<b>1</b>	<b>Pollution Prevention</b>	<b>\$</b>	<b>42,596</b>
<b>24</b>	<b>Pollution Control</b>	<b>\$</b>	<b>2,837,353</b>
4	Air	\$	803,682
2	Noise	\$	118,173
5	Field Burning	\$	912,512
3	Water	\$	393,451
10	USTs	\$	609,535
<b>25</b>	<b>Total Tax Credits</b>	<b>\$</b>	<b>2,879,949</b>
Additionally, staff recommends:			
<b>4</b>	<b>Denials</b>	<b>\$</b>	<b>143,155</b>
<u>Approve</u> issuance of tax credit certificates for the 25 applications represented in Attachment A of the staff report. <u>Deny</u> the 4 applications represented in Attachment B.			
<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">               Report Author         </div> <div style="text-align: center;">               Division Administrator         </div> <div style="text-align: center;">               Director         </div> </div>			

Accommodations for disabilities are available upon request by contacting  
Public Affairs Office at (503) 229-5317 (voice) or (503) 229-6993 (TDD).

State of Oregon

Department of Environmental Quality    Memorandum

**Date:** December 12, 1997  
**To:** Environmental Quality Commission  
**From:** Langdon Marsh, Director  
**Subject:** Agenda Item B, December 30, 1997, EQC Telephone Conference  
Approval of Tax Credit Applications

**Statement of the Need for Action**

This report presents the Department staff's analysis of the tax credit applications submitted to the Department under the pollution Prevention, Pollution Control Facility and the Reclaimed Plastic's Tax Credit programs. Included are the Department's recommendations for the Commission's action on these applications.

The following is a summary of the applications presented in this report:

**Applications for Approval**

Review Reports for applications for approval are presented in Attachment A of this staff report.

**Applications for Pollution Prevention Pilot Program: Air Quality**

All equipment is used in the normal course of doing business. However, the owners would not have replaced their existing systems at this time or with this particular equipment had it not been required by the National Emission Standards for Hazardous Pollutants (NESHAP) and to avoid monitoring and record-keeping requirements.

<b>App. #</b>	<b>Applicant</b>	<b>Description of Facility</b>	<b>Certified Cost</b>	<b>Percent Allocable</b>	<b>Certificate Value</b>
	<b>Perc</b>				
4654	Jonie Anderson/dba Rogue Cleaners	New drycleaning machine using Exxon 2000 solvent.	\$42,596	NA	\$ 42,596
	1		<b>Perc</b> \$42,596		\$42,596

**Applications for Pollution Control Facilities Tax Credit**

App. #	Applicant	Description of Facility	Certified Cost	Percent Allocable	Certificate Value
<b>Air</b>					
4731	LTM, Inc.	One pulse jet baghouse with a built-in horizontal cyclone collector manufactured by Astec Industries.	\$287,597	100%	\$ 143,799
4814	Integrated Device Technology (IDT)	Exhaust scrubbers consist of 4 Harrington HPCA914-5LB 60,000 CFM Horizontal cross-flow packed wet scrubbers with 4 Harrington HPCA-5425 fans, 100 HP motors and 6 gusher PCL-4x6-10SE 7071M b recirculating pumps.	\$420,550	100%	\$ 210,275
4849	Roseburg Forest Products Co.	Western Pneumatics #200 Primary Filter Baghouse as an addition to the existing cyclone systems at Ply #1.	\$38,380	100%	\$ 19,190
4852	Roseburg Forest Products Co.	Two Carter-Day RJ144 bag houses.	\$57,155	100%	\$ 28,578
<b>4</b>		<b>Air</b>	<b>\$803,682</b>		<b>\$401,841</b>
<b>Noise</b>					
4812	Northwest Pipeline, Corp.	An indirect heater with a low noise burner, acoustical blankets installed over the 4-inch above ground pipes to lower noise.	\$8,173	100%	\$ 4,087
4815	Integrated Device Technology (IDT)	A concrete tilt up building enclosure.	\$110,000	100%	\$ 55,000
<b>2</b>		<b>Noise</b>	<b>\$118,173</b>		<b>\$59,087</b>
<b>Field Burning</b>					
4870	Cersovski Farms	One, x 22' x 100' x 180', steel, straw storage building.	\$142,041	100%	\$ 71,021
4877	George G. Langdon	One 75' X 100' X 18' steel, straw storage building with concrete floor.	\$153,060	100%	\$ 76,530
4889	Carl Neuschwander	A 24' x 124' x 180' pole constructed Straw Storage Shed.	\$119,079	100%	\$ 59,540
4890	Dean McKay Farms, Inc.	New Farm equipment, 8870 John Deere Tractor, John Deere 995 HC 8 Bottom Plow, 4430 Ford Tractor, Two 515 Holland Baler, 14' rear Flail & 15' rear Flail.	\$249,836	96%	\$ 119,921

App. #	Applicant	Description of Facility	Certified Cost	Percent Allocable	Certificate Value
<b>Field Burning cont...</b>					
4891	Mark McKay Farms, Inc.	New Farm Equipment, 8400 John Deere Tractor, John Deere Chisel Plow, 4430 Ford Tractor, Allen Rakes, 585 Holland Baler, 1095 Holland Stacker.	\$248,496	100%	\$ 124,248
5		<b>Field Burning</b>	<b>\$912,512</b>		<b>\$451,259</b>
<b>Water</b>					
4716	Intel Corporation	Wastewater reuse/recycling system: 1 containment structure, one 300-gal reinforced fiberglass subfab collection tank, one 5,000 gal. reinforced fiberglass waste storage tank, waste transfer & sump pumps, electrical controls & plumbing.	<u>\$340,610</u>	100%	\$ 170,305
4742	Danny Dave Farm	A CAFO waste facility including sump pump, pit agitator, inverter, separator, PTO and traveler.	\$47,248	100%	\$ 23,624
4859	Alberta Body & Paint	One, Standard American Petroleum Institute, 650 gallon water/oil separator	\$5,593	100%	\$ 2,797
3		<b>Water</b>	<b>\$393,451</b>		<b>\$196,726</b>
<b>USTs</b>					
4820	Cain Petroleum, Inc.	One doublewall flexible plastic piping, overfill alarm, sumps and Stage II recovery equipment.	\$44,653	100%	\$ 22,327
4851	Westmart Foodstores, Inc.	Epoxy lining in three underground storage tanks, doublewall flexible plastic piping, spill containment basins, automatic tank gauge system, overfill alarm, line leak detectors, automatic shutoff valves and Stage II vapor recovery piping.	\$67,158	99%	\$ 33,243
4855	Krista Cody LTD. dba/Astoria Mini Mart	Line leak detectors, automatic tank gauge system and an overfill alarm.	\$15,922	100%	\$ 7,961

App. #	Applicant	Description of Facility	Certified Cost	Percent Allocable	Certificate Value
<b>USTs cont....</b>					
4866	Cain Petroleum, Inc.	One 2 compartment STI-P3 tank and one doublewall fiberglass clad steel tank, doublewall flexible plastic piping, spill containment basins, automatic tank gauge system, overfill alarm, sumps, oil/water separators and Stage II recovery equip.	\$185,123	91%	\$ 84,231
4868	Truax Harris Energy Co., LLC	One oil/water separator.	\$22,823	100%	\$ 11,412
4869	Truax Harris Energy Co., LLC	Stage II vapor recovery equipment.	\$140,251	93%	\$ 65,217
4874	Barry J. Desbiens	Turbine leak detectors and Stage I & II vapor recovery equipment.	\$21,840	100%	\$ 10,920
4875	Barry J. Desbiens	Automatic tank gauge system and Stage I and II vapor recovery equipment.	\$22,331	100%	\$ 11,166
4876	Loon Lake Lodge Resort	2 doublewall aboveground storage tanks, doublewall flexible plastic piping, spill containment basins, line leak detectors, sumps and automatic shutoff valves.	\$23,347	100%	\$ 11,674
4888	Grass Valley Station	One singlewall fiberglass tank & piping system & one double wall fiberglass-clad steel tank and flexible plastic piping, spill containment basins, automatic tank gauge system, overfill alarm, line leak detectors, auto shutoff valve & sumps.	\$66,087	94%	\$ 31,061
10		<b>USTs</b>	<b>\$609,535</b>		<b>\$289,210</b>
24		<b>Pollution Control</b>	<b>\$2,837,353</b>		<b>\$1,398,122</b>
25		<b>All Tax Credits</b>	<b>\$2,879,949</b>		<b>\$1,440,718</b>



**Applications for Denial** are summarized here and presented in detail in Attachment B of this staff report. See also, Background and Discussion section of this memorandum.

App. #	Applicant	Description of Facility	Claimed Cost	Claimed Percent	Certificate Value
4528	Willamette Industries, Inc.	Clark PNUe Air Bagfilter	\$97,507	100%	
4764	Willamette Industries, Inc.	New broom sweeper & Dewalt dump bin.	\$22,292	100%	
4858	Alberta Body & Paint	Robinair series 1234A recovery, recycling and recharging unit for R-12 & R-134a.	\$3,500	100%	
4861	Portland General Electric Company	Replacement of PCB filled substation capacitors with non-PCB filled capacitors.	\$19,856	100%	
<b>4</b>			<b>\$143,155</b>		<b>\$ -</b>

### **Background and Discussion of Issues**

**Denial of Application Number 4764.** Willamette Industries submitted tax credit application number 4764 claiming a sweeper and bin used to clean the plant more effectively and on a more frequent basis. The applicant claims the incoming storage area is cleaner than when it was hand swept twice a month. The applicant also claims the amount of dust in the air has been reduced considerable. The cleaner plant site, means less fugitive wood particulate in and around the plant.

The applicant claims the sole purpose (ORS 468.155 (1)(a)) of equipment is to prevent, control or reduce a substantial quantity of air pollution. However, the Department asserts that the sweeper and bin provides a cleaner work space as claimed on the application and provides no substantial reduction in air pollution.

Adittonally, the prevention, control or reduction is not accomplished by disposal or elimination of or redesign to eliminate air contamination sources and the use of air cleaning devices as defined in ORS 468A. (ORS 468.155 (1)(b)(B))

### **Conclusions**

The recommendations for action on the attached applications are consistent with statutory provisions and administrative rules related to the pollution control, pollution prevention and reclaimed plastic product tax credit programs.

### **Recommendation for Commission Action**

Approve issuance of tax credit certificates for the applications presented in Attachment A of the staff report.

Deny issuance of tax credit certificates for the applications presented in Attachment B, of the staff report.

### **Intended Follow-up Actions**

Notify applicants and the Department of Revenue of Environmental Quality Commission actions.

**Attachments**

- A. Pollution Control Tax Credit Application Review Reports for Approval
- B. Pollution Control Tax Credit Application Review Reports for Denial

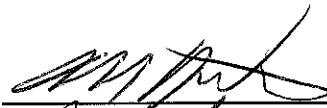

**Reference Documents (available upon request)**

- 1. ORS 468.150 through 468.190.
- 2. OAR 340-16-100 through 340-16-125.
- 3. OAR 340-16-005 through 340-16-050.
- 4. ORS 468.925 through 468.965.
- 5. OAR 340-17-010 through 340-17-055.

Approved:

Section:

Division:

Report Prepared By: Margaret Vandehey

Phone: (503) 229-6878

Date Prepared: December 3, 1997

# **Attachment A**

## **Applications for Approval**

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT  
POLLUTION PREVENTION PILOT PROGRAM

---

1. Applicant

Jonie Anderson  
dba: Rogue Cleaners  
245 SE G Street  
Grants Pass, Oregon 97526

Sole proprietor  
IRS Identification No. 93-0873195

The applicant owns and operates a dry-cleaning shop located 245 SE G Street, Grants Pass, Oregon.

Application was made for tax credit for an air pollution prevention facility.

2. Description of Facility

The claimed facility is a new dry-cleaning machine using Exxon 2000 solvent, which was installed as a replacement for a dry-cleaning machine which used petroleum based solvent and in lieu of a machine which uses perchloroethylene solvent. The new machine does not emit perc to the atmosphere.

Claimed Facility Cost:       \$ 42,596

3. Procedural Requirements

The pollution prevention facility is governed by ORS 468A.095 through 468A.098, and by OAR Chapter 340, Division 16.

The pollution prevention facility met all regulatory deadlines in that:

Installation of the pollution prevention facility was substantially completed on August 18, 1996. The application for final certification was received by the Department on September 12, 1996. The application was found to be complete on November 25, 1997 when processing began. Application was submitted to the Department within one year of installation of the pollution prevention facility.

4. Evaluation of Application

### Rationale For Eligibility

- (1) The pollution prevention facility is eligible because it meets the requirement of avoiding the requirements of the National Emission Standard for Hazardous Air Pollutants (NESHAP), specifically 40 CFR 63.320 to 63.325 national perchloroethylene air emissions standard for dry cleaning facilities.

The new dry-cleaning facility was installed between January 1, 1996 and December 31, 1999.

The facility does not qualify for a pollution control tax credit under ORS 468.165 and 468.170.

- (2) The owner installed equipment which does not use perchloroethylene in lieu of equipment which would have used perchloroethylene. The facility continues to not be subject to the NESHAP.
- (3) The dry cleaning facility has is not required to register under the Clean Air Act Title III National Emissions Standards for Hazardous Air Pollutants because it does not use perc.

### 5. Summation

- a. The pollution prevention facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that it meets the definition of a pollution prevention facility for this pilot program.
- c. The applicant indicated that the tax credit program was not a determining factor in installing this equipment.

### 6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Prevention Facility Certificate bearing the cost of \$ 42,596 be issued for the facility claimed in Tax Credit Application No. T-4654.

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Intel Corporation  
5200 NE Elam Young Parkway AL-91  
Hillsboro, OR 97124

The applicant owns and operates a microcomputer chip manufacturing facility in Aloha, Oregon.

Application was made for tax credit for a water pollution control facility.

2. Description of Facility

The facility being claimed consists of a wastewater reuse/recycle system that includes a reinforced fiberglass 300 gallon subfab collection tank, a reinforced fiberglass 5,000 gallon waste storage tank, waste transfer and sump pumps, associated electrical controls and plumbing. The waste storage tank is located within a concrete containment structure.

Claimed Facility Cost:                   \$340,610  
(Accountant's Certification was provided).

It is the policy of the Environmental Quality Commission that a tax credit application with a claimed cost equal or greater than \$250,000 has to be reviewed by a contract accountant. Kessler and Company (Accountant) reviewed the application and determined that the claimed facility cost amounts to 340,610.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190 and by OAR Chapter 340, Division 16.

The facility met statutory deadline in that construction of the facility was substantially completed on January 15, 1996 and the application was found to be complete on May 12, 1997, within 2 years of substantial completion of the facility.

4. Evaluation of Application

a. Eligibility

The facility is eligible because the sole purpose of the facility is to control a substantial quantity of water pollution. This control is accomplished by the redesign to eliminate the discharge of industrial waste as defined in ORS 468B.005.

Prior to the installation of the claimed facility, ethylene glycol was being discharged to the wastewater treatment plant and to the Unified Sewerage Agency sewer system. Ethylene glycol waste now flows by gravity from the manufacturing tool sinks to the subfab collection tank. The ethylene glycol waste is then pumped to the 5,000 gallon waste storage tank for final collection before being transported off-site for reuse/recycle.

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility does not recover or convert waste products into a salable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no return on investment for the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

Three alternative collection systems were considered as described: 1. Day tank collection/transfer with bulk tank storage. 2. Day tank collection with drum collection transfer. 3. Drum Collection only. Alternative # 1 was too costly and alternatives # 2 and # 3 increased material handling and did not meet the safety design criteria.



- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There are no savings or increase in costs as a result of the facility modification. The cost of maintaining and operating the facility is \$115,474 annually.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or properly disposing of used oil.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for tax credit certification in that the sole purpose of the facility is to control a substantial quantity of water pollution and accomplishes this purpose by the redesign to eliminate industrial waste as defined in ORS 468B.005.
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$340,610 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. T-4716.

Dewey W. Darold, R.S.

503-229-5189

May 12, 1997

**SYMONDS, EVANS & LARSON, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT ACCOUNTANTS  
ON APPLYING AGREED-UPON PROCEDURES TO  
POLLUTION CONTROL TAX CREDIT APPLICATION NO. 4716

Environmental Quality Commission  
811 S.W. Sixth Avenue  
Portland, Oregon 97204

We have performed the procedures enumerated below, which were agreed to by Intel Corporation (the Company); the State of Oregon, Department of Environmental Quality (the DEQ); and the Environmental Quality Commission, solely to assist you with respect to the Company's Pollution Control Tax Credit Application No. 4716 (the Application) filed with the DEQ for the Water Pollution Control Facility in Aloha, Oregon (the Facility). This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Application has a claimed Facility cost of \$340,610. Our procedures and findings are as follows:

Procedures:

1. We read the Application, the Oregon Revised Statutes (ORS) on Pollution Control Facilities Tax Credits – Sections 468.150 through 468.190 (the Statutes) and the Oregon Administrative Rules (OAR's) on Pollution Control Tax Credits – OAR 340-16-005 through OAR 340-16-050.
2. We inspected vendor invoices which aggregated approximately 84% of the claimed Facility cost.
3. We discussed certain components of the Application, the Statutes and OAR's with Maggie Vandehey of the DEQ.
4. We discussed certain components of the Application with Ingeborg Schneider of the Company.
5. We toured the Facility with Ms. Schneider.

**SYMONDS, EVANS & LARSON, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

6. We requested that Company personnel confirm the following assertions:
- A. There were no related parties or affiliates of the Company which had billings which were included in the Application.
  - B. There were no significant spare parts that were included in the cost of the Facility.
  - C. Costs incurred related to internal labor were based on employees' actual pay rates.
  - D. The Company presently derives no income or cost savings from operating the Facility.
  - E. No previously existing equipment was sold as a result of the installation of the Facility.
  - F. In accordance with ORS Section 468.155(2)(e), the Facility was not a "replacement or reconstruction of all or a part of any facility for which a pollution control facility certificate has previously been issued..."
  - G. The capacity of the Facility is adequate for the Company's present operations and does not include significant capacity for potential future operations.
  - H. In accordance with ORS Section 468.155(2)(d), the Facility does not include "any distinct portion of a pollution control facility that makes an insignificant contribution to the principal or sole purpose of the facility..."

**Findings:**

1. through 5.

No matters came to our attention that caused us to believe that the claimed Facility cost should be adjusted. However, we understand that certain equipment used in the Facility appeared to have previously been used in another facility for which the Company had filed a Pollution Control Tax Credit Application. The costs of such equipment were properly excluded from the claimed Facility cost of \$340,610, and we understand from discussions with Ms. Schneider, that the Company is investigating the current status of the previous facility and will notify the DEQ as appropriate.

6. Company personnel confirmed that such assertions were true and correct.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**SYMONDS, EVANS & LARSON, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

This report is intended solely for the use of the specified users above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Symonds, Evans + Larson, P.C.*

December 16, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

LTM, Inc.  
Asphalt Department  
PO Box 1145  
Medford, OR 97501

The applicant owns and operates a hot mix asphalt plant in Central Point, OR.

Application was made for tax credit for an air pollution control facility.

2. Description of Facility

The claimed facility consists of a pulse jet baghouse with a built-in horizontal cyclone collector manufactured by Astec Industries that was installed to control particulate emissions generated from the production of asphalt. The emissions after the installation of the claimed facility are less than 0.04 grains/dscf.

Claimed Facility Cost: \$287,597

Accountant's Certification was provided.

The applicant indicated the useful life of the facility is 15 years.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility met all statutory deadlines in that:

Installation of the facility was substantially completed on April 3, 1995, and placed into operation on April 4, 1995. The application for final certification was received by the Department on February 10, 1997. The application was found to be complete on March 4, 1997, within two years of substantial completion of the facility.

#### 4. Evaluation of Application

##### a. Rationale For Eligibility

The claimed facility is eligible because the principal purpose of the facility is to comply with a requirement imposed by the Applicant's Air Contaminant Discharge Permit (ACDP) number 15-9538. The applicant is required to keep particulate emissions below 0.04 grains/dscf. This is in accordance with OAR Chapter 340, Division 21, rule 015. The emission reduction is accomplished by the removal of air contaminants from the exhaust stream as defined in ORS 468A.005.

The air pollution control facility consists of a baghouse installed on the applicants new asphalt plant. The baghouse is an Astec Model RBH-58:DB that is designed for 58,260 cfm and has an air to cloth ratio of 5.8:1. The claimed facility also consists of a fan, air compressor and a fines removal system. The applicant claims the reductions in particulate emissions are 3,303 tons per year.

##### b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

A portion of the waste product is converted into a salable or usable commodity consisting of fines from the asphalt manufacturing process. The fines are returned to the process. Based on the applicant's claimed reduction of particulate, the amount of fines recovered for reuse is 3,303 tons/year. The applicant estimates the value of the recovered fines to be \$17,340/year.

- 2) The estimated annual percent return on the investment in the facility.

The applicant indicates in the application so there is no income or savings from the facility, so there is no return on the investment.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered a wet venturi scrubber. This system was not chosen due to the large quantity of waste water that would be generated.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The annual savings in raw material for the manufacturing of asphalt is \$17,340. The average annual cost of maintaining and operating the claimed facility is \$38,464.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of pollution. The principal purpose of the facility is to reduce a substantial quantity of air pollution.

The actual cost of the facility properly allocable to pollution control as determined by using this factor or these factors is 100%.

5. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible for final tax credit certification in that the principal purpose of the facility is to comply with a requirement imposed by the applicant's Air Contaminant Discharge Permit issued by the Department of Environmental Quality.
- c. The facility complies with Department statutes and permit conditions.
- d. The portion of the facility cost that is properly allocated to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$287,597 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4731.

Dennis E. Cartier  
SJO Consulting Engineers, Inc.  
October 2, 1997

Symonds, Evans & Larson, CPA

**SYMONDS, EVANS & LARSON, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT ACCOUNTANTS  
ON APPLYING AGREED-UPON PROCEDURES TO  
POLLUTION CONTROL TAX CREDIT APPLICATION NO. TC-4731

Environmental Quality Commission  
811 S.W. Sixth Avenue  
Portland, Oregon 97204

We have performed the procedures enumerated below, which were agreed to by LTM, Incorporated (the Company); the State of Oregon, Department of Environmental Quality (the DEQ); and the Environmental Quality Commission, solely to assist you with respect to the Company's Pollution Control Tax Credit Application No. TC-4731 (the Application) filed with the DEQ for the Air Pollution Control Facility in Central Point, Oregon (the Facility). This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Application has a claimed Facility cost of \$243,100. Our procedures and findings are as follows:

Procedures:

1. We read the Application, the Oregon Revised Statutes (ORS) on Pollution Control Facilities Tax Credits – Sections 468.150 through 468.190 (the Statutes) and the Oregon Administrative Rules (OAR's) on Pollution Control Tax Credits – OAR 340-16-005 through OAR 340-16-050.
2. We inspected vendor invoices and canceled checks which aggregated 100% of the adjusted costs of the Facility.
3. We discussed certain components of the Application, the Statutes and OAR's with Maggie Vandehey of the DEQ.
4. We discussed certain components of the Application with Robert Vaughn of the Company and Dennis Cartier of SJO Consulting Engineers, Inc. (SJO), a contractor for the DEQ.
5. We recalculated the Company's computation of the amount of vendor discount (\$71,310) that was allocated to equipment purchases utilized in the Facility.



**SYMONDS, EVANS & LARSON, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

6. We recalculated SJO's computation of allocable freight and installation costs which aggregated \$44,497.
7. We requested that Company personnel confirm the following assertions:
  - A) The Company does not presently derive any net income or cost savings from operating the Facility.
  - B) The capacity of the Facility is adequate for the Company's present operations and does not include significant capacity for potential future operations.
  - C) Equipment traded-in according to the original purchase agreement was production oriented and did not include any trade-in value for pollution control components or devices.
  - D) There are no significant spare parts that are included in the cost of the Facility.
  - E) In accordance with ORS Section 468.155(2)(e), the Facility is not a "replacement or reconstruction of all or a part of any facility for which a pollution control facility certificate has previously been issued..."
  - F) There were no related parties or affiliates of the Company which had billings which were included in the Application.
  - G) There were no internal labor costs included in the Application.
  - H) The Facility costs include the costs of a baghouse and exclude any costs related to a wet scrubber.

Findings:

1. through 6.

As a result of applying these procedures, we noted that the Application should be adjusted to include \$44,497 of allocable freight and installation costs identified by SJO. Accordingly, the allowable costs for the Application should be increased to \$287,597.

7. Company personnel confirmed, in writing, that such assertions were true and correct.

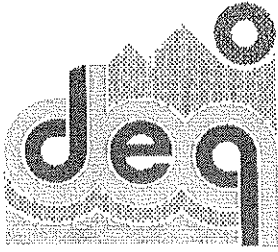
We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**SYMONDS, EVANS & LARSON, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

This report is intended solely for the use of the specified users above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Symonds, Evans & Larson, P.C.*

December 12, 1997



# Tax Credit Review Report

Revised 7/10/97

Director's  
Recommendation: **APPROVE**

Applicant **Integrated Device Technology (IDT)**  
Application No. **4814**  
Facility Cost **\$419,217**  
Percentage Allocable **100%**  
Useful Life **10 years**

## Pollution Control Facility Tax Credit: Air Final Certification

ORS 468.150 -- 468.190

### Applicant Information

The applicant is a C Corporation that designs, manufactures & markets integrated circuits taking tax relief under taxpayer identification number 94-2669985. The applicant's address is:

2975 Stender Way  
Santa Clara, CA 95054

### Facility Information

The certificate will identify the facility as:

**A facility to control acid from the manufacturing process.**

The applicant is the owner of the facility located at:

3131 NE Brookwood Pkwy.  
Hillsboro, OR 97124

### Technical Information

An acid scrubber facility consists of four Harrington HPCA914-5LB 60,000 CFM horizontal crossflow packed wet scrubbers with four Harrington HPCA-5425 fans with 100 HP motors and six gusher PCL-4X6-10SE 7071M-b recirculating pumps. The facility is designed to control emissions of air contaminants from the manufacturing fab. The fab area exhaust scrubbers were installed to meet the standards set forth in Air Contaminant Discharge Permit #34-2813 for exhaust gases. The acid scrubbers used to remove air contaminants have a rated efficiency of 86%-99%. Without the facility, uncontrolled acid vapors would be directly discharged to the atmosphere.

### Eligibility

ORS 468.155 The **principal purpose** of this **new installation** is to control or reduce air

- (1)(a)(A) pollution as required by DEQ's Air Contaminant Discharge Permit #34-2813.
- ORS 468.155 The disposal or elimination of or redesign to eliminate air contamination sources  
(1)(b)(B) and the use of air cleaning devices as defined in ORS 468A.005

**Timeliness of Application**

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>07/30/1997</u>
<i>Application Determined Complete</i>	<u>11/11/1997</u>
<i>Construction Started</i>	<u>07/01/1994</u>
<i>Construction Completed</i>	<u>08/01/1995</u>
<i>Facility Placed into Operation</i>	<u>10/01/1995</u>

**Facility Cost**

Facility Cost	\$583,790
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d) six fans	-\$ 148,040
Ineligible Costs	
start-up costs	-\$ 12,000
2 pumps	-\$ 3,200
pump installation expense	-\$ 1,333
Eligible Facility Cost	<u>\$ 419,217</u>

Applicant identified insignificant and ineligible costs in the amount of \$163,240 for six fans, startup-costs, and two pumps currently not being used due to lower production by the facility. A certified public accountant's statement from Kessler & Company, PC accompanied the application. Merina McCoy Gerritz, CPAs, PC performed the Department's accountant's review for the Department. Marina, McCoy identified \$1,333 for the installation expense of the two pumps which was removed from the total claimed cost of the facility.

**Facility Cost Allocable to Pollution Control**

According to ORS 468.190(1), the Department considered the following factors in the determination of the percentage of the facility cost allocable to pollution control.

<b>Factor</b>	<b>Applied to This Facility</b>
ORS 468.190(1)(a) Salable or Usable Commodity	No salable or useable commodity.
ORS 468.190(1)(b) Return on Investment	No return on investment.
ORS 468.190(1)(c) Alternative Methods	No alternative investigated.
ORS 468.190(1)(d) Savings or Increase in Costs	No savings or increase in costs.
ORS 468.190(1)(e) Other Relevant Factors	No other relevant factors.

Considering these factors, the percentage of the facility cost allocable to pollution control is 100%.

Reviewers: Cascade Earth Sciences  
Merina McCoy Gerritz, P.C  
Dave Kauth

**MERINA & MCCOY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

John W. Merina, CPA  
Michael E. McCoy, CPA

CERTIFIED IN  
Oregon  
Washington

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Oregon Department of Environmental Quality  
811 SW Sixth Avenue  
Portland, OR 97204

At your request, we have performed the procedures enumerated below, which were agreed to by the Oregon Department of Environmental Quality (DEQ), solely to assist the DEQ in evaluating Integrated Device Technology, Inc. (the Company) Pollution Control Tax Credit Application No. 4814 (the Application) regarding the Acid Scrubbers (the Facility) in Hillsboro, Oregon. The combined claimed facility costs on the Application are \$420,550. The agreed-upon procedures and related findings are:

1. We read the Applications, the Oregon Revised Statutes on Pollution Control Facilities Tax Credits - Sections 468.150 - 468.190 (the Statutes) and the Oregon Administrative Rules on Pollution Control Tax Credits - Sections 340-16-050 (OARs).
2. We reviewed and discussed the Applications, supporting documents, and Statutes with Maggie Vandehey of the Oregon Department of Environmental Quality (DEQ) and Joe Hickey of Cascade Earth Sciences.
3. We reviewed and discussed the Application, supporting documents, Statutes and OARs with James D. Stewart, Director of Facilities Engineering and Daniela Nikolik, Hatten/Johnson Associate.
4. We inquired as to whether there were any direct or indirect Company costs charged or allocated to the facility costs claimed in the Application.

We were informed that no direct or indirect Company costs were charged or allocated to the facility cost claimed in the Application.

5. We reviewed the documents and workpapers of applicant's certified public accountants that related to the facility claim.

The claimed facility cost in the Application was \$420,558<sup>0</sup>. The Accountant's Certificate was for costs totaling \$420,558<sub>0</sub>. *mcv*

6. We reviewed all costs claimed in the Application for Pollution Control Tax Credit certification under the rules and statutes that govern the Program.

We determined that the claimed facility costs for Pollution Control Tax Credit Certification under the rules and statutes that govern the program should be adjusted as follows:

Original claim	\$	420,558 <sup>0</sup> <span style="float: right;"><i>mcv</i></span>
Remove installation expense for two pumps that are not used		<u>(1,333)</u>
Adjusted claimed facility costs	\$	<u>419,227</u> <u>17</u> <span style="float: right;"><i>mcv</i></span>

7. We visited the site and visually inspected the facility. During the tour we noted the facility did not have any of the items disallowed under OAR 340-16-025(3).
8. The Company has confirmed to us that no billings from related parties or affiliates of the Company have been included in the claimed costs.
9. We have reviewed the calculations for Facility Cost and Percentage Allocable to Pollution Control in the Tax Credit Application and found them to be correct.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the Application should be adjusted, except as detailed in procedure six. Had we performed additional procedures or had we conducted an audit of the financial statements of the Company in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. The report relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

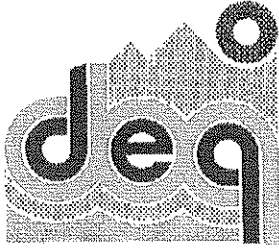
Merina, McCoy & Co., CPAs, PC

December 4, 1997  
Page 3

This report is solely for the State of Oregon Department of Environmental Quality in evaluating the Association's Pollution Control Tax Credit Application and should not be used for any other purpose.

*Merina McCoy*  
Merina, McCoy & Co., CPAs, PC  
West Linn, Oregon  
December 4, 1997





# Tax Credit Review Report

Revised 7/10/97

Director's  
Recommendation: **APPROVE**

Applicant **Northwest Pipeline, Corp.**  
Application No. **4812**  
Facility Cost **\$8,173**  
Percentage Allocable **100%**  
Useful Life **10 years**

## **Pollution Control Facility Tax Credit: Noise Final Certification**

ORS 468.150 -- 468.190

The applicant is a c corporation operating as a natural gas supplier. The applicant will take tax relief under identification number 87-0269236. The applicant's address is:

295 Chipeta Way  
Salt Lake, UT 84158

The certificate will identify the facility as:

**A indirect heater with a low noise burner manufactured by Sivall's Inc. with acoustical blankets installed over the 4-inch above ground pipes.**

The applicant is the owner of the facility located at:

1010 NE Hogan Place  
Gresham, OR 97030

### **Technical Information**

The facility was installed to lower noise emissions from the natural gas measurement facility. It lowers the decibel output of the burner from 75dBA to 60dBA – a noise level decrease of 15DBA. The facility also incorporates Retrochem acoustical blankets that were installed over the 4-inch above ground pipes to lower the noise generated by the gas velocity as it flows through the pipes.

The design of the equipment is to lower all noise levels associated with the site. Without the installation of the noise dampening components, the site would have been subject to complaints from nearby residences.

**Eligibility**

ORS 468.155 (1)(a) The sole purpose of the new equipment and installation is to prevent noise pollution

**Timeliness of Application**

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>07/29/1997</u>
<i>Application Determined Complete</i>	<u>11/14/1997</u>
<i>Construction Started</i>	<u>09/09/1996</u>
<i>Construction Completed</i>	<u>10/25/1996</u>
<i>Facility Placed into Operation</i>	<u>10/25/1996</u>

**Facility Cost**

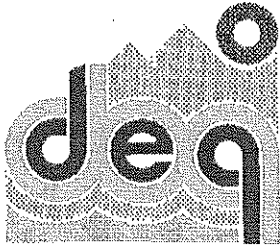
Facility Cost	\$8,173
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d))	\$ -
Ineligible Costs	\$ -
Eligible Facility Cost	<u>\$ 8,173</u>

Work order summaries substantiated the cost of the facility.

**Facility Cost Allocable to Pollution Control**

According to ORS 468.190(3), the only consideration in the determination of the percentage of the facility cost allocable to pollution control is the percentage of time the facility is used for pollution control. The percentage of time the facility was used for pollution control and therefore, the percentage allocable to pollution control is 100%.

Reviewers: Cascade Earth Sciences, Ltd.  
Dave Kauth



# Tax Credit Review Report

Revised 7/10/97

Director's  
Recommendation: **APPROVE**

Applicant	<b>Integrated Device Technology (IDT)</b>
Application No.	<b>4815</b>
Facility Cost	<b>\$110,000</b>
Percentage Allocable	<b>100%</b>
Useful Life	<b>10 years</b>

**Pollution Control Facility Tax Credit: Noise  
Final Certification**  
ORS 468.150 -- 468.190

### Applicant Information

The applicant is a C Corporation operating as A designs, manufactures & marketer of intergated curcuits taking tax relief under taxpayer identification number 94-2669985. The applicant's address is:

2975 Stender Way  
Santa Clara, CA 95054

### Facility Information

The certificate will identify the facility as:

**A concrete tilt up building enclosure.**

The applicant is the owner of the facility located at:

3131 NE Brookwood Pkwy.  
Hillsboro, OR 97124

### Technical Information

The concrete tilt up building that encloses the site's electric generators. The low level frequency sound produced by the generators is dampened by the mass of the concrete building walls. This dampening effect keeps noise levels outside the generator building below City of Hillsboro maximum allowable limits.

The facility was specifically designed to meet the City of Hillsboro Noise Regulations. The cost claimed is the difference between the cost of the built (sound dampening) facility and a structure built out of wood or metal. Had the structure been built out of another material, it would not dampen the noise created by the generators, and would not meet the City of Hillsboro Regulations.

### Eligibility

ORS 468.155  
(1)(a)

The **principal purpose** of the new **building** is to control or reduce noise pollution as required by the regional air pollution authority imposed by the City of Hillsboro's Noise Regulation, Chapter 8.24, Section 8.24.040.

**Timeliness of Application**

The application was submitted within two years of substantial completion of the facility as required by ORS 468.165 (6).

<i>Application Received</i>	<u>07/30/1997</u>
<i>Application Substantially Complete</i>	<u>11/21/1997</u>
<i>Construction Started</i>	<u>02/01/1995</u>
<i>Construction Completed</i>	<u>08/01/1995</u>
<i>Facility Placed into Operation</i>	<u>10/01/1995</u>

**Facility Cost**

Facility Cost	<b>\$564,000</b>
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d))	-\$ 454,000
Ineligible Costs	\$ -
Eligible Facility Cost	<b>\$ 110,000</b>

The applicant identified the portion of the facility cost that did not substantially contribute to pollution control. Therefore, the cost is the difference between the cost of the built (sound dampening) facility and a structure built out of wood or metal. Summary invoices substantiated the cost of the facility and a certified public accountant's statement, provided by Kessler & Company, P.C., accompanied the application. Merina McCoy Gerritz, P.C. performed the accountant review according to program rules and statutes.

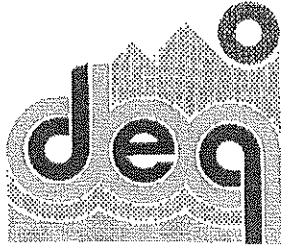
**Facility Cost Allocable to Pollution Control**

According to ORS 468.190(1), the Department considered the following factors in the determination of the percentage of the facility cost allocable to pollution control.

<u>Factor</u>	<u>Applied to This Facility</u>
ORS 468.190(1)(a) Salable or Usable Commodity	No salable or useable commodity.
ORS 468.190(1)(b) Return on Investment	The useful life of the facility used for the purpose of return on investment is 10 years. No return on investment.
ORS 468.190(1)(c) Alternative Methods	No alternative investigated.
ORS 468.190(1)(d) Savings or Increase in Costs	No savings or increase in costs.
ORS 468.190(1)(e) Other Relevant Factors	No other relevant factors.

Considering these factors, the percentage allocable to pollution control is 100%.

Reviewers: Cascade Earth Sciences, Ltd.  
Merina McCoy Gerritz, P.C.  
Dave Kauth



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **APPROVE**

Applicant	<b>Danny Dave Farm</b>
Application No.	<b>4742</b>
Facility Cost	<b>\$47,248</b>
Percentage Allocable	<b>100%</b>
Useful Life	<b>10 years</b>

## Pollution Control Facility Tax Credit: Water Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-0050

### *Applicant Identification*

The applicant is a Sole Proprietor operating as a family farm taking tax relief under taxpayer identification number 542-58-6318. The Applicant is the owner of the facility. The applicant's address is:

41390 NW Wilkesboro Road  
Banks, OR 97106

### *Facility Identification*

The certificate will identify the facility as:

**A CAFO animal waste facility that includes:  
One Sump Pump Model # SP 50M-1, SN 12159; One Pit Pump Agitator Model #DODA Ultra 120 SN 1888-100395; One Invertor Model #130-G2, SN 9511294; One Separator Model# FAN, SN 1194-PSS-P1; One PTO Pump Model #M540 DGSS, SN 093-2160; One Irrigation Traveler Model # 110-700-TH SN 93-6757-06.**

The facility is located at:

41390 NW Wilkesboro Road  
Banks, OR 97106

### *Technical Information*

The sump pumps water from holding pond to help in liquefying solid wastes in reception pit into slurry state. The reception pit to collect manure wastes from barns and holding lots. The pit houses a pump-agitator that transfers manure slurry to a solids separator, which separates out course solids in slurry. Solid components are directed into a manure solids stacking facility, and the liquids are directed to the holding pond. A PTO pump is used to pump liquids from pond through a traveler irrigation system which is then distributed onto pastures and fields.

**Eligibility** The facility is eligible because:

ORS 468.155 The **principal purpose** of this **new equipment** is to prevent, control or reduce a

(1)(a) substantial quantity of water pollution.

OAR340-16- The installation of the CAFO animal waste facility will be used to detect, deter, or

025 (2)(g) prevent spills or unauthorized releases.

OAR 340-52-

045(3)

**Timeliness of Application**

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<b>03/21/1997</b>
<i>Application Substantially Complete</i>	<b>10/16/1997</b>
<i>Construction Started</i>	<b>09/01/1992</b>
<i>Construction Completed</i>	<b>09/01/1992</b>
<i>Facility Placed into Operation</i>	<b>10/05/1995</b>

**Facility Cost**

Facility Cost	<b>\$47,248</b>
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d))	\$ -
Ineligible Costs	\$ -
Eligible Facility Cost	<b>\$47,248</b>

Invoices or canceled checks substantiated the cost of the facility. Bernards & O'Rourke, P.C., provided the certified public accountant's statement.

**Facility Cost Allocable to Pollution Control**

According to ORS.190 (3), the only factor used to determine the percentage of the facility cost allocable to pollution control was the percentage of time the facility is used for pollution control. The percentage of time the facility was used for pollution control and therefore the percentage allocable to pollution control is 100%.

**Compliance**

The facility is in compliance with Department rules and statutes and with EQC orders.

DEQ permits issued to facility:

CAFO permit #9526 issued on 7-11-96

Reviewers: Maggie Vandehey

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Cain Petroleum, Inc.  
2624 Pacific Avenue  
Forest Grove, OR 97116

The applicant owns and operates a retail gas station at 5727 SE Powell Blvd., Portland, OR 97226, Facility No. 1917.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are doublewall flexible plastic piping, overfill alarm, sumps and Stage II vapor recovery equipment. Included also are an automatic tank gauge system, doublewall flexible plastic piping and Stage II vapor recovery equipment that replaced equipment previously claimed. (See below for claimed cost adjustment.)

Claimed facility cost	\$105,637
(Accountant's certification was provided)	

The Department concludes that the eligible facility cost for the project is \$44,653. This represents a net decrease of \$60,984 from the applicant's claimed cost of \$105,637 due to the following adjustments:

(1) the subtraction of the claimed cost of an automatic tank gauge system (\$7,963), doublewall flexible plastic piping to one dispenser island (\$4,541), 8 of 24 Stage II vapor recovery hoses and nozzles (\$1,338) and related installation costs (\$47,142) because this equipment replaced equipment claimed in prior tax credit TC-3380, Certificate No. 2493 issued 4/26/91.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340,

Division 16.

The facility was substantially completed on August 11, 1995 and placed into operation on August 11, 1995. The application for certification was submitted to the Department on August 8, 1997, and was considered to be complete and filed on August 21, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For corrosion protection - Doublewall flexible plastic piping.
- 2) For spill and overfill prevention - Sumps and an overfill alarm.

In addition, the following was installed to reduce air quality emissions.

- 1) For VOC reduction - Stage II vapor recovery equipment.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no



gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the methods chosen to be the most cost-effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	_____	_____	_____
<u>Corrosion Protection:</u>			
Flexible plastic pipe	\$4,542	100%	\$4,542
<u>Spill &amp; Overfill Prevention:</u>			
Sumps	2,289	100	2,289
Overfill alarm	277	100	277
<u>VOC Reduction:</u>			
Stage II vapor recovery	2,718	100	2,718
Labor, material, misc parts	34,827	100	34,827
	_____	_____	_____
Total	\$44,653	100%	\$44,653

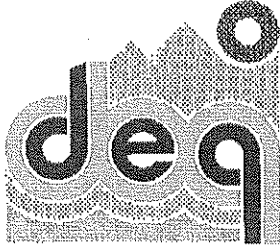
5. Summation

- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$44,653 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4820.

Barbara J. Anderson  
(503) 229-5870  
November 20, 1997



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **APPROVE**

Applicant	<b>Roseburg Forest Products Co.</b>
Application No.	<b>4849</b>
Facility Cost	<b>\$38,380</b>
Percentage Allocable	<b>100%</b>
Useful Life	<b>10 years</b>

## Pollution Control Facility Tax Credit: Air Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-0050

### *Applicant Identification*

The applicant is a C Corporation operating as a sawmill and plywood manufacturing facility taking tax relief under taxpayer identification number 93-0882566. The applicant is the owner of the facility. The applicant's address is:

PO Box 1088  
Roseburg, OR 97470

### *Facility Identification*

The certificate will identify the facility as:

**Western Pneumatics #200 Primary Filter  
Baghouse as an addition to the existing cyclone  
systems at Ply #1.**

The facility is located at:

Old Hwy. 99 South  
Dillard, OR

### *Technical Information*

The existing cyclones are permitted under ACDP 10-0025 to emit particulate at up to 0.5 pounds per Bone Dry Ton (BDT) of throughput. With the addition of the baghouse claimed on this application, estimated emissions will be reduced to below 0.04 pounds of particulate per Bone Dry Ton of throughput. DEQ emission factors are used for this comparison of control efficiency..

### *Eligibility* The facility is eligible because:

- ORS 468.155 The **principal** purpose of this **additional equipment** is to comply with **the opacity**  
(1)(a) **and grain loading limits in the existing air permit (10-0025)** and reduce a  
substantial quantity of air pollution.
- ORS 468.155 The use of air cleaning devices are defined in ORS 468A.005.  
(1)(b)(B)

### ***Timeliness of Application***

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>10/8/97</u>
<i>Application Substantially Complete</i>	<u>10/25/97</u>
<i>Construction Started</i>	<u>1/15/97</u>
<i>Construction Completed</i>	<u>1/15/97</u>
<i>Facility Placed into Operation</i>	<u>4/15/97</u>

### ***Facility Cost***

Facility Cost		<b>\$38,380</b>
Salvage Value	\$	0 -
Government Grants	\$	0 -
Other Tax Credits	\$	0 -
Insignificant Contribution (ORS 468.155(2)(d))	\$	0 -
Ineligible Costs	\$	0 -
Eligible Facility Cost		<u><b>\$38,380</b></u>

A single invoice for the total cost of the facility accompanied the application. Arthur Anderson LLP provided the certified public accountant's statement indicating that the applicant spent the money claimed in the application.

### ***Facility Cost Allocable to Pollution Control***

According to ORS.190 (3), the only factor used to determine the percentage of the facility cost allocable to pollution control is the percentage of time the facility is used for pollution control. The percentage of time the facility is used for pollution control and therefore the percentage allocable to pollution control is 100%.

### ***Compliance***

Based on file review, discussions with the inspector and the applicants claim the facility is in compliance with Department rules and statutes and with EQC orders. DEQ permits issued to facility: Air Contaminant Discharge Permit No. 10-0025.

Reviewers: Dave Kauth

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Westmart Foodstores, Inc.  
Columbia River Hwy 30 W  
Westport, OR 97016

The applicant owns and operates a retail gas station and grocery store at Columbia River Hwy 30 West, Westport, OR 97016, Facility No. 6536.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

The applicant received a 75% not to exceed \$75,000 essential services grant through DEQ's Underground Storage Tank Financial Assistance Program for some of the expenses claimed in this tax credit application (see Section 2).

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are epoxy lining in three underground storage tanks, doublewall flexible plastic piping, spill containment basins, automatic tank gauge system, overflow alarm, line leak detectors, automatic shutoff valves and Stage II vapor recovery piping.

Claimed facility cost \$67,158  
(Accountant's certification was provided)

The above claimed facility cost was obtained by applying the Department's tax credit/grant reduction methodology to a total eligible facility cost of \$129,150. The Department concurs that \$67,158 is the actual facility cost to the applicant pursuant to Oregon Administrative Rule 340-172-020(7)(b)(E).

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on April 3, 1997 and placed into operation on April 3, 1997. The application for certification was submitted to the Department on October 8, 1997, and was considered to be complete and filed on October 28, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For corrosion protection - Epoxy tanklining and doublewall flexible plastic piping.
- 2) For spill and overflow prevention - Spill containment basins, overflow alarm and automatic shutoff valves.
- 3) For leak detection - Automatic tank gauge system and line leak detectors.

In addition, the following was installed to reduce air quality emissions.

- 1) For VOC reduction - Stage II vapor recovery piping.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the methods chosen to be the most cost-effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	-----	-----	-----
<u>Corrosion Protection:</u>			
Epoxy tanklining	\$12,402	100%	\$12,402
Flexible plastic piping	3,432	88 (1)	3,020
 <u>Spill &amp; Overfill Prevention:</u>			
Spill containment basins	967	100	967
Automatic shutoff valves	1,664	100	1,664
Overfill alarm	205	100	205
 <u>Leak Detection:</u>			
Automatic tank gauge	3,380	90 (2)	3,042
Line leak detectors	728	100	728
 <u>Voc Reduction:</u>			
Stage II vapor recovery	2,340	100	2,340
Labor and materials	42,040	100	42,040
	-----	-----	-----
Total	\$67,158	99%	\$66,408

- (1) The Department has determined the percent allocable on the cost of a corrosion protected piping system by using a formula based on the difference in cost between the protected piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$3,432 and the bare steel system is \$410, the resulting portion of the eligible piping cost allocable to pollution control is 88%.
- (2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.



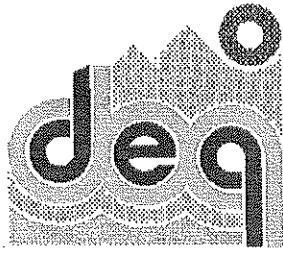
5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 99%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$67,158 with 99% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4851.

Barbara J. Anderson  
(503) 229-5870  
November 24, 1997



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **APPROVE**

Applicant **Roseburg Forest Products Co.**  
Application No. **4852**  
Facility Cost **\$57,155**  
Percentage Allocable **100%**  
Useful Life **10 years**

## Pollution Control Facility Tax Credit: Air Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-0050

### *Applicant Identification*

The applicant is a C Corporation operating as a particleboard manufacturer taking tax relief under taxpayer identification number 93-0882566. The applicant is the owner of the facility. The applicant's address is:

PO Box 1088  
Roseburg, OR 97470

### *Facility Identification*

The certificate will identify the facility as:

**Installation of two Carter-Day RJ144 bag houses to control dust emissions from the existing clean-up cyclones on the upper and lower truck dumps.**

The facility is located at:

Old Hwy. 99 South  
Dillard, OR

**Eligibility** This facility is eligible because:

- ORS 468.155 The **sole** purpose of this **new installation** is to control a substantial quantity of air  
(1)(a) pollution.  
ORS 468.155 The use of air cleaning devices as defined in ORS 468A.005  
(1)(b)(B)

### *Timeliness of Application*

The application was submitted within two years of substantial completion as required by the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<b>10/10/97</b>
<i>Application Substantially Complete</i>	<b>10/14/97</b>
<i>Construction Started</i>	<b>4/1/96</b>
<i>Construction Completed</i>	<b>4/1/96</b>
<i>Facility Placed into Operation</i>	<b>8/1/97</b>

**Facility Cost**

Facility Cost	\$72,155
Salvage Value	\$ 0
Government Grants	\$ 0
Other Tax Credits	\$ 0
Insignificant Contribution (ORS 468.155(2)(d)) stairs & catwalks	-\$ 15,000
Ineligible Costs	\$ 0
Eligible Facility Cost	<u>\$57,155</u>

Invoices or canceled checks substantiated the cost of the facility. Arthur Anderson LLP provided the certified public accountant's statement indicating that the applicant spent the money claimed in the application.

**Facility Cost Allocable to Pollution Control**

According to ORS.190 (1), the following factors were used to determine the percentage of the facility cost allocable to pollution control.

<u>Factor</u>	<u>Applied to This Facility</u>
ORS 468.190(1)(a) Salable or Usable Commodity	No salable or usable commodity.
ORS 468.190(1)(b) Return on Investment	The useful life of the facility used for the return on investment consideration is 10 years. No gross annual revenues associated with the claimed facility.
ORS 468.190(1)(c) Alternative Methods	No alternative investigated.
ORS 468.190(1)(d) Savings or Increase in Costs	No savings or increase in costs.
ORS 468.190(1)(e) Other Relevant Factors	No other relevant factors.

Considering these factors, the percentage allocable to pollution control is 100%.

**Permits**

DEQ permits issued to facility: Notice of Intent to Construct # 015521 issued 2/12/1996; Air Contaminant Discharge Permit No. 10-0063.

Reviewers: Dave Kauth

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Krista-Cody, Ltd.  
95 West Marine Drive  
Astoria, OR 97103

The applicant owns and operates a retail gas station and convenience store at 95 West Marine Drive, Astoria, OR 97103, DEQ Facility ID No. 9708.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are line leak detectors, automatic tank gauge system and an overfill alarm.

Claimed facility cost \$15,922  
(Documentation of cost was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on March 1, 1996 and placed into operation on March 1, 1996. The application for certification was submitted to the Department on October 16, 1997, and was considered to be complete and filed on November 12, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air.

This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For spill and overflow prevention - An overflow alarm.
- 2) For leak detection - Automatic tank gauge system and line leak detectors.

The Department concludes that the costs claimed by the applicant (\$15,922) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant chose the most cost effective alternative. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	<hr/>	<hr/>	<hr/>
<u>Spill &amp; Overfill Prevention:</u>			
Overfill alarm	\$ 277	100%	\$ 277
<u>Leak Detection:</u>			
Tank gauge system	8,105	100%	8,105
Line leak detectors	3,000	100	3,000
Labor, material, parts	4,540	100	4,540
	<hr/>	<hr/>	<hr/>
Total	\$15,922	100%	\$15,922

## 5. Summation

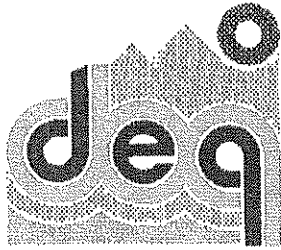
- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.

- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$15,922 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4855.

Barbara J. Anderson  
(503) 229-5870  
November 20, 1997



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **APPROVE**

Applicant **Alberta Body & Paint**  
Application No. **4859**  
Facility Cost **\$5,593**  
Percentage Allocable **100%**  
Useful Life **10 years**

## Pollution Control Facility Tax Credit: Water Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-0050

### *Applicant Identification*

The applicant is a Sole Proprietor operating as an auto body repair & paint shop taking tax relief under taxpayer identification number 93-1032492. The applicant is the owner of the facility. The applicant's address is:

6842 NE MLK Blvd.  
Portland, OR 97211

### *Facility Identification*

The certificate will identify the facility as:

**One Standard American Petroleum Institute  
650-gallon, in-ground oil/water separator  
tank.**

The facility is located at:

6842 NE MLK Blvd.  
Portland, OR 97211

### *Technical Information*

The 650 gallon cement vault is installed underground between a drain and a connecting sewer pipe. It is designed with baffles to trap sediments and retain floating oils. The facility discharges to the City of Portland sanitary sewer.

### *Eligibility* The facility is eligible because:

- ORS 468.155 The **principal purpose** of this **new installation** is to prevent, control or reduce a  
(1)(a) substantial quantity of water pollution.
- ORS 468.155 The disposal or elimination of or redesign to eliminate the use of treatment works  
(1)(b)(A) for industrial waste as defined in ORS 468B.005.
- OAR-016-025 Installation or construction of facilities which will be used to deter, or prevent spills  
(2)(g) or unauthorized releases.



***Timeliness of Application***

The application was submitted within two years of the date construction was complete (ORS 468.165 (6)).

<i>Application Received</i>	<u>10/23/97</u>
<i>Application Substantially Complete</i>	<u>11/12/97</u>
<i>Construction Started</i>	<u>9/1/97</u>
<i>Construction Completed</i>	<u>10/1/97</u>
<i>Facility Placed into Operation</i>	<u>10/1/97</u>

***Facility Cost***

Facility Cost		<b>\$5,593</b>
Salvage Value	\$	-
Government Grants	\$	-
Other Tax Credits	\$	-
Insignificant Contribution (ORS 468.155(2)(d))	\$	-
Ineligible Costs	\$	-
Eligible Facility Cost		<u><b>\$5,593</b></u>

Invoices or canceled checks substantiated the cost of the facility.

***Facility Cost Allocable to Pollution Control***

According to ORS.190 (3), the only factor used to determine the percentage of the facility cost allocable to pollution control was the percentage of time the facility is used for pollution control. The percentage of time the facility was used for pollution control is 100% and, therefore, the percentage allocable to pollution control is 100%.

***Compliance***

The applicant claims they are in compliance with Department rules and statutes and with EQC orders.

Reviewer: Maggie Vandehey

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Cain Petroleum, Inc.  
2624 Pacific Avenue  
Forest Grove, OR 97116

The applicant owns and operates a retail gas station at 13970 SW Pacific Hwy, Tigard, OR 97223, Facility ID No. 1918.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included air quality Stage II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are one two-compartment STi-P3 tank and one doublewall fiberglass clad steel tank, doublewall flexible plastic piping, spill containment basins, automatic tank gauge system, overflow alarm, sumps, oil/water separator and Stage II vapor recovery equipment.

Claimed facility cost \$185,123  
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on November 2, 1997 and placed into operation on November 3, 1997. The application for certification was submitted to the Department on November 3, 1997, and was considered to be complete and filed on November 20, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For corrosion protection - Doublewall fiberglass clad steel tank, STi-P3 tank and doublewall flexible plastic piping.
- 2) For spill and overflow prevention - Spill containment basins, sumps, overflow alarm and oil/water separator.
- 3) For leak detection - Automatic tank gauge system.

In addition, the following was installed to reduce air quality emissions.

- 1) For VOC reduction - Stage II vapor recovery equipment.

The Department concludes that the costs claimed by the applicant (\$185,123) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant chose the most cost effective alternative. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
<u>Corrosion Protection:</u>			
STi-P3 tank, doublewall Fiberglass clad steel tank & flexible plastic piping	\$35,151	54% (1)	\$18,982
<u>Spill &amp; Overfill Prevention:</u>			
Spill containment basins	1,254	100	1,254
Sumps	1,400	100	1,400
Overfill alarm	277	100	277
Oil/water separator	3,200	100	3,200
<u>Leak Detection:</u>			
Tank gauge system	7,936	90% (2)	7,142
<u>VOC Reduction:</u>			
Stage II vapor recovery	12,056	100	12,056
Labor, material, misc parts	123,849	100	123,849
Total	\$185,123	91%	\$168,160

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$35,151 and the bare steel system is \$16,115, the resulting portion of the eligible tank and piping cost allocable to pollution control is 54%.
- (2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.
- d. The portion of the facility cost that is properly allocable to pollution control is 91%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$185,123 with 91% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4866.

Barbara J. Anderson  
(503) 229-5870  
November 20, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Truax Harris Energy LLC  
P O Box 607  
Wilsonville, OR 97070

The applicant owns and operates a commercial cardlock facility at 1190 Industrial Drive, NE, Salem, OR 97303, Facility ID No. 8963.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application is an oil/water separator.

Claimed facility cost \$22,823  
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on May 11, 1997 and placed into operation on May 11, 1997. The application for certification was submitted to the Department on November 10, 1997, and was considered to be complete and filed on November 21, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the sole purpose of the facility is to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For spill and overfill prevention - An oil/water separator.

The Department concludes that the costs claimed by the applicant (\$22,823) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant chose the most cost effective alternative. The methods chosen are acceptable for meeting the requirements of federal regulations.



- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
<u>Spill &amp; Overfill Prevention:</u>			
Oil/water separator	\$22,823	100%	\$22,823
Total	\$22,823	100%	\$22,823

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the sole purpose of the claimed facility is to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$22,823 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4868.

Barbara J. Anderson  
(503) 229-5870  
November 21, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Truax Harris Energy LLC  
P O Box 607  
Wilsonville, OR 97070

The applicant owns and operates a retail service station at 33558 Havlik Drive, Scappoose, OR 97056, Facility ID No. 11661.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included air quality Stage I vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are two doublewall fiberglass tanks, doublewall flexible plastic piping, spill containment basins, automatic tank gauge system, overflow alarm, turbine leak detectors, sumps, monitoring wells, automatic shutoff valves and Stage I vapor recovery equipment.

Claimed facility cost \$185,162  
(Accountant's certification was provided)

The Department concludes that the eligible facility cost for the project is \$140,251. This represents a decrease of \$44,911 from the applicant's claimed cost of \$185,162 due to a determination by the Department that the cost of installing tanks and piping is not eligible because it would have occurred even without installation of pollution control, since the facility did not have tanks prior to the project.

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on May 1, 1997 and placed into operation on May 1, 1997. The application for certification was submitted to the Department on November 10, 1997, and was considered to be complete and filed on November 21, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For corrosion protection - Doublewall fiberglass tanks and doublewall flexible plastic piping.
- 2) For spill and overfill prevention - Spill containment basins, sumps, overfill alarm and automatic shutoff valves.
- 3) For leak detection - Automatic tank gauge system, turbine leak detectors and monitoring wells.

In addition, the following was installed to reduce air quality emissions.

- 1) For VOC reduction - Stage I vapor recovery equipment.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant chose the most cost effective alternative. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	_____	_____	_____
<u>Corrosion Protection:</u>			
Doublewall fiberglass tanks & flexible plastic piping	\$33,956	72% (1)	\$24,448
<u>Spill &amp; Overfill Prevention:</u>			
Spill containment basins	851	100	851
Sumps	2,673	100	2,673
Overfill alarm	277	100	277
Automatic shutoff valves	1,006	100	1,006
<u>Leak Detection:</u>			
Tank gauge system	7,468	90 (2)	6,721
Turbine leak detectors	603	100	603
Monitoring wells	255	100	255
<u>VOC Reduction:</u>			
Stage I vapor recovery	102	100	102
Labor, material, misc parts	93,060	100	93,060
Total	\$140,251	93%	\$129,996

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$33,956 and the bare steel system is \$9,406, the resulting portion of the eligible tank and piping cost allocable to pollution control is 72%.
- (2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.
- d. The portion of the facility cost that is properly allocable to pollution control is 93%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$140,251 with 93% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4869.

Barbara J. Anderson  
(503) 229-5870  
November 21, 1997

State of Oregon  
Department of Agriculture

TAX RELIEF APPLICATION # 4870  
REVIEW REPORT

1. Applicant

Cersovski Farms  
31277 Diamond Hill Drive  
Harrisburg OR 97446

The applicant owns and operates a grass seed farm operation in Linn County, Oregon.

Application was made for tax credit for an air pollution control facility.

2. Description of Claimed Facility

The facility described in this application is a 22' x 100' x 180' steel construction grass seed straw storage building, located at Powerline Road and Dale Drive, Harrisburg, Oregon. The land and the buildings are owned by the applicant.

Claimed facility cost: \$142,041.47  
(Accountant's Certification was provided.)

3. Description of Farm Operation Plan to Reduce Open Field Burning.

The applicant has 300 perennial acres and 900 annual acres under grass seed cultivation. In the recent past, the applicant open field burned approximately 800 acres and stack burned approximately 240 acres annually.

For the last several years a straw processor has baled and removed the straw from the applicants perennial grass seed fields. The processor's storage facilities have been optimized and now requires the applicant to provide storage. This facility ensures the services of the straw processor removing the straw from the fields in a timely manner.

4. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16. The facility has met all statutory deadlines in that:

Construction of the facility was substantially completed on October 15, 1997. The application for final certification was found to be complete on November 19, 1997. The application was filed within two years of substantial completion of the facility.

5. Evaluation of Application

- a. The facility is eligible under ORS 468.150 because the facility is an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution. This reduction is accomplished by reduction of air contaminants, defined in ORS 468A.005; by reducing the maximum acreage to be open burned in the Willamette Valley as required in OAR 340-26-013; and, the facility's qualification as a "pollution control facility", defined



in OAR 340-16-025(2)(f) A): "Equipment, facilities, and land for gathering, densifying, processing, handling, storing, transporting and incorporating grass straw or straw based products which will result in reduction of open field burning."

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1. The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility promotes the conversion of a waste product (straw) into a salable commodity by providing protection from inclement weather.

2. The estimated annual percent return on the investment in the facility.

The actual cost of claimed facility (\$142,041.47) divided by the average annual cash flow (\$6916) equals a return on investment factor of 20.54. Using Table 1 of OAR 340-16-030 for a life of 20 years, the annual percent return on investment is 0%. Using the annual percent return of 0% and the reference annual percent return of 6.3, 100% is allocable to pollution control.

3. The alternative methods, equipment and costs for achieving the same pollution control objective.

The method chosen is an accepted method for reduction of air pollution. The method is one of the least costly, most effective methods of reducing air pollution.

4. Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There is no savings or increase in costs as a result of the facility.

5. Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of air pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

6. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible under ORS 468.150 as an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution as defined in ORS 468A.005
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility that is properly allocable to pollution control is 100%.

7. The Department of Agriculture's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$142,041.47, with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application Number TC-4870.

Jim Britton, Manager  
Smoke Management Program  
Natural Resources Division  
Oregon Department of Agriculture  
PH: (503) 986-4701  
FX: (503) 986-4730

JB:rc  
Wed, Nov 26, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Barry J. Desbiens  
836 Nicole Ct.  
West Linn, OR 97068

The applicant owns and operates a retail gas station at 16150 SE Stark, Portland, OR 97233, Facility ID No. 5886.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included air quality Stage I and II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are turbine leak detectors and Stage I and II vapor recovery equipment.

Claimed facility cost \$21,840  
(Accountant's certification was provided)

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on November 15, 1995 and placed into operation on November 15, 1995. The application for certification was submitted to the Department on November 14, 1997, and was considered to be complete and filed on November 14, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For leak detection - Turbine leak detectors.

In addition, the following was installed to reduce air quality emissions.

- 1) For VOC reduction - Stage I and II vapor recovery equipment.

The Department concludes that the costs claimed by the applicant (\$21,840) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant did not find any alternative methods available to consider. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	=====	=====	=====
<u>Leak Detection:</u>			
Turbine leak detectors	\$3,675	100%	\$3,675
<u>VOC Reduction:</u>			
Stage I & II vapor recovery	18,165	100	18,165
	=====	=====	=====
Total	\$21,840	100%	\$21,840

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility

qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g):  
"Installation or construction of facilities which will be used to detect, deter or  
prevent spills or unauthorized releases."

- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.
  - d. The portion of the facility cost that is properly allocable to pollution control is 100%.
6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$21,840 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4874.

Barbara J. Anderson  
(503) 229-5870  
November 24, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Barry J. Desbiens  
836 Nicole Ct.  
West Linn, OR 97068

The applicant owns and operates a retail gas station at 12128 E. Burnside, Portland, OR 97210, Facility ID No. 9861.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks. The application also included air quality Stage I and II vapor recovery equipment.

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are an automatic tank gauge system and Stage I and II vapor recovery equipment.

Claimed facility cost	\$22,331
(Accountant's certification was provided)	

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on November 15, 1995 and placed into operation on November 15, 1995. The application for certification was submitted to the Department on November 14, 1997, and was considered to be complete and filed on November 14, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For leak detection - Automatic tank gauge system.

In addition, the following was installed to reduce air quality emissions.

- 1) For VOC reduction - Stage I and II vapor recovery equipment.

The Department concludes that the costs claimed by the applicant (\$22,331) are eligible pursuant to the definition of a pollution control facility in ORS 468.155.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.



The applicant did not find any alternative methods available to consider. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	=====	=====	=====
<u>Leak Detection:</u>			
Tank gauge system	\$10,953	100%	\$10,953
<u>VOC Reduction:</u>			
Stage I & II vapor recovery	11,378	100	11,378
	=====	=====	=====
Total	\$22,331	100%	\$22,331

## 5. Summation

- a. The facility was constructed in accordance with all regulatory requirements according to signed statements made by the installation service provider and/or owner.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility

qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

- c. The facility complies with DEQ statutes and rules in that the appropriate compliance documents relating to the project have been submitted.
  - d. The portion of the facility cost that is properly allocable to pollution control is 100%.
6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$22,331 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4875.

Barbara J. Anderson  
(503) 229-5870  
November 24, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

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1. Applicant

Loon Lake Lodge Resort  
James L. Brown, Owner  
9011 Loon Lake Road  
Reedsport, OR 97467

The applicant owns and operates a retail gas station, marina and resort at 9011 Loon Lake Road, Reedsport, OR 97467, Facility No. 2833.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks replaced with aboveground tanks.

The applicant received a 75% not to exceed \$75,000 essential services grant through DEQ's Underground Storage Tank Financial Assistance Program for some of the expenses claimed in this tax credit application (see Section 2).

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are two doublewall aboveground storage tanks, doublewall flexible plastic piping, spill containment basins, line leak detectors, sumps and automatic shutoff valves.

Claimed facility cost \$23,347  
(Accountant's certification was provided)

The above claimed facility cost was obtained by applying the Department's tax credit/grant reduction methodology to a total eligible facility cost of \$92,625. The Department concurs that \$23,347 is the actual facility cost to the applicant pursuant to Oregon Administrative Rule 340-172-020(7)(b)(E).

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on April 18, 1997 and placed into operation on April 18, 1997. The application for certification was submitted to the Department on November 14, 1997, and was considered to be complete and filed on November 24, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For corrosion protection - Doublewall aboveground tanks and doublewall flexible plastic piping.
- 2) For spill and overflow prevention - Spill containment basins, sumps and automatic shutoff valves.
- 3) For leak detection - Line leak detectors.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the methods chosen to be the most cost-effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	_____	_____	_____
<u>Corrosion Protection:</u>			
Doublewall aboveground tanks and flexible plastic piping	\$4,014	100%	\$4,014
<u>Spill &amp; Overfill Prevention:</u>			
Spill containment basins	50	100	50
Automatic shutoff valves	1,059	100	1,059
Sumps	686	100	686
<u>Leak Detection:</u>			
Line leak detectors	293	100	293
Labor and materials	17,245	100	17,245
	_____	_____	_____
Total	\$23,347	100%	\$23,347

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 100%.

6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$23,347 with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4876.

Barbara J. Anderson  
(503) 229-5870  
November 24, 1997

State of Oregon  
Department of Agriculture

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

George E. Langdon  
30603 Diamond Hill Drive  
Harrisburg OR 97446

The applicant owns and operates a grass seed farm operation in Linn County, Oregon.

Application was made for tax credit for an air pollution control facility.

2. Description of Claimed Facility

The facility described in this application is an 18' x 75' x 100' steel construction grass seed straw storage building, located at 30614 Diamond Hill Drive, Harrisburg, Oregon. The land and the buildings are owned by the applicant.

Claimed facility cost: \$153,060.00  
(Accountant's Certification was provided.)

3. Description of Farm Operation Plan to Reduce Open Field Burning.

The applicant has open field burned as many of his annual grass seed acres as the weather and smoke management program permitted.

This facility will accommodate straw removal by providing storage over the winter months and additional early season storage on the exterior rock fill sufficient enough to allow the applicant to eliminate open field burning.

4. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16. The facility has met all statutory deadlines in that:

Construction of the facility was substantially completed on July 1, 1996. The application for final certification was found to be complete on December 2, 1997. The application was filed within two years of substantial completion of the facility.

5. Evaluation of Application

a. The facility is eligible under ORS 468.150 because the facility is an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution. This reduction is accomplished by reduction of air contaminants, defined in ORS 468A.005; by reducing the maximum acreage to be open burned in the Willamette Valley as required in OAR 340-26-013; and, the facility's qualification as a "pollution control facility", defined in OAR 340-16-025(2)(f) A): "Equipment, facilities, and land for gathering, densifying, processing, handling, storing, transporting and incorporating grass straw or straw based products which will result in reduction of open field burning."

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1. The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility promotes the conversion of a waste product (straw) into a salable commodity by providing protection from inclement weather.

2. The estimated annual percent return on the investment in the facility.

The actual cost of claimed facility (\$153,060) divided by the average annual cash flow (\$7,500) equals a return on investment factor of 20.408. Using Table 1 of OAR 340-16-030 for a life of 20 years, the annual percent return on investment is 0. Using the annual percent return of 0 and the reference annual percent return of 5.2, 100% is allocable to pollution control.

3. The alternative methods, equipment and costs for achieving the same pollution control objective.

The method chosen is an accepted method for reduction of air pollution. The method is one of the least costly, most effective methods of reducing air pollution.

4. Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There is no savings or increase in costs as a result of the facility.

5. Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of air pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

6. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible under ORS 468.150 as an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution as defined in ORS 468A.005
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility that is properly allocable to pollution control is 100%.

7. The Department of Agriculture's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$153,060, with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application Number TC-4877.

Jim Britton, Manager  
Smoke Management Program  
Natural Resources Division  
Oregon Department of Agriculture



State of Oregon  
Department of Agriculture

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Carl Neuschwander  
32276 Diamond Hill Drive  
Harrisburg OR 97446

The applicant owns and operates a grass seed farm operation in Linn County, Oregon.

Application was made for tax credit for an air pollution control facility.

2. Description of Claimed Facility

The facility described in this application is a 24' x 124' x 180' pole construction, grass straw storage building, located north of Diamond Hill Drive, east of Rowland Road, Linn County, Oregon. The land and the buildings are owned by the applicant.

Claimed facility cost: \$119,079.38  
(Accountant's Certification was provided.)

3. Description of Farm Operation Plan to Reduce Open Field Burning.

The applicant has 40 perennial and 245 annual acres under grass seed cultivation. In the past, the applicant has open field burned as many acres as the smoke management program and weather permitted.

This facility will accommodate straw removal by providing protection from inclement weather allowing the applicant to eliminate open field burning on his farm and another 800 acres of his neighbors farms.

4. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16. The facility has met all statutory deadlines in that:

Construction of the facility was substantially completed on July 18, 1997. The application for final certification was found to be complete on December 11, 1997. The application was filed within two years of substantial completion of the facility.

5. Evaluation of Application

- a. The facility is eligible under ORS 468.150 because the facility is an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution. This reduction is accomplished by reduction of air contaminants, defined in ORS 468A.005; by reducing the maximum acreage to be open burned in the Willamette Valley as required in OAR 340-26-013; and, the facility's qualification as a "pollution control facility", defined in OAR 340-16-025(2)(f) A): "Equipment, facilities, and land for gathering, densifying, processing, handling, storing, transporting and incorporating grass straw or straw based products which will result in reduction of open field burning."

b. Eligible Cost Findings

In determining the percent of the pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1. The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The facility promotes the conversion of a waste product (straw) into a salable commodity by providing protection from inclement weather.

2. The estimated annual percent return on the investment in the facility.

The actual cost of claimed facility (\$119,079.38) divided by the average annual cash flow (\$2860) equals a return on investment factor of 41.636. Using Table 1 of OAR 340-16-030 for a life of 20 years, the annual percent return on investment is 0%. Using the annual percent return of 0% and the reference annual percent return of 6.3, 100% is allocable to pollution control.

3. The alternative methods, equipment and costs for achieving the same pollution control objective.

The method chosen is an accepted method for reduction of air pollution. The method is one of the least costly, most effective methods of reducing air pollution.

4. Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

There is no savings or increase in costs as a result of the facility.

5. Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to the prevention, control or reduction of air pollution.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control or reduction of air pollution.

The actual cost of the facility properly allocable to pollution control as determined by using these factors is 100%.

6. Summation

- a. The facility was constructed in accordance with all regulatory deadlines.
- b. The facility is eligible under ORS 468.150 as an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution as defined in ORS 468A.005
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility that is properly allocable to pollution control is 100%.

7. The Department of Agriculture's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$119,079.38, with 100% allocated to pollution control, be issued for the facility claimed in Tax Credit Application Number 4889.

Jim Britton, Manager  
Smoke Management Program  
Natural Resources Division  
Oregon Department of Agriculture  
PH: (503) 986-4701  
FAX: (503) 986-4730

JB/rc  
Fri, Dec 12, 1997

State of Oregon  
Department of Agriculture

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Dean McKay Farms, Inc.  
19172 French Prairie Road NE  
St. Paul OR 97137

The applicant owns and operates a grass seed farm operation in Marion County, Oregon.

Application was made for tax credit for air pollution control equipment.

2. Description of Claimed Facility

The equipment described in this application is located at 19224 French Prairie Road NE, St. Paul, Oregon. The equipment is owned by the applicant.

(2) New Holland balers	\$ 54,000
(2) Rear's Flails	\$ 27,406
John Deere 995 8 bottom plow	\$ 12,430
Ford 4430 tractor	\$ 32,500
John Deere 8870 tractor	\$132,500

Claimed equipment cost: \$249,836  
(Accountant's Certification was provided.)

3. Description of Farm Operation Plan to Reduce Open Field Burning.

The applicant has 1,000 acres of perennial grass seed under cultivation. In the past, the applicant open burned as many acres as the weather and smoke management program permitted. Some acreage was baled each year with the stacks of baled straw often burned.

As the applicants moved away from burning they turned more toward custom balers to remove the bulk straw. The applicant's alternatives to open field burning and stack burning has evolved to a bale and flail/plow operation.

To be able to have more control over straw removal and field preparation the applicant has purchased the listed equipment.

4. Procedural Requirements

The equipment is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16. The equipment has met all statutory deadlines in that:

Purchase of the equipment was substantially completed on October 30, 1997. The application was submitted on November 25, 1997; and the application for final certification was found to be complete on December 11, 1997. The application was filed within two years of substantial completion of the equipment.

5. Evaluation of Application

a. The equipment is eligible under ORS 468.150 because the equipment is an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution. This reduction is accomplished by reduction of air contaminants, defined in ORS 468A.005; by reducing the maximum acreage to be open burned in the Willamette Valley as required in OAR 340-26-013; and, the facility's qualification as a "pollution control facility", defined in OAR 340-16-025(2)(f) A): "Equipment, facilities, and land for gathering, densifying, processing, handling, storing, transporting and incorporating grass straw or straw based products which will result in reduction of open field burning."

b. Eligible Cost Findings

In determining the percent of the pollution control equipment cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1. The extent to which the equipment is used to recover and convert waste products into a salable or usable commodity.

Some of the equipment promotes the conversion of a waste product (straw) into a salable commodity by providing removal from the fields.

2. The estimated annual percent return on the investment in the equipment.

There is no annual percent return on the investment as applicant claims no gross annual income.

3. The alternative methods, equipment and costs for achieving the same pollution control objective.

The method chosen is an accepted method for reduction of air pollution. The method is one of the least costly, most effective methods of reducing air pollution.

4. Any related savings or increase in costs which occur or may occur as a result of the purchase of the equipment.

There is an increase in operating costs of \$37,475.40 to annually maintain and operate the equipment. These costs were considered in the return on investment calculation.

5. Any other factors which are relevant in establishing the portion of the actual cost of the equipment properly allocable to the prevention, control or reduction of air pollution.

The established average annual operating hours for tractors is set at 450 hours. To obtain a total percent allocable, the annual operating hours per implement, per tractor used in reducing acreage open field burned is as follows:

FORD 4430 85hp TRACTOR

Implement	# acres	implement capacity	annual operating hours
baler	500	4	125
rake	500	5	100
flail	500	5	100
Total annual operating hours			325

The total annual operating hours of 325 divided by the average annual operating hours of 450 produces a percent allocable of 72%.

8870 JOHN DEERE 225hp TRACTOR

Implement	# acres	implement capacity	annual operating hours
Chisel plow	1,000	7	143
Disc	1,000	7	143
8 bottom plow	1,000	7	143
Harrow & roll	1,000	7	143
Total annual operating hours			572

The total annual operating hours of 572 exceeds the average annual operating hours of 450 producing a percent allocable of 100%.

Equipment	Claimed cost	Percent allocable	Cost allocable
New Holland Balers	\$ 54,000	100%	\$ 54,000
Rear's flails	\$ 27,406	100%	\$ 27,406
JD 995 8 bottom plow	\$ 12,430	100%	\$ 12,430
JD 8870 tractor	\$123,500	100%	\$123,500
Ford 4430 tractor	\$ 32,500	72%	\$ 23,400
TOTAL	\$249,836	96%	\$240,736

The actual cost of the equipment properly allocable to pollution control as determined by using these factors is 96%.

6. Summation

- a. The equipment was constructed in accordance with all regulatory deadlines.
- b. The equipment is eligible under ORS 468.150 as an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution as defined in ORS 468A.005
- c. The equipment complies with DEQ statutes and rules.
- d. The portion of the equipment that is properly allocable to pollution control is 96%.

7. The Department of Agriculture's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$249,836, with 96% allocated to pollution control, be issued for the equipment claimed in Tax Credit Application Number 4890.

Jim Britton, Manager  
Smoke Management Program  
Natural Resources Division  
Oregon Department of Agriculture  
(503) 986-4701  
FAX: (503) 986-4730

State of Oregon  
Department of Agriculture

TAX RELIEF APPLICATION REVIEW REPORT

1. Applicant

Mark McKay Farms, Inc.  
19393 French Prairie Road NE  
St. Paul OR 97137

The applicant owns and operates a grass seed farm operation in Marion County, Oregon.

Application was made for tax credit for air pollution control equipment.

2. Description of Claimed Facility

The equipment described in this application is located at 19224 French Prairie Road NE, St. Paul, Oregon. The equipment is owned by the applicant.

Allen Rakes	\$ 11,300
John Deere Chisel plow	\$ 15,890
Ford 4430 tractor	\$ 30,750
New Holland 1095 stacker	\$ 40,750
New Holland 585 baler	\$ 47,431
John Deere 8400 tractor	\$102,375

Claimed equipment cost: \$248,496  
(Accountant's Certification was provided.)

3. Description of Farm Operation Plan to Reduce Open Field Burning.

The applicant has 1,000 acres of perennial grass seed under cultivation. In the past, the applicant open burned as many acres as the weather and smoke management program permitted. Some acreage was baled each year with the stacks of baled straw often burned.

As the applicants moved away from burning they turned more toward custom balers to remove the bulk straw. The applicant's alternatives to open field burning and stack burning has evolved to a bale and flail/plow operation.

To be able to have more control over straw removal and field preparation the applicant has purchased the listed equipment.

4. Procedural Requirements

The equipment is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16. The equipment has met all statutory deadlines in that:

Purchase of the equipment was substantially completed on October 30, 1997. The application was submitted on November 25, 1997; and the application for final certification was found to be complete on December 11, 1997. The application was filed within two years of substantial completion of the equipment.

5. Evaluation of Application

- a. The equipment is eligible under ORS 468.150 because the equipment is an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of

air pollution. This reduction is accomplished by reduction of air contaminants, defined in ORS 468A.005; by reducing the maximum acreage to be open burned in the Willamette Valley as required in OAR 340-26-013; and, the facility's qualification as a "pollution control facility", defined in OAR 340-16-025(2)(f) A): "Equipment, facilities, and land for gathering, densifying, processing, handling, storing, transporting and incorporating grass straw or straw based products which will result in reduction of open field burning."

b. Eligible Cost Findings

In determining the percent of the pollution control equipment cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

1. The extent to which the equipment is used to recover and convert waste products into a salable or usable commodity.

Some of the equipment promotes the conversion of a waste product (straw) into a salable commodity by providing removal from the fields.

2. The estimated annual percent return on the investment in the equipment.

There is no annual percent return on the investment as applicant claims no gross annual income.

3. The alternative methods, equipment and costs for achieving the same pollution control objective.

The method chosen is an accepted method for reduction of air pollution. The method is one of the least costly, most effective methods of reducing air pollution.

4. Any related savings or increase in costs which occur or may occur as a result of the purchase of the equipment.

There is an increase in operating costs of \$37,274.40 to annually maintain and operate the equipment. These costs were considered in the return on investment calculation.

5. Any other factors which are relevant in establishing the portion of the actual cost of the equipment properly allocable to the prevention, control or reduction of air pollution.

The established average annual operating hours for tractors is set at 450 hours. To obtain a total percent allocable, the annual operating hours per implement, per tractor used in reducing acreage open field burned is as follows:

FORD 4430 85hp TRACTOR

<u>Implement</u>	<u># acres</u>	<u>implement capacity</u>	<u>annual operating hours</u>
baler	500	4	125
rake	500	5	100
flail	500	5	100
Total annual operating hours			325

The total annual operating hours of 325 divided by the average annual operating hours of 450 produces a percent allocable of 72%.



8870 JOHN DEERE 225hp TRACTOR

Implement	# acres	implement capacity	annual operating hours
Chisel plow	1,000	7	143
Disc	1,000	7	143
8 bottom plow	1,000	7	143
Harrow & roll	1,000	7	143
Total annual operating hours			572

The total annual operating hours of 572 exceeds the average annual operating hours of 450 producing a percent allocable of 100%.

Equipment	Claimed cost	Percent allocable	Cost allocable
Allen rakes	\$ 11,300	100%	\$ 11,300
John Deere chisel plow	\$ 15,890	100%	\$ 15,890
New Holland 1095 stacker	\$ 40,750	100%	\$ 40,750
New Holland 585 baler	\$ 47,431	100%	\$ 47,431
John Deere 8400 tractor	\$102,375	100%	\$102,375
Ford 4430 tractor	\$ 30,750	72%	\$ 22,140
TOTAL	\$248,496	97%	\$239,886

The actual cost of the equipment properly allocable to pollution control as determined by using these factors is 97%.

6. Summation

- a. The equipment was constructed in accordance with all regulatory deadlines.
- b. The equipment is eligible under ORS 468.150 as an approved alternative method for field sanitation and straw utilization and disposal that reduces a substantial quantity of air pollution as defined in ORS 468A.005
- c. The equipment complies with DEQ statutes and rules.
- d. The portion of the equipment that is properly allocable to pollution control is 97%.

7. The Department of Agriculture's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$248,496, with 97% allocated to pollution control, be issued for the equipment claimed in Tax Credit Application Number 4891.

Jim Britton, Manager  
Smoke Management Program  
Natural Resources Division  
Oregon Department of Agriculture  
(503) 986-4701  
FAX: (503) 986-4730

JB/rc  
Fri, Dec 12, 1997

State of Oregon  
Department of Environmental Quality

TAX RELIEF APPLICATION REVIEW REPORT

---

1. Applicant

Grass Valley Station  
Rick Powell, Owner  
P O Box 207  
Grass Valley, OR 97029

The applicant owns and operates a retail gas station at 107 S. Mill St., Grass Valley, OR 97029, Facility No. 9816.

Application was made for a tax credit for a water pollution control facility involving underground storage tanks.

The applicant received a 75% not to exceed \$75,000 essential services grant through DEQ's Underground Storage Tank Financial Assistance Program for some of the expenses claimed in this tax credit application (see Section 2).

2. Description of Claimed Facility

The claimed pollution control facilities described in this application are one singlewall fiberglass tank and piping system and one doublewall fiberglass-clad steel tank and flexible plastic piping, spill containment basins, automatic tank gauge system, overfill alarm, line leak detectors, automatic shutoff valves and sumps.

Claimed facility cost \$66,087  
(Accountant's certification was provided)

The above claimed facility cost was obtained by applying the Department's tax credit/grant reduction methodology to a total eligible facility cost of \$139,190. The Department concurs that \$66,087 is the actual facility cost to the applicant pursuant to Oregon Administrative Rule 340-172-020(7)(b)(E).

3. Procedural Requirements

The facility is governed by ORS 468.150 through 468.190, and by OAR Chapter 340, Division 16.

The facility was substantially completed on October 1, 1997 and placed into operation on October 1, 1997. The application for certification was submitted to the Department on November 28, 1997, and was considered to be complete and filed on December 2, 1997, within two years of the completion date of the project.

4. Evaluation of Application

- a. The facility is eligible because the principal purpose of the facility is to comply with underground storage tank requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases into soil, water or air. The facility qualifies as a "pollution control facility", defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."

To respond to Underground Storage Tank requirements under OAR 340-Division 150, the applicant installed:

- 1) For corrosion protection - Singlewall fiberglass tank and piping and doublewall fiberglass-clad steel tank and flexible plastic piping.
- 2) For spill and overflow prevention - Spill containment basins, overflow alarm, sumps and automatic shutoff valves.
- 3) For leak detection - Automatic tank gauge system and line leak detectors.

b. Eligible Cost Findings

In determining the percent of the eligible pollution control facility cost allocable to pollution control, the following factors from ORS 468.190 have been considered and analyzed as indicated:

- 1) The extent to which the facility is used to recover and convert waste products into a salable or usable commodity.

The equipment does not recover or convert waste products into a salable or usable commodity.

- 2) The estimated annual percent return on the investment in the facility.

There is no annual percent return on investment as the applicant claims no gross annual income from the facility.

- 3) The alternative methods, equipment and costs for achieving the same pollution control objective.

The applicant considered the methods chosen to be the most cost-effective. The methods chosen are acceptable for meeting the requirements of federal regulations.

- 4) Any related savings or increase in costs which occur or may occur as a result of the installation of the facility.

The applicant claims no savings or increase in costs as a result of the installation.

- 5) Any other factors which are relevant in establishing the portion of the actual cost of the facility properly allocable to pollution control.

There are no other factors to consider in establishing the actual cost of the facility properly allocable to prevention, control of reduction of pollution.

The actual cost of the facility properly allocable to pollution control is determined by using these factors as displayed in the following table:

	Eligible Facility Cost	Percent Allocable	Amount Allocable
	_____	_____	_____
<u>Corrosion Protection:</u>			
Fiberglass tank & piping and doublewall fiberglass/steel & flexible plastic piping	9,270	57 (1)	5,284
<u>Spill &amp; Overfill Prevention:</u>			
Spill containment basins	424	100	424
Automatic shutoff valves	740	100	740
Overfill alarm	188	100	188
Sumps	818	100	818
<u>Leak Detection:</u>			
Automatic tank gauge	2,226	90 (2)	2,003
Line leak detectors	393	100	393
Labor and materials	52,028	100	52,028
	_____	_____	_____
Total	\$66,087	94%	\$61,878

- (1) The Department has determined the percent allocable on the cost of a corrosion protected tank and piping system by using a formula based on the difference in cost between the protected tank and piping system and an equivalent bare steel system as a percent of the protected system. Applying this formula to the costs presented by the applicant, where the protected system cost is \$9,270 and the bare steel system is \$4,025, the resulting portion of the eligible tank and piping cost allocable to pollution control is 57%.
- (2) The applicant's cost for a tank gauge system is reduced to 90% of cost based on a determination by the Department that this is the portion properly allocable to pollution control since the device can serve other purposes, for example, inventory control.

5. Summation

- a. The facility was constructed in accordance with all regulatory requirements.
- b. The facility is eligible for tax credit certification in that the principal purpose of the claimed facility is to comply with requirements imposed by the federal Environmental Protection Agency to prevent pollution of soil, water and air. This is accomplished by preventing releases in soil, water or air. The facility qualifies as a "pollution control facility" defined in OAR 340-16-025(2)(g): "Installation or construction of facilities which will be used to detect, deter or prevent spills or unauthorized releases."
- c. The facility complies with DEQ statutes and rules.
- d. The portion of the facility cost that is properly allocable to pollution control is 94%.

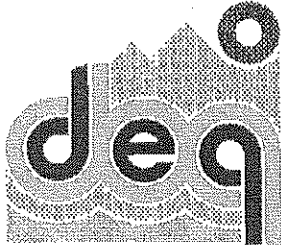
6. Director's Recommendation

Based upon these findings, it is recommended that a Pollution Control Facility Certificate bearing the cost of \$66,087 with 94% allocated to pollution control, be issued for the facility claimed in Tax Credit Application No. TC-4888.

Barbara J. Anderson  
(503) 229-5870  
November 24, 1997

# **Attachment B**

## **Applications for Denial**



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **DENY - Ineligible Facility**

Applicant **Willamette Industries, Inc**  
Application No. **4528**  
Facility Cost **\$97,507**  
Percentage Allocable **100%**  
Useful Life **7 years**

## **Pollution Control Facility Tax Credit: Air Final Certification**

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-050

### ***Applicant Identification***

The applicant is a C Corporation operating as a producer of linerboard and bagpaper taking tax relief under taxpayer identification number 93-0312940. The applicant is the owner of the facility.

The applicant's address is:

Eugene Particleboard  
3800 First Interstate Tower  
Portland, OR 97201

### ***Facility Identification***

The facility is identified as:

**A Clark PNUE Air Bagfilter**

The facility is located at:

50 North Danebo Avenue  
Eugene, OR 97402

### ***Technical Information***

Willamette Industries' application number 4528 claimed a P.M. Hagel & Associates, high temperature bag filter, Model PMHR-314T. The claimed facility was built as a replacement to a facility previously certified by the Commission on the attached certificate number 1073. However, OAR 468.155(2)(e)(A) excludes the cost to replace or reconstruct the facility unless the replacement facility was built to meet a requirement imposed by the Department of Environmental Quality, the federal Environmental Protection Agency or a regional air pollution authority. The original, replaced facility met the latest condition of the imposed requirements.

The certificate was issued to Bohemia, Inc., on May 16, 1980 certifying a package fire tube suspension-fired boiler, together with a sanderdust storage silo and a baghouse to control air contaminants. At the time, Bohemia was a wholly owned subsidiary of Willamette Industries, Inc. The fact that Bohemia, Inc., merged with Willamette Industries, Inc., on December 31, 1993 has no relevance to the eligibility of the replacement facility for a pollution control facility tax credit



under ORS 468.150 through 468.190.

**Eligibility** Under ORS 468.155, the facility is not eligible because the definition of a pollution control facility does not include the replacement or reconstruction of all or a part of any facility for which a pollution control facility certificate has previously been issued under ORS 468.170. There are two exceptions but the facility claimed in application 4528 does not meet either exception:

- (A) If the cost to replace or reconstruct the facility is greater than the like-for-like replacement cost of the original facility due to a requirement imposed by the department, the federal Environmental Protection Agency or a regional air pollution authority, then the facility may be eligible for tax credit certification up to an amount equal to the difference between the cost of the new facility and the like-for-like replacement cost of the original facility; or
- (B) If a facility is replaced or reconstructed before the end of its useful life then the facility may be eligible for the remainder of the tax credit certified to the original facility.

### ***Timeliness of Application***

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>09/26/1995</u>
<i>Application Substantially Complete</i>	
<i>Construction Started</i>	<u>06/01/1993</u>
<i>Construction Completed</i>	<u>06/01/1993</u>
<i>Facility Placed into Operation</i>	<u>09/30/1993</u>

### ***Facility Cost***

	<b>\$97,507</b>
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d))	\$ -
Ineligible Costs	\$ -
Eligible Facility Cost	<u>\$97,507</u>

Invoices or canceled checks substantiated the cost of the facility.

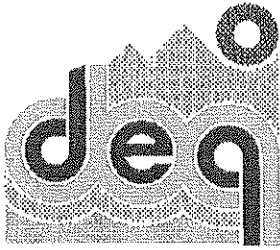
***Facility Cost Allocable to Pollution Control***

According to ORS.190 (1), the following factors would have been used to determine the percentage of the facility cost allocable to pollution control.

<b>Factor</b>	<b>Applied to This Facility</b>
ORS 468.190(1)(a) Salable or Usable Commodity	No salable or useable commodity.
ORS 468.190(1)(b) Return on Investment	The useful life of the facility used for the return on investment consideration is 7 years. No gross annual revenues associated with this facility.
ORS 468.190(1)(c) Alternative Methods	No alternative investigated.
ORS 468.190(1)(d) Savings or Increase in Costs	No savings or increase in costs.
ORS 468.190(1)(e) Other Relevant Factors	No other relevant factors.

These factors were not considered.

Reviewers: M.C. Vandehey  
SJO Consulting Engineers



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **DENY - Ineligible Facility**

Applicant **Willamette Industries, Inc.**  
Application No. **4764**  
Claimed Facility Cost **\$22,292**  
Percentage Allocable **0%**  
Useful Life **10 years**

## Pollution Control Facility Tax Credit: Air Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-0050

### *Applicant Identification*

The applicant is a C Corporation operating as a wood products mill taking tax relief under taxpayer identification number 93-0312940. The applicant is the owner of the facility.

The applicant's address is:

Woodburn Division  
1300 SW Fifth Avenue, Suite 3800  
Portland, OR 97201

### *Facility Identification*

The facility is identified as:

**One new American Lincoln, model # 2160 rider  
sweeper and one Dewalt dump bin.**

The facility is located at:

2550 Progress Way  
Woodburn, OR 97071

**Technical Information** The sweeper and the bin are used to clean the entire plant more effectively and on a more frequent basis. The applicant claims the incoming storage area is cleaner than when it was hand swept twice a month. The applicant also claims the amount of dust in the air has been reduced considerable. The cleaner plant site, means less fugitive wood particulate in and around the plant. The applicant claims this reduces emissions to the atmosphere.

### *Eligibility*

- ORS 468.155 (1)(a) The applicant claims the **sole** purpose of this **new equipment** is not to prevent, control or reduce a substantial quantity of air pollution. However, the Department asserts the sweeper's purpose is to provide a clean work environment as claimed by the applicant rather than pollution control.
- ORS 468.155 (1)(b)(B) The disposal or elimination of or redesign to eliminate air contamination sources and the use of air cleaning devices as defined in ORS 468A. The claimed facility is not defined as an air cleaning device in ORS 468A.

***Timeliness of Application***

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>04/30/1997</u>
<i>Application Substantially Complete</i>	
<i>Construction Started</i>	<u>05/01/1995</u>
<i>Construction Completed</i>	<u>05/01/1995</u>
<i>Facility Placed into Operation</i>	<u>05/31/1995</u>

***Facility Cost***

	<b>\$22,292</b>
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d))	\$ -
Ineligible Costs	<u>-\$22,292</u>
Eligible Facility Cost	<b>\$0</b>

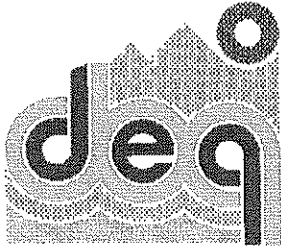
***Facility Cost Allocable to Pollution Control***

According to ORS.190 (3), the only factor that would have been used to determine the percentage of the facility cost allocable to pollution control was the percentage of time the facility is used for pollution control.

***Compliance***

The facility is in compliance with Department rules and statutes and with EQC orders.

Reviewers: M.C. Vandehey  
Dave Kauth



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **DENY-Ineligible Like-  
for-Like Replacement**

Applicant	<b>Alberta Body &amp; Paint</b>
Application No.	<b>4858</b>
Claimed Facility Cost	<b>\$3,500</b>
Claimed % Allocable	<b>100%</b>
Useful Life	<b>8 years</b>

## Pollution Control Facility Tax Credit: Air Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-0050

### *Applicant Identification*

The applicant is a sole proprietor operating as an auto repair and painting shop taking tax relief under taxpayer identification number 93-1032492. The applicant is the owner of the facility. The applicant's address is:

6842 NE MLK Blvd.  
Portland, OR 97211

### *Facility Identification*

The facility is identified as:

**Robinair series 1234A recovery, recycling and recharging unit for R-12 & R-134a.**

The facility is located at:

6842 NE MLK Blvd.  
Portland, OR 97211

### *Technical Information*

**Eligibility** This facility is not eligible because it is a like-for-like replacement of the facility certified on 12/30/1993 under certificate number 3270. The replacement facility does not meet either exception listed below.

- OAR 340-16-025(g)(A) **Like-for-Like Replacement:** There were no new requirements imposed after construction of replaced facility .
- OAR 340-16-025(g)(B) **Replacement:** There is no tax credit value remaining for certificate number 3270.

***Timeliness of Application***

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>10/23/97</u>
<i>Application Substantially Complete</i>	<u>11/25/1997</u>
<i>Construction Started</i>	<u>8/13/97</u>
<i>Construction Completed</i>	<u>8/13/97</u>
<i>Facility Placed into Operation</i>	<u>8/13/97</u>

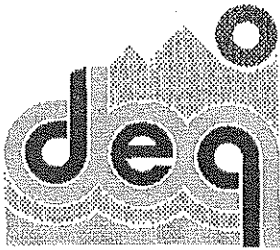
***Facility Cost***

Facility Cost		<b>\$3,500</b>
Salvage Value	\$	-
Government Grants	\$	-
Other Tax Credits	\$	-
Insignificant Contribution (ORS 468.155(2)(d))	\$	-
Ineligible Costs	-\$	<b>\$3,500</b>
Eligible Facility Cost		<u><b>0</b></u>

***Facility Cost Allocable to Pollution Control***

According to ORS.190 (3), the only factor that would have been used to determine the percentage of the facility cost allocable to pollution control was the percentage of time the facility is used for pollution control.

Reviewer: Maggie Vandehey



# Tax Credit Review Report

Revised 9/30/97

Director's  
Recommendation: **DENY**

Applicant	<b>Portland General Electric Co.</b>
Application No.	<b>4861</b>
Claimed Facility Cost	<b>\$19,856</b>
Claimed % Allocable	<b>100%</b>
Useful Life	<b>10 years</b>

## Pollution Control Facility Tax Credit: Water Final Certification

ORS 468.150 -- 468.190  
OAR 340-016-0005 -- 340-016-050

### *Applicant Identification*

The applicant is a C Corporation operating as a provider of electrical services taking tax relief under taxpayer identification number 93-0256820. The applicant is the owner of the facility. The applicant's address is:

121 SW Salmon St.  
Portland, OR 97204

### *Facility Identification*

The facility is identified as:

**Replacement of PCB filled substation capacitors with non-PCB filled capacitors.**

The facility is located at:

11730 SW Third Street  
Beaverton, OR 97005

### *Technical Information*

Each PCB capacitor held between 2 to 5 gallons of PCB insulating oil per unit. They old units has 20 years remaining useful life.

**Eligibility** Previous PCB tax credit applications were eligible because federal law prohibited the use of PCB capacitors outside restricted-access electrical substations after 10/1/88.

The facility is not eligible based on the following criteria:

ORS 468.155 (1)(a) The **principal purpose** of this **replacement device** is not to comply with a requirement imposed by the federal Environmental Protection Agency or the DEQ to prevent a substantial quantity of water pollution.

The **sole purpose** of is not to prevent, control or reduce a substantial quantity of water pollution. Its primary purpose is to maintain customer voltage and to reduce electrical losses on distribution lines.

***Timeliness of Application***

The application was submitted within the timing requirements of ORS 468.165 (6).

<i>Application Received</i>	<u>10/28/97</u>
<i>Application Substantially Complete</i>	<u>11/2/97</u>
<i>Construction Started</i>	<u>10/24/95</u>
<i>Construction Completed</i>	<u>10/24/95</u>
<i>Facility Placed into Operation</i>	<u>11/3/95</u>

***Facility Cost***

Facility Cost	\$44,125
Salvage Value	\$ -
Government Grants	\$ -
Other Tax Credits	\$ -
Insignificant Contribution (ORS 468.155(2)(d))	\$ -
Ineligible Costs	
	<u>-\$44,125</u>
Eligible Facility Cost	<b>\$0</b>

Overhead loading is 18% (\$8,020.00) of the total cost of the facility.

***Facility Cost Allocable to Pollution Control***

According to ORS.190 (3), the only factor that would have been used to determine the percentage of the facility cost allocable to pollution control was the percentage of time the facility is used for pollution control. Therefore, the percentage allocable to pollution control is 100%.

Reviewer: Maggie Vandehy