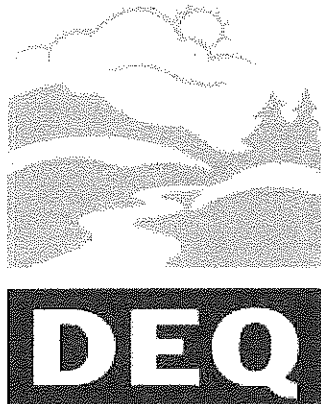


**OREGON
ENVIRONMENTAL QUALITY
COMMISSION MEETING
MATERIALS 09/09/2004**



**State of Oregon
Department of
Environmental
Quality**

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August 24, 2004

Mayor Noble Adamek
P.O. Box 250
Powers, Oregon 97466

RE: Environmental Quality Commission Meeting

Dear Mayor Adamek:

I would like to take this opportunity to let you know that the Oregon Environmental Quality Commission will hold its next regularly scheduled public meeting in Coos Bay on September 9, 2004. I have enclosed a copy of the agenda for your information.

In addition, I would like to invite you to a meeting that the Commission will host on Wednesday, September 8th from 7 p.m. to 9 p.m. to hear directly from local and tribal officials on challenges and opportunities related to air, water and land quality. The Commission encourages you to attend and share your ideas and concerns about environmental issues on the South Coast. Stephanie Hallock, Director of the Department of Environmental Quality, and DEQ staff, will also be on hand to hear from you. This public meeting will be held at the Coos Bay Public Library, Myrtlewood Room, located at 525 Anderson Street.

To assist us in planning for seating, please RSVP to Dana Huddleston by September 3. You may reach her at (541) 686-7838 x231, or toll-free in Oregon at 1-800-844-8467, or email at huddleston.dana@deq.state.or.us. Please indicate if you plan to attend, and whether others will be attending with you.

The Oregon Environmental Quality Commission is made up of five citizen members, appointed by the Governor to oversee the work of DEQ. The Commission adopts agency rules, sets policy, stays informed of agency actions, makes decisions on appeals of agency actions, and appoints the DEQ Director. Commission members are Chair Mark Reeve, Didi Malarkey, Lynn Hampton, and Ken Williamson. The fifth Commission position is currently vacant.

We look forward to spending an evening with you. If you have any questions about the Commission meeting, please feel free to call me at (541) 686-7838 x 226.

Sincerely,

Kerri Nelson
Western Region Administrator, DEQ

Enclosure

cc: Mark Reeve, Chair, EQC
Stephanie Hallock, Director, DEQ

August 24, 2004

Ms. Cindy Sardina
Port of Umpqua
Winchester Bay Sanitary District
P.O. Box 388
Reedsport, Oregon 97467

RE: Environmental Quality Commission Meeting

Dear Ms. Sardina:

I would like to take this opportunity to let you know that the Oregon Environmental Quality Commission will hold its next regularly scheduled public meeting in Coos Bay on September 9, 2004. I have enclosed a copy of the agenda for your information.

In addition, I would like to invite you to a meeting that the Commission will host on Wednesday, September 8th from 7 p.m. to 9 p.m. to hear directly from local and tribal officials on challenges and opportunities related to air, water and land quality. The Commission encourages you to attend and share your ideas and concerns about environmental issues on the South Coast. Stephanie Hallock, Director of the Department of Environmental Quality, and DEQ staff, will also be on hand to hear from you. This public meeting will be held at the Coos Bay Public Library, Myrtlewood Room, located at 525 Anderson Street.

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Sincerely,

Kerri Nelson
Western Region Administrator, DEQ

Enclosure

cc: Mark Reeve, Chair, EQC
Stephanie Hallock, Director, DEQ

**September 8-9, 2004 EQC Meeting
Invitee Mailing List**

Title	Fname	Lname	address1	address2	City	State	Zip
Mayor	Noble	Adamek		P.O. Box 250	Powers	Oregon	97466
Mr.	Steve	Allen	Coos County Solid Waste Department	250 N Baxter Street	Coquille	Oregon	97423
Mr.	Larry	Andrew	CCD Business Development Corporation	744 SE Rose St.	Roseburg	Oregon	97470
Mayor	Joe	Benetti		500 Central Ave.	Coos Bay	Oregon	97420
Mr.	Ron	Brainard	Confederated Tribes of Coos, Lower Umpqua & Siuslaw	1245 Fulton Ave.	Coos Bay	Oregon	97420
Mayor	Steve	Britton		99 E. 2nd	Coquille	Oregon	97423
Commissioner	Ralph	Brown		29821 Ellensburg Ave	Gold Beach	Oregon	97444
Mr.	Jeff	Cochran	Coos Soil and Water Conservation District	382 N. Central Blvd.	Coquille	Oregon	97423
Mayor	Ed	Cook		424 5th Street	Myrtle Point	Oregon	97458
Mr.	Howard	Crombie	Confederated Tribes of Coos, Lower Umpqua & Siuslaw	1245 Fulton Ave.	Coos Bay	Oregon	97420
Representative	Peter	DeFazio		W 7th Ave., Suite 400	Eugene	Oregon	97401
Mayor	Gary	Doran		P.O. Box 310	Port Orford	Oregon	97465
Mr.	Jack	Elliott	Wedderburn Sanitary District	P.O. Box 67	Wedderburn	Oregon	97491
Senator	Bill	Fisher		268 Akin Lane	Roseburg	Oregon	97470
Mr.	Marc	Fullhart	Gardiner Sanitary District	643 Front St.	Gardiner	Oregon	97467
Mr.	Mike	Gaul	Port of Coos Bay	P.O. Box 1215	Coos Bay	Oregon	97420
Mayor	Ed	Gowan		P.O. Box L	Lakeside	Oregon	97449
Commissioner	John	Griffith	Courthouse	250 N. Baxter	Coquille	Oregon	97423
Mayor	Bob	Hagborn		898 Elk Drive	Brookings	Oregon	97415
Ms.	Jennifer	Hample	Coquille Watershed Association	255 Hwy 42 East	Coquille	Oregon	97423
Mr.	Mark	Healy	Coquille Indian Tribe	P.O. Box 783	North Bend	Oregon	97459
Mr.	Gerald	Herbage	Curry County Courthouse	P.O. Box 746	Gold Beach	Oregon	97444
Ms.	Dana	Hicks	Lower Rogue Watershed Council	P.O. Box 666	Gold Beach	Oregon	97444
Mr.	Harry	Hoogesteger	South Coast Watershed Council	P.O. Box 666	Gold Beach	Oregon	97444
Mr.	Don	Ivy	Coquille Indian Tribe	P.O. Box 783	North Bend	Oregon	97459
Ms.	Cheryle	Kennedy	Confederated Tribes of Grand Ronde	9615 Grand Ronde Rd	Grand Ronde	Oregon	97347
Mr.	Mike	Kennedy	Confederated Tribes of Siletz	P.O. Box 549	Siletz	Oregon	97380
Mr.	Robert	Kentta	Confederated Tribes of Siletz	P.O. Box 549	Siletz	Oregon	97380
Mr.	Evan	Kramer	Port of Port Orford	P.O. Box 490	Port Orford	Oregon	97465
Representative	Wayne	Krieger		95702 Skyview Ranch Rd.	Gold Beach	Oregon	97444
Commissioner	Lucie	LaBonte		29821 Ellensburg Ave	Gold Beach	Oregon	97444
Mr.	Mike	Mader	Ten Mile Basin Partnership	P.O. Box L	Lakeside	Oregon	97449
Mr.	Ralph	Martin	Harbor Sanitary District	P.O. Box 2457	Harbor	Oregon	97415
Senator	Ken	Messerle		94271 Coos Sumner Lane	Coos Bay	Oregon	97420
Mr.	Dave	Messerle	Coos Local Advisory Committee	382 N. Central Blvd.	Coquille	Oregon	97423
Mr.	Ed	Metcalf	Coquille Indian Tribe	P.O. Box 783	North Bend	Oregon	97459

**September 8-9, 2004 EQC Meeting
Invitee Mailing List**

Mr.	Ken	Miller	Port of Siuslaw	P.O. Box 1220	Florence	Oregon	97439
Commissioner	Joyce	Morgan	Courthouse	1036 SE Douglas, Rm. 217	Roseburg	Oregon	97470
Mr.	Mike	Nielson	Port of Gold Beach	P.O. Box 1126	Gold Beach	Oregon	97444
Mr.	Ted	Noddin	Charleston Sanitary District	P.O. Box 5522	Charleston	Oregon	97420
Ms.	June	Olson	Confederated Tribes of Grand Ronde	9615 Grand Ronde Rd	Grand Ronde	Oregon	97347
Mr.	Ron	Opitz	South Coast Development Council	145 W. Central Ave.	Coos Bay	Oregon	97420
Ms.	Delores	Pigsley	Confederated Tribes of Siletz	P.O. Box 549	Siletz	Oregon	97380
Mayor	Karl	Popoff		29592 Ellensburg Ave.	Gold Beach	Oregon	97444
Mr.	Reg	Pullen	Port of Bandon	P.O. Box 206	Bandon	Oregon	97411
Commissioner	Doug	Robertson	Courthouse	1036 SE Douglas, Rm. 217	Roseburg	Oregon	97470
Commissioner	Gordon	Ross	Courthouse	250 N. Baxter	Coquille	Oregon	97423
Ms.	Cindy	Sardina	Port of Umpqua & Winchester Bay Sanitary District	P.O. Box 388	Reedsport	Oregon	97467
Commissioner	Marlyn	Schafer		29821 Ellensburg Ave	Gold Beach	Oregon	97444
Mr.	Walt	Schroeder	Curry Local Advisory Committee	P.O. Box 666	Gold Beach	Oregon	97444
Senator	Gordon	Smith		Jager Bldg., 116 S Main St., Suite 3	Pendleton	Oregon	97801
Mr.	Jon	Souder	Coos Watershed Association	P.O. Box 5860	Coos Bay	Oregon	97420
Mr.	Richard	Tecube	Coquille Indian Tribe	P.O. Box 783	North Bend	Oregon	97459
Mayor	Keith	Tymchuk		451 Winchester Ave.	Reedsport	Oregon	97467
Commissioner	Dan	VanSlyke	Courthouse	1036 SE Douglas, Rm. 217	Roseburg	Oregon	97470
Representative	Joanne	Verger		2285 North 13th Court	Coos Bay	Oregon	97420
Mr.	Pete	Wakeland	Confederated Tribes of Grand Ronde	9615 Grand Ronde Rd	Grand Ronde	Oregon	97347
Mayor	Rick	Wetherell		P.O. Box B	North Bend	Oregon	97459
Mayor	Joe	Whitsett		P.O. Box 67	Bandon	Oregon	97411
Commissioner	Nikki	Whitty	Courthouse	250 N. Baxter	Coquille	Oregon	97423
Senator	Ron	Wyden		700 NE Multnomah St., Suite 450	Portland	Oregon	97232
Mr.	John	Zia	Port of Brookings	P.O. Box 848	Brookings	Oregon	97415

State of Oregon
Department of Environmental Quality

Memorandum

To: Environmental Quality Commission

Date: September 2, 2004

From: Stephanie Hallock

Subject: Self Evaluation November 2002 – September 2004

Over the past two years, we have had several major accomplishments under my leadership. Some of these were identified in my last self evaluation as areas I wanted to focus on and are so noted here:

- Completed the 2003 legislative session (and several special sessions) without layoffs and with basic programs intact, including the vehicle inspection program, and receiving approval and funding for a new lab – building has been purchased;
- Reduced the water quality permit backlog and completed a long term plan for stable funding of the wastewater program (prior goal);
- Completed first phase of Division 12 (enforcement) rule changes – going to EQC in December 2004 (prior goal)
- Completed a two-year update of our Strategic Directions which reflect accomplishments and new initiatives, as well as performance measures (prior goal);
- Strengthened the leadership capability of the senior management team and our ability to address issues cross-program (prior goal);
- Took a leadership role in regional and national issues by becoming an officer in the Environmental Council of the States (ECOS) and by leading states' efforts to better align state/EPA priorities, including Region 10 as a regional pilot (prior goal);
- Actively supported the Governor's and the three-state initiatives to address climate change and global warming;
- Received positive responses from regulated community in customer service survey, most notably in the on-site program (prior goal);
- Clean up of entire Willamette River is Governor priority; received additional federal funding to complete cleanup of McCormack & Baxter Superfund site;
- Received approval from the EQC for start-up of chemical weapons operations at Umatilla.

Areas in which we did not accomplish as much as I would like or upon which we need to focus in the future are:

- Ensuring that DEQ's legislative agenda and budget are approved during the 2005 session;
- Developing support for future funding needs prior to 2007 session;
- Setting and implementing long-term environmental and organizational goals (beyond the two-year Strategic Planning cycle);
- Continue to build capability to address environmental issues cross-program;
- Improving employee morale in the face of continuing budget cuts, salary freezes, and government bashing;
- Continue to redefine the EPA/state relationship to reflect more work-sharing and acknowledgment of state priorities;



- Continue to streamline regulations and collaborate with sister agencies on program improvements and service delivery;
- More emphasis on data and information sharing;
- Completion of Division 12 rule revisions;
- More emphasis on succession planning and workforce development.

I have provided information below under each of the skills upon which I am to be rated.

LEADERSHIP

Internal

As mentioned above, the Executive Management Team was strengthened by changes in three key Administrator positions: Water Quality, Northwest Region, and Land Quality. In addition, the Air Quality Administrator took a six month rotation to Western Region to gain experience working in a region. This is a significant amount of change in an Executive Team, but these changes have been positively received both within and outside the agency. The Umatilla project also lost a long-time program Administrator but successfully obtained approval from the EQC for start up of chemical operations under the new program Administrator. Part of a leader's responsibility is to make the personnel changes necessary to develop the best team possible to lead the agency, and I believe we have done that.

We improved our Quarterly Manager Conferences by making them more interactive between me and the managers talking about "real" issues the agency is facing, as well as looking to the future. A continuing challenge is keeping employees motivated and engaged in the face of salary freezes, budget cuts, and government bashing. As a result of our last employee survey we developed a Performance Management System which most employees say has improved communication between employees and managers, but the most recent employee survey indicates that we still have work to do to improve communication and morale. I try to visit all the offices and divisions twice a year, including the vehicle inspection stations, which does help staff feel "connected," and I continue to give the annual "Director's Award for Excellence" which was received by Bob Danko (staff) of the Land Quality Division in 2003 and John Blanchard (manager) of Western Region in 2004.

Governor's Office and Cabinet

There has been quite a bit of turnover in the Governor's Office over the past year, and we have a new (September) policy advisor for the Governor's Natural Resource Office. During this time, I have been part of a team of agency directors who advise the Governor on a variety of issues. I am also serving on two regulatory streamlining advisory committees formed by legislation from the last session. The Community Solutions Team under Governor Kitzhaber is now the Economic Revitalization Team under the current Governor, and I am part of that team with several other agency directors. Some of the diverse issues I have worked closely with the Governor's office and other agencies on are: the chemical weapons facility; cleanup of the Willamette River; air quality issues in Medford; salary compensation and performance accountability for executives and managers; climate change and alternative energy sources; coordination of water permitting; service delivery by vehicle inspection and DMV; ODOT bridge improvements.



Legislators and Stakeholders

As mentioned above, DEQ completed the 2003 legislative session without layoffs and with base programs intact. We were also able to retain the vehicle inspection program in the face of an intense lobbying effort by a particular company to privatize the program, and we were able to get funding for a new lab. During the interim, I continue to make it a priority to meet with legislators and candidates for legislative office, as well as key stakeholders. The feedback I receive is generally positive, which is a credit to the responsiveness of DEQ staff in dealing with issues. I am not hearing any areas of unhappiness with DEQ, although it is generally acknowledged that the next legislative session will be very difficult for everyone. Some of the key challenges we have worked through or are working through with stakeholders are: development of the air toxics program, a new temperature standard as a result of litigation, composting of agricultural wastes, the Willamette TMDL, alternative energy and fuel sources, wastewater permit fees, ongoing cleanup of Portland Harbor, the new enforcement rules, and new rules in the on-site program.

STRATEGIC THINKING

When I became Director I led the agency, including the EQC and stakeholders, in a strategic planning process which established priorities and a set of key actions adopted in 2002. The priorities remain constant, but we have just completed a 2004 update of key actions to reflect what we have accomplished and learned, and to accommodate State priorities like cleanup of the Willamette River. The update also articulates performance measures, at the suggestion of stakeholders who reviewed the draft. We have successfully used our priorities and key actions in negotiating our Performance Partnership Agreement with EPA and to help shape our budget request for the 2005-2007 biennium. The priorities and key actions have become "real" within DEQ and are increasingly used to shape program, section and individual workplans. We have also achieved goals we set in our strategic directions, for example: established an air toxics program, shifted water quality permit renewal to a watershed basis; revamped the enforcement rules; improved our Web Page and electronic links to DEQ, etc.

My goal after the 2005 legislative session is to embark on a planning and visioning process to map out our environmental and organizational goals for at least the next ten years, rather than just another two year update of the strategic directions and key actions. The EQC will play a key role in creating this vision. For example, I would like us to be thinking about such issues as the impacts of climate change on air quality and water quality, or growth and how changes in land use will affect environmental regulations.

Organizationally, we need to continue to build our capacity to address environmental problems "holistically" or cross-program. A couple of our regions have established cross-program, geographic focused teams, and we are doing a better job of looking at the cumulative impacts of rules we adopt, but we still operate and interact pretty much in program "silos." Since our funding comes that way, it is difficult, but not impossible to break down program barriers, and we need to continue to strive to do so. I believe that my involvement in ECOS and keeping abreast of national and global issues will help us think strategically for Oregon.

Finally, as part of our "deliver excellence" strategic priority, we are initiating a review of our internal agency management functions to ensure that we are conducting our administrative activities



as efficiently and effectively as possible. Strategically, we want to be prepared when the administrative portions of our budget come under scrutiny, and we believe citizens expect and deserve this kind of accountability from state agencies. It is good government for an organization to a look at itself from time to time.

COMMUNICATIONS

A director of an agency will not be successful unless he or she can communicate effectively both within and outside the agency. I believe that DEQ's success in the legislature is due in large measure to my investment in ongoing communication with legislators and stakeholders, as well as to quick action by staff to resolve problems. When DEQ is dealing with a controversial issue, I make sure that the media gets correct information and I make myself available as needed. Occasionally I do an Op Ed piece or meet with an editorial board, depending on the issue, e.g. Umatilla, industry funding of the turbidity standard, the Portland CO maintenance plan. I do not feel it necessary to be the "voice of DEQ" on every issue, and often the person most close to an issue will be the media contact. I was profiled by the Oregonian in April 2003.

My office gets many requests for me to speak, so I try to be selective and strategic in picking speaking engagements. The largest group I spoke to was in presenting the Phoenix Awards at the national Brownfields conference when it was held in Portland in 2003 with about 4,000 attendees. In general, I speak to smaller more targeted groups. I also set regular, ongoing breakfast or lunch meetings with key stakeholders.

In addition to my communication responsibilities, the credibility of an agency is measured to a great degree by the quality of written and verbal communication from the agency. My emphasis on excellence in verbal and writing skills has paid off in the quality of correspondence which crosses my desk for signature and in the staff reports and rules going to the EQC. Our Fact Sheets are much more clear and to the point. We have developed a Web Page that gets rave reviews from the public and other agencies, and we have developed a quarterly on-line newsletter called "DEQ Focus." We have also recently completed a mammoth clean up of our mailing lists and subscriptions which will save money and show that we have our act together by not sending multiple copies of notices, etc. to the same person.

Internally, I communicate frequently with employees by email and in the employee newsletter. I also have a "Director's Webpage" on our intranet to share information with employees and receive suggestions. As mentioned earlier, I try to speak directly with each employee at least once a year and preferably twice by traveling out to all locations. There really is no substitute for that personal communication. I also take a lead role in creating the agenda for and leading our Quarterly Manager Conferences. That said, I still feel that the amount and quality of communication I have with staff could be improved, and I also think we need to invest more in orientation for our new employees.

TEAMWORK

In addition to DEQ's Executive Management Team, I am part of the Natural Resource agency cabinet convened by the Governor's office, the Governor's Economic Revitalization Team, a team of agency directors convened by the Governor's Chief of Staff to look at management compensation,



and a team of agency directors convened to advise the Governor on a variety of issues. Having been director for almost four years, I have formed close associations and working relationships with many agency directors and work well with all of them. The various teams and advisory committees I am on for the Governor have given me the opportunity to work with many agencies in addition to natural resources: Transportation, Housing, Economic Development, Corrections, Lottery, Revenue, Consumer and Business Services, and Administrative Services, to name a few. I also participate in the Community Development Forum which is a team of state agency directors and local officials, and I sit on the Joint Policy Advisory Committee on Transportation in the Portland Metro area which includes a variety of local officials.

Outside of Oregon, I am part of the team of agency Directors for Oregon, Washington and Idaho who meet quarterly with EPA Region 10 leadership. Together we developed a set of regional priorities which are reflected in the EPA Region 10 strategic plan. We are also working together on agricultural environmental strategies. As an ECOS officer, I am co-chair of the state/EPA workgroup to better align state/EPA planning and priority setting.

CUSTOMER OR CONSTITUENT SERVICE/FOCUS

Since becoming director, I have emphasized improvement of our external customer/constituent relationship. We are providing customer service training to all our employees, and have already seen results in the past two customer service surveys we have conducted of the air, water and on-site regulated community. DEQ is mentioned frequently by legislators and other stakeholders as a model for how state agencies can become more "user friendly." I spend much of my time meeting with key stakeholders and legislators, both formally and informally. DEQ's extensive use of advisory committees and work groups also helps our customers and constituents feel involved in the decisions we make.

Three key initiatives have been undertaken since I became director, the primary focus of which is to improve DEQ's program delivery to constituents and customers: revision of the enforcement rules, revision of the on-site rules, and reduction of permit backlogs in the wastewater program, followed by long term changes to the program proposed by the advisory committee (these must be approved by the 2005 legislature). In short, we have been working on improving "how" we do our work and communicate with customers and constituents, and we are improving the actual rules and processes for our services.

Our most current initiative is internal, as mentioned earlier. We will conduct a contractor-assisted review to ensure we are performing administrative functions as efficiently and effectively as possible. We have begun with an operations review of the laboratory and we will soon begin a review of functions and activities in the Management Services Division and the Office of the Director, as well as some program administrative activities. We believe this review will be good for DEQ, as well as for customers and constituents who want assurance that government is performing efficiently and using public money wisely.



PERSONAL RESPONSIBILITY/ACCOUNTABILITY

In reviewing my self evaluation for my 2002 performance review, the comments I made then are relevant to this evaluation, so I have included them below.

“The number one strategic priority I set for the agency is to “Deliver Excellence in Performance and Product.” The bar is set high, and the staff knows it. They also know that I ask of them only what I demand of myself. I am fully engaged and involved in issues; sometimes more than I need to be, and I am trying to step back and let my administrators handle more with less input from me.” (current ed. note: I also need to hand off more oversight to my Deputy). ‘I have a strong work ethic and generally work 50 to 60 hours a week, but do not take the office home with me.’” (current ed. note: I take it home more often now that I have a Blackberry and will soon have a computer at home).

“As the Director, I am accountable for every action this agency takes, as well as how we are perceived by others. I take this responsibility very seriously. I also believe that how the agency conducts business reflects on my personal credibility and integrity, so I am highly motivated to deliver only the best in performance and product. I also have a strong public service ethic and commitment to serve the Commission and Governor, and the people of the State of Oregon. I know that I work best when inspired by my leader, and so I strive to inspire the staff at DEQ by being engaged, involved, setting high standards, and working hard.”



- The concrete storage **pad** provides structural support for the loaded casks.
- The **transfer station** and associated transfer equipment was used to move the spent fuel from the pool to the canisters and casks. The owners will use it again to prepare the canisters for transportation to the federal repository.
- The **drying equipment** removed residual water from each canister after they were loaded with the assemblies within the spent fuel pool.
- The semi-automatic **welding system** seal-welded each canister closed.

The Preliminary Recommendation

The Department recommended that the Commission deny the preliminary certification based on three conclusions reached during agency review prior to presenting it to the EQC.

1. The dry-storage system would not prevent, control, or reduce a "substantial quantity" of water pollution when compared to the wet-storage system. Additionally, the Department was unable to determine what, if any, water pollutants could contaminate waters of the state.
2. The "exclusive" purpose of dry storage was not pollution control based on comparing its O&M costs to the higher O&M costs for the wet system.

Cost savings appeared to be a significant factor in applicants' decision to decommission Trojan. According to the decommissioning plan, the decommissioned plant would provide a \$6.8 million annual savings in operating and maintenance costs. The Department deemed this savings to be significant enough to disqualify the dry-storage facility as having an exclusive pollution control purpose. (For final certification, the estimated annual cost savings associated with operating and maintaining the dry-storage system is \$1.5 million when compared to wet storage. This is a cost savings of \$63 million over the facility's 40-year useful life.)

3. The federal Environmental Protection Agency and DEQ do not regulate radiation, which is the only substance present that is harmful to human health when uncontrolled.

The Department also recommended that the Commission deny certification of the drying equipment, the welding system, and the transfer station because they make an insignificant contribution to any pollution control purpose. The Department based this part of the recommendation on the Commission's practice (formalized in 1998 rule) to deduct the cost of purchased equipment used to install the pollution control.



Preliminary Certification

The Commission heard several hours of testimony¹ from the Department, the Office of Energy, and PGE. The Commission concluded that the sole purpose of four of the six components claimed on the preliminary application is to prevent and control a substantial quantity of water pollution. They preliminarily certified the canisters, casks, drying equipment, and welding equipment by a split vote of three to two. The Commission issued an order (Attachment A) preliminarily certifying application number 5009 in its Findings of Fact, Conclusions of Law and Final Order dated March 15, 2001.

When the Commission approves a preliminary application, the approval is prima facie evidence that the facility is technically qualified for final certification. It does not ensure that the facility will receive the final certification under the DEQ administered tax credit regulations. It does not ensure that the applicant will be able to claim the credit under Department of Revenue regulations.

The Final Review

The Department's draft review for final certification focuses only on the facility cost and the percentage of the facility cost allocable to pollution control. The Department also determined that PGE constructed the facility according to the plan presented at the time of preliminary certification. Otherwise, the Department assumed eligibility of the four components as determined by the Commission in March of 2001. The amount of the credit will be based on the claimed facility cost of \$62.6 million and the maximum allowable credit of 50%.

Attached Documents

The attachments to this memo accurately reflect the signed documents on file with the Department.

Attachment A: Application No. 5009; Findings of Fact, Conclusions of Law and Final Order dated March 15, 2001

Attachment B: Agenda Item B, September 29, 2000, EQC meeting

¹ The 46-page transcript of this testimony is available from the Department.



BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON

IN THE MATTER OF THE
TAX CREDIT APPLICATION OF
PORTLAND GENERAL ELECTRIC
COMPANY

APPLICATION NO. 5009

FINDINGS OF FACT, CONCLUSIONS OF LAW
AND FINAL ORDER

I. INTRODUCTION/CONTENTS

This order provides final agency disposition of an application by Portland General Electric Company (PGE or the applicant) for preliminary certification of a pollution control facility. The contents of the order are as follows:

II. BACKGROUND AND PROCEDURES

- A. The 1995 Legislation and Implementing Rules
- B. Agency Review of and Decision on the Application

III. FINDINGS OF FACT

IV. LEGAL STANDARDS, CONCLUSIONS AND STATEMENT OF REASONS

- A. Sole Purpose Test and Alternative Methods
- B. Exclusions, Including "Insignificant Contribution"

V. CONCLUSION AND ORDER

II. BACKGROUND AND PROCEDURES

- A. The 1995 Legislation and Implementing Rules

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1 In 1995, the Oregon Legislative Assembly amended the pollution control tax credit
2 statutes to include an optional preliminary certification process.¹ 1995 Or. Laws, Chapter 746
3 (the new statutory provision, which is codified as ORS 468.167, is set forth in its entirety in
4 Appendix A).

5 The EQC adopted new rules implementing the 1995 legislation, and the rules became
6 effective on May 1, 1998. PGE filed this application for preliminary certification the day before,
7 on April 30, 1998. Therefore, DEQ reviewed PGE's application under the "old" rules. DEQ's
8 position is that the rules on preliminary certification, although not legally binding, may still be
9 examined for guidance.

11 B. Agency Review of and Decision on the Application

12 DEQ received PGE's application for preliminary certification on April 30, 1998. DEQ
13 met with representatives of PGE, explained the scope of review for a preliminary certification,
14 and informed them about the type of questions staff would be asking during review of the
15 application. On November 18, 1999, the EQC held a work session to learn about the project in
16 question and to provide initial guidance to staff. The EQC heard presentations from Maggie
17 Vandehey, Tax Credit Manager for DEQ, and Dave Stewart-Smith with the Oregon Office of
18 Energy. After receiving additional information from PGE, DEQ determined that the application
19 was substantially complete on April 27, 2000.

21 The application was then scheduled for consideration and possible action at the
22 September 29, 2000, meeting of the EQC. After hearing further from staff and PGE
23
24
25

26 ¹ The 1995 legislation primarily uses the term "precertification," although the term "preliminary certification" is used at least once. ORS 468.167(2)(c). The agency preferred the term "preliminary certification." Although the two terms should be considered interchangeable, this order uses the term "preliminary certification."

1 representatives, the EQC deliberated on the matter and ultimately voted (3-2) to approve the
2 application with the exclusions discussed below. This final order memorializes that decision.

3 III. FINDINGS OF FACT

4 1. The claimed facility consists of a vertical dry cask storage system, which will provide
5 temporary storage of spent nuclear fuel assemblies, fuel debris and radioactive waste materials.

6 2. Fission product gamma rays, which are emitted from the spent fuel, are a continuing
7 source of radiation after shutdown of a reactor. The spent fuel assemblies are currently stored in
8 the spent fuel pool. A spent fuel assembly typically consists of 264 spent fuel pins. The spent
9 fuel pins are about one centimeter in diameter (less than 1/2 inch) and 12 feet long. Each pin is a
10 zirconium alloy tube sealed at each end and filled with ceramic uranium fuel pellets. If the seal
11 of a pin is broken, water will enter and become contaminated with radioactive materials in the
12 form of fission products. These fission products emit gamma rays, alpha particles and beta
13 particles. Some of the fission products are gaseous, including krypton 85 and xenon isotopes,
14 primarily tritium. Tritium is a radioactive form of hydrogen that is chemically indistinguishable
15 from regular hydrogen, so it easily forms water molecules. Therefore, the fission products may
16 become airborne in the gaseous space above the spent fuel pool. The total amount of radioactive
17 gaseous effluents amount to about 50 curies per year.

18 3. Radiation is unique and different from the substances regularly encountered by DEQ
19 in the tax credit program. It not only interacts with the body on a chemical basis, it directly
20 impinges upon genetic material. The scientific principle underlying radiation protection is that
21 the only safe exposure is zero. Radiation causes genetic damage that may be latent in some
22 individuals but still threatens several succeeding generations.

23 4. The spent fuel pool and supporting plant systems are being dismantled and
24
25
26

1 decontaminated as part of the ongoing decommissioning of the Trojan Nuclear Plant. The dry
2 cask storage system will take the place of the spent fuel pool until the spent fuel assemblies can
3 be transferred to a federally operated disposal site. The dry cask storage system eliminates
4 approximately 1200 gallons of contaminated resin used annually to process the water that
5 circulated throughout the pool.

6 5. The applicant claimed the following major components as part of the pollution control
7 facility:

- 8
- 9 a. Thirty-four PWR (pressurized water reactor) and two GTCC (greater than class
10 C) sealed metal baskets used to store radioactive materials. The baskets are about
11 16 feet tall and 5-1/2 feet in diameter. The outside of the basket is made of
12 3/4-inch thick stainless steel. The PWR baskets are capable of storing up to 24
13 spent fuel assemblies. The GTCC baskets are capable of storing up to 28
14 individual canisters containing other radioactive waste.
- 15
- 16 b. A vacuum drying system used to remove water from each basket following
17 loading of radioactive waste. Each PWR basket is loaded with up to 24 spent fuel
18 assemblies underwater in the spent fuel pool, and therefore each has residual
19 water.
- 20
- 21 c. A semi-automatic welding system used to seal weld the baskets. A structural lid
22 is welded onto the baskets and a shield lid is welded on after the contents are dry.
- 23
- 24 d. A ventilated concrete storage cask for each basket. Each cask is made of high
25 density concrete about 29 inches thick and provides structural support for the
26 basket. It also provides shielding of the radiation produced by the radioactive
materials in the spent fuel.

1 e. A transfer station and associated transfer equipment. The transfer station is used
2 for basket transfer operations. Lateral and vertical support is provided with the
3 transfer station to prevent a loaded cask from overturning or falling during
4 transfer operations. A transfer cask is used to move a loaded basket from the
5 spent fuel pool to the concrete cask. It is also designed to be used to transfer a
6 basket to a shipping cask or to a basket overpack. An air pad system is used to
7 move a loaded cask. Air pads are inserted under the cask and inflated with an air
8 compressor. A specially modified vehicle would then be used to move the
9 concrete cask from one location to another.
10

11 f. A reinforced concrete storage pad used to support the storage system baskets.
12 The storage pad is 170 foot by 105 foot and 18 inches thick. The concrete casks
13 will be on the pad until the U.S. Government is prepared to take the spent fuel.
14

15 6. The ISFSI is not required under any law. PGE voluntarily chose to decommission and
16 once that decision was made, it was then required to comply with applicable statutes and
17 regulations to provide safe storage of spent nuclear fuel and high level radioactive waste. While
18 not required, ISFSI-type dry interim storage of spent fuel is preferred over active spent fuel
19 storage by the NRC. It is also being installed to comply with Chapter 26 of OAR 345,
20 administered by the Oregon Office of Energy for spent nuclear fuel storage.

21 7. Even when compared to the wet storage system (the spent fuel pool) rather than no
22 storage facility, elements of the ISFSI significantly decrease the risk of the radioactive material
23 polluting the waters of the state. The Columbia River provided a source of emergency cooling
24 water during operation. Sealing the radioactive spent fuel waste in the ISFSI stainless steel
25
26

1 canisters eliminates the source of perpetual generation of liquid and gaseous radioactive waste.
2 While the ISFSI reduces this aspect of the risk, some risk remains as long as there is any
3 radioactive waste on site. The risk is elevated by the fact that, because of problems in siting a
4 permanent disposal site, a dry storage facility is going to be needed at this site for 30-50 years
5 and possibly more.

6 **IV. LEGAL STANDARDS, CONCLUSIONS AND STATEMENT OF REASONS**

7 **A.1. Sole Purpose Test and Alternative Methods**

8 The applicant asserts that the ISFSI is an eligible pollution control facility by virtue of the
9 “sole purpose” test of the tax credit statutes. Under this test, a facility is eligible if its “sole
10 purpose” is “to prevent, control or reduce a substantial quantity of air, water or noise pollution or
11 solid or hazardous waste” ORS 468.155(1)(a)(B). The applicant asserts that it meets the
12 sole purpose test by controlling, preventing or reducing a substantial quantity of air and water
13 pollution.
14

15 In addition to the sole purpose test, the applicant must demonstrate that the pollution
16 prevention, control or reduction is achieved by one of the alternative methods recognized by the
17 tax credit statutes and rules. In this case, PGE contends that it complies with the method of
18 disposal or elimination of industrial waste and the use of treatment works for industrial waste.
19 OAR 340-016-0025(2)(a). PGE further contends that the claimed facility will be used to detect,
20 deter or prevent spills or unauthorized releases, a method recognized in the EQC rules.
21 OAR 340-016-0025(2)(g).
22

23 **A.2. EQC Conclusion**

24 A majority of the Commission concludes that the sole purpose of the facility is to prevent
25 and control a substantial quantity of water pollution. Such prevention and control is
26

1 accomplished by the disposal and elimination of industrial waste and the use of treatment works
2 for industrial waste.

3 A.3. Statement of Reasons/Analysis

4 DEQ and the EQC have tried to distinguish between the basic purpose of a facility and
5 the secondary or incidental benefits that commonly come with projects, such as the operation and
6 maintenance cost savings often associated with controlling pollution. In this case, the claimed
7 facility appears to have a number of “pluses,” including significant financial savings over the
8 long term. Nonetheless, a majority of the Commission is persuaded that these pluses are the
9 secondary benefits to the facility’s sole purpose of preventing, controlling or reducing water
10 pollution.
11

12 A majority of the Commission is satisfied that the approved elements reduce a substantial
13 quantity of water pollution, especially when compared to the spent fuel pool. The ISFSI
14 eliminates 50 curies of radioactive gases and tritium released annually into the atmosphere by the
15 spent fuel pool. The ISFSI would encapsulate both the source and the means of production of
16 these radioactive substances. Without this encapsulation, the radioactive gases will continue to
17 form into water molecules that will then fall back to the surrounding waters, primarily the
18 Columbia River. Tritium is especially susceptible to forming water molecules as it is a
19 radioactive form of hydrogen that easily forms water molecules. In addition, the ISFSI
20 eliminates approximately 1200 gallons of contaminated resin used annually in the spent fuel
21 pool. Finally, the ISFSI reduces the risk of pollution from catastrophic occurrences, and such
22 occurrences should be a legitimate concern in appropriate cases. In this case, because of the
23 unique dangers in a release of radioactive material, such concern is appropriate. It is these
24
25
26

1 circumstances that distinguish this case from other cases in which the EQC has declined to
2 approve facilities with limited pollution control function.

3 B.1. Exclusions, Including “Insignificant Contribution”

4 In the definition of “pollution control facility,” the statutes expressly exclude certain
5 items from eligibility. In addition, the statutes eliminate from eligibility “[a]ny distinct portion
6 of a pollution control facility that makes an insignificant contribution to the ...sole purpose of
7 the facility” ORS 468.155(3)(d).

8
9 B.2. EQC Conclusion

10 A majority of the Commission concludes that the ISFSI’s baskets, concrete storage casks,
11 vacuum drying equipment and welding system make a significant contribution to the pollution
12 control purpose. At the same time, a majority of the Commission concludes that the ISFSI’s
13 concrete storage pad and transfer system do *not* make the requisite contribution.

14 B.3. Statement of Reasons/Analysis

15 The purpose of the concrete storage pad is to maintain structural integrity for the weight
16 of the casks and to provide structural integrity for the baskets in the event of a natural event such
17 as an earthquake or flood. The pad does not contribute significantly to any pollution control.

18
19 The purpose of the transfer system is to provide for material handling during the transfer
20 of PWR baskets from the spent fuel pool to the concrete casks and from the concrete casks to the
21 transportation containers. Material handling is not a pollution control purpose, and therefore, the
22 transfer system is excluded from eligibility.

23
24 The other elements of the ISFSI, specifically the baskets, the concrete storage casks, the
25 vacuum drying equipment, and the welding system, are more integral to the pollution control
26

1 purpose and therefore make the requisite contribution.

2 **V. CONCLUSION AND ORDER**

3 A majority of the Commission has determined that Portland General Electric Company
4 and the elements of the ISFSI will be eligible for tax relief under ORS 307.405 or 315.304 if the
5 elements are erected, constructed, reconstructed, added to, installed, improved or used in
6 accordance with this application for preliminary certification. Therefore, under ORS 468.167(3),
7 the EQC hereby grants preliminary certification for the facility by approving the designated
8 elements of the application with the exceptions and conditions discussed above.
9

10 It is so ordered:

11
12 Dated this _____ day of March, 2001.

13
14 _____
15 Melinda S. Eden, Chair
Environmental Quality Commission

16 NOTICE OF JUDICIAL REVIEW: You are entitled to judicial review of this order. Judicial
17 review is pursuant to the provisions of ORS 468.167(5), 468.170(3) and 468.110.

APPENDIX A

468.167 Application for precertification. (1) Any person proposing to apply for certification for tax relief under ORS 468.155 to 468.190 may apply, before the completion of a pollution control facility, for precertification of the facility with the Environmental Quality Commission.

(2)(a) The application shall be made in writing in a form prescribed by the Department of Environmental Quality. The application shall contain the following information:

(A) A statement of the purpose of prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or recycling or appropriate disposal of used oil served or to be served by the facility.

(B) A description of the materials for incorporation into the facility or incorporated into the facility, machinery and equipment to be made or made a part of the facility and the proposed or existing operational procedure of the facility.

(C) Any further information the Director of the Department of Environmental Quality considers necessary before precertification is issued.

(b) The application need not contain information on the actual cost of the facility or the portion of the actual cost properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or appropriately disposing of used oil.

(c) The application shall be accompanied by a fee as provided under ORS 468.165 (5). The fee may be refunded if the application for preliminary certification is rejected.

(3) If the commission determines that the person and the pollution control facility will be eligible for tax relief under ORS 307.405 or 315.304 if the facility is erected, constructed, reconstructed, added to, installed, improved or used in accordance with the application for precertification, the commission shall precertify the facility by approving the application.

(4) If the facility is erected, constructed, reconstructed, added to, installed, improved or used as proposed in the application for precertification, the commission's approval of the application shall be prima facie evidence that the facility is qualified for certification for tax relief under ORS 468.170. However, precertification shall not ensure that a facility erected, constructed, reconstructed, added to, installed, improved or used by the precertified person will receive certification under ORS 468.170 or tax relief under ORS 307.405 or 315.304.

(5) If the commission fails or refuses to precertify a person and facility, the person may appeal as provided in ORS 468.170 (3). [1995 c.746 s.6]

GEN70755

Date: September 1, 2000

To: Environmental Quality Commission

From: Langdon Marsh, Director

Subject: Agenda Item B, September 29, 2000, EQC Meeting
Denial of Preliminary Certification
Application 5009 -- Independent Spent Fuel Storage Installation
Portland General Electric Company

Statement of the Need for Action

This report presents staff's analysis of preliminary application number 5009 and their recommendation for Commission action. Portland General Electric Company (PGE) requested the preliminary certification of their Independent Spent Fuel Storage Installation (ISFSI) under the "pollution control facility tax credit" laws.

Legislation approved in 1995 provided for the preliminary certification of any facility that would otherwise be eligible for a pollution control facility tax credit. The Environmental Quality Commission is the authority that approves or denies preliminary certification that a claimed facility is, in fact, a pollution control facility according to ORS 468.155 to 468.190.

Preliminary Applications

On May 1, 1998 rules (new rules) became effective that implemented 1995 legislation. This legislation reinstated the preliminary certification process. The Department reviewed PGE's preliminary application according to the 1995 legislation and the 1990 rules (old rules) that were in effect on April 30, 1998 – the date PGE submitted their application.

An applicant may submit a preliminary application anytime prior to completing the construction of a facility. PGE submitted their preliminary application within this timing.

The Department reviewed the claimed facility to determine if it met the definition of a pollution control facility. The Department did not review any financial details.

The Commission's approval of a preliminary application is prima facie evidence that the facility meets the definition of a pollution control facility under ORS 468.170. However, it does not ensure that the facility will receive certification under ORS 468.170 or tax relief under ORS 307.405 or 315.304.

Should the claimed facility be approved for preliminary certification and if the applicant builds the facility as planned then the final application would be reviewed under the new rules and would

focus on the facility cost and the percentage of the cost allocable to pollution control.

Background of the Claimed Facility

PGE is constructing the ISFSI to replace a spent fuel storage pool that will be dismantled and decontaminated as part of the Trojan Nuclear Power Plant decommissioning plan.

The claimed facility is a dry storage system that will provide temporary storage of spent nuclear fuel assemblies, fuel debris, and radioactive waste materials. The ISFSI consists of the following major components.

1. Thirty-four sealed metal baskets used to store the sealed zirconium tubes containing the radioactive waste.
2. A vacuum drying system used to remove water from each basket following loading of the sealed zirconium tubes containing the radioactive waste.
3. A semi-automatic welding system used to seal-weld the baskets.
4. A ventilated concrete storage cask for each basket.
5. A transfer station and associated transfer equipment. A transfer cask is used to move a loaded basket from the spent fuel pool to the concrete cask. It is also designed to be used to transfer a basket to a shipping cask, or to a basket overpack.
6. A reinforced concrete storage pad used to support the storage system baskets.

The facility is further described in the attachments to the Staff Report.

PGE permanently ceased operating the Trojan Nuclear Power Plant in 1992 and is required to decommission Trojan. PGE must provide for the temporary safe-storage of spent nuclear fuel until the federal government provides a permanent storage site for its disposal. The U.S. Department of Energy estimates that it will not begin accepting spent nuclear fuel until after 2010.

On November 18, 1999, staff briefed the Environmental Quality Commission regarding the physical aspects of claimed facility, the background of the Trojan Nuclear Power Plant, the nature of the spent fuel and PGE's decommissioning plan. The transcript from that session is in Attachment B.

Definition of a Pollution Control Facility

For a claimed facility to be certified for tax credit purposes it must meet the definition of a "pollution control facility" in ORS 468.155(1) but it must not be excluded from the definition as set out in ORS 468.155(2).

There are two parts to the definition of a pollution control facility — the first part must apply to the claimed facility before the second part is considered. The first part defines the purpose of the facility and the second part defines how the pollution control must be accomplished.

Part 1 Pollution Control Purpose

The claimed facility must have a “principal purpose” or a “sole purpose” of pollution control.

- If the Commission determines that the claimed facility or any distinct portion of the claimed facility has a pollution control purpose then the Commission must consider how the pollution control would be accomplished as described in Part 2.

Any distinct portions of the claimed facility that do not have a pollution control purpose are not eligible for preliminary certification and are not provided a second opportunity to be eligible under Part 2.

The statute also provides exclusions from the definition of a pollution control facility in ORS 468.155(2). One of those exclusions is for any distinct portion of a claimed facility that makes an “insignificant contribution” to the principal or sole purpose of the facility.

- If the Commission determines that the claimed facility does not have a pollution control purpose then the claimed facility must be denied preliminary certification as a pollution control facility. If the Commission determines that distinct portions of the claimed facility make an insignificant contribution to pollution control those portions must be removed from consideration.

Part 2 How Pollution Control is Accomplished

The pollution control must be accomplished in a specific manner.

- If the Commission determines that the pollution control would be accomplished in one of the specific manners described in statute and rule then the Commission must issue preliminary certification.
- If the pollution control is not accomplished in a specific manner described in statute and rule then the Commission must deny the claimed facility preliminary certification.

Part 1 – Purpose of the Facility

DEQ, the federal Environmental Protection Agency (EPA) or a regional air pollution authority does not require the ISFSI. Therefore, it is not a “principal purpose” facility. The applicant claimed the “sole purpose” of the installation is to control, prevent, or reduce a substantial quantity of air and water pollution. To meet the definition of Part 1 of the definition of a pollution control facility, the ISFSI must meet each of the items below.

Media Protected The claimed facility must control¹ air pollution as defined by air quality statute or water pollution as defined by water quality statute.

Substantial Quantity The claimed facility must control a substantial quantity of air or water pollution.

Exclusive Purpose The claimed facility must have an exclusive pollution control purpose.

If items 1, 2, and 3 above are met for ISFSI as a whole then the ISFSI has a pollution control purpose.

If items 1, 2, and 3 above are met for any distinct portions of the facility that make a significant contribution to the sole purpose of pollution control then those distinct portions have a pollution control purpose.

If any one of items 1, 2, or 3 above is not met then the ISFSI does not meet the definition of a pollution control facility and must be denied certification.

Media Protected The applicant claims the sole purpose of the ISFSI is pollution control, and that it controls air and water pollution. The spent fuel assemblies in the spent fuel pool contain radioactive substances. Radioactive substances meet the definition of a water pollutant (ORS 468B.005) and an air pollutant (ORS 468A.005.) Radioactive material is specifically excluded from the definition of a Hazardous Waste in ORS 466.005.

The Department concludes that radioactive waste may meet the definition of an air pollutant as defined by the air quality statute or water pollution as defined by the water quality statute.

Substantial Quantity To meet the second “sole purpose” criteria, the ISFSI must control a substantial quantity of air or water pollution.

Dry storage controls, prevents, or reduces a substantial quantity of pollution control over no

¹ “Control” is used as a shortened form of “prevent, control or reduce.” For used oil facilities it means “to recycle or appropriately dispose of.”

storage as indicated by 10 CFR 20 (Standards For Protection Against Radiation.) However, the applicant did not provide evidence that dry storage would control, prevent, or reduce a substantial quantity of air or water pollution over what is provided by the existing wet storage system.

Policy Implication

- For final certification, the Department compares conditions that existed prior to installation of the pollution control with the conditions that exist as a result of the installation of the pollution control.
- For preliminary certification, the Department compares the conditions that currently exist to the conditions that would exist as a result of installing the pollution control.

Ignoring the conditions that existed or currently exist prior to the installation of the claimed facility would deviate from previous program implementation. The Department considers that this would expand the program.

The application requires that the applicant describe how the impact on the environment would be reduced or minimized. The application also requires the applicant provide quantitative data if it is available.

In the case of application number 5009, the applicant did not provide evidence that releases from the spent fuel pool to the atmosphere or spills to waters of the state is more than infinitesimal. In the spent fuel pool, the vast majority of any possible releases would be captured by the water treatment systems for disposal. The balance would be gaseous fission-products but the applicant did not provide a discussion of how this would pose a threat to the environment. In the ISFSI, the spent fuel assemblies would be encapsulated in the baskets and casks.

The Department did not review any part of the claimed facility from the perspective of protecting the environment from pollution occurring as a result of a catastrophic events such as earthquakes; terrorist attacks.

Policy Implication

The Department considers that it is at the discretion of the Commission to determine when protecting the environment from catastrophic events is within the scope of the pollution control facility tax credit program.

The Department considers that reviewing applications from this perspective would expand the program.

The Department concludes that the ISFSI would not control a substantial quantity of pollution as compared to what is provided by the existing wet storage system.

Exclusive Purpose

To meet the third “sole purpose” criteria, the ISFSI must have an “exclusive” pollution control purpose.

Concern for public health and safety as relates to nuclear materials was specifically separated from other types of environmental concerns:

On June 1, 1976, the U.S. Supreme Court held that pollutants subject to regulation under the Federal Water Pollution Control Act do not include source, byproduct, and special nuclear materials,...” *Train v. Colorado PIRG*, 426 U.S. 1 at 25.

10 CFR 51, Subpart A – National Environmental Policy Act – Regulations Implementing Section 102 (2)

In Oregon, the regulatory agency that applies the Federal Rules governing the release of radioactive materials into the environment is the Oregon Health Division, Radiation and Protection Services. The Health Division established the standard for levels of safety for releases of radioactive material to the atmosphere.

Safe storage of the spent and failed fuel is required under 10 CFR 20 (Standards For Protection Against Radiation.) Safe storage meets the requirements of OAR 345-026-0390 for Spent Nuclear Fuel Storage as administered by the Oregon Office of Energy. The requirements are, in part, for protection of the environment.

There is no regulatory requirement for PGE to install a dry storage system in place of a wet

storage system other than the legal obligation to implement its decommissioning plan approved by the NRC and the Oregon Energy Facility Siting Council (EFSC.) Both dry storage and wet storage meet the requirements for safe storage set out in the U.S. NRC's Standards For Protection Against Radiation, 10 CFR 20.

PGE's Decommissioning Plan includes the Independent Spent Fuel Storage Installation. The Oregon criteria under which the plan was approved are contained in Division 26 of OAR 345. Now that the plan has been approved, the applicant is legally bound to meet these conditions or request approval of an amendment to the plan from the Energy Facility Siting Council (EFSC).

As a result of the installation, most of the Trojan site would be available for unrestricted use. At that time, PGE would operate the facility under a Part 72 license – Licensing Requirements for the Independent Storage of Nuclear Fuel and High Radioactive Waste (10 CFR 72). The site is a prime Oregon location; transportation is readily available with a rail line running through the property, access to the I-5 corridor and sited on the Columbia River. The site is suitable to be used as a power plant fueled by natural gas and the applicant is considering donating most of the site for recreational purposes.

The cost savings appear to be a significant factor in PGE's decision to move from wet storage to dry storage at this time. The decommissioning plan tracks the costs associated with operation and maintenance of the independent spent fuel storage installation (\$3.6 million a year) and the spent fuel pool (\$10.4 million a year), which represent a savings of \$6.8 million per year.

The applicant is required to provide safe storage of spent nuclear fuel and high level radioactive waste, and is legally obligated to meet the conditions of the approved decommissioning plan. The financial benefits to decommissioning seem to be significant as they are set out in the Trojan Decommissioning Plan.

Part 1 - Discussion of the Significant Contribution of Distinct Portions

The applicant identified the following distinct portions of the facility and the Department reviewed each portion to determine if they each made a significant contribution to the sole purpose of the pollution control as follows.

Baskets

The purpose of 34 PWR and two GTCC sealed metal-baskets is for temporary storage of the spent fuel assemblies while in Oregon, during transportation within and outside Oregon, and then for permanent storage at the federal repository. The sealed metal-baskets would provide the secondary containment for the spent fuel pellets should the primary containment (sealed zirconium tubes) fail. Currently, the majority of any releases within the spent fuel pool would be captured by the water treatment system. The remaining releases would be gaseous fission-products but the applicant did not demonstrate that this would pose a threat to the environment.

The applicant did not demonstrate the probability and the conditions under which the current system could release contaminants to the atmosphere or spill to public waters.

Vacuum Drying Equipment

The purpose of the vacuum drying equipment is to remove residual water from each basket after they are loaded with the spent fuel assemblies within the spent fuel pool. The Department concludes that the vacuum drying equipment makes an insignificant contribution. The equipment has a one-time use. The 1998 rule formalized the Commission's practice to remove the cost of equipment purchased for the purpose of installing the pollution control because that equipment makes an insignificant contribution to the purpose of the facility — OAR 340-0016-0070 (3)(o).

Welding System

The purpose of the semi-automatic welding system is to weld the baskets closed. The Department concludes that the welding system makes an insignificant contribution to the pollution control purpose and it does not have an exclusive pollution control purpose. The 1998 rule formalized the Commission's practice to remove the cost of equipment purchased for the purpose of installing the pollution control because that equipment makes an insignificant contribution to the purpose of the facility — OAR 340-0016-0070 (3)(o).

Concrete Storage Casks

The concrete storage casks have openings in the top and bottom to allow air to circulate through the inside of the cask. They do not have the ability to prevent, control, or eliminate releases to air or water pollution should the spent fuel assemblies and baskets fail. The purpose of the concrete storage casks is to provide shielding of gamma-rays and to provide structural integrity for the baskets to withstand a man-made or natural catastrophic event such as an earthquake, flood, tsunami or tornado etc.

Policy Implication

Shielding has not previously been approved for tax credit purposes. Approval would mean medical and industrial x-ray shielding would then become eligible for a tax credit.

Tertiary containment has not been approved for tax credit purposes. --

The Department considers that providing a pollution control facility tax credit for sheilding and terciary containment would expand the program.

Transfer Station

The transfer station and associated transfer equipment provides for the safe movement of the spent fuel during the transfer of spent fuel assemblies from the spent fuel pool to the baskets and then during transportation to the federal repository. The transfer station must remain with the storage system as long as the fuel is on site. The transfer station provides an essential material handling function. Though essential, material handling is not a pollution control purpose.² The Department concludes that the transfer station provides an insignificant contribution to the pollution control purpose.

Policy Implication

The Department considers that the approval of this type of material handling system would expand the program.

Concrete Storage Pad:

The concrete storage pad is not capable of preventing, controlling or reducing releases to the air or spills to the water should the spent fuel assemblies and the baskets fail. The pad provides structural support for the casks.

Part 1 Conclusion Considering each of the factors in Part 1, the Department concludes that the claimed facility does not have a pollution control purpose. Staff also concludes that the ISFSI includes distinct portions that make an insignificant contribution to the pollution control purpose. For these reasons the Department concludes that these other purposes are more than incidental and that the applicant has not demonstrated that the exclusive purpose of the facility is pollution control.

Because the facility does not meet all three of the "sole purpose" criteria, the Department concludes that the ISFSI does not meet the definition of a pollution control facility, and recommends the Commission deny certification.

² Material handling is allowable in the material recovery or alternatives to open field burning parts of the tax credit program.

Part 2 - How the Pollution Control Is Accomplished

Should the Commission determine that the ISFSI (or any distinct portions) does have a pollution control purpose, then the Commission must also determine whether the facility accomplished the pollution control by one of the methods in statute. The statute explicitly provides five categories of pollution control. ORS 468.155(b)(A).

The Department offers the following analysis of several systems and their ability to accomplish the prescribed pollution control even though the Department concludes that the ISFSI does not have a pollution control purpose.

The applicant claimed the facility as an air and water pollution control facility that prevents spills or unauthorized releases. The pollution control facility tax credit statute specifically identifies how pollution control must be accomplished for both air and water pollution control facilities. The applicant claims that the facility accomplishes the pollution control by preventing spills and unauthorized releases as provided in rule.

Air Pollution Control

The air pollution control must be accomplished by disposing of or eliminating air contaminants, air pollution or air contaminant sources. The pollution control must also be accomplished by the use of air cleaning devices.

The Department concludes that the ISFSI does not meet the definition of an air-cleaning device because it does not remove, reduce, or render the air contaminants less noxious prior to discharge to the atmosphere. The radioactive waste is only stored until it can be removed from Oregon and rendered less noxious to Oregonians over time and distance.

Water Pollution Control

Water pollution control must be accomplished by disposing of or eliminating industrial waste. The pollution control must also be accomplished by the use of a treatment works.

Baskets

The 34 PWR and two GTCC sealed metal-baskets serve as a secondary containment for the spent fuel with the spent fuel assemblies serving as primary containment. The spent fuel assemblies will permanently reside in the baskets. The baskets would meet the definition of "disposal" because they are the permanent container for the spent fuel assemblies, though Oregon is not the permanent location for the baskets. The baskets would be considered a "treatment works" because they hold waste.

The Department determined that the baskets would accomplish pollution control as prescribed in statute.

Concrete Storage Casks

The concrete storage casks do not eliminate or dispose of industrial waste and they do not meet the definition of a treatment works. They are not capable of "holding" industrial waste should the primary and secondary containment fail.

Concrete Storage Pad

The concrete storage pad does not eliminate or dispose of industrial waste. The pad does not meet the definition of a treatment works because it does not treat, stabilize or hold wastes as required in the definition of "treatment works."

Spills or Unauthorized Release Prevention

The applicant claims that the sole purpose of the claimed facility is accomplished by detecting, deterring, or preventing spills or unauthorized releases as provided by this rule. [OAR 340-016-0025(2)(g) – 1990] There is no longer any express authority in the tax credit statutes for this particular rule. However, legal counsel has advised the Department that the EQC may have sufficient general rulemaking authority to support such a rule and, further, that agencies must generally presume their own rules to be valid.

Other Tax Credits Issued at Trojan

The EQC certified the following seven facilities located at the Trojan site in Rainier during 1983 and 1984. Staff concludes that the ISFSI or any of its distinct portion are not considered replacement facilities as defined in ORS 468.155(2).

App. No.	Description of Facility	Certified Cost	Percent Allocable
1603	AIR POLLUTION CONTROL: Radioactive emission controls associated with the containment building.	\$13,243,985	100%
1604	WATER POLLUTION CONTROL: A 499' high natural draft cooling tower and a circulating cooling water system.	\$10,355,754	100%
1606	WATER POLLUTION CONTROL: Dechlorination system consisting of 2 sampler pumps, 2 pH sampler pumps, sulfite injection equipment, an instrument panel, piping, valves and instruments.	\$210,778	100%
1638	AIR POLLUTION CONTROL: Radioactive emission controls associated with fuel and auxiliary buildings:	\$4,774,207	100%
1639	WATER POLLUTION CONTROL: A liquid waste radioactivity control system consisting of five subsystems: <ul style="list-style-type: none"> • A clean radioactive waste treatment system • A dirty radioactive waste treatment system • A steam generator blowdown treatment system • A solid radwaste system • A liquid radiation monitoring system. 	\$6,927,850	100%
1675	WATER POLLUTION CONTROL: A water treatment filter backwash solids settling system consisting of: <ul style="list-style-type: none"> • A 70,000 gal reinforced concrete basin • A wet well discharge pumping station with two 5-hp pumps • A sludge collection system and 3-hp pumps • Electrical flow panels, flow recorders, and alarms 	\$628,971	100%
1677	AIR POLLUTION CONTROL: Certain elements of the containment building consist of containment- cleanup re-circulating units, spray system, cooling-water system and isolation valves.	\$7,263,820	100%

Conclusions

Staff concludes that the claimed facility does not meet the definition of a pollution control facility. The Department concludes that staff's recommendation is consistent with statutory provisions and administrative rules related to the pollution control facility tax credit program.

Recommendation for Commission Action

The Department recommends the Commission deny certification of the facility claimed on application number 5009 and as represented in this Agenda Item.

Intended Follow-up Actions

Staff will notify applicant of the Environmental Quality Commission's action by Certified Mail.

Attachments

Attachment A	Review Report – Application 5009
Attachment B	Department Position on PGE letter to Commission
Attachment C	Transcript from November 18, 1999 Commission Briefing
Attachment D	Relevant Citations

Reference Documents (available upon request)

1. ORS 468.150 through 468.190.
2. OAR 340-016-0005 through 340-016-0050.

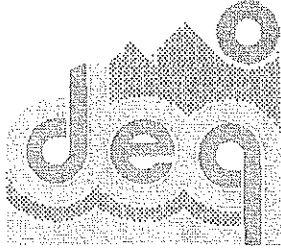
Approved:

Section: _____

Division: _____

Report Prepared by: Margaret Vandehey
Phone: (503) 229-6878
Date Prepared: September 1, 1999

0009_Staff Report.doc



Tax Credit Review Report

EQC 0009

PRELIMINARY APPLICATION

Director's
Recommendation: **DENY**

Applicant	Portland General Electric
Application No.	5009
Estimated Facility Cost	\$ 55,000,000
Claimed Useful Life	10 years

Pollution Control Facility: Water and Air

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0050

Applicant Identification

The applicant is a C corporation operating an **electric utility company**. The applicant's taxpayer identification number is 93-0256820 and their address is:

**121 SW Salmon Street
Portland, OR 97204**

Facility Identification

The applicant claimed the following facility:

**An Independent Spent Fuel Storage
Installation.**

The applicant is the owner of the facility located at:

**Trojan Nuclear Plant
71760 Columbia River Highway
Rainier, OR 97048**

Technical Information

The claimed facility consists of a vertical dry cask storage system, which will provide temporary storage of spent nuclear fuel assemblies, fuel debris, and radioactive waste materials. Sierra Nuclear Corporation designed the passive TranStor Storage System.

Fission product gamma rays, which are emitted from the spent fuel, are a continuing source of radiation after shutdown of a reactor. The spent fuel assemblies are currently stored in the spent fuel pool. The spent fuel assemblies are about one centimeter in diameter (less than 1/2 inch) and 12 feet long. Each assembly consists of 144 fuel spent fuel pins. Each pin is a zirconium alloy tube sealed at each end and filled with ceramic uranium fuel pellets. If the seal of a pin is broken, water will enter and become contaminated with radioactive materials in the form of fission products; these fission products emit gamma rays, alpha particles, and beta particles. Some of the fission products are gaseous, including krypton and xenon isotopes; therefore they may become airborne in the gaseous space above the spent fuel pool. All of the spent fuel at Trojan has been out of the reactor for over five years and is no longer required to be cooled with water.

The spent fuel pool and supporting plant systems will be dismantled and decontaminated as part of the ongoing decommissioning of the Trojan Nuclear Plant. The dry cask storage system will take the place of the spent fuel pool until the spent fuel assemblies can be transferred to a federally operated disposal site.

The applicant claimed the following major components as part of the pollution control facility.

1. Thirty-four PWR (pressurized water reactor) and two GTCC (greater than class C) sealed metal baskets used to store radioactive materials. The baskets are about 15 feet tall and 5-1/2 feet in diameter. The outside of the basket is made of 3/4-inch thick stainless steel and the internal structures are made of high carbon steel, coated to prevent corrosion. The PWR baskets are capable of storing up to 24 spent fuel assemblies. The GTCC baskets are capable of storing up to 28 individual canisters containing other radioactive waste.
2. A vacuum drying system used to remove water from each basket following loading of radioactive waste. Each PWR basket is loaded with up to 24 spent fuel assemblies in the spent fuel pool and the residual water must be removed.
3. A semi-automatic welding system used to seal weld the baskets. A shield lid and a structural lid are seal-welded in place after the contents are dried.
4. A ventilated concrete storage cask for each basket. Each cask is made of high density concrete about 21 inches thick and provides structural support for the basket. It also provides shielding of the radiation produced by the radioactive materials in the spent fuel.
5. A transfer station and associated transfer equipment. The transfer station is used for basket transfer operations. Lateral and vertical support is provided with the transfer station to prevent a loaded cask from overturning or falling during transfer operations. A transfer cask is used to move a loaded basket from the spent fuel pool to the concrete cask. It is also designed to be used to transfer a basket to a shipping cask, or to a basket overpack. An air pad system is used to move a loaded cask. Air pads are inserted under the cask and inflated with an air compressor. A specially modified vehicle would then be used to move the concrete cask from one location to another.
6. A reinforced concrete storage pad used to support the storage system baskets. The storage pad is 170 foot by 105 foot and 18 inches thick. The concrete casks will be on the pad until the U.S. Government is prepared to take the spent fuel.

Eligibility

ORS 468.155 (1)(a) The **sole purpose** of this new equipment is **not** to prevent, control or reduce a substantial quantity of air or water pollution. The applicant did not provide evidence that dry storage (ISFSI) would provide a substantial quantity of pollution control over what is provided by the existing wet storage system (spent fuel pool.) The radioactive materials that would be stored in the ISFSI are presently stored in the spent fuel pool, thereby controlling radiation releases. The applicant did not provide evidence that radiation releases result in a substantial quantity of air or water pollution being emitted to the environment from the present storage system; therefore, the ISFSI dry storage would not provide a substantial quantity of air or water pollution prevention, control, or reduction.

The ISFSI would serve purposes other than pollution control such as to facilitate decommissioning.³ The vacuum drying system; the semi-automatic welding system; the ventilated concrete storage casks; the transfer station and associated transfer equipment; and the reinforced concrete storage pad have purposes other than pollution control or they make an insignificant contribution to the claimed pollution control purpose.

ORS 468.155 (1)(b)(B) The ISFSI does not dispose of or eliminate air contaminants with the use of an air cleaning device as defined in ORS 468A.005.

ORS 468.155 (1)(b)(A) The baskets would dispose of industrial waste with the use of a treatment works as defined in ORS 468B.005. The other systems either do not dispose of or eliminate industrial waste or the control is not accomplished by the use of a treatment works.

OAR-016-0025 (2)(g) The applicant claimed the installation would be used to detect, deter, or prevent spills or unauthorized releases. The applicant did not demonstrate the probability that releases to the atmosphere or spills to waters of the state with the current system is more than infinitesimal.

Timeliness of Application

The application was submitted prior to the completion of construction.

Application Received

5/5/1998

Application Substantially Complete

4/27/2000

Reviewers: Maggie Vandehey, DEQ
SJO Consulting Engineer
Elliot Zais, PhD, DEQ

³ See Director's Letter 5/17/00 for full discussion.

**Environmental Quality Commission Coos Bay Meeting
Tour Agenda
September 9, 2004**

Supporting Communities in Solving Environmental and Economic Problems

8:15 Assemble at Best Western Holiday Inn, Coos Bay
8:30 Depart

8:55 **Tour Stop #1: South Slough
Working Together Towards a Strong Economy and Good Water Quality**

Good water quality is important, both socially and economically in the Charleston community. The Department is working with multiple partners, through diverse venues, to address high levels of bacteria in South Slough. On this tour stop, Commissioners will meet an array of area interests working together to improve water quality. Partners will introduce themselves and talk about their roles. There will be some time for small group discussions.

- Pam Blake, DEQ – Water quality issues and background information
- Larry Qualman – Qualman Oyster Farm
- Marty Giles, Owner/Operator Wavecrest Discoveries – Nature Based Recreation and Tourism
- Jack Emmons, Plant Manager – Hallmark Fisheries
- Dave Wright, Plant Manager - Pacific Seafood
- Steve Rumrill, Research Coordinator – South Slough National Estuarine Research Reserve
- Mike Gaul, Interim General Manager – Port of Coos Bay
- Jon Souder, Executive Director – Coos Watershed Association

10:00 Depart Charleston

10:05 **Tour Stop #2: Sunset Bay State Park
Oregon's Beach Monitoring Program**

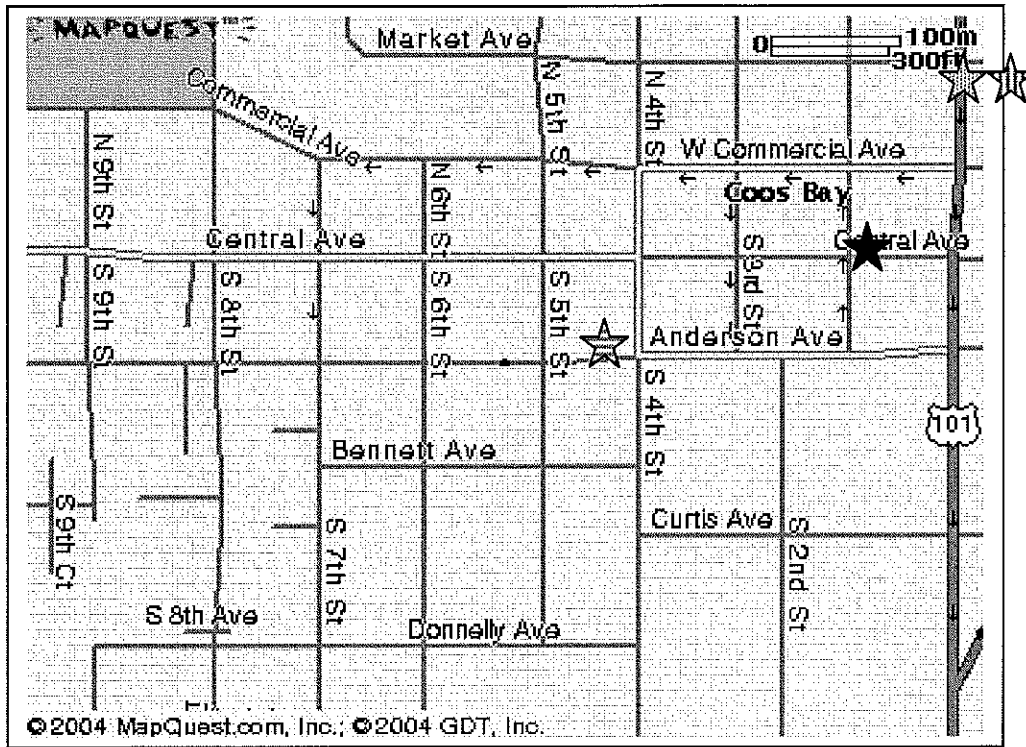
Water quality at ocean beaches is also important to tourists and related businesses and has received national attention. A new Federal program is driving monitoring at Oregon beaches, conducted by DEQ and the Oregon Department of Human Services, Health Services. Sunset Bay is one of several beaches that has had repeated warnings posted about bacteria problems. On this stop Commissioners will see how the monitoring is conducted and hear about the issues the postings raise and work needed to follow up.

- Greg Pettit DEQ, Watershed Assessment Manager – Background and Information
- Cindy Gaines, Health Services, Oregon Department of Human Services – Local participation and notification procedures
- Pam Blake, DEQ Basin Coordinator – Emerging local partnerships

10:50 Depart Sunset Bay

11:15 Arrive Coos Bay Public Library

Map of EQC meeting and lodging sites in the Coos Bay area



- ★ = Best Western Holiday Motel (4110 N. Bayshore Drive)
- ★ = Coos Bay Public Library (525 Anderson Street) – *Wednesday and Thursday meetings*
- ★ = Cedar Grill (201 Central Avenue) – *Wednesday night dinner*
- ★ = DEQ Office (340 N. Front) directly across from Hotel

Environmental Quality Commission Coos Bay Meeting September 8 & 9, 2004

Environmental Issues: South Coast

This is a summary of current environmental issues on the South Coast (Curry, Coos and coastal Douglas Counties).

Economic Development Related Issues

1. Certified Industrial Lands

Three sites on Oregon's south coast are now under consideration for certification as "project ready." DEQ funded site assessment work at the **North Bay Marine Industrial Park**, located on the North Spit across the bay from North Bend, and additional work to analyze sediments is needed prior to issuance of a "no further action" decision by DEQ, which clears the site for certification. Part of the property at the **North Bend Airport Industrial Park**, has been cleared but additional work on relatively minor sediment issues is also needed here. The **International Paper Sawmill Site**, located in Gardiner, is a likely future candidate for certification, and DEQ has conducted a basic file review on the site. The Cleanup Program has been in communication with the owners about pursuing "no further action" status.

2. Natural Gas Pipeline

In 2003, Coos County and NW Natural Gas started the construction of a natural gas pipeline from Roseburg to the Coos Bay area (about 85 miles), bringing natural gas to the South Coast. Several contractors were hired to perform the construction over the mountains and along the East Fork of the Coquille River, including trenching or directional drilling to cross numerous streams. The contractors failed to properly install and maintain erosion controls at the excavated areas which allowed the release of turbid runoff and sediment into streams. In addition, due to the fractured nature of the rock, drilling mud was released from the bore holes, through the rock fractures and into the streams. These releases of drilling mud are violations known as "frac-outs." The DEQ and the Army Corps of Engineers have issued enforcement actions to both the County and the contractors for the violations. The Sierra Club has litigation pending on this project.

3. North Spit Development efforts/issues

The North Spit of Coos Bay potentially contains the largest area of land available for industrial development in Coos County. Weyerhaeuser Paper Company operated a 900 ton per day paper plant here until the Fall of 2003. The paper mill is being dismantled and the property is being cleaned up for sale. The wastewater treatment system is being maintained so it may be used by others in the future. NW Natural and the Port of Coos Bay are running the natural gas pipeline to the North Spit in an effort to attract industry. The City of Coos Bay is also proposing to install a sewage pipeline under the bay leading to the Empire sewage treatment facility in Coos Bay. Due to concerns that the existing discharge of treated sewage to the Coos Bay estuary, the City of Coos Bay is also exploring the possibility of constructing an effluent pipeline to the Weyerhaeuser ocean outfall. Private developers have also proposed a facility to receive liquefied natural gas from ocean-going vessels and store it in a land-based double-lined storage tank. This new gas source would amend what is coming

into the pipeline from the originating gas fields and would serve as an additional natural gas source. Developers are also proposing a small natural gas power plant. DEQ will be meeting with the developers in September to scope out permitting and regulatory issues.

4. Coal Bed Methane Extraction in Coos County

The Oregon Department of Geology and Mineral Industries (DOGAMI) has received proposals from a private developer to drill exploration holes to examine the feasibility of extracting methane from coal beds on Coos County mineral rights land. Developers may want to drill this fall, but delayed timelines have been common. Wastewater disposal will be an issue. DEQ has offered to work up front to evaluate permitting and regulatory issues in an effort to avoid last minute problems.

5. Port of Port Orford Brownfield

On September 1, 2004, DEQ collected soil samples at a Port Orford building site to determine if the site has been contaminated by the past use of creosote at the location. The Port would like to sell or lease the property as a source of revenue. Located at the top of Port Orford Dock Road at the southeast corner of 5th and Washington, the site was used in the 1980s through the mid 1990s for application of creosote to timbers used in dock and pier construction. If the sample results indicate that the site needs cleanup, DEQ can use a new State Response grant for small, one-time remedial actions such as a soil removal. The property is one of approximately a dozen sites in Oregon scheduled to have a site assessment performed as part of the Oregon Rural and Economically Distressed Site Assessment Initiative. In June 2003, DEQ received \$400,000 for the Initiative, \$200,000 of which is dedicated to performing site assessments at hazardous substances sites.

6. UST Rural Brownfield Grant project - Coquille

From the 1950s until the early 1990s, the property at 550 N Central Street in Coquille operated as a retail gas station known as Arnold's Union. In February 2002, DEQ conducted a limited site assessment at the site and confirmed the presence of soil and groundwater contamination. In September 2003, Coos County took ownership of the site by foreclosure. The property was included as part of DEQ's Oregon Rural and Economically Distressed Site Assessment Initiative funded by an EPA grant. This work included soil and groundwater sampling, removal of the underground storage tanks (UST's), and installation of five groundwater monitoring wells. The monitoring wells will be sampled quarterly until June 2005. Initial sampling results indicate that DEQ will probably be able to determine, when the four quarters of sampling are completed, that no further action is required to meet state environmental standards. Coos County plans to sell the property at public auction and ultimately put it back into productive use.

7. Residential Development Pressure

Some areas of the coast are experiencing extensive residential development. The construction places stress on both the local infrastructure and the environment. Examples of proposed large developments on the coast include the 1000 unit US Borax development in Brookings; 420 unit development in Harbor Hills, just south of Brookings; and the Indian Creek development near Gold Beach, which will include 100 unit condominium and 100 RV spaces. In some cases the existing sewage treatment plant cannot handle the higher loads, and others require their own treatment systems because there is not municipal service in the area. The high levels of rainfall received on the coast makes construction work especially

problematic. DEQ has responded to many complaints regarding developments with poor erosion controls that caused turbid runoff and release of sediment and has worked with developers to improve their erosion controls.

Water Quality Issues

1. Forest Conversions

Development pressures mentioned above have created interest in converting forest land into residential property. While there are many approval steps needed for this to occur, the Forest Practices Act (FPA) allows for the waiver of portions of the FPA requirements, for example reforestation, under a "FPA Notification." This notification provides the mechanism for land use conversion activities, such as residential development. Standard Forestry Notifications do not require local land use approval. ODF is working to improve coordination with local jurisdictions and in many instances requires a Land Use Compatibility Statement (LUCS) prior to considering a notification package as complete where a conversion is proposed.

In addition to exemption from reforestation, activities such as lot development, lot road access, and other ground disturbing activities not related to forestry activities can occur without ODF or local land use authority oversight. We have several sites on the South Coast where this situation has led to water quality violations, enforcement activities, and use of substantial DEQ staff resources. These are as yet unresolved.

One outcome from these conversion activities is a Memorandum of Agreement under development between DEQ and ODF that more clearly defines the process. The effort has already led to publication of a brochure entitled "Converting Forestland to Non-Forest Uses," which clearly identifies the appropriate steps for an operator to follow in a conversion effort.

2. Tenmile Lakes Project update

The Commission visited Tenmile Lakes in 1999. There, excessive nutrients entering the lakes have resulted in aquatic weeds and algae blooms that reduced water quality. Toxic algae blooms led to warnings against recreational contact and domestic use of the water. Nutrients are coming from a variety of sources, including natural organic matter, upland sediments, wildlife, fertilizer runoff and septic tanks. DEQ is continuing to work with a number of stakeholders to identify and control the various nutrient loads, culminating in the pending TMDL (see below). There are over 500 homes on the lakes and most rely on septic systems for their waste disposal. Many systems predated the 1974 permit requirements or were built without permits. DEQ began working with homeowners and the Tenmile Lakes Basin partnership in 1999 to deal with septic tank issues. Almost all the homes built or remodeled without the necessary permits (over 120) have taken the necessary steps to come into compliance. Since 2001 efforts have focused on education and outreach to encourage system maintenance and gray water/solids management, especially for homes built before 1974. If a system needs to be upgraded, a permit is required. Work now mainly involves responding to new applications as they are submitted.

3. State Revolving Loan Funding for onsite treatment systems in Coos County

Largely due to the Tenmile Lakes problem, DEQ and Coos County have investigated the possibility of creating a low interest loan program using DEQ's State Revolving Fund (SRF) money to assist homeowners in upgrading their septic systems. The SRF is a block grant given to the state from the federal government and passed through for local projects. While SRF monies are typically used to improve municipal wastewater treatment systems, using the funds to address other environmental issues, such as groundwater and nonpoint pollution, is now allowed under DEQ rules. The loans must be made to governmental agencies. Thus, the proposed program involves a state loan to Coos County, with the County administering the individual loans to the homeowners.

Currently the loan proposal is on hold due to the Coos County's lack of financial resources to administer the program and concerns about loan defaults liability. Several agencies are looking for grant opportunities to help the County administer the program, but no funding has been secured.

4. Total Maximum Daily Load (TMDL) Status

Sixes River	The temperature and dissolved oxygen TMDLs are on schedule. DEQ is currently calibrating models that will be used to set the TMDL. The target date to place the draft on public comment is December 2004.
Chetco Subbasin	The temperature TMDL is on schedule. DEQ is currently reviewing extensive data collected during the summer of 2004. The target date to place the draft on public comment is December 2005.
Coquille River	The bacteria, dissolved oxygen, chlorophyll and temperature TMDLs are on schedule. DEQ has begun to identify possible sources of bacteria and has conducted temperature and dissolved oxygen sampling. DEQ has developed riparian and channel assessments with the assistance of local partners for many areas. The target date to place the draft on public comment is 2006.
Tenmile Lake	The aquatic weeds and algae TMDLs are behind schedule. DEQ has completed monitoring and is preparing a draft. The current target date to place the draft on public comment is September 2004.

Of Note:

- Curry County Commissioner LaBonte is concerned that the warm temperatures in the Chetco River system are natural conditions. Our preliminary TMDL efforts may confirm her concern, but the TMDL must be completed before a final determination is made. (Anthropogenic impacts have been identified but their affect on water temperature is not yet quantified. Clearly, this water body does exceed the temperature standard even in areas where natural conditions exist. The TMDL process is the venue for determining what role natural conditions play in water temperature. If we determine that natural conditions cause the elevated temperatures, the natural condition temperature will become the standard.) Commissioner LaBonte has concerns that the listing itself has negatively affected the reputation of the Chetco system.
- There has been some reluctance from Coos County (primarily Commissioner Griffith) to the requirement for Coos County to act as a Designated Management Agency (DMA) to develop an implementation plan to address the County's responsibilities under a TMDL. The reluctance is related to his belief that the requirement is an unfunded mandate and is unconstitutional. Our legal counsel has responded to a

similar question on unfunded mandates raised by Josephine County (constitutionality was not questioned) and holds the position that the DMA-required activities fall under exceptions to or predate the unfunded mandate limitations. Coos and Curry Counties have received approval for a 319 grant to partially fund development of an implementation plan. After a funding award was made for the joint project, Commissioner Griffith made the decision that Coos County does not want to proceed. Curry County is now reconsidering their intentions to proceed with the project also.

5. Municipal Sewage Treatment Plants In Need Of Upgrade

The following coastal municipal sewage treatment plants do not meet water quality requirements and have entered into a Mutual Agreement and Order with DEQ to upgrade:

City	Status
Yachats	Hired an engineer to prepare a wastewater facilities plan. The plan will address both collection and wastewater system deficiencies.
Winchester Bay	Completed plans for collection system work and is designing a new wastewater treatment system. The estimated cost of the project is \$4.4 million (\$800,000 for the collection system work and \$3.6 million for the new treatment plant)
Reedsport	Facilities Plan has been approved by DEQ that proposes to first correct the collection system deficiencies and then upgrade the treatment plant. The estimated cost of the project is \$17.1 million (\$7.4 million for the collection system work and \$9.7 million for the new treatment plant).
Lakeside	Facilities Plan has been approved by DEQ that proposes to correct the collection system deficiencies, construct a reclaimed water system to irrigate the local airport, upgrade the wastewater treatment system and construct a new biosolids facility. The estimated cost of the project is \$3.5 million.
Myrtle Point & Coquille	Both cities have hired engineers to prepare facilities plans. These plans will address collection system deficiencies and wastewater treatment system upgrades necessary to comply with the Total Maximum Daily Loads for the Coquille River.
Powers	Currently correcting collection system deficiencies. The City is progressing on a schedule to upgrade the sewage treatment system.
Coos Bay & North Bend	Both sewage treatment plants serving Coos Bay and the plant serving North Bend need to be upgraded to comply with the chlorine limits in the recently issued permits. Coos Bay has begun construction on the upgrades. The plans for the North Bend upgrades are under DEQ review.
Port Orford	Final phase of the sewage treatment plant upgrades is in progress. A new ocean outfall and effluent pipeline was completed last year. Upon completion of the upgrades, the treatment system will be capable of complying with the permit.
Wedderburn	The Sanitary District is revising a wastewater facilities plan based on DEQ comments. The plan proposes to correct collection system deficiencies and expand the wastewater treatment system. The estimated cost is \$1.8 million.
Gold Beach	Currently correcting collection system deficiencies and has hired an engineer to prepare a wastewater facilities plan to address the treatment system deficiencies.

Land Quality Issues

1. Municipal Solid Waste Issues – Beaver Hill

The south coast area (Coos and Curry Counties, the coastal portion of Douglas County plus Del Norte County, California) has one remaining land disposal site, Beaver Hill, which is located north of the City of Bandon in Coos County. Municipal solid waste is incinerated and the resulting ash is landfilled at this site. Even though the disposal fees are the highest in the state, the operational costs are greater than revenues generated. Some of the high cost is due to debt service from upgrading the facility to meet current regulatory requirements. Recently, an interstate waste management company, Waste Connections, purchased several local haulers and transfer stations along the south coast and is now disposing of waste in Douglas and Benton Counties. This will likely reduce the revenue to the County and increase the per ton operating costs. The most economical methods for managing solid waste are expected get considerable attention in the future, particularly when the existing facility reaches the point they would have to make major capital investments.

Two recent successes have involved the Beaver Hill facility:

- Until the beginning of 2004, approximately 600 tons of fly ash was generated that was hazardous waste because of lead. Working with DEQ, the facility changed to a new scrubber medium that adsorbs lead, reducing the leachability of the lead in the fly ash waste so that it is no longer a hazardous waste. As a result of this, the County can now dispose of the fly ash waste on site. While this has greatly reduced operational costs, the high cost of disposal remains an issue for the County.
- Greenland Recycling, a new company that processes the pumpings from septic tanks to make it suitable for landfilling, began operation this year at the site. The process separates the solids from the liquids. The solids are landfilled and the liquids are used as incinerator quench water, relieving a water supply problem.

2. Sediment cleanup project update

The last time the EQC met in the South Coast, DEQ described how it was working with shipyard owners and coastal ports to protect threatened fish and shellfish resources. The effort began in Coos Bay with the discovery of contaminated sediments associated with shipyard activities, the appearance of thickened, ball-shaped pacific oysters, and the disappearance of native insects typically found in the Bay.

DEQ staff has since then provided technical assistance to shipyard owners, explaining best management practices for pressure washing, sandblasting, and scraping, to eliminate the direct discharge of contaminants into the water. These practices are now standard procedure.

DEQ identified five significantly contaminated shipyards, severe enough that EPA initially considered listing Coos Bay as a Federal Superfund site. However, DEQ convinced EPA that the State could accomplish cleanup in a more timely and community-oriented manner. The stigma of a Superfund listing was avoided and DEQ continues to be the lead agency overseeing the work. Since that time, cleanup has been completed or is in final phases, and DEQ has initiated investigation and cleanup at five other shipyard sites in other South Coast bays.

Brookings Harbor School District finds help with cleanup



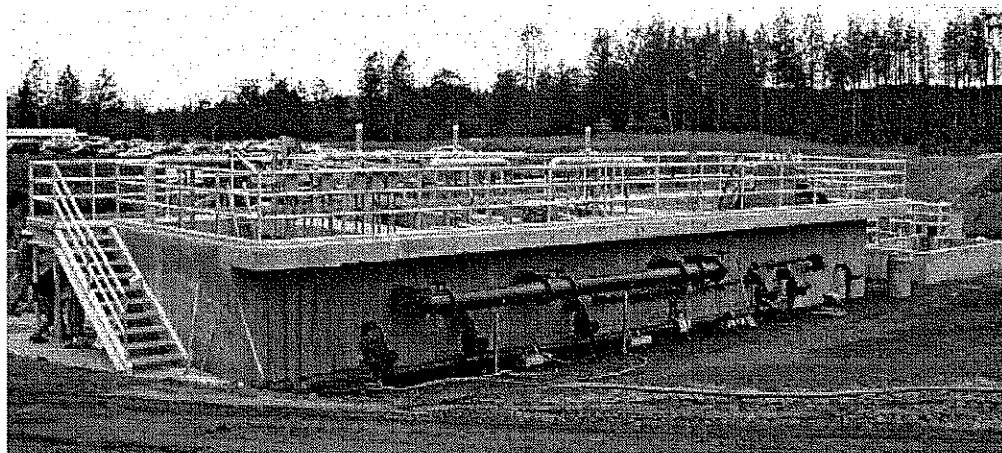
Extra care is taken as contaminated soil is separated and removed from the excavation. (Photo courtesy of Squire Associates)

While excavating for a building foundation recently, Brookings-Harbor school district contractors uncovered a buried waste oil drum and other waste materials. Not only did the district have to deal with those materials, but water at the site became contaminated as well. DEQ specialists from several programs coordinated to support the school district in the cleanup to minimize costs, while protecting the environment.

Excavation of the contaminated soil first required removing contaminated water from the excavation. DEQ Water Quality specialist Jon Gasik assisted the school district with the review of a temporary water collection system that diverted an estimated 50,000 gallons of contaminated water to the city wastewater treatment plant.

Completion of the foundation preparation work required excavation of more than 5,000 cubic yards of soil and proper management of waste material and contaminated soil. DEQ Emergency Response specialist Wes Gebb outlined a procedure for determining which soil was

DEQ Helps Bring Innovative Wastewater System to Bandon Dunes



Wastewater from the Bandon Dunes Golf Resort is treated in a Membrane Bioreactor

The Bandon Dunes Golf Resort on the coast has been such a success, that just a year after opening, the wastewater treatment system was approaching capacity. The sewage from the resort is treated and recycled for irrigation on the golf course – an efficient system that saves water and money – but due to the tremendous success and popularity of the resort, the treatment and irrigation system reached its capacity after only its first year of operation. This presented a serious problem. If the treatment plant was overloaded and not able to provide adequate treatment, irrigation on the golf course could pose a health hazard. Additionally, the level of nitrogen in the irrigation water would be high enough to pollute groundwater and potentially impair water quality in the local aquifer. Nitrogen is the most common groundwater pollutant in Oregon.

DEQ specialists Ruben Kretschmar and Jon Gasik worked with the resort's consultant to develop a plan that would allow for growth, and still maintain environmental safeguards. A new technology was brought in to treat the water and remove nitrogen and other pollutants. The new technology, known as a membrane bioreactor, has an initial treatment capacity of more than three times that of the previous system. It produces a very high quality of effluent, virtually eliminating any potential health hazard. It also significantly reduces nitrogen. Analysis by DEQ Hydrogeologist Don Hanson, showed that the resort could continue to grow, as the fully expanded wastewater treatment system will allow ten times the initial volume of wastewater, and still protect the environment.

Bandon Dunes lead wastewater treatment plant operator Warren Felton was pleased with the process. "It has been a pleasure working with DEQ," said Felton. "They have been very responsive to our needs."

The new facilities began operation in May, 2002.

For more information contact Jon Gasik at 541-776-6010, ext.230 or email at

Oregon Environmental Quality Commission Meeting September 9, 2004¹

Coos Bay Public Library, Myrtlewood Room
525 Anderson Street, Coos Bay

On Wednesday, September 8, the Environmental Quality Commission (EQC, Commission) will meet with local and tribal officials to discuss local environmental and economic issues. The meeting will begin at 7:00 p.m. in the Myrtlewood Room of the Coos Bay Public Library. Prior to the meeting, the Commission will have dinner with Department of Environmental Quality (DEQ) staff at 5:30 p.m. at the Cedar Grill, located at 201 Central Avenue in Coos Bay, to hear an update on the agency's work.

Beginning at 8:30 a.m. on Thursday morning, September 9, the Commission will tour local environmental projects for an on-site inspection of DEQ's activities. After the tour, the Commission will meet in an executive session beginning at 11:30 a.m., to consult with counsel concerning legal rights and duties regarding current and potential litigation against the DEQ², and to review and evaluate the employment-related performance of the Director pursuant to standards, criteria and policy directives previously adopted by the Commission³. The executive session will be held in the Cedar Room of the Coos Bay Public Library. Only representatives of the media may attend this session, and media representatives may not report on any deliberations during the session.

Thursday, September 9, beginning at 2:00 p.m.

A. Approval of Minutes

The Commission will review, amend if necessary, and approve draft minutes of the July 15-16, 2004 EQC meeting, and the August 13, 2004 EQC meeting.

B. Contested Case Number LQ/HW-NWR-02-123 regarding Dura Industries, Inc.

The Commission will consider a contested case between the DEQ and Dura Industries, Inc., in which the company appealed a proposed order and \$9,400 civil penalty for hazardous waste management violations. Dura Industries, Inc. is a metal finishing business in Portland whose processes include cleaning aluminum and steel parts with corrosives, painting metal parts, and conducting chromic conversions.

C. Action Item: Consideration of a Pollution Control Facilities Tax Credit Requests

In 1967, the Oregon Legislature established the Pollution Control Facility Tax Credit Program to help businesses meet environmental requirements. The program was later expanded to encourage investment in technologies and processes that prevent, control or reduce significant amounts of pollution. In 1999, facilities that control nonpoint sources of pollution (such as wood chippers) were made eligible for the program. At this meeting,

¹ This agenda and the staff reports for this meeting can be viewed and printed from DEQ's web site at <http://www.deq.state.or.us/about/eqc/eqc.htm>.

² pursuant to ORS 192.660(1)(h)

³ pursuant to ORS 192.660(1)(i)

Helen Lottridge, DEQ Management Division Services Administrator, and Maggie Vandehey, DEQ Tax Credit Program Coordinator, will present recommendations on tax credit applications for facilities that control air and water pollution, recycle solid and hazardous waste, reclaim plastic products, and control pollution from underground fuel tanks.

D. Informational Item: Status of Chemical Agent Destruction Activities at the Umatilla Chemical Agent Disposal Facility

Dennis Murphey, DEQ Chemical Demilitarization Program Administrator, will give an update on the status of recent activities at the Umatilla Chemical Agent Disposal Facility (UMCDF). In August, the Commission gave approval to start chemical weapon destruction at the facility, and DEQ's Chemical Demilitarization Program continues close oversight of work at the facility.

E. *Rule Adoption: Truck Engine Tax Credit

As part of a state funding package for constructing new highways and bridges in Oregon, the 2003 legislature passed a bill to create a tax credit for purchasing "cleaner" diesel truck engines (model years 2003-2007) that have been certified by the federal Environmental Protection Agency as emitting low nitrogen oxides. The bill made DEQ responsible for administering the tax credit, similar to the Pollution Control Facilities Tax Credits that DEQ has administered since 1967. At this meeting, Annette Liebe, Acting DEQ Air Quality Division Administrator, and Kevin Downing, DEQ Air Quality Specialist, will propose rules to establish DEQ policies and procedures for issuing the tax credits to Oregon taxpayers who purchase qualifying diesel truck engines.

F. Director's Report

Stephanie Hallock, DEQ Director, will discuss current events and issues involving the Department and the state with Commissioners.

G. Commissioners' Reports

Adjourn

Future Environmental Quality Commission meeting dates in 2004 include:
October 21-22 in Tillamook, and December 9-10 in Portland

Agenda Notes

***Rule Adoptions:** Hearings have been held on Rule Adoption items and public comment periods have closed. In accordance with ORS 183.335(14), no comments may be presented by any party to either the Commission or Department on these items at any time during this meeting.

Staff Reports: Staff reports for each item on this agenda can be viewed and printed from DEQ's web site at <http://www.deq.state.or.us/about/eqc/eqc.htm>. To request a particular staff report be sent to you in the mail, contact Andrea Bonard in the Director's Office of the Department of Environmental Quality, 811 SW Sixth Avenue, Portland, Oregon 97204; telephone 503-229-5990, toll-free 1-800-452-4011 extension 5990, or 503-229-6993 (TTY). Please specify the agenda item letter when requesting reports. If special physical, language or other accommodations are needed for this meeting, please advise Andrea Bonard as soon as possible, but at least 48 hours in advance of the meeting.

Public Forum: The Commission will break the meeting at approximately 4:00 p.m. on Thursday, September 9 to provide members of the public an opportunity to speak to the Commission on environmental issues not part of the agenda for this meeting. Individuals wishing to speak to the Commission must sign a request form at the meeting and limit presentations to five minutes. The Commission may discontinue public forum after a reasonable time if a large number of speakers wish to appear. In accordance with ORS 183.335(13), no comments may be presented on Rule Adoption items for which public comment periods have closed.

Note: Because of the uncertain length of time needed for each agenda item, the Commission may hear any item at any time during 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 participants agree. Those wishing to hear discussion of an item should arrive at the beginning of the meeting to avoid missing the item.

Environmental Quality Commission Members

The Environmental Quality Commission is a five-member, all volunteer, citizen panel appointed by the governor for four-year terms to serve as DEQ's policy and rule-making board. Members are eligible for reappointment but may not serve more than two consecutive terms.

Mark Reeve, Chair

Mark Reeve is an attorney with Reeve Kearns in Portland. He received his A.B. at Harvard University and his J.D. at the University of Washington. Commissioner Reeve was appointed to the EQC in 1997 and reappointed for a second term in 2001. He became Chair of the EQC in 2003. Commissioner Reeve also serves as Co-Chair of the Oregon Watershed Enhancement Board.

Lynn Hampton, Vice Chair

Lynn Hampton serves as Tribal Prosecutor for the Confederated Tribes of the Umatilla Indian Reservation and previously was Deputy District Attorney for Umatilla County. She received her B.A. at University of Oregon and her J.D. at University of Oregon School of Law. Commissioner Hampton was appointed to the EQC in July 2003 and lives in Pendleton.

Deirdre Malarkey, Commissioner

Deirdre Malarkey graduated from Reed College and received her M.A. and Ph.D. from the University of Oregon. She has served previously on two state natural resource boards and on the Water Resources Commission and retired as a land use planner. Commissioner Malarkey was appointed to the EQC in 1999 and lives in Eugene.

Ken Williamson, Commissioner

Ken Williamson is head of the Department of Civil, Construction and Environmental Engineering at Oregon State University and serves as Co-Director of the Center for Water and Environmental Sustainability. He received his B.S. and M.S. at Oregon State University and his Ph.D. at Stanford University. Commissioner Williamson was appointed to the EQC in February 2004 and he lives in Corvallis.

The fifth Commission seat is currently vacant.

Stephanie Hallock, Director

Department of Environmental Quality

811 SW Sixth Avenue, Portland, OR 97204-1390

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Mikell O'Mealy, Assistant to the Commission

Telephone: (503) 229-5301

September 9, 2004 EQC Meeting

Lodging: Best Western Holiday Motel, 4110 North Bayshore Drive in Coos Bay; phone: 541-269-5111
Meeting Room: Coos Bay Public Library, Myrtlewood Room, 525 Anderson Street in Coos Bay

See attached map

Wednesday, September 8

Travel to Coos Bay

5:30 Dinner with DEQ regional staff, at the Cedar Grill, 201 Central Avenue
7:00 Meeting with local and tribal officials, at the Myrtlewood Room of the Coos Bay Library
9:00 Return to the Best Western Holiday Motel, 4110 North Bayshore Drive

Thursday, September 9

8:30 Meet in lobby of Best Western Holiday Motel for EQC tour
Please wear comfortable walking shoes, and feel free to dress for the EQC meeting on the tour; we won't be getting dirty!

- Travel to the Coos Bay South Slough to visit a fish processor in Charleston, and hear about efforts to address bacteria problems in the water, posing an issue for fisherman, oyster farmers and fish processors. DEQ is implementing a TMDL and the fish processor is working under a DEQ wastewater general permit to reduce the bacterial pollution. DEQ staff and local stakeholders will talk with Commissioners during the tour.
- Travel to Sunset Bay to talk about DEQ's beach monitoring program and the agency's partnership with the Department of Health to post warnings when beach waters may be unsafe. DEQ staff and a Department of Health representative will talk with Commissioners during the tour.

11:15 Return to the Coos Bay Library

11:30 Executive Session and Working Lunch, Cedar Room of the Coos Bay Library

11:30 – 1:00 Regular Executive Session discussion with Larry Knudsen
1:00 – 1:50 Special session to review Director's self evaluation, first without her in the room then with her present

2:00 – 5:00 EQC Meeting

2:00 – 1:05 A. Approval of minutes
2:05 – 3:00 B. Contested Case: Dura Industries, Jeff Bachman representing DEQ and John Burns representing Dura Industries (Burns: 503-310-4714)
3:00 – 3:20 C. Action Item: Consideration of a Pollution Control Facilities Tax Credit Requests, Helen Lottridge and Maggie Vandehey
3:20 – 3:50 D. Informational Item: Update on the beginning of agent destruction activities at the Umatilla Chemical Agent Disposal Facility, Dennis Murphey
3:50 – 4:05 Break
4:05 – 4:20 Public Forum
4:20 – 4:40 E. Rule Adoption: Truck Engine Tax Credits, Annette Liebe and Kevin Downing
4:40 – 4:55 F. Director's Report, Stephanie Hallock
4:55 – 5:00 G. Commissioners' Reports

Travel home

Minutes are not final until approved by the Commission.

Oregon Environmental Quality Commission Minutes of the Three Hundredth and Nineteenth Meeting

**July 15-16, 2004
Regular Meeting¹**

Thursday, July 15, 2004

On the morning of July 15, prior to the regular meeting, the Environmental Quality Commission (EQC, Commission) joined Department of Environmental Quality (DEQ, Department) staff and representatives of the City of Portland for an on-site inspection of the City's Combined Sewer Overflow control program. The Commission toured construction sites for the control program on the West side of the Willamette River before returning to DEQ Headquarters for a working lunch and the regular meeting.

The following Commissioners were present for the regular meeting, which was held at the DEQ Headquarters building, Room 3A, located at 811 SW Sixth Avenue in Portland, Oregon.

Mark Reeve, Chair
Lynn Hampton, Vice Chair
Deirdre Malarkey, Member
Ken Williamson, Member

Chair Reeve called the regular meeting to order at approximately 1:00 p.m., and introduced Commission members, DEQ Director Stephanie Hallock, Assistant Attorney General Larry Knudsen, and the Director's Assistant Andrea Bonard. Agenda items were taken in the following order.

A. Contested Case Number WQ/M-NWR-01-100, regarding the City of Portland, Ankeny Pump Station

The Commission considered a contested case between the DEQ and the City of Portland in which the City appealed a proposed order and \$9,000 civil penalty for discharging waste into waters of the state. Larry Knudsen, Assistant Attorney General, summarized the findings of fact in the proposed order and asked Commissioners to declare any ex parte contacts or conflicts of interest regarding the case. All Commissioners declared that they had no ex parte contacts or conflicts of interest. Jan Betz, Deputy City Attorney, presented arguments on behalf of the City of Portland and Lynn Perry, General Counsel for the Oregon Department of Justice, and Jeff Bachman, DEQ Environmental Law Specialist, presented arguments on behalf of the Department.

Commissioners discussed the case and considered the arguments made. After discussion, Commissioner Malarkey moved that the EQC uphold the proposed order. Commissioner Hampton seconded the motion and it passed with four "yes" votes. Chair Reeve asked Mr. Knudsen to prepare the order for the Director's signature on the Commission's behalf.

¹ Staff reports and written material submitted at the meeting are made part of the record and available from DEQ, Office of the Director, 811 SW Sixth Avenue, Portland, Oregon 97204; phone: (503) 229-5990.

B. Contested Case Number AQ/AB-NWR-02-181, regarding Vickers/Nelson & Associates, Construction Program Management, Inc.

The Commission considered a contested case between the DEQ and Vickers/Nelson & Associates, Construction Program Management, Inc., in which the company appealed a proposed order and \$7,200 civil penalty for failing to require an asbestos abatement contractor licensed by the DEQ to conduct an asbestos abatement project at a North Portland facility. Larry Knudsen, Assistant Attorney General, summarized the findings of fact in the proposed order and asked Commissioners to declare any ex parte contacts or conflicts of interest regarding the case. All Commissioners declared that they had no ex parte contacts or conflicts of interest. David Meyer, Attorney at Law, presented arguments on behalf of the company and Shelley McIntyre, General Counsel for the Oregon Department of Justice, and Bryan Smith, DEQ Environmental Law Specialist, presented arguments on behalf of the Department.

Commissioners discussed the case and considered the arguments made. After discussion, Commissioner Williamson moved that the EQC uphold the proposed order. Commissioner Malarkey seconded the motion and it passed with four "yes" votes. Chair Reeve asked Mr. Knudsen to prepare the order for the Director's signature on the Commission's behalf.

E. Rule Adoption: Oregon Title V Operating Permit Program Fee Increase

Annette Liebe, Acting DEQ Air Quality Division Administrator, and Kathleen Craig, DEQ Air Quality Specialist, proposed rules to increase Title V permit program fees by two percent to adequately fund the Title V program staff for Fiscal Year 2005. Ms. Liebe explained that under the federal Clean Air Act, Title V is a comprehensive operating permit program that DEQ administers for major industrial sources of air pollution, which are the highest emitters of regulated air pollutants in Oregon. To receive ongoing approval from the Environmental Protection Agency (EPA), the Clean Air Act requires states to fully fund their Title V programs with fees paid by Title V sources. Ms. Craig stated that the proposed increase, which corresponds to the Consumer Price Index, would meet this requirement and maintain current DEQ staff levels for the program in the coming year.

Commissioners discussed the proposed rules with Ms. Liebe and Ms. Craig. After consideration, Commissioner Williamson moved that the Commission approve the rules. Commissioner Hampton seconded the motion and it passed with four "yes" votes.

At approximately 4:30 p.m., Chair Reeve adjourned the meeting for the day.

Friday, July 16, 2004

At 8:00 a.m., prior to the regular meeting, the Commission held an executive session to consult with counsel concerning legal rights and duties regarding current and potential litigation against the DEQ. Executive session is held pursuant to ORS 192.660(1)(h). The executive session was held in Room 3B of the DEQ Headquarters building. Chair Reeve called the regular meeting to order at approximately 9:00 a.m. and agenda items were taken in the following order.

C. Director's Dialogue

Stephanie Hallock, DEQ Director, discussed current events and recent issues involving the Department and the state with Commissioners.

D. Informational Item: Update on DEQ's 2005-2007 Budget Request

Lauri Aunan, DEQ Budget and Legislative Manager, gave the Commission an update on DEQ's development of the agency's 2005-2007 budget request and solicited guidance from Commissioners on key issues. Ms. Aunan stated that in August 2004, the Department would present the final 2005-2007 budget request to Chair Reeve for approval before submitting it to the Department of Administrative Services and the Governor's Office. Commissioners gave guidance to Ms. Aunan and Director Hallock on the agency's priorities and budget planning to meet DEQ's strategic goals.

F. Approval of Minutes

The Commission reviewed draft minutes of the May 20-21, 2004, EQC meeting. On page three, in the second to last sentence under agenda item E, Commissioner Malarkey changed the word "adopted" to "adopt," and moved that the Commission approve the minutes as corrected. Commissioner Hampton seconded the motion and it passed with four "yes" votes.

G. Action Item: Consideration of a Pollution Control Facilities Tax Credit Request for Far West Fibers, Inc.

Helen Lottridge, DEQ Management Division Services Administrator, and Maggie Vandehey, DEQ Tax Credit Program Coordinator, presented a request from Far West Fibers, Inc., for an extension of time to file a Pollution Control Facilities Tax Credit application. The Pollution Control Facility Tax Credit Program was established in 1967 to encourage investment in technologies and processes that prevent, control or reduce significant amounts of pollution. Ms. Vandehey presented the request and discussed the application process with Commissioners. After discussion, Commissioner Williamson moved that the Commission grant the request for an extension. Commissioner Malarkey seconded the motion and it passed with four "yes" votes.

H. Informational Item: Status of the Chemical Stockpile Emergency Preparedness Program

Beverlee Venell, Director of the Oregon Office of Homeland Security, gave an update on the current status of the Chemical Stockpile Emergency Preparedness Program (CSEPP) for communities surrounding the Umatilla Chemical Depot. The CSEPP is an emergency preparedness program for communities surrounding chemical agent stockpile sites. Ms. Venell also discussed the results of a recent meeting of the Executive Review Panel, which was appointed by the Governor to annually review the readiness of local communities to respond to an accidental release of chemical warfare agent from the Umatilla Chemical Depot. Commissioners discussed the program with Ms. Venell, and thanked her for her presentation.

I. Informational Item: Briefing from the U.S. Army and Washington Demilitarization Company on Preparations for the Start of Agent Operations at the Umatilla Chemical Agent Disposal Facility

Don Barclay, Site Project Manager for the Umatilla Chemical Agent Disposal Facility (UMCDF), Doug Hamrick, Project General Manager for the UMCDF, and Michelle Luna, Environmental Protection specialist at the Umatilla Chemical Depot, briefed the Commission on activities at the facility in preparation for beginning chemical agent operations. Commissioners discussed the status of the facility with Mr. Barclay, Mr. Hamrick and Ms. Luna, and thanked them for their information.

J. Informational Item: Status of the DEQ Review for the Start of Agent Operations at the Umatilla Chemical Agent Disposal Facility

Dennis Murphey, DEQ Chemical Demilitarization Program Administrator, and Sue Oliver, DEQ Senior Chemical Demilitarization Specialist, presented the status of the Department's review of the UMCDF's compliance with requirements that must be met prior to the commencement of chemical agent operations. Mr. Murphey noted that the Commission planned to make a decision on the start of agent operations at a special August 13, 2004 meeting in Hermiston, Oregon. Mr. Murphey and Ms. Oliver also gave an overview of the information that will be presented at the August meeting and the proposed process for the Commission's decision.

Public Forum

At approximately 11:30 a.m., Chair Reeve invited members of the audience to provide general comments to the Commission. No one provided comments.

K. Rule Adoption: Permit Fees for Small Municipal Separate Storm Sewer Systems and General Permit Fees

Holly Schroeder, DEQ Water Quality Division Administrator, and Mark Charles, DEQ Surface Water Quality Manager, proposed new rules for stormwater management activities in Oregon's

smaller cities and counties. Ms. Schroeder stated that the rules were part of federal storm water regulations that require cities with populations under 100,000 and other small municipalities identified by the state to apply for storm sewer system permits. Mr. Charles explained that the proposed rules would create permit fees for the smaller cities and counties similar to those for "general" permits and less than typical storm water permit fees for larger municipalities. The rules would also streamline permitting by encouraging municipalities to serve as one-stop shopping offices for developers and builders seeking construction permits to control stormwater runoff.

Commissioners discussed the proposed rules with Ms. Schroeder and Mr. Charles. After consideration, Commissioner Williamson moved that the Commission adopt the rules. Commissioner Malarkey seconded the motion and it passed with four "yes" votes.

L. Informational Item: Board of Forestry's Water Protection and Riparian Function Rule Development Status Report

The Commission heard a briefing from Holly Schroeder, DEQ Water Quality Division Administrator, Bob Baumgartner, DEQ Water Quality Division Manager, and Ted Lorensen, Oregon Department of Forestry (ODF) Stewardship Division Assistant State Forester, on the status of ODF rulemakings and other activities under the Oregon Forest Practices Act in conjunction with the Forest Practices Sufficiency Analysis completed in October 2002. Ms. Schroeder explained that the briefing was in preparation for a joint meeting between the Board of Forestry and the EQC on October 21, 2004, in Tillamook, Oregon. Commissioners discussed various issues related to water quality standards and Oregon's forest practices, and thanked the presenters for their information.

M. Discussion Item: Preparing for the Director's Performance Evaluation

In January 2002, the Commission adopted a process for evaluating the DEQ Director's performance each biennium, and in December 2002, the Commission completed the Director's first appraisal. This fall, the Commission will conduct a second performance evaluation in accordance with their biennial appraisal schedule. At this meeting, Commissioners adopted criteria for the appraisal, appointed Commissioner Malarkey and Commissioner Williamson to serve as a subcommittee to guide the evaluation, and asked Director Hallock to prepare a written self-evaluation of her performance. The Commission also discussed the schedule for conducting the evaluation this fall.

N. Commissioners' Reports

Commissioner Malarkey and Commissioner Williamson reported on a number of activities in the Eugene and Corvallis areas, including a "green chemistry" movement pioneered by the University of Oregon Chemistry Department, status of the Oregon Nanoscience and Microtechnologies Institute, and the Lane Regional Air Pollution Authority's provision of new technology to help lower diesel truck emissions in the I-5 corridor.

Chair Reeve adjourned the meeting at approximately 2:20 p.m.

Minutes are not final until approved by the Commission.

Oregon Environmental Quality Commission Minutes of the Three Hundredth and Twentieth Meeting

August 13, 2004
Special Meeting¹

The following Environmental Quality Commissioners (EQC, Commission) were present for the special meeting, which was held at the Good Shepherd Medical Center, located at 610 NW Eleventh Ave., Room 5, in Hermiston, Oregon.

Mark Reeve, Chair
Lynn Hampton, Vice Chair
Deirdre Malarkey, Member
Ken Williamson, Member

Chair Reeve called the meeting to order at approximately 12:30 p.m., and introduced Commission members, Department of Environmental Quality (DEQ, Department) Director Stephanie Hallock, and Commission Assistant Mikell O'Mealy. Chair Reeve stated that the Commission's legal counsel, Assistant Attorney General Larry Knudsen, would be joining the meeting shortly.

A. Action Item: Decision on the Start of Chemical Agent Operations at the Umatilla Chemical Agent Disposal Facility

Director Hallock gave opening remarks and introduced the Department's recommendation on the start of chemical agent operations at the Umatilla Chemical Agent Disposal Facility (UMCDF). In her comments, Director Hallock acknowledged the work of Hermiston community members, stakeholders, past EQC members, and DEQ staff who played important roles in the development of the UMCDF and in preparing for the start of chemical agent operations.

Dennis Murphey, DEQ Chemical Demilitarization Program Administrator, gave a brief informational update on recent events at the UMCDF and at other chemical demilitarization sites in the country. Mr. Murphey also recognized the dedication of DEQ staff in working with the UMCDF permittees over the past seven years to prepare for destruction of chemical weapons. Sue Oliver, DEQ Senior Hazardous Waste Specialist, presented the Department's recommendation that the Commission provide written notification to the UMCDF permittees authorizing the start of chemical agent shakedown operations, as presented in two staff reports that were sent to Commissioners on August 2 and August 10, 2004. The Commission discussed the recommendation and potential action alternatives as described in the staff reports.

Ms. Oliver presented the draft "Findings and Conclusions of the Commission and Order" for the Commission's consideration. Commissioner Hampton raised a question about the wording of the Order on page 12, line 19 as follows:

¹ The staff reports for this meeting can be viewed and printed from DEQ's Web site at <http://www.deq.state.or.us/about/eqc/eqc.htm>. To request a copy to be sent by mail, contact Shelly Ingram in the Department of Environmental Quality's Hermiston Office, 256 East Hurlburt, Suite 105, Hermiston, Oregon, 97838; telephone 541-567-8297 ext. 25.

"The Umatilla Chemical Agent Disposal Facility is hereby authorized to commence chemical agent shakedown operations in accordance with all applicable requirements..."

Commissioner Hampton was concerned that the wording might suggest that another authorization by the Commission may be needed after commencement of shakedown operations. Chair Reeve suggested that the wording be changed to:


"The Umatilla Chemical Agent Disposal Facility is hereby authorized to commence chemical agent ~~shakedown~~ operations, beginning with shakedown, in accordance with all applicable requirements..."

After discussion, Commissioner Malarkey moved that the Commission accept the Department's findings and recommendations with regard to authorizing the start of chemical agent shakedown operations at the UMCDF and as presented in the staff reports, and adopt the "Findings and Conclusions of the Commission and Order" as amended by Chair Reeve. Commissioner Hampton seconded the motion and it passed with four "yes" votes. Each Commissioner shared their views about the significance of the action and their appreciation for the local community, stakeholders and staff who had been involved in preparing for chemical weapons destruction at UMCDF. Chair Reeve acknowledged and thanked Director Hallock for her leadership throughout the process.

Chair Reeve adjourned the meeting at 1:55 p.m., and Commissioners stayed in the meeting room for approximately one hour to talk informally with interested members of the public who had attended the meeting.

State of Oregon
Department of Environmental Quality

Memorandum

Date: August 19, 2004
To: Environmental Quality Commission
From: Stephanie Hallock, Director  for
Subject: Agenda Item B, Action Item: Appeal of Proposed Order in the Matter of Dura Industries, Inc., LQ/HW-NWR-02-123, September 9, 2004 EQC Meeting

Appeal to EQC Dura Industries, Inc. (Dura), appealed the Proposed Order (Attachment G) dated October 31, 2003, which assessed the company a \$9,400 civil penalty for hazardous waste management violations.

Background The Department of Environmental Quality (DEQ, Department) issued Dura a Notice of Assessment of Civil Penalty (the Notice) on August 7, 2002. The Notice alleged that Dura had committed seven violations of hazardous waste regulations, and assessed civil penalties totaling \$12,500 for five of the seven violations.

Dura appealed the Notice and requested a contested case hearing. On May 19, 2003, in response to an informal meeting with Dura and new information on the case, DEQ amended the Notice reducing the civil penalties for Violations 1, 2, 4 and 5 and withdrawing the penalty for Violation 3. On May 29, 2003, DEQ amended the language for Violation 4. A contested case hearing was held on July 30, 2003.

On October 31, 2003, Administrative Law Judge (ALJ) Andrea Sloan issued a Proposed Order upholding the violations and the \$9,400 in civil penalties assessed in the Department's Amended Notice, with the exception of Violation 6, which the ALJ dismissed. The initial Notice did not assess a penalty for Violation 6. On December 1, 2003, Dura filed a petition for Environmental Quality Commission (EQC) review of the Proposed Order.

Findings of fact made by the ALJ in her Proposed Order are summarized as follows:

Dura is a metal finishing business whose processes include cleaning aluminum and steel parts with corrosives, painting metal parts, and conducting chromic conversions. On April 1, 2002, DEQ Hazardous Waste Specialist Laurey Cook conducted an inspection at Dura's facility to determine the corporation's compliance with applicable hazardous waste management requirements for large-quantity generators of hazardous waste. Dura had reported to the Department that periodically in 2000, 2001, 2002, it had been a large quantity generator.

During the walkthrough of Dura's facility, in which she was accompanied by Jerry

Hauser, Dura's president, Ms. Cook observed a closed drum in the area of a spray booth. Inside the drum were used rags that smelled strongly of solvent. Mr. Hauser told Ms. Cook that the rags were to be thrown away with the facility's garbage. The rags in the drum were primarily contaminated with "Lacquer Wash 3", a solvent containing acetone, isopropyl alcohol, methyl alcohol, toluene, and solvent naphtha. Some of the rags were contaminated with small amounts of methyl ethyl ketone (MEK). Waste MEK is a listed and characteristic hazardous waste. Mr. Hauser told Ms. Cook that Dura had never performed a hazardous waste determination on the rags. They then jointly reviewed a reference book on hazardous waste regulations, and Mr. Hauser said, based on the book, the rags would be a hazardous waste.

During the walkthrough, Ms. Cook observed a large cardboard box containing sludge from Dura's chromic conversion process. The box was not easily accessible because other crates of equipment and materials surrounded it. There was inadequate aisle space around the box to allow for weekly inspections to determine if any of the material inside the box had been released or to allow access to emergency response equipment or personnel in the event of a spill.

Following her walkthrough of the facility, Ms. Cook reviewed relevant records and documents, including Dura's spill contingency plan. The contingency plan did not list the addresses for Dura's emergency coordinators and did not include the capabilities of the facility's emergency equipment.

Dura's documents included a manifest for a June 20, 2000 shipment of hazardous waste. The manifest indicated that the destination facility did not receive the waste until September 14, 2000, 86 days after Dura shipped it. Dura did not receive a completed copy of the manifest within 30 days of shipment nor did it file an exception report with the Department when it had not received the completed manifest within 45 days of shipment. In addition, the manifest did not have Dura's correct EPA hazardous waste generator identification number or the correct hazardous waste code, F019.

Following Ms. Cook's inspection, the Department issued a Notice of Noncompliance (NON) to Dura. In response to the NON, Mr. Hauser directed a new procedure in which solvent- or paint-contaminated rags would be either laundered or managed as, among other things, "D035" hazardous waste (D035 is the US Environmental Protection Agency code for MEK).

In her conclusions of law in the Proposed Order, the ALJ found that Dura violated state law by:

1. Failing to make a hazardous waste determination for solvent contaminated rags that were destined for disposal as solid waste.
2. Failing to file an exception report with the Department when it did not receive a completed manifest within 45 days of shipping hazardous waste.
3. Failing to include an outline of the capabilities of all emergency equipment in the facility, and the addresses of all persons qualified to act as an emergency coordinator in the corporations spill contingency plan.
4. Offering hazardous waste for off-site shipment without first properly preparing a hazardous waste manifest.
5. Failing to maintain adequate aisle space in its hazardous waste storage area or to allow for the unobstructed movement of personnel and emergency response equipment in that area.

The ALJ also concluded that the civil penalty assessment proposed by the Department was warranted for all the violations alleged in the Amended Notice.

Dura appealed the ALJ's Proposed Order to the Commission on December 1, 2003. On January 27, 2004, Dura filed its Exceptions and Brief (Attachment B). In its appeal to the Commission, Dura took the following exceptions to the Proposed Order:

1. The ALJ's conclusion that Dura failed to make a hazardous waste determination on the solvent-contaminated rags. Dura also excepts to the finding of negligence for the "R" factor (the mental state factor) in the civil penalty calculation for this violation.
2. The ALJ's finding of moderate magnitude in the civil penalty calculation for the violation arising from Dura's failure to file an exception report concerning overdue hazardous waste manifest. Dura also objects to the ALJ assigning a value of 0 for the "C" factor (the cooperativeness factor) in the calculation and requests that the Commission instead assign a value of -2.
3. The ALJ's conclusion that Dura failed to meet contingency plan requirements. Dura also excepts to the ALJ's finding on the magnitude and the "O" and "R" factors (the occurrence and mental state factors) in the civil penalty calculation and requests that the Commission make a finding of minor magnitude and assign values of 0 to the "O" and "R" factors.
4. The ALJ's conclusion that Dura failed to properly prepare a hazardous waste manifest. Regarding the civil penalty calculation, Dura requests that the Commission reduce the magnitude for this violation from moderate to minor and to assign a value of 0 to the "R" factor and a value of -2 to the "C" factor.
5. The ALJ's conclusion that Dura failed to provide adequate aisle space in

the hazardous waste storage area.

The Department responded to these exceptions in its response brief (Attachment A) as summarized below.

Dura Exception 1

Dura argues in its brief that the Department did not meet its burden in proving that the rags at issue were contaminated with MEK, and that the ALJ failed to give sufficient weight to Mr. Hauser's testimony that the rags were not contaminated with MEK. Regarding the finding of negligence in the civil penalty calculation, Dura argues that DEQ did not meet its burden in proving that Dura's failure to perform a hazardous waste determination on the rags, if in fact the Commission agrees that Dura was required to, was negligent.

In its response brief, DEQ argues that the ALJ is in the best position to determine findings of fact when there is conflicting evidence in the record, as the findings are often based on the demeanor or credibility of witnesses, which are difficult for the Commission to evaluate. DEQ also notes that the ALJ did not rely solely on witness testimony but also on documentary evidence. Concerning Dura's request for a reduction in the "R" factor from 2 to 0, the Department states that Dura failed to cite, in its brief, any evidence in the hearing record that would lead the Commission to alter the ALJ's finding.

Dura Exception 2

Dura asked the Commission to reverse the ALJ's finding and instead find that the magnitude in the civil penalty calculation for the failure to file an exception report violation is minor rather than moderate. Dura argues that the violation should be minor because it involved only a single box of waste that could be cleaned up with a broom in the event of a release. In the light of this fact, and because the waste did eventually arrive at the disposal facility without incident, Dura asserts that there was no adverse impact on the environment or threat to public health from this violation. Dura also argues that the "C" factor should be reduced from 0 to -2 because the manifest, while not returned in the time frame prescribed by rule, was eventually received by the corporation and the violation had not been repeated.

In its response brief, the Department states that Dura's argument for reducing the magnitude is inconsistent with the plain language of the rule. For a finding of minor, the ALJ, in addition to finding no actual harm, must determine that there was no potential for harm to human health or the environment. Dura failed to show that there was no potential for harm arising from the violation. Concerning the "C" factor, the Department asserts that Dura failed to make a sufficient case

for altering the factor because, as required by rule, it did not show that it had corrected the violation, taken reasonable efforts to correct the violation or made extraordinary efforts to prevent a recurrence of the violation.

Dura Exception 3

Dura argues that the Department failed to meet its burden in proving that the facility's spill contingency plan contained all required information at the time Dura was subject to the contingency plan requirement. Only large-quantity generators are required to have contingency plans. Generator status is determined on a monthly basis and prior to DEQ's inspection, Dura's status had fluctuated between a small-quantity and large-quantity generator. At the time of the inspection, Dura was a small-quantity generator and not required to have a contingency plan. Dura objected to the Department's amending the Notice of Assessment of Civil Penalty to change the date on which the alleged violation occurred to coincide with the last time the corporation was a large-quantity generator and thus subject to the contingency plan requirement.

If the violation is upheld, Dura argues that the magnitude in the civil penalty calculation should be reduced from moderate to minor because the Department did not prove that there was a potential for or actual adverse impact on the environment as a result of the contingency plan deficiencies. Dura also requests that the values for the "O" and "R" factors should be reduced to 0 because there is insufficient evidence in the hearing record on which to base values other than 0.

In its response brief, DEQ states that the evidence in the hearing record established that Dura's contingency plan at the time of the inspection was identical to the plan in effect in January 2001 when Dura was a large-quantity generator and subject to the contingency plan requirement. Concerning the amendment to the date of the violation in the Notice, DEQ noted that Dura did not object to the DEQ's amending the date of violation until it filed its Exceptions and Brief to the ALJ's Proposed Order. Dura, DEQ states, had ample prior notice of the amendment and opportunity to raise an objection. The objection raised by Dura in its brief should therefore not be considered by the Commission.

Concerning the magnitude of the violation, the Department asserts that it introduced sufficient evidence at hearing to show that the violation did pose a risk of harm to human health or the environment, occurred for more than one day, and was caused by Dura's negligence. Furthermore, the Department argues, Dura did not make any argument in its brief that would be sufficient for the Commission to reverse the ALJ's findings on these civil penalty calculation factors.

Dura Exception 4

Dura argues in its brief that the ALJ improperly disregarded Mr. Hauser's testimony concerning the failure to record Dura's hazardous waste generator identification number on the hazardous waste manifest at issue. Dura also argues that the corporation was not required to include applicable US Environmental Protection Agency Hazardous Waste Codes on the manifest because there is no such requirement under the federal rules. Concerning the civil penalty calculation, Dura requests that the Commission reduce the magnitude from moderate to minor, reduce the value for the "R" factor from 2 to 0, and reduce the "C" factor from 0 to -2.

Dura argues that the magnitude should be minor because the failure to record the correct generator identification number and hazardous waste code did not create any risk that the waste would be mismanaged. Dura states that the "R" factor should be reduced because the recording errors were unavoidable accidents, and the "C" factor should be reduced because the corporation made reasonable efforts to correct the violation by changing the incorrect identification number and because there have been no further errors.

In its response brief, the Department states that the ALJ's reasoning in finding that the Dura had recorded the wrong identification number on the manifest was correct. Concerning the hazardous waste code, DEQ cites OAR 340-102-0060, as the authority requiring that such codes be recorded on manifests. In regards to the civil penalty calculation, the Department asserts that Dura had failed to make any argument in its brief sufficient for the Commission to reject the ALJ's reasoning.

Dura Exception 5

Dura argues that there is sufficient information in the hearing record to prove there was adequate aisle space in the hazardous waste storage area, given the risk presented by the waste. DEQ did not respond in its brief to Dura's arguments on this violation.

**EQC
Authority**

The Commission has the authority to hear this appeal under OAR 340-011-0132.

Alternatives

1. As requested by Dura, reverse all or part of the ALJ's Proposed Order, based on the reasoning offered by Dura.
2. As requested by the Department, uphold the ALJ's Proposed Order that Dura is liable for the \$9,400 civil penalty.
3. Uphold the ALJ's Proposed Order, but adopt different reasoning.
4. Remand the case to the ALJ for further proceedings.

In reviewing the Proposed Order, findings of fact and conclusions of law, the Commission may substitute its judgment for that of the ALJ except as noted below.¹ The proposed order was issued under current statutes and rules governing the Hearing Officer Panel Pilot Project.² Under these statutes, the Department's contested case hearings must be conducted by a hearing officer (or ALJ) appointed to the panel, and the Commission's authority to review and reverse the ALJ's decision is limited by the statutes and the rules of the Department of Justice that implement the project.³

The most important limitations are as follows:

- (1) The Commission may not modify the form of the ALJ's Proposed Order in any substantial manner without identifying and explaining the modifications.⁴
- (2) The Commission may not modify a recommended finding of historical fact unless it finds that the recommended finding is not supported by a preponderance of the evidence.⁵ Accordingly, the Commission may not modify any historical fact unless it has reviewed the entire record or at least all portions of the record that are relevant to the finding.
- (3) The Commission may not consider any new or additional evidence, but may only remand the matter to the ALJ to take the evidence.⁶

The rules implementing these statutes also have more specific provisions addressing how Commissioners must declare and address any *ex parte* communications and potential or actual conflicts of interest.⁷

In addition, the Commission has established by rule a number of other procedural provisions, including:

- (1) The Commission will not consider matters not raised before the hearing officer unless it is necessary to prevent a manifest injustice.⁸

¹ OAR 340-011-0132.

² Or Laws 1999 Chapter 849.

³ *Id.* at § 5(2); § 9(6).

⁴ *Id.* at § 12(2).

⁵ *Id.* at § 12(3). A historical fact is a determination that an event did or did not occur or that a circumstance or status did or did not exist either before or at the time of the hearing.

⁶ *Id.* at § 8; OAR 137-003-0655(4).

⁷ OAR 137-003-0655(5); OAR 137-003-0660.

⁸ OAR 340-011-0132(3)(a).

- (2) The Commission will not remand a matter to the ALJ to consider new or additional facts unless the proponent of the new evidence has properly filed a written motion explaining why evidence was not presented to the hearing officer.⁹

Attachments

- A. Department of Environmental Quality's Brief in Response to Dura's Exceptions and Brief, dated February 23, 2004.
- B. Dura Industries, Inc.'s Exceptions and Brief, dated January 27, 2004.
- C. Letter from Mikell O'Mealy, Assistant to the EQC, to Dura Industries, dated December 29, 2003.
- D. Letter from Dura Industries to Larry Knudsen, dated December 22, 2003.
- E. Letter from Larry Knudsen, Legal Counsel to the EQC, to Dura Industries, dated December 10, 2003.
- F. Dura Industries, Petition for Review of ALJ's Proposed Order, dated November 26, 2003.
- G. ALJ's Proposed Order in the Matter of Dura Industries, DEQ Case No. LQ/HW-NWR-02-123, dated October 31, 2003.
- H. Dura Industries' Hearing Memorandum, dated September 12, 2003.
- I. DEQ's Hearing Memorandum, dated August 27, 2003.
- J. Hearing Exhibits
 - P-1 Cover Letter and Notice of Assessment of Civil Penalty No. LQ/HW-NWR-02-123, dated August 7, 2002.
 - P-2 Amendments to Notice of Assessment of Civil Penalty No. LQ/HW-NWR-02-123, dated May 29, 2003.
 - P-3 Dura Industries Request for Hearing and Answer to Notice of Assessment of Civil Penalty No. LQ/HW-NWR-02-123, dated August 29, 2002.
 - P-4 Notice of Hearing, dated April 22, 2003
 - P-5 Notice of Contested Case Rights and Procedures
 - A-1 "Procedure for Managing Industrial Wipers or Rags."
 - A-2 Company Chemical Information for Dura Industries, Office of the Oregon State Fire Marshal, Hazardous Substance Information System, March 2002.
 - A-3 Uniform Hazardous Waste Manifest No. 87731.
 - A-4 Dura Industries Contingency Plan.
 - A-6 Floor plan, Dura Industries facility.
 - A-7 Photograph, Dura Industries Hazardous Waste Storage Area.
 - A-9 DEQ Hazardous Waste Information Management System record

⁹ *Id.* at (4).

- A-9 DEQ Hazardous Waste Information Management System record of a January 29, 2001 shipment of hazardous waste by Dura Industries.
- A-10 Hearing Decision, In the Matter of Dura Industries, DEQ Case No. WMC/HW0NWR-98-201, dated June 15, 2000.
- A-11 Notice of Violation, Compliance Order and Assessment of Civil Penalty No. HW-NWR-95-221, dated November 27, 1995
- A-12 Mutual Agreement and Order, No. HW-NWR-95-221, dated April 5, 1996.
- A-13 Notice of Noncompliance No. NWR-HW-02-008, dated April 15, 2002.
- A-14 Hazardous Waste Site Report, Dura Industries, Waste Stream for 2002.
- R-1 Material Safety Data Sheet, "Lacquer Wash 3".
- R-2 Facility Profile, Dura Industries.
- R-3 Hazardous Waste Training Certificates.
- R-4 Hazardous Waste Training Registration for Jerry Hauser.
- R-5 Dura Industries Contingency Plan.
- R-6 Dura Industries Hazardous Waste Manifests.
- R-7 Floor Plan, Dura Industries.
- R-8 Generator Waste Product Questionnaire for Dura Industries.
- R-9 through R-11, Photographs of Dura filtercake waste and hazardous waste storage area.
- R-12 Cover Letter and Mutual Agreement and Order, No. HW-NWR-95-221, dated April 9 and April 5, 1996.
- R-13 Pages 8 through 12 of the Hearing Decision, In the Matter of Dura Industries, DEQ Case No. WMC/HW0NWR-98-201, dated June 15, 2000
- R-14 Notice of Noncompliance No. NWR-HW-02-008, dated April 15, 2002.
- R-15 Cover Letter and Notice of Assessment of Civil Penalty No. LQ/HW-NWR-02-123, dated August 7, 2002.

Documents OAR Chapter 340, Division 11, ORS Chapter 468
Available
Upon Request

Report Prepared By:

Mikell O'Mealy
Assistant to the Commission
Phone: (503) 229-5301

1 DISCUSSION

2 1. Failure to Make a Hazardous Waste Determination

3 Dura takes exception to the ALJ's conclusion that the company violated Oregon
4 Administrative Rule (OAR) 340-102-0011(2) by failing to perform a hazardous waste
5 determination on solvent-contaminated rags generated by Dura (Violation 1 of the Notice). The
6 ALJ based her conclusion on her factual finding that the rags in question contained methyl ethyl
7 ketone (MEK), a listed hazardous waste. See Finding of Fact (7), Proposed Order at 3, and
8 Proposed Order at 7. In its brief, Dura asks the Commission to reverse the ALJ's factual finding
9 and instead substitute a new finding that the rags did not contain MEK.

10 While the Commission may reverse or modify an ALJ's finding of fact, it can do so only if
11 it determines that the finding is not supported by a preponderance of the evidence in the hearing
12 record. OAR 137-003-0665(4). Findings of fact are often best determined by the ALJ, especially
13 when there is conflicting evidence in the record. These findings are often based on the demeanor or
14 credibility of the witness which is difficult to evaluate when reviewing the record. This is
15 particularly relevant in this case where Dura is asking for a reversal primarily because the ALJ
16 found the company's testimonial evidence on this violation unpersuasive.

17 The Commission should also note that the ALJ did not rely solely on witness testimony to
18 determine that the rags contained MEK. The ALJ also relied on Exhibit A1, submitted to the
19 Department by Dura in response to the Notice of Noncompliance issued by the Department
20 following the April 1, 2002 inspection. See Proposed Order at 7. Exhibit A1 describes Dura's plan
21 for managing waste rags and indicates that waste rags will be managed as, among other things,
22 MEK-contaminated hazardous waste. This, and other inconsistencies in Dura's stated positions
23 regarding the waste status of the rags, are described more fully in the Department's Hearing
24 Memorandum at 2-3.

25 The company also requests that if it did commit the violation the Commission alter the value
26 for the "R" factor from 2 (negligence) to 0 (unavoidable accident or insufficient information to
27 make a finding). Dura gives no support for its request other than to reiterate that it doesn't think it

1 committed the violation in the first place. This is not a basis for altering the ALJ's determination of
2 the R factor.

3 2. Failure to File an Exception Report

4 Dura takes exception to the ALJ's finding of moderate magnitude in the civil penalty
5 calculation for Violation 2. Violation 2 arose from Dura's failure to file an Exception Report, as
6 required by 40 Code of Federal Regulations (CFR) 262.42(a), when a hazardous waste disposal
7 facility did not return a signed copy of a Dura hazardous waste manifest within 45 days of Dura
8 shipping the waste. Dura argues that the magnitude for this violation should be minor, pursuant to
9 OAR 340-012-0045(1)(a)(B)¹, because the violation caused no actual harm to human health or the
10 environment and had no potential to cause no harm.

11 Dura makes the same argument that has already been rejected by the ALJ, that because the
12 violation caused no actual environmental harm, there was also no potential for harm. To accept
13 Dura's interpretation would render the words "no potential for adverse impact to the environment"
14 meaningless. If the Commission had intended no actual harm to also mean no potential for harm, it
15 would not have included the "no potential for adverse impact" language in the rule.

16 Dura also asks the Commission to alter the value of the "C" factor in the civil penalty
17 calculation for this violation from 0 to -2. To make this alteration, the Commission would have to
18 conclude that Dura "was cooperative and took reasonable efforts to correct a violation, took
19 reasonable affirmative efforts to minimize the effects of the violation, or took extraordinary efforts
20 to ensure the violation would not be repeated." See OAR 340-012-0045(1)(c)(E)(i). Dura,
21 however, offers no reason why the Commission should change the factor other than to say that it

22 ¹ OAR 340-012-0045(1)(a)(B) states that "The magnitude of the violation is determined by first consulting the
23 selected magnitude categories in OAR 340-012-0090. In the absence of a selected magnitude, the magnitude shall be
24 moderate unless: ... (ii) If the Department finds that the violation had no potential for or actual adverse impact on the
25 environment, nor posed any threat to public health, or other environmental receptors, a determination of minor
26 magnitude shall be made. In making a determination of minor magnitude, the Department shall consider all available
27 applicable information including such factors as: The degree of deviation from the Commission's and Department's
statutes, rules, standards, permits or orders, concentration, volume, percentage, duration, toxicity, and the extent of
the effects of the violation. In making this finding, the Department may consider any single factor to be conclusive
for the purpose of making a minor magnitude determination."

1 did get the manifest back eventually and that it has not repeated the violation. Neither proves that
2 Dura took reasonable affirmative efforts to correct the effects of the violation or that it made
3 extraordinary efforts to prevent a recurrence of the violation.

4 3. Failure to Meet Contingency Plan Requirements

5 Dura takes exception to ALJ's conclusion that the company violated 40 CFR 265.52(d) by
6 failing to meet the requirements for a Facility Contingency Plan. Specifically, Dura takes issue
7 with the Department's amending of the Notice to change the date of this violation from the date of
8 the inspection from which the Notice arose, April 1, 2002, to January 2001. Dura is correct in
9 stating that at the time of the inspection, it was a small-quantity generator of hazardous waste and
10 not required to have a contingency plan. Dura claims that by amending the Notice in order to
11 correctly cite the violation, DEQ has acted in an underhanded fashion.

12 Hazardous waste generators determine their status. This status may change from month to
13 month depending on the amount of waste generated in each month. The record reflects that Dura is
14 periodically a large quantity generator (LQG) of hazardous waste, and it is undisputed that Dura is
15 subject to the Contingency Plan requirement during those months when it is an LQG. The
16 Department, and the public it serves, has an interest in ensuring that Dura's Contingency Plan does
17 contain the required elements for those periods when it is a large quantity generator. There is
18 nothing underhanded in the Department assessing a penalty when Dura fails to comply with
19 regulatory obligations intended to prevent harm to human health and the environment, regardless of
20 whether that period of noncompliance coincides with an inspection.

21 Furthermore, Dura received ample notice of the Department's amendment to the Notice of
22 Assessment of Civil Penalty. The Department filed its amendment to this violation on May 29,
23 2003. The hearing was held 62 days later, on July 30, 2003. At no time did Dura object to the
24 Department amending the Notice.

25 Dura also argues that the Department cannot prove that the Contingency Plan did not
26 contain all required elements in January 2001. The record shows, however, that the Plan reviewed
27 by DEQ in April 2002 is unchanged from the Plan written by Dura in 1998. In Dura's Answer to

1 the Notice, it stated that the plan reviewed in April 2002 had previously been submitted to DEQ.
2 The record shows that the only Contingency Plan previously submitted by Dura to DEQ was
3 received in 1998. Therefore Dura's Plan in January 2001 was the Plan reviewed by DEQ in April
4 2002. Dura introduced no evidence showing that the Contingency Plan it had in January 2001
5 contained the required elements missing from the Plan reviewed by DEQ in April 2002.

6 Dura also argues that if it is found to have committed the violation, the Commission should
7 change the determinations for magnitude, the "O" factor and the "R" factor in the civil penalty
8 calculation. Dura requests that the magnitude be changed from moderate to minor. The ALJ found
9 that the omissions from Dura's Contingency Plan, the addresses of company emergency
10 coordinators and the capabilities of some its spill control equipment, were significant, such that the
11 violation created a potential for adverse harm to the environment.

12 The potential for harm from an incomplete Contingency Plan is readily apparent. The Plan
13 is intended to be the one place where all information regarding spill response procedures and
14 capabilities is collected for quick and easy access in the event of an emergency. By failing to
15 include required information in its Contingency Plan, Dura created a risk that response to a spill
16 emergency would be delayed while the needed information was gathered from another source.

17 Dura argues the "O" and "R" factors should be reduced to 0 because there is insufficient
18 information to make other findings. Dura, however, offers no reasons why the information (See
19 Proposed Order at 11) relied on by the ALJ in determining the O and R factors is insufficient.
20 Dura's unsupported conclusory statements do not provide the Commission with any basis for
21 altering the ALJ's findings on these factors.

22 4. Failure to Properly Complete a Hazardous Waste Manifest

23 Dura requests that the Commission dismiss this violation claiming that it did not put the
24 wrong generator identification number on its manifest, and the company was not required to put a
25 hazardous waste code on the manifest. The ALJ states her reasons for concluding that Dura put the
26 wrong identification number on the manifest and they need not be reiterated here. The ALJ and
27 Dura, however are incorrect in stating that Dura was not required to include the USEPA hazardous

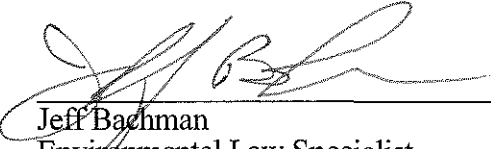
1 waste code number on the manifest. Federal regulations do not require hazardous waste numbers
2 on the manifest. Oregon's rules, however, do. See OAR 340-102-0060.² Dura does not dispute
3 that the correct number for its waste is F019, not the F006 that it entered on the manifest.

4 Dura also requests that if it is found to have committed the violation, the Commission make
5 the following changes to the civil penalty calculation: reduce the magnitude from moderate to
6 minor, reduce the value for the "R" factor from 2 to 0 and change the value for the "C" factor from
7 0 to -2. The ALJ clearly states the reasoning underlying the determinations she made in calculating
8 the civil penalty. Dura fails to make any argument that would warrant the Commission altering the
9 ALJ's findings.

10 CONCLUSION

11 Based on Dura's failure to raise any sufficient legal or policy reason to alter the ALJ's
12 Proposed Order, the Department requests that the Commission adopt the Proposed Order as its
13 Final Order.

14
15
16 2/20/04
17 Date

18 
19 _____
20 Jeff Bachman
21 Environmental Law Specialist

22
23 _____
24 ² 340-102-0060

25 **Instructions for the Uniform Hazardous Waste Manifest**

26 (1) In addition to the instructions in the **Appendix to 40 CFR Part 262**, relating to completion of the Uniform
27 Hazardous Waste Manifest, generators shall also comply with sections (2), (3), (4), and (5) of this rule...

- (5) Enter the EPA Hazardous Waste Number in:
(a) Item I of EPA Form 8700-22; and
(b) Item R of EPA Form 8700-22A, if applicable.

1 CERTIFICATE OF SERVICE

2 I hereby certify that I served the Brief within on the 23 day of February, 2004 by

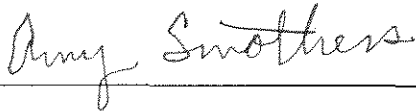
3 PERSONAL SERVICE upon

4 The Oregon Environmental Quality Commission
5 c/o Mikell O'Mealy, Assistant to the Commission
6 811 SW Sixth Avenue
7 Portland, OR 97204

8 and upon

9 Dura Industries, Inc.
10 c/o John Burns, Registered Agent
11 3984 NE 41st Ave.
12 Portland, OR 97212

13 by mailing a true copy of the above by placing it in a sealed envelope, with postage prepaid at the
14 U.S. Post Office in Portland, Oregon, on February 23, 2004

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DURA INDUSTRIES INC

■ 3984 NE 41st Ave.
■ Portland, Oregon 97212

January 27, 2004

Mikell O'Mealy
Environmental Quality Commission
Jeff Bachman
Oregon DEQ
811 SW 6th Avenue
Portland OR 97204

Re: Exceptions and Briefs.
OAH Case No. 107023
Agency Case # LQ/HW-NWR-02-123
Multnomah County

These are exceptions and briefs for Dura Industries "Petition for Review" for the proposed order filed by Andrea H. Sloan, Administrative Law Judge, on October 31, 2003. Violations for which Dura was cited arose from an inspection of Dura's facility on April 1, 2002. A Notice of Non-Compliance, dated April 15, 2002, alleged seven violations and requested immediate action addressing these violations. Dura responded to DEQ requested action in a letter dated May 16, 2002. A Notice of Violation and Assessment of Civil Penalty, dated August 7, 2002, alleged seven violations and assessed penalties totaling \$12,500 for five of the seven violations. Dura responded to DEQ allegations in a letter dated August 29, 2002, and requested a hearing and an informal discussion to contest the alleged violations and civil penalties. The informal discussion transpired January 28, 2003, and DEQ offered for consideration a Mutual Agreement and Order, dated March 4, 2003, which was not acceptable to Dura. On May 19, 2003 DEQ amended the Notice reducing the civil penalties by revising the 'P' factor, and withdrawing violation 3. On May 29, 2003, DEQ amended the language for violation 4. The contested case hearing was held July 30, 2003. On October 31, 2003 Andrea H. Sloan, Administrative Law Judge, issued a Proposed Order with a fine of \$9,400.

I am requesting this review because we feel the Administrative Law Judge, Ms. Sloan, totally disregarded any testimony and evidence by Jerry Hauser of Dura Industries, and only listened to the DEQ's side of the story. "The burden of presenting evidence to support a fact or position in a contested case rests on the proponent of the fact or position." ORS 183.450(2). That means the DEQ has to have prove its allegations. I will show that the DEQ had no evidence for some of the violations and relied on general assumptions to try and prove the alleged violations.

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JAN 28 2004

Oregon DEQ
Office of the Director

I will also argue the penalties assessed as moderate are minor. Ms. Sloan states that the Department calls for a moderate magnitude unless a specific magnitude is listed with "some exceptions." This is false. 340-012-0045 states "In the absence of a selected magnitude, the magnitude shall be moderate unless", and then goes on to describe a number of factors to consider in changing the magnitude. I will show that if these violations are upheld that they should be considered minor for a number of factors.

Violation 1- Failure to perform a hazardous waste determination

This violation has to do with rags that we use to wipe off parts before painting. Ms. Cook saw rags in garbage can and stated they gave off a strong solvent odor. Jerry Hauser explained that they had been used to wipe off parts using lacquer wash. Mr. Hauser went on further to explain that by using process knowledge he had determined that the rags were not hazardous. The department allows you to use process knowledge so that a business would not be required to test each and everything we dispose of. Without this rule the DEQ could demand that we do lab tests on everything we dispose of to rule out the possibility of contaminates. We know what those rags contained and we know that they were not hazardous waste.

To be hazardous, the rags had to contain MEK or have a flash point of less than 140 degrees. Mr. Hauser testified and supplied evidence that the rags did not contain MEK, (this is not a component of Lacquer Wash) and because of the way Lacquer Wash applied to the rags, small amounts at a time using a plunger can, they did not have a flash point less than 140°.

The only evidence the DEQ offered was Ms. Cook's nose and the fact that we buy MEK. Even minute amounts of lacquer wash can give off a strong odor, the fact that Ms. Cook smelled solvent does not mean they were hazardous waste. Ms. Cook did not testify that she could tell the difference between the odor of lacquer wash and MEK. The fact is, we are an industrial paint shop, and the smell of solvents is everywhere. And yes we do buy MEK (it is used to thin paints not to clean parts), and Ms Sloan totally ignored Mr. Hauser testimony that there are several reasons we do not use it for cleaning. It not only costs twice as much as lacquer wash but because it evaporates so fast, it would not make a very good cleaner. It would have been very easy for Ms. Cook to take the sample of a rag for testing, which she did not do.

As for the fact that Ms. Cook showed Mr. Hauser something from a non-official reference proves nothing. Mr. Hauser knew better than to argue with Ms. Cook, sometimes the DEQ can take your answers out of context and make matters worse.

In conclusion, the DEQ did not prove that the rags had MEK on them or that their flash point was less than 140°F.

Civil penalty assessment

Dura and DEQ disagree on the value of the 'R' value. DEQ contends that the alleged failure to make a hazardous waste determination was negligent. Dura did make a waste determination for the rags and provided ample evidence and testimony to support it. Clearly, DEQ position is that the rags are hazardous waste, and consequently, DEQ does not agree with Dura's determination that the rags are not hazardous waste. DEQ failed to provide evidence that the rags are hazardous waste and seemingly disregards Dura's knowledge of its process and evidence showing that the solvent used is not a "listed" waste. Dura was not negligent and DEQ has insufficient evidence to make such a finding. The value for 'R' should be zero.

If the violation is upheld the civil penalty should be \$1300.

Violation 2- Failure to file an Exception Report

This violation is correct. Dura Industries failed to file the report within the 45 day limit. This involves a report Dura should have filed if we did not receive back paper work from our hazardous waste contractor.

Civil penalty assessment

Dura contends that the magnitude of the violation should be minor. Oregon Administrative Rules 340-012-0090(1)(B) reads "The magnitude of the violation is determined by first consulting the selected magnitude categories in OAR 340-012-0090. In the absence of a selected magnitude, the magnitude shall be moderate unless: (ii) If the Department finds that the violation had no potential for or actual adverse impact on the environment, nor posed any threat to public health, or other environmental receptors, a determination of minor magnitude shall be made. In making a determination of minor magnitude, the Department shall consider all available applicable information including such factors as: The degree of deviation from the Commission's and Department's statutes, rules, standards, permits or orders, concentration, volume, percentage, duration, toxicity, and the extent of the effects of the violation. In making this finding, the Department may consider any single factor to be conclusive for the purpose of making a minor Magnitude determination."

In determining the magnitude, DEQ neglected to consider any of the available applicable information. The shipment of waste consisted of a single box of filter cake. Dura presented evidence that showed that a release of this waste could be managed by sweeping with a broom. This waste was properly disposed of and the paperwork was returned to Dura. There was no adverse impact on the environment nor was there any threat to public health. There was no adverse effect from this violation. DEQ must consider these factors and determine the magnitude to be minor.

Dura contends that the value for 'C' should be -2. Dura was cooperative and took reasonable affirmative efforts to minimize the effects of the violation, and took extraordinary efforts to ensure the violation would not be repeated. The shipping paperwork, which was delayed, was received and this incident has not been

repeated since.

If the violation is upheld the civil penalty should be \$1300.

Violation 3- Failing to meet contingency plan requirements

This violation is absurd.

First Ms. Cook inspects us as a large quantity generator. This was an error on Ms. Cook's part. We were obviously a small quantity generator at the time of inspection. Ms Sloan, the administrative judge, allows Ms. Cook's mistake (if we make a paperwork error, we get fined, if the DEQ makes one, the judge supports it!), and proceeds to rule on this matter as if we were a large quantity generator. Dura Industries has been a large quantity generator in the past, but this is the exception not the norm.

So how does the DEQ deal with the fact, that this violation is wrong, and that at the time of the inspection we were a small quantity generator and thus not subject to this rule? **They go back in time!** Jeff Bachman, the DEQ's enforcement manager goes through our records and finds out the last time we were a large quantity generator was in January 2001, a full 16 months prior to Ms. Cook's inspection. He changes the violation's date to January 2001, and offers no proof (there was no inspection in January of 2001), of us failing to meet contingency plan requirements.

The only part of our contingency plan that did not meet the "**Large Quantity Generator**" (remember we were small quantity generators for a full 16 months, and all the months proceeding) was the inclusion of our addresses. It had all the phone numbers where three emergency coordinators could be reach, including cell phones. We change our contingency plan often and it may well have contained our addresses during January 2001. The judge states "The preponderance of evidence established that the Respondent committed this violation". The DEQ failed to provide any evidence of regarding the deficiency of our contingency plan in January 2001.

Civil penalty assessment

Dura contends that the magnitude of the alleged violation if upheld should be minor. DEQ has not considered all available applicable information in considering that any single factor may be conclusive for making a minor magnitude determination. DEQ clearly avoids discussion of the information that it says is incomplete in Dura's contingency plan. The capabilities of the spill control equipment in Dura's plan is listed as, for example: "the spill kit can absorb 11 gallons", "50 17 in.x 19 in. sorbent pads", "one 1500 gph pump", "one 20 gal. Drum", "one 5 in. x 10 ft. oil only boom". The contingency plan does not deviate from DEQ's standards unless the standards are different than listed in regulations. The emergency coordinators listed in Dura's plan have a total of five phone numbers for contacting them. DEQ did not show that there was a potential for or actual adverse impact on the environment because of the deficiencies in Dura's contingency plan. DEQ must make a magnitude determination of minor according to OAR 340-012-0045.

The 'O' value should be 0 if the violation is upheld, because there is insufficient evidence on which to base a finding, the 'R' value should be 0 if the violation is upheld, because there is insufficient evidence on which to base the finding.

If the violation is upheld the civil penalty should be \$650.

Violation 4-Failure to prepare a hazardous waste manifest

There are two issues in this one violation. The first one deals with an incorrect ID number on a manifest and the second one deals with an incorrect waste code.

First, the incorrect ID number, Ms. Sloan totally ignored Mr. Hauser's testimony that the ID number was changed after leaving Dura Industries. Dura introduced the copy of the manifest, which we keep when the waste is sent off site, and the original, which is sent with the waste. The original, which is sent back to us after the waste is processed, showed the generator ID number had been changed from the typed "G" which was incorrect to a hand written "G" which was also incorrect. It is obvious that the waste hauler who filled out this paperwork had our incorrect number, and after Mr. Hauser corrected the first copy by writing in "D", the hauler changed it back to the incorrect "G" (DEQ exhibit 3). The DEQ did show any evidence that this number had been changed before the shipment had left Dura.

In regards to the second issue, Ms. Sloan fails to answer Mr. Hauser's argument that according to EPA law 40 CFR 262.20, the hazardous waste codes are not required on the manifest. Further Mr. Hauser points out the waste codes concern only the source of the waste, not the waste itself. The waste would be treated the same, if was coded F006 or F019.

Civil penalty assessment

Dura contends that the magnitude of the alleged violation if upheld, must be minor. DEQ has not considered all available applicable information in considering that any single factor may be conclusive for making a minor magnitude determination. Although the generator ID number is a means of tracking hazardous waste, the manifest must also contain names, addresses and phone numbers of each entity handling the waste. DEQ's assertion that it could not track the waste without the generator ID number is not credible; certainly DEQ has other means of tracking hazardous waste. Mr. Hauser testified that the wastes - F019 and F006- are similar, and their treatment and disposal are identical. DEQ must consider any of these factors when assessing the potential for or actual adverse impact on the environment.

Dura did not neglect to fill out the hazardous waste manifest. Dura could not control what others did to the manifest after it left Dura's facility. Dura did not allow the paper-work errors to continue. The 'R' value should be 0 because it was an unavoidable accident and there is insufficient evidence to make any other finding. The 'C' value should be -2 because Dura took reasonable efforts to correct the violation by changing the incorrect ID number and Dura took extraordinary efforts to ensure the errors would not be

repeated-there were no future errors.

If the violation is upheld the civil penalty should be \$800.

Violations 5 and 6 – Failing to provide aisle space and a communication device

Ms. Sloan is correct in dismissing the violation, which deals with need of a communication device, but she failed to use the same evidence in requiring aisle space.

First, there was plenty of room for Ms. Cook to get back to the box in question, she did not have to climb (she may have used that has a figure of speech) over crates to reach the box of dried sludge cakes. She may have had to walk side ways or take a slightly different route, but we would have never let her climb over the crates. As Mr. Hauser stated, the crates in question were parts in process of being painted, not equipment or other items that were not readily (and were actually moved in and out of the area every hour or so) portable. The same standard, "the potential hazards from this waste were not imminent" is used for the need of a communication device and aisle space, so both violations should be dismissed.

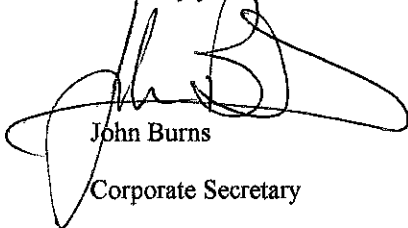
Civil penalty assessment

Even though no penalties were assessed for these violations, it is very important both violations be totally dismissed, because the total number of violations is used in future penalty calculations.

In Conclusion

Dura Industries tries very hard to comply with all the regulations, but sometimes we do make mistakes. None of these alleged violations resulted in any release of hazardous substances to the environment. The amounts and concentration of hazards that Dura deals with are very small.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John Burns", is written over the typed name and title.

John Burns

Corporate Secretary

Dura Industries Inc.



Oregon

Theodore R. Kulongoski, Governor

Department of Environmental Quality

811 SW Sixth Avenue
Portland, OR 97204-1390
503-229-5696
TTY 503-229-6993

December 29, 2003

Via Certified Mail

John Burns
Dura Industries
3984 NE 41st Ave.
Portland OR 97212

RE: LQ/HW-NWR-02-123

Dear Mr. Burns:

On December 1, 2003, the Environmental Quality Commission received your timely request for Commission review of the Proposed Order for the above referenced case. The Proposed Order outlined appeal procedures, including filing of exceptions and briefs. The hearing decision and Oregon Administrative Rules (OAR 340-011-0132) state that you must file exceptions and brief within thirty days from the filing of your request for Commission review, or December 31, 2003.

On December 29, 2003, the Commission received your request for a thirty day extension for submitting your exceptions and briefs. Your request has been granted and your exceptions and briefs must now be filed by January 30, 2004. Your exceptions should specify the findings and conclusions that you object to in the Proposed Order and include alternative proposed findings. Once your exceptions have been received, a representative of the Department of Environmental Quality may file an answer brief within thirty days. I have enclosed a copy of the applicable administrative rules for your information.

To file exceptions and briefs, please mail these documents to Mikell O'Mealy, on behalf of the Environmental Quality Commission, at 811 SW 6th Avenue, Portland, Oregon, 97204, with copies to Jeff Bachman, Oregon Department of Environmental Quality, 811 SW 6th Ave., Portland, Oregon 97204.

After both parties file exceptions and briefs, this item will be set for Commission consideration at a regularly scheduled Commission meeting, and I will notify you of the date and location. If you have any questions about this process, or need additional time to file exceptions and briefs, please call me at 503-229-5301 or 800-452-4011 ext. 5301 within the state of Oregon.

Sincerely,

Mikell O'Mealy
Assistant to the Commission

cc: Jeff Bachman, Oregon Department of Environmental Quality
Larry Knudsen, Oregon Department of Justice

Oregon Administrative Rules 340-011-0132

Alternative Procedure for Entry of a Final Order in Contested Cases Resulting from Appeal of Civil Penalty Assessments

- (1) Commencement of Review by the Commission:
 - (a) Copies of the hearing officer's Order will be served on each of the participants in accordance with OAR 340-011-0097. The hearing officer's Order will be the final order of the Commission unless within 30 days from the date of service, a participant or a member of the Commission files with the Commission and serves upon each participant a Petition for Commission Review. A proof of service should also be filed, but failure to file a proof of service will not be a ground for dismissal of the Petition.
 - (b) The timely filing of a Petition is a jurisdictional requirement and cannot be waived.
 - (c) The timely filing of a Petition will automatically stay the effect of the hearing officer's Order.
 - (d) In any case where more than one participant timely serves and files a Petition, the first to file will be the Petitioner and the latter the Respondent.
- (2) Contents of the Petition for Commission Review. A Petition must be in writing and need only state the participant's or a Commissioner's intent that the Commission review the hearing officer's Order.
- (3) Procedures on Review:
 - (a) Petitioner's Exceptions and Brief: Within 30 days from the filing of the Petition, the Petitioner must file with the Commission and serve upon each participant written exceptions, brief and proof of service. The exceptions must specify those findings and conclusions objected to, and also include proposed alternative findings of fact, conclusions of law, and order with specific references to the parts of the record upon which the Petitioner relies. Matters not raised before the hearing officer will not be considered except when necessary to prevent manifest injustice.
 - (b) Respondent's Brief: Each participant will have 30 days from the date of filing of the Petitioner's exceptions and brief, in which to file with the Commission and serve upon each participant an answering brief and proof of service. If multiple Petitions have been filed, the Respondent must also file exceptions as required in (3)(a) at this time.
 - (c) Reply Brief: Each participant will have 20 days from the date of filing of a Respondent's brief, in which to file with the Commission and serve upon each participant a reply brief and proof of service.
 - (d) Briefing on Commission Invoked Review: When one or more members of the Commission wish to review a hearing officer's Order, and no participant has timely filed a Petition, the Chairman will promptly notify the participants of the issue that the Commission desires the participants to brief. The Chairman will also establish the schedule for filing of briefs. The participants must limit their briefs to those issues. When the Commission wishes to review a hearing officer's Order and a participant also requested review, briefing will follow the schedule set forth in subsections (a), (b), and (c) of this section.
 - (e) Extensions: The Chairman or the Director, may extend any of the time limits contained in this rule except for the filing of a Petition under subsection (1) of this rule. Each extension request must be in writing and be served upon each participant. Any request for an extension may be granted or denied in whole or in part.
 - (f) Dismissal: The Commission may dismiss any Petition if the Petitioner fails to timely file and serve any exceptions or brief required by this rule.

- (g) Oral Argument: Following the expiration of the time allowed the participants to present exceptions and briefs, the Chairman will schedule the appeal for oral argument before the Commission.
- (4) Additional Evidence: A request to present additional evidence will be submitted by motion and be accompanied by a statement specifying the reason for the failure to present the evidence to the hearing officer. If the Commission grants the motion or decides on its own motion that additional evidence is necessary, the matter will be remanded to a hearing officer for further proceedings.
- (5) Scope of Review: The Commission may substitute its judgment for that of the hearing officer in making any particular finding of fact, conclusion of law, or order except as limited by OAR 137-003-0665.

Stat. Auth.: ORS 183.335 & ORS 468.020

Stats. Implemented: ORS 183.430 & ORS 183.435

Hist.: DEQ 78, f. 9-6-74, ef. 9-25-74; DEQ 115, f. & ef. 7-6-76; DEQ 25-1979, f. & ef. 7-5-79; DEQ 7-1988, f. & cert. ef. 5-6-88; DEQ 1-2000(Temp), f. 2-15-00, cert. ef. 2-15-00 thru 7-31-00; DEQ 9-2000, f. & cert. ef. 7-21-00

DURA INDUSTRIES INC

■ 3984 NE 41st Ave.
■ Portland, Oregon 97212

December 22, 2003

Larry Knudsen
Department of Justice
General Counsel Division
1515 SW Fifth Ave, Suite 410
Portland OR 97204

RECEIVED
DEC 23 2003

DEPARTMENT OF JUSTICE
PORTLAND LEGAL

Re: Contested Case Hearing
DEQWQ LQ/HW-NWR-02-123
OAH Case No. 107023

Dear Mr. Knudsen,

In reply to your letter regarding my status with Dura Corporation, I can inform you that I am an authorized officer of the corporation. Mr. Hauser and I sold the assets of the Dura Industries Inc., and have kept the corporate entity intact.

I would also like to request a 30-day extension for submitting my Exceptions and Brief. Thanks for your consideration in this matter.

If you have any other questions you can reach me at 503-281-2656.



John Burns
Corporate Secretary
Dura Industries

503.281.2656

HARDY MYERS
Attorney General



PETER D. SHEPHERD
Deputy Attorney General

DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

December 10, 2003

John Burns
Dura Industries, Inc.
3984 NE 41st Ave
Portland, OR 97212

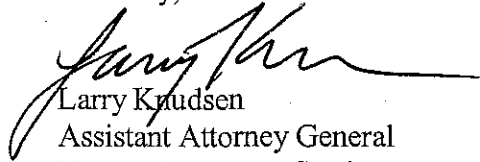
Re: Contested Case Hearing
DEQWQ LQ/HW-NWR-02-123
OAH No. 107023

Dear Mr. Burns:

I am legal counsel for the Oregon Environmental Quality Commission. The Commission received your Petition for Review of the above-referenced case on December 1st. Your letter indicates that you and Mr. Hauser are past owners and you are handling the appeal even though the company has been sold.

Please be advised that, as a corporation, Dura Industries must be represented by a licensed attorney or by an authorized officer or regular employee of the corporation. See OAR 137-003-0008. It is not clear from your letter, whether you remain an authorized corporate officer. Please verify your status and that the current management of the corporation has authorized the Petition.

Sincerely,



Larry Knudsen
Assistant Attorney General
Natural Resources Section

LJK:la/GENH6467.DOC

cc: Mark Reeve
Mikell O'Mealy

RECEIVED

DEC 11 2003

Oregon DEQ
Office of the Director

DURA INDUSTRIES INC

■ 3984 NE 41st Ave.
■ Portland, Oregon 97212

November 26, 2003

Environmental Quality Commission
c/o DEQ -- Assistant to the Director
811 SW 6th Avenue
Portland OR 97204

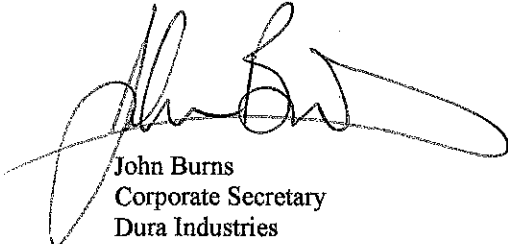
Dear Assistant to the Director,

I am requesting a "Petition for Review" for the proposed order: OAH Case No. 107023
Agency Case # LQ/HW-NWR-02-123
Multnomah County

Please note that Dura Industries has sold since the time of the last hearing. This matter is still being handled by the past owners, Jerry Hauser and John Burns.

Please send any future notices regarding this matter to: John Burns
Dura Industries, Inc
3984 NE 41st Ave.
Portland, OR 97212

Sincerely yours,



John Burns
Corporate Secretary
Dura Industries
503.281.2656

RECEIVED

DEC 01 2003

Oregon DEQ
Office of the Director

**BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF OREGON
for the
ENVIRONMENTAL QUALITY COMMISSION**

IN THE MATTER OF:) **PROPOSED ORDER**
)
DURA INDUSTRIES, INC.,)
Respondent,)
) OAH Case No. 107023
) Agency Case Number LQ/HW-NWR-02-123
) Multnomah County

HISTORY OF THE CASE

On August 7, 2002, the Department of Environmental Quality (Department) issued a Notice of Assessment of Civil Penalty (Notice) to Dura Industries, Inc. (Respondent). The Notice alleged that Respondent violated OAR 340-102-0011(2), 40 CFR 262.42(a)(2), OAR 340-102-0034(2), 40 CFR 262.34(a)(4), 40 CFR 265.16, 40 CFR 265.52(d) & (e), OAR 340-102-0060(5)(a), 40 CFR 262.20(a), 40 CFR 265.32(b), and 40 CFR 265.35.¹ Prior to hearing, the Department amended the Notice and dismissed one of the alleged violations.²

On August 29, 2002, Respondent requested a hearing and denied all violations. A hearing was held on July 30, 2003, at 9:00 a.m., in Portland, Oregon. Andrea H. Sloan, from the Office of Administrative Hearings, presided as the Administrative Law Judge (ALJ). Jerry Hauser appeared in person without counsel as the registered agent of Respondent, and testified at the hearing. Environmental Law Specialist Jeff Bachman represented the Department. Laurie Cook testified as a witness for the Department. At hearing, Respondent admitted the violation in Section III, paragraph 2. The record closed on September 12, 2003 following submission of written closing briefs.

¹ ORS 466.020 authorizes the Environmental Quality Commission to promulgate rules regarding hazardous waste management within the State of Oregon. Within that authority, the Department has "incorporated, by reference, hazardous waste management regulations of the federal program, included in 40 CFR Parts 260 to 266, 268, 270, 273 and Subpart A and Subpart B of Part 124, into Oregon Administrative Rules." OAR 340-100-0001(3).

² The Department amended Section III, paragraph 4 to read as follows:

During the month of January 2001, Respondent violated 40 CFR 262.34(4), 40 CFR 265.52(d) and (e), and OAR 340-102-0034(2). Respondent failed to comply with 40 CFR Part 265, Subpart D requirements by failing to include in Respondent's Facility Contingency Plan, an outline of the capabilities of all emergency equipment located at the Facility, and the addresses of all persons qualified to act as an emergency coordinator. The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

The Department also dismissed the violation alleged in Section III, paragraph 3 of the Notice. (Ex. P2.)

ISSUES

- (1) Whether, on or about April 1, 2002, Respondent failed to make a hazardous waste determination for solvent-contaminated rags that were destined for disposal as solid waste.
- (2) Whether, on August 5, 2000, Respondent failed to file an Exception Report with the Department within 45 days of shipping hazardous waste on June 20, 2000.
- (3) Whether, during the month of January 2001, Respondent failed to include in its Facility Contingency Plan an outline of the capabilities of all emergency equipment at the facility and the addresses of all persons qualified to act as an emergency coordinator.
- (4) Whether, on or about June 2000, Respondent offered hazardous waste for transportation for offsite treatment, storage or disposal, without first properly preparing a hazardous waste manifest.
- (5) Whether, on or about April 1, 2002, Respondent failed to equip its hazardous waste storage area with an emergency communication device.
- (6) Whether, on or about April 1, 2002, Respondent failed to maintain adequate aisle space in its wastewater treatment sludge container area or to allow for the unobstructed movement of personnel and emergency response equipment in this area.
- (7) Whether the civil penalty assessments are appropriate.

EVIDENTIARY RULINGS

Department Exhibits A1 through A4, A6, A7, A9 through A14 and Respondent's Exhibits R1 through R15 were admitted into the record without objection.

FINDINGS OF FACT

- (1) Respondent is a metal finishing company doing business at 4466 NE Yeon Avenue, Portland, Oregon. (Test. of Cook.)
- (2) Respondent's industrial processes include cleaning aluminum and steel parts with corrosives, painting metal parts, and chromic conversions. (Test. of Cook.)
- (3) On April 1, 2002, Laurey Cook conducted an unannounced inspection of Respondent's facility within the scope of her duties as a Hazardous Waste Inspector for the Department. (Test. of Cook.)

(4) At the time of the inspection, Ms. Cook determined that Respondent was a large quantity generator (LQG) of hazardous waste.³ Generator status is determined monthly. Ms. Cook based this determination on information in Department databases that track annual reports from Oregon businesses.⁴ Respondent reported to the Department that, periodically in 2000, 2001 and 2002, it generated or accumulated hazardous wastes in excess of the small quantity generator limits. (Exs. A9, R2; test. of Cook.)

(5) On April 1, 2002, Ms. Cook met with Jerry Hauser, Respondent's president. During the walk-through of Respondent's painting operations, Ms. Cook observed a closed drum in the area of the spray booth. Inside this drum were used rags, which smelled strongly of solvent. Mr. Hauser told Ms. Cook that the used rags were thrown away with the facility's garbage. He explained that the rags were used to wipe solvent off of the equipment and parts in the spray booth. Respondent's employees would press a rag against a plunger can full of solvent, and then apply the solvent to the part. When the solvent evaporated from the rag, the employees would push the rag against the plunger can again. (Test. of Cook and Hauser.)

(6) Ms. Cook was concerned about the strong solvent smell of the rags in the closed drum. She concluded that these rags were a hazardous waste because of their ignitability characteristics.⁵ Ms. Cook also knew that Respondent used a chemical called methyl ethyl ketone (MEK) in its operations, and she suspected that some of the rags could also be contaminated with this chemical. MEK is a listed and characteristic (toxicity) hazardous waste.⁶ Respondent uses MEK to thin paint and to clean paint guns. (Ex. A2; test. of Cook.)

(7) The rags in the drum were primarily contaminated with "Lacquer Wash 3." The primary component of "Lacquer Wash 3" is acetone; other components include isopropyl alcohol, methyl alcohol, toluene and solvent naphtha. "Lacquer Wash 3" is poisonous and flammable. Some of the rags were also contaminated with small amounts of MEK. Ms. Cook concluded that the rags, whether they were contaminated with MEK, "Lacquer Wash 3," or a combination of the two, were hazardous wastes because of their storage in the closed drum and the fact that Respondent treated these rags as solid wastes, disposing of them like garbage. (Ex. R1; test. of Cook and Hauser.)

³ A large quantity generator is defined as one "who generates in any calendar month greater than 2.2 pounds of acute Hazardous Waste, or accumulates at any time greater than 2.2 pounds of acute Hazardous Waste, or who generates in any calendar month greater than or equal to 2,200 pounds of Hazardous Waste as defined by 40 CFR Part 261 (July 1, 1997), ORS 466.006 and OAR Chapter 340, Divisions 100 and 101." OAR 340-135-0020(6).

⁴ Hazardous waste generators are required to file annual reports with the Department concerning the amount of hazardous wastes generated by their operations. OAR 340-102-0041.

⁵ There are four general characteristics of hazardous wastes: 1) ignitability, which means that the material has a flash point of less than 140 degrees Fahrenheit (40 CFR 261.21); 2) corrosivity, which means that the material has a pH less than or equal to 2 or greater than or equal to 12.5 (40 CFR 261.22); 3) reactivity, which means that the waste could react violently, without detonation, upon exposure to air or water (40 CFR 261.23); and 4) toxicity, which is determined by using the Toxicity Characteristics Leaching Procedure (40 CFR 261.24).

⁶ Listed hazardous wastes are materials that are set out in 40 CFR 302.4. These materials, including MEK, are assigned federal hazardous waste numbers.

(8) Ms. Cook asked Mr. Hauser if he had done a hazardous waste determination on the rags, and he told her that he had not because he did not think that the rags were a hazardous waste, given his understanding of how the rags were primarily used. Ms. Cook showed Mr. Hauser some information in "McCoy's RCRA Unraveled," a reference book relating to hazardous waste laws that she brought to the inspection. Mr. Hauser agreed that, based on what he read in the book, the rags would be considered a hazardous waste. (Test. of Cook and Hauser.)

(9) Ms. Cook also inspected other areas of Petitioner's facility on April 1, 2002. Near the powder coat paint booth, Ms. Cook checked Respondent's solvent storage area. At this location, Ms. Cook found a large cardboard box with a lid. The material in this box was sludge from Respondent's chromic conversion processes. The sludge was in filtercake form, and contained aluminum hydroxide solids, which resulted from Respondent's treatment of chromic conversion wastes. The filtercake was a "damp solid" and was contained within a bag inside of the cardboard box. The box was not easily accessible because other crates of equipment and materials surrounded it. There was inadequate aisle space around the box to allow for weekly inspections to determine if any of the material inside the box had been released. Because of the proximity of other crates and equipment, the box was not readily accessible to emergency response equipment or personnel in the event of a spill. The label, indicating that the material was a hazardous waste, was difficult to see and Ms. Cook had to climb over some other boxes to actually view the label. Ms. Cook did not open the box during her inspection because of potential exposure problems. (Exs. A6, A7, R9, R10, R11; test. of Cook and Hauser.)

(10) Ms. Cook determined that there was not a phone or other emergency communication device in the immediate vicinity of the hazardous waste storage area. The closest telephone or communication device was located in an enclosed office, approximately 90 feet from the storage area. (Ex. R10; test. of Cook and Hauser.)

(11) Following her walk-through of Respondent's facility, Ms. Cook reviewed Respondent's records. Hazardous waste generators are required to keep records for three years. LQGs, such as Respondent, are also required to list names, phone numbers and addresses for all designated emergency coordinators, so that they can be contacted at any time, 24 hours a day. In addition, LQGs are required to list all emergency equipment, including the capabilities for all of the equipment. Ms. Cook reviewed Respondent's "Spill Prevention/Control Plan Contingency Plan Emergency Procedures" document (contingency plan). Respondent's contingency plan did not list the addresses for its emergency coordinators and did not include the capabilities of its emergency equipment. (Ex. A4; test. of Cook.)

(12) Ms. Cook reviewed Respondent's manifests for hazardous waste shipped from its facility. One of the manifests that Ms. Cook reviewed showed that Respondent shipped hazardous waste offsite on June 20, 2000. The manifest indicated that the destination facility did not receive the hazardous waste until September 14, 2000, 86 days after Respondent shipped the waste. The manifest also indicates that Respondent shipped 2200 pounds of hazardous waste in the form of filtercake. A notation on the manifest from the destination facility's personnel indicates that only 1440 pounds of hazardous waste were received. The manifest also indicates that the transporter did not receive the hazardous waste until July 28, 2000, 38 days after

Respondent indicated that the waste was shipped off its premises. Respondent did not receive its copy of the completed manifest within 30 days of the date of shipment. Respondent did not call the destination to inquire about the status of the shipment. Respondent did not file an exception report with the Department when the manifest was not returned to them within 45 days of the shipping date. (Exs. A3 and R6; test. of Cook and Hauser.)

(13) Ms. Cook discovered that the EPA generator identification number typed on the manifest, and the ID number that appeared on the manifest that was ultimately returned to Respondent, was incorrect. Respondent's EPA generator identification number is "ORD083647347." The typed form originally used the letters "ORG" instead of "ORD." Mr. Hauser caught this error, and corrected the letter "G" to the letter "D." When the manifest was returned after September 14, 2000, the EPA generator identification number had been changed back to "ORG * * *." Mr. Hauser's initials do not appear on Exhibit A3, the copy of the manifest obtained by Ms. Cook during her April 1, 2002 inspection. (Exs. A3 and R6; test. of Cook and Hauser.)

(14) One of the EPA waste numbers for the hazardous waste that Respondent shipped offsite on June 20, 2000 is incorrect. The manifest indicates that the filtercake contained D007, D008 and F006 hazardous waste. The D006 and D007 designations are correct. The F006 designation refers to electroplating waste. The filtercake shipped by Respondent was chromic conversion waste, and should have been designated as F019 waste. Mr. Hauser did not catch this error before the waste was shipped off site. (Exs. A3 and R6; test. of Cook and Hauser.)

(15) Following the inspection, Ms. Cook prepared a Notice of Noncompliance (NON), which was sent to Respondent. In response to the NON, Respondent implemented several changes. Mr. Hauser directed a procedure for managing rags that required solvent or paint contaminated rags to either be laundered, or to be managed as hazardous waste. Mr. Hauser indicated that these rags would be given EPA hazardous waste designations, including D035, the code for MEK, because rags could contain small amounts of MEK. (Ex. A1; test. of Hauser.)

CONCLUSIONS OF LAW

(1) On or about April 1, 2002, Respondent failed to make a hazardous waste determination for solvent contaminated rags that were destined for disposal as solid waste.

(2) On August 5, 2000, Respondent failed to file an Exception Report with the Department within 45 days of shipping hazardous waste on June 20, 2000.

(3) During January 2001, Respondent failed to include an outline of the capabilities of all emergency equipment in the facility, and the addresses of all persons qualified to act as an emergency coordinator in its Facility Contingency Plan.

(4) On or about June 2000, Respondent offered hazardous waste for transportation offsite without first properly preparing a hazardous waste manifest.

(5) On or about April 1, 2002, Respondent failed to equip its hazardous waste storage area with an emergency communication device.

(6) On or about April 1, 2002, Respondent failed to maintain adequate aisle space in its hazardous waste storage area or to allow for the unobstructed movement of personnel and emergency response equipment in this area.

(7) The amount of civil penalties assessed by the Department was appropriate.

OPINION

“The burden of presenting evidence to support a fact or position in a contested case rests on the proponent of the fact or position.” ORS 183.450(2). Here, the Department has the burden of proving its allegations by a preponderance of the evidence. *See, Harris v. SAIF*, 292 Or 683, 690 (1982) (general rule regarding allocation of burden of proof is that the burden is on the proponent of the fact or position.); *Cook v. Employment Div.*, 47 Or App 437 (1980) (in the absence of legislation adopting a different standard, the standard in administrative hearings is preponderance of the evidence). Proof by a preponderance of evidence means that the fact finder is persuaded that the facts asserted are more likely true than false. *Riley Hill General Contractors v. Tandy Corp.*, 303 Or 390 (1989).

In this case, Respondent challenges either the alleged violations, or the Department’s calculation of civil penalties, or both. After reviewing the record, I conclude that the Department has proven all but one of the alleged violations by a preponderance of the evidence. I will separately discuss the assessment of civil penalties for each violation.

Failing to perform a hazardous waste determination on rags

Respondent argues that the rags found in the closed drum by Ms. Cook were not hazardous waste. Respondent further argues that it made a hazardous waste determination on the rags based on its knowledge of the process for which the rags were used, and its belief that the material on the rags was not a hazardous waste. In support, Respondent cites OAR 340-101-0011(2)(B).⁷ According to Mr. Hauser, Respondent’s witness, the rags found by Ms. Cook during her April 1, 2002 inspection were primarily contaminated with “Lacquer Wash 3,” and not MEK. Respondent concluded that “Lacquer Wash 3” was not a hazardous waste after reviewing a Material Safety Data Sheet (MSDS) from the manufacturer. (Ex. R1.)

⁷ I believe that Respondent was actually citing to OAR 340-102-0011(2)(d)(B), which provides as follows:

- (2) A person who generates a residue as defined in OAR 340-100-0010 must determine if that residue is a hazardous waste using the following method: * * *
- (d) Regardless of whether a hazardous waste is listed through application of subsections 2(b) or 2(c) of this rule, persons must also determine whether the waste is hazardous under Subpart C of 40 CFR Part 261 by either: * * *
- (B) Applying knowledge of the hazard characteristic of the waste in light of the materials or the processes used.

Ms. Cook, the Department's witness, testified that during the inspection she smelled a strong solvent odor coming from the rags. Because of this odor, and the fact that the rags were in a closed drum, she concluded that the rags were a hazardous waste primarily because they possessed ignitability characteristics. Ms. Cook also learned that Respondent used MEK to thin paint and to clean painting equipment. Based on her inspection and her discussion with Mr. Hauser that day, Ms. Cook determined that the rags she observed in the drum could be contaminated with small amounts of MEK. Ms. Cook showed Mr. Hauser an entry in "McCoy's RCRA Unraveled," a resource book she brought to the inspection. Based on the information in this book, both Mr. Hauser and Ms. Cook agreed that the rags were a hazardous waste.

Following the inspection, Respondent instituted new procedures for disposal of its rags. Under its new procedures, all rags used to clean parts, equipment, tools, or rags in contact with solvents and paints are to either be laundered, or managed as hazardous wastes. (Ex. A1.) Respondent further instructed that rags that would be managed as hazardous wastes would be labeled with the following hazardous waste codes: D001, D035, F003 or F005. MEK is assigned hazardous waste codes D035 and F005. 40 CFR 261.24(b) and 40 CFR 261.31(a).

The Department relies on OAR 340-102-0011(2), which provides, in pertinent part, as follows:

- (2) A person who generates a residue as defined in OAR 340-100-0010 must determine if that residue is a hazardous waste using the following method:
 - (a) Persons should first determine if the waste is excluded from regulation under 40 CFR 261.4 or OAR 340-101-0004;
 - (b) Persons must then determine if the waste is listed as a hazardous waste in Subpart D of 40 CFR Part 261;
 - (c) Persons must then determine if the waste is listed under the following listings: * * *
 - (d) Regardless of whether a hazardous waste is listed through application of subsections 2(b) or 2(c) of this rule, persons must also determine whether the waste is hazardous under Subpart C of 40 CFR Part 261 by either:
 - (A) Testing the waste according to the methods set forth in Subpart C of 40 CFR 261, or according to an equivalent method approved by the Department under OAR 340-100-0021. * * *
 - (B) Applying knowledge of the hazard characteristic of the waste in light of the materials or the processes used.

The Department correctly argued that Respondent was required to make a hazardous waste determination on the rags. The preponderance of evidence in this record establishes that the rags were likely contaminated with at least small amounts of MEK, a listed and characteristic hazardous waste. Based on this finding, Respondent's knowledge of processes argument, that the rags were primarily contaminated with "Lacquer Wash 3," was not sufficient to satisfy the determination requirement because Respondent did not account for the presence of MEK on the rags and did not properly manage the rags as a hazardous waste. Respondent was required to do an actual hazardous waste determination on the rags because of the likely presence of MEK.

Civil penalty assessment

The Director of the Department is authorized to assess civil penalties for any violations of the Department's rules or statutes. OAR 340-012-0042. The amount of civil penalties assessed is determined through use of a matrix and formula contained in OAR 340-012-0045. *See* OAR 340-012-0042.

In this case, the Department determined that Respondent was liable for \$1500 in civil penalties for this violation. The penalty was determined by calculating the base penalty (BP) and considering other factors, such as prior significant actions (P), past history (H), the number of occurrences (O), the cause of the violation (R), Respondent's level of cooperation (C), and the economic benefit that Respondent gained by noncompliance with the Department's rules and statutes. The formula for determining civil penalties in this case is expressed as follows: "BP + [(0.1 x BP) x (P + H + O + R + C)] + EP."⁸

Here, the Department determined that this was a minor magnitude violation, and assigned \$1000 as the base penalty (BP) value. This is supported by OAR 340-012-0042(1)(b)(D) and is not contested by Respondent. The Department initially determined that the "P" value (prior significant actions) should be 9, but amended its penalty assessment to reflect a "P" value of 7. Respondent agrees that the "P" value should be 7. There is no disagreement about the value of the "H" factor (past history), which was assigned a value of -2. Similarly, Respondent and the Department agree that the "O" value (repeated or continuous conduct) is 0. There is also no dispute regarding the "C" value (Respondent's cooperativeness and efforts to correct), which was 0. Finally, both Respondent and the Department agree that the EB (economic benefit) value is 0.

The remaining dispute involves the value assigned by the Department for the "R" value. This value considers whether the conduct of the Respondent was an unavoidable accident, or a negligent, intentional or flagrant act. The Department argues that the "R" value is 2 because Respondent was negligent in allowing this violation to occur. Respondent argues that the "R" value should be 0 because the Department failed to establish that Respondent acted negligently in failing to perform a hazardous waste determination on the rags.

The Department's administrative rules define negligence as follows: "'Negligence' or 'negligent' means the failure to take reasonable care to avoid a foreseeable risk of committing an act or omission constituting a violation." OAR 340-012-0030(11). This definition is unambiguous. The Department argues that Respondent did not exercise reasonable care to avoid committing a violation of the environmental rules. Specifically, Respondent should have known that the rags could be hazardous. Further, Respondent is responsible for knowing the laws and regulations that apply to its business. In support, the Department refers to Exhibit 14, which demonstrates that Respondent has reported other waste streams involving MEK to the

⁸ The Department used the following penalty calculation for this violation:

$$\begin{aligned} \text{Penalty} &= \$1000 + [(0.1 \times \$1000)(7 + (-)2 + 0 + 2 + (-)2)] + \$0 \\ &= \$1000 + [(\$100 \times 5)] = \$0 \\ &= \$1000 + \$500 + \$0 \\ &= \$1500 \end{aligned}$$

Department. Respondent counters that it does not agree that the rags were a hazardous waste or that it was required to do a hazardous waste determination on the rags.

As discussed above, the preponderance of the evidence establishes that Respondent failed to perform a required hazardous waste determination on the rags. Respondent could reasonably foresee that the rags could be in contact with hazardous waste, and this record establishes that Mr. Hauser acknowledged that the rags would be a hazardous waste based on what he read in "McCoy's RCRA Unraveled."

Based on this record, the civil penalty assessment of \$1500 is accurate and appropriate for this violation.

Failure to file exception report

Respondent admits that it did not file an exception report, as required by 40 CFR 262.42(a)(2) and OAR 340-102-0034(2), when it did not receive timely notice that hazardous waste it shipped offsite was received by the owner or operator of the hazardous waste management facility. The record also contains sufficient evidence to prove this violation.

Civil penalty assessment

Respondent and the Department disagree on the correct penalty assessment for this violation. Respondent contends that the magnitude of this violation should be minor, rather than moderate, as the Department asserts. Specifically, Respondent argues that its violation did not pose a threat to public health and had no potential for or actual adverse impact on the environment. Respondent further contends that the "C" factor, relating to the degree of Respondent's cooperativeness, should be -2 rather than 0 as the Department alleges.

The Department argues that Respondent's violation *did* either have potential for an adverse impact on the environment, or that it posed a threat to public health. In support, the Department argues that hazardous waste regulations are based on detailed record keeping requirements, so that shipments of hazardous waste are always accounted for. The Department further argues that the applicable rule is aimed at promptly tracking hazardous waste, and requires notification of the Department if hazardous waste fails to reach a treatment, storage or disposal (TSD) site in a timely manner.

Here, Respondent shipped hazardous waste from its facility on June 20, 2000. According to the shipping manifest, the hazardous waste was not received at the TSD site until September 14, 2000, 86 days after it left Respondent's facility. (Exs. A3 and R6.) The applicable rules require that an exception report be filed with the Department if the hazardous waste generator does not receive confirmation that the hazardous waste it shipped offsite was received by the designated TSD facility within 45 days of shipping. The delay regarding Respondent's hazardous waste shipment was significantly in excess of the 45-day limit provided for by Department rules.

The very nature of the material shipped (a hazardous waste solid) establishes that there was a potential for an adverse impact on the environment or a threat to public health if the material was misplaced. The Department correctly determined that the magnitude of this violation was moderate.

The Department also argues that a value of 0 for the "C" factor is correct because Respondent never established that it filed the required Exception Report, or that it took any steps to minimize the threat that this violation would recur. Respondent argues that the "C" factor should be -2 because it cooperated with the Department and took extraordinary efforts to ensure that the violation would not repeat. In support, Respondent contends that shipping documents have not been delayed since the incident in question.

Respondent has not established that it took steps to prevent future errors of this type. The fact that there has not been a recurrence does not establish that extraordinary efforts were taken to ensure that there would not be a recurrence.

The "C" factor was correctly assigned a value of 0. The penalty assessment for this violation was correctly calculated at \$4500.⁹

Failing to meet contingency plan and emergency coordinator requirements

Respondent argues that it was not required to meet contingency plan requirements because it was not an LQG at the time of the inspection on April 1, 2002. The amended Notice reflects that this violation was alleged to have occurred in January 2002, and not at the time of the inspection. The Department contends that Respondent was an LQG during January 2002, because Department records indicated that Respondent met LQG generation or accumulation levels during that month.

LQGs are required to include the names, phone numbers and street addresses of all emergency coordinators in their contingency plans, in addition to the capabilities of all emergency equipment.¹⁰ Respondent did not include either the street addresses of its emergency

⁹ Penalty = BP + [(1 x BP)(P + H + O + R + C)] + EB
= \$3,000 + [(1 x \$3000)(7 + (-)2 + 0 + 0 + 0)] + \$0
= \$3000 + [(\$300 x 5)] + \$0
= \$3000 + \$1500 + \$0
= \$4500

¹⁰ 40 CFR 265.52 provides, in pertinent part, as follows:

(d) The plan must list names, addresses, and phone numbers (office and home) of all persons qualified to act as emergency coordinator (see § 265.55), and this list must be kept up to date. Where more than one person is listed, one must be named as primary emergency coordinator and others must be listed in the order in which they will assume responsibility as alternates. (e) The plan must include a list of all emergency equipment at the facility (such as fire extinguishing systems, spill control equipment, communications and alarm systems (internal and external), and decontamination equipment), where this equipment is required. This list must be kept up to date. In addition, the plan

coordinators, or all of the capabilities of its emergency equipment in its contingency plan. Although Respondent was not a LQG at the time that the plan was developed, it was required to amend the contingency plan once it reached LQG status, even if that was only for one month. The preponderance of evidence establishes that Respondent committed this violation.

Civil penalty assessment

Respondent argues that the magnitude of this violation is minor, and not moderate, as the Department alleges. In determining the magnitude for each violation, the Department relies on its administrative rules, which provide that unless a specific magnitude is listed in OAR 340-012-0090, the magnitude will be moderate, with some exceptions. Here, the Department determined, and established at hearing, that there was a potential for actual or adverse impact on the environment, or a threat to public health based on Respondent's omissions from its contingency plan. Respondent argues that it included capabilities for some of its emergency equipment, and that its emergency coordinators were available by telephone. The preponderance of evidence in this record establishes that the correct magnitude for this violation is moderate.

Respondent further argues that there is insufficient evidence in the record to determine that the "O" and "R" values should have any value other than 0. The Department counters that the "O" factor was properly assigned a value of 2 because the violation existed for more than one day, or recurred more than once the same day. The Department proved at hearing that Respondent had LQG status during the entire month of January 2002. An "O" factor of 2 is proper. The Department also argues that the "R" value cannot be 0 unless the record establishes that the event was an unavoidable accident. Respondent argues that this violation was caused by an oversight. This record does not support a finding that Respondent omitted the required information because of an unavoidable accident. Thus, 0 is not the proper value for the "R" factor. Here, Respondent failed to reasonably foresee an omission (not including all required information in the contingency plan). Respondent's omission was negligent, as that term is defined by Department rules, and the "R" factor must be assigned a value of 2.

The Department assessed \$1700 in penalties for this violation.¹¹ The Department's calculations are correct and the penalty is warranted.

Failure to properly prepare a hazardous waste manifest

Respondent argues that Mr. Hauser did properly prepare the hazardous waste manifest in question, and that the evidence proves that the manifest was altered after it left Respondent's

must include the location and a physical description of each item on the list, and a brief outline of its capabilities.

40 CFR 265.52(d) and (e).

$$\begin{aligned}^{11} \text{Penalty} &= \text{BP} + [(.1 \times \text{BP})(\text{P} + \text{H} + \text{O} + \text{R} + \text{C})] + \text{EB} \\ &= \$1,000 + [(.1 \times \$1000)(9 + (-)2 + 2 + 2 + (-)2)] + \$0 \\ &= \$1000 + [(\$100 \times 7)] + \$0 \\ &= \$1000 + \$700 + \$0 \\ &= \$1700\end{aligned}$$

possession. Respondent relies on Exhibit R6, page 3, in support of its argument. Mr. Hauser testified that he initialed R6 after he changed the typed EPA Generator Identification number. Exhibit A3, the Department's copy of manifest number 20087732, and the third page of Exhibit R6, show a correction to the EPA Generator ID number. The two copies of the manifest, however, are not identical. The initials near the corrected ID number are different on the two exhibits. Further, the two copies show that a different letter was corrected. For example, on Exhibit A3 the letter "G" is written above the typed letter "D." On Exhibit R6, however, the letter "D" is written above the typed letter "G."

Based on the testimony elicited at hearing, I am not able to resolve these inconsistencies. I am able to conclude, however, that Respondent improperly typed the EPA Generator Identification number. This record also establishes that Respondent used an incorrect EPA waste number to identify the hazardous waste that is listed on the manifest in question.

Respondent also argues that it did not fail to prepare a manifest. Respondent contends that the CFR does not require inclusion of an EPA waste number on the manifest, so any error by Respondent concerning these numbers is inconsequential. The Department argues that the codes are included on the manifests so that the TSD operators will know how to manage the hazardous wastes that they receive. The Department's argument focuses on Respondent's failure to *properly* complete the manifest in question.

The EPA, at 40 CFR 262.20, sets out the general requirements for the manifest form used by Respondent. This regulation refers to the appendix for 40 CFR 262, which explains how to properly complete the manifest. The appendix does not reference the box labeled "I," which is the space designated for EPA waste numbers. (Exs. A3 and R6.) Although writing the EPA waste number does not appear to be strictly required, it follows that any hazardous waste generator who voluntarily provides EPA waste numbers should do so accurately.

This record establishes that Respondent did not properly complete the manifest.

Civil penalty assessment

The parties disagree about the magnitude of this violation, as well as the values assigned to the "C" and "R" factors. The Department argues that this violation was properly assigned a moderate magnitude designation because of the potential for risk of harm to the environment and to human health. Respondent counters that the magnitude must be minor because the Department failed to consider all of the available factors when making the magnitude determination. Specifically, Respondent asserts that even if the EPA Generator Identification number was incorrect, Respondent included its name, address and telephone number on the manifest, and that this information would have made it possible for the Department to identify the generator of the waste. Further, Respondent argues that the treatment and disposal procedures for F006 and F019 wastes are identical. Thus, Respondent contends that the incorrect EPA waste code was of no consequence.

The Department's rules define "Magnitude of the Violation" as follows:

“Magnitude of the Violation” means the extent and effects of a violator’s deviation from the Commission’s or Department’s statutes, rules, standards, permits or orders. In determining magnitude the Department shall consider all available applicable information, including such factors as: Concentration, volume, percentage, duration, toxicity, and the extent of the effects of the violation. Deviations shall be categorized as major, moderate or minor as set forth in OAR 340-012-0045(1)(a)(B).

OAR 340-012-0030(10). If the Department finds that the violation had a significant adverse impact on the environment, or posed a significant threat to public health, in which case the violation will be given a major magnitude designation. Conversely, if the Department finds that the violation had no potential for or actual adverse impact on the environment, or posed no threat to human health, the correct magnitude designation is minor. If the magnitude is neither major nor minor based on the above evaluation, and if the specific violation is not assigned a magnitude in OAR 340-012-0090, the Department can conclude that the magnitude is moderate.

In order to change the magnitude to minor, as Respondent requests, I must conclude that Respondent’s actions concerning the manifest posed no threat to human health or the environment. I cannot do so. Manifests are intended to track hazardous waste as it moves from generator to TSD site. In order to meaningfully track the hazardous waste, the information on the manifest must be accurate. The magnitude of this violation is moderate.

Respondent argues that the “C” factor should be -2 because Respondent “took extraordinary efforts to ensure the errors would not be repeated – there were no future errors.” I have no reason to believe that Respondent was uncooperative with the Department, but in order to assign a value of -2 to the “C” factor, I must find that Respondent was cooperative *and* that Respondent “took reasonable efforts to correct the violation, or took reasonable affirmative steps to minimize the effects of the violation, or took extraordinary efforts to ensure the violation would not repeat.” OAR 340-012-0045(c)(E)(i). Again, the mere fact that an error has not recurred does not prove that extraordinary measures were taken to prevent such recurrence. I agree that Respondent tried to correct the incorrect EPA Generator Identification number, but there is no evidence before me that Respondent made any effort to correct the EPA waste numbers on the manifest. The “C” factor was properly given a value of 0.

The Department also argues that the “R” factor was correctly assigned a value of 2 because the violation was the result of Respondent’s negligence. Respondent counters that the violation was an unavoidable accident, and the “R” factor should be given a value of 0. Respondent’s errors on the manifest were not an unavoidable accident because the errors could have been detected during a careful review of the manifest prior to shipping. Although Respondent did some form of review of the manifest and did attempt to correct one error, the EPA waste code error was never detected or corrected by Respondent. This violation could have been prevented if Respondent exercised reasonable care in the preparation of the manifest. The “R” factor is 2.

The Department calculated that Respondent's penalty assessment for this violation was \$1700.¹² The Department's calculations were accurate and the penalty is warranted.

Failure to provide emergency communication device and adequate aisle space in hazardous waste storage area

The Department asserts that Respondent was required to have a telephone or other emergency communication device in the same room where the hazardous waste was stored. This record establishes that the closest telephone to the hazardous waste storage area was about 90 feet away, in a separate room. Respondent argued that the nature of the hazardous waste in question made Respondent exempt from the federal requirements relating to emergency communication devices. Specifically, Respondent presented evidence at hearing that the hazardous waste in question was in filtercake, or damp solid form. Respondent contends that in the event of an emergency, any spillage of this filtercake waste could be swept up with a broom.

The regulation relied on by the Department, 40 CFR 265.32, provides, in part, as follows:

All facilities must be equipped with the following, unless none of the hazards posed by waste handled at the facility could require a particular kind of equipment specified below: (a) An internal communications or alarm system capable of providing immediate emergency instruction (voice or signal) to facility personnel; (b) A device, such as a telephone (immediately available at the scene of operations) or a hand-held two-way radio, capable of summoning emergency assistance from local police departments, fire departments, or State or local emergency response teams.

The question becomes whether the waste stored at Respondent's facility in the area in question poses a hazard requiring communication devices. Respondent argues that the waste does not require a telephone "immediately available at the scene of operations," and that the telephone located 90 feet away in an adjacent office was adequate, given the character of the waste. The Department argues that the filtercake waste could be "mobilized" if liquids stored near the filtercake box are released. As authority, the Department refers to two schematic renderings of the area in question.

After reviewing this record, I conclude that the Department did not present sufficient evidence that the filtercake hazardous waste would or could be mobilized in the event of a liquid spill in the vicinity of the storage area. The preponderance of evidence in this record is that the hazardous waste is in a damp solid state, and that broom or other similar device could reasonably contain the waste. That being the case, Respondent is not required to install an emergency communication device in the storage area.

$$\begin{aligned}^{12} \text{Penalty} &= \text{BP} + [(.1 \times \text{BP})(\text{P} + \text{H} + \text{O} + \text{R} + \text{C})] + \text{EB} \\ &= \$1,000 + [(.1 \times \$1000)(7 + (-)2 + 0 + 2 + 0)] + \$0 \\ &= \$1000 + [(\$100 \times 7)] + \$0 \\ &= \$1000 + \$700 + \$0 \\ &= \$1700.\end{aligned}$$

Finally, the Department argues that Respondent violated applicable federal regulations by not allowing adequate aisle space in the hazardous waste storage area. The Department refers to Ms. Cook's testimony that the box containing the filtercake was not readily accessible, and that she had to climb over the box to see the hazardous waste labeling.

The Department cites 40 CFR 265.35, which states that "[t]he owner or operator must maintain aisle space to allow the unobstructed movement of personnel, fire protection equipment, spill control equipment, and decontamination equipment to any area of facility operation in an emergency, unless aisle space is not needed for any of these purposes." Respondent argues that the boxes and crates that surround the hazardous waste storage box could be easily moved with fork lift or pallet jack within a few minutes after any spill, and again relies on the damp solid state of the hazardous waste in question.

Respondent failed to provide sufficient evidence to support its argument. Respondent simply offered Mr. Hauser's testimony that a broom would be sufficient to clean up and contain any spill of this hazardous waste. I conclude that, based on this record, Respondent is required to maintain adequate aisle space in the hazardous waste storage area.

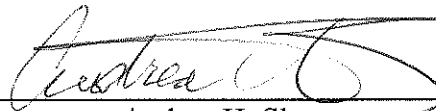
Civil penalty assessments

The Department did not assess civil penalties for failing to maintain aisle space or for failing to provide emergency communication devices in the hazardous waste storage area.

PROPOSED ORDER

I propose that the Board issue the following order:

Respondent is subject to a civil penalty in the amount of \$9400.



Andrea H. Sloan
Administrative Law Judge
Office of Administrative Hearings

ISSUANCE AND MAILING DATE:

October 31, 2003

REVIEW

If you are not satisfied with this decision, you have a right to petition the Environmental Quality Commission for review. To have the decision reviewed, you must file a "Petition for Review" within 30 days of the date of service of this Order, as provided in Oregon Administrative Rule (OAR) 340-011-0132(1) and (2). Service is defined in OAR 340-011-0097, as the date the Order is mailed to you, not the date you receive it. The Petition for Review must be filed with:

Environmental Quality Commission
c/o DEQ – Assistant to the Director
811 SW 6th Avenue
Portland OR 97204

Within 30 days of filing the Petition, you must also file exceptions and a brief as provided in OAR 340-011-0132(3).

CERTIFICATE OF SERVICE

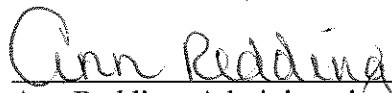
I certify that on October 31, 2003, I served the attached Proposed Order by mailing certified and/or first class mail, in a sealed envelope, with first class postage prepaid, a copy thereof addressed as follows:

JERRY HAUSER
DURA INDUSTRIES INC
PO BOX 10762
PORTLAND OR 97210

**BY FIRST CLASS MAIL AND CERTIFIED MAIL
BY CERTIFIED MAIL RECEIPT # 7001 1940 0000 1117 5777**

JEFF BACHMAN
OREGON DEQ
OFFICE OF COMPLIANCE AND ENFORCEMENT
811 SW 6TH AVE
PORTLAND OR 97204

BY FIRST CLASS MAIL



Ann Redding, Administrative Specialist
Office of Administrative Hearings
Transportation Hearings Division

1. BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
2. OF THE STATE OF OREGON
3.)
4.)
5. IN THE MATTER OF :) HEARING MEMORANDUM
6. DURA INDUSTRIES, INC.) OF RESPONDENT
7. RESPONDENT) DURA INDUSTRIES
8.)
9. ORD 083647347)
10.)
11.)

12. This post-hearing memorandum is filed by Dura Industries, Inc. following a
13. contested case hearing held in Portland, Oregon on July 30, 2003. Violations for which
14. Dura was cited arose from an inspection of Dura's facility on April 1, 2002. A Notice of
15. Non-Compliance, dated April 15, 2002, alleged seven violations and requested immediate
16. action addressing these violations. Dura responded to DEQ requested action in a letter dated
17. May 16, 2002. A Notice of Violation and Assessment of Civil Penalty, dated August 7, 2002,
18. alleged seven violations and assessed penalties totaling \$12,500 for five of the seven
19. violations. Dura responded to DEQ allegations in a letter dated August 29, 2002, and requested
20. a hearing and an informal discussion to contest the alleged violations and civil penalties.
21. The informal discussion transpired January 28, 2003, and DEQ offered for consideration a
22. Mutual Agreement and Order, dated March 4, 2003, which was not acceptable to Dura.
23. On May 19, 2003 DEQ amended the Notice reducing the civil penalties by revising the 'P' factor,
24. and withdrawing violation 3. On May 29, 2003, DEQ amended the language for violation 4.
25. The contested case hearing was held July 30, 2003.
26.

27.

28. Violation 1 - Failing to perform a hazardous waste determination

29. DEQ alleges that on or about April 1, 2002, Dura failed to make a hazardous waste
30. determination for rags that were destined for disposal.

31. Oregon law 340-102-0011(2)(B) states that a person may determine if a residue is a
32. hazardous waste by "applying knowledge of the hazard characteristic of the waste in light of the
33. materials or processes used".

34. Dura's witness testified to the process which generated the waste rags and also provided
35. evidence that the solvent which contacted the rags was not a listed hazardous waste. The MSDS
36. for the clean-up solvent does not list MEK as a component. Dura also provided evidence that MEK
37. is more expensive than the clean-up solvent. DEQ did not question the process which generates the
38. waste rags and the "substantial" evidence which DEQ provides merely shows that MEK exists at
39. Dura; it in no way proves that MEK was on the rags observed by Ms. Cook.

40. Mr. Bachman states "Ms. Cook observed that it [drum] was filled with waste rags that gave off
41. a strong solvent odor". Ms. Cook stated neither of these things in either her inspection report
42. or testimony. Ms. Cook saw rags in the garbage. Ms. Cook did not take samples of the rags and
43. DEQ did not offer any evidence that the rags contained solvent.

44. Mr. Bachman states that when Ms. Cook asked Mr. Hauser if Dura had performed a
45. hazardous waste determination on the rags he said "that he did not know the rags could be a
46. hazardous waste". And he later states that "Mr. Hauser expressed surprise that rags could be
47. hazardous waste". This is simply not true and not supported by any evidence or testimony.

48. Mr. Bachman states that Mr. Hauser testified that the rags observed by Ms. Cook did not have
49. MEK, were not a hazardous waste, and that Dura was therefore not required to perform a
50. determination. Mr. Hauser's testimony supports Dura's argument that it had performed a waste
51. determination. By using process knowledge and an MSDS of the clean-up solvent used, Dura
52. had determined that the rags Ms. Cook observed were not hazardous waste. Mr. Hauser did not

53. testify that "Dura was not required to perform a waste determination"; on the contrary, he
54. testified that Dura had performed a waste determination and offered evidence to support it.
55. Mr. Bachman disputes Mr. Hauser's testimony concerning rags at Dura that may have MEK
56. on them and are managed as hazardous waste. Mr. Bachman cites Dura's Hazardous Waste
57. Report as not including rags as a hazardous waste stream. The rags referred to are managed with
58. the stilbottoms listed on the Hazardous Waste Report, and carry the waste codes D035 and F005.
59. This stream is properly characterized and disposed of as "waste paint related material".
60. DEQ purports that Dura knew that the rags were hazardous waste and submitted a policy for
61. managing the rags as hazardous waste. Dura submitted this policy at the request of DEQ.
62. Ms. Cook testified that had Dura not managed the rags as hazardous waste DEQ likely would
63. have followed with increasingly severe enforcement action. Dura took the proper course of action
64. concerning the rags in question although Dura continues to contest DEQ allegations that the
65. rags are hazardous waste.
66. In summary, Dura cooperated fully with DEQ from the initial inspection to the time of
67. Dura's response and request for a contested hearing. Dura has maintained that the rags in
68. question are not hazardous waste and provided evidence and testimony that supports Dura's
69. waste determination of the rags. DEQ has not offered any evidence that the rags contained any
70. MEK or exhibit any characteristics that would make the rags a hazardous waste.

71.

72. Civil Penalty Calculation

73. After reviewing past class I and class I equivalent violations Dura asserts that the value for
74. the 'P' factor is 7. Dura has eight class I or equivalent violations, corresponding to a value of
75. 9. This value is reduced by 2 since the date of issuance of the prior violations is greater than
76. three years old. The 'P' value will be the same for all alleged violations.

77. Dura and DEQ disagree on the value of the 'R' value. DEQ contends that the alleged failure
78. to make a hazardous waste determination was negligent. Dura did make a waste determination

79. for the rags and provided ample evidence and testimony to support it. Clearly, DEQ position is
80. that the rags are hazardous waste, and consequently, DEQ does not agree with Dura's
81. determination that the rags are not hazardous waste. DEQ failed to provide evidence that the rags
82. are hazardous waste and seemingly disregards Dura's knowledge of its process and evidence
83. showing that the solvent used is not a "listed" waste. Dura was not negligent and DEQ has
84. insufficient evidence to make such a finding. The value for 'R' should be zero.

85. If the violation is upheld the civil penalty should be \$1300.

86.

87. **Violation 2 - Failing to file an exception report**

88. Dura does not deny committing this violation but contends that DEQ did not correctly determine
89. the civil penalty. Dura contends that the magnitude of the violation should be minor. Oregon
90. Administrative Rules 340-012-0090(1)(B) reads "The magnitude of the violation is determined by
91. first consulting the selected magnitude categories in OAR 340-012-0090. In the absence of a selected
92. magnitude, the magnitude shall be moderate unless: (ii) If the Department finds that the violation had
93. no potential for or actual adverse impact on the environment, nor posed any threat to public health,
94. or other environmental receptors, a determination of minor magnitude shall be made. In making a
95. determination of minor magnitude, the Department shall consider all available applicable
96. information including such factors as: The degree of deviation from the Commission's and
97. Department's statutes, rules, standards, permits or orders, concentration, volume, percentage,
98. duration, toxicity, and the extent of the effects of the violation. In making this finding, the
99. Department may consider any single factor to be conclusive for the purpose of making a minor
100. Magnitude determination."

101. In determining the magnitude, DEQ neglected to consider any of the available applicable
102. information. The shipment of waste consisted of a single box of filtercake. Dura presented
103. evidence that showed that a release of this waste could be managed by sweeping with a broom.
104. This waste was properly disposed of and the paperwork was returned to Dura. There was no

105. adverse impact on the environment nor was there any threat to public health. There was no
106. adverse effect from this violation. DEQ must consider these factors and determine the
107. magnitude to be minor.

108. Dura contends that the value for 'C' should be -2. Dura was cooperative and took
109. reasonable affirmative efforts to minimize the effects of the violation, and took extraordinary
110. efforts to ensure the violation would not be repeated. The shipping paperwork, which was
111. delayed was received and this incident has not been repeated since.

112. If the violation is upheld the civil penalty should be \$1300.

113.

114. **Violation 4 - Failing to meet contingency plan requirements**

115. Following an inspection of Dura's facility on April 1, 2002, DEQ issued a notice of
116. non-compliance, dated April 15, 2002, which alleged seven violations. One of the violations
117. alleged that on or about April 1, 2002, Dura failed to meet the contingency plan
118. requirements of a large quantity generator. Dura presented evidence at the hearing that
119. clearly proved that at the time of the inspection Dura was a small quantity generator. In
120. Ms. Cook's inspection report she states that she inspected Dura as large quantity generator
121. based on Dura's periodic but frequent LQG (large quantity generator) status. Evidence
122. introduced at the hearing shows that Dura has been an LQG only once since 1996. Clearly,
123. Dura is not a frequent LQG and was not an LQG at the time of the inspection. DEQ must
124. have realized its erroneous view of Dura and subsequently amended the language of
125. violation 4 to allege that the violation occurred during the month of January 2001. DEQ did
126. not inspect Dura's facility during the month of January 2001, and therefore could not have
127. reviewed Dura's contingency plan at that time. DEQ introduced no evidence of a contingency
128. plan from January 2001 and does admit that Dura's contingency plan which was reviewed at the
129. April 1, 2002 inspection, did meet the requirements of a small quantity generator. DEQ's
130. claim that Dura's contingency plan from August 1998 was not reviewed by DEQ's

131. inspector is blatantly false because Dura was cited by DEQ for deficiencies in its contingency
132. plan according to 40 CFR 262.34.

133.

134. Civil penalty calculation

135. Dura contends that the magnitude of the alleged violation if upheld should be minor.
136. DEQ has not considered all available applicable information in considering that any single
137. factor may be conclusive for making a minor magnitude determination. DEQ clearly avoids
138. discussion of the information that it says is incomplete in Dura's contingency plan. The
139. capabilities of the spill control equipment in Dura's plan is listed as, for example: "the spill
140. kit can absorb 11 gallons", "50 17 in.x 19 in. sorbent pads", "one 1500 gph pump",
141. "one 20 gal. Drum", "one 5 in. x 10 ft. oil only boom". The contingency plan does not
142. deviate from DEQ's standards unless the standards are different than listed in regulations.
143. The emergency coordinators listed in Dura's plan have a total of five phone numbers for
144. contacting them. DEQ did not show that there was a potential for or actual adverse impact
145. on the environment because of the deficiencies in Dura's contingency plan. DEQ must make
146. a magnitude determination of minor according to OAR 340-012-0045.

147. The 'O' value should be 0 if the violation is upheld, because there is insufficient
148. evidence on which to base a finding.

149. The 'R' value should be 0 if the violation is upheld, because there is insufficient
150. evidence on which to base the finding.

151. If the violation is upheld the civil penalty should be \$650.

152.

153. Violation 5 - Failing to prepare a hazardous waste manifest

154. DEQ alleges that Dura failed to include the correct generator ID number on manifest
155. #87731. Dura did correct the typed manifest original to show the correct generator ID
156. number ORD 083 647347. Dura introduced exhibit R-6 page 3 showing the correct number

157. on the original manifest generator copy. As DEQ knows, the original copy is signed by the
158. generator and first transporter and then is mailed back to the generator after the waste is
159. disposed. The copy Dura introduced at the hearing has only the signatures of the generator
160. and first transporter with the correct ID number, which is the manifest as it left Dura's
161. facility. The original copy, which was returned to Dura, then had been changed to generator
162. ID number ORG 083 647 347, as shown on exhibit R-6 page 4. DEQ's assertion that DEQ
163. had a "the more credible copy" does not refute Dura's evidence of both copies of the
164. manifest or Mr. Hauser's testimony. DEQ insinuation that Dura 'doctored' the evidence to support
165. its testimony is both capricious and arbitrary.

166. DEQ alleges that Dura failed to prepare a manifest because it used waste code F006
167. instead of F019. Mr. Bachman points out that Dura does not electroplate but Dura performs
168. chemical conversion of aluminum. Mr. Bachman also states that "if there was no significant
169. difference, then EPA would not have gone to the trouble of assigning different waste codes.
170. According to EPA law 40 CFR 262.20, these hazardous codes are not required on the
171. hazardous waste manifest. Mr. Hauser testified that the wastes F006 and F019 are not
172. different in content but only by their source. Mr. Hauser's testimony should be considered
173. credible since he is the most familiar with Dura's waste. By definition, both wastes are
174. wastewater treatment sludges, and both would be expected to have chromium and other
175. metals in them. Mr. Bachman should understand anyone's confusion about these distinctions,
176. since he states in his introduction of DEQ's hearing memorandum that Dura's finishing
177. process generates regulated waste from the cleaning, plating and painting of metals.
178. (see page one, lines 12 & 13 of DEQ hearing memorandum) Dura did not fail to prepare a
179. hazardous waste manifest.

180.

181. Civil penalty calculation

182. Dura contends that the magnitude of the alleged violation if upheld, must be minor.

183. DEQ has not considered all available applicable information in considering that any single
184. factor may be conclusive for making a minor magnitude determination. Although the
185. generator ID number is a means of tracking hazardous waste, the manifest must also contain
186. names, addresses and phone numbers of each entity handling the waste. DEQ's assertion
187. that it could not track the waste without the generator ID number is not credible; certainly
188. DEQ has other means of tracking hazardous waste. Mr. Hauser testified that the wastes -
189. F019 and F006- are similar, and their treatment and disposal are identical. DEQ must consider
190. any of these factors when assessing the potential for or actual adverse impact on the
191. environment.

192. Dura did not neglect to fill out the hazardous waste manifest. Dura could not control
193. what others did to the manifest after it left Dura's facility. Dura did not allow the paper-
194. work errors to continue. The 'R' value should be 0 because it was an unavoidable accident
195. and there is insufficient evidence to make any other finding. The 'C' value should be -2
196. because Dura took reasonable efforts to correct the violation by changing the incorrect
197. ID number and Dura took extraordinary efforts to ensure the errors would not be repeated-
198. there were no future errors.

199.

200. **Violations 6 & 7 - Failing to provide aisle space and a communication device**

201. DEQ alleges that Dura was required to have a communication device in the immediate
202. area of the hazardous waste and that Dura did not maintain adequate aisle space for
203. movement of emergency personnel. The waste in question is in a double-walled box that is
204. approved by the Department of Transportation. It contained a waste filtercake. Dura
205. introduced evidence that clarified that the waste is a dry solid, which if spilled, would be
206. swept up with a broom. Dura also introduced evidence showing the layout of the storage
207. area at Dura's facility. Mr. Hauser testified that a telephone was within 30 seconds at normal
208. walking pace. This would be adequate time to handle any potential emergency in the area.

209. DEQ asserts that a release from a liquid process tank would "mobilize" the waste. This is
210. not credible since the "large" quantities Mr. Bachman refers to are easily contained by the
211. lined concrete containment around these tanks. It would also be impossible for the process liquids
212. at Dura to mobilize the box and contents which could weigh over 1000 pounds. DEQ
213. introduced pictures of crates in front of the storage box. These crates are commonly moved by
214. pallet jack or fork lift. The crates could be easily moved out of the way to handle any
215. spill or emergency in a few minutes. DEQ has failed to provide any evidence or testimony
216. to refute Mr. Hauser's testimony that the filtercake waste could pose a threat that would require
217. a communication device or aisle space.

218.

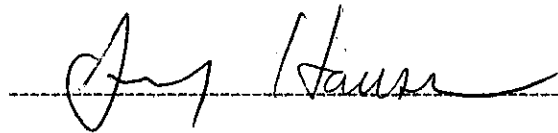
219. DATED: SEPTEMBER 12, 2003

220.

221.

222.

223.

A handwritten signature in cursive script, appearing to read "Jerry Hauser", is written over a horizontal dashed line.

Jerry Hauser

Respondent for Dura Industries

DURA INDUSTRIES, INC.

Surface Coatings:
Industrial Architectural Electronics

September 12, 2003

RE: LQ/HW-NWR-02-123

Andrea Sloan, Administrative Law Judge
Hearing Officer Panel
4900 SW Griffith Drive, Suite 100
Beaverton, OR 97008

Jeff Bachman
Department of Environmental Quality
811 SW Sixth Ave
Portland, OR 97204

RECEIVED
SEP 12 2003
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Administrative Hearings

Dear Judge Sloan and Mr. Bachman,
Please find enclosed Dura Industries' Hearing Memorandum.



Jerry Hauser
DURA INDUSTRIES

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

3 IN THE MATTER OF:
4 DURA INDUSTRIES, INC.

5 Respondent.

) HEARING MEMORANDUM
)
) No. LQ/HW-NWR-02-123
) MULTNOMAH COUNTY

6
7 This Hearing Memorandum is offered in support of Notice of Assessment of Civil Penalty
8 (Notice) No. LQ/HW-NWR-02-123, issued August 7, 2002, as amended on May 19 and 29, 2003,
9 to Dura Industries, Inc., by the Department of Environmental Quality (the Department or DEQ).

10 INTRODUCTION

11 Dura Industries is a privately held Oregon corporation that performs metal finishing services
12 at its facility in Portland, Oregon. Dura's finishing process generates regulated hazardous wastes
13 from the cleaning, plating and painting of metals.

14 On April 1, 2002, DEQ Hazardous Waste Specialist Laurey Cook conducted an inspection
15 of Dura's facility to determine the company's compliance with state hazardous waste regulations.
16 As a result of the inspection, DEQ issued Dura a Notice of Assessment of Civil Penalty (the Notice)
17 on August 7, 2002. The Notice alleged that Dura had committed seven violations of hazardous
18 waste regulations, and assessed civil penalties totaling \$12,500 for five of the seven violations.

19 Dura appealed the Notice and requested a contested case hearing. On May 19, 2003, DEQ
20 amended the Notice reducing the civil penalties for Violations 1, 2, 4 and 5 and withdrawing the
21 penalty for Violation 3. On May 29, 2003, DEQ amended the language for Violation 4. A
22 contested case hearing was held on July 30, 2003.

23 ///

24 ///

25 ///

26 ///

27 ///

1 DISCUSSION

2 Violation 1 – Failing to Perform a Hazardous Waste Determination

3 Oregon Administrative Rule (OAR) 340-102-0011(2) states that “a person who generates a
4 residue as defined in OAR 340-100-0010¹ must determine if that residue is a hazardous waste...”

5 Ms. Cook testified at hearing that during the April 1, 2002 inspection, she noticed a closed drum
6 near the painting area. When Jerry Hauser, Dura’s president, opened the drum, Ms. Cook observed
7 that it was filled with waste rags that gave off a strong solvent odor.

8 Ms. Cook testified that she asked Mr. Hauser how the rags were disposed and that he told
9 her that they were thrown out with the facility’s other non-hazardous waste. Ms. Cook then asked
10 Mr. Hauser whether Dura had performed a hazardous waste determination on the rags and he said
11 that he did not know that the rags could be a hazardous waste. They then looked at a passage
12 concerning solvent-contaminated rags in the book “McCoy’s RCRA Unraveled” a privately
13 published reference guide for interpreting and applying hazardous waste regulations. After reading
14 the passage, Mr. Hauser conceded that, according to guide, the rags were a hazardous waste.

15 To be a hazardous waste, a solvent-contaminated rag must contain a solvent that is a listed
16 hazardous waste or a characteristic hazardous waste. At hearing, DEQ introduced substantial
17 evidence that Dura uses methyl ethyl ketone (MEK), a listed and characteristic hazardous waste
18 assigned the federal Hazardous Waste Numbers F005 and D035. See 40 Code of Federal
19 Regulations (CFR) 262.24(b) and .31(a). Mr. Hauser admitted during his testimony that some of
20 the MEK used at Dura ends up on waste rags.

21 Mr. Hauser further testified, however, that the rags observed by Ms. Cook did not have
22 MEK, were not a hazardous waste, and that Dura was therefore not required to perform a
23 determination. Mr. Hauser said that its MEK waste rages were stored elsewhere in the facility and
24 that Dura had performed a hazardous waste determination on the MEK rags and were managing
25 them as hazardous waste at the time of the inspection. Mr. Hauser’s testimony is not credible

26
27 ¹ OAR 340-100-0010(2)(ee)states that residue “means solid waste as defined in 40 CFR 261.2.”

1 because it is inconsistent with the evidence in the hearing record. Department Exhibit 14 is Dura's
2 Hazardous Waste Site Report – Waste Streams for 2002, derived from the company's required
3 annual hazardous waste generator report. D035 and F005 rags are not listed as one of the waste
4 streams generated by Dura. The company never reported generating such wastes to DEQ. If the
5 company had performed a waste determination on its MEK-contaminated rags and managed them
6 as hazardous waste prior to Ms. Cook's inspection, then that waste stream would have been
7 included in Dura's site report.

8 Furthermore, Dura never claimed in any of its oral statements, written correspondence or
9 hearing filings prior to hearing that the company had two separate rag waste streams and that it had
10 performed a determination on its D035, F005 rags. Until the hearing, Dura never indicated to the
11 Department that it had two rag waste streams. When Ms. Cook questioned Mr. Hauser about the
12 management of waste rags during the inspection, Mr. Hauser expressed surprise that rags could be a
13 hazardous waste. If Dura was already managing some solvent-contaminated rags as hazardous
14 waste, Mr. Hauser should not have been surprised.

15 After the inspection, DEQ issued Dura a Notice of Noncompliance alleging that the
16 company had failed to perform a hazardous waste determination on the rags and requesting that
17 Dura perform a hazardous waste determination. (See Department Exhibit 13). In Dura's response,
18 the company did not indicate that there were two rag waste streams, but merely said that those rags
19 which could not be laundered in accordance with the Department's rag policy would be managed
20 as, among other things, D035 and F005 wastes. In its answer to DEQ's Notice of Assessment of
21 Civil Penalty, Dura not only again failed to mention that there were two rag waste streams, but
22 instead claimed that none of its rags were hazardous waste because the solvent evaporates prior to
23 disposal.

24 In summary, Dura first expressed surprise that rags could be a hazardous waste, then
25 submitted a policy for managing rags through laundering or disposal as hazardous waste, then
26 claimed that its rags were never hazardous waste, and then finally at hearing said the rags observed
27 by Ms. Cook did not contain MEK and that it had always managed its MEK-contaminated rags as

1 hazardous waste, despite the fact that it did not report generating any D035, F005 rags in 2002.
2 Regardless of whether Dura generated one or two rag waste streams, the evidence in the record
3 demonstrates that Dura had not performed a determination on its MEK-contaminated rags prior to
4 Ms. Cook's inspection.

5 Civil Penalty Calculation

6 DEQ and Dura disagreed on two factors in the calculation of the civil penalty for Violation
7 1, the "P" or "prior significant action"² factor, and the "R" or causation factor.

8 The value for the "P" factor is determined by the number of Class I or "Class I equivalent"³
9 violations committed by the Respondent, which meet the definition of a prior significant action.

10 Dura asserts that its prior significant actions consist of seven Class I or Class I equivalent
11 violations. DEQ contends that Dura has eight Class I or Class I equivalents. Both parties agree that
12 Dura has four Class I violations arising from Case No. HW-NWR-95-221. The parties differ on the
13 number arising from Case No. WMC/HW-NWR-98-201, with Dura contending that the case
14 established one Class I and four Class II or III violations as prior significant actions.

15 Dura fails to apply the correct classifications to the violations in Case No. WMC/HW-
16 NWR-98-2001.⁴ That case consisted of three Class I and two Class II violations for a total of four
17 Class I or Class equivalent violations. The Hearing Officer's decision, which is the final order of
18 the Commission, found that Dura had committed the following violations:

19 (1) Illegal disposal of hazardous waste, which is a Class I violation pursuant to OAR 340-
20 012-0068(1) (l);

21 (2) Failure to mark hazardous waste containers with accumulation start dates, which is a
22 Class I violation pursuant to OAR 340-012-0068(1)(gg);

23
24 _____
25 ² OAR 340-012-0030(14) defines "prior significant action" as "any violation established either with or without
26 admission of a violation by payment of a civil penalty, or by a final order of the Commission or the Department, or
27 by judgment of a court."

³ OAR 340-012-0030(1) defines "Class I equivalent" as "two Class II violations, one Class II and two Class III
violations or three Class III violations."

⁴ The "P" factor is at issue in all of the civil penalties assessed, but the analysis is the same for each and so for
brevity's sake, DEQ has not repeated the analysis in the subsequent civil penalty discussions.

1 (3) Failing to prepare a hazardous waste manifest prior to transporting or offering hazardous
2 waste for transportation off-site, which is a Class I violation pursuant to OAR 340-012-0068(1)(f);

3 (4) Failing to mark hazardous waste containers with the words “hazardous waste”, which is
4 a Class II violation pursuant to OAR 340-012-0068(2)(b); and

5 (5) Failing to post required emergency information next to the telephone at its facility,
6 which is a Class II violation pursuant to OAR 340-012-0068(2)(m).

7 Concerning the “R” factor, Dura argues that the value should be reduced from 2 from 0.
8 To do so, the Hearing Officer would have to find that Dura’s negligence did not cause the violation,
9 but that it instead resulted from an “unavoidable accident” or that there is insufficient information
10 on which to make a finding. See OAR 340-012-0045(1)(c)(D).

11 OAR 340-012-0030(11) defines “negligence” as the “failure to take reasonable care to
12 avoid a foreseeable risk of committing an act or omission constituting a violation.” Dura suggests
13 that it shouldn’t and couldn’t be expected to know that it should perform a hazardous waste
14 determination on its rags. Dura, however, has a general duty as a legal person operating a business
15 in the state of Oregon to determine what statutes and rules apply to its business and comply with
16 those statutes and rules. As a small/large quantity generator of hazardous waste who is highly
17 regulated because of the risk its wastes pose to human health and the environment, Dura has an
18 even greater duty to identify its compliance obligations and meet them.

19 Dura also had ample knowledge to suggest that its rags might be hazardous. Dura
20 knowingly generates other wastes which are hazardous due to the fact that they contain MEK,
21 including sludge from its solvent still (still bottoms), waste paint, and spent paint. See Department
22 Exhibit 14. Furthermore, rags are a common enough hazardous waste that they are addressed in a
23 commonly used reference guide, McCoy’s RCRA Unraveled, that is published for hazardous waste
24 generators. Dura failed to exercise reasonable care to avoid the foreseeable risk of committing the
25 omission that constituted the violation.

26 ///

27 ///

1 Violation 2 – Failing to Submit a Required Exception Report for a Delayed Shipment of Hazardous
2 Waste

3 Dura does not deny committing this violation, but argues that the penalty assessed for it
4 should be reduced. Specifically, Dura argues that the magnitude for the violation should be reduced
5 from moderate to minor and that the value for the “C” or cooperativeness factor should be revised
6 from 0 to -2. OAR 340-012-0045(1)(a)(B) states that “The magnitude of the violation is determined
7 by first consulting the selected magnitude categories in OAR 340-012-0090. In the absence of a
8 selected magnitude, the magnitude shall be moderate unless...” the Department can make findings
9 to support a magnitude of major or minor. To make a finding of minor, the Department must find
10 “that the violation had no potential for or actual adverse impact on the environment, nor posed any
11 threat to public health or other environmental receptors.” See OAR 340-012-0045(1)(a)(B)(ii). For
12 Violation 2, the Department did not think it had sufficient evidence to support a finding of major or
13 minor magnitude and so determined the magnitude to be moderate in accordance with OAR 340-
14 012-0045(1)(a)(B).

15 In its answer, Dura argued that the magnitude should be reduced to minor because the
16 violation “did not cause any immediate threat to the environment ... the waste was delayed but was
17 managed properly.” Dura’s argument appears to be that because no actual environmental harm
18 occurred as a result of the violation there was also no potential for harm. To accept Dura’s
19 interpretation would render the words “no potential for adverse impact to the environment”
20 meaningless. If the Environmental Quality Commission had intended no actual harm to also mean
21 no potential for harm, it would not have included the no potential for harm language in the rule.
22 Failing to file an exception report when a shipment of hazardous waste fails to reach a treatment,
23 storage or disposal (TSD) facility in a timely manner does create a potential for harm.

24 A cornerstone of the hazardous waste regulatory system are the detailed record keeping
25 requirements imposed on generators to ensure that wastes are tracked from “cradle to grave”.
26 These requirements were enacted because history has shown that if the movements of wastes are
27 not closely monitored, they have a tendency to end up where they don’t belong. Billions of dollars

1 are spent every year to address the environmental harm and human health risk created by the
2 improper disposal of hazardous waste. Exception reporting is intended to ensure that a generator
3 will take prompt action to determine the whereabouts of its hazardous waste if a shipment fails to
4 reach a TSD facility within the prescribed time frame. The rule recognizes that the more time
5 passes, the more difficult it will become to determine the fate of the waste at issue. Dura's failure
6 to file an exception report did create a potential for adverse impact to the environment.

7 Dura also argued that it should be found to have been cooperative in addressing this
8 violation. Such a finding would have reduced the value for the "C" factor from 0 to -2. OAR 340-
9 012-0045(1)(c)(E) states that the "C" factor will be assigned a value of -2 "if Respondent was
10 cooperative and took reasonable efforts to correct the violation, took reasonable efforts to minimize
11 the effects of the violation, or took extraordinary efforts to ensure the violation would not be
12 repeated."

13 In its answer, Dura claims that is entitled to the credit because the violation was corrected
14 when the manifest documenting that the shipment had eventually reached the TSD facility was
15 returned and filed by Dura. There is no evidence in the hearing record, however, that Dura ever
16 filed the required exception report. Even if Dura had filed the exception report, it could not have
17 done so within the required 45-day time frame. Dura did not and could not have corrected the
18 violation. There is also no evidence that Dura made any effort, reasonable or otherwise, to
19 minimize the effects of the violation or to prevent the violation from recurring. Dura is not entitled
20 to the cooperativeness credit and the correct value for the "C" factor is 0.

21 Violation 4 – Failure to Meet Contingency Plan and Emergency Coordinator Requirements

22 Dura did not dispute that it failed to include in its contingency plan the capacities of its spill
23 equipment and the street addresses of its emergency coordinators. Dura instead argued that DEQ
24 should be estopped from assessing a civil penalty because DEQ failed to inform Dura of the
25 deficiencies when the company submitted the plan to the Department for review.

26 DEQ did not inform Dura of the deficiencies because at the time Dura submitted the plan,
27 the company was not required to have a contingency plan. The plan was submitted as a result of an

1 inspection by DEQ Hazardous Waste Specialist Susan Shewczyk in August 1998. At that time,
2 Dura was a small quantity generator. Small quantity generators are not required to have
3 contingency plans. Large quantity generators, however, are. See 40 CFR 262.34(a)(4); 40 CFR
4 265.52(d) and (e), and OAR 340-0102-0034(2). In January 2001, the month the violation is alleged
5 to have occurred, Dura was a large quantity generator. Department Exhibit 9 shows that Dura
6 shipped off 7,281 kilograms of hazardous waste in January 2001. A generator storing in excess of
7 6,000 kilograms of waste at any point during a given month, is a large quantity generator for that
8 month. See 40 CFR 262.34(d)(1). Dura's estoppel defense fails as Ms. Shewczyk had no reason
9 in 1998 to review Dura's contingency plan for compliance with the regulations because Dura
10 wasn't required to have a contingency plan at the time the company submitted it.

11 Civil Penalty Calculation

12 Dura disputes the Department's findings for magnitude, the "O" factor and the "R" factor.
13 Dura asks the Hearing Officer to reduce the magnitude from moderate to minor but does not make
14 any argument on why the magnitude should be minor. Because there are no selected magnitudes
15 for failing to meet contingency plan requirements, the process for determining magnitude is the
16 same as for Violation 2. The potential for harm from an incomplete contingency plan are fairly
17 obvious and were testified to by Ms. Cook. The plan is intended to be the one place where all
18 information regarding spill response procedures and capabilities is collected for quick and easy
19 access in the event of an emergency. By failing to include required information in its contingency
20 plan, Dura created a risk that response to a spill emergency would be delayed while the needed
21 information was gathered from another source.

22 OAR 340-012-0045(1)(c)(C)(ii) states that the value for the "O" factor is 2 "if the violation
23 existed for more than one day or if the violation recurred for the same day." Dura was a large
24 quantity generator for multiple days in January 2001 and the correct value for the "O" factor is
25 therefore 2.

26 Dura argues that it was not negligent in committing Violation 4 because "the minor mistake
27 of not including the addresses was overlooked, not ignored." To reduce the "R" factor finding from

1 negligent, the Hearing Officer would need to make a finding that the cause of the violation was an
2 unavoidable accident or that there was insufficient information on which to base a finding. See
3 OAR 340-012-0045(1)(c)(D). An oversight is not unavoidable. As stated above, Dura has a
4 general and a specific duty to determine and comply with the regulations that apply to its
5 operations. The contingency plan requirements are clearly spelled out in the Code of Federal
6 Regulations. Dura knew or should have known of the requirements and its failure to comply
7 resulted from its negligent conduct.

8 Violation 5 – Failure to Properly Prepare a Hazardous Waste Manifest with a correct EPA
9 Generator Identification Number and all Applicable Hazardous Waste Codes

10 Violation 5 arose from Department Exhibit 3, Dura’s Hazardous Waste Manifest No.
11 87731. DEQ alleges that Dura incorrectly filled out the manifest by typing in an incorrect generator
12 identification number and by failing to include all applicable hazardous waste codes.

13 Dura’s generator number is ORD 083647347. On Manifest No. 87731 the “D” is crossed
14 out and the letter “G” is written in. At hearing, Dura claimed that the transporter had made the
15 change. Mr. Hauser submitted a copy of the manifest at hearing which he claimed supported
16 Dura’s assertion. Dura’s copy, however, did not jibe with the copy that DEQ obtained during its
17 inspection in that the handwritten changes were not identical. The more credible copy is the one
18 DEQ had admitted Department Exhibit 3 and it is that manifest on which the Hearing Officer
19 should rely in determining whether Mr. Hauser’s testimony is consistent with the physical evidence.

20 Dura also failed to include the Hazardous Waste Code F019 on the manifest. Dura did type
21 in the codes D007 (characteristic for chromium toxicity), D008 (characteristic for lead toxicity) and
22 F006, which is a listed hazardous waste consisting of wastewater treatment sludges from
23 electroplating operations. Dura does not electroplate. Dura performs chemical conversion coating
24 of aluminum and the correct code is therefore F019, not F006. Dura claims that there is no
25 significant difference between a F006 waste and an F019 waste. If that were true, EPA would not
26 have gone to the trouble of assigning different hazardous waste codes to the different wastes.

27 Civil Penalty Calculation

1 Dura takes issue with the Departments findings of magnitude (moderate), "R" factor, and
2 the "C" factor in the civil penalty calculation for this violation. Dura again argues that the
3 Department, in the absence of a selected magnitude for this violation, should have made a finding
4 of minor instead of moderate magnitude, presumably because the violation did not cause nor had
5 any potential to cause harm to human health or the environment. At hearing, Ms. Cook testified
6 that the generator ID number is the means by which hazardous wastes are tracked and without it,
7 the Department cannot determine the generator of a waste. The hazardous waste codes are used by
8 the TSD facility to determine how an incoming waste is to be treated and disposed. Including the
9 proper codes is therefore crucial to ensuring that hazardous wastes are treated and disposed in a
10 manner that does not harm, or pose a risk of harm, to human health and the environment. Moderate
11 is the correct magnitude for this violation.

12 Dura asks the Hearing Officer to reduce the value for the "R" factor from 2 to 0 by finding
13 that Dura's negligence did not cause the violation. Dura claims that the transporter changed the ID
14 number on the manifest and typed in the hazardous waste code. As discussed above, Dura's
15 evidence that the transporter changed the ID number is inconsistent with actual manifest.
16 Regardless of who typed in the hazardous waste codes, it is ultimately Dura's responsibility to
17 ensure that the correct codes appear on the manifest. Dura's choice to rely on its transporter to
18 complete the manifest, is not a defense, but rather further evidence of its negligence. Dura did not
19 exercise reasonable care to avoid the foreseeable risk of committing the violation.

20 Dura claims in its answer that it is entitled to the "C" factor credit "because we changed the
21 paperwork to reflect the error". The manifest copied by Ms. Cook during her inspection was not
22 corrected, leading to the conclusion that the manifest was not corrected before it reached the TSD
23 facility. Dura therefore did not correct the violation. There is also no evidence in the record that
24 Dura took reasonable affirmative steps to minimize the effects of the violation or made
25 extraordinary efforts to prevent a recurrence of the violation.

26 ///

27 ///

1 Violations 6 and 7 – Failure to Provide and Emergency Communication Device and Failure to
2 Maintain Adequate Aisle in the Hazardous Waste Storage Area

3 Federal regulations adopted by the Environmental Quality Commission require hazardous
4 waste generators to keep an emergency communications device and to maintain aisle space
5 sufficient for the free movement of personnel and equipment in their hazardous waste storage
6 areas.⁵ At the time of the inspection, Dura was storing a hazardous wastewater treatment sludge
7 from which most of the water had been pressed out (filtercake). According to the evidence in the
8 record, the communications device nearest to the area where Dura was storing the filtercake is a
9 telephone located 75 feet away in the facility office. Ms. Cook testified that the cardboard box of
10 filtercake was closed in all four sides by various supplies and equipment.

11 The rules exempt generators whose waste does not pose a threat that would require a
12 communications device or aisle space. Dura claims that the filtercake falls under the exemptions.
13 In the event of a spill, according to Mr. Hauser’s testimony, Dura would merely sweep up the waste
14 with a broom and dust pan. Department Exhibit 6 and Respondent Exhibit 7, however, show that
15 the waste was stored in close proximity to the settling tank for its wastewater treatment system and
16 to the process tanks where Dura performs chemical conversion. Large quantities of liquid are
17 present in this tanks and a release from one or more them could reach the hazardous waste storage
18 area and mobilize the stored filter cake. Dura’s waste and its means and location for storing it do
19 not meet the standards for the exemptions to the communications device and aisle space
20 requirements. No civil penalties were assessed for Violations 6 and 7.

21 ///

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23 ///

24 _____
25 ⁵ 40 CFR 265.32 states that “all facilities must be equipped with the following, unless none of the hazards posed by
26 the waste handled at the facility could require a particular kind of equipment specified below ... (b) a device, such as
27 a telephone (immediately available at the scene of operations) or a hand-held two-way radio, capable of summoning
emergency assistance... 40 CFR 265.35 states that a generator “must maintain aisle space to allow the unobstructed
movement of personnel, fire protection equipment, spill control equipment, and decontamination equipment to any
area of facility operation in an emergency, unless aisle space is not needed for any of these purposes.

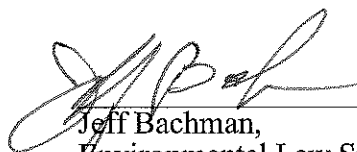
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CONCLUSION

For the reasons cited herein, the Hearing Officer should issue a Proposed Order assessing Dura Industries a civil penalty of \$9,400 as calculated in the exhibits attached to the Notice of Assessment of Civil Penalty.

DATED this 27th day of August 2003.

Respectfully submitted,



Jeff Bachman,
Environmental Law Specialist
Department of Environmental Quality



Oregon

Theodore R. Kulongoski, Governor

Department of Environmental Quality

811 SW Sixth Avenue
Portland, OR 97204-1390
503-229-5696
TTY 503-229-6993

August 27, 2003

CERTIFIED MAIL 7002 2410 0002 2229 6865

✓ Andrea L. Sloan
Administrative Law Judge
Hearing Officer Panel
1905 Lana Avenue, NE
Salem, OR 97314

CERTIFIED MAIL 7002 2410 0002 2229 6872

Jerry Hauser, President
Dura Industries
P.O. Box 10762
Portland, OR 97210

Re: Hearing Memorandum
Dura Industries
Case No. LQ/HW-NWR-02-123

Dear Judge Sloan and Mr. Hauser:

Please find enclosed the Department's Hearing Memorandum. Feel free to call me at 503-229-5950 if you have any questions.

Sincerely,

Jeff Bachman
Environmental Law Specialist
Office of Compliance and Enforcement

Enclosure

RECEIVED

SEP 02 2003

by Office of
Administrative Hearings

RECEIVED

SEP - 3 2003

by Office of
Administrative Hearings



Oregon

John A. Kitzhaber, M.D., Governor

Department of Environmental Quality

811 SW Sixth Avenue
Portland, OR 97204-1390
(503) 229-5696
TTY (503) 229-6993

CERTIFIED MAIL NO. 7001 1140 0002 3546 5386
RETURN RECEIPT REQUESTED

August 7, 2002

Dura Industries, Inc.
c/o Robert B. Smith
Registered Agent
610 S.W. Broadway #310
Portland, OR 97205

RE: Notice of Violation and Assessment of Civil Penalty
No. LQ/HW-NWR-02-123
Multnomah County
ORD 083647347

On April 1, 2002, a representative from the Northwest Region of the Department of Environmental Quality (DEQ) inspected the Dura Industries, Inc. (Dura) metal finishing facility located at 4466 N.W. Yeon Avenue, in Portland, Oregon. The inspection was conducted to determine compliance with Oregon's environmental laws and DEQ's hazardous waste management regulations.

Several violations documented during the inspection were cited in a Notice of Noncompliance (NON) sent to Dura on April 15, 2002. Violations included:

- Failure to make a hazardous waste determination for solvent-contaminated rags that were destined for disposal as solid waste,
- Failure to submit a required Exception Report for a manifested shipment of hazardous waste that was delayed and apparently mismanaged,
- Failure to meet personnel training and recordkeeping requirements,
- Failure to meet Contingency Plan emergency equipment and emergency coordinator requirements,
- Failure to properly prepare a hazardous waste manifest with a correct Generator EPA Identification Number and all applicable waste codes,
- Failure to provide an emergency communication device in Dura's waste storage area,
- Failure to maintain adequate aisle space to allow for the unobstructed movement of personnel and emergency equipment.

Many of those violations would severely hamper the ability of Dura personnel and emergency responders to properly respond to an environmental emergency.

EXHIBIT DEQ-1
P1

Several of the violations that were documented at Dura's facility during the 2002 inspection were similar to violations found at Dura during inspections in 1995 and 1998. By letters dated April 23, 2002, and May 16, 2002, Dura responded to the NON and submitted documents to demonstrate that Dura had corrected its violations to the extent possible.

In the enclosed Notice of Violation and Assessment of Civil Penalty (LQ/HW-NWR-02-123), a total of \$12,500 in civil penalties has been assessed against Dura:

- A \$1,700 civil penalty was assessed for Dura's failure to make a hazardous waste determination (a repeated violation);
- A \$5,100 civil penalty was assessed for Dura's failure to submit an Exception Report;
- A \$1,900 civil penalty was assessed for Dura's failure to meet personnel training requirements (a repeated violation);
- A \$1,900 civil penalty was assessed for Dura's failure to include required emergency response information in the facility contingency plan (a repeated violation);
- A \$1,900 civil penalty was assessed for Dura's failure to properly prepare a hazardous waste manifest (a repeated violation).

Dura is also cited, without penalty, for failure to equip Dura's waste storage area with an emergency communication device, and for failure to maintain adequate aisle space. The amount of each civil penalty was determined by using procedures set forth in OAR 340-012-0045. Exhibits 1 through 5 contain DEQ's findings and civil penalty calculations. The amount of each penalty was increased substantially because of Dura's history of prior violations.

Unless Dura pays the total \$12,500 civil penalty or appeals this enforcement action within 20 days of receipt of the enclosed Notice, a Default Order will be entered. Appeal procedures are outlined within Section V of the Notice.

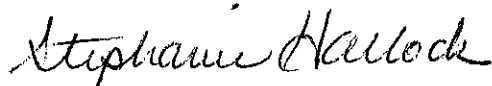
If Dura wishes to discuss this enforcement action or believes there are mitigating factors that DEQ might not have considered in assessing the civil penalties, Dura may request an informal discussion with DEQ by attaching a request to Dura's appeal. A request to discuss the matter with DEQ will not waive Dura's right to a contested case hearing if a timely appeal is filed.

The Department remains concerned over the fate of hazardous waste that Dura shipped under Manifest No. 87731 on June 20, 2000. According to the manifest, Dura shipped 2,200 pounds of waste. However, only 1,440 pounds arrived at the destination facility on September 14, 2000. The destination facility should have contacted Dura to try to resolve the "significant discrepancy" and/or filed a discrepancy report with EPA or the state RCRA authority. Within 20 days, please investigate, and report back to the Department on how the discrepancy was resolved or the fate of the missing 760 pounds of hazardous waste.

Enclosed is a copy of the Department's internal management directive regarding civil penalty mitigation for Supplemental Environmental Projects (SEPs). If Dura is interested in having a portion of the civil penalty fund an SEP, Dura should review the SEP directive. Exceptional pollution prevention could result in partial penalty mitigation.

If Dura has any questions about the enclosed enforcement action, please telephone Mr. Larry M. Schurr of DEQ's Office of Compliance and Enforcement in Portland at (503) 229-6932.

Sincerely,



Stephanie Hallock
Director

SH:lms
Enclosure(s)

cc: Laury Cook - Northwest Region, Portland Office, DEQ
Land Quality Division, DEQ
Oregon Department of Justice
U.S. Environmental Protection Agency
Environmental Quality Commission
Multnomah County District Attorney

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

3
4 IN THE MATTER OF:
5 DURA INDUSTRIES, INC.,
6 an Oregon corporation,

7 Respondent.

)
) NOTICE OF VIOLATION
) AND ASSESSMENT
) OF CIVIL PENALTY
) NO. LQ/HW-NWR-02-123
) MULTNOMAH COUNTY

)
) ORD 083647347

8 I. AUTHORITY

9 This Notice of Violation and Assessment of Civil Penalty (Notice) is issued by the
10 Oregon Department of Environmental Quality (Department) pursuant to Oregon Revised
11 Statutes (ORS) 468.130 through 468.140; ORS Chapters 183 and 466; and Oregon
12 Administrative Rules (OAR) Chapter 340, Divisions 11 and 12.

13 II. FINDINGS

14 1. Respondent, Dura Industries, Inc., an Oregon corporation, operates a metal
15 finishing facility located at 4466 N.W. Yeon Avenue, in Portland, Oregon (Respondent's
16 Facility). Respondent is a large quantity generator of hazardous waste as defined in
17 ORS 466.005(6) and 40 CFR 260.10. Respondent's Facility has been assigned
18 EPA Identification Number ORD 083647347.

19 2. On or about April 1, 2002, the Department inspected Respondent's Facility to
20 determine compliance with Oregon's environmental laws and hazardous waste management
21 regulations.

22 III. VIOLATIONS

23 Based upon the above noted inspection and a review of documents, the Department
24 has determined that Respondent violated the following provisions of Oregon law and
25 hazardous waste regulations applicable to Respondent's Facility as set forth in ORS Chapters
26 466; and OAR Chapter 340, Divisions 100 to 110, and 120, including regulations incorporated
27 in OAR 340-100-0002 adopted pursuant to ORS Chapter 466:

1 CLASS I VIOLATIONS:

2 1. On or about April 1, 2002, Respondent violated OAR 340-102-0011(2) in that
3 Respondent failed to make a hazardous waste determination for each "residue" [as described
4 and defined in OAR 340-100-0010(2)(bb) and 40 CFR 261.2] generated by Respondent.
5 Specifically, Respondent failed to make a hazardous waste determination for
6 solvent-contaminated rags that were destined for disposal as solid waste. The violation is a
7 Class I violation pursuant to OAR 340-012-0068(1)(b).

8 2. On or about August 5, 2000, Respondent violated 40 CFR 262.42(a)(2),
9 and OAR 340-102-0034(2) in that Respondent failed to file an Exception Report with the
10 Department within 45 days following shipment of hazardous waste on June 20, 2000, for
11 which Respondent had not received a copy of the manifest with the handwritten signature of
12 the owner or operator of the hazardous waste management facility designated to receive the
13 manifested waste. The violation is a Class I violation pursuant to OAR 340-012-0068(1)(i).

14 CLASS II VIOLATIONS:

15 3. On or about April 1, 2002, Respondent violated 40 CFR 262.34(a)(4),
16 40 CFR 265.16, and OAR 340-102-0034(2) in that Respondent accumulated hazardous
17 waste on-site without fully complying with Personnel Training Requirements set forth in
18 40 CFR 265.16. Respondent failed to have a written job description for each position at
19 Respondent's Facility related to hazardous waste management, failed to have a written
20 description of the type and amount of training to be given to each person in a position related
21 to hazardous waste management, and failed to maintain required records to document that
22 required personal training has been given. The violation is a Class II violation pursuant to
23 OAR 340-012-0068(2)(g).

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1 4. On or about April 1, 2002, Respondent violated 40 CFR 262.34(a)(4),
2 40 CFR 265.52(d) and (e), and OAR 340-102-0034(2). Respondent failed to comply with
3 40 CFR Part 265, Subpart D requirements by failing to include in Respondent's Facility
4 Contingency Plan, an outline of the capabilities of all emergency equipment located at the
5 Facility, and the addresses of all persons qualified to act as emergency coordinator.
6 The violation is a Class II violation pursuant to OAR 340-12-0068(2)(m).

7 5. On or about June 20, 2000, Respondent violated OAR 340-102-0060(5)(a),
8 40 CFR 262.20(a) and OAR 340-102-0034(2) in that Respondent offered for transportation,
9 hazardous waste for offsite treatment, storage, or disposal, without first preparing a
10 hazardous waste Manifest according to the instructions included in the Appendix to
11 40 CFR Part 262, and OAR 340-102-0060. Respondent failed to include on Manifest Number
12 87731, which accompanied the waste shipment, a correct Generator EPA ID Number and all
13 required EPA Hazardous Waste Numbers (waste codes) applicable to the wastes shipped,
14 including F019. The violation is a Class II violation pursuant to OAR 340-12-0068(2)(m).

15 6. On or about April 1, 2002, Respondent violated 40 CFR 262.34(a)(4),
16 40 CFR 265.32(b), and OAR 340-102-0034(2). Respondent failed to comply with
17 40 CFR Part 265, Subpart C requirements by failing to equip Respondent's waste storage
18 area with an emergency communication device. The violation is a Class II violation pursuant
19 to OAR 340-12-0068(2)(m).

20 7. On or about April 1, 2002, Respondent violated 40 CFR 262.34(a)(4),
21 40 CFR 265.35, and OAR 340-102-0034(2). Respondent failed to comply with
22 40 CFR Part 265, Subpart C requirements by failing to maintain adequate aisle space in
23 Respondent's wastewater treatment sludge container area to allow for the unobstructed
24 movement of personnel and emergency response equipment. The violation is a Class II
25 violation pursuant to OAR 340-12-0068(2)(f).

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1 IV. ASSESSMENT OF CIVIL PENALTIES

2 The Director imposes civil penalties totaling \$12,500 against Respondent for the
3 following violations cited in Section III:

4	<u>Violation</u>	<u>Penalty Amount</u>
5	1	\$1,700
6	2	\$5,100
7	3	\$1,900
8	4	\$1,900
9	5	\$1,900

10 Exhibits 1 through 5 are attached to and incorporated into this Notice and include the
11 Department's findings and determination of the amount of each of Respondent's civil
12 penalties calculated pursuant to OAR 340-012-0045.

13 V. OPPORTUNITY FOR CONTESTED CASE HEARING

14 This Notice of Violation and Assessment of Civil Penalty shall become final unless
15 Respondent requests a hearing before the Environmental Quality Commission pursuant to ORS
16 466.190, ORS Chapter 183, and OAR Chapter 340, Division 11. The request must be made in
17 writing and must be received by the Department's Rules Coordinator within twenty (20) days from
18 the date of service of this Notice, and must be accompanied by a written "Answer" to the allegations
19 contained in this Notice. In the written "Answer", Respondent shall admit or deny each allegation of
20 fact contained in this Notice and Respondent shall affirmatively allege any and all affirmative claims
21 or defenses to violations and assessment of any civil penalty that Respondent may have and the
22 reasoning in support thereof. Except for good cause shown:

- 23 1. Factual matters not controverted shall be presumed admitted;
- 24 2. Failure to raise a claim or defense shall be presumed to be a waiver of such
25 claim or defense;
- 26 3. New matters alleged in the "Answer" shall be presumed to be denied unless admitted
27 in subsequent pleading or stipulation by the Department or Commission.

1 Send the request for hearing and "Answer" to: **Deborah Nesbit, Department of**
2 **Environmental Quality, 811 S.W. Sixth Avenue, Portland, Oregon 97204.** Following
3 receipt of a request for hearing and an "Answer," Respondent will be notified of the date, time
4 and place of the hearing. Failure to file a timely request for hearing and "Answer" may result
5 in a Default Order for the relief sought in this Notice. Failure to appear at a scheduled
6 hearing or meet a required deadline may result in a dismissal of the request for hearing and
7 also an entry of a Default Order. The Department's case file at the time the Notice was
8 issued may serve as the record for purposes of entering a Default Order.

9 VI. OPPORTUNITY FOR INFORMAL DISCUSSION

10 In addition to filing a request for a contested case hearing, Respondent may also request an
11 informal discussion with the Department by attaching a written request to the hearing request and
12 "Answer."

13 VII. PAYMENT OF CIVIL PENALTY

14 The civil penalty is due and payable 10 days after the order imposing the civil penalty
15 becomes final by operation of law or on appeal. Respondent's check or money order in the amount
16 of \$12,500 should be made payable to "Department of Environmental Quality" and sent to the
17 Business Office, Department of Environmental Quality, 811 S.W. Sixth Avenue,
18 Portland, Oregon 97204.

19
20 8-7-02

21 Date

Stephanie Hallock

Stephanie Hallock, Director

**FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045**

VIOLATION 1: Failure to make a hazardous waste determination for each residue generated.

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

MAGNITUDE: Pursuant to OAR 340-012-0090(3)(a)(C) the magnitude of the violation is minor because the violation involved one or two waste streams and less than 250 gallons of hazardous waste.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:

$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$1,000 for a Class I minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that the violation is treated as a single incident.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulation has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that any economic benefit was de minimis.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+0+2-0)] + \$0 \\ &= \$1,000 + [(\$100)(+7)] + \$0 \\ &= \$1,000 + \$700 + \$0 \end{aligned}$$

= \$1,700 is the calculated amount of civil penalty for Violation 1.

**FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045**

VIOLATION 2: Failure to file an Exception Report as required.

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

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$3,000 for a Class I moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that the violation is treated as a single incident.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 0 in that there is insufficient information on which to base a finding.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of 0 in that there is insufficient information on which to base a finding, and the violation could not be corrected.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$3,000 + [(.1 \times \$1,000) (+9-2+0+0+0)] + \$0 \\ &= \$3,000 + [(\$300)(+7)] + \$0 \\ &= \$3,000 + \$2,100 + \$0 \end{aligned}$$

= \$5,100 is the calculated amount of civil penalty for Violation 2.

**FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045**

VIOLATION 3: Failure to meet personnel training and recordkeeping requirements.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(g).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of +2 in that the violation was continuous and repeated.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented. Respondent has been previously cited for a similar violation.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+2+2-2)] + \$0 \\ &= \$1,000 + [(\$100)(+9)] + \$0 \\ &= \$1,000 + \$900 + \$0 \end{aligned}$$

= \$1,900 is the calculated amount of civil penalty for Violation 3.

**FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045**

VIOLATION 4: Failure to provide required emergency response information in Contingency Plan.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
 $BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of +2 in that the violation was continuous and repeated.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+2+2-2)] + \$0 \\ &= \$1,000 + [(\$100)(+9)] + \$0 \\ &= \$1,000 + \$900 + \$0 \end{aligned}$$

= \$1,900 is the calculated amount of civil penalty for Violation 4.

**FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045**

VIOLATION 5: Failure to properly prepare a hazardous waste manifest.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
 $BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that only a single incident of violation is cited.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of 0 in that the violation could not be corrected.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+0+2-0)] + \$0 \\ &= \$1,000 + [(\$100)(+9)] + \$0 \\ &= \$1,000 + \$900 + \$0 \end{aligned}$$

= \$1,900 is the calculated amount of civil penalty for Violation 5.



Oregon

Theodore R. Kulongoski, Governor

Department of Environmental Quality

811 SW Sixth Avenue
Portland, OR 97204-1390
503-229-5696
TTY 503-229-6993

May 29, 2003

Andrea H. Sloan, Administrative Law Judge
Oregon Hearing Officer Panel
(503) 644-5790

Jerry Hauser, President
Dura Industries, Inc.
(503) 223-4595

By Facsimile

Re: Amendments to Notice of
Assessment of Civil Penalty
No. LQ/HW-NWR-02-123

Dear Judge Sloan and Mr. Hauser:

The Department amends Section III, Paragraph 4 of Notice of Assessment of Civil Penalty No. LQ/HW-NWR-02-123 to read as follows:

"During the month of January 2001, Respondent violated 40 CFR 262.34(4), 40 CFR 265.52(d) and (e), and OAR 340-102-0034(2). Respondent failed to comply with 40 CFR Part 265, Subpart D requirements by failing to include in Respondent's Facility Contingency Plan, an outline of the capabilities of all emergency equipment located at the Facility, and the addresses of all persons qualified to act as an emergency coordinator. The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m)."

The Department also dismisses the violation alleged in Section III, Paragraph 3 of the Notice.

Given that the hearing in this case is only two business days away, the Department would not object to a request by Dura Industries for a setover of the hearing in order for them to determine if they need to change their hearing strategy, and if so, to prepare a defense to the amended violation.

If you have any questions, please contact me at (503) 229-5950.

Sincerely,

Jeff Bachman
Environmental Law Specialist
Office of Compliance and Enforcement

P2 A

EXHIBIT

DEQ-1

AMENDED EXHIBIT 1 to LQ/HW-NWR-02-123

AMENDED FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 1: Failure to make a hazardous waste determination for each residue generated.

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

MAGNITUDE: Pursuant to OAR 340-012-0090(3)(a)(C) the magnitude of the violation is minor because the violation involved one or two waste streams and less than 250 gallons of hazardous waste.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:

$$BP + [(1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$1,000 for a Class I minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of 7. Respondent's prior significant actions, Case Nos. HW-NWR-95-221 and WMC/HW-NWR-98-201, consist of eight Class I equivalent violations for an initial value of 9, pursuant to OAR 340-012-0046(1)(c)(A)(x). The initial value is reduced by 2, pursuant to OAR 340-012-0045(1)(c)(A)(xii)(I) because the dates of issuance of Respondent's prior significant actions are more than three years old, resulting in a final value of 7.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that the violation is treated as a single incident.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulation has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that any economic benefit was de minimis.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(1 \times \$1,000) (7 + (-)2 + 0 + 2 + (-)2)] + \$0 \\ &= \$1,000 + [(\$100 \times 5)] + \$0 \\ &= \$1,000 + \$500 + \$0 \\ &= \$1,500 \end{aligned}$$

EXHIBIT 02

AMENDED EXHIBIT 2 to LQ/HW-NWR-02-123

AMENDED FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 2: Failure to file an Exception Report as required.

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

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$3,000 for a Class I moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of 7. Respondent's prior significant actions, Case Nos. HW-NWR-95-221 and WMC/HW-NWR-98-201, consist of eight Class I equivalent violations for an initial value of 9, pursuant to OAR 340-012-0046(1)(c)(A)(x). The initial value is reduced by 2, pursuant to OAR 340-012-0045(1)(c)(A)(xii)(I) because the dates of issuance of Respondent's prior significant actions are more than three years old, resulting in a final value of 7.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that the violation is treated as a single incident.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 0 in that there is insufficient information on which to base a finding.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of 0 in that there is insufficient information on which to base a finding, and the violation could not be corrected.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$3,000 + [(.1 \times \$3,000) (7 + (-)2 + 0 + 0 + 0)] + \$0 \\ &= \$3,000 + [(\$300 \times 5)] + \$0 \\ &= \$3,000 + \$1,500 + \$0 \\ &= \$4,500 \end{aligned}$$

AMENDED EXHIBIT 3 to LQ/HW-NWR-02-123

AMENDED FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 3: Failure to meet personnel training and recordkeeping requirements.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(g).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
 $BP + [(1 \times BP) (P+H+O+R+C)] + EB.$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of 7. Respondent's prior significant actions, Case Nos. HW-NWR-95-221 and WMC/HW-NWR-98-201, consist of eight Class I equivalent violations for an initial value of 9, pursuant to OAR 340-012-0046(1)(c)(A)(x). The initial value is reduced by 2, pursuant to OAR 340-012-0045(1)(c)(A)(xii)(I) because the dates of issuance of Respondent's prior significant actions are more than three years old, resulting in a final value of 7.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 2 in that the violation was continuous and repeated.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented. Respondent has been previously cited for a similar violation.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(1 \times \$1,000) (7 + (-)2 + 2 + 2 + (-2)] + \$0 \\ &= \$1,000 + [(\$100) \times 7] + \$0 \\ &= \$1,000 + \$700 + \$0 \\ &= \$1,700 \end{aligned}$$

AMENDED EXHIBIT 4 to LQ/HW-NWR-02-123

AMENDED FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 4: Failure to provide required emergency response information in Contingency Plan.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:

$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of 7. Respondent's prior significant actions, Case Nos. HW-NWR-95-221 and WMC/HW-NWR-98-201, consist of eight Class I equivalent violations for an initial value of 9, pursuant to OAR 340-012-0046(1)(c)(A)(x). The initial value is reduced by 2, pursuant to OAR 340-012-0045(1)(c)(A)(xii)(I) because the dates of issuance of Respondent's prior significant actions are more than three years old, resulting in a final value of 7.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 2 in that the violation was continuous and repeated.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (9 + (-)2 + 2 + 2 + (-)2)] + \$0 \\ &= \$1,000 + [(\$100 \times 7)] + \$0 \\ &= \$1,000 + \$700 + \$0 \\ &= \$1,700 \end{aligned}$$

AMENDED EXHIBIT 5 to LQ/HW-NWR-02-123

AMENDED FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 5: Failure to properly prepare a hazardous waste manifest.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of 7. Respondent's prior significant actions, Case Nos. HW-NWR-95-221 and WMC/HW-NWR-98-201, consist of eight Class I equivalent violations for an initial value of 9, pursuant to OAR 340-012-0046(1)(c)(A)(x). The initial value is reduced by 2, pursuant to OAR 340-012-0045(1)(c)(A)(xii)(I) because the dates of issuance of Respondent's prior significant actions are more than three years old, resulting in a final value of 7.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that only a single incident of violation is cited.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of 0 in that the violation could not be corrected.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (7 + (-)2 + 0 + 2 + 0)] + \$0 \\ &= \$1,000 + [(\$100 \times 7)] + \$0 \\ &= \$1,000 + \$700 + \$0 \\ &= \$1,700 \end{aligned}$$

DURA INDUSTRIES, INC.

P.O. Box 10762
4466 N.W. Yeon
Portland, Oregon 97210
(503) 228-7007
(503) 223-4595 FAX

RECEIVED
29
AUG 30 2002

August 29, 2002

OFFICE OF COMPLIANCE
AND ENFORCEMENT
DEPARTMENT OF ENVIRONMENTAL QUALITY

*Pls note -- envelope
was date stamped
in another DEQ
location on 8-29-02.*

RE: Notice of Violation and Assessment of Civil Penalty

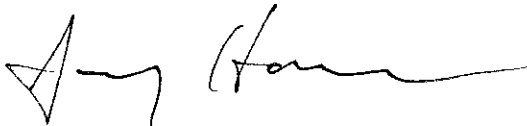
Deborah Nesbit
Department of Environmental Quality
811 S.W. Sixth Avenue
Portland, OR 97204

Dura Industries requests a hearing before the Environmental Quality Commission to contest the violations and civil penalties contained in Notice of Violation and Assessment of Civil Penalty NO. LQ/HW-NWR-02-123.

Dura Industries also requests an informal discussion with the Department.

Enclosed in this mailing are Dura Industries responses to the alleged violations and the assessed civil penalties.

Sincerely,



Jerry Hauser
DURA INDUSTRIES

VIOLATION 1.

The violation assumes that the rags are solvent contaminated at the time they may be disposed. In all processes at Dura Industries solvents are either used up or returned to their proper containers. Solvent for cleaning parts is put onto the rag and then wiped onto the part; when this solvent is used up more solvent would be put onto the rag. At the time the rags may be disposed, all of the solvent would be used up.

VIOLATION 2.

The violation was not intentional, did not cause any immediate threat to the environment, and the volume of the waste was not a significant amount. The waste was delayed but was managed properly.

VIOLATION 3.

There were written records produced at the time of the inspection that documented that personnel training had been given. The date of the last training was January, 2001, and did include job descriptions relative to hazardous waste. Mr. Hauser had taken an 8 hour course for hazardous waste but the most recent documentation could not be found.

VIOLATION 4.

The contingency plan that was current at the time of the inspection did contain the emergency equipment and capabilities e.g. 1500 gph submersible pump. The plan did list the emergency coordinators and multiple phone numbers and this plan was submitted to the DEQ and accepted without a response to any inadequacies in the contingency plan.

VIOLATION 5.

Dura Industries did include the correct generator EPA ID number on the manifest no. 87731. The number was changed by the receiving facility when the waste was received. There were waste codes on the manifest applicable to the waste being shipped. F006 and F019 both refer to waste water treatment sludge. The source of the sludge does not change the description or form of the waste as shipped.

VIOLATION 6.

An emergency communication device is not required in the hazardous waste area because the waste poses no threat from imminent release. The area is within voice communication range of any personnel in that area of the facility, and a telephone is within 75 feet of the area and can be reached within 15 seconds.

VIOLATION 7.

Aisle space around the container of wastewater treatment sludge was adequate because the waste poses no threat of fire, of imminent release, or contamination. Spill control equipment would not be required for this waste which is in the form of a dry filtercake.

The Department's concern about the fate of the hazardous waste shipped on manifest no. 87731 is unfounded. The manifest indicates that filter cake was shipped in one fiber box. The weight was estimated to be 2200 lbs. because that is the average capacity of a one cubic yard box. The reason that the receiving facility reported the actual weight as 1440 lbs. is due to them weighing the contents of the container. There is no discrepancy in the number of containers received, therefore no "significant discrepancy" occurred.

20087731
 IN CASE OF EMERGENCY OR SPILL, CALL THE NATIONAL RESPONSE CENTER 1-800-424-8802. WITHIN CALIFORNIA, CALL 1-800-852-7550

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. OR 97210		Manifest Document No. 87731		2. Page 1 1 of 1		Information in the shaded areas is not required by Federal law.			
3. Generator's Name and Mailing Address DURA INDUSTRIES 4466 NW YEON PORTLAND OR 97210						A. State Manifest Document Number 20087731					
4. Generator's Phone (503-728-7007) (SEE BOX 15)						B. State Generator's ID					
5. Transporter 1 Company Name PRIME ENVIRONMENTAL				6. US EPA ID Number CAL931024038		C. State Transporter's ID (Reserved)					
7. Transporter 2 Company Name Allwaste Transportation & Remediation Inc						D. Transporter's Phone 562-495-7777					
8. US EPA ID Number CAD063547996						E. State Transporter's ID (Reserved)					
9. Designated Facility Name and Site Address U.S. ECOLOGY HIGHWAY 95, 12 MILES SOUTH BEATTY, NV 89003						F. Transporter's Phone (408) 268-1196					
10. US EPA ID Number NVT330010000						G. State Facility's ID					
11. US DOT Description (including Proper Shipping Name, Hazard Class, and ID Number) RO¹ HAZARDOUS WASTE SOLID, N.O.S. (FILTERCAKE), 9, NA3077, III						12. Containers No. Type 001CF 2200P		13. Total Quantity		14. Unit Wt/Vol P	
						I. Waste Number State .181		EPA/Other 0001, 0003, 7001, 7019			
						State					
						EPA/Other					
						State					
J. Additional Descriptions for Materials Listed Above ADV002110 FILTERCAKE						K. Handling Codes for Wastes Listed Above					
						a. 99/03		b.			
						c.		d.			
15. Special Handling Instructions and Additional Information ERG# a.171b. c. d. SEND A MANIFEST COPY, CD & INVOICE - TO: WENDY JACOBUS: 200 PINE AVENUE SUITE 514 LONG BEACH, CA 90801 24 HOUR EMERGENCY RESPONSE: 1-877-217-7463											
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.											
Printed/Typed Name Jerry Hauser				Signature 				Month Day Year 0162000			
17. Transporter 1 Acknowledgement of Receipt of Materials Printed/Typed Name STEVEN C. Hill				Signature 				Month Day Year 0162000			
18. Transporter 2 Acknowledgement of Receipt of Materials Printed/Typed Name Clayton Shepherd				Signature 				Month Day Year 0172800			
19. Discrepancy/Indication Space 1) Generator EPA I.D. # corrected per Dan LaQua/Prime AD 9-14-00 13a) Actual weight received 1440 P. AD 9-14-00											
20. Facility Owner or Operator Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19 Printed/Typed Name Tony Docimo				Signature 				Month Day Year 0911400			

DO NOT WRITE BELOW THIS LINE.

To Whom It May Concern:

We at Dura Industries Inc. are asking that the fines levied in the violation dated Aug. 7th be reduced or waived. Each of these violations did not have any adverse effects on the environment. Except for the regrettable and accidental release of some waste paint (which was promptly cleaned up) at the Metro Recycling all of Dura's past violations also had no adverse effects on the environment.

We are a small company who are doing their best to comply with a multitude of complex regulations that cover our relatively small amount of hazardous waste. We are committed to reducing waste and being a good corporate citizen.

The following 5 pages are our calculations if these violations are upheld. I have suggested that all of the violations be reduced to minor per 340-012-0045(1)(B)(ii) because there was no actual adverse impact on the environment, nor did any of the violations pose any threat to public health. We also feel that the violations did not deviate far from the statues.

Please consider all these factors when deciding the amount of our fines.

Response to assessment of civil penalty for alleged violation #1

Classification: I

MAGNITUDE: Should stay as stated, Minor

CIVIL PENALTY FORMULA:

"BP" as stated, \$1,000.00.

"P" the value should be +6. We have 7 Class 1 or equivalent prior significant actions. 4 class 1 dated Nov. 27, 1995, and 1 class one and 4 class 2 or 3 dated July 8, 1999. This corresponds to a factor of 8, which should be further reduced by -2, because the violations are over 3 years old.

"H" as stated -2.

"O" as stated 0.

"R" this should be 0. This violation concerned rags that were used in wiping down parts prior to painting. The rags in question were free of solvents when disposed of and did not appear to be hazardous waste. It is just in definition that these rags may be considered waste. I know of no documentation that shows we knew that these rags might be considered hazardous waste.

"C" as stated -2. Please note that this number was omitted from the DEQ's penalty calculations.

"EB" as stated 0.

PENALTY CALCULATION

$$\begin{aligned} \text{Penalty} &= \text{BP} + [(.1 \times \text{BP}) (\text{P}+\text{H}+\text{O}+\text{R}+\text{C})] + \text{EB} \\ &= \$1,000 + [(.1 \times \$1,000) (6-2+0+0-2)] + \$0 \\ &= \$1,000 + [(\$100) (2)] + \$0 \\ &= \$1,000 + \$200 + \$0 \\ &= \$1,200 \text{ should be the civil penalty if violation is upheld} \end{aligned}$$

Response to assessment of civil penalty for alleged violation #2

Classification: I

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B)(ii) the magnitude of the violation should be minor.

CIVIL PENALTY FORMULA:

"BP" is the base penalty which is \$1,000.00 for a Class I minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" the value should be +6. We have 7 Class 1 or equivalent prior significant actions. 4 class 1 dated Nov. 27, 1995, and 1 class one and 4 class 2 or 3 dated July 8, 1999. This corresponds to a factor of 8, which should be further reduced by -2, because the violations are over 3 years old.

"H" as stated -2.

"O" as stated 0.

"R" as stated 0.

"C" the value should be -2 because the violation was corrected when the proper paperwork was received and filed.

"EB" as stated 0.

PENALTY CALCULATION

$$\begin{aligned} \text{Penalty} &= \text{BP} + [(.1 \times \text{BP}) (\text{P}+\text{H}+\text{O}+\text{R}+\text{C})] + \text{EB} \\ &= \$1,000 + [(.1 \times \$1,000) (6-2+0+0-2)] + \$0 \\ &= \$1,000 + [(\$100) (2)] + \$0 \\ &= \$1,000 + \$200 + \$0 \\ &= \$1,200 \text{ should be the civil penalty if violation is upheld.} \end{aligned}$$

Response to assessment of civil penalty for alleged violation #3

Classification: II

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B)(ii) the magnitude of the violation should be minor.

CIVIL PENALTY FORMULA:

"BP" is the base penalty which is \$500.00 for a Class II minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(a)(B)(iii).

"P" the value should be +6. We have 7 Class 1 or equivalent prior significant actions. 4 class 1 dated Nov. 27, 1995, and 1 class one and 4 class 2 or 3 dated July 8, 1999. This corresponds to a factor of 8, which should be further reduced by -2, because the violations are over 3 years old.

"H" as stated -2.

"O" should be zero, while we had a past violation for training in the past, this violation concerned the timely retraining of current personnel.

"R" as stated +2.

"C" as stated -2.

"EB" as stated 0.

PENALTY CALCULATION

$$\begin{aligned}\text{Penalty} &= \text{BP} + [(.1 \times \text{BP}) (\text{P}+\text{H}+\text{O}+\text{R}+\text{C})] + \text{EB} \\ &= \$500 + [(.1 \times \$500) (6-2+0+2-2)] + \$0 \\ &= \$500 + [(\$50) (4)] + \$0 \\ &= \$500 + \$200 + \$0\end{aligned}$$

= \$700 should be the civil penalty if violation is upheld.

Response to assessment of civil penalty for alleged violation #4.

Classification: II

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B)(ii) the magnitude of the violation should be minor.

CIVIL PENALTY FORMULA:

"BP" is the base penalty which is \$500.00 for a Class II minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(a)(B)(iii).

"P" the value should be +6. We have 7 Class 1 or equivalent prior significant actions. 4 class 1 dated Nov. 27, 1995, and 1 class one and 4 class 2 or 3 dated July 8, 1999. This corresponds to a factor of 8, which should be further reduced by -2, because the violations are over 3 years old.

"H" as stated -2.

"O" should be zero, because the minor mistake of not including the addresses of the emergency coordinators was never address in earlier violations.

"R" should be zero because the minor mistake of not including addresses was overlooked, not ignored. We even turned in a copy of our plan for your office's approval without the addresses.

"C" as stated -2.

"EB" as stated 0.

PENALTY CALCULATION

$$\begin{aligned} \text{Penalty} &= \text{BP} + [(.1 \times \text{BP}) (\text{P}+\text{H}+\text{O}+\text{R}+\text{C})] + \text{EB} \\ &= \$500 + [(.1 \times \$500) (6-2+0+0-2)] + \$0 \\ &= \$500 + [(\$50) (2)] + \$0 \\ &= \$500 + \$100 + \$0 \end{aligned}$$

= \$600 should be the civil penalty if violation is upheld.

Response to assessment of civil penalty for alleged violation #5.

Classification: II

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B)(ii) the magnitude of the violation should be minor.

CIVIL PENALTY FORMULA:

"BP" is the base penalty which is \$500.00 for a Class II minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(a)(B)(iii).

"P" the value should be +6. We have 7 Class 1 or equivalent prior significant actions. 4 class 1 dated Nov. 27, 1995, and 1 class one and 4 class 2 or 3 dated July 8, 1999. This corresponds to a factor of 8, which should be further reduced by -2, because the violations are over 3 years old.

"H" as stated -2.

"O" as stated 0.

"R" should be zero. The waste hauler changed the EPA number after the paperwork left Dura. The waste hauler printed the hazardous waste code. It did reflect the actual content of the waste, just not how it was generated.

"C" should be -2 because we changed the paperwork, to reflect the error.

"EB" as stated 0.

PENALTY CALCULATION

$$\begin{aligned} \text{Penalty} &= \text{BP} + [(.1 \times \text{BP}) (\text{P}+\text{H}+\text{O}+\text{R}+\text{C})] + \text{EB} \\ &= \$500 + [(.1 \times \$500) (6-2+0+2-2)] + \$0 \\ &= \$500 + [(\$50) (4)] + \$0 \\ &= \$500 + \$200 + \$0 \\ &= \$700 \text{ should be the civil penalty if violation is upheld.} \end{aligned}$$



Oregon

Theodore R. Kulongoski, Governor

HEARING OFFICER PANEL

1905 Lana Avenue NE

Salem OR 97314

Telephone: (503) 945-5547

FAX: (503) 945-5304

TTY: (503) 945-5001

NOTICE OF HEARING

Date Mailed: April 22, 2003

TO: JERRY HAUSER
DURA INDUSTRIES INC
PO BOX 10762
PORTLAND OR 97210

JEFF BACHMAN
DEPT OF ENVIRONMENTAL QUALITY
811 SW SIXTH AVE
PORTLAND OR 97204

BY FIRST CLASS AND CERTIFIED MAIL.
CERTIFIED MAIL RECEIPT #7002 2410 0001 7406 2129

RE: *In the Matter of Dura Industries, Inc.*
For the Department of Environmental Quality
Hearing Officer Panel Case No. 107023
Agency Case No. LQ/HW-NWR-02-123

A hearing has been set in the above-entitled matter before the Hearing Officer Panel.

Hearing Date: June 3, 2003 Hearing Time: 9:00 a.m.

**Location: DEQ Office
811 SW Sixth Avenue
Portland, Oregon**

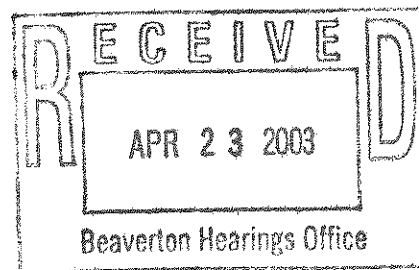
The Hearing Officer Panel is an impartial tribunal, and is independent of the agency for whom the hearing is held. Your case has been assigned to Administrative Law Judge Andrea H. Sloan, an employee of the Hearing Officer Panel.

A request for reset of the hearing must be submitted in writing prior to the hearing. A postponement request will only be granted on a showing of good cause and with the approval of the administrative law judge.

If you are hearing impaired or need a language interpreter at the hearing, immediately notify the Hearing Officer Panel at (503) 945-5547 or TDD at (503) 945-5001. The Hearing Officer Panel can arrange for an interpreter at the hearing. Interpreters must be certified or qualified in order to participate in a contested case hearing and may not have a conflict of interest with the hearing participants.

Please notify the Hearing Officer Panel at (503) 945-5547 immediately if you change your address or telephone number at any time prior to a final decision in this matter.

EXHIBIT P4



DEPARTMENT OF ENVIRONMENTAL QUALITY HEARINGS

IMPORTANT INFORMATION FOR PREPARING FOR YOUR HEARINGNOTICE OF CONTESTED CASE RIGHTS AND PROCEDURES

Under ORS 183.413(2), you must be informed of the following:

1. Law that applies. The hearing is a contested case and it will be conducted under ORS Chapter 183 and Oregon Administrative Rules of the Department of Environmental Quality, Chapters 137 and 340.
2. Rights to an attorney. You may represent yourself at the hearing, or be represented by an attorney or an authorized representative, such as a partner, officer, or an employee. If you are a company, corporation, organization or association, you must be represented by an attorney or an authorized representative. Prior to appearing on your behalf, an authorized representative must provide a written statement of authorization. If you choose to represent yourself, but decide during the hearing that an attorney is necessary, you may request a recess. About half of the parties are not represented by an attorney. DEQ will be represented by an Assistant Attorney General or an Environmental Law Specialist.
3. Hearings officer. The person presiding at the hearing is known as the hearings officer. The hearings officer is an employee of the Central Hearing Officer Panel under contract with the Environmental Quality Commission. The hearings officer is not an employee, officer or representative of the agency.
4. Appearance at hearing. If you withdraw your request for a hearing, notify either DEQ or the hearing officer that you will not appear at the hearing, or fail to appear at the hearing, a final default order will be issued. This order will be issued only upon a prima facie case based on DEQ's file. No hearing will be conducted.
5. Address change or change of representative. It is your responsibility to notify DEQ and the hearings officer of any change in your address or a withdrawal or change of your representative.
6. Interpreters. If you have a disability or do not speak English, the hearings officer will arrange for an interpreter. DEQ will pay for the interpreter if (1) you require the interpreter due to a disability or (2) you file with the hearings officer a written statement under oath that you are unable to speak English and you are unable to obtain an interpreter yourself. You must provide notice of your need for an interpreter at least 14 days before the hearing.
7. Witnesses. All witnesses will be under oath or affirmation to tell the truth. All parties and the hearings officer will have the opportunity to ask questions of all witnesses. DEQ or the hearings officer will issue subpoenas for witnesses on your behalf if you show that their testimony is relevant to the case and is reasonably needed to establish your position. You are not required to issue subpoenas for appearance of your own witnesses. If you are represented by an attorney, your attorney may issue subpoenas. Payment of witness fees and mileage is your responsibility.
8. Order of evidence. A hearing is similar to a court trial but less formal. The purpose of the hearing is to determine the facts and whether DEQ's action is appropriate. In most cases, DEQ will offer its evidence first in

(A)
EXHIBIT PS

support of its action. You will then have an opportunity to present evidence to oppose DEQ's evidence. Finally, DEQ and you will have an opportunity to rebut any evidence.

9. Burden of presenting evidence. The party who proposes a fact or position has the burden of proving that fact or position. You should be prepared to present evidence at the hearing which will support your position. You may present physical, oral or written evidence, as well as your own testimony.

10. Admissible evidence. Only relevant evidence of a type relied upon by reasonably prudent persons in the conduct of their serious affairs will be considered. Hearsay evidence is not automatically excluded. Rather, the fact that it is hearsay generally affects how much the Commission will rely on it in reaching a decision.

There are four kinds of evidence:

- a. Knowledge of DEQ and the hearings officer. DEQ or the hearings officer may take "official notice" of conclusions developed as a result of its knowledge in its specialized field. This includes notice of general, technical or scientific facts. You will be informed should DEQ or the hearings officer take "official notice" of any fact and you will be given an opportunity to contest any such facts.
- b. Testimony of witnesses. Testimony of witnesses, including you, who have knowledge of facts may be received in evidence.
- c. Writings. Written documents including letters, maps, diagrams and other written materials may be received in evidence.
- d. Experiments, demonstrations and similar means used to prove a fact. The results of experiments and demonstrations may be received in evidence if they are reliable.

11. Objections to evidence. Objections to the consideration of evidence must be made at the time the evidence is offered. Objections are generally made on one of the following grounds:

- a. The evidence is unreliable;
- b. The evidence is irrelevant or immaterial and has no tendency to prove or disprove any issue involved in the case;
- c. The evidence is unduly repetitious and duplicates evidence already received.

12. Continuances. There are normally no continuances granted at the end of the hearing for you to present additional testimony or other evidence. Please make sure you have all your evidence ready for the hearing. However, if you can show that the record should remain open for additional evidence, the hearings officer may grant you additional time to submit such evidence.

13. Record. A record will be made of the entire proceeding to preserve the testimony and other evidence for appeal. This will be done by tape recorder. This tape and any exhibits received in the record will be the whole record of the hearing and the only evidence considered by the hearings officer. A copy of the tape is available

upon payment of a minimal amount, as established by DEQ. A transcript of the record will not normally be prepared, unless there is an appeal to the Court of Appeals.

14. Proposed and Final Order. The hearing officer has the authority to issue a proposed order based on the evidence at the hearing. The proposed order will become the final order of the Environmental Quality Commission if you do not petition the Commission for review within 30 days of service of the order. The date of service is the date the order is mailed to you, not the date that you receive it. The Department must receive your petition seeking review within 30 days. See OAR 340-011-0132.

15. Appeal. If you are not satisfied with the decision of the Commission, you have 60 days from the date of service of the order, to appeal this decision to the Court of Appeals. See ORS 183.480 *et seq.*

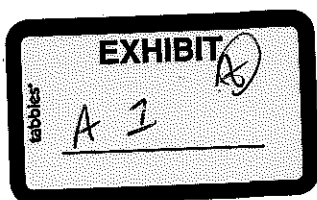
PROCEDURE FOR MANAGING INDUSTRIAL WIPERS OR RAGS

INDUSTRIAL WIPERS OR RAGS WHICH ARE USED FOR CLEANING PARTS, EQUIPMENT, TOOLS, ETC. AND CONTACT SOLVENTS AND PAINTS WILL BE LAUNDERED OR MANAGED AS A HAZARDOUS WASTE.

ANY EMPLOYEE WHO USES AN INDUSTRIAL WIPER OR RAG WILL PLACE THE USED ONES IN THE SELF-CLOSING CONTAINERS LOCATED IN THE PAINT MIXING AREA AND THE PAINT BLENDING AREA. THESE CONTAINERS WILL BE LABELLED "USED RAGS TO BE LAUNDERED".

WHEN THE INDUSTRIAL WIPERS OR RAGS ARE GOING TO BE LAUNDERED THEY WILL BE PLACED IN AN APPROPRIATE CONTAINER THAT IS PROPERLY LABELLED AND SENT TO AN OFF-SITE COMMERCIAL FACILITY.

INDUSTRIAL WIPERS OR RAGS (THIS INCLUDES ABSORBENT PADS AND OTHER MATERIAL) WHICH ARE NOT GOING TO BE LAUNDERED WILL BE MANAGED AS HAZARDOUS WASTE. THEY WILL BE PLACED IN AN APPROPRIATE CONTAINER (PROBABLY A 55 GALLON DRUM) LABELLED WITH THE WORDS "HAZARDOUS WASTE" AND THE APPROPRIATE WASTE CODES (D001, D035, F003, F005). THIS CONTAINER WILL BE LOCATED IN THE AREA OF THE SOLVENT RECYCLER.



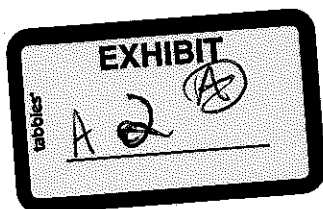


Office of State Fire Marshal

Hazardous Substance Information System (HSIS)



Version 1.3P
March, 2002



Company Chemical Information

Company Info			⏪	⏩	⏴	⏵
View all			AA	Close	⏴	
Chemical Info - All	Chemical Info - Current	Datasheet View				

Main Menu	
Print	Page
Company Info	

Help
Company Forms Help
Comp. Chem. Form Help
HSIS Help
Shortcut

Chemical reported by:

Facility ID Number: 000669 Company Name: DURA INDUSTRIES

Chemical Trade Name: METHYL ETHYL KETONE

Hazardous Ingredient: METHYL ETHYL KETONE

CAS Number: 78-93-3

UNNA Number: 1193

EPA Pesticide No.:

002267.TXT

Pure Mix: PURE	EHS Chem:	Hazard Class 3.2 FLAMMABLE LIQ.(0F<FP<73 6.3 ACUTE HEALTH HAZARD
Pyhsical State: LIQUID	112r Chem:	
Unit of Measure: GALLONS	313 Chem: Y	
Days on Site: 365		

Click for MSDS
NOTE: If an electronic MSDS is available for this chemical, the file name will be given; e.g., 000530.txt. To view the MSDS, double click on the file name.

Quantities			
Average Amt:	50-199	Amt In:	200-499
Maximum Amt:	50-199	Amt Out:	0-4
(Amount transported In and Out of facility)			

Storage	Pressure	Temperature
1: STEEL DRUM 2: 3:	NORMAL PRESSURE	NORMAL TEMPERATURE

Company Chemical Information

Company Info			⏪	⏩	⏴	⏵
View all			AA	Close	⏴	
Chemical Info - All	Chemical Info - Current	Datasheet View				

Main Menu	
Print	Page
Company Info	

Help
Company Forms Help
Comp. Chem. Form Help
HSIS Help
Shortcut

Chemical reported by:

Facility ID Number: 000669 Company Name: DURA INDUSTRIES

Chemical Trade Name: NITRIC ACID

Hazardous Ingredient: NITRIC ACID

CAS Number: 7697-37-2

UNNA Number: 2031

EPA Pesticide No.:

002432.TXT

Pure Mix: PURE	EHS Chem:	Hazard Class 8.0 CORROSIVES 5.1 OXIDIZERS 6.3 ACUTE HEALTH HAZARD
Pyhsical State: LIQUID	112r Chem:	
Unit of Measure: GALLONS	313 Chem: Y	
Days on Site: 365		

Click for MSDS
NOTE: If an electronic MSDS is available for this chemical, the file name will be given; e.g., 000530.txt. To view the MSDS, double click on the file name.

Quantities			
Average Amt:	20-49	Amt In:	20-49
Maximum Amt:	50-199	Amt Out:	0-4
(Amount transported In and Out of facility)			

Storage	Pressure	Temperature
1: STEEL DRUM 2: 3:	NORMAL PRESSURE	NORMAL TEMPERATURE

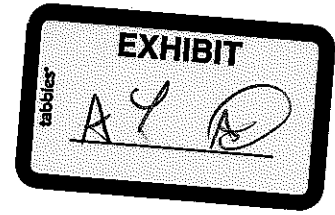
DELIVERY ORDER

IN CASE OF EMERGENCY OR SPILL, CALL THE NATIONAL RESPONSE CENTER 1-800-424-8802. WITHIN CALIFORNIA, CALL 1-800-852-7550

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. OR 0083647347		Manifest Document No. 87731		2. Page 1 1 of 1		Information in the shaded areas is not required by Federal law.					
3. Generator's Name and Mailing Address DURA INDUSTRIES 4466 NW YEON PORTLAND OR 97210						A. State Manifest Document Number 20087731							
4. Generator's Phone (503) 228-7007 (SEE BOX 15)						B. State Generator's ID							
5. Transporter 1 Company Name PRIME ENVIRONMENTAL			6. US EPA ID Number CAL931024038			C. State Transporter's ID (Reserved)							
7. Transporter 2 Company Name Allwaste Transportation & Remediation Inc						D. Transporter's Phone 562-495-7777							
8. US EPA ID Number CAD063547996						E. State Transporter's ID (Reserved)							
9. Designated Facility Name and Site Address U.S. ECOLOGY HIGHWAY 95, 12 MILES SOUTH BEATTY, NV 89003						F. Transporter's Phone (408) 268-1196							
10. US EPA ID Number NVT330010000						G. State Facility's ID							
11. US DOT Description (including Proper Shipping Name, Hazard Class, and ID Number) RO² HAZARDOUS WASTE SOLID, N.O.S. (FILTERCAKE), 9, NA3077, III						12. Containers No. Type 001CF 12200P		13. Total Quantity		14. Unit Wt/Vol P		I. Waste Number State .181 EPA/Other 0001, 0003, 0006	
<div style="border: 2px solid black; padding: 5px; display: inline-block;"> EXHIBIT </div>						• State		• EPA/Other		• State		• EPA/Other	
						• State		• EPA/Other		• State		• EPA/Other	
						• State		• EPA/Other		• State		• EPA/Other	
						• State		• EPA/Other		• State		• EPA/Other	
J. Additional Descriptions for Materials Listed Above AD9002110 FILTERCAKE						K. Handling Codes for Wastes Listed Above a. 99/03 b. c. d.							
15. Special Handling Instructions and Additional Information ERG# a.171b. c. d. SEND A MANIFEST COPY, CD & INVOICE - TO: WENDY JACOBUS: 200 PINE AVENUE SUITE 514 LONG BEACH, CA 90801 24 HOUR EMERGENCY RESPONSE: 1-877-217-7463													
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.													
Printed/Typed Name Jerry Hauser			Signature 			Month Day Year 01620100							
17. Transporter 1 Acknowledgement of Receipt of Materials Printed/Typed Name STEVEN C. ABILL			Signature 			Month Day Year 01620100							
18. Transporter 2 Acknowledgement of Receipt of Materials Printed/Typed Name Walter Shepherd			Signature 			Month Day Year 01728100							
19. Discrepancy/Indication Space 1) Generator EPA I.D. # corrected per Dan LaQua/Prime AD 9-14-00 13a) Actual weight received 1440 P. AD 9-14-00													
Printed/Typed Name Tony Docimo			Signature 			Month Day Year 01911400							

DO NOT WRITE BELOW THIS LINE.

FO06 incorrect should be FO19 shipped 6/20 received 8/14



SPILL PREVENTION/CONTROL PLAN
CONTINGENCY PLAN EMERGENCY PROCEDURES

Dura Industries is a metal finishing job shop. It operates within a facility of 17,000 square feet. Dura Industries is located at 4466 N.W. Yeon. It can be accessed directly from Yeon. Dura Industries operates in a building which has neighboring occupants to the south and west. The nearest cross street is Kittridge avenue. The building does have a sprinkler system that is connected to an audible alarm is activated. There is one overhead door and one personnel door on the north side of building; two overhead doors and one personnel door on the east side of the building.

Dura Industries uses paints and solvents, which are ignitable and toxic, in it's paint finishing process. Dura uses acid and caustic cleaning chemicals, which are toxic and reactive, in it's metal cleaning process. Dura generates hazardous waste in the forms of still bottoms from maintenance to the pretreatment process.

There are five primary areas where paint and solvent are stored and used:

1. Conveyor Paint Booth
2. Blending Lab
3. Paint Mixing Room
4. Daily Storage Area
5. Outside Storage area

Additionally the solvent recycler is located at the north east end of the facility where there is a 55 gallon drum for solvent still bottom accumulation. Paints and solvents are normally stored in 1 gallon and 5 gallon cans.

The cleaning chemical are stored in 55 gallon plastic drums located in the south west corner of the facility. These chemicals are used for up keep of the metal pretreatment system. The primary components of these chemicals are:

<u>Chemicals</u>	<u>Max Conc.</u>	<u>Min. Conc.</u>
Hydrofluoric Acid	10%	0.1%
Chromic Acid	10%	0.1%
Nitric Acid	70%	5.0%
Phosphoric Acid	35%	0.8%
Sodium Hydroxide	50%	0.4%

The pretreatment system consists of eight tanks of 1000 gallons each and one tank with a 1500 gallon capacity. There is a containment dike around these tanks with a greater than 1100 gallon capacity. There may be times when chrome sludge hazardous waste is stored in the vicinity of the pretreatment tanks. It will be stored in either a portable covered tank or 55 gallon drums.

Dura Industries is authorized to discharge industrial waste water to the city's sewer system in the compliance with the rules of Dura's permit no. 413.019. The waste water is discharged from an overflowing rinse tank to a 2ft. x 2ft. floor sump located at the southwest corner of the facility. The average industrial discharge is 5500 gpd. and the personal sanitary discharge is 500 gpd. via two restrooms near the front office. There are no other sewer discharges.

It contains the following inside a 20 gallon poly drum:

Tyvek Suit
One pair of nitrile gloves
Four each 3" x 4" universal booms
One each 5" x 10" universal booms
Fifty each 17" x 19" sorbent pads
Three each 38" x 60" poly bags
One pair of safety glasses

Additionally at this location:

1. One each 1500 gph. submersible pump and hoses
2. Neoprene gloves
3. Aprons and rubber boots
4. Floor squeegee, mop and bucket
5. Adsorbent material
6. Posted signs with emergency phone numbers
7. 17" X 19" sorbents pads

The chemical storage containers are checked daily by an operator for leaks, damage to containers, or deterioration caused by corrosion or other factors. Operators will check the secondary containment for accumulations of water and transfer to the process tanks. The shop manager will check the chemical spill kit weekly.

In the event of a spill, the outlined procedure will be followed:

1. The emergency coordinator shall be notified.
2. The situation will be assessed for immediate respiratory and safety hazards.
3. The proper authorities will be notified.
4. The Contingency Plan Emergency Procedure will be followed if such an emergency exists.
5. If a spill is contained and cleaned, proper material disposal will be monitored.
6. A full account of the incident shall be written in detail and forwarded to the City Source Control Authority.
7. The Spill Prevention and Control Plan shall be reviewed.

There will be an Emergency Coordinator present during all working hours. These individuals will review the Spill Prevention and Control Plan monthly. There is a chemical hazard training for all new employees and specific training for those handling hazardous chemicals.

There will be an Emergency Coordinator present during all working hours. These Individuals will review the Spill Prevention and Control Plan monthly. There is a chemical hazard training for all new employees and specific training for those handling hazardous chemical.

Other emergency equipment includes fire extinguishers (locations on Maps), phone system with pager in front office and shop office, and spill kits located at receiving dock and paint storage area.

These spill kits contain:

- One 20 gallon drum
- One Tyvek suit
- One safety glasses
- One pair latex gloves
- One 5" x 10' oil only boom
- Four 3" x 4' oil only booms
- Fifty 17" x 19" oil sorbent pads
- Three 38" x 60" poly bags

Contingency Plan Emergency Procedures

1. Whenever there is and imminent or actual emergency situation the Emergency Coordinator (or his/her designee when the emergency coordinator is on call.) must immediately:

A. Activate internal facility alarms or communication systems, where applicable, to notify all facility personnel; and if necessary evacuate the plant. This can be accomplished by pushing down the page button, then repeating the following message: "This is and emergency - evacuate the plant." Evacuation routes and alternate routes for each department is described below:

1. North side of building - one (1) over head door and one (1) personnel door.

2. East side of building - two (2) over head doors and one (1) personnel door.

B. Notify appropriate State or Local Agencies with designed response roles if help is needed.

C. Call 911. They will ask you police, fire, or medical. Tell them fire (they have an emergency response team and have agreed to help coordinate any emergency services needed.) Give them the following information:

1. Type of emergency

2. Address of emergency

3. Name of Emergency Coordinator.

2. Whenever there is a release, fire or explosion, the Emergency Coordinator must immediately identify the character, exact source, amount and a real extent of any released materials. He/she may do this by observation or review of the facility records or manifests and if necessary, by chemical analysis.

3. Concurrently, the Emergency Coordinator must asses possible hazards to human health or the environment that may result from the release, fire, or explosion. this assessment must consider both direct and indirect effects of the release, fire, or explosion (e.g., the effects of any toxic, irritating, or asphyxiating gases that are generated or the effects of any hazardous surface water run off from water or chemical agents used to control fire and heat induced explosions.)

4. If the Emergency Coordinator determines that the facility has had a release, fire, or explosion which could threaten human health, or the environment, outside the facility, he/she must report his/her finding as follows:

- A. If his/her assessment indicates that evacuation of local areas may be advisable, he/she must immediately notify appropriate local authorities. he/she must be available to help appropriate officials decide whether local areas should be evacuated;
- B. He/She must immediately notify D.E.Q. by phone, 229-5263, from 8 a.m. to 5 p.m., Monday through Friday or the government official designed as the on scene coordinator for that geographical area (1/800/452-0311) or the National Response Center (1/800/424-8802). The report must include:
1. Name and telephone number of reporter;
 2. Name and address of facility;
 3. Time and type of incident (e.g., release, fire);
 4. Name and quantity of material(s) involved, to the extent known;
 5. The extent of injuries, if any; and
 6. The possible hazards to human health, or the environment, outside the facility.
- C. If there is a spill to the city sewer system or storm drain, he/she must immediately notify the Columbia Blvd. Waste Water Treatment Plant Operator, phone 285-0205. He/She must also call the City Source Control Management , phone 823-7180 from 8 a.m. to 5 p.m.
5. During an emergency, the Emergency Coordinator must take all reasonable measures he/she deems necessary to ensure that fires, explosions, and releases do not occur, recur, or spread to other hazardous waste at the facility. These measures must include, where applicable, stopping process and operations, collecting and containing released waste, and removing or isolating containers.
6. If the facility stops operations in response to a fire, explosion, or release, the emergency coordinator must monitor for leaks, pressure equipment, where ever he/she deem appropriate.
7. Immediately after an emergency, the Emergency Coordinator must provide for treating, storing, or disposing of recovered waste, contaminated soil or surface water, or any other material that results from a release, fire, or explosion at the facility.
8. The Emergency Coordinator must ensure that, in the affected area(s) of the facility:

- A. **No waste that may be incompatibly with the released material is treated, stored, or disposed of until clean up procedures are completed, and**
 - B. **All emergency equipment listed in the Contingency Plan is cleaned and fit for its intended use before operations are resumed.**
9. **The owner or operator must note in the operating record the time, date, and details of any incident that requires implementing the contingency plan. Within 15 days after the incident he/she must submit a written report on the incident to the Regional Administrator. The report must include:**
- A. **Name, address, and telephone number of the owner or operator;**
 - B. **Name, address and telephone number of the facility;**
 - C. **Date, time and type of incident (e.g., fire, explosion);**
 - D. **Name and quantity of material(s) involved;**
 - E. **The extent of injuries, if any;**
 - F. **An assessment of actual or potential hazards to human health or the environment, where this is applicable, and;**
 - G. **Estimated quantity and disposition of recovered material that result from the incident.**

Amendment

The Contingency Plan must be reviewed and amended if necessary whenever;

1. **Applicable regulations are changed.**
2. **The plan fails in an emergency.**
3. **The facility changes in its design, construction, operation, maintenance or other circumstances-in a way that materially increases or hazardous waste constituents or changes the response necessary in emergency.**
4. **The list of emergency coordinators changes.**
5. **The list of emergency equipment changes.**

CONTINGENCY PLAN EMERGENCY COORDINATORS

JERRY HAUSER

(503) 663-2028
(503) 310-6047

JOHN BURNS

(503) 281-2656
(503) 310-4714

JEREMY PORTER

(503) 397-2486

FIRE DEPARTMENT - CALL " 9 1 1 "

Responsibilities of Emergency Coordinators

At all times, there must be at least one employee either on the facility premises or on call (i.e., available to respond to an emergency by reaching the facility within a short period of time) with the responsibility for coordinating all emergency response measures. This emergency coordinator must be thoroughly familiar with all aspects of the facility's contingency plan, characteristics of waste handled, the location of all records within the facility, and the facility layout. In addition, whenever there is a fire, explosion, or release of hazardous waste constituents which could threaten human health or the environment, this person must have the authority to commit the resources needed to carry out the following contingency plan.

PROCEDURE FOR MANAGING WASTE PAINT

- 1. Waste paint will be placed in a proper shipping container. (Probably an open head 55 gal. drum)**
- 2. Waste paint will be removed from small containers by pouring or scraping if required so no more than 1 inch of residue remains in that container.**
- 3. The operator will be familiar with the paints which are being disposed.**
- 4. The shipping container will be kept closed when not in use.**
- 5. The shipping container will be properly labeled at the time it is first used for accumulating waste paint.**
- 6. The operator will check the shipping containers daily for leaks or spills.**

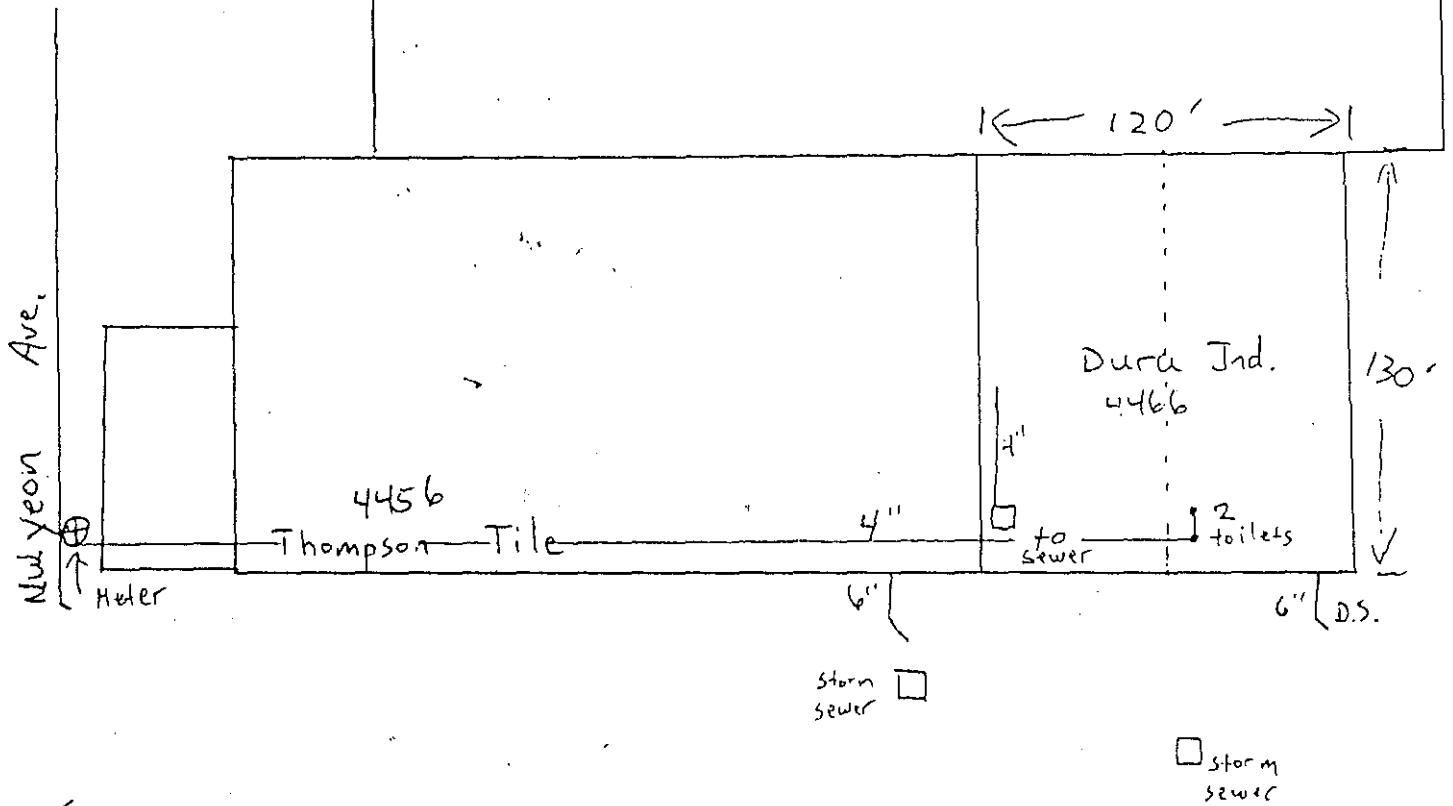
DURA INDUSTRIES
EVACUATION PLAN

In case of an emergency, fire, natural gas leak or any other situation which might make it necessary to evacuate the building, the following procedures should be followed.

- 1.) If you are the one to discover the emergency it will be necessary to warn others of the danger. Notify the Emergency Coordinator or the office so that an announcement can be made over the paging system.
- 2.) Leave the building by the two primary exits (see the diagram on page 2.) located through the office or the door next to the ground level bay door. These doors are to remain unlocked and unblocked at all times! If for any reason these exits are not safe you may use the truck level bays.
- 3.) After leaving the building it is essential that we keep track of all personnel to make sure that no one is left in the building. After evacuating, group across the parking lot next to Mount Hood Chemical. Report to the Emergency Coordinator on duty so he can make sure every one made it out of the building.
- 4.) It is the responsibility of the Emergency Coordinator on duty to account for all employees and visitors and to notify any and all emergency personnel of missing persons.

Dura Industries
Facility Location

Air Ware Inc,



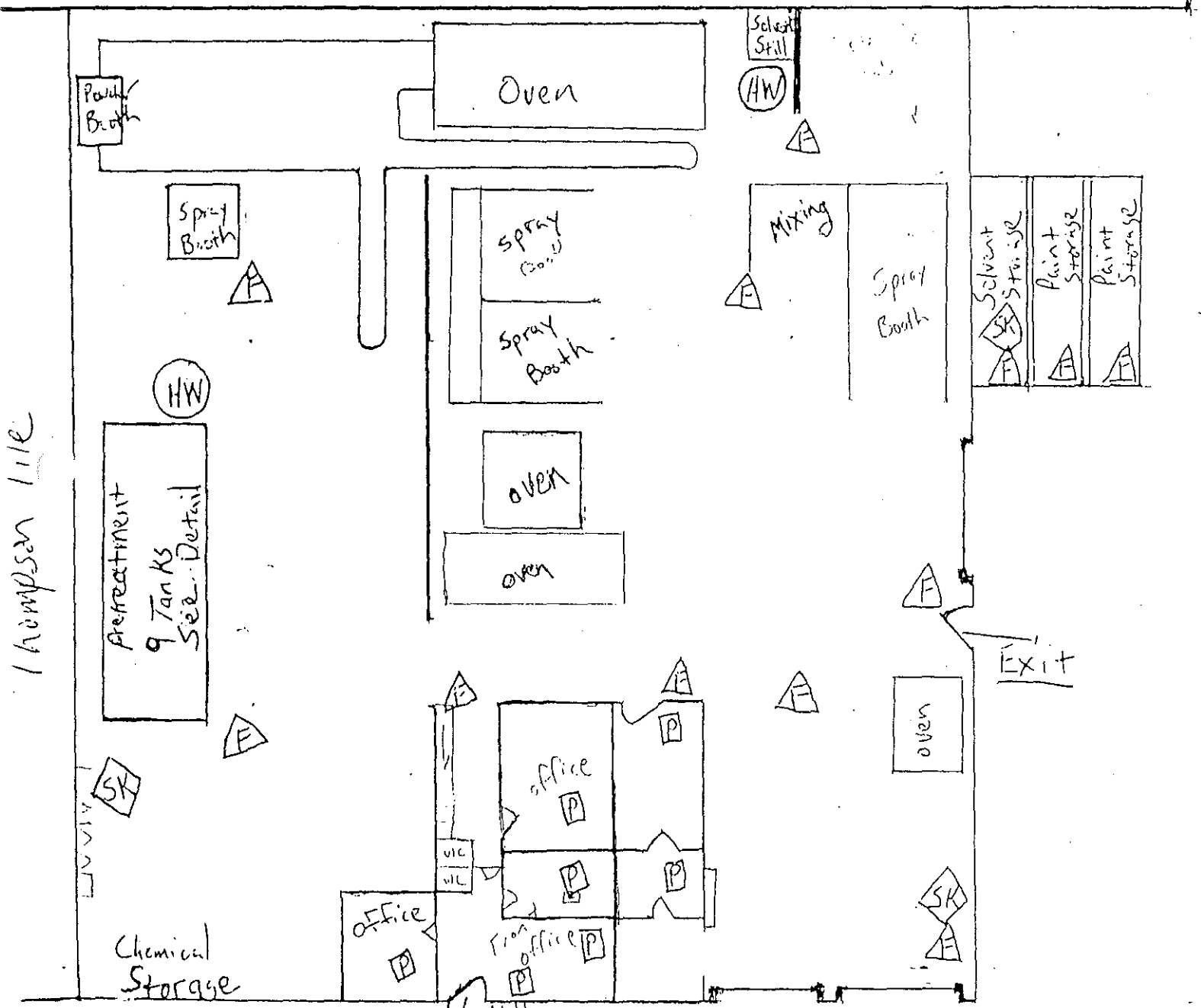
Mt. Hood Chemical
4444

Facility Map Detail

Dura Industries

- Key:
- [P] - Phone
 - [A] - Fire Extinguisher
 - [SK] - Spill Kit
 - (HW) - Hazardous Waste Storage

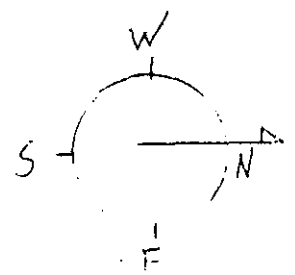
Air Ware Inc



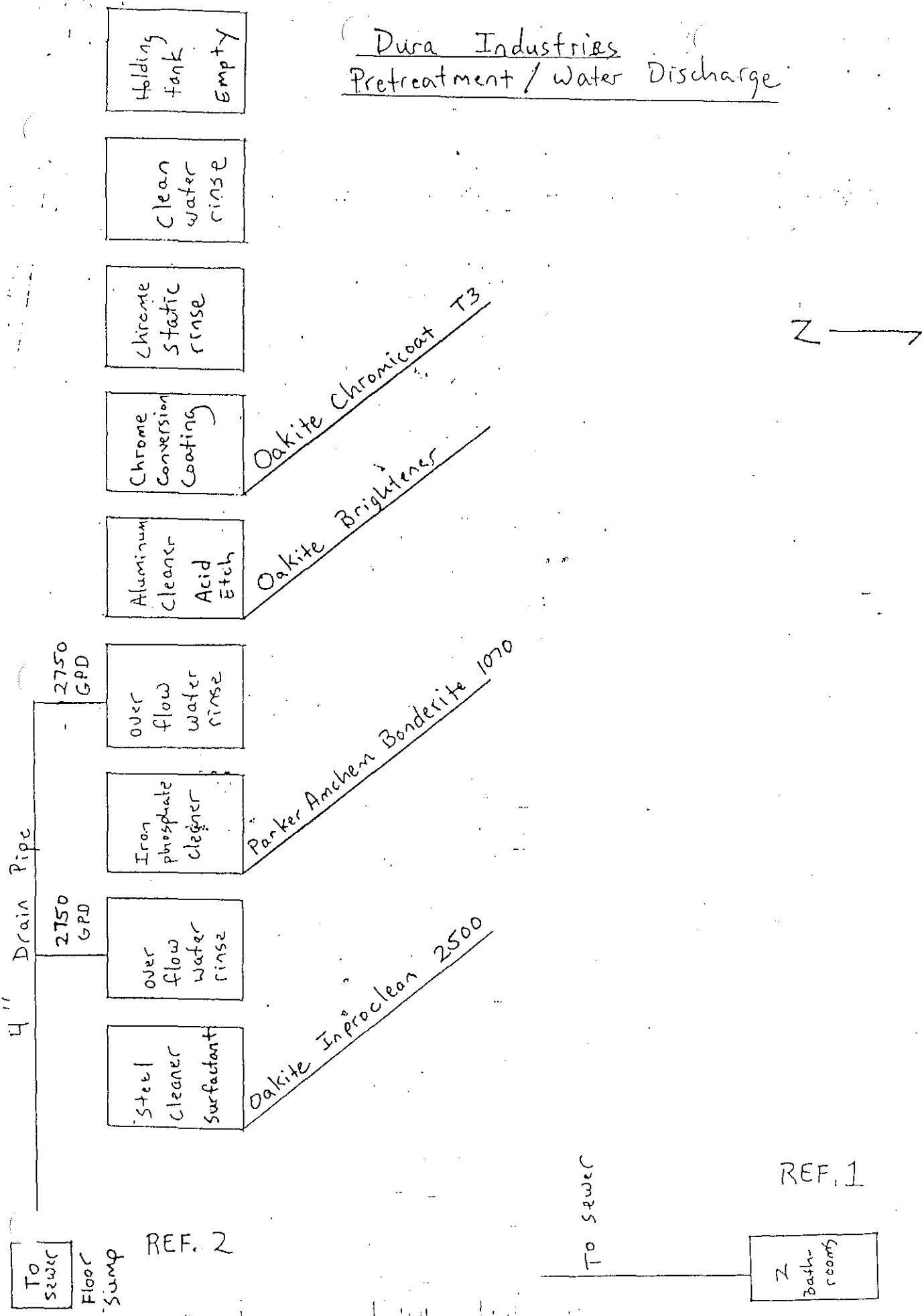
Thompson 11E

Parking

← Street
(Keon Ave)

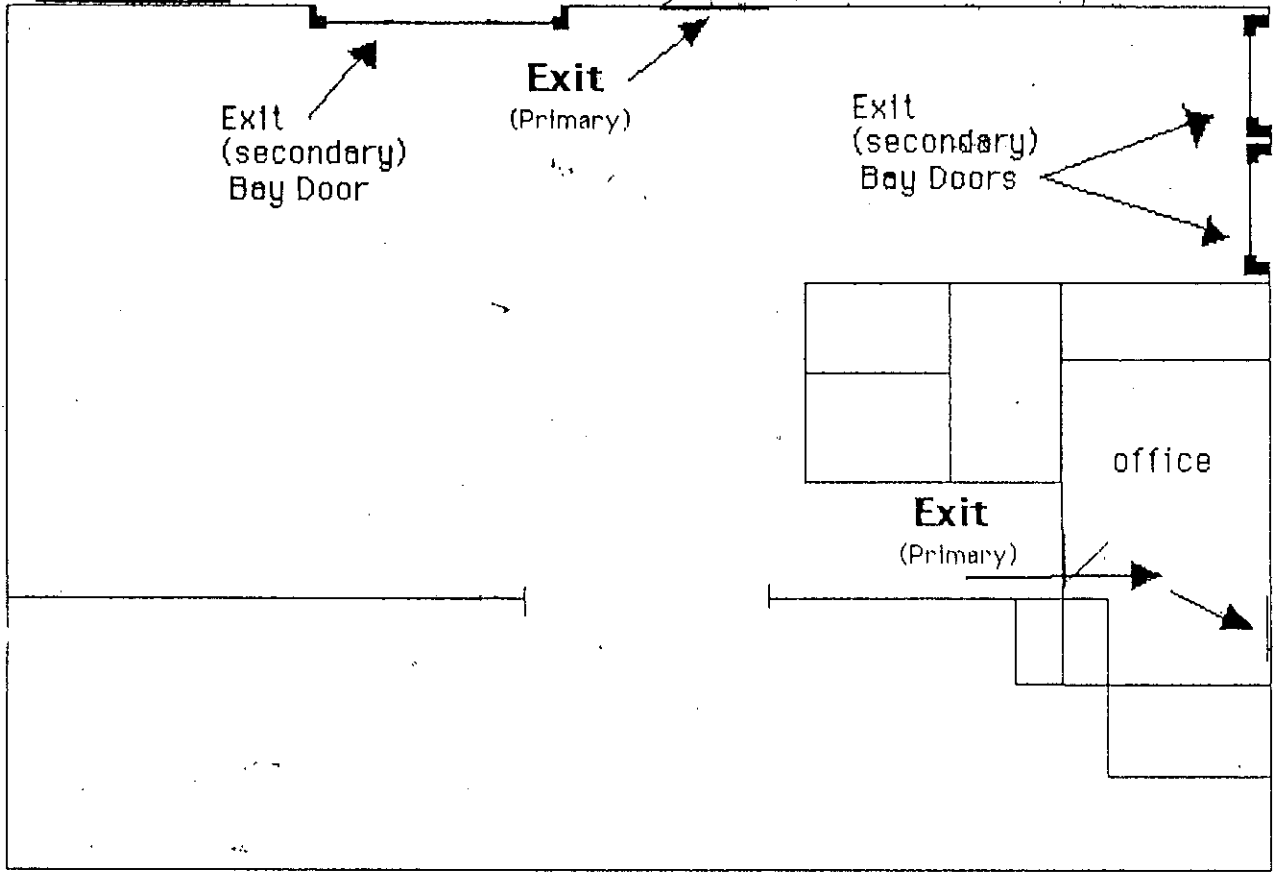
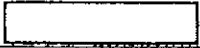


Dura Industries Pretreatment / Water Discharge



paint trailer

paint trailer



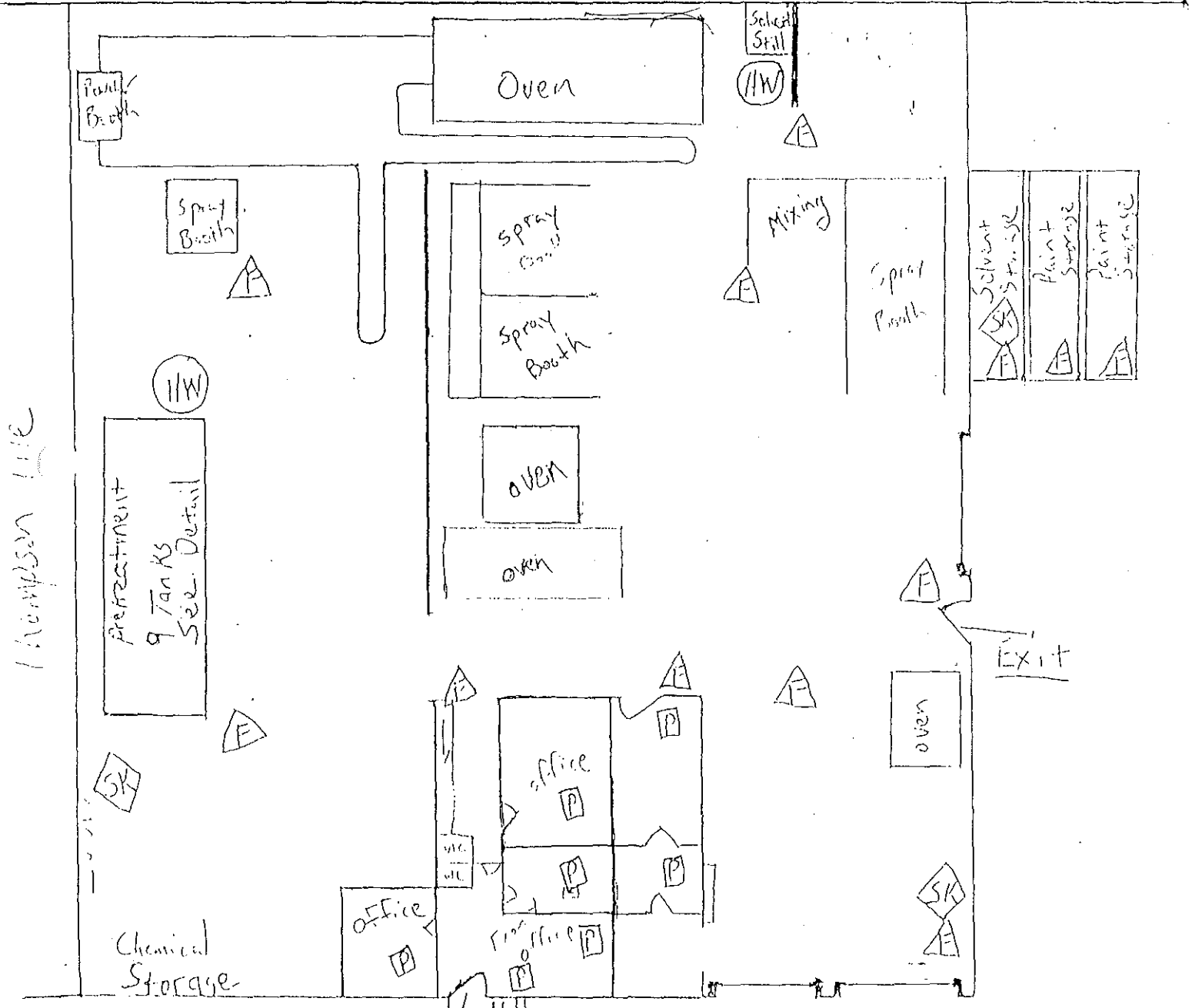
P
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Facility Map Detail

Dura Industries

- Key:
 [P] - Phone
 [A] - Fire Extinguisher
 [SK] - Spill Kit
 (HW) - Hazardous Waste Storage

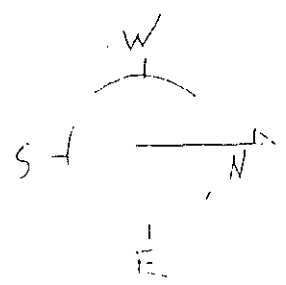
Air Ware Inc



Thompson Ave

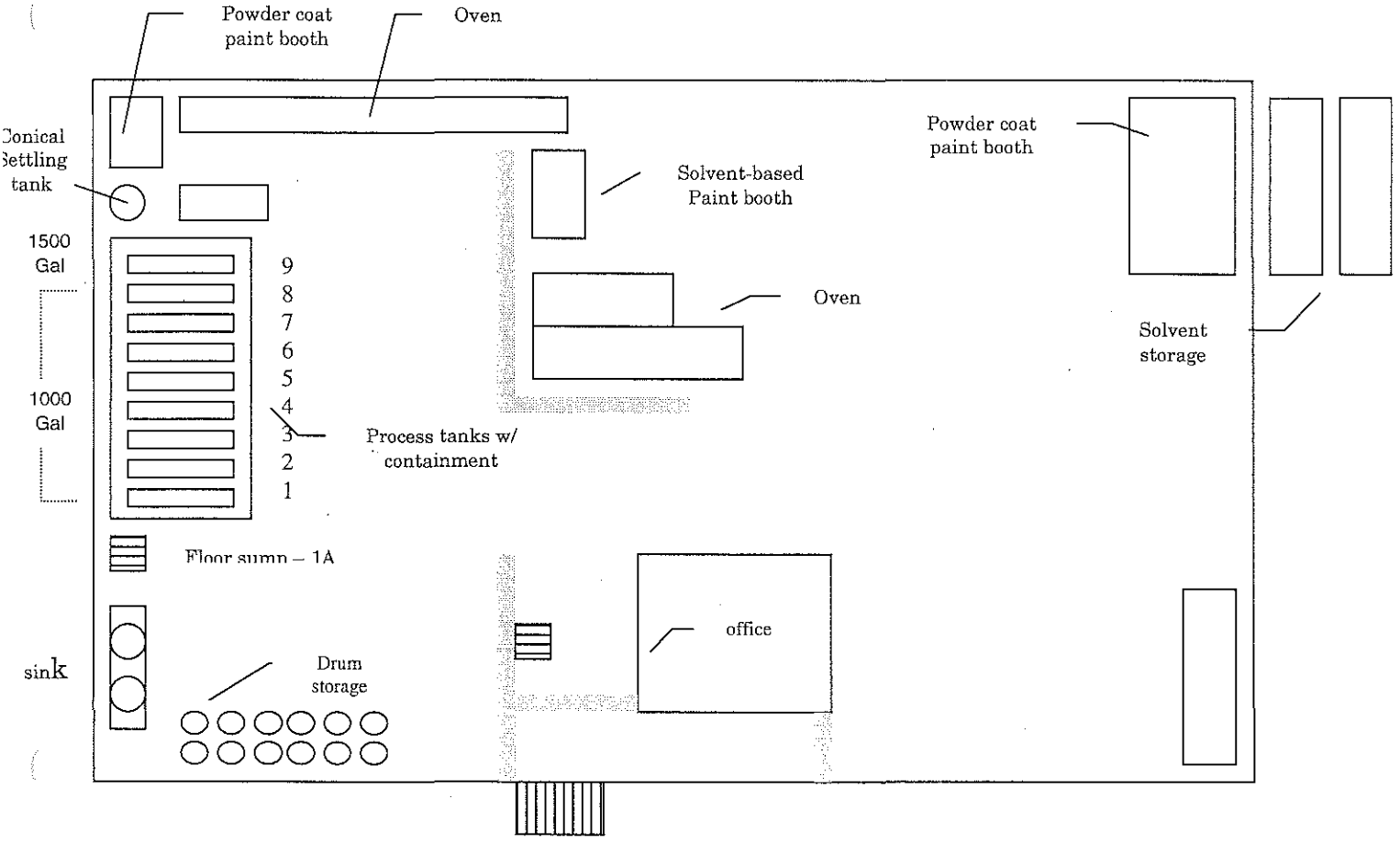
Parking

Street (Keon Ave)



Facility Layout

* Exhibit A5 not included



- 1 Static tank 3 last chrome rinse
- 2 Static tank 2 chrome rinse
- 3 Chrome rinse tank
- 4 Brightener (etch tank)
- 5 Static rinse 1 for etch tank
- 6 Phosphate tank
- 7 Overflow rinse
- 8 Surfactant cleaner
- 9 Chrome seal rinse for steel

CB 





tabbies
EXHIBIT
A 7 (A)



IEA1C08

* Exhibit A 8 not included

DEQ HWIMSY Waste Stream Shipments 2001 06-02-03 13:03

EPA ID ORD083647347 Facility Name Dura Industries Inc
Waste Codes D007 Sort By Manifest # N (Y/N)

Date Manifest #	EPA ID	Facility	Quantity(K)
0129 01014	To	IND000646943 Pollution Control Industries of	7,281

AAI005: Successfully VIEWed.

F1=Help F6=List Waste Streams F7=Up F8=Down F9=Management Method

[4] B LOCAL



Ref No.: G60288

STATE OF OREGON
HEARING OFFICER PANEL

Dec Mailed: 06/16/00

Case No: 00-GAP-00036

Mailed by: SLS

Case Type: DEQ

HEARING DECISION

DURA INDUSTRIES, INC.
C/O ROBERT SMITH, REGISTERED AGENT
610 SW BROADWAY STE 310
PORTLAND OR 97205 3404

DEPARTMENT OF ENVIRONMENTAL QUALITY
811 SW 6TH AVE
PORTLAND OR 97204 1334

THOMAS R. BENKE, ATTORNEY
6125 SW JAN TREE CT
PORTLAND OR 97219 1154

LARRY M. SCHURR
DEQ ENFORCEMENT SECTION
2020 SW 4TH AVE STE 400
PORTLAND OR 97201 4959

SUSAN GRECO

The following **HEARING DECISION** was served to the parties at their respective addresses.

I HEREBY CERTIFY THAT THE FORGOING
IS A COMPLETE AND EXACT COPY OF THE
ORIGINAL THEREOF.

Debi Nagel
Admin Ass't
Office of Comp & Enf
DEQ

Held by: Hearing Officer Panel, Employment Department
875 Union Street NE
Salem, OR 97311



**BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON**

IN THE MATTER OF:	)	PROPOSED HEARING
	)	ORDER REGARDING
Dura Industries, Inc.,	)	ASSESSMENT OF
an Oregon Corporation	)	CIVIL PENALTY
	)	WMC/HW-NWR-98-201
Respondent	)	MULTNOMAH COUNTY

BACKGROUND

A Notice of Assessment of Civil Penalty was issued July 8, 1999, under Oregon Revised Statutes (ORS) 468.130 through 468.140; ORS Chapters 466 and 183; and Oregon Administrative Rules (OAR) Chapter 340, Divisions 11 and 12. On August 2, 1999, respondent Dura Industries, Inc., (hereinafter, Dura) appealed the Notice.

A hearing was held in Portland, Oregon, on March 14, 2000, before hearing officer Lawrence S. Smith. Dura was represented by its attorney, Thomas R. Benke, with three witnesses, Jerry Hauser, John Burns, and Tom Mergy. Larry M. Schurr, environmental law specialist, represented DEQ, with two witnesses, Jim Waterman and Susan Shewczyk.

The hearing record remained open until April 18, 2000, for the parties to submit final written arguments. DEQ's Closing Arguments on the Merits was received in the mail on April 4, 2000. Dura's response was received on April 7, 2000. DEQ filed no reply by April 18, 2000, so the record was closed.

ISSUES

- A. Did respondent Dura Industries (hereinafter, Dura) violate ORS 466.100(1) by disposing hazardous waste it generated in a facility not permitted under ORS 466.110 to 466.170 to handle such waste?
- B. Did Dura violate OAR 340-102-011(2) by failing to determine whether each "residue" [as described and defined in OAR 340-100-010(2)(z) and 40 CFR 261.2] was a hazardous waste?
- C. Did Dura violate 40 CFR 262.32(b) in that prior to transporting, or offering hazardous waste for transportation off-site, respondent failed to mark each container of hazardous waste with the words "Hazardous Waste"?
- D. Did Dura violate OAR 340-108-030(1) by failing to immediately clean up a threatened spill or release of hazardous material at its facility?

- E. Did Dura violate 40 CFR 262.34(a)(2), 40 CFR 262.34(d)(4) and OAR 340-102-034(2) by failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site?
- F. Did Dura violate 40 CFR 262.20(a) in that prior to transporting or offering hazardous waste for transportation off-site, respondent failed to prepare a hazardous waste manifest?
- G. Did Dura violate 40 CFR 262.34(d)(5)(ii) by failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location?
- H. If Dura violated any of the above sections, were the assessed penalties appropriate under OAR chapter 340, section 012?

FINDINGS OF FACT

1. Respondent Dura Industries, Inc., (hereinafter, Dura) is an Oregon corporation. Part of its business includes chromium plating of parts. Dura's president, Jerry Hauser, has owned the company for 11 years. The company is small, with less than 10 employees.
2. Dura is registered with the State of Oregon as a small quantity generator of hazardous waste due to its use of paints and other products related to chromium plating.
3. In about April 1998, the fire department inspected Dura's factory and premises and recommended that Dura reduce some of its paint inventory. Around August 25, 1998, the lead supervisor for the employer started looking over the paint supplies to determine which would be removed and disposed. He knew the solvent-based paint was a hazardous waste and started pouring it into 55-gallon drums for proper disposal at a hazardous waste dump. He told a subordinate, Dura's lowest level employee, to throw the empty paint buckets in Dura's dumpster for pickup by its sanitation carrier. The subordinate misunderstood the direction and threw all the paint buckets in the dumpster, a total of about 16 five-gallon and one-gallon containers that ranged from empty to full. The total amount of paint thrown away was less than 50 gallons.
4. The dumpster was picked up later by Dura's sanitation carrier and transferred to the Metro Central Station for solid waste at 6161 N.W. 61st, Portland, Oregon, on August 25, 1998. This station has no permit to dispose of hazardous waste. The paint was immediately determined to be hazardous waste because of its smell. A technician was called in to handle the paint that was dumped. He closed down the dock for two hours so that he could clean the paint from the area. He estimated that at least 10 five-gallon buckets of paint were in the pile (Exhibit 7). He pulled out the buckets that still had paint in them and estimated that amount to be about 22 gallons. Someone else at the Metro Central Station wrote that about 22 gallons were spilled (Exhibit 18).
5. In response to a complaint from an employee at the Metro waste site, a representative from DEQ inspected the site (Exhibit 9) and took pictures (Exhibit 8). She took two samples from some of the paint buckets separated from the dump and learned the substances were hazardous wastes due to their low flashpoints and toluene in one (Exhibits 10 and 11). Dura does not deny that the paints were hazardous wastes and that they were not labeled as such before they were put in the dumpster. Dura did not label them as hazardous wastes because Dura did not intend to dispose of them through its sanitation carrier. Dura picked up the paint separated from the pile and

transferred it to a site that handles hazardous waste. Dura also paid for cleaning the dock and for the time it was closed for the cleanup.

6. Based in part on this dumping, DEQ conducted an inspection of Dura's facility on August 31, 1998 (Exhibit 12). DEQ's inspector alleged five violations: 1) Failing to post emergency information next to the telephone; 2) Placing hazardous wastes where they could migrate to the waters of the state; 3) Failing to immediately clean up spills or releases; 4) Disposing hazardous waste paint at the Metro disposal site; 5) Transporting hazardous waste off-site without a permit or manifests. Violation 2 was based on two inches of standing liquid in the secondary containment and cracks in the floor. The liquid was mostly water, but also contained some hazardous waste (chromium-related product) that dripped off parts as they were transferred between the tanks. The inspector believed that the liquid should have been cleaned up or the liquid would travel down the cracks to the environment. The liquid would not travel through the cracks to the environment below.
7. On September 21, 1998, DEQ issued a Notice of Noncompliance to Dura (Exhibit 13). The Notice listed the five violations above and requested actions to correct them. Dura responded on October 20, 1998, that: the emergency telephone number was posted near the telephone; the liquid in the secondary containment was not waste, but rather condensation, and a system was set up to return to any pumpable amount of condensation back to the process tanks; and Dura patched any visible cracks in the secondary containment. Dura also apologized for the violation of dumping the solvent-based paints at the Metro center.
8. On November 27, 1995, DEQ issued a Notice of Violation, Compliance Order and Assessment of Civil Penalty against Dura (Exhibit 15), which was resolved by a Mutual Agreement and Order (MAO) signed by Dura on March 27, 1996, and by DEQ on April 5, 1996. In the MAO, Dura and DEQ agreed that violations one through four will be treated as prior significant actions, but violations five through nine would not (Exhibit 17).

ULTIMATE FINDINGS

- A. Respondent Dura Industries (hereinafter, Dura) violated ORS 466.100(1) by disposing hazardous waste in a facility not permitted under ORS 466.110 to 466.170 to handle such waste.
- B. Dura did not violate OAR 340-102-011(2) by failing to determine whether each "residue" was a hazardous waste.
- C. Dura violated 40 CFR 262.32(b) in that prior to transporting or offering hazardous waste for transportation off-site, respondent failed to mark each container of hazardous waste with the words "Hazardous Waste".
- D. Dura did not violate OAR 340-108-030(1) by failing to immediately clean up a threatened spill or release of hazardous material at its facility.
- E. Dura violated 40 CFR 262.34(a)(2), 40 CFR 262.34(d)(4) and OAR 340-102-034(2) by failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site.

- F. Dura violated 40 CFR 262.20(a) in that prior to transporting or offering hazardous waste for transportation off-site, respondent failed to prepare a hazardous waste manifest.
- G. Dura violated 40 CFR 262.34(d)(5)(ii) by failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location.
- H. The penalties for the violations are modified, as explained below in the Civil Penalty portion of this decision.

APPLICABLE LAW

ORS 466.100(1) states in part:

* * * [N]o person shall dispose of any hazardous waste anywhere in this state except at a hazardous waste disposal site permitted pursuant to ORS 466.100 to 466.170.

OAR 340-102-0011(2) states in part:

A person who generates a residue as defined in OAR 340-100-010 must determine if that residue is a hazardous waste * * *.

40 CFR 262.32(b), as adopted by reference in OAR 340-102-010(2) and OAR 340-100-002(1), states in part:

Before transporting hazardous waste or offering hazardous waste for transportation off site, a generator must mark each container of 110 gallons or less used in such transportation with the following words and information * * *

OAR 340-108-030(1) requires persons to immediately clean up a threatened spill or release of hazardous at its facility.

ORS 466.095(1) states in part that "[N]o person shall:

(a) Store a hazardous waste anywhere in this state except at a permitted hazardous waste treatment, storage or disposal site; * * *"

40 CFR 262.34(a) states in part that "* * *, [A] generator may accumulate hazardous waste on site for 90 days or less without a permit or without having interim status, provided that:

(1) The waste is placed: (i) In containers and the generator complies with subpart I of 40 CFR part 265; and/or (ii) In tanks and the generator complies with Subpart J or 40 CFR part 265 * * *"

(2) The date upon which each period of accumulation begins is clearly marked and visible for inspection on each container.

40 CFR 262.20(a) states in part that "A generator who transports, or offers for transportation, hazardous waste for offsite treatment, storage, or disposal must prepare a Manifest OMB * * *

40 CFR 262.34(d)(5)(ii) states that "The generator must post the following information next to the telephone:

- (A) The name and telephone number of the emergency coordinator;
- (B) Location of fire extinguishers and spill control material, and, if present, fire alarm; and
- (C) The telephone number of the fire department, unless the facility has a direct alarm.

OAR 340-100-0002 states in part:

Adoption of United States Environmental Protection Agency Hazardous Waste and Used Oil Management Regulations

(1) Except as otherwise modified or specified by OAR Chapter 340, Divisions 100 to 106, 108, 109, 111, 113 and 120, the rules and regulations governing the management of hazardous waste, including its generation, transportation, treatment, storage, recycling and disposal, prescribed by the United States Environmental Protection Agency in Title 40 Code of Federal Regulations, Parts 260 to 266, 268, 270, 273 and Subpart A and Subpart B of Part 124 promulgated through October 9, 1998 are adopted by reference and prescribed by the Commission to be observed by all persons subject to ORS 466.005 to 466.080 and 466.090 to 466.215.

(2) Except as otherwise modified or specified by OAR Chapter 340, Division 111, the rules and regulations governing the standards for the management of used oil, prescribed by the United States Environmental Protection Agency in Title 40 Code of Federal Regulations, Part 279 promulgated through October 9, 1998, are adopted by reference into Oregon Administrative Rules and prescribed by the Commission to be observed by all persons subject to ORS 466.005 to 466.080 and 466.090 to 466.215.

NOTE: On March 3, 1992, in 57 Federal Register 7628, EPA promulgated a re-adoption of 40 CFR 261.3, the mixture and derived-from rules, because the rules had been vacated as a result of federal litigation. The EQC did not adopt this amendment at that time because the State had independently and legally adopted mixture and derived-from rules under state law in 1984, and has indicated its intent to maintain the mixture and derived-from rules with each annual rulemaking update.

CONCLUSIONS AND REASONS

DEQ alleged seven violations, which are considered separately below.

Violation 1. Disposing hazardous waste in a facility not permitted to handle such waste

Dura conceded it violated ORS 466.100(1) by disposing hazardous waste in a facility not permitted under ORS 466.110 to 466.170 to handle such waste. The amount of waste and penalty is considered below.

Violation 2. Failing to determine whether each "residue" was a hazardous waste.

Dura alleged that it did make a hazardous waste determination because it intended to separate out the solvent-based paint and to dispose of it in a facility permitted to handle hazardous waste. The only evidence of what happened prior to disposal was from witnesses for Dura. They testified directly and consistently, with earnest demeanors. Their account of how the solvent-based paint ended up in Dura's dumpster was not rebutted and is credible. Per their account, a de facto hazardous waste determination was made that the solvent-based paints were hazardous waste and would be placed in 55-gallon containers for disposal at a permitted hazardous waste site. Such disposal was not done because Dura's employee did not follow directions, and the hazardous waste was sent to the Metro site that was not permitted to handle such waste. It is highly improbable that Dura intentionally tried to sneak this hazardous waste into an unpermitted disposal site because the solvent-based paint was clearly hazardous and easily detectable, as it was at the Metro Central Station. Dura had determined that the solvent-based paints were hazardous waste, as required by OAR 340-102-0011(2).

Dura was not required to do more tests to determine the hazardous quality of them because it had already determined that the solvent-based paints were hazardous. OAR 340-102-0011(2) appears to apply to violators who never made a determination or who denied that the waste was hazardous. Dura was not one of those violators. The illegal dumping was not due to its failure to make a hazardous waste determination. Dura did not determine in each way how this waste was hazardous, but it concluded that it was, so investigation into other possible qualities that made the waste hazardous would be redundant and was not required by law. DEQ has not established a violation for failing to make a hazardous waste determination.

Violation 3. Dura failed to mark each container of hazardous waste with the words "Hazardous Waste" prior to transporting or offering hazardous waste for transportation off-site.

Dura violated 40 CFR 262.32(b) in that, prior to transporting or offering hazardous waste for transportation off-site, Dura failed to mark each container of hazardous waste with the words "Hazardous Waste". The waste was clearly set to be transported off-site when the employee put the buckets of paint in the dumpster. Dura's employee placed them there for "transport off-site for disposal" and they should have been marked as "Hazardous Waste" beforehand. This section of law imposes a strict liability upon anyone who offers hazardous waste for transport. Dura's cite of the example in the RCRA seems to say that generators do not need to deal with the hazardous waste *on site* until pouring it into containers for transport. Such an interpretation does not mean that a generator can ship the hazardous waste product *off site*, even by accident, in containers not marked "Hazardous Waste", just because it intended to ship them off later in containers marked properly. Its employee did offer the paint for transport without the words "Hazardous Waste" on the paint cans, so Dura violated 40 CFR 262.32(b), as adopted by reference in OAR 340-102-010(2) and OAR 340-100-002(1).

Violation 4. Failing to immediately clean up a threatened spill or release of hazardous material at its facility

Dura did not violate OAR 340-108-030(1) by failing to immediately clean up a threatened spill or release of hazardous material at its facility because DEQ has failed to establish a threatened spill or release. The liquid observed in the secondary containment probably did contain some hazardous waste from the runoff from parts transported between the tanks, contrary to what Dura's president said. This liquid evaporated off, leaving a small amount of chromium-contaminated sediment, which is a hazardous waste. DEQ assumed that this chromium would be spilled or released to the environment because of the cracks in the secondary containment, but it did not establish, through actual inspection or expert testimony, that the liquid containing the chromium would leak through the floor to the environment. Dura's expert disagreed that such leakage would permeate through the concrete in the cracks he saw. His inspection was a year after the inspection by the DEQ inspector, but his conclusions about the permeability of the cracks was still persuasive.

As Dura correctly points out, OAR 340-108-0002(16) defines "Threatened Spill or Release" to be "circumstances or events that indicate a spill or release of oil or hazardous material is likely and imminent." DEQ alleged that there was also a threat of release to the air, but much more of the liquid was in the tanks, so the release from the secondary containment was de minimis in relation to what was released to the air from the tanks. DEQ has not established that the small amount of hazardous waste in the liquid in the secondary containment would likely cause an imminent spill or release. Based on Dura's expert testimony and DEQ's lack of rebuttal, Dura did not violate OAR 340-108-030(1).

Violation 5. Failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site.

Dura violated 40 CFR 262.34(a)(2), 40 CFR 262.34(d)(4) and OAR 340-102-034(2) by failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site. As in Violation 3 above, this law imposes a strict liability for any violation. Dura's agent, the negligent employee who misunderstood the direction, disposed of the hazardous waste. Maybe such disposal was outside what Dura expected, but under the circumstances, Dura should have marked each container and failed to do so, so it violated 40 CFR 262.34(a)(2), 40 CFR 262.34(d)(4) and OAR 340-102-034(2).

Violation 6. Failing to prepare a hazardous waste manifest prior to transporting or offering hazardous waste for transportation off-site.

Dura Industries violated 40 CFR 262.20(a) in that prior to transporting or offering hazardous waste for transportation off-site, Dura failed to prepare a hazardous waste manifest. For the same reasons as stated in Violation 5, this law imposes a strict liability for any violation, and Dura failed to comply with it.

Violation 7. Failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location.

Dura Industries violated 40 CFR 262.34(d)(5)(ii) by failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location. While the

violation may seem technical because Dura claimed it was meeting the stricter requirements for large quantity generators, it did violate 40 CFR 262.34(d)(5)(ii). DEQ's citing of this violation was not arbitrary and capricious, especially when DEQ did not assess a penalty for this violation.

CIVIL PENALTY

Violation 1. Disposing hazardous waste in a facility not permitted to handle such waste

Dura conceded it violated ORS 466.100(1) by disposing hazardous waste in a facility not permitted under ORS 466.110 to 466.170 to handle such waste. Dura disagrees that the amount of the disposal was undetermined. The estimates by DEQ's witnesses were probably overstated. The amount of hazardous waste was likely less than 50 gallons, based on what was stated in the pollution complaint, which only alleged a total of about 40 gallons (Exhibit 19), in the memorandum from DEQ (Exhibit 9) and handwritten notes from a Metro employee (Exhibit 7), which alleged about 22 gallons on the pallet, and the testimony of the witnesses. The buckets removed from the pile were the ones that had any amount of paint in them. They totaled only about 22 gallons. If there was any measurable amount of paint left in the other buckets, they would likely have been pulled out and put on the pallet. Some paint was spilled throughout the load, but the Dura's witness correctly points out that amount was not much, based on the pictures. The amount in the other buckets not pulled out was certainly less than 28 gallons.

It is almost impossible to determine the exact amount of the paint (hazardous waste) that was disposed. That inability to determine the exact amount does not mean that the magnitude defaults to major because the amount is not determined exactly. The evidence does establish less than 50 gallons of paint were disposed of. The magnitude of Violation 1 was minor.

DEQ claims that the amount disposed is not relevant because the current rule regarding magnitude (OAR 340-012-0090(3)(b)(C)) requires that the lesser magnitude will be applied only "when the violation had no potential for or had no more than de minimis actual adverse impact on the environment, or posed any threat to public health, or other environmental receptors." The standard is rather broad, but was incorporated into the rule, effective October 12, 1998. The violation occurred on August 25, 1998, so the prior standard under OAR 340-012-0090(3)(c)(C) (the former numbering) is applied. The former rule did not have the above quoted language, so the magnitude is minor.

DEQ alleged that the paint (hazardous waste) contaminated the whole load, so the whole load should be considered hazardous waste, according to RCRA regulations. DEQ did not establish that Dura disposed of the other substances in the load and Dura certainly did not mix those wastes together in the sanitation truck and contaminate them, so Dura cannot be held responsible for mixing the waste and contaminating the other waste.

The "O" factor should be zero because the violation did not exist "for more than one day" or "recurred on the same day". OAR 340-012-0045(1)(c)(C). Dura paid for the site to be immediately cleaned up, which it was that day. DEQ alleged only one violation in regards to the disposal of hazardous waste, so it cannot allege recurring violations. Each dumped bucket cannot be considered a recurrence because they were dumped together.

The "R" should be plus 2 because Dura was at least negligent in not supervising its employee more closely to make sure this mistake did not occur. This mistake was not unavoidable, so the value cannot be 0, as argued by Dura.

Regarding Violation 1, Dura is liable for a penalty for a Class 1 minor magnitude violation, with additional factors of 5 for the "P" factor because of the four prior Class 1 or equivalent violations, 2 for the "R" factor because the employee's negligence is attributable to Dura, and negative 2 for each of the "H" and "C" factors because of Dura's efforts to correct the violation. The total penalty for this violation is $(\$1,000 + [(.1 \times \$1,000) \times (5-2+2-2)])$, or \$1,300.

Violation 2. Failing to determine whether each "residue" was a hazardous waste.

DEQ has not established a violation in this allegation, so no penalty is assessed.

Violation 3. Dura failed to mark each container of hazardous waste with the words "Hazardous Waste" prior to transporting or offering hazardous waste for transportation off-site.

Dura violated 40 CFR 262.32(b) in that prior to transporting or offering hazardous waste for transportation off-site, Dura failed to mark each container of hazardous waste with the words "Hazardous Waste", as explained above. DEQ applied the current version of OAR 340-012-0068(1)(ff) to conclude the violation was class one. That current version states that the violation is class one if there is a substantial harm to the public health or environment. The former rule in effect at the time of the violation does not contain such language. The former rule states that class one violations include systematic failure to follow container labeling requirements or lack of knowledge of container contents (OAR 340-12-068(1)(v)) and failure to label hazardous waste containers where such failure could cause an inappropriate response to a spill or leak and substantial harm to public health or the environment (OAR 340-12-068(1)(w)). DEQ has failed to establish a systematic failure by Dura or that the failure to mark could cause an inappropriate response because the material was obviously hazardous, as noted immediately at the Metro Central Station. Moreover, DEQ has not established with more than an unspecific allegation that the paint in the waste could reasonably cause a substantial harm to public health or the environment. The violation was class two under OAR 340-12-068(2)(u).

The "O" factor should be zero because the violation did not exist "for more than one day" or "recurred on the same day". OAR 340-012-0045(1)(c)(C). Dura paid for the site to be immediately cleaned up, which it was that day. DEQ alleged only one violation in regards to the disposal of hazardous waste, so it cannot allege recurring violations. Each dumped bucket cannot be considered a recurrence because they were dumped together.

The "R" should be plus 2 because Dura was at least negligent in not supervising its employee more closely to make sure this mistake did not occur. This mistake was not unavoidable, so the value cannot be 0, as argued by Dura.

Regarding Violation 3, Dura is liable for a penalty for a class two moderate magnitude violation, with additional factors of 5 for the "P" factor because of the four prior Class 1 or equivalent violations, 2 for the "R" factor because the employee's negligence is attributable to Dura, and

negative 2 for both the "H" and "C" factors because of Dura's efforts to correct the violation. The total penalty for this violation is $(\$1,000 + [(0.1 \times \$1,000) \times (5-2+2-2)])$, or \$1,300.

Violation 4. Failing to immediately clean up a threatened spill or release of hazardous material at its facility

Dura did not violate OAR 340-108-030(1) by failing to immediately clean up a threatened spill or release of hazardous material at its facility because DEQ has failed to establish a threatened spill or release. No penalty is therefore assessed.

Violation 5. Failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site.

Dura violated 40 CFR 262.34(a)(2), 40 CFR 262.34(d)(4) and OAR 340-102-034(2) by failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site. DEQ did not assess a penalty for this violation, so no penalty is assessed.

Violation 6. Failing to prepare a hazardous waste manifest prior to transporting or offering hazardous waste for transportation off-site.

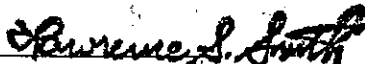
Dura violated 40 CFR 262.20(a) in that prior to transporting or offering hazardous waste for transportation off-site, Dura failed to prepare a hazardous waste manifest. DEQ did not assess a penalty for this violation, so no penalty is assessed.

Violation 7. Failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location.

Dura violated 40 CFR 262.34(d)(5)(ii) by failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location. DEQ did not assess a penalty for this violation, so no penalty is assessed.

Dated this 15th day of June, 2000.

ENVIRONMENTAL QUALITY COMMISSION


Lawrence S. Smith
Hearings Officer

**BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON**

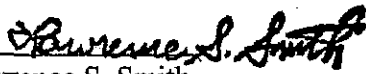
IN THE MATTER OF:	)	PROPOSED ORDER
	)	ASSESSING
Dura Industries, Inc.,	)	CIVIL PENALTY
an Oregon Corporation,	)	No.WMC/HW-NWR-98-201
Respondent	)	MULTNOMAH COUNTY

ORDER

IT IS HEREBY ORDERED that respondent Dura Industries, Inc., is liable for a total civil penalty of \$2,600, plus interest pursuant to Oregon Revised Statute (ORS) 82.010, from the date this order is signed below until paid; and that if the civil penalty remains unpaid for more than ten (10) days, this order may be filed with each County Clerk and execution shall issue therefor.

Dated this 15th day of June, 2000.

ENVIRONMENTAL QUALITY COMMISSION


Lawrence S. Smith
Hearings Officer

Return to:
Enforcement Section
Department of Environmental Quality
2020 SW 4th Avenue, Suite 400
Portland, OR 97201-4987

Appeal Rights

This Proposed Order will become a Final Order of the Environmental Quality Commission (EQC) within 30 days after the date this Order is served under OAR 340-011-0097 UNLESS a participant in the hearing or a member of the EQC serves on each participant, DEQ and EQC a Petition for Commission Review (see OAR 340-011-0132 and see the Statement of Mailing for the address of DEQ, EQC and the other participants). The timely filing and service of a sufficient Petition will automatically stay the effect of the hearing officer's Order.

Petition for Commission (EQC) Review: A Petition will be in writing and need only state the participant's or EQC's intent that the EQC review this Proposed Order. Within 30 days from the date

of the filing of the Petition, Petitioner shall file with EQC and serve upon each other participant written exceptions, brief and proof of service. The exceptions will specify those findings and conclusions objected to and also include proposed alternative findings of fact, conclusions of law, and order with specific references to the parts of the record upon which the Petitioner relies. Matters not raised by the hearing officer will not be considered except when necessary to prevent manifest injustice.

Respondent's Brief: Each participant will have 30 days from the date of filing of Petitioner's Exceptions and Brief in which to file with the EQC and serve upon each participant an answering brief and proof of service. If multiple Petitions have been filed, the Respondent will also file his exceptions as required in (2)(a) at this time.

Reply Brief: Each participant will have 20 days from the date of filing of a Respondent's Brief in which to file with the EQC and serve upon each other participant a reply brief and proof of service.

Briefing on Commission Invoked Review: Where one or more members of the EQC wish to review a hearing officer's Order and has timely served and filed a Petition, the Chairman will promptly notify the participants of the issue that the EQC desires the participants to brief. The Chairman will also establish the schedule for filing briefs. The participants will limit their briefs to those issues. Where the EQC wishes to review a hearing officer's Order and a participant also requested review, briefing will follow the schedule set forth in subsections (a), (b), and (c).

Extensions: The Chairman or the Director may extend any of the time limits contained in this section. Each extension request will be in writing and served upon each participant. Any request for an extension may be granted or denied in whole or part.

Failure to Prosecute: The EQC may dismiss any Petition if the Petitioner fails to timely file and serve any exceptions or brief required by these rules.

Oral Argument: Following the expiration of the time allowed the participants to present exceptions and briefs, the Chairman may at his discretion schedule the appeal for oral argument before the EQC.

Additional Evidence: The request to present additional evidence will be submitted by motion and be accompanied by a statement specifying the reason for the failure to present the evidence to the hearing officer. If the EQC grants the motion or decides on its own motion that additional evidence is necessary, the matter will be remanded to a hearing officer for further proceedings.

Scope of Review: The EQC may substitute its judgment for the hearing officer in making any particular finding of fact, conclusion of law, or order except as limited by OAR 137-003-0665.

Further Appeal: If you wish to appeal the Commission's decision, you have 60 days to file a petition for review with the Oregon Court of Appeals from the date of service of the order by the Environmental Quality Commission. See, ORS 183.480 et seq.



I HEREBY CERTIFY THAT THE FORGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF.

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION OF THE STATE OF OREGON

IN THE MATTER OF: DURA INDUSTRIES, INC., an Oregon corporation,

Respondent.

NOTICE OF VIOLATION, COMPLIANCE ORDER, AND ASSESSMENT OF CIVIL PENALTY NO. HW-NWR-95-221 MULTNOMAH COUNTY

ORD 083647347

I. AUTHORITY

This Notice of Violation, Compliance Order and Assessment of Civil Penalty is issued by the Oregon Department of Environmental Quality (Department or DEQ) pursuant to Oregon Revised Statutes (ORS) 468.130 through 468.140, 466.880; ORS Chapter 183; and Oregon Administrative Rules (OAR) Chapter 340, Divisions 11 and 12.

II. FINDINGS

1. Respondent Dura Industries, Inc., an Oregon corporation, is a large quantity generator of hazardous waste and operates a metal finishing facility located at 4466 N.W. Yeon Avenue, in Portland, Oregon (Respondent's Facility). Respondent's Facility has been assigned EPA Identification Number ORD 083647347.

2. On July 24, 1995, the Department inspected Respondent's Facility to determine compliance with Oregon law and hazardous waste management regulations.

III. VIOLATIONS

Based upon the above noted inspection, the Department has determined that Respondent violated the following provisions of Oregon law and hazardous waste regulations applicable to Respondent's Facility as set forth in ORS Chapter 466; and OAR Chapter 340, Divisions 100 to 110 and 120 including regulations incorporated in OAR 340-100-002 adopted pursuant to ORS Chapter 466:

///

I HEREBY CERTIFY THAT THE FORGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF.

Deb Nesbit, Admin Ass't DEQ, OCE

1 CLASS I VIOLATIONS:

2 1. On or about July 24, 1995, Respondent violated ORS 466.095 (1)(a) and/or (b) in
3 that without first obtaining a hazardous waste storage site permit, Respondent established and
4 operated a hazardous waste storage site at Respondent's Facility as a result of storing a large box
5 container of hazardous waste stillbottoms (characteristic and F-listed hazardous waste) on-site for
6 longer than the 90-day generator accumulation period authorized by 40 CFR 262.34(a).

7 2. Respondent violated OAR 340-102-011(2) in that Respondent failed to determine
8 whether each "residue" [as described and defined in OAR 340-100-010(2)(z) and 40 CFR 261.2]
9 generated by Respondent was a hazardous waste. Specifically, Respondent failed to make
10 hazardous waste determinations for two drums of paint dust/floor sweeping waste and for
11 Respondent's paint booth paint filters. The violation is a Class I violation pursuant to
12 OAR 340-12-068(1)(b).

13 3. Respondent violated 40 CFR 262.34(a)(2), and OAR 340-102-034(2) in that
14 Respondent failed to mark each container of hazardous waste with the date that accumulation
15 into each container began, including a container of stillbottoms (characteristic and F-listed
16 hazardous waste), a 55-gallon container of spent paint waste (characteristic and F-listed
17 hazardous waste), and a 5-gallon container of spent paint waste (characteristic and F-listed
18 hazardous waste). The violation is a Class I violation pursuant to OAR 340-12-068(1)(x).

19 4. Respondent violated 40 CFR 262.34(a)(1)(ii) and OAR 340-102-034(2) in that
20 Respondent accumulated hazardous waste in a tank at Respondent's Facility, without meeting
21 hazardous waste tank system standards set forth in 40 CFR Part 265, Subpart J, including
22 Respondent's failure to obtain a written tank system assessment/certification of structural
23 integrity for Respondent's hazardous waste water tank as required by 40 CFR 265.191.
24 The violation is a Class I violation pursuant to OAR 340-12-068(1)(o).

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26 ///

1 CLASS II VIOLATIONS:

2 5. Respondent violated 40 CFR 262.34(a)(3) and OAR 340-102-034(2) in that
3 Respondent failed to mark each tank or container of hazardous waste with the words "hazardous
4 waste," or in the alternative if a "satellite" accumulation container, with other words to identify
5 the contents of the container. Specifically, Respondent failed to properly mark a 1,000-gallon
6 tank of D007 hazardous waste, a container of stillbottoms (characteristic and F-listed hazardous
7 waste), a 55-gallon container of spent paint waste (characteristic and F-listed hazardous waste),
8 and a 5-gallon container of spent paint waste (characteristic and F-listed hazardous waste).

9 6. Respondent violated 40 CFR 262.34(a)(1)(i), 40 CFR 265.173(a), and
10 OAR 340-102-034(2) in that Respondent failed to keep each container of hazardous waste closed
11 except when necessary to add or remove waste. Specifically, Respondent failed to keep closed a
12 container of chrome sludge (characteristic D007 hazardous waste).

13 7. Respondent violated 40 CFR 262.34(a)(4) and OAR 340-102-034(2) in that
14 Respondent failed to meet Contingency Plan and Emergency Procedures requirements set forth in
15 40 CFR Part 265, Subpart D. Respondent failed to prepare and maintain an updated
16 contingency plan for Respondent's Facility as required by 40 CFR 265.52, including an updated
17 list of emergency equipment, and an updated list of persons qualified to act as emergency
18 coordinator for Respondent's Facility. Respondent also failed to provide copies of an updated
19 contingency plan to emergency responders as required by 40 CFR 265.53.

20 8. Respondent violated 40 CFR 262.34(a)(4), 40 CFR 265.16, and
21 OAR 340-102-034(2) in that Respondent failed to provide required personnel training and/or
22 failed to maintain personnel training documents and records as required.

23 9. Respondent violated 40 CFR 268.7(a)(7) in that Respondent failed to retain a copy
24 of each land disposal restriction notification/certification document on-site for at least five years.

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1 IV. COMPLIANCE ORDER

2 Based upon the foregoing FINDINGS AND VIOLATIONS, Respondent is hereby
3 ORDERED to immediately initiate action to correct any continuing violation and come into full
4 compliance with applicable hazardous waste management regulations.

5 V. ASSESSMENT OF CIVIL PENALTY

6 The Director imposes a \$1,000 civil penalty against Respondent for Violation 1 cited in
7 Section III. Exhibit 1 is attached to and incorporated into this Notice and includes the
8 Department's findings and determination of the amount of Respondent's civil penalty calculated
9 pursuant to OAR 340-12-045.

10 VI. OPPORTUNITY FOR CONTESTED CASE HEARING

11 This Notice of Violation, Compliance Order and Assessment of Civil Penalty shall
12 become final unless Respondent requests a hearing before the Environmental Quality
13 Commission pursuant to ORS 466.190, ORS Chapter 183, and OAR Chapter 340, Division 11.
14 The request must be made in writing and must be received by the Department's Rules
15 Coordinator within twenty (20) days from the date of service of this Notice, and must be
16 accompanied by a written "Answer" to the allegations contained in this Notice. In the written
17 "Answer", Respondent shall admit or deny each allegation of fact contained in this Notice and
18 Respondent shall affirmatively allege any and all affirmative claims or defenses to violations and
19 assessment of any civil penalty that Respondent may have and the reasoning in support thereof.

20 Except for good cause shown:

- 21 1. Factual matters not controverted shall be presumed admitted;
- 22 2. Failure to raise a claim or defense shall be presumed to be a waiver of such claim
23 or defense;
- 24 3. New matters alleged in the "Answer" shall be presumed to be denied unless
25 admitted in subsequent pleading or stipulation by the Department or Commission.

26 ///

1 Send the request for hearing and "Answer" to: **DEQ Rules Coordinator, Management**
2 **Services Division, 811 S.W. Sixth Avenue, Portland, Oregon 97204.** Following receipt of a
3 request for hearing and an "Answer," Respondent will be notified of the date, time and place of
4 the hearing. Failure to file a timely request for hearing and "Answer" may result in a Default
5 Order for the relief sought in this Notice. Failure to appear at a scheduled hearing or meet a
6 required deadline may result in a dismissal of the request for hearing and also an entry of a
7 Default Order. The Department's case file at the time the Notice was issued may serve as the
8 record for purposes of entering a Default Order.

9 **VII. OPPORTUNITY FOR INFORMAL DISCUSSION**

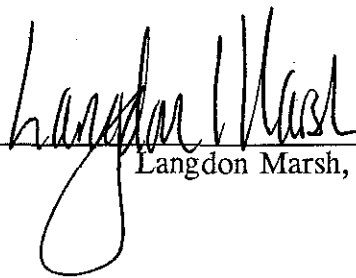
10 In addition to filing a request for a contested case hearing, Respondent may also request
11 an informal discussion with the Department by attaching a written request to the hearing request
12 and "Answer".

13 **VIII. PAYMENT OF CIVIL PENALTY**

14 The civil penalty is due and payable 10 days after the order imposing the civil penalty
15 becomes final by operation of law or on appeal. Respondent's check or money order in the
16 amount of \$1,000 should be made payable to "Department of Environmental Quality" and sent to
17 the **Business Office, Department of Environmental Quality, 811 S.W. Sixth Avenue,**
18 **Portland, Oregon 97204.**

19 **NOV 27 1995**

20 Date



21 _____
22 Langdon Marsh, Director
23
24
25
26
27



BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON

A-12

IN THE MATTER OF:
DURA INDUSTRIES, INC.,
an Oregon corporation,

)
) MUTUAL AGREEMENT
) AND ORDER
) No. HW-NWR-95-221
) MULTNOMAH COUNTY

WHEREAS:

1. On November 27, 1995, the Department of Environmental Quality (Department) issued Notice of Violation, Compliance Order, and Assessment of Civil Penalty No. HW-NWR-95-221 (Notice) to Dura Industries, Inc. an Oregon corporation (Dura). In the Notice, Dura was cited for nine alleged violations of hazardous waste management regulations and was assessed a \$1,000 civil penalty for Violation 1.

2. By letter dated December 11, 1995, Dura filed a request for hearing and an Answer to the Notice, and also requested an informal discussion with the Department.

3. An informal discussion was held on February 6, 1996, and the parties now agree to compromise and settle this contested case on the following terms.

NOW THEREFORE, it is stipulated and agreed that:

4. Dura hereby waives any and all rights and objections Dura may have to the form, content, manner of service and timeliness of the Notice as modified below; to a contested case hearing and judicial review of the Notice; and to service of a copy of this Mutual Agreement and Order (MAO), which shall be effective when signed by the Director on behalf of the Environmental Quality Commission (Commission).

5. Dura Industries, Inc. was incorporated as an Oregon corporation on February 14, 1989, and has no connection whatever with Dura Finishes, Inc., a completely separate company which previously occupied the same site, and which did business under the registered assumed business name of "Dura Industries, Inc."

I HEREBY CERTIFY THAT THE FORGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF.

Deborah Nesbitt
Admin Asst
Office of Compliance
DEQ

6. The Department agrees to withdraw Violations 5 through 9 cited in the Notice, and agrees not to treat those withdrawn violations as "prior significant actions."

7. Pursuant to OAR 340-12-030(4), Violations 1 through 4 cited in the Notice will be treated as "prior significant actions" in the event a future violation occurs.

8. The Commission shall enter a final order:

a. Incorporating the above stipulations, and imposing a civil penalty of \$1,000 upon Dura Industries, Inc. for Violation 1 cited in the Notice.

b. Finding that the Department and Commission have satisfied all the requirements of law and that settlement of the contested case is consistent with public health and safety, and is in the public interest.

DURA INDUSTRIES, INC.

3/27/96
Date

John Burns
Name John Burns
Title Corp Secy

DEPARTMENT OF ENVIRONMENTAL QUALITY

4/5/96
Date

Langdon Marsh
Langdon Marsh
Director

FINAL ORDER

IT IS SO ORDERED:

ENVIRONMENTAL QUALITY COMMISSION

4/5/96
Date

Langdon Marsh
Langdon Marsh, Director
Pursuant to OAR 340-11-136(1) and OAR 340-12-047



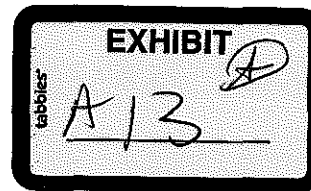
Oregon

John A. Kitzhaber, M.D., Governor

Department of Environmental Quality

Northwest Region
2020 SW Fourth Avenue
Suite 400
Portland, OR 97201-4987
(503) 229-5263 Voice
TTY (503) 229-5471

CERTIFIED MAIL
RETURN RECEIPT REQUESTED



April 15, 2002

JERRY HAUSER
DURA INDUSTRIES INC
PO BOX 10762
PORTLAND OR 97296

Re: HW- MULTNOMAH County
Dura Industries Inc
ORD083647347
NWR-HW-02-008
NOTICE OF NONCOMPLIANCE

Dear Mr. Hauser:

This Notice of Noncompliance (hereinafter called "Notice") is issued in accordance with OAR 340-12-041(1) for hazardous waste violations documented by the Oregon Department of Environmental Quality (the Department) at the Dura Industries Inc. facility, located at 4466 NW Yeon, Portland, Oregon in MULTNOMAH County. The violations were identified during the April 1, 2002, hazardous waste inspection.

Violations documented include violations of Oregon's hazardous waste regulations (Oregon Administrative Rules or OAR). The OARs include federal regulations adopted from Title 40 of the Code of Federal Regulations (40 CFR). At the time of the Department's inspection, Dura Industries Inc. was subject to the hazardous waste regulations applicable to large quantity hazardous waste generators.

The purpose of this Notice is to inform you of violations that have been identified so that you can begin to take action to correct them. Based upon your response to these violations and upon completion of the Department's investigation, additional violations may be identified. The Department will inform you in a subsequent Notice of Noncompliance if additional violations need to be corrected.



VIOLATIONS

HAZARDOUS WASTE VIOLATIONS

VIOLATION NO. 1: Dura Industries Inc. violated 40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(3) by failing to have a written Personnel Training Program.

40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(3) require that a generator maintain a written description of the type and amount of both introductory and continuing training that will be given to each person filling a position where hazardous waste is managed. This written plan was not available.

VIOLATION NO. 2: Dura Industries Inc. violated 40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(2) by failing to include duties pertaining to hazardous waste in personnel's written job descriptions.

40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(2) require that a generator maintain a written job description for each person that manages hazardous waste, and the name of each employee filling the job. The job descriptions, as the duties relate to hazardous waste operations, were not available.

VIOLATION NO. 3: Dura Industries Inc. violated 40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(4) by failing to document employee training.

40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(4) require that a generator maintain records of all training given to personnel who manage hazardous waste. There were no training documents for Mr. Hauser available. He stated that he had been trained, but the training was primarily in regards to Department of Transportation hazardous materials regulations. Training documents showing that Mr. Hauser gave in-house training were available for 8 other employees that handle hazardous waste; however, the training was conducted in January 2001 and December 2000.

VIOLATION NO. 4: Dura Industries Inc violated 40 CFR § 262.34(a)(4), 40 CFR § 265.32(a), & 40 CFR § 265.34(a) by failing to have internal communication or alarm system immediately available.

40 CFR § 262.34(a)(4), 40 CFR § 265.32(a), & 40 CFR § 265.34(a) require that the facility must be equipped with an internal communications or alarm system to provide emergency instructions to facility personnel. There is no telephone at or near the hazardous waste storage area or distillation area. The telephone is located in the office, which is not immediately available.

MR Jerry Hauser
April 17, 2002
Page 2

VIOLATIONS

HAZARDOUS WASTE VIOLATIONS

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40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(3) require that a generator maintain a written description of the type and amount of both introductory and continuing training that will be given to each person filling a position where hazardous waste is managed. This written plan was not available.

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MR Jerry Hauser
April 17, 2002
Page 3

The contingency plan must contain the name, phone number, and address of the emergency coordinators (40 CFR 265.52). The contingency plan does not contain the address of the emergency coordinator. The contingency plan must describe the emergency equipment capabilities. The plan lists the location and equipment but does not describe the capabilities or use of the equipment.

VIOLATION NO. 5: Dura Industries Inc violated **40 CFR § 262.34(a)(4) & 40 CFR § 265.35** by failing to maintain adequate aisle space in the wastewater treatment sludge container area.

40 CFR § 262.34(a)(4) & 40 CFR § 265.35 require that the generator maintain adequate aisle space to allow for the response to emergencies. Equipment and parts were blocking the area around the wastewater treatment sludge hazardous waste container.

VIOLATION NO. 6: Dura Industries Inc violated **40 CFR § 262.42(a)(2)** by failing to submit an exception report for waste shipped June 20, 2000.

40 CFR § 262.42(a)(2) requires that a generator file an exception report with the Department whenever they do not receive a signed copy of the manifest back from the designated treatment, storage, or disposal (TSD) facility within 45 days of the date when the waste was first accepted by the initial transporter. Filtercake (F019) was initially accepted by Prime Environmental (CAL931024038) to transport to U.S. Ecology in Beatty, Nevada on June 20, 2000. The filtercake did not arrive at the destination facility until September 14, 2000. A large quantity generator is required to contact the destination facility within 35 days of the initial date of shipment if they have not received a copy of the manifest signed by the TSD. If the manifest has not arrived within 45 days, the generator is required to submit an exception report to the Department. Dura did not submit an exception report for this shipment of hazardous waste.

VIOLATION NO. 7: Dura Industries Inc violated **OAR 340-102-011** by failing to perform a hazardous waste determination on rags containing solvent.

OAR 340-102-011 requires that any person who generates a waste determine whether or not the waste is a hazardous waste. According to Mr. Hauser, rags that are used in solvent cleaning operations are disposed of in the garbage. Solvent is poured onto the equipment and then wiped off with rags. The solvent is primarily acetone, but may also contain MEK, toluene, or xylene. The spent solvents are classified as D001 and F003. The rags used in the process may be ignitable, toxic, or a listed hazardous waste. According to Department Policy (see Mary Wahl letter dated May 3, 1996) unless industrial wipers are sent to a laundering service in accordance with Department policy, they will be considered a solid waste and be subject to a waste determination and applicable hazardous waste regulations.

MR Jerry Hauser
April 17, 2002
Page 4

There were several containers of paint in the storage area that were marked as "dirty" or "do not use," although Dura has a policy to keep paint on site for warranty reasons, this paint appeared to be waste. Additionally, there was a pail of contaminated paint; Mr. Hauser stated that it was product.

VIOLATION NO. 8: Dura Industries Inc violated **40 CFR § 268.9(a)** by failing to determine all of the applicable waste codes for their F019 waste and the underlying hazardous constituents.

40 CFR § 268.9(a) requires that generators determine all of the applicable waste codes for their waste. In addition, the generator of characteristic waste must determine the underlying hazardous constituents. The manifests and accompanying land disposal restriction notifications listed your wastewater treatment sludge as F006. The sludge is F019 since it is wastewater treatment sludge generated from the chemical conversion coating of aluminum. Additionally, several of the manifests that accompanied waste transported by Prime Environmental contained waste volume discrepancies and the wrong EPA ID number for Dura Industries.

REQUESTED ACTION

You are requested to immediately begin addressing the violations cited in this Notice and inform the Department of the actions you have taken to correct the violations and prevent their recurrence. Please take the following immediate actions.

Please provide documentation showing that the violations have been corrected, according to the following schedule:

VIOLATION NO. 1: Within thirty (30) days of receipt of this Notice, please draft a plan that describes the introductory and continuing training that will be given to each person that manages hazardous waste.

VIOLATION NO. 2: Within thirty (30) days of receipt of this Notice, please submit to the Department revised job descriptions for the employees who handle hazardous waste.

VIOLATION NO. 3: Within 180 days of receipt of this Notice, please begin to document the hazardous waste training that is given to employees and submit a copy of the documentation to the Department.

VIOLATION NO. 4: Within thirty (30) days of receipt of this Notice, please submit a photograph showing that an internal communication or alarm system has been installed in the hazardous waste storage area. Update the contingency plan with emergency coordinator addresses and equipment capabilities.

MR Jerry Hauser
April 17, 2002
Page 4

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MR Jerry Hauser
April 17, 2002
Page 5

VIOLATION NO. 5: **Within five (5) days of receipt of this Notice**, please provide a photograph which shows that the waste storage area now has adequate aisle space.

VIOLATION NO. 6: In the future, if you do not receive a signed copy of the manifest back from the designated facility within 45 days, please submit an exception report to the Department.

VIOLATION NO. 7: Determine all applicable hazardous waste codes for you industrial wipers waste and manage them as hazardous waste or in accordance with the Department's May 3, 1996 policy (see attachment). Please send me documentation regarding the management of the wipers within **thirty (30) days**. Additionally send documentation regarding the paint showing that it is product or perform a hazardous waste determination on this waste stream.

VIOLATION NO. 8: In the future, insure that your hazardous waste manifests and accompanying land disposal restriction forms contain the correct waste identification code, the correct generator identification number, and the correct volume of waste transported.

Violations 6 and 7 are considered to be Class I violations and are serious violations of Oregon environmental law. Therefore, this file is will be referred to the Department's Enforcement Section with a recommendation to proceed with a formal enforcement action. Formal enforcement actions may include a civil penalty assessment. Civil penalties can be assessed for each day of violation.

Additional Concerns

Dura Industries has a wastewater treatment permit from the City of Portland that allows them to discharge rinse water from their metal pretreatment line into the sanitary sewer. Since the discharge is under permit (Permit No. 433.028), it is exempt from RCRA regulation. However, the facility would like to reuse the some of the rinse water in their process. When the facility reuses the water, the treatment system will be exempt as a totally enclosed treatment unit. If the treated water is stored in a tank that is not directly plumbed to the process prior to reuse, this exemption will apply only if the metal concentrations of the treated water are below the regulatory standards for hazardous waste.

A further concern is the lack of chemical labeling and a lack of containment for some of the chemicals. Two 5-gallon pails of gun-cleaning solvent and several pails of paint located in the mix area were not labeled. There are two tanks near the pretreatment area that reportedly contain an etching solution and water for reuse in the process that were not labeled. If the solutions were hazardous waste, they would need to be labeled as hazardous waste and managed in accordance with regulation. If they are products, the OSHA regulations require labels. Since the tanks and containers are not labeled, it is difficult to ascertain whether the

MR Jerry Hauser
April 17, 2002
Page 6

contents are waste or product. Additionally, the etch solution is not within the bermed area which provides secondary containment to ensure that unauthorized discharges do not enter the sewer.

Regarding the etch bath, Mr. Hauser explained that Dura changed the bath on February 20th, 2002 because of production problems. However, Mr. Hauser further explained that Dura does not intend to dispose of the bath, since it could be used on approximately 90% of the parts that are pretreated. To prevent speculative accumulation of secondary materials, the facility must show that at least 75% of the material has been used within the calendar year. Dura must properly label the solution and keep records showing how the material is being used. The records must show that 75% of the solution has been reused by January 1, 2003. However, prior to that time, if Dura determines that the solution cannot be used, it will be considered a spent material and Dura must immediately manage it as hazardous waste.

This Notice does not require you to implement Pollution Prevention. However, the Department strongly recommends that you consider Pollution Prevention options, where applicable, to prevent the violations outlined in this Notice from recurring. Pollution Prevention may also enable you to reduce environmentally driven costs, reduce operating costs, and reduce the regulatory requirements and fees applied to your firm. I am including a pamphlet on pollution prevention opportunities. Please call Jay Collins with our technical assistance staff for more information at (503) 229-5165.

Please submit the information requested in this Notice to my attention and contact me at (503)229-5058 if you have any questions concerning this Notice or other hazardous waste management issues.

Sincerely,



Laurey Cook
Environmental Specialist
Hazardous Waste Department

cc: Hazardous Waste Policy and Program Development, DEQ
Enclosure: Industrial Wiper Policy

MR Jerry Hauser

April 17, 2002

Page 6

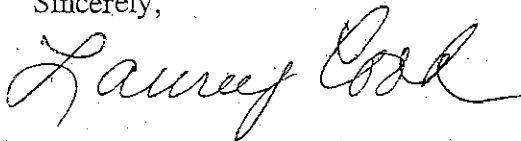
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Sincerely,



Laurey Cook
Environmental Specialist
Hazardous Waste Department

cc: Hazardous Waste Policy and Program Development, DEQ
Enclosure: Industrial Wiper Policy

Hazardous Waste Site Report - Waste Stream for 2002

[Close Report]



Home > Profiler > Site Report

EPA ID	ORD083647347	TRI ID	97210DRNDS4466N
Common Name	Dura Industries Inc	Legal Name	Dura Industries Inc
Location	4466 NW YEON PORTLAND OR 97210	Activity Start	03/01/1993
Latitude	45° 33' 7.92"	Activity End	
Longitude	-122° 43' 33.96"	Employee Count	11
Primary SIC Code	3479-METAL COATING, ALLIED SERVICES	Out of Business	

Waste Streams by Volume for 2002

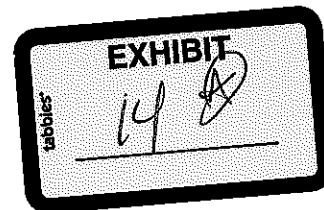
Waste Stream Waste water treatment sludge
Waste Codes D002, F007, F019
Form Lime sludge with metals/metal hydroxide sludge
Origin Ongoing processes
Source Wastewater treatment
Reported 4100 LB = 1859 KG
 Managed 1859 KG Onsite

Waste Stream Filter cake from waste water treatment
Waste Codes D007, F019
Form "Dry" lime or metal hydroxide solids not "fixed"
Origin Residual from HW mgmt
Source Sludge dewatering
Reported 4100 LB = 1859 KG
 Managed 1542 KG Off-site

Waste Stream Still Bottoms
Waste Codes D001, D035, F003, F005
Form Other nonhalogenated organic solids
Origin Ongoing processes
Source Solvents recovery
Reported 2100 LB = 952 KG
 Managed 824 KG Off-site

Waste Stream Waste paint from inventory reduction
Waste Codes D001, D035, F003, F005
Form Organic paint, ink, lacquer, or varnish
Origin One-time/spill/clean-up
Source Discarding off-specification material
Reported 1100 LB = 499 KG
 Managed 499 KG Off-site

Waste Stream Spent paint to be recycled
Waste Codes D001, D035, F003, F005
Form Organic paint, ink, lacquer, or varnish
Origin Ongoing processes
Source Painting



Reported 96 GAL = 435 KG
Managed 435 KG Onsite

For the most up to date information on this location, contact the closest office or email us at hw@deq.state.or.us.

For more information of Oregon DEQ Hazardous Waste Permits, see our [HW Permits Page](#).

Reported 96 GAL = 435 KG
Managed 435 KG Onsite

For the most up to date information on this location, contact the closest office or email us at hw@deq.state.or.us.

For more information of Oregon DEQ Hazardous Waste Permits, see our [HW Permits Page](#).

MATERIAL SAFETY DATA SHEET**Tarr****1. CHEMICAL PRODUCT AND COMPANY IDENTIFICATION**

MANUFACTURER: Tarr, Incorporated
P.O. Box 12570
Portland, OR 97212

INFORMATION PHONE: (503) 288-5294

EMERGENCY PHONE: (503) 288-5294 (800) 424-9300

PRODUCT NAME: LACQUER WASH 3

PRODUCT NUMBER: LW3

PREPARED BY: Patricia Rodabaugh

DATE PREPARED: 01/18/1995

SYNONYMS: Hydrocarbon solvent

Portland, Oregon
Phoenix, Arizona
Auburn, Washington
Vancouver, Washington

2. COMPOSITION/INFORMATION ON INGREDIENTS

Chemical Name	CAS	OSHA PEL	ACGIH TLV	Weight %
Acetone	67-64-1	750 ppm	750 ppm	25-35
Methyl alcohol	67-56-1	200 ppm	200 ppm	2-6
Isopropyl alcohol	67-63-0	400 ppm	400 ppm	1-11
Toluene	108-88-3	100 ppm	50 ppm (skin)	38-42
Solvent naphtha, light aliphatic	64742-89-8	300 ppm	300 ppm	15-25

3. HAZARDOUS IDENTIFICATION**EMERGENCY OVERVIEW:**

DANGER! Poison. Flammable. Vapor harmful. May be fatal or cause blindness if swallowed. Avoid prolonged breathing of vapors. Avoid contact with eyes and skin.

POTENTIAL HEALTH EFFECTS

EYE CONTACT: Liquid is moderately irritating to the eyes. High vapor concentrations may also be irritating. Direct contact with the liquid or exposure to its vapors or mists may cause stinging, tearing, redness.

INHALATION: Vapors may be irritating to the nose, throat, and respiratory tract. High vapor concentrations may cause central nervous system (CNS) depression.

INGESTION: POISONOUS. May be fatal or cause blindness if swallowed. Ingestion may have a narcotic effect including signs of CNS depression such as dizziness, headache, drowsiness, loss of coordination, and fatigue.

SKIN CONTACT: Liquid is mildly irritating to the skin. Prolonged or repeated contact can result in defatting and drying of the skin which may result in skin irritation and dermatitis (rash).

SIGNS AND SYMPTOMS OF EXPOSURE:

Early to moderate CNS depression may be evidenced by giddiness, headache, dizziness, and nausea; in extreme cases, unconsciousness and death may occur. Aspiration pneumonitis may be evidenced by coughing, labored breathing and cyanosis.

Tarr, Inc

2429 N Borthwick
 Portland, Oregon 97227-1770
 503-288-5294 • Fax 288-0421 or 800-422-5069

7208 NE St Johns Road
 Vancouver, Washington 98665-0617
 Phone 360-694-2521 • Fax 737-8537

ORIGINAL

PLEASE REMIT TO:

TARR, INC.
 UNIT 72
 P.O. BOX 4800
 PORTLAND, OR 97208-4800

Invoice No. 0205062-IN Date 12/17/02

Order No. 0205062 Ship Date 12/17/02

*Rec'd
 12-20-02*

Bill to Number 00-DURAIN	Cust. P.O.# 273620	SALESPERSON 0002
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BILL TO
 DURA INDUSTRIES
 PO BOX 10762
 PORTLAND OR 97210

SHIP TO
 DURA INDUSTRIES
 4466 NW YEON
 FG 595 J1
 Portland OR 97210

Shipped Via: DUR TRUCK

Number Pkg	Description	Whse	Quantity	Price	Amount
1.00 DRUM	MEKRD METHYL ETHYL KETONE !METHYL ETHYL KETONE, 3, UN 1193, II! NAERG 127	001	369.00	0.9050	333.95
1.00 DRUM	DDRD DRUM DEPOSIT	001	1.00	25.0000	25.00
55.00 GALS	LBRDRM	001	55.00	0.0000	.00
1.00- DRUM	DCRD DRUM CREDIT- RETURN FOR RECON (Drum Deposit Less \$10 reconditioning	001	1.00-	15.0000	15.00-
				Freight:	.00
				Sales Tax:	.00
				Env Surcharge:	3.34
				Invoice Total:	347.29
If Not Paid Within Thirty(30) Days Of Invoice Date Due, Remit This Amt:					352.50
Net Due: NET 30 DAYS					

						DRUMS	
CHECK	CASH	CHARGE	DRIVER	TRUCK	DLVD	RETD	

See reverse side for information
 IN CASE OF EMERGENCY

X GOODS RECEIVED IN GOOD CONDITION

PAYMENT RECEIVED

**Tarr, Inc**2429 N Borthwick
Portland, Oregon 97227-1...
503-288-5294 • Fax 288-0421 or 800-422-50697208 NE St Johns Road
Vancouver, Washington 98665-0617
Phone 360-694-2521 • Fax 737-8537

ORIGINAL

PLEASE REMIT TO:

TARR, INC.
UNIT 72
P.O. BOX 4800
PORTLAND, OR 97208-4800

Invoice No.

0178995-IN

Date

01/09/02

Order No.

0178995

Ship Date

01/09/02

*Rec'd
01/11/02
1-1522*

Bill to Number

00 DURAIN

Cust. P.O.#

174583

SALESPERSON

0002

B
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T
ODURA INDUSTRIES
PO BOX 10762
PORTLAND

OR 97210

S
H
I
P
T
ODURA INDUSTRIES
4466 NW YEON
PORTLAND

OR

Shipped Via: OUR TRUCK

Number	Fkg	Description	Whse	Quantity	Price	Amount
1.00	LW3RD	DRUM LACQUER WASH 3 !FLAMMABLE LIQUIDS, N.O.S., 3, UN 1993, II (TOLUENE, ACETONE)!	001	55.00	4.6600	256.30
1.00	DDRD	DRUM DRUM DEPOSIT	001	1.00	25.0000	25.00
					Freight:	.00
					Sales Tax:	.00
					Env Surcharge:	2.56
					Invoice Total:	283.86
If Not Paid Within Thirty(30) Days Of Invoice Date Due, Remit This Amt:						288.12
Net Due: NET 30 DAYS						

DRUMS

CHECK	CASH	CHARGE	DRIVER	TRUCK	DLVD	RETD

See reverse side for information
IN CASE OF EMERGENCY**X**
GOODS RECEIVED IN GOOD CONDITION

PAYMENT RECEIVED

FACILITY PROFILE

EPA ID ORD083647347 OWNER Dura Industries, Inc

TRI ID 97210DRNDS4466N

COMMON NAME Dura Industries Inc ACTIVITY START 03/01/93

LEGAL NAME Dura Industries Inc

LOCATION 4466 NW YEON PORTLAND OR 97210

STATUS LQG 03/14/01

LATITUDE 45 33' 7.92"

LONGITUDE -122 43' 33.96"

PRIMARY SIC 3479 METAL COATING, ALLIED SERVICE EMPLOYEE COUNT 11

Table with 8 columns: YEAR, GENERATOR STATUS, TRI STATUS, INVOICE STATUS, NUMBER OF TOXICS USED, NUMBER OF WASTE STREAMS, TONS MANAGED ON-SITE, TONS MANAGED OFF-SITE. Rows include years 1991-2001 with various generator types and statuses.

OWNER/FEE/FORMS (DATA) // MAILING/FACIL OPERATOR/SITE VISIT/TUR CONTACT

Jerry Hauser
Dura Industries, Inc
4466 NW Yeon
PO Box 10762
Portland, OR 97296
MULTNOMAH, NWR
(503) 228-7007


COMMENTS

ACTIVITY SUMMARY

Generator Activity (Source FORMS ~ 03-14-2001)
This facility began generating hazardous waste on 03-01-1993
This facility is a Large Quantity Generator (LQG).

Registration Verification Report 2001

2 * 117

DEQ ID No: ORD083647347 Name: Dura Industries Inc	Your Standard Industrial Classification (SIC) code is currently:	
Location: 4466 NW YEON PORTLAND, OR 97210	3479: Metal Coating, Allied Services	
Site Contact Name: Jerry Hauser Site Contact Phone: (503) 228-7007	Current code if different:	
Current information, if different from above:		

Your current employee count is listed as: Please indicate the correct count if it has changed

Verify the information in the left column, and make any corrections in the right column:

The owner of Dura Industries Inc is:

2. Individual or Organization: Dura Industries, Inc Address: 4466 NW Yeon Portland, OR 97296 Phone: (503) 228-7007	Individual or Organization: _____ Address: _____ Phone: _____
---	---

The owner of the property on which Dura Industries Inc is located is:

3. Individual or Organization: Summit Properties Inc Address: 4444 NW Yeon Portland, OR 97210 Phone: (503) 227-0887	Individual or Organization: _____ Address: _____ Phone: _____
--	---

The address for DEQ to send hazardous waste information to Dura Industries Inc is:

4. Forms Contact: Jerry Hauser Organization: Dura Industries, Inc Address: PO Box 10762 Portland, OR 97296 Internet E-Mail: jerdura@intelle.com Phone: (503) 228-7007	Forms Contact: _____ Organization: _____ Address: _____ Internet E-Mail: _____ Phone: _____
--	---

The address for DEQ to send hazardous waste fee invoices for Dura Industries Inc is:

5. Fee Contact: Jerry Hauser Organization: Dura Industries, Inc Address: PO Box 10762 Portland, OR 97296 Phone: (503) 228-7007	Fee Contact: _____ Organization: _____ Address: _____ Phone: _____
---	---

Hazardous waste generator status:

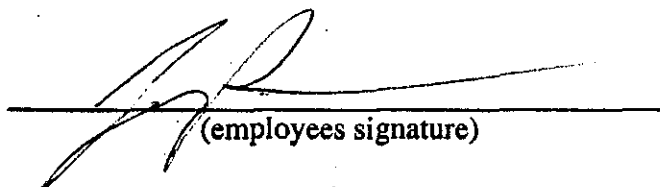
6. Dura Industries Inc last reported as a Large Quantity Generator on the 2000 Annual Report.
What was the generator status for Dura Industries Inc in 2001, based on monthly generation records?

Large Quantity Generator Small Quantity Generator Conditionally Exempt Generator

DURA INDUSTRIES, INC.Surface Coatings:
Industrial Architectural ElectronicsDate 11/11/01Name Jeremy Porter

This will verify that I have attended a training session pertaining to Hazardous waste.

I have received and understand the following information:
Hazardous Waste Management Plan to include Contingency Plan and Emergency Procedures, which includes the procedures for managing waste paint.



(employees signature)

Paint supervisor, painter.

Responsibilities may include painting, forklift, pretreatment, powder coating.

May run and/or supervise solvent recycler.

Training includes contingency plan (above), hydrofluoric acid policy, container management and spills, hazardous waste training (still bottoms) hazardous communication update.

DURA INDUSTRIES, INC.

Surface Coatings:
Industrial Architectural Electronics

Date 1/11/01

Name Gary Shier

This will verify that I have attended a training session pertaining to Hazardous waste.

I have received and understand the following information:
Hazardous Waste Management Plan to include Contingency Plan and Emergency Procedures, which includes the procedures for managing waste paint.



(employee's signature)

Supervisor, powder coater and painter.
Responsibilities include powder and painting.
May operate pretreatment and hoist.
Received training on contingency plan (above)
Hydrofluoric acid, Hazardous waste,
container management and spills.
Hazardous communication update.

DURA INDUSTRIES, INC.

Surface Coatings;
Industrial Architectural Electronics

Date 12/20/00

Name Brad Ferguson

This will verify that I have attended a training session pertaining to Hazardous waste.

I have received and understand the following information:

~~Hazardous Waste Management Plan to include Contingency Plan and Emergency Procedures, which includes the procedures for managing waste paint.~~

Brad Ferguson
(employee's signature)

Forklift Operator. Hoist Operator. Pretreatment.
Powder Coater.

May add concentrated chemicals to tank including Hf
May remove sludge from tanks or other areas
which may be hazardous waste.

Required to wear protective equipment including
gloves, apron, face shield, ear protection, dust mask

Received training for container management and spills.
Hazardous communication update.

Transportation Skills Programs, Inc.

Certificate of Training

JEROME HAUSER

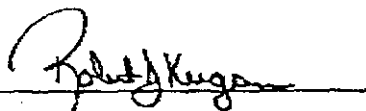
This Certifies That

has successfully completed the

TSP Hazardous Materials & Waste Management and Compliance Seminar

in a sincere effort to comply with the mandatory and annual training and testing requirements of
the U.S. Department of Transportation, the Environmental Protection Agency, or
the Occupational Safety and Health Administration.

In Witness Whereof, this certificate is signed and sealed on this date Dec. 5, 2000



Robert J. Keegan, President

Thu, May 8, 2003 3:29 PM

From: Jerry Hauser <jerdura@intelle.com>
To: COLLINS Jay <COLLINS.Jay@deq.state.or.us>
Date: Tuesday, April 8, 2003 3:05 PM
Subject: Re: Hazardous Waste Training

I guess that Sept.24 will have to do.
Please register me for both classes. Thank you.

--

Regards,

Jerry Hauser

> From: "COLLINS Jay" <COLLINS.Jay@deq.state.or.us>
> Date: Tue, 8 Apr 2003 14:23:20 -0700
> To: "Jerry Hauser" <jerdura@intelle.com>
> Subject: RE: Hazardous Waste Training

>
> Due to a huge response, the Spring classes have filled. The best I can
> do is offer you a spot in one of our fall classes: Sept. 24 or Oct. 14
> in Portland.

>

> -----Original Message-----

> From: Jerry Hauser [mailto:jerdura@intelle.com]
> Sent: Tuesday, April 08, 2003 2:06 PM
> To: COLLINS Jay
> Subject: Hazardous Waste Training

>

>

> I would like to register for the April 22 classes "Hazardous Waste
> Basics"
> and "Managing Common Wastes".

>

> Jerry Hauser
> DURA Industries
> P.O. 10762
> Portland, OR 97296
> (503)228-7007

> --

>

> Regards,

>

> Jerry Hauser

>

Statewide Hazardous Waste Training Offered by the Department of Environmental Quality and Local Colleges

Date	Location	Time	Course Offered	Call To Register	Cost
April 22	Portland: DEQ NW Regional Office 2020 SW 4 th Ave. Ste 400 Conference Room A&B	9:00 a.m. to 12:00 p.m.	Hazardous Waste Basics	Jay Collins, DEQ (503) 229-5165 or collins.jay@deq.state.or.us	\$0
April 22	Portland DEQ NW Regional Office 2020 SW 4 th Ave. Ste 400 Conference Room A&B	1:00 p.m. to 3:00 p.m.	Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc.	Jay Collins, DEQ (503) 229-5165 or collins.jay@deq.state.or.us	\$0
June 11	Albany Linn-Benton CC The Fireside Room	9:00 a.m. to 2:00 p.m.	Hazardous Waste Basics and Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc.	Training Registrar (541) 917-4738	\$25*
June 11	Portland DEQ NW Regional Office 2020 SW 4 th Ave. Ste 400 Conference Room A&B	9:00 a.m. to 12:00 p.m.	Hazardous Waste Basics	Jay Collins, DEQ (503) 229-5165 or collins.jay@deq.state.or.us	\$0
June 11	Portland DEQ NW Regional Office 2020 SW 4 th Ave. Ste 400 Conference Room A&B	1:00 p.m. to 3:00 p.m.	Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc.	Jay Collins, DEQ (503) 229-5165 or collins.jay@deq.state.or.us	\$0
June 18	Albany Linn-Benton CC The Fireside Room	9:00 a.m. to 2:00 p.m.	Hazardous Waste Basics and Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc	Training Registrar (541) 917-4738	\$25*
June 24	Medford Rogue Valley Mall Education Resource Center	9:00 a.m. to 12:00 p.m.	Hazardous Waste Basics	Mary Lee Hurd, SOU SBDC (541) 772-3478 or hurd@sou.edu	\$25*
June 24	Medford Rogue Valley Mall Education Resource Center	1:00 p.m. to 4:00 p.m.	Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc.	Mary Lee Hurd, SOU SBDC (541) 772-3478 or hurd@sou.edu	\$25*

*Cost is the same whether you attend only 1 class or both classes. Inquire with college to learn if credit cards are accepted. Continuing Education Credits (CEUs) are available, ask college.

Need more hazardous waste information?

Go to the DEQ hazardous waste webpage for rules, factsheets, and policies at www.deq.state.or.us/wmc/hw/hw.htm

Please Note: All classes for fall 2003 are contingent on the availability of funding and may be cancelled.

Date	Location	Time	Course Offered	Call To Register	Cost
Sept 17	La Grande Eastern Oregon University Integrated Service Bldg. Rm 147 1607 Gekeler Lane	9:00 a.m. to Noon	Hazardous Waste Basics	Sue Bloomfield, EOU SBDC (541) 962-1532 or sbdc.eou@verizon.net	\$10*
Sept 17	La Grande Eastern Oregon University Integrated Service Bldg. Rm 147 1607 Gekeler Lane	1:00 p.m. to 4:00 p.m.	Managing Used Oil & Other Common Wastes	Sue Bloomfield, EOU SBDC (541) 962-1532 or sbdc.eou@verizon.net	\$10*
Sept 24	Enterprise Prairie Creek Center, DHS Bldg Conference Rm. 104 Litch Street	9:00 a.m. to Noon	Hazardous Waste Basics	Sue Bloomfield, EOU SBDC (541) 962-1532 or sbdc.eou@verizon.net	\$10*
Sept 24	Enterprise Prairie Creek Center, DHS Bldg Conference Rm. 104 Litch Street	1:00 p.m. to 4:00 p.m.	Managing Used Oil & Other Common Wastes	Sue Bloomfield, EOU SBDC (541) 962-1532 or sbdc.eou@verizon.net	\$10*
Sept 24	Portland DEQ NW Regional Office 2020 SW 4th Ave. Ste 400 Conference Room A&B	9:00 a.m. to 12:00 p.m.	Hazardous Waste Basics	Jay Collins, DEQ (503) 229-5165 or collins.jay@deq.state.or.us	\$0
Sept 24	Portland DEQ NW Regional Office 2020 SW 4th Ave. Ste 400 Conference Room A&B	1:00 p.m. to 3:00 p.m.	Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc.	Jay Collins, DEQ (503) 229-5165 or collins.jay@deq.state.or.us	\$0
Sept	Lakeview	9:00 a.m. to Noon	Hazardous Waste Basics	Jeff Ingalls (541) 388-6146 xt 238	TBA
Sept	Lakeview	1:00 p.m. to 3:00 p.m.	Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc	Jeff Ingalls (541) 388-6146 xt 238	TBA
Sept	Bend	9:00 a.m. to 12:00 p.m.	Hazardous Waste Basics	Jeff Ingalls (541) 388-6146 xt 238	TBA
Sept	Bend	1:00 p.m. to 3:00 p.m.	Managing Common Wastes: Used Oil, Batteries, Light Tubes, etc.	Jeff Ingalls (541) 388-6146 xt 238	TBA

*Cost is the same whether you attend only 1 class or both classes. Inquire with college to learn if credit cards are accepted. Continuing Education Credits (CEUs) are available, ask college.

Not able to attend any of the training classes?

Take these courses online via the Internet through Clackamas Community College. Go to their website at <http://depts.clackamas.cc.or.us/esh/> or call 503-637-6958 XT 2063 for information.

**SPILL PREVENTION/CONTROL PLAN
CONTINGENCY PLAN EMERGENCY PROCEDURES**

Plan submitted to DEQ
October 1998

Dura Industries is a metal finishing job shop. It operates within a facility of 17,000 square feet. Dura Industries is located at 4466 N.W. Yeon. It can be accessed directly from Yeon. Dura Industries operates in a building which has neighboring occupants to the south and west. The nearest cross street is Kittridge avenue. The building does have a sprinkler system that is connected to an audible alarm is activated. There is one overhead door and one personnel door on the north side of building; two overhead doors and one personnel door on the east side of the building.

Dura Industries uses paints and solvents, which are ignitable and toxic, in it's paint finishing process. Dura uses acid and caustic cleaning chemicals, which are toxic and reactive, in it's metal cleaning process. Dura generates hazardous waste in the forms of still bottoms from maintenance to the pretreatment process.

There are five primary areas where paint and solvent are stored and used:

1. Conveyor Paint Booth
2. Blending Lab
3. Paint Mixing Room
4. Daily Storage Area
5. Outside Storage area

Additionally the solvent recycler is located at the north east end of the facility where there is a 55 gallon drum for solvent still bottom accumulation. Paints and solvents are normally stored in 1 gallon and 5 gallon cans.

The cleaning chemical are stored in 55 gallon plastic drums located in the south west corner of the facility. These chemicals are used for up keep of the metal pretreatment system. The primary components of these chemicals are:

<u>Chemicals</u>	<u>Max Conc.</u>	<u>Min. Conc.</u>
Hydrofluoric Acid	10%	0.1%
Chromic Acid	10%	0.1%
Nitric Acid	70%	5.0%
Phosphoric Acid	35%	0.8%
Sodium Hydroxide	50%	0.4%

The pretreatment system consists of eight tanks of 1000 gallons each and one tank with a 1500 gallon capacity. There is a containment dike around these tanks with a greater than 1100 gallon capacity. There may be times when chrome sludge hazardous waste is stored in the vicinity of the pretreatment tanks. It will be stored in either a portable covered tank or 55 gallon drums.

Dura Industries is authorized to discharge industrial waste water to the city's sewer system in the compliance with the rules of Dura's permit no. 413.019. The waste water is discharged from an overflowing rinse tank to a 2ft. x 2ft. floor sump located at the southwest corner of the facility. The average industrial discharge is 5500 gpd. and the personal sanitary discharge is 500 gpd. via two restrooms near the front office. There are no other sewer discharges.

It contains the following inside a 20 gallon poly drum:

**Tyvek Suit
One pair of nitrile gloves
Four each 3" x 4" universal booms
One each 5" x 10" universal booms
Fifty each 17" x 19" sorbent pads
Three each 38" x 60" poly bags
One pair of safety glasses**

Additionally at this location:

- 1. One each 1500 gph. submersible pump and hoses**
- 2. Neoprene gloves**
- 3. Aprons and rubber boots**
- 4. Floor squeegee, mop and bucket**
- 5. Adsorbent material**
- 6. Posted signs with emergency phone numbers**
- 7. 17" X 19" sorbents pads**

The chemical storage containers are checked daily by an operator for the presence of spills, leaking containers, or deterioration caused by corrosion or other factors. Additionally, the operator will check the secondary containment for accumulations of waste liquid which, if any, shall be returnable to the process tanks. The shop manager will check the chemical storage the containment dike and spill kit weekly.

In the event of a spill, the outlined procedure will be followed:

- 1. The emergency coordinator shall be notified.**
- 2. The situation will be assessed for immediate response (i.e. containment) and safety hazards.**
- 3. The proper authorities will be notified.**
- 4. The Contingency Plan Emergency Procedure will be used if such an emergency exists.**
- 5. If a spill is contained and cleaned, proper material disposal will be monitored.**
- 6. A full account of the incident shall be written in detail and forwarded to the City Source Control Authority.**
- 7. The Spill Prevention and Control Plan shall be reviewed.**

There will be an Emergency Coordinator present during all working hours. These individuals will review the Spill Prevention and Control Plan monthly. There is a chemical hazard training for all new employees and specific training for those handling hazardous chemicals.

There will be an Emergency Coordinator present during all working hours. These Individuals will review the Spill Prevention and Control Plan monthly. There is a chemical hazard training for all new employees and specific training for those handling hazardous chemical.

Other emergency equipment includes fire extinguishers (locations on Maps), phone system with pager in front office and shop office, and spill kits located at receiving dock and paint storage area.

These spill kits contain:

- One 20 gallon drum**
- One Tyvek suit**
- One safety glasses**
- One pair latex gloves**
- One 5" x 10' oil only boom**
- Four 3" x 4' oil only booms**
- Fifty 17" x 19" oil sorbent pads**
- Three 38" x 60" poly bags**

Contingency Plan Emergency Procedures

1. Whenever there is and imminent or actual emergency situation the Emergency Coordinator (or his/her designee when the emergency coordinator is on call.) must immediately:

- A. Activate internal facility alarms or communication systems, where applicable, to notify all facility personnel; and if necessary evacuate the plant. This can be accomplished by pushing down the page button, then repeating the following message: "This is and emergency - evacuate the plant." Evacuation routes and alternate routes for each department is described below:**
 - 1. North side of building - one (1) over head door and one (1) personnel door.**
 - 2. East side of building - two (2) over head doors and one (1) personnel door.**
 - B. Notify appropriate State or Local Agencies with designed response roles if help is needed.**
 - C. Call 911. They will ask you police, fire, or medical. Tell them fire (they have an emergency response team and have agreed to help coordinate any emergency services needed.) Give them the following information:**
 - 1. Type of emergency**
 - 2. Address of emergency**
 - 3. Name of Emergency Coordinator.**
- 2. Whenever there is a release, fire or explosion, the Emergency Coordinator must immediately identify the character, exact source, amount and a real extent of any released materials. He/she may do this by observation or review of the facility records or manifests and if necessary, by chemical analysis.**
- 3. Concurrently, the Emergency Coordinator must asses possible hazards to human health or the environment that may result from the release, fire, or explosion. this assessment must consider both direct and indirect effects of the release, fire, or explosion (e.g., the effects of any toxic, irritating, or asphyxiating gases that are generated or the effects of any hazardous surface water run off from water or chemical agents used to control fire and heat induced explosions.)**
- 4. If the Emergency Coordinator determines that the facility has had a release, fire, or explosion which could threaten human health, or the environment, outside the facility, he/she must report his/her finding as follows:**

- A. If his/her assessment indicates that evacuation of local areas may be advisable, he/she must immediately notify appropriate local authorities. he/she must be available to help appropriate officials decide whether local areas should be evacuated;**
- B. He/She must immediately notify D.E.Q. by phone, 229-5263, from 8 a.m. to 5 p.m., Monday through Friday or the government official designed as the on scene coordinator for that geographical area (1/800/452-0311) or the National Response Center (1/800/424-8802). The report must include:**
- 1. Name and telephone number of reporter;**
 - 2. Name and address of facility;**
 - 3. Time and type of incident (e.g., release, fire);**
 - 4. Name and quantity of material(s) involved, to the extent known;**
 - 5. The extent of injuries, if any; and**
 - 6. The possible hazards to human health, or the environment, outside the facility.**
- C. If there is a spill to the city sewer system or storm drain, he/she must immediately notify the Columbia Blvd. Waste Water Treatment Plant Operator, phone 285-0205. He/She must also call the City Source Control Management , phone 823-7180 from 8 a.m. to 5 p.m.**
- 5. During an emergency, the Emergency Coordinator must take all reasonable measures he/she deems necessary to ensure that fires, explosions, and releases do not occur, recur, or spread to other hazardous waste at the facility. These measures must include, where applicable, stopping process and operations, collecting and containing released waste, and removing or isolating containers.**
- 6. If the facility stops operations in response to a fire, explosion, or release, the emergency coordinator must monitor for leaks, pressure equipment, where ever he/she deem appropriate.**
- 7. Immediately after an emergency, the Emergency Coordinator must provide for treating, storing, or disposing of recovered waste, contaminated soil or surface water, or any other material that results from a release, fire, or explosion at the facility.**
- 8. The Emergency Coordinator must ensure that, in the affected area(s) of the facility:**

- A. **No waste that may be incompatibly with the released material is treated, stored, or disposed of until clean up procedures are completed, and**
 - B. **All emergency equipment listed in the Contingency Plan is cleaned and fit for its intended use before operations are resumed.**
9. **The owner or operator must note in the operating record the time, date, and details of any incident that requires implementing the contingency plan. Within 15 days after the incident he/she must submit a written report on the incident to the Regional Administrator. The report must include:**
- A. **Name, address, and telephone number of the owner or operator;**
 - B. **Name, address and telephone number of the facility;**
 - C. **Date, time and type of incident (e.g., fire, explosion);**
 - D. **Name and quantity of material(s) involved;**
 - E. **The extent of injuries, if any;**
 - F. **An assessment of actual or potential hazards to human health or the environment, where this is applicable, and;**
 - G. **Estimated quantity and disposition of recovered material that result from the incident.**

Amendment

The Contingency Plan must be reviewed and amended if necessary whenever;

- 1. **Applicable regulations are changed.**
- 2. **The plan fails in an emergency.**
- 3. **The facility changes in its design, construction, operation, maintenance or other circumstances-in a way that materially increases or hazardous waste constituents or changes the response necessary in emergency.**
- 4. **The list of emergency coordinators changes.**
- 5. **The list of emergency equipment changes.**

JERRY HAUSER

(503) 663-2028

(503) 515-5630

JOHN BURNS

(503) 281-2656

(503) 515-5631

JEREMY PORTER

(503) 397-2486

FIRE DEPARTMENT - CALL " 9 1 1 "

Responsibilities of Emergency Coordinators

At all times, there must be at least one employee either on the facility premises or on call (i.e., available to respond to an emergency by reaching the facility within a short period of time) with the responsibility for coordinating all emergency response measures. This emergency coordinator must be thoroughly familiar with all aspects of the facility's contingency plan, characteristics of waste handled, the location of all records within the facility, and the facility layout. In addition, whenever there is a fire, explosion, or release of hazardous waste constituents which could threaten human health or the environment, this person must have the authority to commit the resources needed to carry out the following contingency plan.

PROCEDURE FOR MANAGING WASTE PAINT

- 1. Waste paint will be placed in a proper shipping container. (Probably an open head 55 gal. drum)**
- 2. Waste paint will be removed from small containers by pouring or scraping if required so no more than 1 inch of residue remains in that container.**
- 3. The operator will be familiar with the paints which are being disposed.**
- 4. The shipping container will be kept closed when not in use.**
- 5. The shipping container will be properly labeled at the time it is first used for accumulating waste paint.**
- 6. The operator will check the shipping containers daily for leaks or spills.**

DURA INDUSTRIES
EVACUATION PLAN

In case of an emergency, fire, natural gas leak or any other situation which might make it necessary to evacuate the building, the following procedures should be followed.

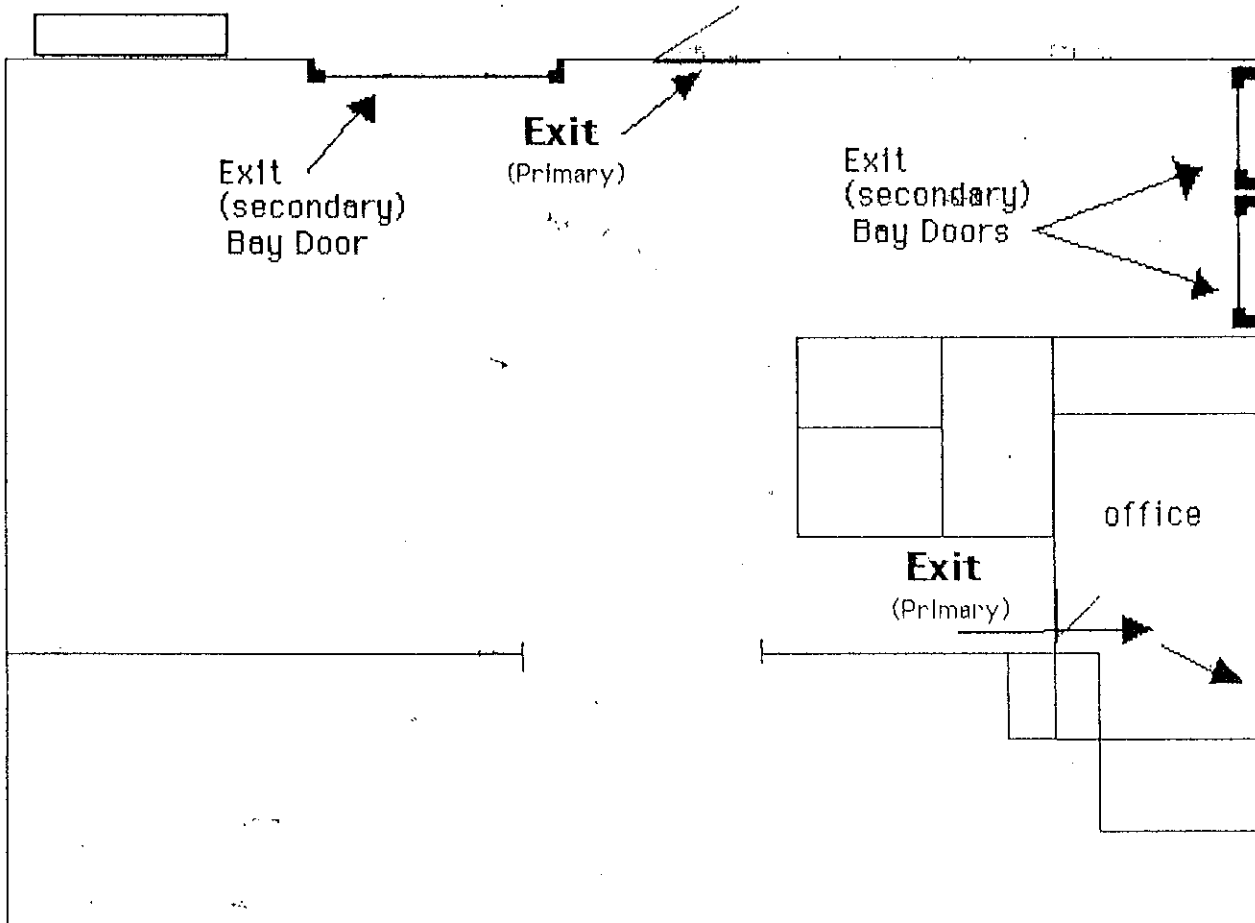
- 1.) If you are the one to discover the emergency it will be necessary to warn others of the danger. Notify the Emergency Coordinator or the office so that an announcement can be made over the paging system.
- 2.) Leave the building by the two primary exits (see the diagram on page 2.) located through the office or the door next to the ground level bay door. These doors are to remain unlocked and unblocked at all times! If for any reason these exits are not safe you may use the truck level bays.
- 3.) After leaving the building it is essential that we keep track of all personnel to make sure that no one is left in the building. After evacuating, group across the parking lot next to Mount Hood Chemical. Report to the Emergency Coordinator on duty so he can make sure every one made it out of the building.
- 4.) It is the responsibility of the Emergency Coordinator on duty to account for all employees and visitors and to notify any and all emergency personnel of missing persons.

paint trailer

paint trailer

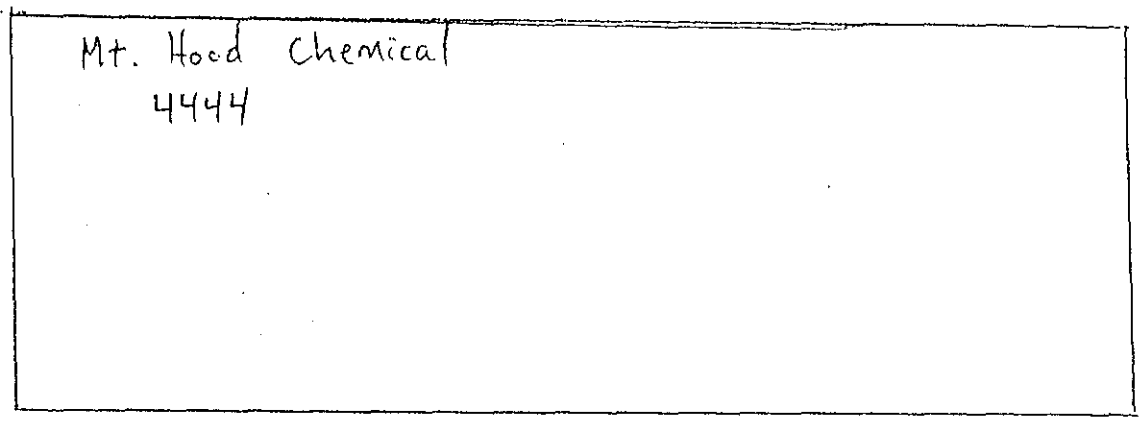
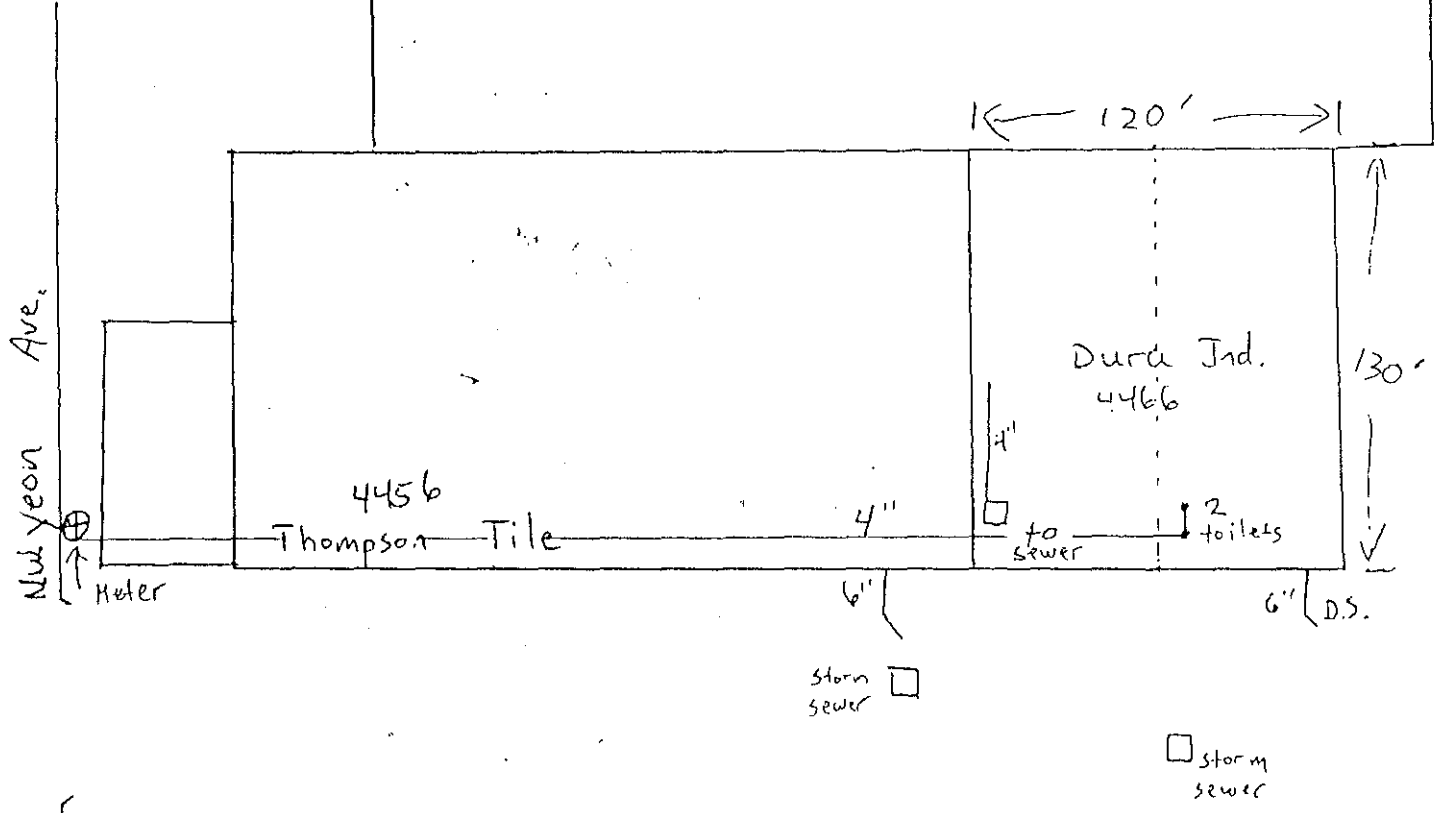
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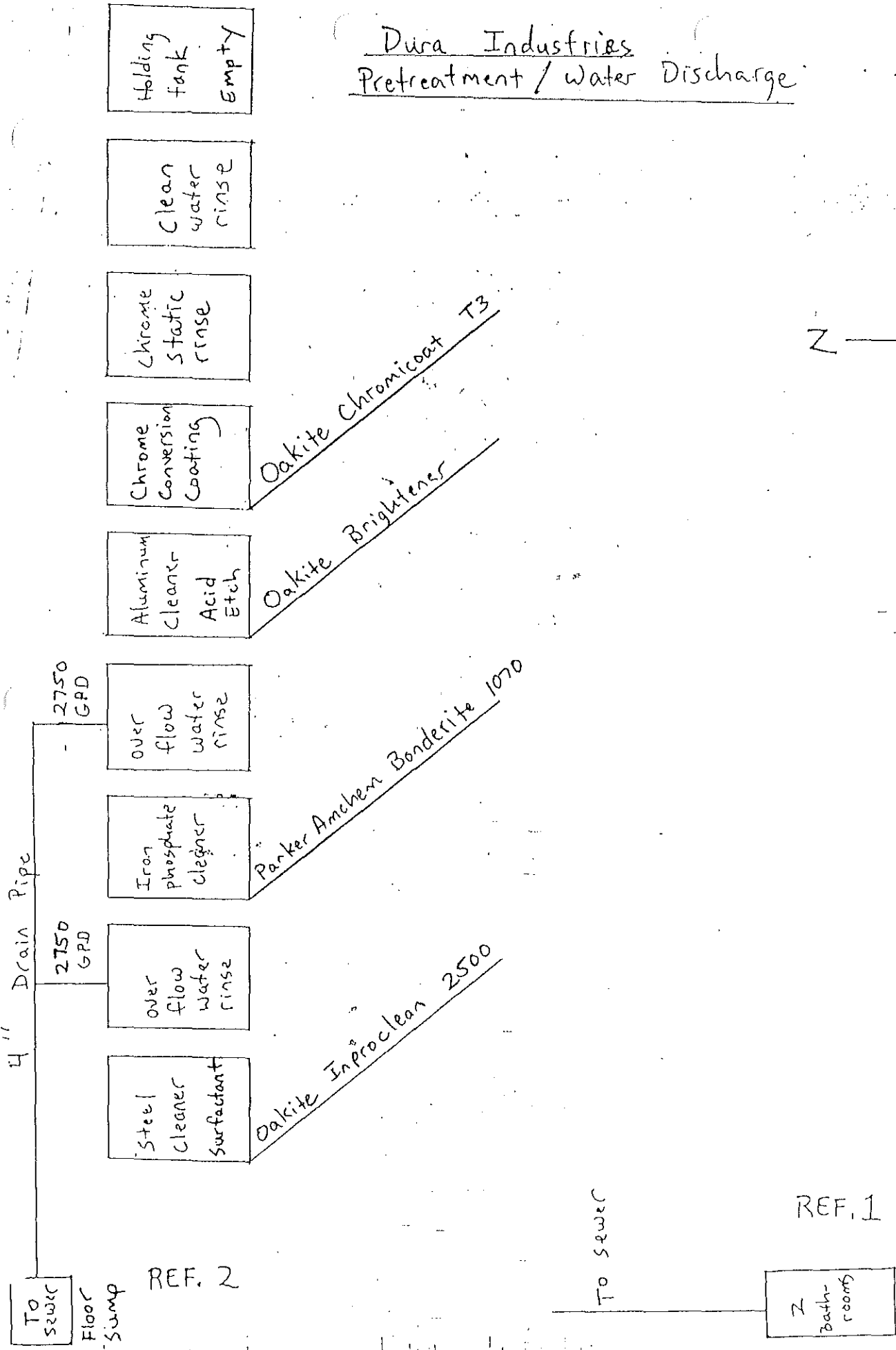


Dura Industries
Facility Location

Air Ware Inc,



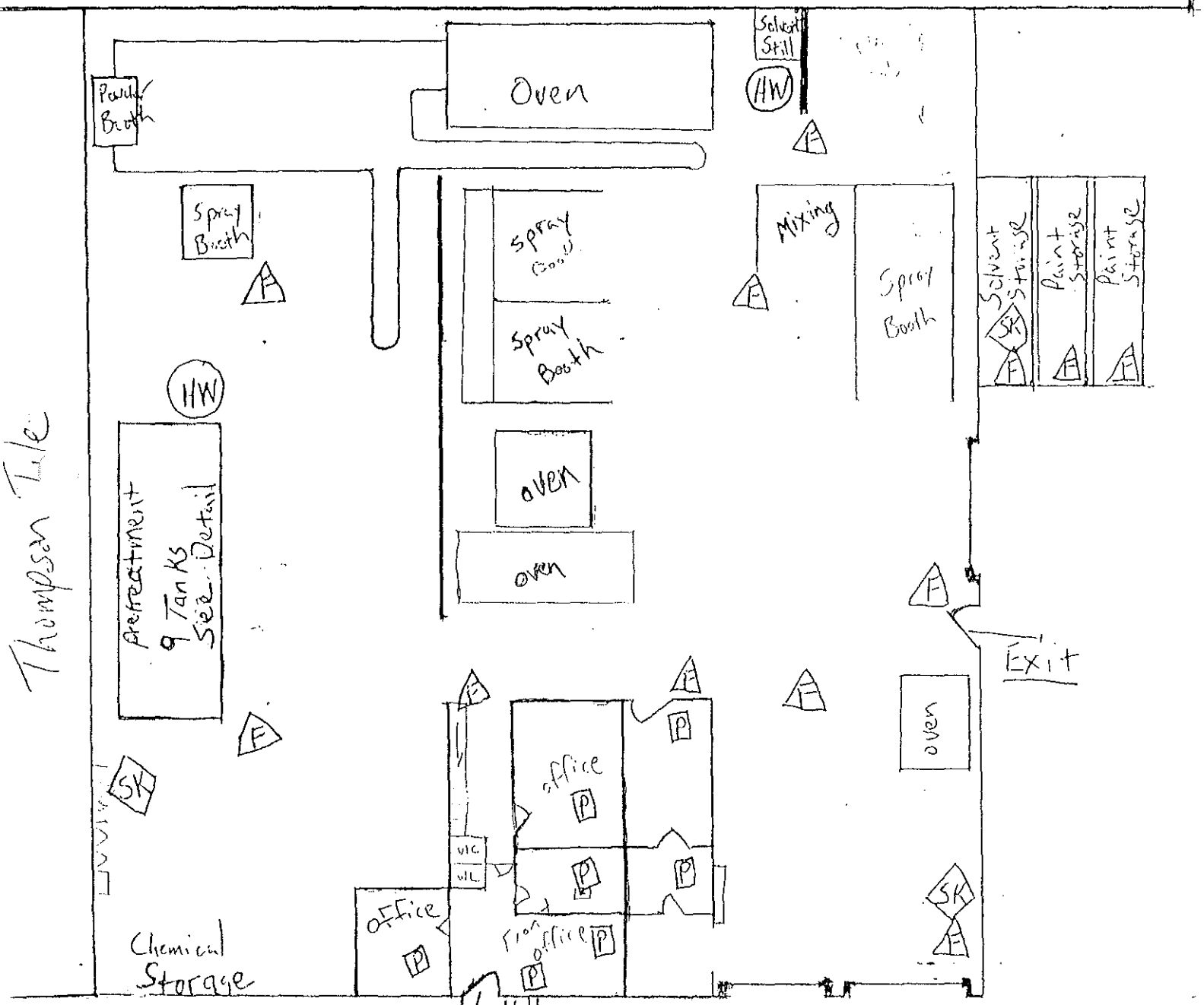
Dura Industries Pretreatment / Water Discharge



Facility Map Detail Dura Industries

- Key: [P] - Phone
 [A] - Fire Extinguisher
 [SK] - Spill Kit
 (HW) - Hazardous Waste Storage

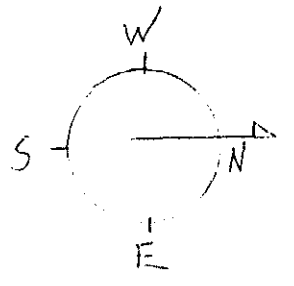
Air Ware Inc



Thompson Lake

Parking

← Street (Yeon Ave)





WASTE MANAGEMENT DIVISION
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

R-6

R-6

DO NOT WRITE IN THIS SPACE

ATT. DIS. REJ. PR.

Failure to file may subject you to criminal and/or civil penalties under Sections 324.11151 or 324.12116 MCL.

Please print or type.

Form Approved. OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. ORD083647347		Manifest Document No. 01871		2. Page 1 of 1		Information in the shaded areas is not required by Federal law.		
3. Generator's Name and Mailing Address 4466 N.W Yeon Portland, OR 97210						A. State Manifest Document Number MI 7150639				
4. Generator's Phone (503) 228-7007						B. State Generator's ID 99941				
5. Transporter 1 Company Name The Environmental Quality Co.				6. US EPA ID Number MI0000131292		C. State Transporter's ID				
7. Transporter 2 Company Name Hazpro Transportation				8. US EPA ID Number COR000006437		D. Transporter's Phone 503/674-8888				
9. Designated Facility Name and Site Address Michigan Recovery Systems Inc. 36345 Van Born Road Romulus, MI 48174				10. US EPA ID Number MI0060975844		E. State Transporter's ID H1946				
						F. Transporter's Phone 303/770-0857				
						G. State Facility's ID				
						H. Facility's Phone 800-521-0998				
11. US DOT Description (including Proper Shipping Name, Hazard Class, and ID NUMBER).						12. Containers		13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. X HM RD Waste Paint Regulated Material, 3, UN1263, PG II						No. 2 Type DM		2000	G	D001, D007, D035 Foas
b.										
c.										
d.										
J. Additional Descriptions for Materials Listed Above A: HRSI#						K. Handling Codes				
15. Special Handling Instructions and Additional Information A: ERG# 127						EMGY # 888/640-3777				
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations.										
If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.										
Printed/Typed Name						Signature		Date		Month Day Year
17. Transporter 1 Acknowledgement of Receipt of Materials						Signature		Date		Month Day Year
18. Transporter 2 Acknowledgement of Receipt of Materials						Signature		Date		Month Day Year
19. Discrepancy Indication Space										
20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.						Signature		Date		Month Day Year

ALL SPILLS MUST BE REPORTED TO THE MICHIGAN POLLUTION EMERGENCY ALERTING SYSTEM, IN MICHIGAN AT 1-800-292-4706 OR OUT OF STATE AT 517-373-7660 AND THE NATIONAL RESPONSE CENTER AT 1-800-424-8802 24 HOURS PER DAY.

GENERATOR 1st COPY



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF SOLID AND HAZARDOUS WASTE MANAGEMENT
 P.O. Box 7035
 Indianapolis, IN 46207-7035

PLEASE PRINT OR TYPE

(Form designed for use on elite (12-pitch) typewriter.)

Form Approved: OMB No. 2050-0039. Expires 9-30-99

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's U.S. EPA ID Number O.R.B.0.8.3.6.4.7.3.4.7	Manifest Document No. 8.4.1.9.7	2. Page 1 of 1	Information in the shaded areas is not required by Federal Law, but items D, F, H, I and K are required by State Law.	
3. Generator's Name and Mailing Address DURA INDUSTRIES 4466 N W YEON PORTLAND OR 97210				A. State Manifest Document Number INA1384197		
4. Generator's Telephone Number (503) 228-7007				B. State Generator's ID		
5. Transporter 1 Company Name PRIME ENVIRONMENTAL		6. U.S. EPA ID Number C.A.L.9.3.1.0.2.4.0.3.8		C. State Transporter's ID		D. Transporter's Phone 562-495-7777
7. Transporter 2 Company Name HVS INC		8. U.S. EPA ID Number CA0076548635		E. State Transporter's ID		F. Transporter's Phone 909-581-0199
9. Designated Facility Name and Site Address POLLUTION CONTROL INDUSTRIES 4343 KENNEDY AVE SUITE 514 CHICAGO IL 60632				10. U.S. EPA ID Number I.N.D.0.0.0.6.4.6.9.4.3		G. State Facility's ID H. Facility's Phone 219-397-3951
11. U.S. DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)			12. Containers No.	Type	13. Total Quantity	14. Unit Wt/Vol.
a. RO, WASTE FLAMMABLE LIQUIDS, N.O.S. (XYLENE, TOLUENE), 3, UN1993, III			0.07 DM		0.01.1.0	9
b.			.	.	.	.
c.			.	.	.	.
d.			.	.	.	.
J. Additional Descriptions for Materials Listed Above a. ADV002109 PAINT LIQUID 99115938				K. Handling Codes for Wastes Listed Above 501		
15. Special Handling Instructions and Additional Information ERG#: 128 24 HR EM CONTACT: 877-217-1367 7463 SEND A MANIFEST COPY, CD, & INVOICE TO: 200 PINE AVE, SUITE 514 LONG BEACH CA 90802						
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.						
Printed/Typed Name Jerry Hauser		Signature		Date Month Day Year 06/20/00		
17. Transporter 1 - Acknowledgement of Receipt of Materials Printed/Typed Name STEVEN C HALL		Signature		Date Month Day Year 06/20/00		
18. Transporter 2 - Acknowledgement of Receipt of Materials Printed/Typed Name N. RUSKE WOODWARD		Signature		Date Month Day Year 06/22/00		
19. Discrepancy Indication Space E						
20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest (except as noted in Item 19): Printed/Typed Name Todd Weaver						
Printed/Typed Name Todd Weaver		Signature		Date Month Day Year 06/24/00		

In case of a spill, call the Indiana Office of Environmental Response at 317/233-7745 (day or night) and National Response Center at 800/424-8802 or 202/426-2675.

INA 1384197

DELIVERY ORDER 0034

Information in the shaded areas is not required by Federal law.

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No.

Manifest Document No.

2. Page 1 of 1

OR 083647347

87731

20087731

3. Generator's Name and Mailing Address

DURA INDUSTRIES
 4466 NW YEON
 PORTLAND

OR 97210

(SHE BOX 15)

A. State Manifest Document Number

B. State Generator's ID

4. Generator's Phone (503-228-7007)

6. US EPA ID Number

C. State Transporter's ID [Reserved.]

PRIME ENVIRONMENTAL

CAL931024038

D. Transporter's Phone

562-495-7777

7. Transporter 2 Company Name

8. US EPA ID Number

E. State Transporter's ID [Reserved.]

F. Transporter's Phone

9. Designated Facility Name and Site Address

U.S. ECOLOGY
 HIGHWAY 95, 12 MILES SOUTH
 BEATTY, NV

10. US EPA ID Number

NV1330010000

G. State Facility's ID

H. Facility's Phone

800 239-3943

11. US DOT Description (including Proper Shipping Name, Hazard Class, and ID Number)

12. Containers No. Type

13. Total Quantity

14. Unit Wt/Vol

1. Waste Number

a. **HAZARDOUS WASTE SOLID, N.O.S. (FILTERCAKE), 9, NA3077, III**

001RF 2200 P

State .181
 EPA/Other 007, D008, P006

b.

c.

d.

J. Additional Descriptions for Materials Listed Above
 ADV002110 FILTERCAKE

K. Handling Codes for Wastes Listed Above

a.

b.

c.

d.

15. Special Handling Instructions and Additional Information

ERG# a.171b. c. d. SEND A MANIFEST COPY, CD & INVOICE - TO: WENDY JACOBUS; 200 PINE AVENUE SUITE 514 LONG BEACH, CA 90802
 24 HOUR EMERGENCY RESPONSE: 1-877-217-1463

16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name

Signature

Month Day Year

Jerry Hauser

[Signature]

016/20/00

17. Transporter 1 Acknowledgement of Receipt of Materials

Printed/Typed Name

Signature

Month Day Year

STEVEN C. [Signature]

[Signature]

016/20/00

18. Transporter 2 Acknowledgement of Receipt of Materials

Printed/Typed Name

Signature

Month Day Year

19. Discrepancy Indication Space

20. Facility Owner or Operator Certification of receipt of hazardous materials covered by this manifest except as noted in item 19.

Printed/Typed Name

Signature

Month Day Year

DO NOT WRITE BELOW THIS LINE.

IN CASE OF EMERGENCY OR SPILL, CALL THE NATIONAL RESPONSE CENTER 1-800-424-8802. WITHIN CALIFORNIA, CALL 1-800-852-7550.

DELIVERY ORDER 0001

20087731

IN CASE OF EMERGENCY OR SPILL, CALL THE NATIONAL RESPONSE CENTER 1-800-424-8802; WITHIN CALIFORNIA, CALL 1-800-852-7557

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. <i>CA NV</i> OR 0083647347		Manifest Document No. 87731		2. Page 1 of 1		Information in the shaded areas is not required by Federal law.	
3. Generator's Name and Mailing Address DURA INDUSTRIES 4466 NW YEON PORTLAND OR 97210				A. State Manifest Document Number 20087731		B. State Generator's ID			
4. Generator's Phone (503-228-7007) (SEE BOX 15)				6. US EPA ID Number CAL931024038		C. State Transporter's ID [Reserved.]			
5. Transporter 1 Company Name PRIME ENVIRONMENTAL				D. Transporter's Phone 562-495-7777		E. State Transporter's ID [Reserved.]			
7. Transporter 2 Company Name Allwaste Transportation & Remediation Inc				8. US EPA ID Number CAD063547996		F. Transporter's Phone (408)268-1196			
9. Designated Facility Name and Site Address U.S. ECOLOGY HIGHWAY 95, 12 MILES SOUTH BEATTY, NV 89003				10. US EPA ID Number NVT330010000		G. State Facility's ID			
				H. Facility's Phone 800 239-3943					
11. US DOT Description (including Proper Shipping Name, Hazard Class, and ID Number)		12. Containers		13. Total Quantity		14. Unit Wt/Vol		I. Waste Number	
a. RO. HAZARDOUS WASTE SOLID, N.O.S. (FILTERCAKE), 9, NA3077, III		No. Type		Quantity		Wt/Vol		State .181 EPA/Other 007, D008, F006	
b.								State EPA/Other	
c.								State EPA/Other	
d.								State EPA/Other	
J. Additional Descriptions for Materials Listed Above ADV002110 FILTERCAKE				K. Handling Codes for Wastes Listed Above					
				a.		b.			
				c.		d.			
15. Special Handling Instructions and Additional Information									
<p>ERG# a.171b. c. d. SEND A MANIFEST COPY, CD & INVOICE - TO: WENDY JACOBUS: 200 PINE AVENUE SUITE 514 LONG BEACH, CA 90802</p> <p>24 HOUR EMERGENCY RESPONSE: 1-877-217-7463</p>									
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations.									
<p>If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.</p>									
Printed/Typed Name Jerry Hauser				Signature <i>[Signature]</i>		Month Day Year 01612010			
17. Transporter 1 Acknowledgement of Receipt of Materials				Printed/Typed Name STEVEN C. SKILL		Signature <i>[Signature]</i>		Month Day Year 01020100	
18. Transporter 2 Acknowledgement of Receipt of Materials				Printed/Typed Name Wiley Shepherd		Signature <i>[Signature]</i>		Month Day Year 01721800	
19. Discrepancy Indication Space									
<p>1) Generator EPA I.D. # corrected per Daw LaQua/Prime AD 9-14-00</p> <p>13a) Actual weight received 1440 P. AD 9-14-00</p>									
20. Facility Owner or Operator Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.				Printed/Typed Name Tony Docimo		Signature <i>[Signature]</i>		Month Day Year 01911410	

DO NOT WRITE BELOW THIS LINE.

Yellow: TSDF SENDS THIS COPY TO GENERATOR WITHIN 30 DAYS.
 (Generators who submit hazardous waste for transport out-of-state, produce completed copy of this copy and send to DTSC within 30 days.)

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No.
O R D 0 8 3 6 4 7 3 4 7

Manifest Document No.
0 4 2 4 0

2. Page 1 of 1
Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address
DURA INDUSTRIES
4466 NW YEON, PORTLAND, OR 97210

4. Generator's Phone (503) 228-7007

A. State Manifest Document Number

B. State Generator's ID

5. Transporter 1 Company Name
SPENCER ENVIRONMENTAL

6. US EPA ID Number
O R D 0 8 8 5 9 0 5 7 5

C. State Transporter's ID

D. Transporter's Phone (503) 788-4612

7. Transporter 2 Company Name

8. US EPA ID Number

E. State Transporter's ID

F. Transporter's Phone

9. Designated Facility Name and Site Address
PHILIPS ENVIRONMENTAL
1701 E ALEXANDER AVE.
TACOMA, WA 98421

10. US EPA ID Number
W A D 0 2 0 2 5 7 9 4 5

G. State Facility's ID

H. Facility's Phone (206) 627-7568

11. US DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)

12. Containers No. Type

HM

13. Total Quantity 14. Unit Wt/Vol 15. Waste No.

a. X RQ, WASTE CORROSIVE LIQUID, ACIDIC, INORGANIC, N.O.S.
(PHOSPHORIC ACID, CHROMIC ACID)
8, UN3264, PGII

1823 G
D002
D007
0.01 T T M 1502 G

b.

c.

d.

J. Additional Descriptions for Materials Listed Above
RQ-100P
PROFILE#168167-00 ORDER# 31957
LAND BAN CERTIFICATION ATTACHED

K. Handling Codes for Wastes Listed Above

15. Special Handling Instructions and Additional Information
WEARING PROTECTIVE CLOTHING, CONTAIN SPILL AND TAKE UP USING A VACUUM TRUCK OR ABSORBENT MATERIAL. IN CASE OF EMERGENCY, CONTACT ERIC SPENCER (503) 788-4612.
ERG#154 HAZ REG # 061899 0004 007H PO# 19734

16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national governmental regulations.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name
Jerry Hauser

Signature

Month Day Year
0 7 0 5 0 0

17. Transporter 1 Acknowledgement of Receipt of Materials
Printed/Typed Name
Cory Christensen

Signature

Month Day Year
0 7 1 0 5 0 0

18. Transporter 2 Acknowledgement of Receipt of Materials
Printed/Typed Name

Signature

Month Day Year

19. Discrepancy Indication Space
CHANGED BOX # 13 TO 1823 PER CHRIS COLETTE AND JEFF BERRY - T Morris 7-5-00

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.

Printed/Typed Name
TIM MORRIS

Signature

Month Day Year
0 7 0 5 0 0

GENERATOR

TRANSPORTER

FACILITY

TY



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF SOLID AND HAZARDOUS WASTE MANAGEMENT
P.O. Box 7035
Indianapolis, IN 46207-7035

ENVIRONMENTAL MANAGEMENT
WASTE MANAGEMENT

PLEASE PRINT OR TYPE

(Form designed for use on elite (12-pitch) typewriter.)

Form Approved: OMB No. 2050-0039, Expires 9-30-99

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's U.S. EPA ID Number
080083647347
Manifest Document No.
82005

2. Page 1 of 1
Information in the shaded areas is not required by Federal Law, but items D, F, H, I and K are required by State Law.

3. Generator's Name and Mailing Address
DURA INDUSTRIES
4466 N.W. YEON
PORTLAND, OR 97210

A. State Manifest Document Number
INA1420103

4. Generator's Telephone Number (503) 228-1007

B. State Generator's ID

5. Transporter 1 Company Name
PRIME ENVIRONMENTAL SERVICES

6. U.S. EPA ID Number
CA1937024038

C. State Transporter's ID

7. Transporter 2 Company Name
HAZARDOUS TECHNOLOGIES, INC.

8. U.S. EPA ID Number
CA19049661844

D. Transporter's Phone
562-495-7777

9. Designated Facility Name and Site Address
Pollution Control Industries
4343 Kennedy Ave.
Chicago, IN 46312

10. U.S. EPA ID Number
IND000645944

E. State Transporter's ID

F. Transporter's Phone
909-428-3816

G. State Facility's ID

H. Facility's Phone
219-397-3951

11. U.S. DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)	12. Containers		13. Total Quantity	14. Unit Wt/Vol.	15. Waste No.
	No.	Type			
a. WASTE CORROSIVE LIQUID, ACIDIC, INORGANIC, N.O.S. (CHROMIC ACID) 8 UN3264 PGII	8	55 GALS	00.275	G	F006
b.					
c.					
d.					

J. Additional Descriptions for Materials Listed Above
a. **ADP902132 Profiles 99116126NY Add'l EPA F006 METAL HYDROXIDE SLUDGE W/ CHROME & LEAD**

K. Handling Codes for Wastes Listed Above
S01

15. Special Handling Instructions and Additional Information
24 Hour Emergency Response 1-877-217-7463

16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations.
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Printed/Typed Name: **Jerry Hauser** Signature: [Signature] Date: **11.02.00**

17. Transporter 1 - Acknowledgement of Receipt of Materials
Printed/Typed Name: **Steven C. Hall** Signature: [Signature] Date: **11.02.00**

18. Transporter 2 - Acknowledgement of Receipt of Materials
Printed/Typed Name: **Buc Ludwig** Signature: [Signature] Date: **11.02.00**

19. Discrepancy Indication Space

20. Facility/Owner or Operator: Certification of receipt of hazardous materials covered by this manifest (except as noted in Item 19):
Printed/Typed Name: **AARON RUBINSON** Signature: [Signature] Date: **11.02.00**

In case of a spill, call the Indiana Office of Environmental Response at 317/233-7745 (day or night) and National Response Center at 800 / 424-8802 or 202 / 426-2675.

GENERATOR

TRANSPORTER

FACILITY

INA 1420103

355671
 Emergency Contact Telephone Number
 (208) 363-9000 OR (425) 771-0452

✓ WDR

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No. **O R D 0 8 3 6 4 7 3 4 7** Manifest Document No. **10185**
 2. Page 1 of 1 Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address **DURA INDUSTRIES INC. 4466 NW YEON PORTLAND, OR 97210** SITE ADDRESS: **DURA INDUSTRIES INC. 4466 NW YEON PORTLAND, OR 97210**
 4. Generator's Phone (503) -228-7007 ATTN: **JERRY HAUSER**
 A. State Manifest Document Number
 B. State Generator's ID

5. Transporter 1 Company Name **ENVIROTECH SYSTEMS, INC.** 6. US EPA ID Number **W A H 0 0 0 0 1 2 4 5 0** C. State Transporter's ID
 7. Transporter 2 Company Name 8. US EPA ID Number D. Transporter's Phone **(206) 363-9000**
 E. State Transporter's ID
 F. Transporter's Phone

9. Designated Facility Name and Site Address **CHEMICAL WASTE MANAGEMENT OF THE NORTHWEST 17629 CEDAR SPRINGS LANE ARLINGTON, OR 97812** 10. US EPA ID Number **O R D 0 8 9 4 5 2 3 5 3**
 G. State Facility's ID
 H. Facility's Phone **(541) 454-2643**

11. US DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)	12. Containers		13. Total Quantity	14. Unit Wt/Vol	15. Waste No.
	No.	Type			
a. RQ HAZARDOUS WASTE SOLID, N.O.S. (F019 WASTEWATER SLUDGE) 9 NA 3077 PC III RO (F019)					F019, D007
b.					
c.					
d.					

J. Additional Descriptions for Materials Listed Above **A CWMACS0284, EST#00-322-11, ERG#171**
 K. Handling Codes for Wastes Listed Above **CERTIFICATE OF DISPOSAL REQUIRED S10 1440P 72T**

15. Special Handling Instructions and Additional Information

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national governmental regulations.
 If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name **Brad Ferguson** Signature **Brad Ferguson** Month Day Year **11/2/28/00**

17. Transporter 1 Acknowledgement of Receipt of Materials
 Printed/Typed Name **Scott R. Lindsay** Signature **Scott R. Lindsay** Month Day Year **11/2/28/00**

18. Transporter 2 Acknowledgement of Receipt of Materials
 Printed/Typed Name _____ Signature _____ Month Day Year _____

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.
 Printed/Typed Name **Nicola D Rouska** Signature **Nicola D Rouska** Month Day Year **01/10/30**

ORIGINAL - RETURN TO GENERATOR

GENERATOR

TRANSPORTER

FACILITY

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. O R D 0 8 3 6 4 7 3 4 7		Manifest Document No. 0 1 0 1 4		2. Page 1 of 1		Information in the shaded areas is not required by Federal law.	
		3. Generator's Name and Mailing Address Dura Industries 4466 NW Yeon Portland, OR 97210				A. State Manifest Document Number 01014A		B. State Generator's ID	
4. Generator's Phone (503) 228-7007		5. Transporter 1 Company Name WasteWatch, L.L.C.		6. US EPA ID Number O R Q 0 0 0 0 0 6 2 2 1		C. State Transporter's ID		D. Transporter's Phone (503) 465-8683	
7. Transporter 2 Company Name Rust & Sons Trucking		8. US EPA ID Number C A D 9 8 1 6 3 4 1 1 6		E. State Transporter's ID		F. Transporter's Phone (800) 421-4874		G. State Facility's ID	
9. Designated Facility Name and Site Address Pollution Control Industries, Inc. 4343 Kennedy Avenue East Chicago, IN 46312				10. US EPA ID Number I N D 0 0 0 6 4 6 9 4 3		H. Facility's Phone 219-397-3951			
11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)		12. Containers		13. Total Quantity		14. Unit		15. Waste No.	
		No Type		Quantity		Wt/Vol			
a. <input checked="" type="checkbox"/> X Environmentally hazardous liquid, n.o.s., (chrome), 9, UN3082, PGIII		007 C F		01925		G		D007	
b.									
c.									
d.									
J. Additional Descriptions for Materials Listed Above						K. Handling Codes for Wastes Listed Above			
a. 208325						a. HAH1 S07			
15. Special Handling Instructions and Additional Information									
a. ERG# 171; Emergency Phone No: 503-504-1733 (Tim Ferrick)									
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good-faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.									
Printed/Typed Name Jerry Hauser				Signature 		Month Day Year 10 | 29 | 01			
17. Transporter 1 Acknowledgment of Receipt of Materials				Printed/Typed Name Jim Gibbons		Signature 		Month Day Year 10 | 29 | 01	
18. Transporter 2 Acknowledgment of Receipt of Materials				Printed/Typed Name JOSEPH Gollo		Signature 		Month Day Year 03 | 01 | 01	
19. Discrepancy Indication Space									
20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in item 19.									
Printed/Typed Name Carnes				Signature 		Month Day Year 02 | 08 | 01			

UNIFORM HAZARDOUS WASTE MANIFEST	1. Generator's US EPA ID No. O R D 0 8 3 6 4 7 3 4 7	Manifest Document No. 0 3 0 3 9	2. Page 1 of 1	Information in the shaded areas is not required by Federal law.
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3. Generator's Name and Mailing Address Dura Industries 4466 NW Yeon Portland, OR 97210	A. State Manifest Document Number 03039
4. Generator's Phone (503) 228-7007	B. State Generator's ID
5. Transporter 1 Company Name WasteWatch, L.L.C.	C. State Transporter's ID
6. US EPA ID Number O R Q 0 0 0 0 0 6 2 2 1	D. Transporter's Phone (503) 465-8683
7. Transporter 2 Company Name Hazpro Transportation	E. State Transporter's ID
8. US EPA ID Number C O R 0 0 0 0 1 5 6 1 0	F. Transporter's Phone (303) 770-0857
9. Designated Facility Name and Site Address Pollution Control Industries, Inc. 4343 Kennedy Avenue East Chicago, IN 46312	G. State Facility's ID
10. US EPA ID Number I N D 0 0 0 6 4 6 9 4 3	H. Facility's Phone 219-397-3951

GENERATOR	HM	11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)	12. Containers		13. Total Quantity	14. Unit Wt/Vol	1. Waste No.
			No	Type			
a.	X	RQ, Waste paint related material, 3, UN1263, PGI	0 0 1	D M	00450	P	D001, D035, F003, F005
b.							
c.							
d.							

J. Additional Descriptions for Materials Listed Above a. 211160	K. Handling Codes for Wastes Listed Above a. M053
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15. Special Handling Instructions and Additional Information
a. ERG# 127 Emergency Phone No: 503-504-1733

16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national government regulations.

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Printed/Typed Name Jerry Hauser	Signature 	Month Day Year 03 14 01
---	---------------	---------------------------------------

17. Transporter 1 Acknowledgment of Receipt of Materials		
Printed/Typed Name Jim Gibbons	Signature 	Month Day Year 03 | 14 | 01

18. Transporter 2 Acknowledgment of Receipt of Materials		
Printed/Typed Name Allen Peterson	Signature 	Month Day Year 03 | 20 | 01

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.		
Printed/Typed Name Carnes	Signature 	Month Day Year 03 | 20 | 01

RECEIVED

MAY - 8 2001

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

105030018

Form Approved. OMB no. 2050-0039. Expires 9-30-99

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. O R D 0 8 3 6 4 7 3 4 7		Manifest Document No. 0 4 0 7 2		2. Page 1 of 1		Information in the shaded areas is not required by Federal law.		
3. Generator's Name and Mailing Address Dura Industries 4466 NW Yeon Portland, OR 97210				A. State Manifest Document Number		B. State Generator's ID 99941				
4. Generator's Phone (503) 228-7007				6. US EPA ID Number O R Q 0 0 0 0 0 6 2 2 1		C. State Transporter's ID		D. Transporter's Phone (503)465-8683		
5. Transporter 1 Company Name WasteWatch, L.L.C.				8. US EPA ID Number C O R 0 0 0 0 1 5 6 1 0		E. State Transporter's ID		F. Transporter's Phone (303)770-0857		
7. Transporter 2 Company Name Hazpro Transportation				10. US EPA ID Number I D D 0 7 3 1 1 4 6 5 4		G. State Facility's ID		H. Facility's Phone 208-834-2275		
9. Designated Facility Name and Site Address US Ecology Idaho, Inc. 10 1/2 Miles NW Highway 78, Lemley Rd Grand View, ID 83624										
11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)						12. Containers		13. Total Quantity	14. Unit Wt/Vol	1. Waste No.
a. HM X RR. Hazardous waste, solid, n.o.s., (chrome), ^{9, 11} NA3077, PGIII						0 0 2 C F		0 3 0 0 0	P	F019
b.										
c.										
d.										
J. Additional Descriptions for Materials Listed Above a. WSTD# 11715						K. Handling Codes for Wastes Listed Above a.				
15. Special Handling Instructions and Additional Information a. ERG# 171; Emergency Phone No: 503-504-1733 (Tim Ferrick)										
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled/placarded, and are in all respects in proper condition for transport according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.										
Printed/Typed Name Jerry Hauser				Signature 				Month Day Year 04 | 26 | 01		
17. Transporter 1 Acknowledgment of Receipt of Materials										
Printed/Typed Name Jim Gibbons				Signature 				Month Day Year 04 | 26 | 01		
18. Transporter 2 Acknowledgment of Receipt of Materials										
Printed/Typed Name ERLING HOEL				Signature 				Month Day Year 05 | 21 | 01		
19. Discrepancy Indication Space										
20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.										
Printed/Typed Name Donna Pullen for USEIT				Signature Donna Pullen				Month Day Year 05 | 03 | 01		

GENERATOR

TRANSPORTER

FACILITY

010730021

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. O, R, D, 0, 8, 3, 6, 4, 7, 3, 4, 7	Manifest Document No. 0, 7, 1, 5, 2	2. Page 1 of 1	Information in the shaded areas is not required by Federal law.		
3. Generator's Name and Mailing Address Dura Industries, Inc. 4466 NW Yeon Portland, OR 97210			A. State Manifest Document Number				
4. Generator's Phone (503) 228-7007			B. State Generator's ID				
5. Transporter 1 Company Name WasteWatch, L.L.C.		6. US EPA ID Number O, R, Q, 0, 0, 0, 0, 0, 6, 2, 2, 1	C. State Transporter's ID				
7. Transporter 2 Company Name SLT Express, Inc.		8. US EPA ID Number U, T, D, 9, 8, 1, 5, 5, 2, 4, 2, 5	D. Transporter's Phone 503-465-8683				
9. Designated Facility Name and Site Address US Ecology Idaho, Inc. 10.5 Miles NW Hwy 78, Lemley Rd Grand View, ID 83624		10. US EPA ID Number I, D, D, 0, 7, 3, 1, 1, 4, 6, 5, 4	E. State Transporter's ID				
			F. Transporter's Phone 801-265-2520				
			G. State Facility's ID				
			H. Facility's Phone 208-834-2275				
GENERATOR	11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)		12. Containers No.	13. Total Quantity	14. Unit Wt/Vol	1. Waste No.	
	a.	RQ, Hazardous waste, solid, n.o.s., (chrome), 9, NA3077, PGIII	0, 0, 1	C, F	1460 10-18	P	F019
	b.						
	c.						
	d.						
J. Additional Descriptions for Materials Listed Above a. WSID# 11715			K. Handling Codes for Wastes Listed Above a. M111				
15. Special Handling Instructions and Additional Information a. ERG# 171; Emergency Phone No: 503-504-1733							
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.							
Printed/Typed Name Jerry Hauser			Signature <i>Jerry Hauser</i>		Month Day Year 10/7/2001		
TRANSPORTER	17. Transporter 1 Acknowledgement of Receipt of Materials						
	Printed/Typed Name Jim Gibbons			Signature <i>Jim Gibbons</i>		Month Day Year 10/7/2001	
	18. Transporter 2 Acknowledgement of Receipt of Materials						
Printed/Typed Name MARK KIMBERLIO			Signature <i>Mark Kimberlio</i>		Month Day Year 10/7/27/01		
19. Discrepancy Indication Space							
FACILITY	20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.						
	Printed/Typed Name Tiffany Meyers for USEI			Signature <i>Tiffany Meyers</i>		Month Day Year 10/7/30/01	



UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. OR D 0 8 3 6 4 7 3 4 7	Manifest Document No. 0 9 2 0 2	2. Page 1 of 1	Information in the shaded areas is not required by Federal law.			
3. Generator's Name and Mailing Address Dura Industries, Inc. 4466 NW Yeon Portland, OR 97210				A. State Manifest Document Number 09202	B. State Generator's ID			
4. Generator's Phone (503) 228-7007								
5. Transporter 1 Company Name WasteWatch, L.L.C.		6. US EPA ID Number OR Q 0 0 0 0 0 6 2 2 1		C. State Transporter's ID				
7. Transporter 2 Company Name SLT Express, Inc.		8. US EPA ID Number U T D 9 8 1 5 5 2 4 2 5		D. Transporter's Phone (503) 465-8683				
9. Designated Facility Name and Site Address Pollution Control Industries, Inc. 4343 Kennedy Avenue East Chicago, IN 46312		10. US EPA ID Number I N D 0 0 0 6 4 6 9 4 3		E. State Transporter's ID				
				F. Transporter's Phone (801) 265-2520				
				G. State Facility's ID				
				H. Facility's Phone (800) 388-7242				
GENERATOR	11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)			12. Containers No.	13. Total Quantity	14. Unit Wt/Vol	15. Waste No.	
	HM	a. RQ, Waste paint related material, 3, UN1263, PGII			0 0 1	DM	00.350	P
	X							
		b.						
		c.						
	d.							
J. Additional Descriptions for Materials Listed Above a. 211160				K. Handling Codes for Wastes Listed Above a. M051				
15. Special Handling Instructions and Additional Information a. ERG# 127; Emergency Phone No: 503-504-1733								
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.								
Printed/Typed Name Jerry Hauser				Signature 		Month Day Year 10/9/10/01		
TRANSPORTER	17. Transporter 1 Acknowledgement of Receipt of Materials				Signature 		Month Day Year 10/9/10/01	
	Printed/Typed Name Jim Gibbons							
	18. Transporter 2 Acknowledgement of Receipt of Materials				Signature 		Month Day Year 09/18/01	
Printed/Typed Name LARRY LEHMONS								
FACILITY	19. Discrepancy Indication Space							
	20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.							
Printed/Typed Name Susan Smurdon				Signature 		Month Day Year 1/00/01		

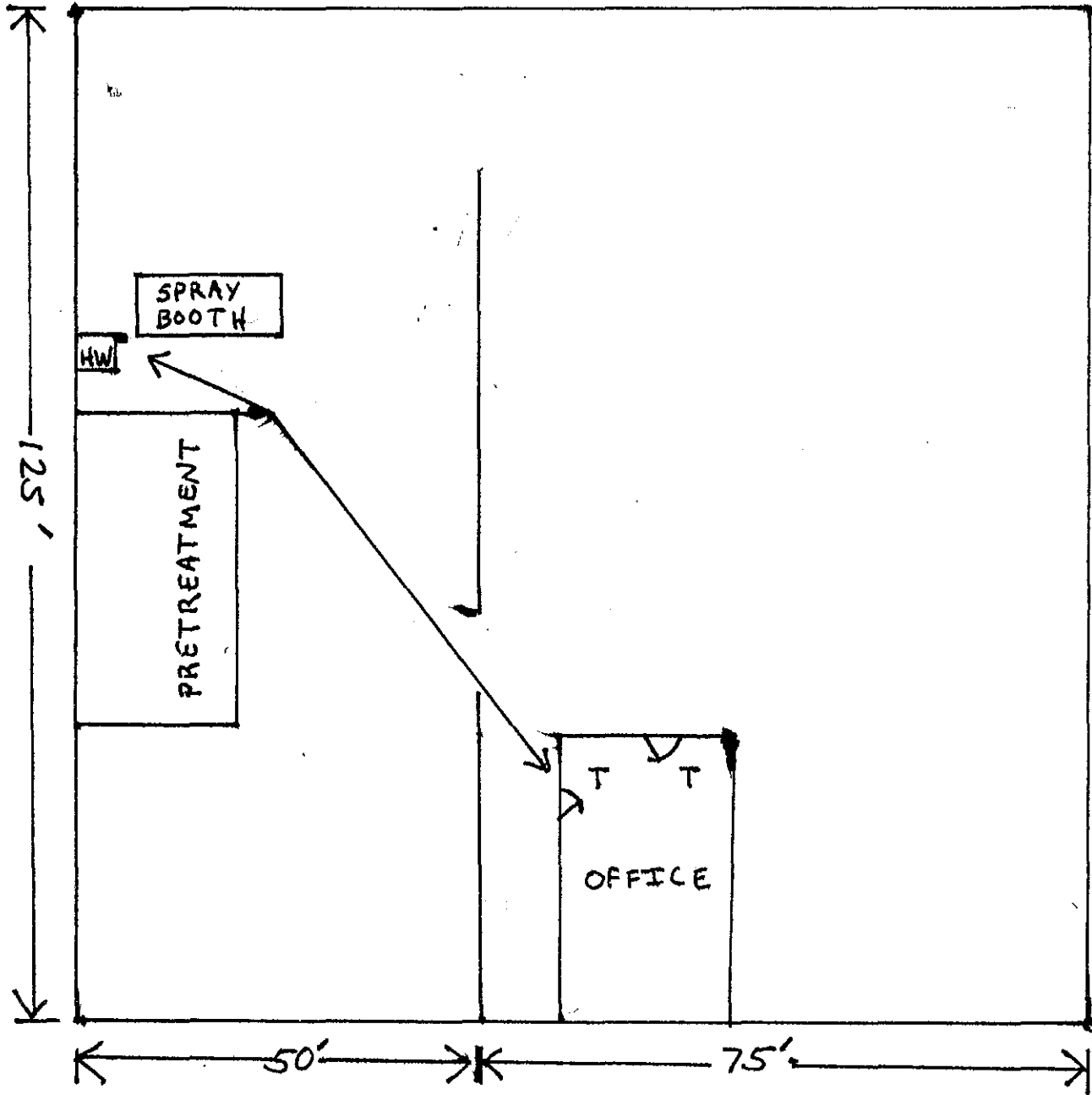


ORIGINAL-RETURN TO GENERATOR

UNIFORM HAZARDOUS WASTE MANIFEST		1. Generator's US EPA ID No. OR D 0 8 3 6 4 7 3 4 7	Manifest Document No. 0 3 0 7 7	2. Page 1 of 1	Information in the shaded areas is not required by Federal law.				
3. Generator's Name and Mailing Address Dura Industries, Inc. 4466 NW Yeon Portland, OR 97210				A. State Manifest Document Number					
4. Generator's Phone (503) 228-7007				B. State Generator's ID					
5. Transporter 1 Company Name WasteWatch, L.L.C.		6. US EPA ID Number OR 0 0 0 0 0 0 6 2 2 1		C. State Transporter's ID					
7. Transporter 2 Company Name SIT Express, Inc.		8. US EPA ID Number UT D 9 8 1 5 5 2 4 2 5		D. Transporter's Phone (503) 465-8683					
9. Designated Facility Name and Site Address Pollution Control Industries of Tennessee LLC 5485 Tay-For Drive Millington, TN 38053				10. US EPA ID Number T N D 0 0 0 7 7 2 1 8 6		E. State Transporter's ID			
				F. Transporter's Phone (801) 265-2520					
				G. State Facility's ID					
				H. Facility's Phone (901) 353-5291					
11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)					12. Containers No.	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.	
a. RQ, Waste Paint related material, 3, UN1263, PGII					0 0 1	DM	0.0600	P	D001, D035, F003, F005
b.									
c.									
d.									
J. Additional Descriptions for Materials Listed Above a) 211160 CO 13246					K. Handling Codes for Wastes Listed Above a) M051 SO1				
15. Special Handling Instructions and Additional Information a) ERG#: 128 Emergency Phone No: 503-504-1733									
16. GENERATOR'S CERTIFICATION: I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.									
Printed/Typed Name Jerry Hauser				Signature 		Month Day Year 03/13/02			
17. Transporter 1 Acknowledgement of Receipt of Materials				Printed/Typed Name Jim Gibbons		Signature 			
				Month Day Year 03/13/02					
18. Transporter 2 Acknowledgement of Receipt of Materials				Printed/Typed Name Alan Sawyer		Signature 			
				Month Day Year 03/21/02					
19. Discrepancy Indication Space									
20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.									
Printed/Typed Name Brandy Given				Signature 		Month Day Year 03/21/02			



ORIGINAL-RETURN TO GENERATOR



ENVIROSAFE SERVICES OF IDAHO

U.S. EPA ID. Number IDD073114654

NOTE: Before completing profile, please read instruction booklet. *Indicates typical problem areas.

COPY

SECTION A - GENERATOR DATA

Mailing address as it will appear on manifest

a. Generator Dura Industries
Address 4466 NW Yeon
City/State Portland, OR Zip 9706-97210
Tech. Contact Jerry Hauser Tel. 503-228-7007
1b. Off-Spec Contact Tim Ferrick Tel. 503-465-8683
(WHEN TRUCK ARRIVES AT ESII)
24 HR. 7 Day/Week Contact Tim Ferrick Tel. 504-1733
~~503-465-8~~

Envirosafe Service Only	
WS ID	<input type="checkbox"/>
<input type="checkbox"/> Direct	<input type="checkbox"/> Billing Broker
Sales Zone Code	<input type="checkbox"/>
SAFETY <input type="checkbox"/> Yes <input type="checkbox"/> No	
Safety Code	<input type="checkbox"/>
Cell 5/14 Waste <input type="checkbox"/>	P.O.A. <input type="checkbox"/>
MANIFEST NOTIFICATION/CERTIFICATION REQUIRED	<input type="checkbox"/>
Source Code	<input type="checkbox"/> A <input type="checkbox"/>
System Type Code	<input type="checkbox"/> M <input type="checkbox"/>
LDR Debris <input type="checkbox"/>	

U.S. EPA IDENTIFICATION NUMBER

OR D 08 36 4 7 3 4 7

2. Billing/Broker Waste Watch LLC
Address 592 SE 42nd Cir
City/State Troutdale, OR Zip 97060
Billing Contact Tim Ferrick Tel. 503-465-8683

SECTION B - WASTE CHARACTERIZATION

1. Common Name for This Waste: Aluminum hydroxide Solids
2. Detailed Process Generating Waste: (We recommend 25 words or more. If there is insufficient space, use Section H or attach process letter. See latest truction booklet for details. Note that incompletes information here, or elsewhere on form, will delay approval process.)
Waste Water Treatment from conversion wastes
3. Annual Quantity: 2 Tons Yards Gallons Drums
4. Shipment Duration Permanent (1 Year or Longer) Temporary (Less Than 1 Year)
5. Shipment Mode: Bulk Palletized Boxes Woven Cloth Bags Metal Drums (SIZE) Buckets (SIZE) Overpacks (SIZE) Other (SIZE)
6. Service Requested From ESII Direct Landfill Disposal Stabilization (One gallon sample sent with copy of questionnaire to facility address, original questionnaire sent to mailing address) Solidification Recontainerization Other Unknown, please advise Transportation Debris Treatment
ESII will contact broker/generator if additional samples are required (see WPO instructions for details).
7. Application Type: New Yearly renewal

SECTION C - PHYSICAL PROPERTIES

1. Describe physical state at 70°F
 Dry Solid Damp Solid Powder Semi-Solid/Gel Flowable Liquid Labpack House Hold Pack Other
2. Describe Load Bearing Strength at 70°F: Solid/Rigid Sludge Weak/None
2.1 Penetrometer PSI: _____ * 2.2 % Solids @ 105°C: _____ % Solids Range _____ to _____
(*2.2 is required for stabilization, value must be exclusive of debris, use standard methods 209A.)
3. Describe Physical Appearance of Waste
include color, texture, be specific with complete range and variation. See instructions.
4. Apparent Density of Waste: (Required for Bulk) _____ Lb./Cu. Yard

COMPLETENESS CHECK:

5. Flash Point: 1 <70°F 2 70-100°F 3 101-140°F 4 141-200°F 5 >200°F

5.1 Actual Flash Point: _____ °F

5.2 Will material burn in a flame: 1 Yes 2 No

6. Maximum % of Lower Explosive Limit (LEL) as measured in the headspace of the shipping container by a combustible gas detector calibrated with propane _____

6. pH Range NA to _____ *6.1 Actual pH (S.U.): 4-7

*(Please test for pH except for debris, ESII always tests pH when truck arrives. Solids are tested by first mixing with water one to one.)

7. Describe Odor of Waste: 1 None 2 Slight 3 Strong Describe _____

8. Viscosity (Liquids): Similar to: 1 Water 2 Motor Oil 3 Honey Other Solid

9. Debris in Waste: (Indicate % and size by Debris Type in Section E.) Yes No

10. If debris requires stabilization by ESII:

- a. Is the debris moisture absorptive? Yes No
- b. Is the material surface contaminated only? Yes No
- c. Are all contaminated surface exposed? Yes No

11. The following materials will be used for spill clean-ups while handling waste or product at generator's facility:

Broom

12. Potential for presence/Separation of incidental liquids due to transport: (Question is provided to eliminate delays for profile amendment should load arrive with free liquids.) Yes No

13. Material is capable of liquefying or melting if exposed to temperatures between 32°F and 120°F: Yes No

SECTION D - ANALYTICAL REPORT

As Shipped to ESII

1. All values left blank are considered certified as not applicable. (Note that D004 through D043 are only included for reference.)

2.1 Values are from: Lab Report Analysis Generator Knowledge MSDS Other _____

2.2 Lab Report or MSDS is attached. Yes No

Analysis method is: TC-TCLP SW-846 1311 (mg/l) Totals SW-846 (mg/kg)

Other Cyanide

Units

PARAMETER	UNITS	PARAMETER	UNITS	PARAMETER	UNITS	PARAMETER	UNITS
Aluminum	<u>2.25 ppm</u>	Chlorodane (D020)	<u>NS</u>	Butanol	<u>NS</u>	Orthodichlorobenzene	<u>NS</u>
Antimony	<u>NS</u>	Heptachlor (D031)		Carbon Disulfide		Pentachlorophenol (D037)	
Arsenic (D004)		Total Cyanide		Carbon Tetrachloride (D019)		Pyridine (D038)	
Barium (D005)		Amenable Cyanide		Chlorobenzene		Tetrachloroethylene (D039)	
Beryllium		Reactive Cyanide (D003)		Cresols-Cresylic Acid (D023-26)		Toluene	
Cadmium (D006)		Free Cyanide		Cyclohexanone		1, 1, 1-Trichloroethane	
Chromium (hex) (D007)	<u>< 50 ppm</u>	Total Sulfide		1,2-Dichlorobenzene		1, 1, 2 - Trichloroethane	
Chromium (tot) (D007)	<u>< 50 NS</u>	Free Sulfide		1,4 Dichlorobenzene (D027)		Trichlorotrifluoroethane	
Cobalt	<u>NS</u>	Reactive Sulfide (D003)		1, 1 Dichloroethylene (D029)		Trichloroethylene (D040)	
Copper		Phenolics		2, 4 Dinitrotoluene (D030)		Trichlorofluoromethane	
Iron		Chloride		2 - Ethoxyethanol		Xylene(s)	
Lead (D008)		Fluoride		Ethyl Acetate			
Mercury (D009)		Phosphate		Ethyl Benzene			
Nickel +		Sulfate		Ethyl Ether			
Selenium (D010)		Nitrate-N		Hexachlorobenzene (D032)			
Silver (D011)		Ammonia-N		Hexachlorobutadiene (D033)			
Thallium +		Kjeldahl-N		Hexachloroethane (D034)			
Zinc		Oil & Grease		Isobutanol			
Endrin (D012)		TOC (Carbon)		Methanol			
Lindane (D013)		TOX (Halogen)		Methylene Chloride			
Methoxychlor (D014)		PCB		Methyl Ethyl Ketone (D035)			
Toxaphene (D015)		Dioxins		Methyl Isobutyl Ketone			
(D016)		Acetone		Nitrobenzene (D036)			
2, 4, 5-TP/Silvex (D017)		Benzene (D018)		2-Nitropropane			

Copies of all analyticals, lab reports and/or Material Safety Data Sheets must be attached to this application.

Copies attached.

SECTION E - WASTE COMPOSITION

As Shipped to ESII

1. List all components within the waste stream by percentage. Account for 100 percent of waste in the TYPICAL % column.

(Include size and type of debris)

	Typical %	Range %
aluminum hydroxide	45	25 to 50
water (as moisture)	30	25 to 50
Sodium phosphate	25	0 to 1
Hex chrome	<50 PPM	to <50 PPM
		to
		to
		to
		to
		to
		to
*TOTAL	=100?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SECTION F - WASTE CLASSIFICATION

As Shipped to ESII

1. Choose one. Waste as shipped will be: RCRA NON-HAZARDOUS RCRA HAZARDOUS

2. RCRA EPA Waste Code(s) from 40 CFR 261:

F019					

3. Does Waste Exhibit or Contain the Following:

- | | | | |
|-----------------|---|--------------------|---|
| EXPLOSIVE | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | ETIOLOGICAL | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| SHOCK SENSITIVE | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | THERMALLY UNSTABLE | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| PYROPHORIC | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | RADIOACTIVE | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| WATER REACTIVE | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | TIRES | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |

If YES, Explain in Section H

4. Is this waste, or the generating facility, subject to regulation under 40 CFR Part 61 Subpart FF (Benzene Rule) of NESHAPS (S8 FR No. 4-1/7/93) (Note: Waste generated from chemical manufacturing, coke-by-product recovery plants, petroleum refineries or treaters of such waste are subject to these requirements). YES NO

5. SIC CODE

FORM CODE B

Form Codes in ESII Waste Product Questionnaire Instruction Booklet

6. State Waste Codes: State of _____

NOT APPLICABLE

SECTION G - U.S. DOT SHIPPING DESCRIPTION

(Note - Shipper is responsible for correctness of this information)

1. D.O.T. Hazardous Material? Yes No

2. D.O.T. RQ Required: Yes No N/A

3. Proper D.O.T. Shipping Name: Hazardous Waste Solid, nas (chrome)

D.O.T. Hazard Class: 9

5. Packaging Group: PG III

6. D.O.T. ID Number: NA 6H3077

7. Additional D.O.T. Description: _____

ENVIROSAFE SERVICES OF IDAHO, INC.

WSID

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SECTION H - ADDITIONAL COMMENTS

1. Additional Comments, Descriptions, or Waste Stream Information:

PROCESS DIAGRAM OR PHOTOGRAPH

SECTION J - CERTIFICATION

- Is this waste the result of a product spill clean-up? Yes No
- Has this waste been treated (per 40 CFR 260.10) after the initial point of generation as a waste? Yes No
If "Yes" then include a completed Attachment A which describes the waste prior to treatment, and respond to the following questions. (If no, skip to 3.)
- 2a. Attachment A Included. Yes
- 2b. Indicate treatment method: Solidification Stabilization Other _____
- 2c. Yes, if solidified or stabilized, all additives are listed in Section E.
3. Does the waste pass (i.e., is solid) the EPA specified paint filter test? Yes (Solid) No (Free liquids present)
4. The total 40 CFR 268, Appendix III Halogenated Organic Compounds present in this waste, as shipped to ESII are at the following levels?
 None Present 0 to 99 mg/kg 100 to 499 mg/kg 500 to 999 mg/kg >1000 mg/KG
5. Is the waste restricted under the Land Disposal Restrictions under federal rules of 40 CFR 268. Yes No (If no, skip to 6.)
(See Instructions) If yes, please answer the following:
Treatment Sub-category: Wastewater (<1% TSS and <1% TOC) Non-wastewater Debris Other _____
Specify that this material may be directly land disposed without further treatment. Yes No _____ Specify _____
- 5b1. If yes, specify: Meets numerical BDAT treatment standards by analysis, which are attached.
 Material has been treated by this technology from 40 CFR 268.42: _____
 Material is subject to a variance or extension as specified: _____
 Material has been treated to debris technology as specified: _____

6. GENERATOR CERTIFICATION STATEMENTS

A. FOR SOLIDS FOR DIRECT BURIAL AT ESII

- The waste was initially generated as a solid material containing no free liquid.

-OR-

- The waste was initially generated as a liquid or waste containing free liquids. The waste has been treated to eliminate free liquids in compliance with Section 3004 (c) of the Resource Conservation and Recovery Act (RCRA) of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984. The materials used in the treatment process do not biodegrade or release liquids when compressed. The treatment process utilized (for bulk waste) did not employ the addition of absorbents to the waste (unless used in a stabilization process).

B. Certification Statement

I hereby certify that as an authorized representative of the generator named above, all information submitted in this and all the attached document are true and accurate. Pre-shipment and all other samples provided are a true representative sample of the waste and were sampled in accordance with 40 CFR Part 261.20. Any analysis of the waste was conducted in accordance with the approved test methods in 40 CFR Part 261 on a representative sample as defined in 40 CFR Part 261.20. To the best of my knowledge, all known (40 CFR Part 261/OSHA/NESHAP) and suspected hazardous components have been included in this documentation. All material, descriptions, and packaging will comply with all current regulations.

SIGNATURE _____ TITLE _____ DATE _____
TO BE SIGNED BY A GENERATOR OR PERSON ASSIGNED A POWER OF ATTORNEY. NOTE THAT AN ORIGINAL INK SIGNATURE IS REQUIRED.

PRINTED NAME _____
 Power of Attorney is Attached

ESII USE ONLY

Comments _____

I Review _____ Second Review _____ Final Review _____

Date Approved _____ Date Denied _____

See WPQ summary sheet for fingerprints and waste routing.



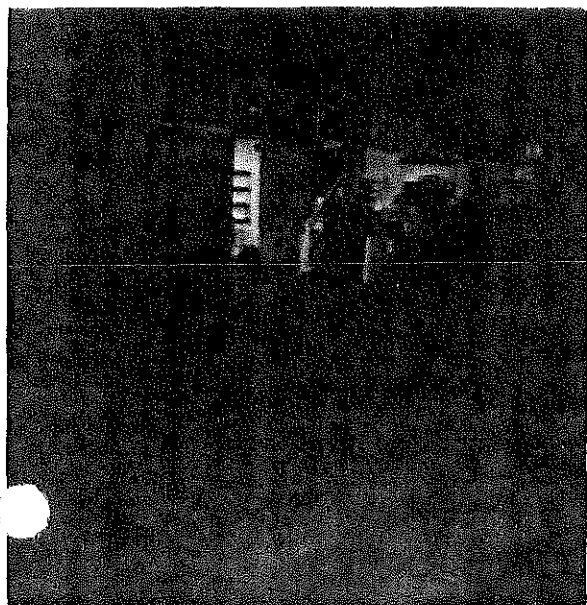
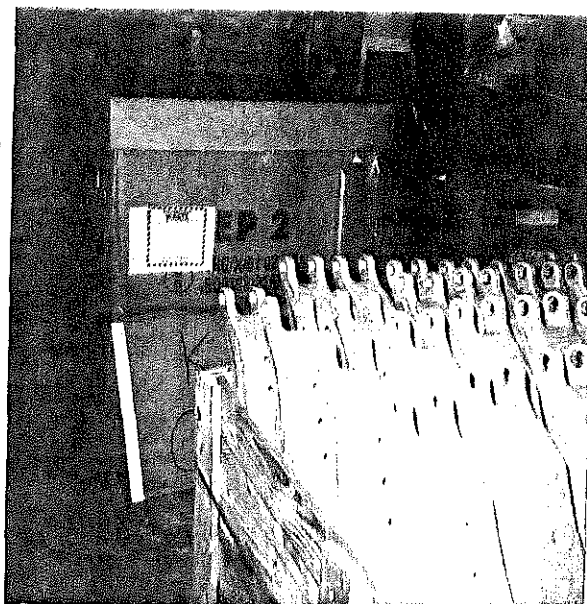
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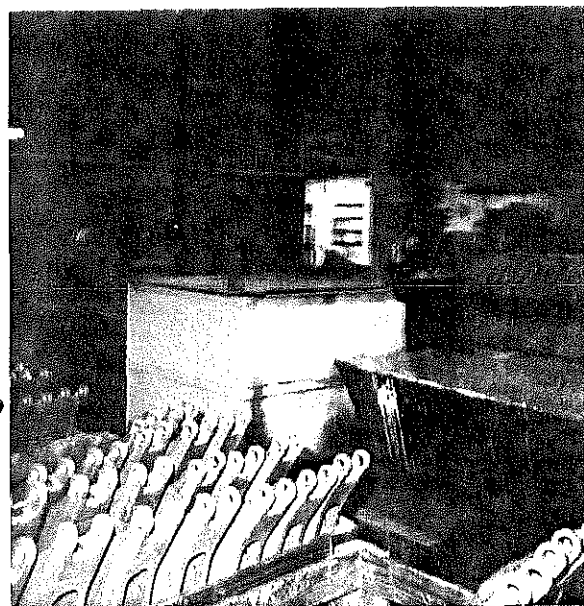
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R-10
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Inside Dura Facility

Oregon

DEPARTMENT OF
ENVIRONMENTAL
QUALITY

ENFORCEMENT SECTION

Dura Industries, Inc.
c/o John Burns
P. O. Box 10762
Portland, OR 97210

April 9, 1996

RE: Mutual Agreement and Order
Dura Industries, Inc.
Case Nos. HW-NWR-95-221
Multnomah County

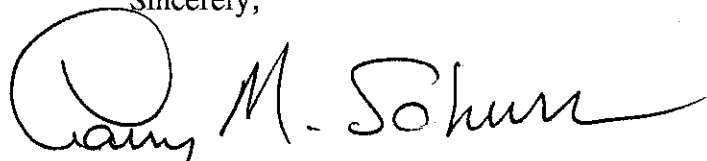
Dear Mr. Burns:

Enclosed for your records is a fully-executed copy of the Mutual Agreement and Order (MAO) that was signed on behalf of the Environmental Quality Commission. We have received payment of the \$1,000 civil penalty, and now consider this matter closed.

Thank you for your help in resolving several of the contested issues in this matter.

If you have any questions, please call me at 229-6932.

Sincerely,



Larry M. Schurr
Environmental Law Specialist
Special Investigator
Enforcement Section, DEQ

Enclosure

cc: Waste Management and Cleanup Division, Jim Vilendre
Northwest Region, DEQ
Rules Coordinator, DEQ



2020 SW Fourth Avenue
Suite 400
Portland, OR 97201-4987
(503) 229-5528
TTY (503) 229-5471
DEQ-1

State of Oregon
Department of Environmental Quality

Memorandum

Date: April 2, 1996

To: Langdon Marsh, Director
Through Van Kollas and Tom Bispham

From: Larry M. Schurr, Statewide Enforcement Section

Subject: Proposed Mutual Agreement and Order
Dura Industries, Inc.
Case HW-NWR-95-221
Multnomah County

On November 27, 1995, the Department assessed a \$1,000 civil penalty against Dura Industries, Inc. for over-accumulating hazardous waste. Dura was also cited, without penalty, for several other hazardous waste violations, including several corrected Class II violations which are not usually included in the formal action against "first time violators."

However, at the time, we felt there were close ties between Dura and the previous operators of the facility which was named "Dura Finishes, Inc.," doing business under the assumed business name "Dura Industries, Inc." Many of the violations documented and cited in the NON and the formal enforcement action notice were similar to violations that had been previously documented against the previous company. Because of those apparent ties, we treated the case more like a repeat violator rather than a first time violator.

Dura contested the action and complained that it felt it was unfairly punished for the poor environmental record of the previous company. Dura has since demonstrated that there is absolutely no ties between it and the previous operator. We agree that it would be appropriate to retract the formal citations of corrected Class II violations in order to make the action equitable to actions taken against other first time violators.

If Dura repeats any violation for which they were cited in an NON, even if we retract the formal citation as we now propose, we would likely assess a penalty for that violation because Dura would have received what amounts to "actual notice" of the specific regulation.

The attached Mutual Agreement and Order (MAO) sets forth the terms of the proposed settlement. The amount of the civil penalty does not change.

Please review the attached MAO. If you agree with the proposed terms, please sign, date, and return it to me.

violation may seem technical because Dura claimed it was meeting the stricter requirements for large quantity generators, it did violate 40 CFR 262.34(d)(5)(ii). DEQ's citing of this violation was not arbitrary and capricious, especially when DEQ did not assess a penalty for this violation.

CIVIL PENALTY

Violation 1. Disposing hazardous waste in a facility not permitted to handle such waste

Dura conceded it violated ORS 466.100(1) by disposing hazardous waste in a facility not permitted under ORS 466.110 to 466.170 to handle such waste. Dura disagrees that the amount of the disposal was undetermined. The estimates by DEQ's witnesses were probably overstated. The amount of hazardous waste was likely less than 50 gallons, based on what was stated in the pollution complaint, which only alleged a total of about 40 gallons (Exhibit 19), in the memorandum from DEQ (Exhibit 9) and handwritten notes from a Metro employee (Exhibit 7), which alleged about 22 gallons on the pallet, and the testimony of the witnesses. The buckets removed from the pile were the ones that had any amount of paint in them. They totaled only about 22 gallons. If there was any measurable amount of paint left in the other buckets, they would likely have been pulled out and put on the pallet. Some paint was spilled throughout the load, but the Dura's witness correctly points out that amount was not much, based on the pictures. The amount in the other buckets not pulled out was certainly less than 28 gallons.

It is almost impossible to determine the exact amount of the paint (hazardous waste) that was disposed. That inability to determine the exact amount does not mean that the magnitude defaults to major because the amount is not determined exactly. The evidence does establish less than 50 gallons of paint were disposed of. The magnitude of Violation 1 was minor.

DEQ claims that the amount disposed is not relevant because the current rule regarding magnitude (OAR 340-012-0090(3)(b)(C)) requires that the lesser magnitude will be applied only "when the violation had no potential for or had no more than de minimis actual adverse impact on the environment, or posed any threat to public health, or other environmental receptors." The standard is rather broad, but was incorporated into the rule, effective October 12, 1998. The violation occurred on August 25, 1998, so the prior standard under OAR 340-012-0090(3)(c)(C) (the former numbering) is applied. The former rule did not have the above quoted language, so the magnitude is minor.

DEQ alleged that the paint (hazardous waste) contaminated the whole load, so the whole load should be considered hazardous waste, according to RCRA regulations. DEQ did not establish that Dura disposed of the other substances in the load and Dura certainly did not mix those wastes together in the sanitation truck and contaminate them, so Dura cannot be held responsible for mixing the waste and contaminating the other waste.

The "O" factor should be zero because the violation did not exist "for more than one day" or "recurred on the same day". OAR 340-012-0045(1)(c)(C). Dura paid for the site to be immediately cleaned up, which it was that day. DEQ alleged only one violation in regards to the disposal of hazardous waste, so it cannot allege recurring violations. Each dumped bucket cannot be considered a recurrence because they were dumped together.

The "R" should be plus 2 because Dura was at least negligent in not supervising its employee more closely to make sure this mistake did not occur. This mistake was not unavoidable, so the value cannot be 0, as argued by Dura.

Regarding Violation 1, Dura is liable for a penalty for a Class 1 minor magnitude violation, with additional factors of 5 for the "P" factor because of the four prior Class 1 or equivalent violations, 2 for the "R" factor because the employee's negligence is attributable to Dura, and negative 2 for each of the "H" and "C" factors because of Dura's efforts to correct the violation. The total penalty for this violation is $(\$1,000 + [(1 \times \$1,000) \times (5-2+2-2)])$, or \$1,300.

Violation 2. Failing to determine whether each "residue" was a hazardous waste.

DEQ has not established a violation in this allegation, so no penalty is assessed.

Violation 3. Dura failed to mark each container of hazardous waste with the words "Hazardous Waste" prior to transporting or offering hazardous waste for transportation off-site.

Dura violated 40 CFR 262.32(b) in that prior to transporting or offering hazardous waste for transportation off-site, Dura failed to mark each container of hazardous waste with the words "Hazardous Waste", as explained above. DEQ applied the current version of OAR 340-012-0068(1)(ff) to conclude the violation was class one. That current version states that the violation is class one if there is a substantial harm to the public health or environment. The former rule in effect at the time of the violation does not contain such language. The former rule states that class one violations include systematic failure to follow container labeling requirements or lack of knowledge of container contents (OAR 340-12-068(1)(v)) and failure to label hazardous waste containers where such failure could cause an inappropriate response to a spill or leak and substantial harm to public health or the environment (OAR 340-12-068(1)(w)). DEQ has failed to establish a systematic failure by Dura or that the failure to mark could cause an inappropriate response because the material was obviously hazardous, as noted immediately at the Metro Central Station. Moreover, DEQ has not established with more than an unspecific allegation that the paint in the waste could reasonably cause a substantial harm to public health or the environment. The violation was class two under OAR 340-12-068(2)(u).

The "O" factor should be zero because the violation did not exist "for more than one day" or "recurred on the same day". OAR 340-012-0045(1)(c)(C). Dura paid for the site to be immediately cleaned up, which it was that day. DEQ alleged only one violation in regards to the disposal of hazardous waste, so it cannot allege recurring violations. Each dumped bucket cannot be considered a recurrence because they were dumped together.

The "R" should be plus 2 because Dura was at least negligent in not supervising its employee more closely to make sure this mistake did not occur. This mistake was not unavoidable, so the value cannot be 0, as argued by Dura.

Regarding Violation 3, Dura is liable for a penalty for a class two moderate magnitude violation, with additional factors of 5 for the "P" factor because of the four prior Class 1 or equivalent violations, 2 for the "R" factor because the employee's negligence is attributable to Dura, and

negative 2 for both the "H" and "C" factors because of Dura's efforts to correct the violation. The total penalty for this violation is $(\$1,000 + [(1 \times \$1,000) \times (5-2+2-2)])$, or \$1,300.

Violation 4. Failing to immediately clean up a threatened spill or release of hazardous material at its facility

Dura did not violate OAR 340-108-030(1) by failing to immediately clean up a threatened spill or release of hazardous material at its facility because DEQ has failed to establish a threatened spill or release. No penalty is therefore assessed.

Violation 5. Failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site.

Dura violated 40 CFR 262.34(a)(2), 40 CFR 262.34(d)(4) and OAR 340-102-034(2) by failing to mark each container of hazardous waste with the date that accumulation in each container began prior to the container being transported off-site. DEQ did not assess a penalty for this violation, so no penalty is assessed.

Violation 6. Failing to prepare a hazardous waste manifest prior to transporting or offering hazardous waste for transportation off-site.

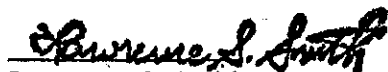
Dura violated 40 CFR 262.20(a) in that prior to transporting or offering hazardous waste for transportation off-site, Dura failed to prepare a hazardous waste manifest. DEQ did not assess a penalty for this violation, so no penalty is assessed.

Violation 7. Failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location.

Dura violated 40 CFR 262.34(d)(5)(ii) by failing to post required emergency information next to the telephones at its facility and a list of emergency equipment and its location. DEQ did not assess a penalty for this violation, so no penalty is assessed.

Dated this 15th day of June, 2000.

ENVIRONMENTAL QUALITY COMMISSION



Lawrence S. Smith
Hearings Officer

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION
OF THE STATE OF OREGON


IN THE MATTER OF:	)	PROPOSED ORDER
	)	ASSESSING
Dura Industries, Inc.,	)	CIVIL PENALTY
an Oregon Corporation,	)	No.WMC/HW-NWR-98-201
Respondent	)	MULTNOMAH COUNTY

ORDER

IT IS HEREBY ORDERED that respondent Dura Industries, Inc., is liable for a total civil penalty of \$2,600, plus interest pursuant to Oregon Revised Statute (ORS) 82.010, from the date this order is signed below until paid; and that if the civil penalty remains unpaid for more than ten (10) days, this order may be filed with each County Clerk and execution shall issue therefor.

Dated this 15th day of June, 2000.

ENVIRONMENTAL QUALITY COMMISSION


Lawrence S. Smith
Hearings Officer

Return to:
Enforcement Section
Department of Environmental Quality
2020 SW 4th Avenue, Suite 400
Portland, OR 97201-4987

Appeal Rights

This Proposed Order will become a Final Order of the Environmental Quality Commission (EQC) within 30 days after the date this Order is served under OAR 340-011-0097 UNLESS a participant in the hearing or a member of the EQC serves on each participant, DEQ and EQC a Petition for Commission Review (see OAR 340-011-0132 and see the Statement of Mailing for the address of DEQ, EQC and the other participants). The timely filing and service of a sufficient Petition will automatically stay the effect of the hearing officer's Order.

Petition for Commission (EQC) Review: A Petition will be in writing and need only state the participant's or EQC's intent that the EQC review this Proposed Order. Within 30 days from the date

of the filing of the Petition, Petitioner shall file with EQC and serve upon each other participant written exceptions, brief and proof of service. The exceptions will specify those findings and conclusions objected to and also include proposed alternative findings of fact, conclusions of law, and order with specific references to the parts of the record upon which the Petitioner relies. Matters not raised by the hearing officer will not be considered except when necessary to prevent manifest injustice.

Respondent's Brief: Each participant will have 30 days from the date of filing of Petitioner's Exceptions and Brief in which to file with the EQC and serve upon each participant an answering brief and proof of service. If multiple Petitions have been filed, the Respondent will also file his exceptions as required in (2)(a) at this time.

Reply Brief: Each participant will have 20 days from the date of filing of a Respondent's Brief in which to file with the EQC and serve upon each other participant a reply brief and proof of service.

Briefing on Commission Invoked Review: Where one or more members of the EQC wish to review a hearing officer's Order and has timely served and filed a Petition, the Chairman will promptly notify the participants of the issue that the EQC desires the participants to brief. The Chairman will also establish the schedule for filing briefs. The participants will limit their briefs to those issues. Where the EQC wishes to review a hearing officer's Order and a participant also requested review, briefing will follow the schedule set forth in subsections (a), (b), and (c).

Extensions: The Chairman or the Director may extend any of the time limits contained in this section. Each extension request will be in writing and served upon each participant. Any request for an extension may be granted or denied in whole or part.

Failure to Prosecute: The EQC may dismiss any Petition if the Petitioner fails to timely file and serve any exceptions or brief required by these rules.

Oral Argument: Following the expiration of the time allowed the participants to present exceptions and briefs, the Chairman may at his discretion schedule the appeal for oral argument before the EQC.

Additional Evidence: The request to present additional evidence will be submitted by motion and be accompanied by a statement specifying the reason for the failure to present the evidence to the hearing officer. If the EQC grants the motion or decides on its own motion that additional evidence is necessary, the matter will be remanded to a hearing officer for further proceedings.

Scope of Review: The EQC may substitute its judgment for the hearing officer in making any particular finding of fact, conclusion of law, or order except as limited by OAR 137-003-0665.

Further Appeal: If you wish to appeal the Commission's decision, you have 60 days to file a petition for review with the Oregon Court of Appeals from the date of service of the order by the Environmental Quality Commission. See, ORS 183.480 et seq.



Oregon

John A. Kitzhaber, M.D., Governor

Department of Environmental Quality

Northwest Region
2020 SW Fourth Avenue
Suite 400
Portland, OR 97201-4987
(503) 229-5263 Voice
TTY (503) 229-5471

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

R-14

April 15, 2002

JERRY HAUSER
DURA INDUSTRIES INC
PO BOX 10762
PORTLAND OR 97296

Re: HW- MULTNOMAH County
Dura Industries Inc
ORD083647347
NWR-HW-02-008
NOTICE OF NONCOMPLIANCE

Dear Mr. Hauser:

This Notice of Noncompliance (hereinafter called "Notice") is issued in accordance with OAR 340-12-041(1) for hazardous waste violations documented by the Oregon Department of Environmental Quality (the Department) at the Dura Industries Inc. facility, located at 4466 NW Yeon, Portland, Oregon in MULTNOMAH County. The violations were identified during the April 1, 2002, hazardous waste inspection.

Violations documented include violations of Oregon's hazardous waste regulations (Oregon Administrative Rules or OAR). The OARs include federal regulations adopted from Title 40 of the Code of Federal Regulations (40 CFR). At the time of the Department's inspection, Dura Industries Inc. was subject to the hazardous waste regulations applicable to large quantity hazardous waste generators.

The purpose of this Notice is to inform you of violations that have been identified so that you can begin to take action to correct them. Based upon your response to these violations and upon completion of the Department's investigation, additional violations may be identified. The Department will inform you in a subsequent Notice of Noncompliance if additional violations need to be corrected.



VIOLATIONS

HAZARDOUS WASTE VIOLATIONS

VIOLATION NO. 1: Dura Industries Inc. violated **40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(3)** by failing to have a written Personnel Training Program.

40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(3) require that a generator maintain a written description of the type and amount of both introductory and continuing training that will be given to each person filling a position where hazardous waste is managed. This written plan was not available.

VIOLATION NO. 2: Dura Industries Inc. violated **40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(2)** by failing to include duties pertaining to hazardous waste in personnel's written job descriptions.

40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(2) require that a generator maintain a written job description for each person that manages hazardous waste, and the name of each employee filling the job. The job descriptions, as the duties relate to hazardous waste operations, were not available.

VIOLATION NO. 3: Dura Industries Inc. violated **40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(4)** by failing to document employee training.

40 CFR § 262.34(a)(4) & 40 CFR § 265.16(d)(4) require that a generator maintain records of all training given to personnel who manage hazardous waste. There were no training documents for Mr. Hauser available. He stated that he had been trained, but the training was primarily in regards to Department of Transportation hazardous materials regulations. Training documents showing that Mr. Hauser gave in-house training were available for 8 other employees that handle hazardous waste; however, the training was conducted in January 2001 and December 2000.

VIOLATION NO. 4: Dura Industries Inc violated **40 CFR § 262.34(a)(4), 40 CFR § 265.32(a), & 40 CFR § 265.34(a)** by failing to have internal communication or alarm system immediately available.

40 CFR § 262.34(a)(4), 40 CFR § 265.32(a), & 40 CFR § 265.34(a) require that the facility must be equipped with an internal communications or alarm system to provide emergency instructions to facility personnel. There is no telephone at or near the hazardous waste storage area or distillation area. The telephone is located in the office, which is not immediately available.

MR Jerry Hauser
April 17, 2002
Page 3

The contingency plan must contain the name, phone number, and address of the emergency coordinators (40 CFR 265.52). The contingency plan does not contain the address of the emergency coordinator. The contingency plan must describe the emergency equipment capabilities. The plan lists the location and equipment but does not describe the capabilities or use of the equipment.

VIOLATION NO. 5: Dura Industries Inc violated **40 CFR § 262.34(a)(4) & 40 CFR § 265.35** by failing to maintain adequate aisle space in the wastewater treatment sludge container area.

40 CFR § 262.34(a)(4) & 40 CFR § 265.35 require that the generator maintain adequate aisle space to allow for the response to emergencies. Equipment and parts were blocking the area around the wastewater treatment sludge hazardous waste container.

VIOLATION NO. 6: Dura Industries Inc violated **40 CFR § 262.42(a)(2)** by failing to submit an exception report for waste shipped June 20, 2000.

40 CFR § 262.42(a)(2) requires that a generator file an exception report with the Department whenever they do not receive a signed copy of the manifest back from the designated treatment, storage, or disposal (TSD) facility within 45 days of the date when the waste was first accepted by the initial transporter. Filtercake (F019) was initially accepted by Prime Environmental (CAL931024038) to transport to U.S. Ecology in Beatty, Nevada on June 20, 2000. The filtercake did not arrive at the destination facility until September 14, 2000. A large quantity generator is required to contact the destination facility within 35 days of the initial date of shipment if they have not received a copy of the manifest signed by the TSD. If the manifest has not arrived within 45 days, the generator is required to submit an exception report to the Department. Dura did not submit an exception report for this shipment of hazardous waste.

VIOLATION NO. 7: Dura Industries Inc violated **OAR 340-102-011** by failing to perform a hazardous waste determination on rags containing solvent.

OAR 340-102-011 requires that any person who generates a waste determine whether or not the waste is a hazardous waste. According to Mr. Hauser, rags that are used in solvent cleaning operations are disposed of in the garbage. Solvent is poured onto the equipment and then wiped off with rags. The solvent is primarily acetone, but may also contain MEK, toluene, or xylene. The spent solvents are classified as D001 and F003. The rags used in the process may be ignitable, toxic, or a listed hazardous waste. According to Department Policy (see Mary Wahl letter dated May 3, 1996) unless industrial wipers are sent to a laundering service in accordance with Department policy, they will be considered a solid waste and be subject to a waste determination and applicable hazardous waste regulations.

MR Jerry Hauser
April 17, 2002
Page 4

There were several containers of paint in the storage area that were marked as "dirty" or "do not use," although Dura has a policy to keep paint on site for warranty reasons, this paint appeared to be waste. Additionally, there was a pail of contaminated paint; Mr. Hauser stated that it was product.

VIOLATION NO. 8: Dura Industries Inc violated **40 CFR § 268.9(a)** by failing to determine all of the applicable waste codes for their F019 waste and the underlying hazardous constituents.

40 CFR § 268.9(a) requires that generators determine all of the applicable waste codes for their waste. In addition, the generator of characteristic waste must determine the underlying hazardous constituents. The manifests and accompanying land disposal restriction notifications listed your wastewater treatment sludge as F006. The sludge is F019 since it is wastewater treatment sludge generated from the chemical conversion coating of aluminum. Additionally, several of the manifests that accompanied waste transported by Prime Environmental contained waste volume discrepancies and the wrong EPA ID number for Dura Industries.

REQUESTED ACTION

You are requested to immediately begin addressing the violations cited in this Notice and inform the Department of the actions you have taken to correct the violations and prevent their recurrence. Please take the following immediate actions.

Please provide documentation showing that the violations have been corrected, according to the following schedule:

VIOLATION NO. 1: Within thirty (30) days of receipt of this Notice, please draft a plan that describes the introductory and continuing training that will be given to each person that manages hazardous waste.

VIOLATION NO. 2: Within thirty (30) days of receipt of this Notice, please submit to the Department revised job descriptions for the employees who handle hazardous waste.

VIOLATION NO. 3: Within 180 days of receipt of this Notice, please begin to document the hazardous waste training that is given to employees and submit a copy of the documentation to the Department.

VIOLATION NO. 4: Within thirty (30) days of receipt of this Notice, please submit a photograph showing that an internal communication or alarm system has been installed in the hazardous waste storage area. Update the contingency plan with emergency coordinator addresses and equipment capabilities.

MR Jerry Hauser
April 17, 2002
Page 5

VIOLATION NO. 5: Within five (5) days of receipt of this Notice, please provide a photograph which shows that the waste storage area now has adequate aisle space.

VIOLATION NO. 6: In the future, if you do not receive a signed copy of the manifest back from the designated facility within 45 days, please submit an exception report to the Department.

VIOLATION NO. 7: Determine all applicable hazardous waste codes for you industrial wipers waste and manage them as hazardous waste or in accordance with the Department's May 3, 1996 policy (see attachment). Please send me documentation regarding the management of the wipers within **thirty (30) days**. Additionally send documentation regarding the paint showing that it is product or perform a hazardous waste determination on this waste stream.

VIOLATION NO. 8: In the future, insure that your hazardous waste manifests and accompanying land disposal restriction forms contain the correct waste identification code, the correct generator identification number, and the correct volume of waste transported.

Violations 6 and 7 are considered to be Class I violations and are serious violations of Oregon environmental law. Therefore, this file is will be referred to the Department's Enforcement Section with a recommendation to proceed with a formal enforcement action. Formal enforcement actions may include a civil penalty assessment. Civil penalties can be assessed for each day of violation.

Additional Concerns

Dura Industries has a wastewater treatment permit from the City of Portland that allows them to discharge rinse water from their metal pretreatment line into the sanitary sewer. Since the discharge is under permit (Permit No. 433.028), it is exempt from RCRA regulation. However, the facility would like to reuse the some of the rinse water in their process. When the facility reuses the water, the treatment system will be exempt as a totally enclosed treatment unit. If the treated water is stored in a tank that is not directly plumbed to the process prior to reuse, this exemption will apply only if the metal concentrations of the treated water are below the regulatory standards for hazardous waste.

A further concern is the lack of chemical labeling and a lack of containment for some of the chemicals. Two 5-gallon pails of gun-cleaning solvent and several pails of paint located in the mix area were not labeled. There are two tanks near the pretreatment area that reportedly contain an etching solution and water for reuse in the process that were not labeled. If the solutions were hazardous waste, they would need to be labeled as hazardous waste and managed in accordance with regulation. If they are products, the OSHA regulations require labels. Since the tanks and containers are not labeled, it is difficult to ascertain whether the

MR Jerry Hauser
April 17, 2002
Page 6

contents are waste or product. Additionally, the etch solution is not within the bermed area which provides secondary containment to ensure that unauthorized discharges do not enter the sewer.

Regarding the etch bath, Mr. Hauser explained that Dura changed the bath on February 20th, 2002 because of production problems. However, Mr. Hauser further explained that Dura does not intend to dispose of the bath, since it could be used on approximately 90% of the parts that are pretreated. To prevent speculative accumulation of secondary materials, the facility must show that at least 75% of the material has been used within the calendar year. Dura must properly label the solution and keep records showing how the material is being used. The records must show that 75% of the solution has been reused by January 1, 2003. However, prior to that time, if Dura determines that the solution cannot be used, it will be considered a spent material and Dura must immediately manage it as hazardous waste.

This Notice does not require you to implement Pollution Prevention. However, the Department strongly recommends that you consider Pollution Prevention options, where applicable, to prevent the violations outlined in this Notice from recurring. Pollution Prevention may also enable you to reduce environmentally driven costs, reduce operating costs, and reduce the regulatory requirements and fees applied to your firm. I am including a pamphlet on pollution prevention opportunities. Please call Jay Collins with our technical assistance staff for more information at (503) 229-5165.

Please submit the information requested in this Notice to my attention and contact me at (503)229-5058 if you have any questions concerning this Notice or other hazardous waste management issues.

Sincerely,



Laurey Cook
Environmental Specialist
Hazardous Waste Department

cc: Hazardous Waste Policy and Program Development, DEQ
Enclosure: Industrial Wiper Policy



Oregon

John A. Kitzhaber, M.D., Governor

Department of Environmental Quality

811 SW Sixth Avenue
Portland, OR 97204-1390
(503) 229-5696
TTY (503) 229-6993

CERTIFIED MAIL NO. 7001 1140 0002 3546 5386
RETURN RECEIPT REQUESTED

August 7, 2002

RECEIVED

AUG 9 2002

*rec'd
8/9/02
11:00 AM
RBSmth*

Dura Industries, Inc.
c/o Robert B. Smith
Registered Agent
610 S.W. Broadway #310
Portland, OR 97205

RE: Notice of Violation and Assessment of Civil Penalty
No. LQ/HW-NWR-02-123
Multnomah County
ORD 083647347

On April 1, 2002, a representative from the Northwest Region of the Department of Environmental Quality (DEQ) inspected the Dura Industries, Inc. (Dura) metal finishing facility located at 4466 N.W. Yeon Avenue, in Portland, Oregon. The inspection was conducted to determine compliance with Oregon's environmental laws and DEQ's hazardous waste management regulations.

Several violations documented during the inspection were cited in a Notice of Noncompliance (NON) sent to Dura on April 15, 2002. Violations included:

- Failure to make a hazardous waste determination for solvent-contaminated rags that were destined for disposal as solid waste,
- Failure to submit a required Exception Report for a manifested shipment of hazardous waste that was delayed and apparently mismanaged,
- Failure to meet personnel training and recordkeeping requirements,
- Failure to meet Contingency Plan emergency equipment and emergency coordinator requirements,
- Failure to properly prepare a hazardous waste manifest with a correct Generator EPA Identification Number and all applicable waste codes,
- Failure to provide an emergency communication device in Dura's waste storage area,
- Failure to maintain adequate aisle space to allow for the unobstructed movement of personnel and emergency equipment.

Many of those violations would severely hamper the ability of Dura personnel and emergency responders to properly respond to an environmental emergency.

EXHIBIT 1 to LQ/HW-NWR-02-123

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 1: Failure to make a hazardous waste determination for each residue generated.

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

MAGNITUDE: Pursuant to OAR 340-012-0090(3)(a)(C) the magnitude of the violation is minor because the violation involved one or two waste streams and less than 250 gallons of hazardous waste.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
 $BP + [(0.1 \times BP) (P+H+O+R+C)] + EB.$

"BP" is the base penalty which is \$1,000 for a Class I minor magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that the violation is treated as a single incident.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulation has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that any economic benefit was de minimis.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(0.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(0.1 \times \$1,000) (+9-2+0+2-0)] + \$0 \\ &= \$1,000 + [(\$100)(+7)] + \$0 \\ &= \$1,000 + \$700 + \$0 \\ &= \$1,700 \text{ is the calculated amount of civil penalty for Violation 1.} \end{aligned}$$

*forgot -2 on C.
P should be reduced by 2 because of violation*

EXHIBIT 2 to LQ/HW-NWR-02-123

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 2: Failure to file an Exception Report as required.

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

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$3,000 for a Class I moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that the violation is treated as a single incident.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of 0 in that there is insufficient information on which to base a finding.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of 0 in that there is insufficient information on which to base a finding, and the violation could not be corrected.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$3,000 + [(.1 \times \$1,000) (+9-2+0+0+0)] + \$0 \\ &= \$3,000 + [(\$300)(+7)] + \$0 \\ &= \$3,000 + \$2,100 + \$0 \end{aligned}$$

= \$5,100 is the calculated amount of civil penalty for Violation 2.

*P reduced by 2
C -2
Should be
minor
because*

340-012-0045 (1)(a)(B)(ii)

EXHIBIT 3 to LQ/HW-NWR-02-123

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

- VIOLATION 3:** Failure to meet personnel training and recordkeeping requirements.
- CLASSIFICATION:** The violation is a Class II violation pursuant to OAR 340-012-0068(2)(g).
- MAGNITUDE:** Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

- "BP"** is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).
- "P"** is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.
- "H"** is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.
- "O"** is whether violation was repeated or continuous and receives a value of +2 in that the violation was continuous and repeated.
- "R"** is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented. Respondent has been previously cited for a similar violation.
- "C"** is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.
- "EB"** is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+2+2-2)] + \$0 \\ &= \$1,000 + [(\$100)(+9)] + \$0 \\ &= \$1,000 + \$900 + \$0 \end{aligned}$$

= \$1,900 is the calculated amount of civil penalty for Violation 3.

P-2

should be minor per (e)(3)(ii)

EXHIBIT 4 to LQ/HW-NWR-02-123

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 4: Failure to provide required emergency response information in Contingency Plan.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
 $BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of +2 in that the violation was continuous and repeated.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented.

"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of -2 in that Respondent was cooperative and corrected the violation.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+2+2-2)] + \$0 \\ &= \$1,000 + [(\$100)(+9)] + \$0 \\ &= \$1,000 + \$900 + \$0 \\ &= \$1,900 \text{ is the calculated amount of civil penalty for Violation 4.} \end{aligned}$$

EXHIBIT 5 to LQ/HW-NWR-02-123

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION 5: Failure to properly prepare a hazardous waste manifest.

CLASSIFICATION: The violation is a Class II violation pursuant to OAR 340-012-0068(2)(m).

MAGNITUDE: Pursuant to OAR 340-012-0045(1)(a)(B) the magnitude of the violation is moderate.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:
$$BP + [(.1 \times BP) (P+H+O+R+C)] + EB.$$

"BP" is the base penalty which is \$1,000 for a Class II moderate magnitude violation in the matrix listed in OAR 340-012-0042(1)(b)(D).

"P" is Respondent's prior significant action(s) and receives a value of +9. Respondent has 8 Class 1 or equivalent prior significant actions as cited in Notice of Violation, Compliance Order, and Assessment of Civil Penalty (HW-NWR-95-221) dated November 27, 1995, as modified by Mutual Agreement and Order dated April 5, 1996; and in Notice of Assessment of Civil Penalty (WMC/HW-NWR-98-201) dated July 8, 1999, as modified by Hearing Decision and Order dated June 15, 2000.

"H" is the past history of Respondent in taking all feasible steps or procedures necessary to correct any violation cited in any prior significant action(s) and receives a value of -2 in that Respondent took feasible steps to correct the majority of prior significant actions.

"O" is whether violation was repeated or continuous and receives a value of 0 in that only a single incident of violation is cited.

"R" is whether the violation resulted from an unavoidable accident, or a negligent, intentional or flagrant act of the Respondent, and receives a value of +2 in that the violation resulted from Respondent's failure to take reasonable care to avoid a foreseeable risk of committing a violation. Respondent's prior knowledge of the requirements of the regulations has been documented.


"C" is Respondent's cooperativeness and efforts to correct the violation and receives a value of 0 in that the violation could not be corrected.

"EB" is the approximated dollar amount of the economic benefit that the Respondent gained through noncompliance and receives a value of 0 in that there is insufficient information on which to base a finding.

PENALTY CALCULATION:

$$\begin{aligned} \text{Penalty} &= BP + [(.1 \times BP) (P+H+O+R+C)] + EB \\ &= \$1,000 + [(.1 \times \$1,000) (+9-2+0+2-0)] + \$0 \\ &= \$1,000 + [(\$100)(+9)] + \$0 \\ &= \$1,000 + \$900 + \$0 \end{aligned}$$

= \$1,900 is the calculated amount of civil penalty for Violation 5.

Date: August 19, 2004
To: Environmental Quality Commission
From: Stephanie Hallock, Director 
Subject: Agenda Item C, Action Item: Tax Credit Consideration
September 9, 2004 EQC Meeting

Proposed Action Approve or deny certification of the Pollution Control Facilities Tax Credits as summarized in Attachment A of this staff report.

Key Issues The Department of Environmental Quality (DEQ, Department) presents its analyses and recommendations to the Environmental Quality Commission (EQC, Commission) in this agenda item.

EQC Action Alternatives Any application may be postponed to a future meeting if the EQC:

- Requires the Department or the applicant to provide additional information; or
- Makes a determination different from the Department's recommendation, and that determination may have an adverse effect on the applicant.

Department Recommendation The Department recommends that the EQC:

- Approve final certification of **one** facility that the EQC preliminarily certified as detailed in Attachment B;
- Approve final certification of **39** facilities as provided in Attachment C; and
- Deny final certification of the **two** facilities presented in Attachment D.

Attachments

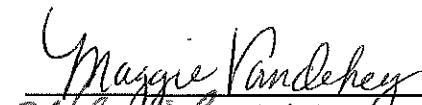
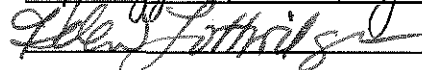
- A. Summary of Recommendations
- B. Background and References for Final Certification of Preliminarily Certified Facility
- C. Background and References for Final Certifications
- D. Background and References for Certification Denials
- E. Tax Expenditure Report
- F. Certified Wood Chipper Report
- G. Advice: Taxpayer Allowed Credit

Available Upon Request ORS 468.150 to 468.190 & OAR 340-016-0005 to 340-016-0080

Approved:

Section:

Division:

Report Prepared By: Maggie Vandehey
Phone: 503-229-6878

Attachment A

Summary of Recommendations

Recommended for Approval

App #	Media	Applicant	Claimed	Certified	Difference	% Allocable	Maximum Percent	GF Liability	EQC Action
Attachment B: Final Certification of Preliminarily Certified Facilities									
6712	Water	Tillamook County Creamery	715,150	651,136	(64,014)	100%	35%	227,898	

Attachment C: Final Certifications - No Preliminary Certification

6432	Alt. FB	Frank Hoekstre	243,119	213,439	(29,680)	96%	50%	102,451	
6433	Alt. FB	Frank Hoekstre	538,747	521,644	(17,103)	77%	50%	200,833	
6589	Mat. Rec.	Rogue Waste Systems, LLC	197,986	181,183	(16,803)	100%	50%	90,592	
6641	Mat. Rec.	Miller Associated Enterprises	54,891	54,891	0	100%	35%	19,212	
6658	Mat. Rec.	Umpqua Bank	1,145,569	1,145,569	0	100%	35%	400,949	
6659	Mat. Rec.	Umpqua Bank	1,775,600	1,775,600	0	100%	35%	621,460	
6668	Mat. Rec.	Global Leasing, Inc.	175,299	175,299	0	20%	35%	12,271	
6677	Water	Portland General Electric	100,891	100,891	0	100%	35%	35,312	
6684	Air	Marvin Lumber & Cedar Co.	193,895	91,966	(101,929)	100%	35%	32,188	
6702	Mat. Rec.	Global Leasing, Inc.	2,679	2,679	0	100%	35%	938	
6713	Mat. Rec.	High Country Enterprises,	30,043	30,043	0	100%	35%	10,515	
6714	Mat. Rec.	Bend Garbage Company, Inc.	35,338	35,338	0	100%	35%	12,368	
6718	Mat. Rec.	East County Recycling	75,000	75,000	0	100%	35%	26,250	
6729	Alt. FB	Leroy & Lowell Kropf	165,437	165,437	0	100%	35%	57,903	
6735	Mat. Rec.	Safeway, Inc.	21,184	21,184	0	100%	35%	7,414	
6736	Mat. Rec.	Safeway, Inc.	34,298	34,298	0	100%	35%	12,004	
6737	Mat. Rec.	Safeway, Inc.	35,811	35,811	0	100%	35%	12,534	
6740	Mat. Rec.	Global Leasing, Inc.	6,065	6,065	0	100%	35%	2,123	
6744	Air	Roseburg Forest Products Co	59,553	59,553	0	100%	35%	20,844	
6746	Water	Sabroso Company	282,345	274,120	(8,225)	100%	35%	95,942	
6747	Air	Bright Wood Corporation	220,604	198,310	(22,294)	100%	35%	69,409	
6751	Mat. Rec.	K B Recycling	31,492	31,492	0	100%	35%	11,022	
6752	Mat. Rec.	K B Recycling	31,492	31,492	0	100%	35%	11,022	
6753	Mat. Rec.	K B Recycling	3,306	3,306	0	100%	35%	1,157	

Attachment A

Summary of Recommendations

App #	Media	Applicant	Claimed	Certified	Difference	% Allocable	Maximum Percent	GF Liability	EQC Action
6754	Mat. Rec.	K B Recycling	20,878	20,878	0	100%	35%	7,307	
6755	Mat. Rec.	Metro Metals Northwest, Inc.	48,550	48,550	0	100%	35%	16,993	
6756	Mat. Rec.	Metro Metals Northwest, Inc.	37,391	37,391	0	100%	35%	13,087	
6757	Mat. Rec.	Metro Metals Northwest, Inc.	46,906	46,906	0	100%	35%	16,417	
6758	Mat. Rec.	Metro Metals Northwest, Inc.	20,782	20,782	0	100%	35%	7,274	
6759	Mat. Rec.	Metro Metals Northwest, Inc.	45,641	45,641	0	100%	35%	15,974	
6760	Mat. Rec.	Metro Metals Northwest, Inc.	47,514	47,514	0	100%	35%	16,630	
6761	Mat. Rec.	Metro Metals Northwest, Inc.	40,581	40,581	0	100%	35%	14,203	
6762	Mat. Rec.	Metro Metals Northwest, Inc.	48,500	48,500	0	100%	35%	16,975	
6763	Mat. Rec.	Metro Metals Northwest, Inc.	41,367	41,238	(129)	100%	35%	14,433	
6764	Mat. Rec.	Metro Metals Northwest, Inc.	41,518	41,518	0	100%	35%	14,531	
6765	Mat. Rec.	Metro Metals Northwest, Inc.	47,134	47,134	0	100%	35%	16,497	
6776	HW	Kenneth E. Scales	2,995	2,995	0	100%	35%	1,048	
6779	NPS	Lawrence L Pedro	41,215	41,215	0	100%	35%	14,425	
6790	Air	Georgia-Pacific Corporation	567,521	534,199	(33,322)	100%	35%	186,970	

40 approvals	Sum	7,274,287	6,980,788	(293,499)		2,467,374
	Average	181,857	174,520	(7,337)		61,684
	Minimum	2,679	2,679	(101,929)		938
	Maximum	1,775,600	1,775,600	0		621,460

Recommended for Denial

Attachment D: Certification Denials

6555		Weyerhaeuser Company	1,627,545	1,627,545	0			
6556		Weyerhaeuser Company	1,251,199	1,251,199	0			

Sum 2,878,744 2,878,744 0

1. General Fund (GF) Liability = certified cost * % allocable * maximum allowable %.

Attachment B

Background and References for Final Certification of a Preliminarily Certified Facility

The Department recommends that the Commission approve final certification of Tillamook County Creamery Association's effluent cooling system claimed on application number 6712. The Commission preliminarily certified the claimed facility.

The Commission's pre-certification is limited to the technical aspects of the claimed facility and the final approval would certify:

- That the claimed facility was constructed and is used as planned in the preliminary application;
- The eligible facility cost, the percentage of the facility cost allocated to pollution control, and the maximum allowable percentage; and
- The facilities' compliance with DEQ rules and regulations.

The report in this attachment includes the final review report with evidence of preliminary certification, and the staff reports presented to the Commission at the time of the preliminary certification.

Statutory Provision for Pre-certified Facilities

ORS 468.167 Application for pre-certification.

...

- (4) If the facility is erected, constructed, reconstructed, added to, installed, improved or used as proposed in the application for pre-certification, the commission's approval of the application shall be prima facie evidence that the facility is qualified for certification for tax relief under ORS 468.170. However, pre-certification shall not ensure that a facility erected, constructed, reconstructed, added to, installed, improved or used by the pre-certified person will receive certification under ORS 468.170 or tax relief under ORS 307.405 or 315.304.

...



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Water Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

4175 Highway 101 North
 PO Box 313
 Tillamook, OR 97141

Organized as: **Co-Op**
 Taxpayer ID: **93-0297170**

Technical Information

Tillamook County Creamery Association (TCCA) manufactures dairy products. The applicant claims an effluent cooling system in the wastewater treatment plant and then the effluent is discharged onto TCCA's natural wetland for additional cooling before ultimate discharge to the Wilson River.

The cooling tower reduces the temperature of the treated wastewater from 90°F to approximately 70°F and then discharges it through a new 1,500-foot wastewater outfall line connecting to a natural wetland for additional evaporative cooling and subsequent runoff into the Wilson River. In addition to the cooling tower and the outfall line, the claimed facility includes two pumping stations, sumps, six manholes, electrical service, associated electrical wiring, and an access road.

Director's Recommendation

Approve Application No.6712 @ Reduced Cost

Applicant: **Tillamook County Creamery Association**

Certification of:

Facility Cost		\$651,136
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$227,898</u>

Certificate Period: **10 years**

Facility Identification

4175 Highway 101 North
 Tillamook, OR 97141

The certificate will identify the facility as:

An effluent cooling system with:

**One - USS 19-811 Cooling Tower, serial #
 WO37157**

**Two - Submersible FLYTE Pumps, model
 3126.280, serial #s 031007 and 031008;**

**Two - Peerless Centrifugal Pumps, Model
 F11030, serial #s 609901-A and 609901-B
 1,500-foot outfall line**

Taxpayer Allowed CreditORS 307.405(1) Criteria

The taxpayer who is allowed the credit must be:

- a. A corporation organized under ORS Chapter 62 (Cooperatives) and;
- b. The owner, including a contract purchaser, of the trade or business that utilizes Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- c. A person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property and who, by the terms of such lease or agreement is obliged to pay the ad valorem taxes on such property.

Applied to this Application

Tillamook County Creamery Association is a cooperative that **owns the business** that uses the Oregon property requiring the pollution control. Corporations **organized under ORS Chapter 62** may make a one-time, irrevocable election to utilize property tax abatement rather than the income tax credit; applicant has made this election. (See Exhibit A to this report.)

Eligibility**Timely Filing** Criteria2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The final application, however, is not valid if the applicant submits the application before they complete construction or before they place the facility into operation.

Applied to this Application

The applicant **timely filed** the application within the one-year filing requirement. They completed construction on **9/1/2003** and submitted the application on **3/16/2004**. The applicant submitted the application after they completed construction and placed the facility into operation on 9/22/2003.

Purpose: Required CriteriaORS 468.155
(1)(a)(A)
OAR 340-016-
0060(2)(a)

The principal purpose of the claimed facility must be to comply with a requirement imposed by DEQ or EPA to prevent, reduce, or control water pollution. That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Water Pollution" means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or

to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof. ORS 468B.005

Applied to this Application

The claimed facility complies with the applicant's NPDES wastewater discharge permit. The permit imposes the following temperature limits:

June through September, Low Flow	68.25°F
June through September, Average Flow	74.40°F
October through May, Low Flow	59.25°F

Prior to constructing the claimed facility, the applicant's wastewater treatment plant discharged treated effluent directly into the Wilson River at 90°F. The applicant's NPDES wastewater discharge permit limits the temperature of the effluent to a maximum of 70°F.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(A)	The prevention, control, or reduction must be accomplished by disposal or elimination of industrial wastewater and the use of a treatment works for industrial waste as defined in ORS 468B.005.

"Industrial waste" means any liquid, gaseous, radioactive or solid waste substance or a combination thereof resulting from any process of industry, manufacturing, trade or business, or from the development or recovery of any natural resources.

"Treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes.

Applied to this Application

The cooling tower, sumps, pumps, and the connection piping between the cooling tower and the wetlands for additional cooling prior to discharge to the Wilson River **meet the definition of** treatment works in ORS 468B.005. Elevated temperature **meets the definitions of** industrial waste and water pollution as presented under the *Purpose: Required* section above.

Exclusions	<u>Criteria</u>
ORS 468.155 (3) OAR 340-016-070(3)	The regulations provide a list of over 40 items excluded from the definition of a Pollution Control Facility. Items that do not meet the definition are ineligible for certification.

Applied to this Application

The definition of a pollution control facility **specifically excludes fencing and roadways**. The Department deducted the cost associated with these items from the claimed facility cost under the *Facility Cost* section below.

Replacement Criteria
 ORS 468.155 (3)(e) The replacement or reconstruction of all or part of a facility that the State of Oregon previously certified as a pollution control facility under ORS 468.170 is not eligible for the tax credit with two exceptions. The applicant replaced the facility:

- 1) due to a requirement imposed by DEQ or EPA that is different than the requirement to construct the original facility; or
- 2) before the end of its useful life.

Applied to this Application

The State of Oregon has not issued any Pollution Control Facilities Tax Credit Certificates to the applicant at this location; therefore, the facility is **not a replacement** facility.

Maximum Credit Criteria
 ORS 468.173(3)(h) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is located within an area that the Economic and Community Development Department has designated a distressed area, as defined in ORS 285A.010.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 3/16/2004, and the facility is located in Tillamook, which is an economically distressed area.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions** except those discussed in the *Exclusions* section above.

§ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost and show that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed	Certified
		Claimed	\$715,150
<i>Exclusions</i>	Fencing		-2,202
	Access Road		-61,812
			\$651,136

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of water pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 10-year useful life. The claimed facility does not produce a salable or useable commodity, and there is no revenue or cost savings associated with it. The expenditures exceed the revenue, therefore the resulting facility ROI is less than the National ROI for

2003, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

Elliot Zais in DEQ's Northwest Region is the staff assigned to the source. Mr. Zais stated the applicant now meets their permit requirements. DEQ issued the following permits to the applicant at this site:

NPDES No. 102527 issued June 25, 2002

Air Contaminant Discharge Permit No. 29-0004, issued June 16, 1999

Storm Water Permit No. 1200-Z, issued on August 9, 2002

Reviewer: Maggie Vandehey

Exhibits:

- A Election to utilize property tax abatement
- B October 9-10, 2003, EQC Meeting Minutes for preliminary application 6407
- C October 10, 2003, staff report for preliminary application 6407
- D Review report for preliminary application 6407

March 9, 2004

Ms. Maggie Vandehey
Tax Credit Coordinator
Tax Credit Program
Oregon Department of Environmental Quality
811 SW Sixth Avenue
Portland, OR 97204-1390

RE: Final Application for a Water Pollution Control Tax Credit

Dear Maggie:

Please find enclosed Tillamook County Creamery Association's ("TCCA") application for final certification of the Water Pollution Control Facility Tax Credit related to the new effluent cooling system at TCCA's waste water treatment plant, per ORS Sec. 468.167.

Pursuant to ORS Sec. 307.405, corporations organized under ORS Chapter 62 (Cooperatives) may make an irrevocable election to utilize the property tax abatement rather than the income tax credit. At this time TCCA is making the election in order to utilize the property tax abatement.

Enclosed is a check made payable to the Oregon Department of Environmental Quality in the amount of 3,419.82, equaling one-half of one percent of the estimated facility costs as less the preliminary application fee of 3,731.68.

If you have questions regarding this matter, please feel free to call me at (503) 815-1303.

Sincerely,

Herb Dorn
Chief Financial Officer

App. 6712
Exhibit A

Oregon DEQ EQC Meeting Minutes

Home > EQC > EQC Minutes

Approved _____
Approved with Corrections _____



Minutes are not final until approved by the Commission.

Oregon Environmental Quality Commission Minutes of the Three Hundredth and Fourteenth Meeting

October 9-10, 2003
Regular Meeting^[1]

On October 8, prior to the regular meeting, members of the Environmental Quality Commission (EQC, Commission) had dinner with Department of Environmental Quality (DEQ, Department) Eastern Region staff to discuss regional activities and environmental issues in the John Day area. The dinner was held at Shoshoni Winds, located at 128 West Front Street, in Prairie City, Oregon.

Thursday, October 9, 2003

On the morning of October 9, the Commission toured the Upper John Day River Basin to see agricultural water quality improvement projects and discuss local watershed restoration efforts.

The following EQC members were present for the regular meeting, held at the U.S. Department of Agriculture Malheur National Forest Building, located at 431 Patterson Bridge Road in John Day, Oregon.

Mark Reeve, Chair
Deirdre Malarkey, Member
Harvey Bennett, Member
Lynn Hampton, Member

Chair Reeve called the regular meeting to order at approximately 1:00 p.m., and introduced Commission members, DEQ Director Stephanie Hallock, Assistant Attorney General Larry Knudsen, and Commission Assistant Mikell O'Mealy. Agenda items were taken in the following order.

A. Approval of Minutes

Commissioner Malarkey moved that the Commission approve draft minutes of the August 14-15, 2003 EQC meeting. Commissioner Bennett seconded the motion and it passed with four "yes" votes.

B. Informational Item: Overview of DEQ Air Quality Programs and Policy

Andy Ginsburg, DEQ Air Quality Division Administrator, gave the Commission an overview of major agency programs and initiatives to protect and improve Oregon's air quality in Oregon. The Commission discussed DEQ's Air Quality program with

App. 6712
Exhibit B

F. Director's Dialogue

Stephanie Hallock, DEQ Director, discussed current events and issues involving the Department and the state with Commissioners.

G. Action Item: Consideration of Pollution Control Facilities Tax Credit Requests

Larry Knudsen, Assistant Attorney General, gave an overview of Pollution Control Facility Tax Credit requests prepared by the Department for Commission consideration. Mr. Knudsen asked Commissioners to declare any potential or actual conflicts of interest with regard to any tax credit requests. Commissioner Hampton stated a potential conflict of interest with application numbers 6498, 6499 and 6500. All other Commissioners declared no conflicts of interest.

After discussing the requests, Commissioner Malarkey recommended that the Commission approve a preliminary tax credit certification for the Tillamook County Creamery Association as recommended by the Department. Commissioner Hampton seconded the motion and it passed with four "yes" votes.

Commissioner Bennett moved that the Commission approve a tax credit certificate for Marion Resource Recovery Facility LLC, at an increased amount, based on new information presented by the company after the EQC first issued the tax credit in May 2003. Commissioner Malarkey seconded the motion and it passed with four "yes" votes.

Commissioner Bennett moved that the Commission approve tax credit certificates for fifty two facilities as recommended by the Department, excluding application numbers 6498, 6499 and 6500. Commissioner Hampton seconded the motion and it passed with four "yes" votes.

Commissioner Bennett moved that the Commission approve tax credit certificates for the applications numbered 6498, 6499 and 6500 as recommended by the Department. Commissioner Malarkey seconded the motion and it passed with three "yes" votes. Commissioner Hampton abstained from the vote.

Commissioner Bennett moved that the Commission deny two tax credit requests: application number 5912, which involved an untimely filing, and application number 6421, which involved an ineligible replacement facility. Commissioner Malarkey seconded the motion and it passed with four "yes" votes. The Commission postponed consideration of application number 6484 until the next EQC meeting, as requested by the Department.

Finally, Commissioner Malarkey moved that the Commission approve an order delegating to the Director the authority to sign Pollution Control Facilities Tax Credit Certificates, once the credits are approved by the Commission. Commissioner Hampton seconded the motion and it passed with four "yes" votes. Historically, the Commission Chair had signed the certificates.

H. Informational Item: Status Update on the Umatilla Chemical Agent Disposal Facility

Dennis Murphey, DEQ Chemical Demilitarization Program Administrator, briefed the Commission on the status of trial burns, public outreach efforts, and various other issues related to the Umatilla Chemical Agent Disposal Facility.

Date: September 19, 2003
To: Environmental Quality Commission
From: Stephanie Hallock, Director *J. Hallock*
Subject: Agenda Item G, Action Item: Tax Credit Consideration
October 10, 2003 EQC Meeting

Proposed Action Decide whether to take the action that the Department of Environmental Quality (DEQ, Department) recommends regarding the Pollution Control Facilities Tax Credits presented in this Staff Report.

Key Issues The Department presents its analyses and recommendations to the EQC to approve or deny tax credit certification in Attachments B through E. The attachments' cover pages provide background information and references.

- Attachment B is the approval for **preliminary certification** of Tillamook County Creamery Association's planned wastewater treatment system.
- Attachment C is the **reconsideration of a prior EQC Order** certifying the facility presented on Marion Resource Recovery Facility's application number 6113. The Department recommends that the EQC approve certification for an increased tax credit amount.
- Attachment D presents 55 applications for **approval of final certification**.
- Attachment E presents three applications for **denial of final certification**.

The EQC has requested that each staff report for tax credits include a Certified Wood Chipper Report and a Tax Expenditure Liability Report. The Department presents these two reports in Attachments F and G.

The Department submits a letter for the Commission's approval that would permit the Department to sign the Pollution Control Tax Credit Certificates. The delegation letter is Attachment H.

EQC Action Alternatives Any application may be postponed to a future meeting if the Environmental Quality Commission (EQC, Commission):

- Requires the Department or the applicant to provide additional information; or
- Makes a determination different from the Department's recommendation, and that determination may have an adverse effect on the applicant.

**App. 6712
Exhibit C**

Agenda Item G
Action Item: Tax Credit Consideration
October 10, 2003 EQC Meeting

**Department
Recommendation**

The Department recommends that the Commission:

- approve the preliminary certification of the applications presented in Attachment B;
- reconsider and approve the higher tax credit amount presented in Attachment C;
- approve final certification of the 55 facilities detailed in Attachment D;
- deny final certification of the three facilities presented in Attachment E.; and
- consider delegating certificate signature authority to the Department as presented in Attachment H.

Attachments

- A. Summary of Recommendations
- B. Background and References for Preliminary Approval
- C. Reconsideration of Final Order
- D. Background and References for Final Approvals
- E. Background and References for Denials
- F. Certified Wood Chipper Report
- G. Tax Expenditure Liability Report
- H. Letter of Delegation

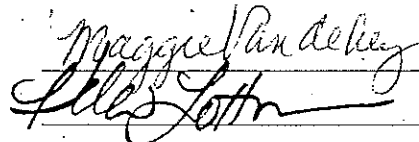
**Available Upon
Request**

ORS 468.150 to 468.190 & OAR 340-016-0005 to 340-016-0080

Approved:

Section:

Division:



Report Prepared By: Maggie Vandehey
Phone: 503-229-6878



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Water Preliminary Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 313
Tillamook, OR 97141

Organized as: **Co-Op**
Taxpayer ID: **93-0297170**

Director's Recommendation

Approve PRELIMINARY Application No. 6407

Applicant: Tillamook County Creamery Association

Facility Identification

4175 Hwy 101 North
Tillamook, OR 97141

The preliminary certification will identify the facility as:

Effluent cooling tower at wastewater treatment plant and effluent discharge pipe

Technical Information

Tillamook County Creamery Association (TCCA) manufactures dairy products. Currently, the applicant's wastewater treatment plant discharges treated effluent directly into the Wilson River at 90°F. The applicant's NPDES wastewater discharge permit limits the temperature of the effluent to a maximum of 70°F. The applicant plans to install an effluent cooling system in the wastewater treatment plant and then discharge it onto TCCA's natural wetland for additional cooling and subsequent runoff into the Wilson River.

The applicant plans to construct the claimed facility in two stages. In the first stage, they plan to install a cooling tower that would reduce the temperature of the treated wastewater from 90°F to approximately 70°F. They would discharge the cooled wastewater through an existing discharge line to the Wilson River. The applicant, however, determined the reduced discharge temperature would still exceed permit limits. Therefore, they plan a second stage to install a new 1,500-foot wastewater outfall line. The outfall line would transport the treated wastewater from the cooling tower to a natural wetland for additional evaporative cooling and subsequent runoff into the Wilson River. In addition to the cooling tower and the outfall line, the planned facility would include two pumping stations, sumps, six manholes, electrical service, associated electrical wiring, and an access road.

**App. 6712
Exhibit D**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The taxpayer who is allowed the credit is the:

- a. **Owner**, including a contract purchaser, of the trade or **business that utilizes the Oregon property** requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

Applicant is the owner of the business that uses the claimed facility.

Eligibility**Timely Filing** Criteria

ORS 469.167(1)

Any person proposing to apply for certification for tax relief under ORS 468.155 to 468.190 may file, before the completion of a pollution control facility, for pre-certification of the facility with the Environmental Quality Commission.

Applied to this Application

The applicant filed the application on 12/17/02. The applicant plans to place the facility into operation in late 2003 or early 2004.

Purpose: Required Criteria

ORS 468.155

(1)(a)(A)

OAR 340-016-

0060(2)(a)

The principal purpose of the claimed facility must be to comply with a requirement imposed by DEQ or EPA to prevent, reduce, or control water pollution. That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Water Pollution" means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof. (ORS 468B.005)

Applied to this Application

If constructed as planned, the cooling tower, pipeline, pumps and manholes would comply with the applicant's NPDES wastewater discharge permit. The permit imposes the following temperature limits:

June through September, Low Flow	68.25°F
June through September, Average Flow	74.40°F
October through May, Low Flow	59.25°F

Method Criteria
 ORS 468.155 (1)(b)(A) The prevention, control, or reduction must be accomplished by disposal or elimination of industrial wastewater and the use of a treatment works for industrial waste as defined in ORS 468B.005.

"Industrial waste" means any liquid, gaseous, radioactive or solid waste substance or a combination thereof resulting from any process of industry, manufacturing, trade or business, or from the development or recovery of any natural resources.

"Treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes.

Applied to this Application

The cooling tower, sumps, pumps, and discharge pipe **meet the definition of** treatment works in ORS 468B.005. Elevated temperature **meets the definition of** water pollution as presented under the *Purpose: Required* section above.

Exclusions Criteria
 ORS 468.155(3) The regulations provide a list of more than 40 items excluded from the definition
 OAR 340-016- of a Pollution Control Facility. Items that do not meet the definition are
 0070(3) ineligible for certification.

Applied to this Application

The definition of a pollution control facility **specifically excludes roadways**. The applicant plans to construct a road along the pipeline to maintain the pipes, sumps, pumps, and the wetland area. The Department would recommend excluding the costs associated with the roadway if the applicant includes the cost in the final application.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a facility that has previously been certified as a pollution control facility under ORS 468.170 is not eligible for the tax credit with two exceptions: 1) the facility was replaced due to a requirement imposed by DEQ or EPA that is different than the requirement to construct the original facility; or 2) the facility was replaced before the end of its useful life.

Applied to this Application

The State of Oregon has not issued any Pollution Control Facilities Tax Credit Certificates to the applicant at this location; therefore, the facility is **not a replacement** facility.

Maximum Credit This section **does not apply** to applications for preliminary certifications.
 ORS 468.173(1)

Facility Cost

This section **does not apply** to applications for preliminary certifications. The applicant estimates the facility cost would be \$746,335.

Facility Cost Allocable to Pollution Control

This section **does not apply** to applications for preliminary certifications.

Compliance

Elliot Zais in DEQ's Northwest Region is the staff assigned to the source. Mr. Zais stated the applicant is under an MAO to meet temperature standards for the Wilson River. The Department and the applicant expect the proposed facility will meet the conditions of the MAO. DEQ issued the following permits to the applicant at this site:

NPDES No. 102527 issued June 25, 2002

Air Contaminant Discharge Permit No. 29-0004, issued June 16, 1999

Storm Water Permit No. 1200-Z, issued on August 9, 2002

Reviewers: Dennis Cartier, PBS Engineering and Environmental
Maggie Vandehey, DEQ

Attachment C

Background and References for Final Certifications

The Department recommends that the Environmental Quality Commission approve certification of the **39** pollution control and material recovery facilities presented in this attachment. The individual application records and the Pollution Control Facilities Tax Credit regulations support the Director's Recommendation as shown at the top of each Review Report. The Department organized the reports by ascending application number under the following categories.

1. Air
2. Alternatives to Field Burning (shown as *Alt FB* on the tab)
3. Hazardous Waste (shown as *HW* on the tab)
4. Material Recovery (shown as *Mat Rec* on the tab)
5. Nonpoint Source Pollution Control (shown as *NPS* on the tab)
6. Water

The Commission's certification of these facilities could reduce taxes paid to the State of Oregon by a maximum of **\$33,774,261**.

Definition of a "Pollution Control Facility"

The tax credit regulations provide the definition of a "pollution control facility." The regulations split the definition into several parts. The parts of the definition common to all pollution control facilities include a broad description of the asset, the environmental benefit, and the purpose of the facility:

Asset	Environmental Benefit	Pollution Control Purpose
<ul style="list-style-type: none"> • Land • Structure • Building • Installation • Excavation • Machinery • Equipment • Devices 	Prevents, Controls, or Reduces: <ul style="list-style-type: none"> • Air pollution • Water pollution • Solid waste • Hazardous waste • Used oil 	Required - Principal primary and most important purpose is to achieve the environmental benefit by complying with DEQ/EPA/LRAPA requirements Voluntary - Sole sole or exclusive purpose is to achieve the environmental benefit - the benefit must be substantial

Statutory Definition of "Pollution Control Facility"

ORS 468.155 Definitions for ORS 468.155 to 468.190 and 468.962

- (1)(a) As used in ORS 468.155 to 468.190 and 468.962, unless the context requires otherwise, "pollution control facility" or "facility" means any land, structure, building, installation, excavation, machinery, equipment or device, or any addition to, reconstruction of or improvement of, land or an existing structure, building, installation, excavation, machinery, equipment or device reasonably used, erected, constructed or installed by any person if:
- (A) The principal purpose of such use, erection, construction or installation is to comply with a requirement imposed by the Department of Environmental Quality, the federal Environmental Protection Agency or regional air pollution authority to prevent, control or reduce air, water or noise pollution or solid or hazardous waste or to recycle or provide for the appropriate disposal of used oil; or
 - (B) The sole purpose of such use, erection, construction or installation is to prevent, control or reduce a substantial quantity of air, water or noise pollution or solid or hazardous waste; or to recycle or provide for the appropriate disposal of used oil.
- ...
- (2)(a) As used in ORS 468.155 to 468.190 and 468.962, "pollution control facility" or "facility" includes a nonpoint source pollution control facility.

Eligibility and Purpose

OAR 340-016-0060 Eligibility

- (1) **Eligible Facilities.** Facilities eligible for pollution control tax credit certification shall include any land, structure, building, installation, excavation, machinery, equipment or device, or alternative methods for field sanitation and straw utilization and disposal. An eligible facility shall be reasonably used, erected, constructed or installed as:
- (a) A new facility;
 - (b) An addition or improvement to an existing facility; or
 - (c) The reconstruction or replacement of an existing facility.
- (2) **Purpose of Facility.** The facility shall meet the principal purpose requirement to be eligible for a pollution control facility tax credit certification, or if the facility is unable to meet the principal purpose requirement, the facility shall meet the sole purpose requirement to be eligible for a pollution control tax credit:
- (a) **Principal Purpose Requirement.** The principal purpose of the facility is the most important or primary purpose of the facility. Each facility shall have only one principal purpose. The facility shall be established to comply with environmental requirements imposed by the Department, the federal Environmental Protection Agency or a regional air pollution authority to control, reduce, or prevent air, water or noise pollution, or for the material recovery of solid waste, hazardous waste or used oil; or

- (b) Sole Purpose Requirement. The sole purpose of the facility shall be the exclusive purpose of the facility. The only function or use of the facility shall be the control, reduction, or prevention of air, water or noise pollution; or for the material recovery of solid waste, hazardous waste or used oil.

BACKGROUND

APPROVALS: Air Pollution Control Facilities

The Department recommends that the Environmental Quality Commission approve **four** air pollution control facilities. Each of these facilities disposes of or eliminates air pollution with the use of air cleaning devices. The Commission's certification of the facilities could reduce taxes paid to the State of Oregon by a maximum of **\$309,411**.

All **four** applicants voluntarily constructed their facilities. Commonly called "sole purpose facilities", their exclusive purposes are to control air pollution.

Summary of Air Pollution Control Facilities

App #	Applicant	Certified	% Allocable	Maximum Percent	GF Liability
6684	Marvin Lumber & Cedar Co.	\$ 91,966	100%	35%	\$ 32,188
6744	Roseburg Forest Products Co.	59,553	100%	35%	\$20,844
6747	Bright Wood Corporation	198,310	100%	35%	69,409
6790	Georgia-Pacific Corporation	534,199	100%	35%	186,970
Apps	Sum	\$884,028			\$ 309,411
4	Average	221,007			77,353
	Minimum	59,553			20,844
	Maximum	534,199			186,970

Statutory Definition of an "Air Pollution Control Facility"

ORS 468.155 Definitions for ORS 468.155 to 468.190 and 468.962

...
(b) Such prevention, control or reduction required by this subsection shall be accomplished by:

...
(B) The disposal or elimination of or redesign to eliminate air contaminants or air pollution or air contamination sources and the use of air cleaning devices as defined in ORS 468A.005;

...
ORS 468A.005 provides the following pertinent definitions.

"Air contaminant" means a dust, fume, gas, mist, odor, smoke, vapor, pollen, soot, carbon, acid or particulate matter or any combination thereof.

"Air pollution" means the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby.

"Air contamination source" means any source at, from, or by reason of which there is emitted into the atmosphere any air contaminant, regardless of who the person may be who owns or operates the

building, premises or other property in, at or on which such source is located, or the facility, equipment or other property by which the emission is caused or from which the emission comes.

An "Air-cleaning device" means any method, process or equipment that removes, reduces or renders less noxious air contaminants prior to their discharge in the atmosphere.

Eligibility

OAR 340-016-0060 Eligibility

...

(4) Eligible Activities. The facility shall prevent, reduce, control, or eliminate:

- (a) Air contamination by use of air cleaning devices as defined in ORS 468A.005 or through equipment designed to prevent, reduce or eliminate air contaminants prior to discharge to the outdoor atmosphere;

...



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Air Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

Marvin Lumber & Cedar Co.
3665 17th Street
Baker City, OR 97814

Organized as: **S Corp**
Taxpayer ID: **41-039-6845**

Technical Information

Marvin Lumber & Cedar produces wooden components for doors and windows. The applicant installed a Clarke's Pneu-Air dust collector to capture particulate matter (PM) and fine particulate matter (PM₁₀) from two existing cyclones mounted on top of their chip bin. Prior to installing the claimed facility, the two existing cyclones discharged approximately 9.84 tons per year of PM and PM₁₀ directly to the atmosphere. The applicant voluntarily installed the claimed facility to reduce PM and PM₁₀ emissions. The claimed facility consists of a Clarke's Pneu-Air dust collector that has 6,451 square feet of filter area, a nine-foot diameter B&R Sheet Metal cyclone and their rotary airlock valves, new chip bin doors and a fire suppression system. Based on testing, the new dust collector has a capture efficiency of over 99.99%. The system uses the new cyclone to transfer material collected by the dust collector back to the chip bin. The rotary airlock valves attached to the bottom of each of the three cyclones allow the chips to drop out of the cyclone without pressurizing the chip bin, which causes sawdust to blow out. The new chip bin doors reduce sawdust leakage that could become airborne.

Director's Recommendation

Approve Application No.6684 @ Reduced Cost

Applicant: **Marvin Lumber & Cedar Co.**

Certification of:

Facility Cost		\$91,966
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		\$32,188

Certificate Period: **7 years**

Facility Identification

3665 17th Street
Baker City, OR 97814

The certificate will identify the facility as:

Clarke's Model Pneu-Air 100-20 Dust Collector

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue:

Marvin Lumber & Cedar Co. **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely** filed the application. The applicant submitted the application after completing construction and placing the facility into service on 2/20/2003. The applicant completed construction or installation of the claimed facility on **2/20/2003** and submitted the application on **2/13/2004**.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0060(2)(a)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of air pollution.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The Clarke's Model Pneu-Air 100-20 Dust Collector has a sole purpose of reducing a substantial quantity of air pollution. The dust collector **removes over nine tons of PM and PM₁₀ per year** that was discharged to the atmosphere prior to its installation.

The nine-foot diameter cyclone system, three rotary airlock valves, two sets of chip bin doors and the fire suppression system are not eligible for certification because they do not have an exclusive pollution control purpose.

- The nine-foot diameter cyclone system transfers sawdust the baghouse captures back to the chip bin. The primary function of this system is material handling.
- The rotary airlock valves allow sawdust captured by the cyclones to drop into the chip bin without pressurizing the bin. The primary function of these items is material handling.
- The two sets of chip bin doors hold the contents of the bin. They have an improved seal that ensures chips do not fall out of the bin during filling. The primary function of the doors is material handling.
- The fire suppression system's primary function is to extinguish fires in the baghouse system.

The Department deducted the associated costs from the claimed facility cost under the *Facility Cost* section below.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(B)	The prevention, control, or reduction must be accomplished by the disposal or elimination of air contaminants, air pollution, or air contamination sources; and the use of an air cleaning device as defined in ORS 468A.005.

Applied to this Application

Particulate matter and PM₁₀ meet the definition of air contaminants as defined by ORS 468A.005. The Clarke's Model Pneu-Air 100-20 Dust Collector meets the definition of an air-cleaning device.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016-0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions** other than the items described in the *Purpose: Voluntary* section above.

Replacement Criteria

ORS 468.155(3)(e)

The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has not issued any Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria

ORS 468.173(3)(f)

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the certified cost does not exceed \$200,000.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on February 13, 2004 and the certified facility cost is **\$91,966**.

Facility Cost**Subtractions Criteria**

OAR 340-016-0070(1)

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions** other than the items described in the *Purpose: Voluntary* section above.

§ Certification Criteria

ORS 468.170(1)

The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost and documents that the cost represents the taxpayer's own cash investment.

Facility Cost

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed
		\$193,895
<i>Purpose: Voluntary</i>	The nine-foot diameter cyclone system (includes installation)	-\$35,670
	Three rotary airlock valves (includes installation)	-\$33,025
	Two sets of chip bin doors (includes installation)	-\$28,520
	Fire suppression system	-\$4,714
	Certified	\$91,966

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention or control of air pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above, and a 7-year useful life. Sawdust from the claimed facility is a salable or useable commodity that produces an annual revenue increase of \$500. The annual expenditures of \$12,200 exceed the annual revenue resulting in an \$11,700 decrease of annual income. Taking this into account, the facility ROI is less than the National ROI for 2003, the facility's

construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The DEQ staff member assigned to the source is Tom Hack. Mr. Hack affirmed the applicant's statement that the facility and site are in compliance with DEQ rules and statutes, and with EQC orders. DEQ issued a General Air Permit, number AQGP-010, 1/1/2001.

Reviewers: PBS Engineering and Environmental
Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Air Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

10599 Old Hwy 99 South
Dillard, OR 97432

Organized as: **C Corp**
Taxpayer ID: **93-1240670**

Technical Information

Roseburg Forest Products Co is a wood products manufacturing company located in Douglas County. Applicant's claims a Western Pneumatics Baghouse, Model WP200 installed to reduce the amount of airborne particulate matter, produced as a result of sanderdust, from releasing into the atmosphere.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Director's Recommendation

Approve Application No.6744

Applicant: **Roseburg Forest Products Co**

Certification of:

Facility Cost		\$59,553
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$20,844</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**One Western Pneumatics Baghouse Model
WP200**

Applied to this Application

DEQ will report the following information to the Department of Revenue:
Roseburg Forest Products Co **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing**

2001 Edition ORS
468.165(6)

Criteria

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **12/1/2003** and filed the application on **5/10/2004**. The applicant filed the application within the one-year filing requirement. The applicant also submitted the application after completing construction and placing the facility into operation on 2/1/2004.

Purpose: Voluntary

ORS 468.155
(1)(a)(B)
OAR 340-016-
0060(2)(a)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of air pollution.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The applicant claims the facility has a sole **purpose**. The Western Pneumatics Baghouse reduces a substantial quantity of air pollution. Sanderdust, created by the particleboard made by the applicant, is the particulate matter which was previously released into the air. This new baghouse reduces the amount of particulate matter released into the air from **123,182 tons to 2.46 tons per year**. The prior baghouse was an inefficient, 30 year old unit.

Method

ORS 468.155
(1)(b)(B)

Criteria

The prevention, control, or reduction must be accomplished by the disposal or elimination of air contaminants, air pollution, or air contamination sources; and the use of an air cleaning device as defined in ORS 468A.005.

Applied to this Application

The Western Pneumatic Baghouse meets the definition of an air-cleaning device and particleboard sanderdust particulate matter meets the definition of an air contaminant as defined by ORS 468A.005.

Exclusions Criteria
 ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control
 OAR 340-016- Facility. These items are ineligible for certification.
 0070(3)

Applied to this Application

There are **no exclusions** other than the items described in the *Purpose: Required* section above.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified
 pollution control facility is not eligible for the tax credit. However, there are
 two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria
 ORS 468.173(3)(f) The maximum tax credit is 35% if the applicant submitted the application
 between January 1, 2002 and December 31, 2008, inclusively, and the certified
 cost does not exceed \$200,000.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/10/2004, and the certified facility cost is **\$59,553**.

Facility Cost

Subtractions Criteria
 OAR 340-016- The applicant must provide documents that substantiate the claimed facility cost.
 0070(1) The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no** subtractions.

§ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$59,553
	<i>No deductions</i>	0
	Certified	\$59,553

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction air pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above, and a 10-year useful life. The claimed facility does not produce a salable or useable commodity, and it does not have revenue or cost savings associated with it. The expenditures exceed the revenue, therefore the resulting facility ROI is less than the National ROI for 2004, the facility's construction completion year. The applicant did not investigate an alternative technology and there are no other relevant factors.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Air Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Drawer 828
 Madras, OR 97741

Organized as: **S Corp**
 Taxpayer ID: **93-0720678**

Technical Information

Bright Wood Corporation produces wood window and door parts, and specialty millwork. Prior to the installation of the claimed facility, the applicant collected sawdust and wood shavings from woodworking machines located in Plant 14 using three fans and two cyclones. The applicant replaced that system with a more energy efficient single fan and baghouse. The claimed facility consists of a Donaldson-Torrit Baghouse, a 52,885-cfm New York fan, a 125-hp Toshiba motor, exterior ducting, a spark detection/suppression system and access platforms. The baghouse contains 7,555 ft² of filter cloth and has a filtration efficiency of 99.9+%. The claimed facility reduced the applicant's particulate matter (PM) emissions from approximately 24 tons per year to 20 tons per year. The claimed facility also reduced the applicant's consumption of electricity by 403,140 kilowatt-hours per year.

Director's Recommendation

Approve Application No. **6747@** Reduced Amount

Applicant: **Bright Wood Corporation**

Certification of:

Facility Cost		\$198,310
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		\$69,409

Certificate Period: **10 years**

Facility Identification

335 Hess Street
 Madras, OR 97741

The certificate will identify the facility as:

**Donaldson-Torrit Baghouse, Model 484 RFW12,
 Serial #IG764772 and New York Blower with a
 125hp Toshiba Motor**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Bright Wood Corporation **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **5/26/2003** and filed the application on **5/5/2004**. The applicant filed the application within the one-year filing requirement. The applicant also submitted the application after completing construction and placing the facility into operation on **5/27/2003**.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0060(2)(a)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of air pollution.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The applicant claims the facility has a sole purpose. The Donaldson-Torrit baghouse, the 52,885-cfm New York fan, the 125-hp Toshiba motor and the exterior ducting reduces PM emissions by **four tons per year**.

The applicant installed the claimed facility to reduce PM emissions and to

reduce electric costs. The annual PM emissions were approaching the plant site emission limits established by the applicant's air discharge permit and the installation of the claimed facility reduced the PM emissions by approximately 20%. The claimed facility allowed the applicant to increase production without exceeding the PM limits of their air permit.

The applicant also reduced their electrical usage by 403,140 kilowatt-hours per year by installing the claimed facility and in doing so received an Energy Tax Credit from the State of Oregon. The Department deducted the present value of the energy tax credit from the claimed facility cost under the *Facility Cost* section below.

The spark detection/suppression system and access platforms are not eligible for certification because they do not have an exclusive pollution control purpose.

- The spark detection/suppression system's primary function is to detect and extinguish fires in the dust collection ducting.
- Maintenance personnel use the access platforms to service the system.

The Department deducted the cost of these two systems from the claimed facility cost under the *Facility Cost* section below.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(B)	The prevention, control, or reduction must be accomplished by the disposal or elimination of air contaminants, air pollution, or air contamination sources; and the use of an air cleaning device as defined in ORS 468A.005.

Applied to this Application

Particulate matter meets the definition of air contaminants as defined by ORS 468A.005. The dust collector system meets the definition of an air-cleaning device because it prevents PM emissions from discharged to the atmosphere.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016- 0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. These items are ineligible for certification.

Applied to this Application

There are **no exclusions** other than the items described in the *Purpose: Voluntary* section above.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. However, there are two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or

2. before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has not issued any Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria
ORS 468.173(3)(g)

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively; and construction or installation of the facility is entirely voluntary and no portion of it is required in order to comply with a federal law administered by the United States Environmental Protection Agency, a state law administered by the Department of Environmental Quality or a law administered by a regional air pollution authority.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/5/2004, and the applicant voluntarily installed the claimed facility.

Facility Cost

Subtractions Criteria
OAR 340-016-0070(1)

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the **present value of any other state tax credits** for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

The Department subtracted the costs associated with the energy tax credit from the *Facility Cost* section below.

§ Certification Criteria
ORS 468.170(1)

The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed	Certified
		Claimed	\$271,904
<i>Purpose: Voluntary</i>	Spark detection/suppression system		-\$18,583
	Access platforms		-\$3,711
<i>Deductions</i>	Present value of Energy tax credit		-\$51,300
			\$198,310

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste, hazardous waste, or to recycling or appropriately disposing of used oil.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above, and a 10-year useful life. The claimed facility does increase the collection of sawdust, which is a salable commodity. It generated an additional \$78 per year revenue. The claimed facility also reduced the applicant's electric charges by \$22,000 per year. The annual cost of operating and maintaining the claimed facility is \$42,200, which exceeds the revenue and cost savings, therefore the resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not investigate an alternative technology and there are no other relevant factors.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The DEQ staff member assigned to the source is Tom Hack. Mr. Hack affirmed the applicant's statement that the facility and site are in compliance with DEQ rules and statutes, and with EQC orders. DEQ issued a Title V Air Permit, number 16-003 on 10/8/1999 and an NPDS Stormwater permit number 1200-Z on 7/22/97.

Reviewers: PBS Engineering and Environmental
Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Air Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

P O Box 1618
Eugene, OR 97440

Organized as: **C Corp**
Taxpayer ID: **93-043281**

Technical Information

Georgia-Pacific Corporation, Industrial Wood Products division, converts wood veneer into hardwood, plywood and other panel products. The applicant claims a PPC Industries Dry Electrostatic Precipitator (ESP) installed on the exhaust stack of the existing heat cell emission unit number 8. The heat cell provides heat through an air-to-air heat exchanger to the ovens that cure wood panel products. The heat cell burns hog fuel that emits gas. Grounded electrodes capture particulate from the gas as it moves through a collector chamber. In the ESP, opposing high voltages charge two grids – the positive grid charges the particulate and the negative grid attracts (collects) them. Periodically, the cleaning cycle taps the collected dry-particulate into hoppers for disposal.

Director's Recommendation

Approve Application No. **6790 @ Reduced Cost**

Applicant: **Georgia-Pacific Corporation**

Certification of:

Facility Cost		\$534,199
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$186,970</u>

Certificate Period: **10 years**

Facility Identification

2350 Prairie Road
Eugene, OR 97402

The certificate will identify the facility as:

**One PPC Industries Dry Electrostatic
Precipitator**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Georgia-Pacific Corporation **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

The applicant must submit the final application after completing construction of the facility and placing it into service. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **7/7/2003** and filed the application on **6/28/2004**. The applicant filed the application within the one-year filing requirement. The applicant also submitted the application after completing construction and placing the facility into service on 8/26/2003.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0060(2)(a)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of air pollution.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The applicant claims the facility has a sole purpose. The ESP reduces a substantial quantity of air pollution. Without the facility, the heat cell exhaust would exceed Lane Regional Air Pollution Authority's (LRAPA) standard of 0.1 grains per dry standard cubic foot (gr/dscf) of particulate emissions corrected to 50% excess air or 12% CO₂. Based on burning 6,000 tons of fuel, the new ESP

reduced particulate emissions to 696 pounds per year, a 98.1% reduction.

The applicant claimed hardware and software used for tasks unrelated to the pollution control. The applicant also claimed an opacity monitor used to gather data for reporting purposes but it does not control any of the ESP functions. The Department deducted the costs associated with these items from the claimed facility cost in the *Facility Cost* section below.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(B)	The prevention, control, or reduction must be accomplished by the disposal or elimination of air contaminants, air pollution, or air contamination sources; and the use of an air cleaning device as defined in ORS 468A.005.

Applied to this Application

The Dry Electrostatic Precipitator meets the definition of an air-cleaning device in ORS 468A.005:

Any method, process or equipment that removes, reduces or renders less noxious air-contaminants prior to their discharge in the atmosphere.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016- 0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. These items are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. However, there are two exceptions. The applicant replaced the facility: <ol style="list-style-type: none"> 1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or 2. before the end of its useful life.

Applied to this Application

The State of Oregon has issued **seven** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of any previously certified facilities.

Maximum Credit	<u>Criteria</u>
ORS 468.173(3)(h)	The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is located within a designated distressed area as defined by the Economic and Community Development Department in ORS 285A.010.

Applied to this Application

The **maximum tax credit is 35%** because the applicant filed the application on 6/28/04, and the applicant is located in Lane County outside of the city limits of Eugene which is designated by the Economic and Community Development Department as an economically distressed area in ORS 285A.010.

Facility Cost

Subtractions
OAR 340-016-0070(1)

Criteria

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification
ORS 468.170(1)

Criteria

The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$567,521
<i>Purpose: Voluntary</i>	Computer hardware and software unrelated to pollution control	-13,151
	Opacity monitor	-15,857
	Tank removal	-4,314
	Certified	\$534,199

Facility Cost Allocable to Pollution Control

% Certification
ORS 468.170(1)

Criteria

The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of air pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution

control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above, and a fifteen-year useful life. The claimed facility does not produce a salable or useable commodity, and it does not have revenue or cost savings associated with it. The expenditures exceed the revenue, therefore the resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not investigate an alternative technology and there are no other relevant factors.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey

BACKGROUND

APPROVALS: Alternatives to Open Field Burning Facilities

The Department recommends the Commission approve **three** alternatives to open field-burning facilities for certification as pollution control facilities. The Commission's certification could reduce taxes paid to the State of Oregon by a maximum of **\$265,139¹**.

The Department and the Commission have traditionally treated alternatives to open field burning as *principal purpose* facilities. This means that the applicant installed the facility to meet a DEQ or EPA requirement. DEQ required that the state reduce the maximum number of acres that are open-burned in compliance with acreage limitations and allocations under OAR 340-266-0060.

Council Advice

In application number **6432**, the applicant owns a straw compressing and storage business. The claimed facility is a building that stores 2,400 tons of grass-seed straw; 150 tons are from acreage owned/leased by the applicant. The Department asked council if ORS 315.304(4) allows a taxpayer (a custom straw compressing/storage business) to claim a credit for a facility (straw storage building) if the taxpayer does not own the trade or business (grower) that uses the Oregon property (grass seed acreage) that requires the pollution control (alternative to field burning.)

The advice shown in Attachment G opines that the EQC does not have the authority to approve or deny certification based on ORS 315.304(4). If the Commission approves these tax credits then the Department will explicitly notify the Department of Revenue of the taxpayer's status.

Summary of Alternatives to Open Field Burning

App #	Applicant	Certified	% Allocable	Maximum Percent	GF Liability
6432	Frank Hoekstre	\$ 213,439	96%	50%	\$ 102,451 ¹
6433	Frank Hoekstre	521,645	77%	50%	200,833
6729	Leroy & Lowell Kropf	165,437	100%	35%	57,903

Apps	Sum	\$ 710,521		\$ 367,187
3	Average	\$ 237,640		\$ 122,396
	Minimum	\$ 165,437		\$ 57,903
	Maximum	\$ 521,645		\$ 200,833

¹ The actual liability for application 6432 would be \$6,403. See the *Taxpayer Allowed Credit* sections of application 6432 and council advice.

Statutory Definition of "Alternatives to Field Burning"

ORS 468.150 Field sanitation and straw utilization and disposal methods as "pollution control facilities."

After alternative methods for field sanitation and straw utilization and disposal are approved by the Department of Environmental Quality, "pollution control facility," as defined in ORS 468.155, shall include such approved alternative methods and persons purchasing and utilizing such methods shall be eligible for the benefits allowed by ORS 468.155 to 468.190 and 468.962.

[1975 c.559 §15; 1999 c.59 §136]

Note: 468.150 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 468 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

Eligibility

OAR 340-016-0060 Eligibility

...

(4) Eligible Activities. ...

...

(b) Alternatives to Open Field Burning. The facility shall reduce or eliminate:

- (A) Open field burning and may include equipment, facilities, and land for gathering, densifying, handling, storing, transporting and incorporating grass straw or straw based products;
- (B) Air quality impacts from open field burning and may include propane burners or mobile field sanitizers; or
- (C) Grass seed acreage that requires open field burning. The facility may include:
 - (i) Production of alternative crops that do not require open field burning;
 - (ii) Production of rotation crops that support grass seed production without open field burning; or
 - (iii) Drainage tile installations and new crop processing facilities.



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Director's Recommendation

Approve Application No. **6432**
@ Reduced Cost & Percentage

Applicant: **Frank Hoekstre**

Certification of:

Facility Cost		\$213,439
Percentage Allocable	X	96%
Maximum Percentage	X	50%
Tax Credit		<u>\$102,451</u>

Certificate Period: **10 years**

Pollution Control Facility: Alternative to Field Burning

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 139
Dallas, OR 97338

Organized as: **Sole Proprietor**
Taxpayer ID: **93-1093951**

Facility Identification

13895 Beck Road
Dallas, OR 97338

The certificate will identify the facility as:

One 140' x 140' x 24' pole building with concrete floor and loading dock

Technical Information

Franklin Hoekstre compresses and stores grass-seed straw from area growers. The applicant claims Building C to protect the straw from inclement weather until it can be exported. The applicant owns/leases 82 acres that produces 150 tons of the 2,400 tons of straw capable of being stored in building. The loading dock allows the applicant's clients to unload the straw for storage and to load trucks with the straw for shipment overseas.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Frank Hoekstre owns the trade or business **that uses 1/16** of the Oregon property (grass-seed acreage) requiring the pollution control facility (straw storage building) to minimize air pollution (field burning.)

Eligibility**Timely Filing**

ORS 468.173(1)

1999 Edition

OAR 340-016-0007

Criteria

The applicant must submit the application within two years after the date that they complete construction of the facility if that date was on or before December 31, 2001. The applicant must also submit the final application after they complete construction and place the facility into operation.

Applied to this Application

The applicant submitted the application **within the two-year** filing period since they completed construction on 10/31/2001 and submitted the application on 1/17/2003. The applicant submitted the application after they completed construction and after they placed the facility into service on 10/15/2001.

Purpose: Required

ORS 468.155

(1)(a)(A)

OAR 340-016-0060

(2)(a)

Criteria

The principal purpose of the claimed facility must be to reduce air pollution by reducing the maximum acreage to be open-burned in compliance with OAR 340-266-0060 (Acreage limitations, allocations). That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The applicant claims that the primary and most important purpose of the building and loading dock is to comply with OAR 340-266-0060 by reducing the maximum acreage that will be open-burned and to reduce air pollution.

The primary and most important purpose of the ramp to the scales is for billing purposes rather than to eliminate open field burning. The Department describes this deduction under the *Exclusions* section below.

Method

ORS 468.150

OAR 340-016-0060

(4)(b)

Criteria

Alternatives to Open Field Burning. The facility must reduce or eliminate:

- (a) Open field burning and may include equipment, facilities, and land for gathering, densifying, handling, **storing, transporting** and incorporating grass straw or straw based products;

- (b) Air quality impacts from open field burning and may include propane burners or mobile field sanitizers; or
- (c) Grass seed acreage that requires open field burning. The facility may include:
- Production of alternative crops that do not require open field burning;
 - Production of rotation crops that support grass seed production without open field burning; or
 - Drainage tile installations and new crop processing facilities.

Applied to this Application

The straw storage building and loading dock reduce air contaminants by providing an alternative to open field burning. The effects of field burning **meet the definition** of an air contaminant as defined by ORS 468A.005.

Dust, fumes, gas, mist, odor, smoke, vapor, pollen, soot, carbon, acid or particulate matter or any combination thereof

Exclusions Criteria

ORS 468.155 (3)
OAR 340-016-0070(3) The regulations provide a list of over 40 items excluded from the definition of a Pollution Control Facility. Items that do not meet the definition are ineligible for certification.

Applied to this Application

ORS 468.155 specifically **excludes parking areas and roadways**; and **insignificant contributions** to the pollution control purpose described under the *Purpose: Required* section above. The Department deducted the cost of these items from the claimed cost under the *Facility Cost* section below.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. before the end of its useful life.

Applied to this Application

The State of Oregon issued **two** previous tax credit certifications to the applicant. The claimed facility is **not a replacement** of any previously certified facility.

Maximum Credit Criteria

ORS 468.173(1) The applicable percentage of the certified cost of a facility shall be 50% if the applicant began construction or installation of the facility prior to January 1, 2001, and completed prior to January 1, 2004.

Applied to this Application

The **maximum tax credit is 50%** because the applicant began construction on 7/13/2000 and completed construction on 10/31/2001.

Facility Cost**Subtractions** Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

The Department **subtracted the costs** associated with the **ramp leading to storage building** from the *Facility Cost* section below.

\$ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed
		\$243,119
<i>Facility Cost</i>	Work performed on Building A	-\$2,558
<i>Exclusions</i>	Ramp to scales	-\$1,697
	Roadway and parking	-\$25,425
		Certified
		\$213,439

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of air pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage

ORS 468.190(1)

The following factors establish the portion of costs properly allocable to pollution control.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

ORS 468.190(2)

The portion of actual costs properly allocable shall be from zero to 100 percent in increments of one percent. If zero percent, the commission shall issue an order denying certification.

Applied to this Application

Grass-seed straw is a salable or usable commodity when there is an available market. Exporters, such as Quality Trading Company, pay the applicant \$8 a ton to store the straw until there is a market. The applicant included the revenue from the straw at the building's full capacity in calculating the facility's return on investment (ROI). The functional life of the facility used in calculating the Percentage of the Facility Cost Allocable to Pollution Control is **20** years. The percentage of the cost allocable to pollution control is **96%** when calculated according to the standard method under OAR 340-016-0075(3). The storage building is an alternative method to open-field burning grass-seed straw. The applicant will incur increased costs in operating and maintaining the claimed building. The applicant included these increased costs in the ROI calculation. (The applicant did not include the depreciation expense because taxpayers may use the tax credit AND depreciation.) There are no other relevant factors.

Compliance

ORS 468.180(1)

Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant claims the facility and site comply with Department rules and statutes. DEQ has not issued any permits to the applicant at this site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Director's Recommendation

Approve Application No. 6433 @ Reduced Cost &
Percentage

Applicant: **Frank Hoekstre**

Certification of:

Facility Cost		\$521,645
Percentage Allocable	X	77%
Maximum Percentage	X	50%
Tax Credit		<hr/> \$200,833

Certificate Period: 10 years

Pollution Control Facility: Alternative to Field Burning

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 139
Dallas, OR 97338

Organized as: **Sole Proprietor**
Taxpayer ID: **93-1093951**

Facility Identification

13895 Beck Road
Dallas, OR 97338

The certificate will identify the facility as:

**216' x 60' x 24' straw compressing and storage
building (Building A) and a 65' x 55' loading
dock**

Technical Information

Franklin Hoekstre compresses and stores grass-seed straw from area growers. The growers flail chop the straw before trucking it to the applicant. The applicant compresses the straw into bales and then stores it out of inclement weather until it can be exported. The applicant claims a pole building identified as Building A. Building A houses the applicant's straw compressing operation and is capable of storing up to 400 tons of straw from 218 of the applicant's 300 grass-seed acres. This building is one of a series of buildings used for storing straw. The applicant claims the pole building, the loading dock, and a driveway/parking area. The applicant also claims the building's electrical service necessary to support the exporter-owned baler. The loading dock allows the area growers to unload their straw for compressing and storage. The loading dock also allows exporters to load straw into trucks for shipment overseas.

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Frank Hoekstre owns the business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution.

Eligibility**Timely Filing**

ORS 468.173(1)

1999 Edition

OAR 340-016-0007

Criteria

The applicant must submit the application within two years after the date that they complete construction of the facility if that date was on or before December 31, 2001. The applicant must also submit the final application after they complete construction and place the facility into operation.

Applied to this Application

The applicant submitted the application **within the two-year** filing period since they completed construction on 12/27/2000 and submitted the application on 10/18/2002. The applicant submitted the application after they completed construction and after they placed the facility into service on 1/1/2001.

Purpose: Required

ORS 468.155

(1)(a)(A)

OAR 340-016-0060

(2)(a)

Criteria

The principal purpose of the claimed facility must be to reduce air pollution by reducing the maximum acreage to be open-burned in compliance with OAR 340-266-0060 (Acreage limitations, allocations). That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The primary and most important purpose of the building and the loading dock is to comply with OAR 340-266-0060 by reducing the maximum acreage that will

be open-burned and to reduce air pollution.

The primary and most important purpose of the safety rails are to comply with Occupational Safety & Health Administration (OSHA) requirements rather than to eliminate open field burning. The Department **deducted** the cost of the **safety rails** from the claimed cost under the *Facility Cost* section below.

Method	<u>Criteria</u>
ORS 468.150 OAR 340-016-0060 (4)(b)	Alternatives to Open Field Burning. The facility must reduce or eliminate: <ol style="list-style-type: none"> (a) Open field burning and may include equipment, facilities, and land for gathering, densifying, handling, storing, transporting and incorporating grass straw or straw based products; (b) Air quality impacts from open field burning and may include propane burners or mobile field sanitizers; or (c) Grass seed acreage that requires open field burning. The facility may include: <ul style="list-style-type: none"> ▪ Production of alternative crops that do not require open field burning; ▪ Production of rotation crops that support grass seed production without open field burning; or ▪ Drainage tile installations and new crop processing facilities.

Applied to this Application

The straw compressing and storage building reduce air contaminants by providing an alternative to open field burning. The effects of field burning **meet the definition** of an air contaminant as defined by ORS 468A.005.

Dust, fumes, gas, mist, odor, smoke, vapor, pollen, soot , carbon, acid or particulate matter or any combination thereof.

Exclusions	<u>Criteria</u>
ORS 468.155 (3) OAR 340-016-0070(3)	The regulations provide a list of over 40 items excluded from the definition of a Pollution Control Facility. Items that do not meet the definition are ineligible for certification.

Applied to this Application

ORS 468.155 specifically **excludes parking areas and roadways**; and **insignificant contributions** to the pollution control purpose described under the *Purpose: Required* section above. The Department deducted the cost of these items from the claimed cost under the *Facility Cost* section below.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the

- requirement to construct the original facility; or
2. before the end of its useful life.

Applied to this Application

The State of Oregon issued **two** previous tax credit certifications to the applicant. The claimed facility is **not a replacement** of a previously certified facility.

Maximum Credit Criteria

ORS 468.173(1) The applicable percentage of the certified cost of a facility shall be 50% if the applicant began construction or installation of the facility prior to January 1, 2001, and completed it prior to January 1, 2004.

Applied to this Application

The **maximum tax credit is 50%** because the applicant began construction on 11/15/1999 and completed construction on 10/18/2002.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed
		\$538,747
<i>Facility Cost</i>	Invoice transferred from App.#6432	\$2,558
		Adjusted Cost
		\$541,305
<i>Purpose: Required</i>	Railing	-\$1,162
<i>Exclusions</i>	Repairs	-\$115
	Roadway & Parking	-\$18,384
		Certified
		\$521,645

Facility Cost Allocable to Pollution Control

% Certification

ORS 468.170(1)

Criteria

The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of air pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage

ORS 468.190(1)

The following factors establish the portion of costs properly allocable to pollution control facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

ORS 468.190(2)

The portion of actual costs properly allocable shall be from zero to 100 percent in increments of one percent. If zero percent, the commission shall issue an order denying certification.

Applied to this Application

Grass-seed straw is a salable or usable commodity when there is an available market. Exporters, such as Quality Trading Company, pay the applicant \$8 a ton to store the straw until there is a market. The applicant included the revenue from the straw at the building's full capacity and revenue from the compressing operation in the return on investment calculation. The functional life of the facility used in calculating the Percentage of the Facility Cost Allocable to Pollution Control is **20** years. The percentage of the cost allocable to pollution

control is 77% when calculated according to the standard method under OAR 340-016-0075(3). The storage building is an alternative method to open-field burning grass-seed straw. The applicant will incur increased costs in operating and maintaining the claimed building. The applicant included these increased costs in the ROI calculation. (The applicant did not include the depreciation expense because taxpayers may use the tax credit AND depreciation.) There are no other relevant factors.

Compliance

ORS 468.180(1)

Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant state the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Alternative to Field Burning

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

24305 Powerline Road
Harrisburg, OR 97446

Organized as: **Partnership**
Taxpayer ID: **93-0812235**

Technical Information

The partnership of Leroy & Lowell Kropf is a grass seed grower in Linn County. The applicant claims a 200' x 128' x 42.6' steel building with concrete footing and gravel floor. Custom balers remove the straw from the partners' fields and store it in the building to protect it from inclement weather. The applicant owns 60 acres and leases 940 acres. The applicant cultivates all 1,000 acres of which 835 acres are perennial grass-seed and 165 acres are annual grass-seed. The shed will store 880 acres of straw.

Director's Recommendation

Approve Application No.6729

Applicant: Leroy & Lowell Kropf

Certification of:

Facility Cost		\$165,437
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$57,903</u>

Certificate Period: **10 years**

Facility Identification

24495 Powerline Road
Harrisburg, OR 97446

The certificate will identify the facility as:

One 200' x 128' x 42.6' steel building with concrete footing and gravel floor - used for hay storage.

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue:

Leroy and Lowell Kropf **own** the business that uses the Oregon property (grass-seed acreage) that requires the alternative to open field burning.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely filed** the application. The applicant submitted the application after completing construction and placing the facility into service on 8/1/2003. The applicant completed construction or installation of the claimed facility on **8/1/2003** and submitted the application on **4/15/2004**. The applicant filed the application within the one-year filing requirement.

Purpose: Required Criteria

ORS 468.155
(1)(a)(A)

The principal purpose of the new facility is to reduce air pollution by reducing the maximum acreage to be open-burned in compliance with OAR 340-266-0060 (Acreage Limitations, Allocations). The facility must have only one primary purpose.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The primary and most important purpose of the building is to comply with OAR 340-266-0060 by reducing the maximum acreage that will be open-burned and to reduce air pollution.

Method	<u>Criteria</u>
ORS 468.150 OAR 340-016-0060 (4)(b)	Alternatives to Open Field Burning. The facility must reduce or eliminate: <ol style="list-style-type: none"> (a) Open field burning and may include equipment, facilities, and land for gathering, densifying, handling, storing, transporting and incorporating grass straw or straw based products; (b) Air quality impacts from open field burning and may include propane burners or mobile field sanitizers; or (c) Grass seed acreage that requires open field burning. The facility may include: <ul style="list-style-type: none"> ▪ Production of alternative crops that do not require open field burning; ▪ Production of rotation crops that support grass seed production without open field burning; or ▪ Drainage tile installations and new crop processing facilities.

Applied to this Application

The straw storage building is an **approved alternative method** for field sanitation and straw utilization and disposal. The effects of field burning **meet the definition of** an air contaminant as defined by ORS 468A.005:

Dust, fume, gas, mist, odor, smoke, vapor, pollen, soot, carbon, acid or particulate matter or any combination thereof.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016-0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions. The applicant replaced the facility: <ol style="list-style-type: none"> 1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or 2. before the end of its useful life.

Applied to this Application

The State of Oregon has issued six (6) Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit	<u>Criteria</u>
ORS 468.173(3)(f)	The applicable percentage of the certified cost of a facility shall be 35% if the

applicant filed for certification on or after January 1, 2002, and if the certified cost of the facility does not exceed \$200,000.

Applied to this Application

The **maximum tax credit is 35%** because the applicant filed for certification on April 15, 2004, and the cost of the facility is less than \$200,000.

Facility Cost

Subtractions	<u>Criteria</u>
OAR 340-016-0070(1)	The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include: <ol style="list-style-type: none"> a) the salvage value of a pre-existing facility if the applicant is replacing a facility; b) the amount of any government grants received to pay part of the facility cost; c) the present value of any other state tax credits for which the investment is eligible; and d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

% Certification	<u>Criteria</u>
ORS 468.170(1)	The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$165,437
	<i>No deductions</i>	0
	Certified	\$165,437

Facility Cost Allocable to Pollution Control

% Certification	<u>Criteria</u>
ORS 468.170(1)	The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of air pollution.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

- Percentage** Criteria
ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.
- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
 - b. The estimated annual percent return on the investment in the facility;
 - c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
 - d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
 - e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above, and a 20-year useful life. The claimed facility stores straw, a salable and useable commodity. The applicant's straw, however, does not have revenue or cost savings associated with it. The expenditures exceed the revenue, therefore the resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

- ORS 468.180(1) Criteria
The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey

BACKGROUND

APPROVALS: Hazardous Waste Facilities

The Department recommends that the EQC certify **one** hazardous waste facility summarized below and represented in the attached Review Report. The pollution control certification of this facility could reduce taxes paid to the State of Oregon by a maximum of **\$1,048**.

Summary of Hazardous Waste Facilities

App #	Applicant	Facility Cost	% Allocable	Maximum Tax Credit	GF Liability
6776	Kenneth E. Scales	\$ 2,995	100%	35%	\$ 1,048

Statutory Provision for "Hazardous Waste"

ORS 468.155 Definitions for ORS 468.155 to 468.190 and 468.962

...
(b) Such prevention, control or reduction required by this subsection shall be accomplished by:

...
(E) The treatment, substantial reduction or elimination of or redesign to treat, substantially reduce or eliminate hazardous waste as defined in ORS 466.005.

Definition in ORS 466.005

(7) "Hazardous waste" does not include radioactive material or the radioactively contaminated containers and receptacles used in the transportation, storage, use or application of radioactive waste, unless the material, container or receptacle is classified as hazardous waste under paragraph (a), (b) or (c) of this subsection on some basis other than the radioactivity of the material, container or receptacle. Hazardous waste does include all of the following which are not declassified by the commission under ORS 466.015 (3):

(a) Discarded, useless or unwanted materials or residues resulting from any substance or combination of substances intended for the purpose of defoliating plants or for the preventing, destroying, repelling or mitigating of insects, fungi, weeds, rodents or predatory animals, including but not limited to defoliants, desiccants, fungicides, herbicides, insecticides, nematocides and rodenticides.

(b) Residues resulting from any process of industry, manufacturing, trade or business or government or from the development or recovery of any natural resources, if such residues are classified as hazardous by order of the commission, after notice and public hearing. For purposes of classification, the commission must find that the residue, because of its quantity, concentration, or physical, chemical or infectious characteristics may:

(A) Cause or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible illness; or

(B) Pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

(c) Discarded, useless or unwanted containers and receptacles used in the transportation, storage, use or application of the substances described in paragraphs (a) and (b) of this subsection.

...



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

**Pollution Control Facility:
 Hazardous Waste
 Final Certification**

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

1101 Court Street
 Medford, OR 97501

Organized as: **Sole Proprietor**
 Taxpayer ID:

Technical Information

Kenneth E. Scales is the sole proprietor of Ken Scales Automotive, an automotive repair business, located in Jackson County, Oregon. The applicant claims an Aqueous Parts Washer that uses water and a special non-polluting detergent to clean auto parts rather than solvents. The system includes three types of filtration: a 500-micron stainless steel basket with a 75 micron micro bag; a 100/100/100 micron triple inline filter; and a 30/10/5 micron triple inline micro filter.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Director's Recommendation

Approve Application No. **6776**

Applicant: **Kenneth E. Scales**

Certification of:

Facility Cost		\$2,995
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		\$1,048

Certificate Period: **5 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

One Aqueous Parts Washer Model REN-TMB4000US, Serial # 6253

Applied to this Application

DEQ will report the following information to the Department of Revenue: Kenneth E. Scales **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing**

2001 Edition ORS
468.165(6)

Criteria

The applicant must submit the final application after completing construction of the facility and placing it into service. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **7/17/2003** and filed the application on **6/2/2004**. The applicant filed the application within the one-year filing requirement. The applicant also submitted the application after completing construction and placing the facility into service on **7/17/2003**.

Purpose: Voluntary

ORS 468.155
(1)(a)(B)
ORS 466.005
(7)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of hazardous waste pollution.

"Hazardous Waste Pollution" is the presence of residues resulting from any process of industry, manufacturing, trade or business or government or from the development or recovery of any natural resources, if such residues cause or contribute to an increase in mortality or an increase in serious irreversible illness; or pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported or disposed of."

Applied to this Application

The parts washer has a sole purpose of reducing hazardous waste. Prior to purchasing the aqueous parts washer, the applicant used a system that cleaned parts with solvents containing Toluene, and Benzene. Toluene is known to cause birth defects or other reproductive harm. Benzene is known to cause cancer. The new parts washer **reduces the company's hazardous waste stream by 50 to 80%.**

Method

ORS 468.155
(1)(b)(E)

Criteria

The prevention, control, or reduction must be accomplished by the treatment, substantial reduction, or elimination of or redesign to treat, substantially reduce or eliminate hazardous waste as defined in ORS 466.005.

Applied to this Application

The aqueous parts washer eliminates the use of mineral spirits containing Toluene, and Benzene and its hazardous waste stream.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. However, there are two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria

ORS 468.173(3)(f) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the certified cost does not exceed \$200,000.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 6/2/2004, and the certified facility cost is \$2,995.00.

Facility Cost

- | | |
|---------------------|--|
| Subtractions | <u>Criteria</u> |
| OAR 340-016-0070(1) | The applicant must provide documents that substantiate the claimed facility cost.
The claimed cost may not include: |
| | a) the salvage value of a pre-existing facility if the applicant is replacing a facility; |
| | b) the amount of any government grants received to pay part of the facility cost; |
| | c) the present value of any other state tax credits for which the investment is eligible; and |
| | d) ineligible costs as set forth in OAR 340-016-0070(3). |

Applied to this ApplicationThere are **no subtractions**.

- | | |
|------------------------|--|
| § Certification | <u>Criteria</u> |
| ORS 468.170(1) | The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility. |

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$2,995
	<i>No deductions</i>	0
	Certified	\$2,995

Facility Cost Allocable to Pollution Control

- | | |
|-----------------|--|
| ORS 468.190 (3) | <u>Criteria</u> |
| | If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of hazardous waste bears to the entire time the facility is used for any purpose. |

Applied to this ApplicationThe certified facility cost does not exceed \$50,000. The applicant uses the facility **100%** of the time for pollution control.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 , 467 and 468. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey

BACKGROUND

APPROVALS: Material Recovery Facilities

The Department recommends that the EQC certify **28** material recovery facility summarized below and represented in the attached Review Report. The pollution control certification of this facility could reduce taxes paid to the State of Oregon by a maximum of **\$1,422,153**.

Summary of Material Recovery Facilities

App #	Applicant	Certified	% Allocable	Maximum Percent	GF Liability
6589	Rogue Waste Systems, LLC	\$181,183	100%	50%	\$ 90,592
6641	Miller Associated Enterprises Inc.	54,891	100%	35%	19,212
6658	Umpqua Bank	1,145,569	100%	35%	400,949
6659	Umpqua Bank	1,775,600	100%	35%	621,460
6668	Global Leasing, Inc.	175,299	20%	35%	12,271
6702	Global Leasing, Inc.	2,679	100%	35%	938
6713	High Country Enterprises, LLC	30,043	100%	35%	10,515
6714	Bend Garbage Co., Inc.	35,338	100%	35%	12,368
6718	East County Recycling Co.	75,000	100%	35%	26,250
6735	Safeway, Inc.	21,184	100%	35%	7,414
6736	Safeway, Inc.	34,298	100%	35%	12,004
6737	Safeway, Inc.	35,811	100%	35%	12,534
6740	Global Leasing, Inc.	6,065	100%	35%	2,123
6751	K B Recycling	31,492	100%	35%	11,022
6752	K B Recycling	31,492	100%	35%	11,022
6753	K B Recycling	3,306	100%	35%	1,157
6754	K B Recycling	20,878	100%	35%	7,307
6755	Metro Metals Northwest, Inc.	48,550	100%	35%	16,993
6756	Metro Metals Northwest, Inc.	37,391	100%	35%	13,087
6757	Metro Metals Northwest, Inc.	46,906	100%	35%	16,417
6758	Metro Metals Northwest, Inc.	20,782	100%	35%	7,274
6759	Metro Metals Northwest, Inc.	45,641	100%	35%	15,974
6760	Metro Metals Northwest, Inc.	47,514	100%	35%	16,630
6761	Metro Metals Northwest, Inc.	40,581	100%	35%	14,203
6762	Metro Metals Northwest, Inc.	48,500	100%	35%	16,975
6763	Metro Metals Northwest, Inc.	41,238	100%	35%	14,433
6764	Metro Metals Northwest, Inc.	41,518	100%	35%	14,531
6765	Metro Metals Northwest, Inc.	47,134	100%	35%	16,497
28					
Apps		Sum	4,125,883		1,422,153
		Average	147,353		50,791
		Minimum	2,679		938
		Maximum	1,775,600		621,460

Statutory Definition of "Material Recovery"

ORS 468.155 Definitions for ORS 468.155 to 468.190 and 468.962

...
(b) Such prevention, control or reduction required by this subsection shall be accomplished by:

- ...
- (D) The use of a material recovery process which obtains useful material from material that would otherwise be solid waste as defined in ORS 459.005; hazardous waste as defined in ORS 466.005, or used oil as defined in ORS 459A.555; or
- ...

Eligibility

OAR 340-016-0060 Eligibility

...
(4) Eligible Activities. The facility shall prevent, reduce, control, or eliminate:

- ...
- (d) Hazardous Waste, Solid Waste and Used Oil Material Recovery. The facility shall eliminate or obtain useful material from material that would otherwise be solid waste as defined in ORS 459.005, hazardous waste as defined in ORS 466.005, or used oil as defined in ORS 468.850. The facility shall produce an end product of utilization that is an item of real economic value and is competitive with an end product produced in another state. The facility shall produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:
 - (A) Have useful chemical or physical properties which may be used for the same or other purposes; or
 - (B) May be used in the same kind of application as its prior use without change in identity.



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 3187
Central Point, OR 97502

Organized as: **LLC**
Taxpayer ID: **93-1236945**

Technical Information

Rogue Waste Systems, LLC owns and operates a yard debris composting facility. The public offloads yard debris onto a 200-foot by 200-foot asphalt pad where the Universal refiner grinder reduces the yard debris to medium fine mulch. The applicant transfers the mulch to another 200-foot by 200-foot asphalt slab and places it into windrows. They turn the mulch three times during the 18-month composting process. The applicant sells the completed compost in bulk to the public.

The applicant claims a Universal refiner grinder, two 200-foot by 200-foot asphalt pads, fencing and various professional services.

Director's Recommendation

Approve Application No. **6589** @ Reduced Cost

Applicant: **Rogue Waste Systems, LLC**

Certification of:

Facility Cost		\$181,183
Percentage Allocable	X	100%
Maximum Percentage	X	50%
Tax Credit		\$90,592

Certificate Period: **7 years**

Facility Identification

6260 Dry Creek Road
White City, OR 97503

The certificate will identify the facility as:

**One Universal refiner grinder, Model
600, Serial # PDR-96-16; 80,000 foot
Asphalt Composting Area**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Rogue Waste Systems, LLC **owns** the business that uses the facility for recycling or material recovery.

Eligibility**Timely Filing** Criteria

**1999 Edition ORS
468.173(1) OAR 340-016-
0007**

If the applicant completed constructing the facility before January 1, 2002, the applicant must submit the application within two years after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into operation.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **11/16/2001** and submitted the application on **9/15/2003**. The applicant also submitted the application after completing construction and placing the facility into service on 11/16/2001.

Purpose: Voluntary Criteria

ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded

home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. For the year of 2002, the claimed facility **diverted over 7,000-tons** of yard debris away from the municipal landfill and produced approximately 1,000 tons of bulk compost.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

- a. "Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value

OAR 340-016-0010(7) OAR 340-016-0060(4)(e)	<u>Criteria</u> The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:
---	---

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The claimed facility converts yard debris, a solid waste, into bulk compost that the applicant sells to the public. The compost improves soil texture and structure, qualities that enable soil to retain nutrients, moisture, and air for the support of healthy crops. Compost provides and releases plant nutrients, protects against drought, controls pH, supports essential bacteria, stops nutrient loss through leaching, acts as a buffer against toxins in the soil and controls weeds.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution
 OAR 340-016-0070(3) Control Facility. Landscaping, fencing, interest, warranty charges, financing costs, spare parts, capitalized costs (property taxes, capitalized interest, etc.), insurance premiums, legal fees, court costs, patent searches and feasibility studies are included in this list. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

The applicant included fencing and miscellaneous spare parts. They also included professional services and employee labor related to legal issues, transportation impact studies, land use studies and landscape design. The Department **deducted the costs** associated with the ineligible item(s) from the *Facility Cost* section below.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are, however, two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has not issued any Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria

ORS 468.173(1) The maximum tax credit is 50% of the certified facility cost if the
 OAR 340-016-0007 applicant completed construction before January 1, 2002.

Applied to this Application

The **maximum tax credit is 50%** because the applicant completed construction of the facility on 11/16/2001, and submitted the application on 9/15/2003.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

The Department deducted the costs associated with the fencing, parts, professional services and employee labor related to professional services from the *Facility Cost* section below.

The applicant mistakenly deducted \$50,000 for the future salvage value of the new Universal refiner grinder. The installation of the claimed facility did not result in the sale of any scrapped equipment. The Department added \$50,000 to the claimed facility cost under the *Facility Cost* section below.

\$ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the applicant's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$197,930
Deductions	Applicant erroneously deducted salvage value	+\$50,000
Exclusions	Fencing	-\$11,776
	Parts	-\$825
	Professional services	-\$11,514
	Employee labor related to professional services	-\$42,632
	Certified	\$181,183

Facility Cost Allocable to Pollution Control

% Certification Criteria
 ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of

solid waste.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Integral Facility* and *Percentage* subsections below.

Integral Facility Criteria

OAR 340-016-0075

(4)(a)

Facilities that are integral to the applicant's business must use an alternate method for calculating the percentage of the facility cost that is allocable to pollution control if the facility cost exceeds \$50,000. Examples of integral facilities include commercial solid waste and hazardous waste landfills, solid waste and hazardous waste recycling businesses, and environmental service providers.

The Commission may determine that a business is integral to the operation of the applicant's business if the business is unable to operate or is only able to operate at reduced income levels, without the claimed pollution control facility.

The law requires the Commission to use the following factors to determine whether a pollution control facility is integral to the operation of the applicant's business.

- a. The facility represents 25 percent or more of the total assets of the applicant's business; or
- b. The facility was constructed or installed in response to market demand for such pollution control facilities such as requirements imposed by DEQ, EPA or regional air pollution authority on parties unaffiliated with the applicant; or
- c. Where the facility allows the applicant to generate gross revenues at least 50% greater than could be or were without the facility; or
- d. The applicant's operating expenses for the facility are at least 50% of the operating expenses for the applicant's entire business.

Applied to this Application

The facility **is not integral** to the applicant's business. The total assets of Rogue Waste Systems, LLC are over \$12 million and the claimed facility represents less than 25% of the applicant's assets and generates less than 50% of gross revenues and operating expenses for the entire business.

Percentage Criteria

ORS 468.190(1)

The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;

- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above. The claimed facility allows the applicant to convert a substantial quantity of solid waste into compost. The applicant based their estimated revenue from the compost and the expenditures associated with the composting process to determine the facility's return on investment (ROI). The resulting facility ROI is less than the National ROI for 2001, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The DEQ solid waste staff member assigned to the source is Bob Barrows from the Western Region. Mr. Barrows affirmed the applicant's statement that the facility and site are in compliance with DEQ rules and statutes, and with EQC orders. DEQ issued a General Permit for a Composting Facility, number C2-022, on 5/8/2001.

The DEQ storm water staff member assigned to the source is Andy Ulrich from the Western Region. Mr. Ulrich requested the applicant to modify the existing 1200-Z issued to the Dry Creek Landfill to include the adjacent composting operation. The applicant agreed to make the modifications.

Reviewers: PBS Engineering and Environmental
Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 40097
Eugene, OR 97404

Organized as: **S Corp**
Taxpayer ID: **93-0941217**

Technical Information

Miller Associated Enterprises Inc, doing business as Lane Garbage-Apex Disposal, claims (550) 65-gallon yard-debris roll carts with lids, and (700) 65-gallon recycle roll carts with lids. The applicant places the roll carts with customers for scheduled curbside pickup.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery

Director's Recommendation

Approve Application No. **6641**

Applicant: **Miller Associated Enterprises Inc.**

Certification of:

Facility Cost		\$54,891
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$19,212</u>

Certificate Period: **7 years**

Facility Identification

2399 Hwy. 99 North
Eugene, OR 97402

The certificate will identify the facility as:

(550) 65-gallon yard debris roll carts, Serial #Y002951-Y003200; (700) 65-gallon recycle roll carts, Serial #LAR000001-LAR000700

or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Miller Associated Enterprises Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria

**2001 Edition ORS
468.165(6)**

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **11/18/2003** and submitted the application on **11/25/2003**. The applicant also submitted the application after completing construction and placing the facility into service on 4/15/2003.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. The new yard-debris roll carts increased the collection of yard debris by **89.18 tons over the last seven months**. The new recycling roll carts increased the amount of recyclable materials collected by an average of **17.8% per month**.

Method Criteria
 ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria
 OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The yard debris roll carts allow more debris to be collected and recycled into wood waste products. The recycle roll carts are being used to collect commingled recyclable materials, thus collecting more waste materials and making the process simpler for the customer.

Exclusions Criteria
 ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification
 OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **three** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between
 ORS January 1, 2002 and December 31, 2008, inclusively, and the facility is used for
 468.155(1)(b)(D) material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 11/25/2003, and the facility is used in a material recovery process.

Facility Cost**Subtractions** Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed
	<i>No deductions</i>	\$54,891
		0
		Certified
		\$54,891

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Integral Facility* and *Percentage* subsections below.

Integral Facility Criteria

OAR 340-016-0075 (4)(a) Facilities that are integral to the applicant's business must use an alternate method for calculating the percentage of the facility cost that is allocable to pollution control if the facility cost exceeds \$50,000. Examples of integral facilities include commercial solid waste and hazardous waste landfills, solid waste and hazardous waste recycling businesses, and environmental service providers.

The Commission may determine that a business is integral to the operation of the applicant's business if the business is unable to operate or is only able to operate at reduced income levels.

The rule requires the Commission to use the following factors to determine whether a pollution control facility is integral to the operation of the applicant's business.

- a. The facility represents 25 percent or more of the total assets of the applicant's business; or
- b. The facility was constructed or installed in response to market demand for such pollution control facilities such as requirements imposed by DEQ, EPA or regional air pollution authority on parties unaffiliated with the applicant; or
- c. Where the facility allows the applicant to generate gross revenues at least 50% greater than could be or were without the facility; or
- d. The applicant's operating expenses for the facility are at least 50% of the operating expenses for the applicant's entire business.

Applied to this Application

The facility is **not integral** to the applicant's business.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling if the facility cost exceeds \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 7-year useful life. The claimed facility allows the applicant to convert a substantial quantity of solid waste into recyclable materials. The applicant based their estimated revenue from the roll carts and the expenditures associated with these carts to determine the facility's return on investment (ROI). The resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

c/o Dooling Lease Management Corp
 6400 SW Corbett Avenue
 Portland, OR 97239-3558

Organized as: **C Corp**
 Taxpayer ID: **93-1261319**

Director's Recommendation

Approve Application No. **6658**

Applicant: **Umpqua Bank**

Certification of:

Facility Cost		\$1,145,569
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$400,949</u>

Certificate Period: **5 years**

Facility Identification

Sanipac, Inc.
 1650 Glenwood Boulevard
 Eugene, OR 97403

The certificate will identify the facility as:

**Seven - 2004 Sterling Condor Automated
 Trucks, each mounted with a Heil F7000
 Automated Body and two Heil 093-2031-099
 Grabber Arms:**

Truck VIN #	Body Serial #
49HFBVAK24RM64232	7A7005264
49HFBVAK44RM64233	7A7005265
49HFBVAK64RM64234	7A7005266
49HFBVAK84RM64235	7A7005267
49HFBVAKX4RM64236	7A7005268
49HFBVAK14RM64237	7A7005269
49HFBVAK34RM64238	7A7005276

Technical Information

Umpqua Bank, a commercial bank, purchased seven Sterling Condor automated recycling trucks equipped with Heil F-7000 automated bodies and two Heil grabber arms per truck. The applicant leases the trucks to Sanipac, Inc., a residential recycling company in Eugene, OR. The trucks collect and transport commingled recyclable materials to EcoSort, a subsidiary of Sanipac, where they sort and process reusable materials. The Condor truck is custom-engineered for residential refuse service. It

has a low-cab design and a setback front axle for improved maneuverability. The Heil F-7000 Split Body allows Sanipac to collect two types of recyclable materials. It has a diverter panel in the hopper that automatically sends one commodity to the bottom body chamber and the other commodity to the top chamber where it is compacted. There are two Heil grabbers attached to the lift system of each truck. The lift has a 72" reach, with a 2,000 pound capacity and an 8-second cycle time.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Umpqua Bank **owns** the seven automated recycling trucks, and **leases them to Sanipac, Inc.** Sanipac uses the trucks for recycling and material recovery.

Eligibility

Timely Filing Criteria

2001 Edition ORS
468.165(6)

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant submitted the application within the required filing period. The applicant purchased the trucks in **September, 2003**, and installed the automated truck bodies and grabber arms before placing in service during **December, 2003**.

Purpose: Voluntary Criteria

ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility controls a substantial quantity of solid waste. The truck collects and transports recyclable materials that meet the definition of solid waste above. Sanipac’s improved commingled recycling program will increase recycling tonnage by 15% to 35%, **diverting from 2,500 to 5,950 additional tons** of solid waste from landfill disposal each year.

Method Criteria

ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

Sanipac uses the trucks to collect solid recyclable waste and transport it to EcoSort (Sanipac’s material recovery facility) for sorting and selling to the appropriate mills that use the glass, metal and paper in useful end products.

Exclusions Criteria
 ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution
 OAR 340-016-0070(3) Control Facility. Any items that do not meet the definition are ineligible
 for certification.

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified
 pollution control facility is not eligible for the tax credit. There are,
 however, with two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement facility**. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the
 ORS 468.155(1)(b)(D) application between January 1, 2002 and December 31, 2008,
 inclusively, and the facility is used for material recovery or recycling, as
 those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 12/30/2003, and Sanipac uses the trucks in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed
 facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification
ORS 468.170(1)

Criteria

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed \$1,145,569
	<i>No deductions</i>	0
		Certified \$1,145,569

Facility Cost Allocable to Pollution Control

% Certification
ORS 468.170(1)

Criteria

The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Integral Facility* and *Percentage* subsections below.

Integral Facility
OAR 340-016-0075 (4)(a)

Criteria

Facilities that are integral to the applicant's business must use an alternate method for calculating the percentage of the facility cost that is allocable to pollution control if the facility cost exceeds \$50,000. Examples of integral facilities include commercial solid waste and hazardous waste landfills, solid waste and hazardous waste recycling businesses, and environmental service providers.

The Commission may determine that a business is integral to the operation of the applicant's business if the business is unable to operate or is only able to operate at reduced income levels.

The law requires the Commission to use the following factors to determine whether a pollution control facility is integral to the operation of the applicant's business.

- a. The facility represents 25 percent or more of the total assets of the applicant's business; or
- b. The facility was constructed or installed in response to market

demand for such pollution control facilities such as requirements imposed by DEQ, EPA or regional air pollution authority on parties unaffiliated with the applicant; or

- c. Where the facility allows the applicant to generate gross revenues at least 50% greater than could be or were without the facility; or
- d. The applicant's operating expenses for the facility are at least 50% of the operating expenses for the applicant's entire business.

Applied to this Application

The recycle trucks are **not integral** to Umpqua Bank's business.

Percentage	Criteria
ORS 468.190(1)	<p>The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.</p> <ul style="list-style-type: none"> a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity; b. The estimated annual percent return on the investment in the facility; c. Any alternative methods, equipment, and costs for achieving the same pollution control objective; d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 5-year useful life. The claimed facility allows Sanipac to collect and recycle a substantial quantity of solid waste into recyclable material. Based on Umpqua Bank's lease income and the cost to service the lease, the facility's return on investment (ROI) is less than the National ROI for 2003, the facility's construction completion year. The applicant and Sanipac did not investigate an alternative technology.

Compliance

ORS 468.180(1)	<p><u>Criteria</u></p> <p>The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.</p>
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Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

c/o Dooling Lease Management Corp
6400 SW Corbett Avenue
Portland, OR 97239-3558

Organized as: **C Corp**
Taxpayer ID: **93-1261319**

Technical Information

Umpqua Bank, a commercial bank, purchased 46,000 new 95-gallon rolling recycling carts. The applicant leases the carts to Sanipac, Inc., a residential recycling company in Eugene, Oregon. The carts are dark blue plastic with lids and 12" snap-on wheels. These carts allow Sanipac's trucks to pick up recyclables less frequently, but in larger quantities. A commingled collection process simplifies the recycling process and encourages the company's customers to recycle more materials. Once the applicant empties the carts into the truck's recycle hopper, the truck automatically separates and compacts the waste material. Then the truck transports the material to EcoSort, a material recovery facility which is a subsidiary of Sanipac.

Director's Recommendation

Approve Application No. **6659**

Applicant: **Umpqua Bank**

Certification of:

Facility Cost		\$1,775,600
Percentage Allocable	X	100 %
Maximum Percentage	X	35 %
Tax Credit		<u>\$ 621,460</u>

Certificate Period: **7 years**

Facility Identification

Sanipac, Inc.
1650 Glenwood Boulevard
Eugene, OR 97403

The certificate will identify the facility as:

**46,000 95-gallon Rolling Recycling
Carts, Serial #'s 1-46,000**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Umpqua Bank **owns** the 46,000 95-gallon recycling carts, and **leases them to Sanipac, Inc.** Sanipac, Inc. uses the carts for recycling and material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant timely filed the application. The applicant submitted the application after completing construction and placing the facility into operation, **December 29, 2003.** Umpqua Bank purchased the carts and shipped them to Sanipac, Inc. between October and December 29, 2003. The applicant submitted the application on **December 30, 2003.**

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction

materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility controls a substantial quantity of solid waste. The recyclable materials collected in the carts meet the definition of solid waste. The carts will help increase the annual recycling tonnage by **15% to 35%**, diverting from 2,500 to 5,950 additional tons of solid waste from landfill disposal.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

“Material Recovery” means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	<p>The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:</p> <ol style="list-style-type: none"> a. Have useful chemical or physical properties and which may be used for the same or other purposes: or b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The 95-gallon wheeled, lidded carts replaced customers’ 14-gallon unlidded curbside containers. The wheeled carts increase customer convenience, and cart lids decrease litter. The applicant empties the carts into the Condor recycling trucks (App.6658) and transports the waste to EcoSort for sorting. The appropriate mills purchase the waste and use the glass, metal and paper in useful end products.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
 OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are, however, with two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement facility**. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.
 OARS 468.155(1)(b)(D)

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 12/30/2003, and the 95-gallon carts are used exclusively in a material recovery process.

Facility Cost**Subtractions** Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification
ORS 468.170(1)

Criteria

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the applicant's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed	Certified
		Claimed	\$1,775,600
	<i>No deductions</i>		0
			Certified \$1,775,600

Facility Cost Allocable to Pollution Control

% Certification
ORS 468.170(1)

Criteria

The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Integral Facility / Percentage* subsection below.

Integral Facility
OAR 340-016-0075 (4)(a)

Criteria

Facilities that are integral to the applicant's business must use an alternate method for calculating the percentage of the facility cost that is allocable to pollution control if the facility cost exceeds \$50,000. Examples of integral facilities include commercial solid waste and hazardous waste landfills, solid waste and hazardous waste recycling businesses, and environmental service providers.

The Commission may determine that a business is integral to the operation of the applicant's business if the business is unable to operate or is only able to operate at reduced income levels.

The law requires the Commission to use the following factors to determine whether a pollution control facility is integral to the operation of the applicant's business.

- a. The facility represents 25 percent or more of the total assets of the applicant's business; or
- b. The facility was constructed or installed in response to market

demand for such pollution control facilities such as requirements imposed by DEQ, EPA or regional air pollution authority on parties unaffiliated with the applicant; or

- c. Where the facility allows the applicant to generate gross revenues at least 50% greater than could be or were without the facility; or
- d. The applicant's operating expenses for the facility are at least 50% of the operating expenses for the applicant's entire business.

Applied to this Application

The facility is **not integral** to Umpqua Bank's business because it does not meet any one of the five factors listed above.

Percentage Criteria
ORS 468.190(1)

The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 7-year useful life. The carts allow Sanipac to collect and transport a substantially increased quantity of solid waste that is segregated into salable and useable materials. Based on Umpqua Bank's lease income and the cost to service the lease, the facility's return on investment (ROI) is less than the National ROI for 2003, the facility's construction completion year. The applicant and Sanipac did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and

468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

P. O. Box 250
North Plains, OR 97133

Organized as: **S Corp**
Taxpayer ID: **93-1097105610**

Technical Information

Global Leasing, Inc. claims one 2003 New Way Front Loader and one 2004 Peterbilt Truck. This equipment is leased to Garbarino Disposal and Recycling Service. The Mammoth Front Loader hopper sits on the flat bed of the truck and has two fork-lift arms in front which can lift up to 8,000 pounds and hold twelve yards.

Director's Recommendation

Approve Application No. 6668 @ Reduced Cost

Applicant: **Global Leasing, Inc.**

Certification of:

Facility Cost		\$175,299
Percentage Allocable	X	20%
Maximum Percentage	X	35%
Tax Credit		<u>\$12,271</u>

Certificate Period: 7 years

Facility Identification

30966 NW Hillcrest Street
North Plains, OR 97133

The certificate will identify the facility as:

- One 2004 Peterbilt 320 FEL Front Loader truck, VIN# 1NPZLOEX440715312**
- One 2003 New Way Mammoth Front Loader attachment for this truck, Serial #4067-12-03.**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or

Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Global Leasing, Inc. **owns** the claimed facility which they **lease to Garbarino Disposal and Recycling Service**.

EligibilityTimely Filing Criteria2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **12/16/2003** and submitted the application on **1/16/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 12/16/2003.

Purpose: Voluntary CriteriaORS 468.155
(1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid

waste. The claimed facility diverts an additional **1,216 tons per year** of solid waste from landfills.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016- 0010(7)	<u>Criteria</u>
OAR 340-016- 0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The truck picks up recyclable solid waste of Garbarino Disposal & Recycling Services' commercial customer sites. The truck transports the waste material to the recycling facility, where it is sorted and sold to the appropriate recycling mills.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016- 0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification. The regulations specifically exclude warranty charges .

Applied to this Application

The Department **excluded \$750** from the truck invoice price for the extended warranty on the Cummins engine. The Department deducted the amount from the *Facility Cost* section below.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions: <ol style="list-style-type: none"> 1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or

2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **ten** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for
 ORS 468.155(1)(b)(D) material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 1/16/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no** subtractions.

S Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed	Certified
<i>Exclusions</i>	Extended Warranty	Claimed	\$176,049
			-750
			\$175,299

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste.

Applied to this Application

The Department determined that **20%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Integral Facility Criteria

OAR 340-016-0075

(4)(a)

Facilities that are integral to the applicant's business must use an alternate method for calculating the percentage of the facility cost that is allocable to pollution control if the facility cost exceeds \$50,000. Examples of integral facilities include commercial solid waste and hazardous waste landfills, solid waste and hazardous waste recycling businesses, and environmental service providers.

The Commission may determine that a business is integral to the operation of the applicant's business if the business is unable to operate or is only able to operate at reduced income levels.

The rule requires the Commission to use the following factors to determine whether a pollution control facility is integral to the operation of the applicant's business.

- a. The facility represents 25 percent or more of the total assets of the applicant's business; or
- b. The facility was constructed or installed in response to market demand for such pollution control facilities such as requirements imposed by DEQ, EPA or regional air pollution authority on parties unaffiliated with the applicant; or
- c. Where the facility allows the applicant to generate gross revenues at least 50% greater than could be or were without the facility; or
- d. The applicant's operating expenses for the facility are at least 50% of the operating expenses for the applicant's entire business.

Applied to this Application

The facility is **not integral** to the applicant's business.

Percentage Criteria

ORS 468.190(1)

The following factors establish the portion of costs properly allocable to material recovery or recycling if the facility cost exceeds \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;

- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 7-year useful life. The equipped Peterbilt truck with attached Mammoth Front Loader is used 20% of the time for commercial commingled recycling collection, and 80% of the time for commercial solid waste collection. The applicant based their estimated revenue from the lease income and the expenditures associated with servicing the lease to determine the facility's return on investment (ROI). The resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 250
North Plains, OR 97133

Organized as: **S Corp**
Taxpayer ID: **93-1097105610**

Technical Information

Garbarino Disposal & Recycling Service, Inc. leases the recycling facility from Global Leasing, Inc. of which Global Leasing, Inc. makes the capital expenditure and holds the equipment. Garbarino Disposal & Recycling is the operating entity of the facility and claims 500 Red Bins (14-gallon recycle bins), Product #RB003REGGA004. These bins are used for collecting recyclable material, which is then transported to Garbarino Disposal, sorted and sold to the appropriate recycling mill.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessor,

Director's Recommendation

Approve Application No. **6702**

Applicant: **Global Leasing, Inc.**

Certification of:

Facility Cost		\$2,679
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$ 938</u>

Certificate Period: **7 years**

Facility Identification

30966 NW Hillcrest Street
North Plains, OR 97133

The certificate will identify the facility as:

**500 red 14-gallon recycling bins (product
RB003REGGA004)**

owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Global Leasing, Inc. **owns the claimed facility which they lease** to Garbarino Disposal and Recycling Service where it is used for recycling or material recovery.

Eligibility

Timely Filing Criteria

2001 Edition ORS 468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **10/14/2003** and submitted the application on **3/8/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 10/14/2003.

Purpose: Voluntary Criteria

ORS 468.155 (1)(a)(B)

OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

Mixed recyclables collected in these containers meets the definition of solid waste as defined in ORS 459.005. The containers reduce a substantial quantity of solid waste by diverting approximately **195 tons** annually from landfill disposal.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the containers in a material recovery process to obtain recyclable materials from solid waste. The recovered material is collected regularly by the applicant's company trucks and transported to their facility to be sorted and sold to the appropriate recycle mill.

Exclusions	<u>Criteria</u>
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)	

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or

2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility.

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 3/8/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
<i>No deductions</i>	Claimed	\$2,679
		0
	Certified	\$2,679

Facility Cost Allocable to Pollution Control

ORS 468.190(3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for collecting commingled solid waste for recycling.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

200 NE Hemlock Avenue
Redmond, OR 97756

Organized as: **LLC**

Taxpayer ID: **93-1257933**

Director's Recommendation

Approve Application No. 6713

Applicant: **High Country Enterprises, LLC**

Certification of:

Facility Cost		\$30,043
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$10,515</u>

Certificate Period: **5 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

3114 Recycling Containers:

- 1,000 19-gallon boxes;**
- 1,000 14.4-gallon boxes;**
- 24 blue "under desk" boxes;**
- 2 40-yard drop boxes, Serial #12604 & #12605;**
- 80 65-gallon roll carts;**
- 500 14-gallon bins;**
- 500 18-gallon bins;**
- 5 3-cubic yard front load containers;**
- 3 2-cubic yard front load containers**

Technical Information

High Country Enterprises, LLC, a garbage & recycling hauler, is located in Deschutes County. The applicant has 9,640 residential customers and 1,005 commercial customers.

The applicant claims 1,000 19-gallon Low Blue plastic boxes, with High Country logo on both sides; 1,000 14.4-gallon Red Piper Casepro plastic boxes with 4 handles and logo on both sides; 24 15x12x8 blue plastic "under desk" boxes; 2 40-yard economy style recycling drop boxes Model ZXUS00007, painted Wimbledon White; 80 65-gallon rolling carts with lids painted Pepsi Blue; 500 14-gallon red curbside bins Model 1014; 500 18-gallon blue curbside recycling bins Model 1019; 5 3-cubic yard front load containers with casters and lids, painted green; 3 2-cubic yard front load container with casters and lids, painted green.

The recycling hauler placed two containers (one red and one blue) with 1,500 of the residential customers and the remaining containers with commercial customers.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: High Country Enterprises, LLC **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria

**2001 Edition ORS
468.165(6)**

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **11/1/2003** and submitted the application on **3/22/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 3/1/2003.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal

solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.”

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. The recycling containers have an exclusive recycling use. Prior to using the new recycling program, the applicants disposed of these materials in their household garbage. In 2003, recycling of waste materials at High Country **increased by 132%** compared to 2002.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016- 0010(7) OAR 340-016- 0060(4)(e)	<u>Criteria</u> The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:
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- a. Have useful chemical or physical properties and which may be used for the same or other purposes; or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The containers collect aluminum cans, paper, glass, plastic and metal. The applicant further sorts the material at the recycling center and ships it to manufacturers or mills for use in products that have a competitive end-use.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016- 0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

- Replacement** Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:
1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
 2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

- Maximum Credit** Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between
 ORS January 1, 2002 and December 31, 2008, inclusively, and the facility is used for
 468.155(1)(b)(D) material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 3/22/2004, and the facility is used in a material recovery process.

Facility Cost

- Subtractions** Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost.
 The claimed cost may not include:
- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
 - b) the amount of any government grants received to pay part of the facility cost;
 - c) the present value of any other state tax credits for which the investment is eligible; and
 - d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

- \$ Certification** Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed
	<i>No deductions</i>	\$30,043
		0
		Certified
		\$30,043

Facility Cost Allocable to Pollution Control

ORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost does not exceed \$50,000. The applicant uses the facility **100%** of the time for collecting recyclable materials.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

61480 Parrell Road
Bend, OR 97702

Organized as: **S Corp**
Taxpayer ID: **93-0890916**

Technical Information

Bend Garbage Company, Inc. is a garbage and recycling hauler located in Deschutes County. The Applicant has 10,800 residential customers and 1,145 commercial customers.

The applicant claims 1,000 19-gallon blue plastic boxes with Bend Garbage logo on both sides; 750 18-gallon blue curbside bins, Model 1019; 1,000 14.4-gallon red plastic boxes with four handles and logo on both sides; 750 14-gallon red curbside bins, Model 1014; Two 3-cubic yard green front load containers with casters and lids; 150 office paper blue bags and racks, Model 06P, 07P and 05B, with logo; Five 1-cubic yard front load tapered containers with lids, painted green with flip-up lid locks, Model 71T; Five

Director's Recommendation

Approve Application No. 6714

Applicant: **Bend Garbage Company, Inc.**

Certification of:

Facility Cost		\$35,338
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$12,368</u>

Certificate Period: **5 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

3707 Recycling Containers:

**750 14-gallon red bins,
1,000 14.4-gallon red boxes,
1,000 19-gallon blue boxes,
750 18-gallon blue bins,
Twenty office paper racks,
150 office paper bags,
Five 1-cubic yard front load containers,
Five 1.5-cubic yard front load containers,
Ten 2-cubic yard front load containers,
Seven 3-cubic yard front load containers,
Five 5-cubic yard front load containers,
Five 6-cubic yard front load containers**

1.5-cubic yard front load tapered containers with lids, painted green with flip-up lid locks, Model 72T; Five 2-cubic yard green front load containers with casters and lids; Five 2-cubic yard front load slant top containers with lids, painted green, with flip-up lid locks, Model 73; Five 3-cubic yard front load slant top containers with lids, Model 74, painted green with flip-up lid locks; Five 5-cubic yard front load cathedral containers with lids, Model 755C, painted green with flip-up lid locks; Five 6-cubic yard front load cathedral containers with lids, painted green with flip-up lid locks;

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Bend Garbage Company, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria

2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **12/30/2003** and submitted the application on **3/22/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 3/24/2003.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. The recycling containers have an exclusive recycling use. Prior to using the new recycling program, the applicants disposed of these materials in their garbage. In 2003, recycling of waste materials at Bend Garbage **increased by 13%** compared to 2002.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The containers collect aluminum cans, paper, glass, plastic and metal. The applicant further sorts the material at the recycling center and ships it to manufacturers or mills for use in products that have a competitive end-use.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control
 OAR 340-016- Facility. Any items that do not meet the definition are ineligible for certification.
 0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution
 control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application
 ORS between January 1, 2002 and December 31, 2008, inclusively, and the facility is
 468.155(1)(b)(D) used for material recovery or recycling, as those terms are defined in ORS
 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 3/22/2004, and the facility is used in a material recovery process.

Facility Cost**Subtractions** Criteria

OAR 340-016- The applicant must provide documents that substantiate the claimed facility cost.
 0070(1) The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

S Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$35,338
	<i>No deductions</i>	0
	Certified	\$35,338

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or appropriately disposing of used oil bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling waste material.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 20096
Portland, OR 97294

Organized as: **C Corp**
Taxpayer ID: **93-0915760**

Technical Information

East County Recycling Company is claiming one used Kawasaki Wheel Loader and one Used Volvo Wheel Loader. Various commercial and private haulers transport recyclable materials and wastes to the applicant's recycling center. The loaders spread the materials out and employees sort the materials. The loaders then transport the sorted materials to the appropriate staging areas at the applicant's site.

Director's Recommendation

Approve Application No. **6718**

Applicant: **East County Recycling Company**

Certification of:

Facility Cost		\$75,000
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$26,250</u>

Certificate Period: **10 years**

Facility Identification

12409 NE San Rafael
Portland, OR 97230

The certificate will identify the facility as:

One Used Kawasaki Wheel Loader, Model 65Z1V, Serial #65J20304 and One Used Volvo Wheel Loader, Model L70C, Serial #L70CV13245

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: East County Recycling Company **owns** the claimed facility that they use for recycling or material recovery.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **3/8/2004** and submitted the application on **3/23/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 3/8/2004.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. The applicant uses the two wheel loaders to sort, separate, and transport **60,000 tons** of recycled materials per year. The applicant uses the loaders exclusively for solid waste reduction.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

Method	<u>Criteria</u>
OAR 340-016- 0010(7) OAR 340-016- 0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the two wheel loaders in a material recovery process that pre-segregates recycled materials. The applicant separates materials such as metal, wood, cardboard, and concrete. These materials are then shipped to manufacturers or mills for use in products that have a competitive end-use.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016- 0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **three** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.
 ORS 468.155(1)(b)(D)

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 3/23/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

S Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$75,000
	<i>No deductions</i>	0
	Certified	\$75,000

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Integral Facility* and *Percentage* subsections below.

Integral Facility Criteria

OAR 340-016-0075 (4)(a) Facilities that are integral to the applicant's business must use an alternate method for calculating the percentage of the facility cost that is allocable to pollution control if the facility cost exceeds \$50,000. Examples of integral facilities include commercial solid waste and hazardous waste landfills, solid waste and hazardous waste recycling businesses, and environmental service providers.

The Commission may determine that a business is integral to the operation of the applicant's business if the business is unable to operate or is only able to operate at reduced income levels.

The rule requires the Commission to use the following factors to determine whether a pollution control facility is integral to the operation of the applicant's business.

- a. The facility represents 25 percent or more of the total assets of the applicant's business; or
- b. The facility was constructed or installed in response to market demand for such pollution control facilities such as requirements imposed by DEQ, EPA or regional air pollution authority on parties unaffiliated with the applicant; or
- c. Where the facility allows the applicant to generate gross revenues at least 50% greater than could be or were without the facility; or
- d. The applicant's operating expenses for the facility are at least 50% of the operating expenses for the applicant's entire business.

Applied to this Application

The facility is **not integral** to the applicant's business.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling if the facility cost exceeds \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert

- waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
 - c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
 - d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
 - e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 10-year useful life. The claimed facility allows the applicant to convert a substantial quantity of solid waste into recycled material. The applicant based their estimated revenue from the wheel loaders and the expenditures associated with the wheel loaders to determine the facility's return on investment (ROI). The resulting Facility ROI is less than the National ROI for 2004, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5918 Stoneridge Mall Road
Pleasanton, CA 94588

Organized as: C Corp
Taxpayer ID: 94-3019135

Technical Information

Safeway, Inc., a retail grocery store chain, installed three hydraulic balers at three retail store locations throughout Oregon. Vendors ship grocery products to the stores in cardboard boxes. The stores use the new equipment to bale the old corrugated cardboard (OCC). The stores previously disposed of the OCC as regular trash. Safeway, Inc. now ships the baled OCC to one of their consolidation points for shipment to recycling mills.

Director's Recommendation

Approve Application No. 6735

Applicant: Safeway, Inc.

Certification of:

Facility Cost		\$21,184
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<hr/> \$7,414

Certificate Period: 8 years

Facility Identification

The certificate will identify the facility as:

Three - -Hydraulic 60 Vertical Balers,	
Bend (1888)	Model M60ST Serial #602071STD;
Portland (2448)	Model M60MD, Serial #601577MD;
Astoria (2627)	Model M60STD, Serial #602278STD

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Safeway, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into operation.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **4/23/2003** and submitted the application on **4/22/2004**. The applicant also submitted the application after completing construction and placing the facility into operation on 4/23/2003.

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-
 0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and

semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. OCC meets the definition of solid waste as defined in ORS 459.005; it is discarded non-putrescible material. By using the baler and recycling OCC, the store has reduced its solid waste disposal by approximately **45-50% (390,000 pounds per year)**.

Method Criteria

ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the balers in a process that recovers OCC. The baled OCC has an economic value as secondary fiber used in the manufacture of paper and fiberboard products.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria
 ORS 468.173(3)(d) ORS 468.155(1)(b)(D) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 4/22/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

S Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$21,184
	<i>No deductions</i>	0
	Certified	\$21,184

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction that solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time **for recycling old corrugated cardboard.**

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5918 Stoneridge Mall Road
Pleasanton, CA 94588

Organized as: **C Corp**
Taxpayer ID: **94-3019135**

Technical Information

Safeway, Inc., a retail grocery store chain, installed five hydraulic balers at five retail store locations throughout Oregon. Vendors ship grocery products to the stores in cardboard boxes. The stores use the new equipment to bale the old corrugated cardboard (OCC). The stores previously disposed of the OCC as regular trash. Safeway, Inc. now ships the baled OCC to one of their consolidation points for shipment to recycling mills.

Director's Recommendation

Approve Application No. 6736

Applicant: Safeway, Inc.

Certification of:

Facility Cost		\$34,298
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$12,004</u>

Certificate Period: **8 years**

Facility Identification

The certificate will identify the facility as:

**Five Hydraulic 60 Vertical Balers:
Model M60STD, Store #1123 Hood
River, Serial #602095STD; Model
M60STD, Store #284 Reedsport, Serial
#602098STD; Model M60MD, Store
#1612 Portland, Serial #601561MD;
Model M60STD, Store #1047 Lake
Oswego, Serial #602191STD; Model
M60STD, Store #1260 Seaside, Serial
#602192STD**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Safeway, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into operation.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **5/1/2003** and submitted the application on **4/22/2004**. The applicant also submitted the application after completing construction and placing the facility into operation on 5/1/2003.

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. Used old corrugated cardboard (OCC) meets the definition of solid waste as defined in ORS 459.005, because it is discarded non-putrescible material. By using the baler and recycling OCC, the store has reduced its solid waste disposal by approximately **45-50% (390,000 pounds per year)**.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

- a. "Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the balers in a process that recovers OCC. The baled OCC has an economic value as secondary fiber used in the manufacture

of paper and fiberboard products.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016-0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit	<u>Criteria</u>
ORS 468.173(3)(d) ORS 468.155(1)(b)(D)	The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 4/22/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions	<u>Criteria</u>
OAR 340-016-0070(1)	The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this ApplicationThere are **no subtractions**.**§ Certification** Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$34,298
	<i>No deductions</i>	0
	Certified	\$34,298

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling waste material.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5918 Stoneridge Mall Road
Pleasanton, CA 94588

Organized as: **C Corp**
Taxpayer ID: **94-3019135**

Technical Information

Safeway, Inc., a retail grocery store chain, installed five hydraulic balers at five retail store locations throughout Oregon. Vendors ship grocery products to the stores in cardboard boxes. The stores use the new equipment to bale the old corrugated cardboard (OCC). The stores previously disposed of the OCC as regular trash. Safeway, Inc. now ships the baled OCC to one of their consolidation points for shipment to recycling mills.

Director's Recommendation

Approve Application No. 6737

Applicant: **Safeway, Inc**

Certification of:

Facility Cost		\$35,811
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$12,534</u>

Certificate Period: **8 years**

Facility Identification

The certificate will identify the facility as:

**Five Hydraulic 60 Vertical Balers:
Model M60STD, Store #412 Salem,
Serial #602197STD; Model M60STD,
Store #1231 Clackamas, Serial
#602199STD; Model M 60STD, Store
#4318 Clatskanie, Serial #602207STD;
Model M60MD, Store #508 Lake
Oswego, Serial #601592MD; Model
M60MD, Store #290 Grants Pass, Serial
#601594MD**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Safeway, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into operation.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **9/25/2003** and submitted the application on **4/22/2004**. The applicant also submitted the application after completing construction and placing the facility into operation on 9/25/2003.

Purpose: Voluntary Criteria

ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof,

discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces a substantial quantity of solid waste. OCC meets the definition of solid waste as defined in ORS 459.005; it is discarded non-putrescible material. By using the baler and recycling OCC, the store has reduced its solid waste disposal by approximately **45-50% (390,000 pounds per year)**.

Method Criteria

ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

- a. "Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the balers in a process that recovers OCC. The baled OCC has an economic value as secondary fiber used in the manufacture of paper and fiberboard products.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are, however, with two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria

ORS 468.173(3)(d) ORS 468.155(1)(b)(D) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 4/22/2004, and the facility is used in a material recovery process.

Facility Cost**Subtractions** Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

S Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's

own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed	Claimed
		Claimed	\$35,811
	<i>No deductions</i>		0
		Certified	\$35,811

Facility Cost Allocable to Pollution Control

ORS 468.190 (3)

Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling waste materials.

Compliance

ORS 468.180(1)

Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer:

Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 250

North Plains, OR 97133

Organized as: **S Corp**

Taxpayer ID: **93-1097105**

Technical Information

Global Leasing, Inc. claims ten refuse containers leased to Garbarino Disposal and Recycling Services. The green steel containers have swivel casters and lids. The lessee placed the containers at commercial sites throughout Washington County to collect mixed recyclable material. On a regular schedule, the lessee empties the containers and transports the contents to a recycling center where the material is sorted and sold to the appropriate recycling mill.

Director's Recommendation

Approve Application No. **6740**

Applicant: **Global Leasing, Inc.**

Certification of:

Facility Cost		\$6,065
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$2,123</u>

Certificate Period: **7 years**

Facility Identification

30966 NW Hillcrest Street

North Plains, OR 97133

The certificate will identify the facility as:

Ten Model 75 4-yard Front Load Slant Top Refuse Containers manufactured by Dewald Northwest, Serial #184074 to #184083.

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Global Leasing, Inc. **owns** the claimed facility used for recycling or material recovery.

Eligibility

Timely Filing
2001 Edition ORS
468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into operation.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **3/31/2004** and submitted the application on **4/26/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 3/31/2004.

Purpose: Voluntary
 ORS 468.155 (1)(a)(B)
 OAR 340-016-
 0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

Mixed recyclables collected in these containers meets the definition of solid waste as defined in ORS 459.005. Annually, the containers reduce a substantial quantity of solid waste by diverting approximately **156 tons** from landfill disposal.

Method	Criteria
ORS 468.155 (1)(b)(D)	<p>The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.</p> <p>a. "Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.</p>

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	<p>The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:</p> <p>a. Have useful chemical or physical properties and which may be used for the same or other purposes: or</p> <p>b. May be used in the same kind of application as its prior use without change in identity.</p>

Applied to this Application

The applicant uses the containers in a material recovery process to obtain recyclable materials from solid waste. The recovered material is collected regularly by the applicant's company trucks and transported to their facility to be sorted and sold to the appropriate recycling mill.

Exclusions	Criteria
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution

OAR 340-016-0070(3) Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement facility**.

Maximum Credit Criteria
 ORS 468.173(3)(d) The maximum tax credit is 35% if the applicant submitted the application
 ORS 468.155(1)(b) between January 1, 2002 and December 31, 2008, inclusively, and the facility
 (D) is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 4/26/04, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$6,065
	<i>No deductions</i>	
	Certified	\$6,065

Facility Cost Allocable to Pollution Control

ORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling waste material.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 550
 Canby, OR 97013

Organized as: **C Corp**
 Taxpayer ID: **93-1743693**

Facility Identification

1600 SE 4th
 Canby, OR 97013

The certificate will identify the facility as:

Twelve 20-yard Dewald NW metal drop boxes, Model 1654UT, Serial #12906-12917

Technical Information

K B Recycling is a recyclable material collection, transportation, processing and marketing company. The applicant claims twelve 20-yard metal drop boxes manufactured by Dewald NW. They are painted green and have been modified for glass recycling. The applicant uses the boxes to transport recyclable container glass and flat glass from commercial generators in Clackamas, Deschutes, Hood River, Marion, Multnomah, Washington and Yamhill counties.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or

Director's Recommendation

Approve Application No. **6751**

Applicant: **K B Recycling**

Certification of:

Facility Cost		\$31,492
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$11,022</u>

Certificate Period: **5 years**

- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: K B Recycling **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing
2001 Edition
ORS 468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into operation.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **12/26/2003** and submitted the application on **5/6/2004**. The applicant also submitted the application after completing construction and placing the facility into operation on 12/26/2003.

Purpose: Voluntary
ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. KB Recycling's only business activity is collection, processing and marketing of recyclable materials. The containers allow the applicant to collect approximately **9,300 tons of materials each year.**

Method Criteria

ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

- a. "Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The various recycled materials obtained in this process are baled, compacted or reloaded into drop boxes and transported to markets in Oregon, California, the Pacific Northwest and Asia. The usable recycled products are glass, metal and paper.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions.**

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application
 ORS 468.155(1)(b)(D) between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/6/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$31,492.32
	<i>No deductions</i>	0
	Certified	\$31,492.32

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling waste material.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 550
Canby, OR 97013-0550

Organized as: **C Corp**
Taxpayer ID: **93-1743693**

Technical Information

K B Recycling collects, transports, processes and markets recycled materials. The applicant claims twelve 20-yard Dewald NW Model 15654UT drop boxes made out of metal. The applicant places the boxes with their commercial customers in Clackamas, Deschutes, Hood River, Marion, Multnomah, Washington and Yamhill counties where they collect metal, all grades of paper, plastic, container glass and flat glass. The applicant also uses the containers in the material recovery facility to transfer materials, especially glass, from the sorting systems for further processing or marketing.

Director's Recommendation

Approve Application No. **6752**

Applicant: **K B Recycling**

Certification of:

Facility Cost		\$31,492
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$11,022</u>

Certificate Period: **5 years**

Facility Identification

1600 SE 4th
Canby, OR 97013

The certificate will identify the facility as:

**Twelve Model 15654UT 20-yard Drop
Boxes, Serial # 13011 -13022**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: K B Recycling **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **3/24/2004** and submitted the application on **5/18/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 3/24/2004.

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded

home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. KB Recycling uses the metal drop boxes exclusively for recycling. The applicant collects approximately **9,300 tons** of recyclable materials each year in these containers.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The various recycled materials obtained in this process are baled, compacted or reloaded into drop boxes and transported to markets in Oregon, California, the Pacific Northwest and Asia. The usable recycled products are glass, metal and paper.

Exclusions	<u>Criteria</u>
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)	

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria

ORS 468.170(3)(d)
ORS 468.155(1)(b)(D) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/18/2004, and the facility is used in a material recovery process.

Facility Cost**Subtractions** Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed	Claimed
		Claimed	\$31,492
	<i>No deductions</i>		0
		Certified	\$31,492

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling solid waste.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 550
Canby, OR 97013-0550

Organized as: **C Corp**
Taxpayer ID: **93-1743693**

Technical Information

K B Recycling is a recyclable material collection, transportation, processing and marketing company. The applicant claims twelve 1.5-yard metal drop boxes painted green and manufactured by Dewald NW. They also claim one 2-yard metal recycling bin painted green. The applicant uses the boxes to collect and transport metal, all grades of paper, plastic, container glass and flat glass from commercial generators in Clackamas, Deschutes, Hood River, Marion, Multnomah, Washington and Yamhill counties.

Director's Recommendation

Approve Application No. 6753

Applicant: K B Recycling

Certification of:

Facility Cost		\$3,306
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$1,157</u>

Certificate Period: **5 years**

Facility Identification

1600 SE 4th
Canby, OR 97013

The certificate will identify the facility as:

**Twelve 1.5-yard metal recycling bins;
S.N.#183500-183511
One 2-yard metal recycling bin, SN
#183570**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: K B Recycling **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **2/2/2004** and submitted the application on **5/18/2004**. The applicant also submitted the application after completing construction and placing the facility into service on **2/2/2004**.

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded

home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. KB Recycling's only business activity is collection, processing and marketing of recyclable materials. The thirteen containers allow applicant to collect approximately **400 tons** of recyclable materials each year.

Method Criteria

ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The recyclable material is sorted and cleaned, then baled, compacted or reloaded into drop boxes and transported to markets in Oregon, California, the Pacific Northwest and Asia.

The usable recycled products are glass (container glass, flat glass, reflective bead and fiberglass), metal (new products) and paper (feed stock).

Exclusions Criteria
 ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution
 OAR 340-016-0070(3) Control Facility. Any items that do not meet the definition are ineligible
 for certification

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified
 pollution control facility is not eligible for the tax credit. There are two
 exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the
 ORS 468.155(1)(b)(D) application between January 1, 2002 and December 31, 2008,
 inclusively, and the facility is used for material recovery or recycling, as
 those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/18/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed
 facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed \$3,306
	<i>No deductions</i>	0
		Certified \$3,306

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or appropriately disposing of used oil bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling solid waste.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 550

Canby, OR 97013-0550

Organized as: **C Corp**

Taxpayer ID: **93-1743693**

Technical Information

K B Recycling is a recyclable material collection, transportation, processing and marketing company. The facility they are claiming consists of six 40-yard Dewald NW metal drop boxes Model 2086UT painted PETE green and modified for glass recycling, Serial numbers 12985-12990. The boxes are used to collect and transport metal, all grades of paper, plastic, container glass and flat glass from commercial generators in Clackamas, Deschutes, Hood River, Marion, Multnomah, Washington and Yamhill counties.

Director's Recommendation

Approve Application No. **6754**

Applicant: **K B Recycling**

Certification of:

Facility Cost		\$20,878
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$7,307</u>

Certificate Period: **5 years**

Facility Identification

1600 SE 4th

Canby, OR 97013

The certificate will identify the facility as:

**Six Model 2086UT 40-yard Drop Boxes,
Serial # 12985 – 12990**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: K B Recycling **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **3/23/2004** and submitted the application on **5/18/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 3/23/2004.

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded

home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. KB Recycling's only business activity is collection, processing and marketing of recyclable materials. The metal drop boxes are used for the collection process. These six containers allow the applicant to collect approximately **1,500 tons** of recyclable materials each year. The containers are also used within the material recovery facilities to transfer materials, especially glass, from sorting systems and transport them within or off-site for further processing or marketing.

Method Criteria

ORS 468.155 (1)(b)(D) The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The various recycled materials obtained in this process are baled, compacted or reloaded into drop boxes and transported to markets in Oregon, California, the Pacific Northwest and Asia. The usable recycled products are glass, metal and paper.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016-0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** facility.

Maximum Credit	<u>Criteria</u>
ORS 468.170(3)(d) ORS 468.155(1)(b)(D)	The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/18/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions	<u>Criteria</u>
OAR 340-016-0070(1)	The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed \$20,878
	<i>No deductions</i>	0
		Certified \$20,878

Facility Cost Allocable to Pollution ControlORS 468.190 (3) Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for recycling solid waste.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous. The applicant claims a Hyster Lift Truck used to lift the scrap metal containers off of the hauling trucks once they arrive at the recycling plant. The Hyster Lift Truck then transports and empties the containers in a sorting area.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Director's Recommendation

Approve Application No. **6755**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$48,550
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$16,993</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**One Hyster Lift Truck, Model H90XMS,
Serial # K005V04998A**

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing
2001 Edition ORS
468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **7/7/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on **7/7/2003**.

Purpose: Voluntary
ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or **discarded commercial, industrial, demolition and construction materials**, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The Hyster Lift Truck moves **20,800 tons** of scrap metal annually as part of a material recovery process which recovers 233,000 tons of waste metal each year.

Method
ORS 468.155 (1)(b)(D)

Criteria

The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for

obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, **pre-segregation**, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The lift truck is part of a material recovery process used to organize the collected scrap metal. The applicant sells the scrap metal to industries that fabricate it into new items.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification

OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of any of these previously certified facilities.

Maximum Credit Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application
 ORS 468.155(1)(b)(D) between January 1, 2002 and December 31, 2008, inclusively, and the
 facility is used for material recovery or recycling, as those terms are
 defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$48,550
	<i>No deductions</i>	0
	Certified	\$48,550

Facility Cost Allocable to Pollution Control

% Certification Criteria
 ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for

prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would not exceed \$50,000. The applicant uses the truck 100% of the time for collecting metal in Oregon.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: C Corp
Taxpayer ID: 93-1270871

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous. The claimed facility is a Cascon Heavy Hauler Pull Trailer, Model CCPT240-4A, which is used to transport the scrap metal containers from industrial customers. This trailer accommodates up to 24' drop boxes.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Director's Recommendation

Approve Application No. 6756

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$37,391
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$13,087</u>

Certificate Period: 10 years

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**One Cascon Heavy Hauler Pull Trailer,
Model CCPT240-4A, VIN#
1C9RS244X3R337084**

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **7/31/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 7/31/2003.

Purpose: Voluntary Criteria

ORS 468.155 (1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

"Solid waste" as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The trailer transports **6,756 tons** of scrap metal annually to the recycling facility, where 233,000 tons of waste metal are recovered each year.

Method Criteria

ORS 468.155 (1)(b)(D)

The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as **pre-segregation**, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or

chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria
 OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes; or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the trailer to collect scrap metal that would have otherwise been solid waste. The applicant then sorts the metal at its recycling facility. Both collection and pre-segregation are a **material recovery process**. The applicant sells the metal for reuse in metal products.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
 OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of any of these previously certified facilities.

Maximum Credit Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application
 ORS 468.155(1)(b)(D) between January 1, 2002 and December 31, 2008, inclusively, and the
 facility is used for material recovery or recycling, as those terms are
 defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$37,391
	<i>No deductions</i>	0
	Certified	\$37,391

Facility Cost Allocable to Pollution Control**% Certification**

ORS 468.190(3)

Criteria

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would not exceed \$50,000. The trailer is dedicated to major customers in Oregon. The applicant uses the trailer **100%** of the time for collecting metal in Oregon.

Compliance

ORS 468.180(1)

Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer:

Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc., collects and recycles scrap metal, both ferrous and nonferrous, from industrial clients. The claimed facility consists of self-dump hoppers, drop boxes and drop box door kits. The drop boxes are constructed of structural steel and are reinforced at all stress points.

Director's Recommendation

Approve Application No. **6757**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$46,906
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$16,417</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**Eighteen 1-yard Self Dump Hoppers;
Five 1.5-yard Self Dump Hoppers;
Twenty 4X4 Drop Boxes;
Three 20-yard Drop Boxes with Lids;
Three 30-yard Drop Boxes with Lids;
Four Drop Box Door Kits**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility used for recycling or material recovery.

Eligibility

Timely Filing Criteria
2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **8/29/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 8/29/2003.

Purpose: Voluntary Criteria
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof,

discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The drop boxes collect **4,910 tons** of recyclable metal per year as part of a material recovery process that recovers 233,000 tons of scrap metal annually.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which: <ol style="list-style-type: none"> a. Have useful chemical or physical properties and which may be used for the same or other purposes: or b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The drop boxes are required for containing the scrap metal collected at customer sites. The scrap metal is sorted and sold to customers.

Exclusions	<u>Criteria</u>
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)	

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria
 ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.
 ORS 468.155(1)(b)(D)

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's

own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$46,906
	<i>No deduction</i>	0
	Certified	\$46,906

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would not exceed \$50,000. The applicant uses the drop boxes **100%** of the time for collecting metal.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc., collects and recycles scrap metal, both ferrous and nonferrous. The applicant claims a Cascon Heavy Hauler End-Dump Trailer used to transport scrap metal containers from customers within 300 miles of Portland metropolitan area. This trailer is 36' long and has extra heavy duty construction, wide support and a sliding suspension.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Director's Recommendation

Approve Application No. **6758**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$20,782
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$7,274</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**One Cascon Heavy Hauler End-Dump
Trailer, Model ED360-2A, VIN#
1C9RS36213R337085**

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing
2001 Edition ORS
468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **5/30/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 5/30/2003.

Purpose: Voluntary
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The trailer transports **31,200 tons** of scrap metal annually to the recycling facility, where 233,000 tons of waste metal are recovered each year.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as **pre-segregation**, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the trailer in a material recovery process that reduces scrap metal. The applicant sells the recovered metals to industries that manufacture new metal products into an end product of economic value.

Exclusions	<u>Criteria</u>
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)	

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or

2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d)
ORS 468.155(1)(b)(D)

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1)

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria

ORS 468.170(1)

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
		Claimed
	<i>No deductions</i>	\$20,782
		0
		Certified
		\$20,782

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.190(3)

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified cost of the facility would not exceed \$50,000. The applicant uses the trailer **100%** of the time for collecting metal. The applicant, however, uses the trailer 49% of the time in Oregon. On the application, Metro Metals Northwest only claimed **\$20,782** (49%) of the total trailer cost (based on the PUC report), which was \$42,412.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous. The applicant claims self-dump hoppers and drop boxes constructed of structural steel and reinforced at all stress points.

Director's Recommendation

Approve Application No. **6759**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$45,641
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$15,974</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

Four 4X4 Drop Boxes;
Six 4X6 Drop Boxes;
Six 1-yard Self Dump Hoppers;
Eight 1.5 yard Self Dump Hoppers;
Two 10-yard Drop Boxes;
Two 20-yard Drop Boxes;
Four 48-yard Drop Boxes

Taxpayer Allowed Credit

ORS 315.304(4)

Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing
2001 Edition ORS
468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **10/31/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 10/31/2003.

Purpose: Voluntary
ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof,

discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The drop boxes collect **7,872 tons** of recyclable metal per year as part of a material recovery process that recovers 233,000 tons of scrap metal annually

Method	Criteria
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	Criteria
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which: <ol style="list-style-type: none"> a. Have useful chemical or physical properties and which may be used for the same or other purposes: or b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the drop boxes in a material recovery process that reduces scrap metal. The applicant sells the recovered metals to industries that manufacture new metal products into an end product of economic value.

Exclusions	Criteria
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)	

Applied to this Application

There are **no exclusions**.

Replacement
ORS 468.155(3)(e)

Criteria

The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit
ORS 468.170(3)(d)
ORS 468.155(1)(b)(D)

Criteria

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions
OAR 340-016-0070(1)

Criteria

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification
ORS 468.170(1)

Criteria

The certified cost is limited to the actual cost of the material recovery

portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$45,641
	<i>No deduction</i>	0
	Certified	\$45,641

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would not exceed \$50,000. The applicant uses the drop boxes **100%** of the time for collecting scrap metal.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous, from customers within 300 miles of Portland. The applicant places the claimed drop boxes with their customers to collect the scrap metal. The drop boxes are constructed of structural steel that is reinforced at all stress points.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling,

Director's Recommendation

Approve Application No. **6760**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$47,514
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$16,630</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

One 10-yard Drop Box;
Ten 30-yard Drop Boxes;
Two 40-yard Drop Boxes with Lids

material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing 2001 Edition ORS 468.165(6)	<u>Criteria</u> If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.
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Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **11/8/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 11/8/2003.

Purpose: Voluntary ORS 468.155 (1)(a)(B) OAR 340-016-0010(7)(a)(b)	<u>Criteria</u> The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.
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“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The drop boxes collect **6,240 tons** of recyclable metal per year as part of a material recovery process that recovers 233,000 tons of scrap metal annually.

Method ORS 468.155 (1)(b)(D)	<u>Criteria</u> The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.
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"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes; or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the drop boxes in a material recovery process that reduces scrap metal. The applicant sells the recovered metals to industries that manufacture new metal products into an end product of economic value.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Certificates to the applicant. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit
 ORS 468.170(3)(d)
 ORS 468.155(1)(b)(D)

Criteria

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions
 OAR 340-016-0070(1)

Criteria

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification
 ORS 468.170(1)

Criteria

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$47,514
	<i>No deductions</i>	0
	Certified	\$47,514

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost is **\$47,514**. The applicant uses the drop boxes **100%** of the time for collecting metal.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
 Portland, OR 97218

Organized as: C Corp
 Taxpayer ID: 93-1270871

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous, from customers within 300 miles of Portland. The applicant places the claimed drop boxes with their customers to collect the scrap metal. The drop boxes are constructed of structural steel that is reinforced at all stress points.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling,

Director's Recommendation

Approve Application No. 6761

Applicant: Metro Metals Northwest, Inc.

Certification of:

Facility Cost		\$40,581
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$14,203</u>

Certificate Period: 10 years

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

45 4X4 Drop Boxes;
One 30-yard Drop Box;
Three 40-yard Drop Boxes

material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing
2001 Edition ORS
468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **12/17/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 12/17/2003.

Purpose: Voluntary
 ORS 468.155 (1)(a)(B)
 OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The drop boxes collect **29,456 tons** of recyclable metal per year as part of a material recovery process that recovers 233,000 tons of scrap metal annually.

Method
 ORS 468.155 (1)(b)(D)

Criteria

The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

- a. "Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the drop boxes in a material recovery process that reduces scrap metal. The applicant sells the recovered metals to industries that manufacture new metal products into an end product of economic value.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification

OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d)
ORS 468.155(1)(b)(D)

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1)

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria

ORS 468.170(1)

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$40,581
	<i>No deductions</i>	0
	Certified	\$40,581

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the drop boxes **100%** of the time for collecting metal.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
 Portland, OR 97218

Organized as: **C Corp**
 Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous, from customers within 300 miles of Portland. The applicant places the claimed drop boxes with their customers to collect the scrap metal. The drop boxes are constructed of structural steel that is reinforced at all stress points.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling,

Director's Recommendation

Approve Application No. **6762**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$48,500
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$16,975</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**Ten 30-yard Low Structural Drop Boxes;
 Five 37-yard Superior Structural Drop
 Boxes**

material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing

2001 Edition ORS 468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **12/31/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 12/31/2003.

Purpose: Voluntary

ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The drop boxes collect **6,760 tons** of recyclable metal per year as part of a material recovery process that recovers 233,000 tons of scrap metal annually

Method

ORS 468.155 (1)(b)(D)

Criteria

The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain

useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The drop boxes are required for containing the scrap metal for recycling from individuals and organizations. The scrap metal is sorted and sold to buyers.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.
OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.
 ORS 468.155(1)(b)(D)

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

S Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$48,500
	<i>No deductions</i>	0
	Certified	\$48,500

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or appropriately disposing of used oil bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the drop boxes **100%** of the time for collecting metal.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc., collects and recycles scrap metal, both ferrous and nonferrous. The claimed facility is a heavy-duty Kenworth T-800 Truck. The applicant installed their previously owned Magnum Roll-Off System on this truck.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling, material recovery or energy recovery as defined in ORS 459.005.

Director's Recommendation

Approve Application No. **6763 @ Reduced Cost**

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$41,238
Percentage Allocable	X	100%
Maximum Percentaget	X	35%
Tax Credit		\$14,433

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**One 2004 Kenworth T-800 Truck, Serial #
MBN23429**

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility**Timely Filing** Criteria

2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **9/24/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 9/24/2003.

Purpose: Voluntary Criteria

ORS 468.155
(1)(a)(B)
OAR 340-016-
0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The Kenworth Truck transports **14,040 tons** of scrap metal annually as part of a material recovery process which recovers 233,000 tons of waste metal each year.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(D)	The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)	<u>Criteria</u>
OAR 340-016-0060(4)(e)	The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes: or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the heavy-duty truck in a material recovery process that reduces scrap metal. The applicant sells the recovered metals to industries that manufacture new metal products into an end product of economic value.

Exclusions	<u>Criteria</u>
ORS 468.155(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification
OAR 340-016-0070(3)	

Applied to this Application

There are **no exclusions**.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original

facility; or

2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d)

ORS 468.155(1)(b)(D)

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1)

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria

ORS 468.170(1)

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$41,367
% Certification	Calculation error	-129
	Certified	\$41,238

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.190(3)

If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost is **\$41,238**. The applicant uses the truck 42% of the time in Oregon; therefore, the company claims \$41,238 of the truck's total cost of \$98,186. (The applicant miscalculated 42% of \$98,186. The Department corrected the calculated amount after notifying the applicant.) The Applicant uses eligible portion of the truck **100%** of the time for collecting metal.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer:

Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous. The claimed facility is a heavy-duty Kenworth T-800 Truck. The applicant already owned a Magnum Roll-Off System, which was installed on this new truck, along with a lift axle, fenders, control cable, air shift PTO and pump and hydraulic tank.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling,

Director's Recommendation

Approve Application No. 6764

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$41,518
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$14,531</u>

Certificate Period: 10 years

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

**One Kenworth T-800 Truck, Serial #
MBN16240**

material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing Criteria

2001 Edition ORS 468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **9/24/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 9/24/2003.

Purpose: Voluntary Criteria

ORS 468.155 (1)(a)(B)

OAR 340-016-0010(7)(a)(b)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The Kenworth Truck transports **41,518 tons** of scrap metal annually as part of a material recovery process which recovers 233,000 tons of waste metal each year.

Method Criteria

ORS 468.155 (1)(b)(D)

The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation, for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7) Criteria

OAR 340-016-0060(4)(e) The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes; or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The applicant uses the truck in a material recovery process that reduces scrap metal. The applicant sells the recovered metals to industries that manufacture new metal products into an end product of economic value.

Exclusions Criteria

ORS 468.155(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility.
OAR 340-016-0070(3)

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d)
ORS 468.155(1)(b)(D)

The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1)

The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria

ORS 468.170(1)

The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost documentation indicates that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$41,518
	<i>No deductions</i>	0
	Certified	\$41,518

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost is **\$41,518**. The Applicant uses the truck **100%** of the time for collecting metal. Prior to submitting the application, the applicant has deducted the apportioned use of the truck in Oregon (43%) from the total sales price of \$97,296, resulting in the claimed cost of \$41,518.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Material Recovery

Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

5611 NE Columbia Blvd.
Portland, OR 97218

Organized as: **C Corp**
Taxpayer ID: **93-1270871**

Technical Information

Metro Metals Northwest, Inc. collects and recycles scrap metal, both ferrous and nonferrous. The claimed facility is a heavy-duty Kenworth T-800 Truck with an attached Cascon Powerlift Roll-off System. The powerlift hoist picks up the large commercial scrap metal containers and loads them onto the truck.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or
- c. Person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used for recycling,

Director's Recommendation

Approve Application No. 6765

Applicant: **Metro Metals Northwest, Inc.**

Certification of:

Facility Cost		\$47,134
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$16,497</u>

Certificate Period: **10 years**

Facility Identification

Same as the applicant's address.

The certificate will identify the facility as:

One Kenworth T-800 Truck, Serial #MBN16247;
One Cascon Powerlift Roll-off System, Model 00PG240

material recovery or energy recovery as defined in ORS 459.005.

Applied to this Application

DEQ will report the following information to the Department of Revenue: Metro Metals Northwest, Inc. **owns** the claimed facility that they use for recycling or material recovery.

Eligibility

Timely Filing

2001 Edition ORS
468.165(6)

Criteria

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The applicant must submit the final application after completing construction of the facility and placing it into service.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **7/15/2003** and submitted the application on **5/21/2004**. The applicant also submitted the application after completing construction and placing the facility into service on 7/15/2003.

Purpose: Voluntary

ORS 468.155 (1)(a)(B)
OAR 340-016-0010(7)(a)(b)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of solid waste.

“Solid waste” as defined by ORS 459.005: All useless or discarded putrescible and non-putrescible materials, including but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, septic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial, demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead animals and infectious waste as defined by ORS 459.386.

Applied to this Application

The claimed facility reduces, prevents, or controls a substantial quantity of solid waste. The Kenworth Truck transports **14,040 tons** of scrap metal annually as part of a material recovery process which recovers 233,000 tons of waste metal each year.

Method

ORS 468.155 (1)(b)(D)

Criteria

The claimed facility must prevent, control, or reduce the waste material by the use of a material recovery process. The process must obtain useful material from material that would otherwise be solid waste.

"Material Recovery" means any process, such as pre-segregation,

for obtaining materials from solid waste, hazardous waste or used oil. The recovered material shall still have useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled for the same or other purpose. The recovered material shall have useful physical or chemical properties that yield a competitive end product of real economic value.

OAR 340-016-0010(7)
OAR 340-016-0060(4)(e)

Criteria

The facility produces an end product of utilization. It must be an item of real economic value and it must be competitive with an end product produced in another state. The facility must produce the end product by mechanical processing, chemical processing; or through the production, processing, pre-segregation, or use of materials which:

- a. Have useful chemical or physical properties and which may be used for the same or other purposes; or
- b. May be used in the same kind of application as its prior use without change in identity.

Applied to this Application

The heavy-duty truck with roll-off hoist loads and transports scrap metal to the recycle facility where it is sorted and sold to the appropriate buyers for re-use.

Exclusions Criteria

ORS 468.155(3)
OAR 340-016-0070(3)

The regulations exclude over 40 items from the definition of a Pollution Control Facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e)

The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions:

1. The applicant replaced the facility because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. The applicant replaced the facility before the end of its useful life.

Applied to this Application

The State of Oregon has issued **thirteen** Pollution Control Facilities Tax Credit Certificates to the applicant at this location. The claimed facility is **not a replacement** of these previously certified facilities.

Maximum Credit Criteria

ORS 468.170(3)(d) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility is used for material recovery or recycling, as those terms are defined in ORS 459.005.
 ORS 468.155(1)(b)(D)

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 5/21/2004, and the facility is used in a material recovery process.

Facility Cost

Subtractions Criteria

OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

S Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$47,134
	<i>No deductions</i>	0
	Certified	\$47,134

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.190(3) If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of solid waste bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would not exceed \$50,000. The applicant uses the truck **100%** of the time for collecting metal. The applicant uses the truck 40% of the time in Oregon but claimed only \$47,134 (40%) of the total sales price which was \$118,280.

ComplianceORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey, DEQ

BACKGROUND

APPROVALS: Nonpoint Source Pollution Control Facilities

The Department recommends that the Commission approve the certification of **one** facility presented behind this tab. The Commission's certification could reduce taxes paid to the State of Oregon by a maximum of **\$14,425**.

Summary of NPS Pollution Control Facilities

App #	Applicant	Certified	% Allocable	Maximum Percent	GF Liability
6779	Lawrence L. Pedro	\$ 41,215	100%	35%	\$ 14,425

The law defines nonpoint source pollution control facilities as "...a facility that the Environmental Quality Commission has identified by rule as reducing or controlling significant amounts of nonpoint source pollution."² The Commission adopted rules that define "nonpoint source pollution"³ and identify eligible "nonpoint source pollution control facilities"⁴ as shown below.

Statutory Definition of a "Nonpoint Source Pollution Control"

ORS 468.155 provides the definitions for ORS 468.155 to 468.190 and 468.962 provided in part below.

(b) Such prevention, control or reduction required by this subsection shall be accomplished by:

(2)(a) As used in ORS 468.155 to 468.190 and 468.962, "pollution control facility" or "facility" includes a nonpoint source pollution control facility.

(b) As used in this subsection, "nonpoint source pollution control facility" means a facility that the Environmental Quality Commission has identified by rule as reducing or controlling significant amounts of nonpoint source pollution.

² ORS 468.155(2)(b)

³ OAR 340-016-0010(8)

⁴ OAR 340-016-0060(4)(h)

OAR 340-016-0010 provides the following pertinent definitions.

"Nonpoint Source Pollution" means pollution that comes from numerous, diverse, or widely scattered sources of pollution that together have an adverse effect on the environment. The meaning includes:

- (a) The definition provided in OAR 340-041-0006(17): "Nonpoint Sources" refers to diffuse or unconfined sources of pollution where wastes can either enter into or be conveyed by the movement of water to public waters; or
- (b) Any sources of air pollution that are:
 - (A) Mobile sources that can move on or off roads; or
 - (B) Area sources.

Eligibility

340-016-0060 Eligibility

...
(4) Eligible Activities. The facility shall prevent, reduce, control, or eliminate:

- ...
(h) Nonpoint Source Pollution. Pursuant to ORS 468.155(2)(b), the EQC has determined that the following facilities reduce, or control significant amounts of nonpoint source pollution:
 - (A) Any facility that implements a plan, project, or strategy to reduce or control nonpoint source pollution as documented:
 - ...
 - (B) Any facility effective in reducing nonpoint source pollution as documented in supporting research by:
 - ...
 - (C) Wood chippers used to reduce openly burned woody debris; or
 - (D) The retrofit of diesel engines with a diesel emission control device, certified by the U.S. Environmental Protection Agency.
- ...



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: NPS

Final Certification

ORS 468.150 -- 468.190

OAR 340-016-0005 -- 340-016-0080

Applicant Identification

475 SE 9th Drive
 Hermiston, OR 97838

Organized as: **Sole Proprietor**

Taxpayer ID: **93-0914915**

Technical Information

Lawrence L Pedro owns a farm/ranch in Umatilla County. The applicant claims an eight-row no-till corn planter for his irrigated farming operation. The use of a no-till planter reduces the risk of wind and water erosion by leaving residue on the soil surface. The planter pneumatically provides consistent down force for planting seeds resulting in greater crop emergence. The planter automatically changes the planting rate as the tractor and planter move through the field using a global positioning system (not claimed) to optimize seed inputs for the best yield.

The claimed facility is capable of seeding a maximum of 1500 acres each year. The applicant owns 300 and leases 2000 acres of irrigated crop land; and owns 3,000 of mountain ground, leasing an additional 3000 acres. The applicant uses the planter on the following parcels of land on a rotational basis.

	<u>Township</u>	<u>Range</u>	<u>Section(s)</u>
Amstad Farm	5.0 N	28.0 E	19, 25, 26, 27, 29, 30, 31, 32, 35, 36
Pioneer Circle	4.0 N	28.0 E	28
Jackson Place	4.0 N	27.0 EWM	24

Director's Recommendation

Approve Application No.6779

Applicant: **Lawrence L Pedro**

Certification of:

Facility Cost		\$41,215
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		\$14,425

Certificate Period: **10 years**

Facility Identification

1275 SW Maughan Lane
 Hermiston, OR 97838

The certificate will identify the facility as:

**One 2002 John Deere 1760 NT Seeding/Planter,
 ID# AO1760N700127**

Taxpayer Allowed CreditORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property

Applied to this Application

DEQ will report the following information to the Department of Revenue:

Lawrence L. Pedro **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing**

2001 Edition ORS
468.165(6)

Criteria

The applicant must submit the final application after completing construction of the facility and placing it into service. If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date.

Applied to this Application

The applicant **timely filed** the application. The applicant completed construction or installation of the claimed facility on **4/10/2004** and filed the application on **6/2/2004**. The applicant filed the application within the one-year filing requirement. The applicant also submitted the application after completing construction and placing the facility into service on 4/10/2004.

Purpose: Voluntary

ORS 468.155
(1)(a)(B)
OAR 340-016-
0060(2)(a)

Criteria

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of Nonpoint Source Pollution (NPS).

"Nonpoint Source Pollution" means pollution that comes from numerous, diverse, or widely scattered sources of pollution that together have an adverse effect on the environment. The meaning includes:

- a. The definition provided in OAR 340-041-0006(17); or
- b. Any sources of air pollution that are:
 - Mobile sources that can move on or off roads; or
 - Area sources.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such

characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

OAR 340-041-0006(17) "Nonpoint Sources" refers to diffuse or unconfined sources of pollution where wastes can either enter into or be conveyed by the movement of water to public waters.

"Water Pollution" means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof. ORS 468B.005

Applied to this Application

The applicant claims the facility has a sole purpose. The 2002 John Deere 1760NT Planter retains plant residue on the soil surface reducing soil loss through water and wind erosion. This reduces sediment buildup in the rivers and dust in Umatilla and Morrow counties. Less disturbance of the soil means more carbon storage in the in the soil and reduces the amount of green house gasses (CO₂) released into the atmosphere.

Method Criteria

ORS 468.155 (2)(b) Nonpoint source pollution must be reduced or eliminated through one of the methods the EQC determined to reduce, or control significant amounts of
OAR 340-016-0060(4)(h)(B)(i) nonpoint source pollution (ORS 468.155(2)(b)).

This includes:

- a. Any facility that implements a plan, project, or strategy to reduce or control nonpoint source pollution as documented by one or more partners listed in the Oregon Nonpoint Source Control Program Plan.
- b. Any facility effective in reducing nonpoint source pollution as documented in supporting research by:
 - Oregon State University, Agricultural Experiment Station; or
 - The United States Department of Agriculture, Agriculture Research Service; or
 - The Oregon Department of Agriculture.

Nonpoint Source Pollution means pollution that comes from numerous, diverse, or widely scattered sources of pollution that together have an adverse effect on

the environment.

Applied to this Application

The Seeding/Planter meets the definition of an air-cleaning device in ORS 468A.005:

Any method, process or equipment that removes, reduces or renders less noxious air-contaminants prior to their discharge in the atmosphere.

When the soil has a high percentage of plant material on the surface, it is less prone to soil and wind erosion. The minimized soil disturbances promotes carbon storage in the soil, which means better soil tilth and less green house gasses (CO₂) in the air.

Exclusions Criteria

ORS 468.155(3)
OAR 340-016-0070(3) The regulations exclude over 40 items from the definition of a Pollution Control Facility. These items are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement Criteria

ORS 468.155(3)(e) The replacement or reconstruction of all or part of a previously certified pollution control facility is not eligible for the tax credit. There are two exceptions. The applicant replaced the facility:

1. because DEQ or EPA imposed a different requirement than the requirement to construct the original facility; or
2. before the end of its useful life.

Applied to this Application

The claimed facility is **not a replacement** facility. The State of Oregon has issued **no** Pollution Control Facilities Tax Credit Certificates to the applicant at this location.

Maximum Credit Criteria

ORS 468.173(3)(c)
ORS 468.155(2) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the facility controls nonpoint source pollution.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 6/2/2004, and the facility is defined as a nonpoint source pollution control facility.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost.
 The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

\$ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$41,215
	<i>No deductions</i>	0
	Certified	\$41,215

Facility Cost Allocable to Pollution Control

ORS 468.190 (3) Criteria
 If the cost of the facility (or facilities certified under one certificate) does not exceed \$50,000, the portion of the actual costs properly allocable shall be in the proportion that the ratio of the time the facility is used for prevention, control or reduction of air and water pollution bears to the entire time the facility is used for any purpose.

Applied to this Application

The certified facility cost would be less than \$50,000. The applicant uses the facility **100%** of the time for pollution control.

Compliance

ORS 468.180(1) Criteria
 The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to

454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey

BACKGROUND

APPROVALS: Water Pollution Control Facilities

The Department recommends that the Environmental Quality Commission approve **two** water pollution control facilities installed to dispose of or eliminate industrial waste as defined in ORS 468B.005. The Commission's certification of these facilities could reduce taxes paid to the State of Oregon by a maximum of **\$131,254**.

One applicant constructed a facility in response to a Department of Environmental Quality or a federal Environmental Protection Agency requirement. This **principal purpose** facility's primary and most important purpose is to comply with a requirement to prevent, reduce, control, or eliminate water pollution.

One applicant voluntarily installed a facility. The **sole** and exclusive **purpose** of the claimed facility is to prevent a substantial quantity of water pollution.

Summary of Water Pollution Control Facilities

App #	Applicant	Certified	% Allocable	Maximum Percent	GF Liability
6677	Portland General Electric Co.	\$100,891	100%	35%	\$35,312
6746	Sabroso Company	\$274,120	100%	35%	\$ 95,942

Apps	Sum	\$ 375,011		\$ 131,254
2	Average	\$ 187,506		\$ 65,627
	Minimum	\$ 100,891		\$ 35,312
	Maximum	\$ 274,120		\$ 95,942

Statutory Definition of a "Water Pollution Control Facility"

ORS 468.155 provides the definition of a pollution control facility. Part of that definition describes how the applicant must accomplish the pollution control. For water pollution control facilities, the prevention, control, or reduction must be accomplished by "The disposal or elimination of or redesign to eliminate industrial waste and the use of treatment works for industrial waste as defined in ORS 468B.005."

ORS 468.155 Definitions for ORS 468.155 to 468.190 and 468.962

...
(b) Such prevention, control or reduction required by this subsection shall be accomplished by:

...
(A) The disposal or elimination of or redesign to eliminate industrial waste and the use of treatment works for industrial waste as defined in ORS 468A.005;

ORS 468B.005 provides the following pertinent definitions.

"Industrial waste" means any liquid, gaseous, radioactive or solid waste substance or a combination thereof resulting from any process of industry, manufacturing, trade or business, or from the development or recovery of any natural resources.

"Treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes.

"Wastes" means sewage, industrial wastes, and all other liquid, gaseous, solid, radioactive or other substances which will or may cause pollution or tend to cause pollution of any waters of the state.

"Water pollution" means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof.

Eligibility

OAR 340-016-0060 Eligibility

(4) Eligible Activities. The facility shall prevent, reduce, control, or eliminate:

- (d) Industrial Waste. The facility shall dispose of, eliminate or be redesigned to eliminate industrial waste and the use of treatment works for industrial wastewater as defined in ORS 468B.005; ...



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Water Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

121 SW Salmon Street
Beaverton, OR 97006

Organized as: **C Corp**
Taxpayer ID: **93-0256820**

Director's Recommendation

Approve Application No.6677

Applicant: **Portland General Electric Company**

Certification of:

Facility Cost		\$100,891
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		<u>\$35,312</u>

Certificate Period: **10 years**

Facility Identification

Tektronix Substation
3500 SW 141st Avenue
Beaverton, OR 97006

The certificate will identify the facility as:

A Geo-membrane lined pit with a drainage trench, and piping and drainage rock around the transformers to contain potential oil spills

Technical Information

Portland General Electric Company is an electric utility company. PGE claims a geo-membrane lined containment area designed to mitigate a potential oil spill at its Tektronix Substation. The transformers are located 300 feet from Beaverton Creek. The claimed containment includes an XR-5 Style 8130 liner material sealed to the concrete foundations of the transformers. A geo-fabric (LINQ GTX250EX) installed under and over the liner protects it from punctures. The applicant installed a drainage trench with drain rock and piping around all of the transformers. It directs any spilled oil into the containment pit until the company pumps the oil from pit for disposal at a state-approved site.

Taxpayer Allowed CreditORS 315.304(4) Criteria

The taxpayer who is allowed the credit must be:

- a. The owner, including a contract purchaser, of the trade or business that utilizes Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. A person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue:
Portland General Electric Company **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility**Timely Filing** Criteria2001 Edition ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The final application, however, is not valid if the applicant submits the application before they complete construction or before they place the facility into service.

Applied to this Application

The applicant filed the application within the one-year filing requirement. They completed construction on **2/4/2003** and submitted the application on **2/3/2004**. The applicant submitted the application after they completed construction and placed the facility into service on 2/4/2003.

Purpose: Voluntary CriteriaORS 468.155
(1)(a)(B)
OAR 340-016-
0060(2)(a)

The sole purpose, meaning the 'exclusive' purpose, of the claimed facility must be to prevent, control, or reduce a substantial quantity of water pollution.

“Pollution” or “water pollution” means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof.

Applied to this Application

The applicant claims the facility has a sole purpose. The oil spill-containment system prevents water pollution from a potential of 6,423 gallons of spilled or

leaked transformer oil.

Method Criteria
 ORS 468.155 (1)(b)(A) The prevention, control, or reduction must be accomplished by disposal or elimination of industrial wastewater and the use of a treatment works for industrial waste as defined in ORS 468B.005.

"Industrial waste" means any liquid, gaseous, radioactive or solid waste substance or a combination thereof resulting from any process of industry, manufacturing, trade or business, or from the development or recovery of any natural resources.

"Treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes.

Applied to this Application

The spilled transformer oil is an industrial waste and the containment system meets the definition of a treatment works in ORS 468B.005.

Exclusions Criteria
 ORS 468.155 (3) The regulations provide a list of over 40 items excluded from the definition of a
 OAR 340-016-070(3) Pollution Control Facility. Items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions**.

Replacement Criteria
 ORS 468.155 (3)(e) The replacement or reconstruction of all or part of a facility that the State of Oregon previously certified as a pollution control facility under ORS 468.170 is not eligible for the tax credit with two exceptions. The applicant replaced the facility:

1) due to a requirement imposed by DEQ or EPA that is different than the requirement to construct the original facility; or

2) before the end of its useful life.

Applied to this Application

The State of Oregon issued no certificates to the applicant at this site. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria
 ORS 468.173(3)(f) The maximum tax credit is 35% if the applicant submitted the application between January 1, 2002 and December 31, 2008, inclusively, and the certified cost does not exceed \$200,000.

Applied to this Application

The **maximum tax credit is 35%** because the applicant submitted the application on 2/3/2004, and the certified facility cost is **\$100,891**.

Facility Cost

- | | |
|---------------------|--|
| Subtractions | <u>Criteria</u> |
| OAR 340-016-0070(1) | <p>The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:</p> <ul style="list-style-type: none"> a) the salvage value of a pre-existing facility if the applicant is replacing a facility; b) the amount of any government grants received to pay part of the facility cost; c) the present value of any other state tax credits for which the investment is eligible; and d) ineligible costs as set forth in OAR 340-016-0070(3). |

Applied to this Application

There are **no subtractions**.

- | | |
|-------------------------|---|
| \$ Certification | <u>Criteria</u> |
| ORS 468.170(1) | <p>The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.</p> |

Applied to this Application

Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
	Claimed	\$100,891
	<i>No deductions</i>	0
	Certified	\$100,891

Facility Cost Allocable to Pollution Control

- | | |
|------------------------|--|
| % Certification | <u>Criteria</u> |
| ORS 468.170(1) | <p>The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste, hazardous waste, or to recycling or appropriately disposing of used oil.</p> |

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

- | | |
|-------------------|--|
| Percentage | <u>Criteria</u> |
| ORS 468.190(1) | <p>The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.</p> <ul style="list-style-type: none"> a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity; |

- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 59-year useful-life. The claimed facility does not produce a salable or useable commodity, and there is no revenue or cost savings associated with it. The expenditures exceed the revenue, therefore the resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has not issued any permits to the site.

Reviewer: Maggie Vandehey



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Water Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

PO Box 4310
Medford, OR 97501

Organized as: **S Corp**
Taxpayer ID: **93-0476694**

Technical Information

Sabroso Company processes raw fruit into products. The City of Medford's wastewater treatment plant requires the pH to be within the range of 5.5 to 10.0 at all times. The discharge of the spent fruit juices and cleaning chemicals causes the pH of the wastewater to go outside of this range.

The applicant installed a wastewater neutralization system to keep the pH of the wastewater within the required range. The claimed facility consists of two 15,000-gallon and one 14,500-gallon stainless steel neutralization tanks with agitators, five transfer pumps, one pH analyzer/controller, an acid addition system, a caustic addition system and the necessary piping and electrical. The claimed facility treats approximately 350,000 gallons of wastewater per day and it has maintained the wastewater's pH within the allowed range.

Director's Recommendation

Approve Application No. **6746 @ Reduced Cost**

Applicant: **Sabroso Company**

Certification of:

Facility Cost		\$274,120
Percentage Allocable	X	100%
Maximum Percentage	X	35%
Tax Credit		\$ 95,942

Certificate Period: **10 years**

Facility Identification

610 S Grape
Medford, OR 97501

The certificate will identify the facility as:

**Three Stainless Steel Wastewater Neutralization
Tanks with pH Control**

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The taxpayer who is allowed the credit must be:

- a. The owner, including a contract purchaser, of the trade or business that utilizes Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. A person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

DEQ will report the following information to the Department of Revenue:
Sabroso Company **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility

Timely Filing Criteria

2001 Edition/ ORS
468.165(6)

If the applicant completed constructing the facility on or after January 1, 2002, the applicant must submit the application within one year after the construction completion date. The final application, however, is not valid if the applicant submits the application before they complete construction or before they place the facility into operation.

Applied to this Application

The applicant filed the application **within the one-year filing requirement**. They completed construction on **11/20/2003** and submitted the application on **4/28/2004**. The applicant submitted the application after they completed construction and placed the facility into service on 11/20/2003.

Purpose: Required Criteria

ORS 468.155
(1)(a)(A)
OAR 340-016-
0060(2)(a)

The principal purpose of the claimed facility must be to comply with a requirement imposed by DEQ or EPA to prevent, reduce, or control water pollution. That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Water Pollution" means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof. ORS 468B.005

Applied to this Application

The applicant's discharge permit prohibits the discharge of wastewater with a pH of less than 5.5 or greater than 10.0. On June 17, 2003, the City of Medford's Regional Wastewater Reclamation Facility (RWRF) issued a Notice of Violation of conditions of their discharge permit and required that the applicant take immediate corrective action. The applicant installed the claimed facility and brought the discharge into constant compliance with its wastewater discharge permit. The primary or most important purpose of the claimed facility is to control water pollution.

The fiberglass metering/sampling manhole is not eligible for certification because it does not reduce, prevent, or control water pollution. Its primary or most important purpose is to provide a sampling location for RWRF just prior to the discharge into City of Medford's sewer system. The Department deducted the associated costs from the claimed facility cost under the *Facility Cost* section below.

Method	Criteria
ORS 468.155 (1)(b)(A)	The prevention, control, or reduction must be accomplished by disposal or elimination of industrial wastewater and the use of a treatment works for industrial waste as defined in ORS 468B.005.

"Industrial waste" means any liquid, gaseous, radioactive or solid waste substance or a combination thereof resulting from any process of industry, manufacturing, trade or business, or from the development or recovery of any natural resources.

"Treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes.

Applied to this Application

Acidic and alkaline wastewater meets the definition of water pollution as defined under the *Purpose: Required* section above. The neutralization system eliminates acidic and alkaline wastewater and it meets the definition of treatment works.

Exclusions	Criteria
ORS 468.155 (3) OAR 340-016- 070(3)	The regulations provide a list of over 40 items excluded from the definition of a Pollution Control Facility. Items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions** except the items deducted under the *Purpose: Required* section above.

Replacement Criteria
 ORS 468.155 (3)(e) The replacement or reconstruction of all or part of a facility that the State of Oregon previously certified as a pollution control facility under ORS 468.170 is not eligible for the tax credit with two exceptions. The applicant replaced the facility:

- 1) due to a requirement imposed by DEQ or EPA that is different than the requirement to construct the original facility; or
- 2) before the end of its useful life.

Applied to this Application

The claimed facility did not replace a previously certified facility; therefore, it is **not a replacement**. The State of Oregon issued ten certificates to the applicant at this site. Nine of the certificates were for treatment works for industrial wastewater.

Maximum Credit Criteria
 ORS 468.173(3)(h) The maximum tax credit available to the applicant is **35%** if the application was
 ORS 468.170(10) filed between January 1, 2002 and December 31, 2008, inclusively; and the
 ORS 468.165(6) facility is, at the time of certification, located within an **enterprise zone** established under ORS 285B.650 to 285B.728, as defined in ORS 285A.010, by the Economic and Community Development Department.

Applied to this Application

The **maximum tax credit is 35%** because the application was filed on 4/28/04 and the applicant is located in the Medford enterprise free zone as defined in ORS 285B.650 to 285B.728.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions**.

§ Certification Criteria

ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost and show that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Claimed
<i>Exclusion</i>		Claimed
	Sampling manhole	\$282,345
		- \$8,225
	Certified	\$274,120

Facility Cost Allocable to Pollution Control**% Certification** Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste.

Applied to this Application

The Department determined that **100%** of the facility cost is allocable to pollution control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 10-year useful life. The claimed facility does not produce a salable or useable commodity, and there is no revenue or cost savings associated with it. The expenditures exceed revenues, therefore the resulting facility ROI is less than the National ROI for 2003, the facility's construction completion year. The applicant did not

investigate an alternative technology.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

DEQ issued the following permits to the site: NPDES 1200Z General Stormwater Permit issued on 3/13/98 and an Air Contaminant Discharge permit number 150109 issued on 10/08/90.

The City of Medford's Regional Wastewater Reclamation Facility (RWRF) issued Industrial Waste Discharge Permit, Number 00-M1-2033-0724 to the applicant.

RWRF staff assigned to the source is Gail Hammond who affirmed the applicant's statement that the facility and site comply with the applicant's Industrial Waste Discharge Permit requirements.

Reviewers: PBS Engineering and Environmental
Maggie Vandehey, DEQ

Attachment D

Background and References for Certification Denials

The Department recommends that the Commission deny the **two** applications presented in this attachment. The applicant filed the two applications beyond the two-year filing period as described in the *Timely Filing* section of each Review Report presented in this attachment.

Summary of Facilities Recommended for Denial

App #	Applicant	Claimed Cost	% Allocable	Maximum Tax Credit	Media
6555	Weyerhaeuser Company	\$ 1,592,725	0%	50%	Air
6556	Weyerhaeuser Company	1,251,199	100%	50%	Water.

Apps	Sum	2,843,924
2	Average	1,421,962
	Minimum	1,251,199
	Maximum	\$ 1,592,725

Statutory Provision for Denying Certification - Filing Period

ORS 468.165 As applied to ORS 468.155 to 468.190

- ...
- (6) The application shall be submitted after construction of the facility is substantially completed and the facility is placed in service and within one year after construction of the facility is substantially completed. **Failure to file a timely application shall make the facility ineligible for tax credit certification.** An application may not be considered filed until it is complete and ready for processing. The commission may grant an extension of time to file an application for circumstances beyond the control of the applicant that would make a timely filing unreasonable. However, the period for filing an application may not be extended to a date beyond December 31, 2008.

By rule, the Department has authority to reject applications that the applicant failed to file within the required period. In practice, the Department has not rejected these applications but presented them to the Commission for action.

OAR 340-016-0055 Application Procedures

...

- (2) Application for Final Certification. The applicant shall submit all information, exhibits and substantiating documents requested on the application for final certification. The Department shall **reject** the application for final certification if the applicant fails to submit the application:
 - (a) After the construction of the facility is substantially complete and the facility is placed in service;
 - (b) Within one year after construction of the facility is substantially completed; and
 - (c) On or before December 31, 2008.

One-year, Two-year Filing Period

The 2001 Legislative Assembly passed Senate Bill 764-B (Oregon Laws, 2001, Chapter 928), which made a number of changes to the Pollution Control Facilities Tax Credit law. One of the changes was a reduction in the filing period from two years to one year.

Section 6(1) of the 2001 Act was ambiguous with respect to facilities certified under the 1999 edition of ORS 468.155 to 468.190 when considered in conjunction with the effective date and other language in the Act. The EQC determined that a restrictive and unintended interpretation of the 2001 Act would withhold the tax credit from some applicants that constructed or installed facilities under the provisions of the 1999 edition. The EQC adopted the following rule in order to clarify the effective date of Senate Bill 764-B.

OAR 340-016-0007 Facilities certified under the 1999 Edition

For the purposes of Oregon Revised Statute 468.173(1), a facility may be certified under the 1999 edition of ORS 468.155 to 468.190 if the facility was substantially completed on or before December 31, 2001, and an application was filed with the Department within two years after the date of substantial completion. Adopted 10-4-02; effective 11-01-02

Statutory Provision for Denying Certification - General

ORS 468.170 Action on application; rejection; appeal; issuance of certificate; certification.

...

- (2) If the commission **rejects** an application for certification, or certifies a lesser actual cost of the facility or a lesser portion of the actual cost properly allocable to the prevention, control or reduction of air, water or noise pollution or solid or hazardous waste or to recycling or appropriately disposing of used oil than was claimed in the application for certification, the

commission shall cause written notice of its action, and a concise statement of the findings and reasons therefore, to be sent by registered or certified mail to the applicant before the 120th day after the filing of the application.

ORS 468.190 Allocation of costs to pollution control.

...

- (2) The portion of actual costs properly allocable shall be from zero to 100 percent in increments of one percent. If zero percent, the commission shall issue an order **denying** certification.



State of Oregon
 Department of
 Environmental
 Quality

Tax Credit Review Report

Pollution Control Facility: Air Final Certification

ORS 468.150 -- 468.190
 OAR 340-016-0005 -- 340-016-0080

Applicant Identification

Tax Department, CH1c28
 PO Box 9777
 Federal Way, WA 98063

Organized as: **C Corp**
 Taxpayer ID: **91-0470860**

Technical Information

Weyerhaeuser Company produces kraft bag paper and linerboard at its Albany mill. The applicant recovers the chemicals used in the pulping process by using lime and then recovers the lime in the lime kiln, which produces fine particulate (PM). The applicant installed an electrostatic precipitator (ESP) to reduce PM emissions by 99.9%. The claimed facility removes approximately 100 pounds of lime dust per minute. The applicant collects and reuses the lime. The claimed facility includes the ESP, exterior ducts, dust collection conveyor, and a material handling bucket elevator.

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The Department of Revenue determines if the taxpayer is allowed the credit if one of the following conditions apply. The taxpayer is the:

- a. Owner, including a contract purchaser, of the trade or business that uses the Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. Person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Director's Recommendation

**Deny Application No.6555 – Untimely Filing & Zero
 Percent Allocable**

Applicant: **Weyerhaeuser Company**

Claimed Cost		\$1,592,725
Percentage Allocable	X	0%
Maximum Percentage	X	50%
Tax Credit		<u>\$0</u>

Applied to this Application

Weyerhaeuser Company **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility

Timely Filing

1999 Edition ORS
468.173(1) OAR
340-016-0007

Criteria

The applicant must submit the final application after completing construction of the facility and placing it into operation. If the applicant completed constructing the facility before January 1, 2002, the applicant must submit the application within two years after the construction completion date.

Applied to this Application

The applicant would have had to complete construction of the claimed facility on or after 7/30/2001 to have timely filed the application. The Department, however, determined that the applicant completed the claimed facility on or before 5/4/01 when the applicant submitted a letter to Mr. Gary Andes, DEQ Western Region Air Quality Division, stating the lime kiln was processing spent lime on 5/4/01 and the ESP system was operational. Bighorn Environmental conducted source testing of the ESP on 5/28/01.

The applicant originally claimed they placed the claimed facility into operation on 07/31/01. The Department requested documentation to verify this date on 08/07/03 but the applicant did not provide the requested documentation. Without additional documentation, the Department recommends the EQC deny certification for **untimely filing**.

Purpose: Required

ORS 468.155
(1)(a)(A)
OAR 340-016-
0060(2)(a)

Criteria

The principal purpose of the claimed facility must be to comply with a requirement imposed by DEQ, EPA, or LRAPA to prevent, reduce, or control air pollution. That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Air Pollution" is the presence in the outdoor atmosphere of one or more air contaminants, or any combination thereof, in sufficient quantities and of such characteristics and of a duration as are or are likely to be injurious to public welfare, to the health of human, plant or animal life or to property or to interfere unreasonably with enjoyment of life and property throughout such area of the state as shall be affected thereby. ORS 468A.005

Applied to this Application

The ESP, exterior ducts, and dust collection conveyor **comply with** the applicant's Title V air **permit** issued by DEQ.

The primary and most important **purpose of the bucket elevator is material handling** to return reclaimed lime back to the process, rather than to meet the requirements of the applicant's Title V air permit. The Department subtracted the associated costs from the claimed facility cost under the *Facility Cost* section below.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(B)	The prevention, control, or reduction must be accomplished by the disposal or elimination of air contaminants, air pollution, or air contamination sources; and the use of an air cleaning device as defined in ORS 468A.005.

Applied to this Application

The ESP system meets the definition of **an air-cleaning device** and PM meets the definition of **an air contaminant** as defined by ORS 468A.005.

Exclusions	<u>Criteria</u>
ORS 468.155(3) OAR 340-016- 0070(3)	The regulations exclude over 40 items from the definition of a Pollution Control Facility. Exclusions include items that make an insignificant contribution to the pollution control purpose of the claimed facility. Any items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions** other than the items discussed under the *Purpose: Required* section above.

Replacement	<u>Criteria</u>
ORS 468.155(3)(e)	<p>The replacement or reconstruction of all or part of a facility that the State of Oregon previously certified as a pollution control facility under ORS 468.170 is not eligible for the tax credit with two exceptions. The applicant replaced the facility:</p> <ol style="list-style-type: none">1) due to a requirement imposed by DEQ or EPA that is different than the requirement to construct the original facility; or2) before the end of its useful life.

Applied to this Application

The State of Oregon issued 18 certificates to Willamette Industries, the previous owner of this site. Five of the certificates were for treatment works for air quality. The claimed facility is **not a replacement** facility.

Maximum Credit Criteria
 ORS 468.173(1) The maximum tax credit is 50% of the certified facility cost if the applicant
 OAR 340-016-0007 completed construction before January 1, 2002.

Applied to this Application
 The **maximum tax credit is 50%** because the applicant completed construction of the facility prior to January 1, 2002.

Facility Cost

Subtractions Criteria
 OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost.
 The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) ineligible costs as set forth in OAR 340-016-0070(3).

Applied to this Application
 There are **no subtractions** other than the items discussed under the *Purpose: Required* section above.

§ Certification Criteria
 ORS 468.170(1) The certified cost is limited to the actual cost of the material recovery portion of the facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application
 Invoices substantiated the eligible facility cost. The cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Cost
	Claimed	\$1,627,545
Purpose: Required	Bucket Elevator	- \$34,820
	Certified Cost	\$1,592,725

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste, hazardous waste, or to recycling or appropriately disposing of used oil.

Applied to this Application

The Department determined that **100%** of the facility cost is **allocable** to pollution control as discussed in the *Percentage* subsections below.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The applicant and the Department calculated the percentage of the facility cost allocable to pollution control according to according to the standard method in OAR 340-016-0075(3) while considering the factors a. through e. above and a 7-year useful life. The percentage of the **cost allocable** to pollution control is **0%**. The claimed facility reclaims approximately 72 tons of lime per day, thereby reducing the quantity of lime purchased. Bulk lime sells for approximately \$55 per ton and the annual savings would be \$1,386,000 per year. The applicant estimates the annual operating expenses would be \$1,000,000. The applicant did not investigate an alternative technology and there are no other relevant factors.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

The applicant states the facility and site are in compliance with Department rules and statutes, and with EQC orders. DEQ has issued the following permits to the site:

- NPDES Storm Water Permit 1200Z, issued 07/22/97;
- NPDES Wastewater Permit Number 101345, issued 11/30/95; and
- Title V Air Permit Number 22-0471, issued 01/03/00.

Reviewers: PBS Engineering & Environmental
Maggie Vandehey, DEQ



State of Oregon
Department of
Environmental
Quality

Tax Credit Review Report

Pollution Control Facility: Water Final Certification

ORS 468.150 -- 468.190
OAR 340-016-0005 -- 340-016-0080

Applicant Identification

Tax Department CH1C28
PO Box 9777
Federal Way, WA 98063

Organized as: C Corp
Taxpayer ID: 91-0470860

Technical Information

Weyerhaeuser Company produces kraft bag paper and linerboard at its Albany mill. The manufacturing process requires the storage of various liquid chemicals. The claimed facility provides secondary containment for a 1,100,000-gallon storage tank for green liquor (sodium carbonate and sodium sulfide) and a 550,000-gallon white liquor (sodium hydroxide and sodium sulfide) tank. The containment area has a concrete base and curbs designed to hold 110% of the volume of the largest tank. The claimed facility includes a collection sump that transfers spilled material to a collection tank or allows the discharge of clean storm water through a new 1,300-foot 30" storm sewer line connecting to an existing storm water system.

Director's Recommendation

Deny Application No.6556 – Untimely Filing

Applicant: **Weyerhaeuser Company**

Claimed Cost	\$1,251,199
Adjusted Cost	\$719,015
Percentage Allocable	100%
Maximum Percentage	50%
Tax Credit	Zero

Facility Identification

3251 Old Salem Road
Albany, OR 97321

The claimed facility is identified as:

**Lime Kiln Area Spill Containment and Sewer
Upgrades.**

Taxpayer Allowed Credit

ORS 315.304(4) Criteria

The taxpayer who is allowed the credit must be:

- a. The owner, including a contract purchaser, of the trade or business that utilizes Oregon property requiring a pollution control facility to prevent or minimize pollution; or
- b. A person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property.

Applied to this Application

Weyerhaeuser Company **owns** the business that uses the Oregon property requiring the pollution control.

Eligibility

Timely Filing Criteria

1999 Edition ORS
468.173(1) OAR
340-016-0007

If the applicant completed constructing the facility before January 1, 2002, the applicant must submit the application within two years after the construction completion date. The final application, however, is not valid if the applicant submits the application before they complete construction or before they place the facility into operation.

Applied to this Application

The applicant **did not submit the application within the two-year filing requirement**. The applicant completed construction on 1/11/2001 and submitted the application on 7/30/2003.

The Department reviewed the project invoices. The last invoice was from Knight's Fabrication and Welding for the addition of a sump vapor trap indicates that construction completion was prior to the 01/11/01 invoice date. On 08/07/03, the Department requested documentation to verify the construction completion date and the date the applicant placed the claimed facility into operation. The applicant did not provide the requested information.

Purpose: Required Criteria

ORS 468.155
(1)(a)(A)
OAR 340-016-
0060(2)(a)

The principal purpose of the claimed facility must be to comply with a **requirement imposed by DEQ or EPA** to prevent, reduce, or control water pollution. That principal purpose must be the most important or primary purpose of the facility. The facility must have only one primary purpose.

"Water Pollution" means such alteration of the physical, chemical or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, silt or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive or other substance into any waters of the state, which will or tends to, either by itself or in connection with any other substance, create a public nuisance or which will or tends to render such waters harmful, detrimental or injurious to public health, safety or welfare, or

to domestic, commercial, industrial, agricultural, recreational or other legitimate beneficial uses or to livestock, wildlife, fish or other aquatic life or the habitat thereof. ORS 468B.005

Applied to this Application

The primary or most important purpose of the claimed facility is to prevent water pollution. The secondary containment around the two chemical storage tanks and the containment sump comply with the applicant's Storm Water Discharge Permit. The DEQ issued **permit requires secondary containment**.

The primary and most important purpose of the 1,300-foot 30" **storm sewer line** is to transfer clean storm water to the Willamette River. It is **not eligible** for certification because it does not reduce, prevent, or control water pollution. The Department subtracted the cost of the line from the claimed facility cost under the *Facility Cost* section below.

Method	<u>Criteria</u>
ORS 468.155 (1)(b)(A)	The prevention, control, or reduction must be accomplished by disposal or elimination of industrial wastewater and the use of a treatment works for industrial waste as defined in ORS 468B.005.

"Industrial waste" means any liquid, gaseous, radioactive or solid waste substance or a combination thereof resulting from any process of industry, manufacturing, trade or business, or from the development or recovery of any natural resources.

"Treatment works" means any plant or other works used for the purpose of treating, stabilizing or holding wastes.

Applied to this Application

Contaminated storm water **meets the definition of** water pollution as defined under the *Purpose: Required* section. The secondary containment area meets the definition of a treatment works because it contains any spillage from the two chemical storage tanks.

As subtracted under the *Purpose: Required* section above, the storm sewer line transfers uncontaminated storm water. Uncontaminated storm water does not meet the definition of "industrial waste."

Exclusions	<u>Criteria</u>
ORS 468.155 (3) OAR 340-016- 070(3)	The regulations provide a list of over 40 items excluded from the definition of a Pollution Control Facility. Items that do not meet the definition are ineligible for certification.

Applied to this Application

There are **no exclusions** except the storm sewer line subtracted under the *Purpose: Required* section above.

Replacement Criteria
ORS 468.155 (3)(e) The replacement or reconstruction of all or part of a facility that the State of Oregon previously certified as a pollution control facility under ORS 468.170 is not eligible for the tax credit with two exceptions. The applicant replaced the facility:

- 1) due to a requirement imposed by DEQ or EPA that is different than the requirement to construct the original facility; or
- 2) before the end of its useful life.

Applied to this Application

The State of Oregon issued 18 certificates to Willamette Industries, the previous owner of this site. Thirteen of the certificates were for treatment works for water quality.

The claimed facility is **not a replacement** facility.

Maximum Credit Criteria
1999 Edition The maximum tax credit is 50% of the certified facility cost if the applicant
ORS 468.173(1) completed construction before January 1, 2002.
OAR 340-016-0007

Applied to this Application

The **maximum tax credit is 50%** because the applicant completed construction of the facility on 7/31/2001.

Facility Cost

Subtractions Criteria
OAR 340-016-0070(1) The applicant must provide documents that substantiate the claimed facility cost. The claimed cost may not include:

- a) the salvage value of a pre-existing facility if the applicant is replacing a facility;
- b) the amount of any government grants received to pay part of the facility cost;
- c) the present value of any other state tax credits for which the investment is eligible; and
- d) **ineligible costs** as set forth in OAR 340-016-0070(3).

Applied to this Application

There are **no subtractions** other than the cost of the storm sewer line discussed under the *Purpose: Required* section above.

\$ Certification Criteria
ORS 468.170(1) The certified cost is limited to the actual cost of the claimed facility. The certified cost may not exceed the taxpayer's own cash investment in the facility or portion of the facility.

Applied to this Application

Invoices substantiated the eligible facility cost and show that the cost represents the taxpayer's own cash investment.

Referenced Section	Description of Ineligible Portion	Cost
	Claimed	\$1,251,199
<i>Purpose: Required</i>	1,300-foot 30" storm sewer line	- \$532,184
	Adjusted Cost	\$719,015

Facility Cost Allocable to Pollution Control

% Certification Criteria

ORS 468.170(1) The certified "percentage allocable" is limited to the portion of the actual facility cost that is properly allocable to the prevention, control, or reduction of solid waste, hazardous waste, or to recycling or appropriately disposing of used oil.

Applied to this Application

The Department did not verify the applicant's claim that 100% of the facility cost is allocable to pollution control.

Percentage Criteria

ORS 468.190(1) The following factors establish the portion of costs properly allocable to material recovery or recycling for facilities that cost more than \$50,000.

- a. The extent to which the applicant uses the facility to recover and convert waste products into a salable or usable commodity;
- b. The estimated annual percent return on the investment in the facility;
- c. Any alternative methods, equipment, and costs for achieving the same pollution control objective;
- d. Any related savings or increase in costs that occur or may occur as a result of the installation of the facility; and
- e. Any other relevant factors.

Applied to this Application

The Department did not verify the applicant's method for determining the percentage of the facility cost that is allocable to pollution control.

Compliance

ORS 468.180(1) Criteria

The Environmental Quality Commission may not issue a certificate unless the applicant constructed or installed the claimed facility in accordance with the applicable provisions of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 465, 466 and 467 and ORS chapters 468, 468A and 468B. This includes the rules and standards adopted to implement these provisions.

Applied to this Application

Due to untimely submittal of the application, the reviewers did not contact the DEQ staff assigned to the source regarding the facility's or the site's compliance with Department rules and statutes and with EQC orders. DEQ has issued the following permits to the site:

- NPDES Storm Water Permit 1200Z, issued 07/22/97;
- NPDES Wastewater Permit Number 101345, issued 11/30/95; and
- Title V Air Permit Number 22-0471, issued 01/03/00.

Reviewers: PBS Engineering and Environmental
Maggie Vandehey, DEQ

Attachment E

Tax Expenditure Liability Report

When the Environmental Quality Commission issues a Pollution Control Facilities Tax Credit Certificate, the State of Oregon incurs a tax expenditure liability. The table in this attachment shows the maximum potential fiscal impact associated with the Commission's decision to certify the facilities presented in this staff report and for the current biennium.

This report shows the maximum amount of credit that each applicant may use to reduce their Oregon taxes in any one year if the Commission certifies their facility. The annual limitation is equal to the tax credit divided by the "remaining useful life" of the facility but no more than ten years. The remaining useful life is the useful life of the facility less the expired period between the date the applicant placed the facility into operation and the date the Commission approved certification.

Attachment E

Tax Expenditure Liability Report

03-05 Biennium

App #	Tax Credit	Placed in Operation	UL	Remaining												
				UL	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
6432	\$ 102,451	2001	20	10		10,245	10,245	10,245	10,245	10,245	10,245	10,245	10,245	10,245	10,245	10,245
6433	\$ 200,833	2001	20	10		20,083	20,083	20,083	20,083	20,083	20,083	20,083	20,083	20,083	20,083	20,083
6589	\$ 90,592	2001	7	4		22,648	22,648	22,648	22,648	0	0	0	0	0	0	0
6641	\$ 19,212	2003	7	6		3,202	3,202	3,202	3,202	3,202	3,202	0	0	0	0	0
6677	\$ 35,312	2003	59	10		3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531	3,531
6658	\$ 400,949	2003	5	4		100,238	100,237	100,237	100,237	0	0	0	0	0	0	0
6659	\$ 621,460	2003	7	6		103,577	103,577	103,577	103,577	103,576	103,576	0	0	0	0	0
6668	\$ 12,271	2003	7	6		2,046	2,045	2,045	2,045	2,045	2,045	0	0	0	0	0
6684	\$ 32,188	2003	7	6		5,366	5,365	5,365	5,365	5,365	5,363	0	0	0	0	0
6702	\$ 938	2003	7	6		157	157	156	156	156	156	0	0	0	0	0
6712	\$ 227,898	2003	10	9		25,322	25,322	25,322	25,322	25,322	25,322	25,322	25,322	25,322	25,322	0
6713	\$ 10,515	2003	5	4		2,629	2,629	2,629	2,629	0	0	0	0	0	0	0
6714	\$ 12,368	2003	5	4		3,092	3,092	3,092	3,092	0	0	0	0	0	0	0
6718	\$ 26,250	2004	10	10		2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625
6729	\$ 57,903	2003	20	10		5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790	5,790
6735	\$ 7,414	2003	8	7		1,059	1,059	1,059	1,059	1,059	1,059	1,059	0	0	0	0
6736	\$ 12,004	2003	8	7		1,715	1,715	1,715	1,715	1,715	1,715	1,715	0	0	0	0
6737	\$ 12,534	2003	8	7		1,791	1,791	1,791	1,791	1,791	1,791	1,790	0	0	0	0
6740	\$ 2,123	2004	7	7		303	303	303	303	303	303	304	0	0	0	0
6744	\$ 20,844	2004	10	10		2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,085	2,085
6746	\$ 95,942	2003	10	9		10,661	10,660	10,660	10,660	10,660	10,660	10,660	10,660	10,660	10,660	
6747	\$ 69,409	2003	10	9		7,713	7,712	7,712	7,712	7,712	7,712	7,712	7,712	7,712	7,712	0
6751	\$ 11,022	2003	5	4		2,756	2,756	2,756	2,756	0	0	0	0	0	0	0
6752	\$ 11,022	2004	5	5		2,205	2,205	2,204	2,204	2,204	0	0	0	0	0	0
6753	\$ 1,157	2004	5	5		232	232	231	231	231	0	0	0	0	0	0
6754	\$ 7,307	2004	5	5		1,462	1,462	1,461	1,461	1,461	0	0	0	0	0	0
6755	\$ 16,993	2003	15	10		1,700	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699	1,699
6756	\$ 13,087	2003	15	10		1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309
6757	\$ 16,417	2003	15	10		1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642
6758	\$ 7,274	2003	15	10		727	727	727	727	727	727	727	727	727	727	727
6759	\$ 15,974	2003	15	10		1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
6760	\$ 16,630	2003	15	10		1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663	1,663
6761	\$ 14,203	2003	15	10		1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
6762	\$ 16,975	2003	15	10		1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698

Attachment E

Tax Expenditure Liability Report

03-05 Biennium

App #	Tax Credit	Placed in Operation	UL	Remaining											
				UL	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6763	\$ 14,433	2003	15	10		1,444	1,444	1,444	1,443	1,443	1,443	1,443	1,443	1,443	1,443
6764	\$ 14,531	2003	15	10		1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453
6765	\$ 16,497	2003	15	10		1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
6776	\$ 1,048	2003	5	4		262	262	262	262	0	0	0	0	0	0
6779	\$ 14,425	2004	10	10		1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443
6790	\$ 186,970	2003	15	10		18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697	18,697
Sept '04	2,467,375				0	379,236	379,231	379,227	379,226	247,602	243,703	129,361	124,493	124,494	80,800
May '04	2,318,208				0	310,167	310,167	310,167	310,167	271,873	271,873	254,719	208,503	70,570	
Dec '03	4,815,472				598,243	598,243	598,243	589,384	583,236	556,927	522,324	522,077	224,379	22,420	0
Oct '03	8,982,220				1,822,303	1,559,805	1,355,567	1,332,976	947,174	759,224	720,219	358,126	96,070	30,757	0
WC BTD	242,715				131,505	38,984	33,664	12,883	12,884	8,371	350	0	0	0	0
Total	18,825,990				2,552,051	2,886,435	2,676,872	2,624,637	2,232,687	1,843,996	1,758,469	1,264,283	653,445	248,242	80,800

WC BTD = Wood Chippers Biennium-to-Date (7/1/2003 - 7/31/04)

Attachment F

Certified Wood Chipper Report

4/1/04 – 7/31/04

On October 4, 2002, the Commission adopted OAR 340-016-0009. The rule delegates the Commission's authority to certify wood chippers for tax credit purposes to the Department. The Commission requested that the Department periodically provide a listing of the wood chipper certifications.

The Department presented the last Certified Wood Chipper Report on May 21, 2004 for wood chippers certified through March 31, 2004. The Department certified the **36** wood chippers presented in this attachment between April 1, 2004 and July 31, 2004. The certification could reduce taxes paid to the State of Oregon by a maximum of **\$27,437**.

OAR 340-016-0009 Certification of wood chippers

For the purpose of subdelegating authority to approve and issue final certification of pollution control facilities under OAR 340-016-0080(2):

- 1) The Environmental Quality Commission authorizes the Director of the Department of Environmental Quality or the Director's delegate to certify wood chippers as provided in OAR 340-016-0060(4)(h)(C) if:
 - a) The Department determines the facility is otherwise eligible under OAR 340-016-0060; and
 - b) The claimed facility cost does not exceed \$50,000 as set forth in OAR 340-016-0075(1).
- 2) The Department may elect to defer certification of any facility to the Environmental Quality Commission.
- 3) If the Department determines the facility cost, the percentage of the facility cost allocable to pollution control, or the applicable percentage under ORS 468.173 is less than the applicant claimed on the application then the Department shall:
 - a) Notify the applicant in writing; and
 - b) Include a concise statement of the reasons for the proposed certification of a lesser amount or percentage; and
 - c) Include a statement advising the applicant of their rights under section (4).
- 4) Applicants that receive a notification under section (3) may elect to defer certification to the Environmental Quality Commission by notifying the Department within 30 days of the notification date.
- 5) The Department shall defer certification to the Environmental Quality Commission according to sections (2) and (4).
- 6) The Director or the Director's delegate shall certify facilities that otherwise qualify under this rule and have not been deferred according to sections (2) or (4).

Adopted 10-4-02; effective 11-01-02

Attachment G

Advice: Taxpayer Allowed Credit

The Department, as part of its review of application number 6432 shown in Attachment C: Alternatives to Field Burning, asked if ORS 315.304(4) allows a taxpayer to claim a credit for a facility if the taxpayer does not own the trade or business that actually uses the Oregon property that requires the pollution control. This attachment provides the Assistant Attorney General advice.



DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

MEMORANDUM

DATE: March 18, 2004
TO: Maggie Vandehey
FROM: Lynne Perry, Assistant Attorney General
Natural Resources Section
SUBJECT: Availability of Tax Credit for Straw Storage

Questions Presented

1. Is a taxpayer that owns or operates a qualifying pollution control facility entitled to a tax credit if that person or entity does not own or lease the property to which the underlying pollution control requirements apply?
2. If not, does the Environmental Quality Commission (EQC) have the authority to deny an application for certification of a pollution control facility on this basis alone?

The questions presented arise in the context of straw storage facilities used to achieve compliance with open burning restrictions. The primary question is whether a taxpayer that owns or operates a straw storage facility is entitled to a tax credit if that person or entity does not own or operate on the property to which the open burning restrictions apply.

Short Answers

1. No. Even though the facility itself could qualify for certification under the pollution control facility program, the taxpayer that owns or operates the facility would probably not be entitled to obtain a tax credit for that facility under the tax statutes (namely 315.304). The one very narrow exception, not relevant with respect to straw storage, applies to facilities used for recycling, material recovery or energy recovery.
2. No. The EQC has been directed to evaluate applications for pollution control facility certificates against the three criteria in ORS 468.170(4)(a). The taxpayer's qualification for a tax credit under the tax statutes is not one of those criteria. The tax statutes and the conditions therein are to be applied by the Department of Revenue (DOR) at the time the tax credit is sought, not by the EQC at the time of certification.

DISCUSSION

1.

The questions presented highlight the distinction between (a) certification of a facility under the pollution control facility program administered by the DEQ and (b) use of that certification to obtain a tax credit under the tax statutes administered by the DOR. The former focuses on the nature of the facility to be certified, the latter on the taxpayer seeking the tax credit for that facility.

A. Certification of a pollution control facility

A straw storage facility could qualify as a "pollution control facility" under ORS 468.155, by virtue of ORS 468.150. ORS 468.150 provides as follows:

"After alternative methods for field sanitation and straw utilization and disposal are approved by the Department of Environmental Quality, "pollution control facility," as defined in ORS 468.155, shall include such approved alternative methods and persons purchasing and utilizing such methods shall be eligible for the benefits allowed by ORS 468.155 to 468.190 and 468.962."

The alternative methods for reducing or eliminating open field burning that are eligible for pollution control tax credit certification include "equipment, facilities, and land for gathering, densifying, handling, storing, transporting and incorporating grass straw or straw based products." OAR 340-016-0060(4)(b)(A). Thus, DEQ has approved straw storage facilities as pollution control facilities eligible for certification.

The legislature has directed the EQC to certify a facility if it satisfies the three criteria in ORS 468.170(4)(a). ORS 468.170(4)(a) provides for certification if the EQC finds that the facility:

- (1) "Was erected, constructed or installed in accordance with the requirements of ORS 468.165(1);
- (2) "Is designed for, and is being operated or will operate in accordance with the requirements of ORS 468.155; and
- (3) "Is necessary to satisfy the intents and purposes of ORS 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755, ORS chapters 459, 459A, 466 and 467 and ORS chapters 468, 468A and 468B and rules thereunder."

Ownership of the property to which the underlying pollution control requirements apply is *not* one of the criteria by which the EQC is to evaluate an application for certification. Thus, the EQC could issue a pollution control facility certificate to someone who does not own the property to which the underlying pollution control requirements apply. This is where the distinction between a pollution control facility certificate and a tax credit becomes important.

B. Qualification of a taxpayer for a tax credit

The certificate issued by the EQC is not itself a tax credit. Rather, a person that obtains a pollution control facility certificate may take tax relief *only* as provided in ORS 315.304.¹ See, ORS 468.170(5). ORS 315.304 allows a tax credit for pollution control facilities already certified under ORS 468.170 only if the taxpayer qualifies under ORS 315.304(4). ORS 315.304(1).

To qualify for a tax credit under ORS 315.304(4):

“(a) The taxpayer who is allowed the credit must be:

(A) The owner, including a contract purchaser, of the trade or business that utilizes Oregon property requiring a pollution control facility to prevent or minimize pollution;

(B) A person who, as a lessee or pursuant to an agreement, conducts the trade or business that operates or utilizes such property; or

(C) A person who, as an owner, including a contract purchaser, or lessee, owns or leases a pollution control facility that is used:

(i) In a business that is engaged in a production activity described in 40 C.F.R. 430.20 (as of July 1, 1998); or

(ii) For recycling, material recovery or energy recovery as defined in ORS 459.005; and

(b) The facility must be owned or leased during the tax year by the taxpayer claiming the credit and must have been in use and operation during the tax year for which the credit is claimed.” ORS 315.304(4).

We construe ORS 468.170(5), ORS 315.304(1), and ORS 315.304(4) to mean that one is not entitled to a tax credit solely by virtue of obtaining a certificate.² Instead, a taxpayer obtaining certification for a pollution control facility is *eligible* for a tax credit but must satisfy the tax statutes to receive that credit. The plain language of ORS 315.304(1) reflects these two independent hurdles: (a) certification of a pollution control facility, and (b) qualification of the taxpayer claiming a tax credit for that facility. If the legislature anticipated that certification would alone be sufficient to secure a tax credit, ORS 315.304(4) would be wholly unnecessary.³

¹ Except in certain enumerated circumstances in which the person obtaining certification may take tax relief under ORS 307.405.

² This construction is also consistent with the Court of Appeals' decision in *Phelan v. EQC*, 141 Or App 321(1996), which is discussed further below.

³ There has been some suggestion that we look to the legislative history. This construction is, however, dictated by the plain language of the relevant statutes. The statutory requirements are unambiguous. For that reason, it would be inappropriate to look beyond the statutory language to the legislative history. *Portland General Electric Company v. Bureau of Labor and Industries*, 317 Or 606, 611 (1993).

Applying the criteria in ORS 315.304(4)(a) to a straw storage facility, it appears that a tax credit would be allowed for the certified facility only if the taxpayer also (1) owns the property to which the open burning restrictions apply; (2) conducts the business that uses the property to which the open burning restrictions apply;⁴ or (3) uses the pollution control facility for recycling, material recovery or energy recovery.⁵ For that reason, a taxpayer that owns or operates a straw storage facility, but does not own or operate on the property to which the open burning restrictions apply would not qualify for a tax credit under ORS 315.304(4) even if the facility had already been certified by the EQC.

2.

As noted above, a taxpayer may be able to obtain a pollution control facility certificate from the EQC (by satisfying the requirements of ORS 468.170) but later be unable to obtain a tax credit for that same facility because it is unable to satisfy the independent requirements in ORS 315.304. This raises the question of whether the EQC should incorporate the requirements of ORS 315.304 into its own process, such that taxpayers who would not be allowed a tax credit under ORS 315.304 would not qualify for certification from the EQC (or conversely, the taxpayer would be presumed to qualify for a tax credit once it had obtained a certificate from the EQC).

The EQC does not, however, have the authority to incorporate the criteria in ORS 315.304 into its own process. The legislature has directed the EQC to issue a pollution control facility certificate if the three criteria in ORS 468.170(4)(a) are satisfied.⁶ Those three criteria relate to the facility for which certification is sought. They do not relate to the taxpayer seeking certification. The likelihood that the applicant can ultimately obtain a tax credit is not one of the three criteria by which the EQC is to evaluate a request for certification.

Further, administration of ORS 315.304 is generally the province of DOR, not DEQ (or the EQC). ORS 305.015 expresses the legislature's intent that DOR administer the tax statutes unless otherwise provided in the applicable statute. This was reiterated by the Oregon Court of Appeals in *Phelan v. EQC*, 141 Or App 321(1996). In *Phelan*, the court addressed issues relating to the pollution control facility program, holding that ORS 468.150 does not alone entitle an applicant to a certificate but also requires an applicant to meet the conditions and limitations of ORS 468.155 to 468.190. Although the court did not squarely reach the question of whether the EQC could also impose the additional conditions of the tax statutes, the court clearly stated that the tax credit statutes remained the province of DOR to be applied independent of ORS 468.155 to 468.190:

“[The EQC’s] authority to look to the tax law to determine who

⁴ It is our understanding that the majority of grass seed growers conduct their operations on lands leased from others. ORS 315.304(4)(a)(B) makes clear that the taxpayer qualifying for a tax credit can be a lessee, i.e. need not own the property on which it operates.

⁵ DOJ has, in past advice, opined that straw storage would not constitute recycling, material recovery or energy recovery.

⁶ “The commission *shall* certify [a pollution control facility] for which an application has been made under ORS 468.165, if the commission finds that the facility [meets the criteria in paragraphs (A), (B), and (C)].” ORS 468.170(4)(a).

is eligible for a certificate is not clear for various reasons. For example, ORS 468.180 lists various sections and chapters that the commission must consider before issuing a certificate. The tax credit statutes are not included in that list. Also, as previously discussed in note 1, the legislature mercifully chose to have tax issues decided by the Oregon Tax Court. *The fact that the legislature has chosen to place the requirements of [ORS 315.304] in the tax statutes suggests that they should be applied when a person is actually claiming the tax credit, rather than at the certification level.* That way, disputes on tax issues would end up in the appropriate court.” 141 Or App at 331, n. 10 (emphasis added).

Interestingly, the provisions for *precertification* of a pollution control facility *do* authorize the EQC to determine whether the applicant and facility will be eligible for tax relief under ORS 307.405 or ORS 315.304. *See*, ORS 468.167(3). Precertification is *prima facie* evidence that the facility is qualified for certification under ORS 468.170 but does not ensure that the precertified person will receive tax relief under ORS 307.405 or 315.304. ORS 468.167(4).

Although the EQC is currently without authority to graft the requirements of the tax statutes onto the existing certification requirements, there seem to be some fairly straightforward legislative fixes. The legislature appears to have anticipated the dual hurdles (certification of the facility and qualification for tax credit) in other tax credit programs and actually included the criteria now found in the tax statute within the certifying agency’s own criteria. *See*, ORS 469.205 (pertaining to energy tax credits). It also appears to have anticipated the issue in the pollution control facility program itself by authorizing the EQC to assess eligibility for tax relief (at least preliminarily) in conjunction with precertification of pollution control facilities.

Either approach would effectively incorporate the substantive requirements of ORS 315.304(4) into ORS 468.170(4). This would clarify the full set of criteria one would have to satisfy to obtain tax relief in conjunction with a certified facility and would minimize or eliminate the situations in which a taxpayer secured certification for its facility but was later denied tax relief under the tax statutes.⁷

GENH5554

⁷ This “fix” would not address the secondary issue of whether a taxpayer that does not own or lease the property to which open burning (or other pollution control) requirements apply should be able to claim a tax credit for a certified straw storage (or other pollution control) facility. That, however, goes to the actual content of ORS 315.304(4) not the incorporation of the requirements of ORS 315.304(4) into ORS 468.170.



State of Oregon
Department of
Environmental
Quality

**Umatilla Chemical Demilitarization Program
Status Update
Environmental Quality Commission
September 9, 2004
(Agenda Item D)**

Umatilla Chemical Demilitarization Program

Liquid Incinerator 2 (LIC2) Surrogate Trial Burn

UMCDF conducted its surrogate trial burn (STB) for LIC2 on August 7 – 14, 2004. The STB Plan included four low temperature test (LTT) runs and four high temperature test (HTT) runs, although only three test runs each are required at high and low temperature conditions to demonstrate compliance. The site was unable to complete a fourth HTT run due to erratic readings on the instrument that was monitoring gas flow through the furnace. Subsequent review of test data indicates that the instrument began experiencing problems during earlier LTT runs, which is actually when the operating ranges for this instrument are established. UMCDF is evaluating data related to the LTT runs to determine if the instrument readings from these runs will be valid or whether the LIC2 STB will need to be repeated.

Significant Permit Modification Requests (PMRs) Under Review:

- Liquid Incinerator 1 GB Agent Trial Burn Plan
- Deactivation Furnace System GB Agent Trial Burn Plan
- New Airborne Exposure Limits (AELs)

This PMR proposes revisions to the HW Permit and Permit Application to implement the new AELs for GB, VX and HD that have been issued by the Centers for Disease Control and Prevention. These new exposure limits are scheduled to go into effect in January 2005 for GB and VX, and July 2005 for HD. The revised AELs will impact some agent monitoring requirements and emergency response procedures, but will not change the chemical agent emission limits (allowable stack concentration) for UMCDF. This PMR is open for public comment until October 8, 2004 and a public information meeting is scheduled for September 20, 2004.

- II. A. 2 Revisions for Agent Operations

This PMR proposes revisions to the HW Permit Condition II.A.2. to allow minor/temporary changes or modifications to the UMCDF design during chemical agent operations, when necessary to facilitate expeditious destruction of chemical agent. Previously, the Department approved a revision to the HW Permit that allowed such changes up through the start of agent operations. Based on operational experience at TOCDF and ANCDF, the Permittees believe that the ability to make these types of changes will also be necessary during agent operations.

Agent Operations

During their final readiness checks preparatory to the start of chemical agent operations, UMCDF discovered that trace amounts of the surrogate compounds used during the LIC surrogate trial burns were present in the carbon filters of the ventilation system in the facility. Chemical agent operations will not begin until UMCDF can assure the Department that the carbon filters are ready to remove chemical agent from the ventilation air of the facility before it is released to the outside atmosphere.

The facility has collected and analyzed samples from the carbon filters, air washed the munitions demilitarization building to remove residual surrogate compounds, and changed out the first of six carbon beds in each of the nine carbon filter units of the ventilation system. If not cleared from the system, the surrogate materials can interfere with the agent monitors (ACAMS) and could cause false alarms after agent operations commence.

Leak testing of all the carbon filters is still being completed to assure there will be no bypassing of air flow (and chemical agent) around the filter units or channeling of flow through the carbon beds when chemical agent operations begin. During chemical agent operations, UMCDF will be monitoring for GB agent between carbon beds 1 and 2, between carbon beds 2 and 3, between carbon beds 3 and 4, and in the exhaust stack from the ventilation system using ACAMS (automatic continuous air monitoring system).

After the leak tests have been successfully completed, UMCDF will provide the Department a written summary of actions they have taken to assure the carbon filters are ready to support agent operations. UMCDF hopes to complete the leak tests and the QA/QC review of the test data on Friday, September 3.

Other Topics of interest

Umatilla Chemical Depot (UMCD) Power Outage Problems

In response to concerns by members of the CSEPP community and the Department regarding ongoing occurrences of power outages at UMCD, including disruption of power provided to the Depot's Emergency Operations Center (EOC), the Department required the UMCDF Permittees to provide confirmation that written procedures are in place to suspend operations at both UMCD and UMCDF in the event that the EOC is not able to perform critical functions. Such functions include:

- the gathering of meteorological data;
- processing meteorological data to generate plume dispersion models used to determine whether to open any storage igloos at UMCD and conduct chemical operations;
- processing meteorological data to generate plume dispersion models to be used in the event of a chemical agent release at UMCD or UMCDF;
- notifications to the off-post community regarding any chemical events at UMCD or UMCDF; and
- communications with the off-post community in the event of any release of chemical agent at the site.

On August 11, 2004 the facility provided operational procedures that specify the suspension of chemical agent operations at UMCD and UMCDF any time there is a disruption of power supplied to the EOC.

Additional materials provided to the Department on August 31 (currently under review) were required to include information regarding past occurrences of power outages or other disruptions of equipment essential to the functions of the EOC and a description of actions to be taken to prevent the ongoing power outages and the anticipated timeline for completion of such actions.

Activities at Other Demilitarization Facilities

Tooele, UT

On August 16, 2004, the Tooele Chemical Agent Disposal Facility (TOCDF) completed the destruction of its inventory of more than 53,000 VX 155 mm artillery projectiles.

On August 21, 2004, TOCDF announced an "environmental stand-down." The announcement came following identification of potential non-compliances with a number of permit requirements, indicating systemic shortcomings. Munitions destruction operations were suspended as of August 23 and the Army's Chemical Materials Agency fielded a team to review the facility's assessment process and findings in several areas: environmental compliance, surety readiness, emergency response readiness, and adequacy of the Limiting Conditions of Operation. The Utah Department of Environmental Quality believes that operations may resume the week of September 6, once the reviews are complete and any necessary corrective actions have been approved.

Regarding the alleged disabling of an ACAMS instrument that was supposed to monitor stack emissions from the incinerators at TOCDF, the investigation by the TOCDF contractor is still underway. Once the facts, conclusions, and recommendations of the TOCDF investigation are available, the Department will work with the UMCDF Permittees to assure measures are implemented to reduce the potential for a similar occurrence here.

Anniston, AL

As of August 29, 2004, the Anniston Chemical Agent Disposal Facility (ANCDF) had been in operation for one year. During that year they have destroyed 36,908 rockets containing 184 tons of GB agent. The Alabama Department of Environmental Management (ADEM) recently authorized ANCDF to process rockets containing gelled or crystallized agent.

On August 26, 2004, ADEM issued a Notice of Violation to ANCDF for violations of its hazardous waste permit and hazardous waste generator regulations that occurred between April 4, 2004 and June 22, 2004. The violations included changes in agent monitoring procedures without prior agency approval, improper storage of incompatible hazardous wastes, failure to follow equipment calibration procedures before feeding agent-contaminated materials into the deactivation furnace system, failure to properly manage an AWFCO (automatic waste feed cut-off) instrument, and discharging brine solution across the concrete floor of the pollution abatement system.

Pine Bluff, AR

Chemical agent operations are projected to begin at the Pine Bluff Chemical Agent Disposal Facility (PBCDF) in February 2005.

Aberdeen, MD

The Aberdeen Chemical Agent Disposal Facility (ABCDF) processes bulk mustard agent using neutralization. On August 12, 2004, four drain station workers were bagging waste from a glove box in the drain station when a chemical alarm sounded. Because this occurred at a step in the process where the workers were not wearing air purifying respirators, the workers were evaluated at the on-site medical clinic for signs of exposure to chemical agent. They were cleared and later returned to work. In follow-up, ABCDF has modified its procedures to require the wearing of respirators during the activities involved in this incident and the addition to the written procedures of warning statements where contamination can be expected.

As of mid-July ABCDF had neutralized 375 tons of mustard agent (from 450 ton containers), approximately 25% of the containers stored at Aberdeen Proving Ground. 241 truckloads (1,139,895 gallons) of hydrolysate have been shipped for final treatment to a wastewater treatment facility operated by DuPont in New Jersey. Ton containers are returned to storage after they drained. A "ton container cleanout station" is under construction and will be used to clean the containers and cut them up for eventual off-site disposal.

Newport, IN

Neutralization operations are projected to begin at the Newport Chemical Agent Disposal Facility (NECDF) between October and December 2004. NECDF will be processing bulk storage containers of VX. There is still a substantial amount of local opposition to the planned treatment and disposal of NECDF's neutralization process hydrolysate at a DuPont facility in New Jersey (the same facility that manages hydrolysate from ABCDF). Recent laboratory results from small-scale neutralization tests that showed residual VX concentrations above 20 parts per billion after neutralization have fueled additional concerns about the plans to ship hydrolysate to New Jersey.

State of Oregon
Department of Environmental Quality

Memorandum

Date: August 19, 2004
To: Environmental Quality Commission
From: Stephanie Hallock, Director *S. Hallock*
Subject: Agenda Item E, Rule Adoption: Truck Engine Tax Credit
September 9, 2004 EQC Meeting

Department Recommendation The Department recommends that the Environmental Quality Commission (EQC, Commission) adopt the proposed rules, as presented in Attachment A, which establish Department policies and procedures for issuing tax credits to Oregon taxpayers who purchase qualifying truck engines.

Background and Need for Rulemaking The diesel engines commonly found on large trucks are significant emitters of certain pollutants that contribute to air pollution. For example, heavy duty diesel vehicles, which make up about six percent of the total motor vehicle fleet in the state, emit about sixty five percent of the fine particulate pollution and thirty five percent of the nitrogen oxide pollution from motor vehicles. Nitrogen oxide pollution contributes to ozone formation and visibility impairment. Ozone causes a range of health problems related to breathing, including chest pain, coughing and shortness of breath. Children and elderly are especially at risk from exposure to high levels of ozone pollution. Generally, particulate pollution has proven to be one of the more significant contributors to health impacts in people and, specifically, diesel particulate is increasingly scrutinized as a potent carcinogen.

Federal engine emission standards for diesels were first adopted in 1988 and have become more stringent over time. For instance, federal regulations beginning with the 2004 model year lowered nitrogen oxide engine emission standards by 40 percent for all heavy duty diesel engines compared to the prior model year. Diesel engines, however, are very durable, and the full benefit of this regulation based on normal fleet turnover is projected to take 20 to 30 years.

In 2003 the Oregon Legislature adopted House Bill 2041 that directs the Department of Environmental Quality and the Department of Revenue to issue personal or corporate income tax credits for the purchase of diesel engines. This tax credit may facilitate a more rapid introduction of these cleaner vehicles into the overall fleet. The statute lays out specific criteria for qualifying purchases and establishes limitations on awards per taxpayer and overall for the program in a calendar year.

For an engine to qualify the following statutory criteria must be met:

- Heavy duty (gross vehicle weight rating greater than 26,000 pounds)

diesel truck engines purchased in calendar years 2004 through 2007;

- Certified to emit 2.5 grams or less of nitrogen oxides;
- Purchased within Oregon; and
- Registered to operate in Oregon.

The amount of the tax credit depends upon the number of trucks owned prior to the claimed truck(s).

- If 10 or fewer trucks are owned prior to the qualifying purchase, the credit is \$925 for each qualifying truck engine;
- If 11 to 50 trucks are owned prior to the qualifying purchase, the credit is \$705 for each qualifying truck engine;
- If 51 to 100 trucks are owned prior to the qualifying purchase, the credit is \$525 for each qualifying truck engine;
- If more than 100 trucks are owned prior to the qualifying purchase, the credit is \$400 for each qualifying truck engine.

The credits are subject to an annual \$80,000 claim limit per taxpayer and an overall annual program limit of \$3 million.

The statute is silent on how to handle tax credit applications when the annual limitation is met. The rules presented here formalize the complete application and tax credit review procedure for the program that was authorized by House Bill 2041 and also resolve the issue identified above.

Effect of Rules	The Department is proposing to allocate tax credits on a first come, first served basis with tie breakers determined by date of application received, followed by earliest postmark received, followed by earliest invoice date and, ultimately in case of a tie on all these measures, a lottery. Tax credit applications that are not approved as a result of exceeding the annual program limit and that still meet the eligibility requirements will be carried forward to the next calendar year. The Department is also proposing to limit the tax credit to one per engine.
Commission Authority	The Commission has authority to take this action under Oregon Law 2003, chapter 618, sections 28 through 32 as reprinted in a note following ORS 315.356.
Stakeholder Involvement	An advisory committee was not convened to develop the proposed rules because no major policy issues were identified. However, DEQ staff did consult with the Oregon Departments of Transportation and Revenue, the Oregon Trucking Associations and several truck dealers before developing the rules.
Public Comment	A public comment period was open from April 26, 2004 to June 8, 2004 and included a public hearing in Portland. Results of public input are provided in Attachment C.
Key Issues	There were no key issues identified during the public comment process.

Next Steps

The proposed effective date for the rule is September 20, 2004. The law authorized applications to be filed beginning in January 2004. Since the beginning of the year the Department has received 25 applications for 104 truck engines, as of July 12th. Development of the application forms and training on processing these applications has been ongoing during this period. The statute authorized the Department to collect a \$15 per engine application fee to support resources for application processing.

Outreach efforts to truck owners are already underway by organizations like the Oregon Trucking Associations. The Department will partner with other appropriate trade groups, like the Oregon Refuse and Recycling Association and the Oregon Forest Products Transportation Association, to provide information about this program to their members as well as the diesel retrofit tax credit that can be used to offset the costs of emission controls on existing engines.

The Rule Implementation Plan is available upon request.

Attachments

- A. Proposed Rule for Adoption
- B. Presiding Officer's Report on Public Hearings
- C. Summary of Public Comments and Agency Responses
- D. Relationship to Federal Requirements Questions
- E. Statement of Need and Fiscal and Economic Impact
- F. Land Use Evaluation Statement

Available Upon Request

- 1. Legal Notice of Hearing
- 2. Cover Memorandum from Public Notice
- 3. Written Comment Received
- 4. Rule Implementation Plan

Approved:

Section:

Paul Kautli for Pat Vernon

Division:

Kevin Downing

Report Prepared By: Kevin Downing

Phone: 503.229.6549

Truck Engine Tax Credits

340-016-0210

Purpose

This rule establishes Department of Environmental Quality policies and procedures for issuing tax credits to Oregon taxpayers that purchase qualifying truck engines in accordance with Oregon Law 2003, chapter 618, sections 28 through 32. These rules apply only to purchases made on or after January 1, 2004, and certificates issued on or before December 31, 2007.

340-016-0220

Definitions

- (1) "DEQ" means the Department of Environmental Quality.
- (2) "The 2003 Act" means Oregon Law 2003, chapter 618, sections 28 through 32 as reprinted in a note following ORS 315.356.
- (3) "Program limitation" means the maximum amount of \$3 million that DEQ may approve in tax credits for all taxpayers in any one calendar year as provided by section 29(3) of the 2003 Act.
- (4) "Tax credit" or "credit" means the truck engine tax credit or the amount of the truck engine tax credit.
- (5) "Taxpayer limitation" means the maximum amount of \$80,000 in tax credits that DEQ may approve for one taxpayer in any one calendar year as provided by section 28(3) of the 2003 Act.

340-016-0230

Application Procedures

- (1) Any Oregon taxpayer may submit an application to the DEQ after purchasing a qualifying engine and within the eligibility period provided by OAR 340-016-0210.
- (2) The taxpayer must apply for the tax credit on the form prescribed by DEQ.
- (3) The taxpayer may submit more than one application in a calendar year but may not claim a truck engine more than once.
- (4) A single application may include more than one truck engine.
- (5) The taxpayer must file a complete application that includes all of the following elements:
 - (a) The taxpayer's name, contact information, and taxpayer identification number;

- (b) The number of trucks owned prior to purchasing the engines claimed on the application;
- (c) Proof of purchase for each truck engine claimed on the application. The proof of purchase must include the:
 - (A) purchase date;
 - (B) seller's name, address, location of the sale, and contact information;
 - (C) taxpayer's name that is identical to the name on the application; and
 - (D) vehicle identification number of the truck with the claimed engine;
- (d) A copy of the Oregon Department of Transportation registration cab card;
- (e) The engine manufacturer, the engine serial number, and the federal Environmental Protection Agency diesel engine family number;
- (f) The taxpayer's signature;
- (g) Other information as requested; and
- (h) The nonrefundable application fee of \$15 for each engine claimed on the application; and
- (i) Other information required on the application form.
- (6) An incomplete application is not eligible for an allocation of the limitation provided by ORS 340-016-0240 until the date that the taxpayer completes the application.
- (7) The DEQ will notify the taxpayer within 14 days after receiving the application if the application is incomplete. The notification will:
 - (a) Request the missing information;
 - (b) Provide the taxpayer with the opportunity to submit additional information or make corrections; and
 - (c) Inform the taxpayer of the filing and allocation status provided by ORS 340-016-0240.
- (8) DEQ may request other information to determine if the engine, the truck, and the applicant qualify for the credit according to the 2003 Act.
- (9) DEQ will file, but will not process, applications that exceed the program limitation and the taxpayer limitation.

340-016-0240

Allocating the Limitations

- (1) The DEQ will first allocate the program limitation to the earliest application date based on the date that the DEQ receives a complete application according to OAR 340-016-0230(5).
- (2) If the DEQ receives several applications on the same day and the total of the tax credits requested on these applications would exceed the program limitation then DEQ will allocate the remaining limitation by the following method.
 - (a) The DEQ will allocate the remaining program limitation by the earliest postmarked date.
 - (b) If there is a tie for the earliest postmarked date then the DEQ will allocate the remaining program limitation by the earliest invoice date.

(c) If there is a tie for the earliest invoiced date then the DEQ will allocate the remaining program limitation by drawing.

(3) When the program limitation has expired for the calendar year, the DEQ will retain all completed applications for processing in the following calendar year up to the taxpayer limitation for the current calendar year. The DEQ will process retained applications according to sections 1 and 2 of this rule. The tax credit claimed on a retained application will not increase the taxpayer limitation for the following calendar year.

340-016-0250

Approval or Rejection Procedures

(1) The DEQ will approve all qualifying truck engines within 45 days of the date that the taxpayer submits an application under the following conditions:

(a) The applicant filed the application within the eligibility period provided by OAR 340-016-0210; and

(b) The taxpayer filed a complete application according to OAR 340-015-0230; and

(c) The taxpayer purchased the truck from a dealer licensed with the Oregon Department of Motor Vehicles as a vehicle dealer on the date of purchase, or from a private party that is an Oregon resident.

(d) The engine, the truck, and the applicant qualify for the credit according to the 2003 Act; and

(e) The engine has not previously been awarded a tax credit under OAR 340-016-0210 through -0260; and

(f) The program limitation has not expired for the current calendar year; and

(g) The taxpayer limitation has not expired for the current calendar year.

(2) The DEQ will:

(a) Reject all truck engines that do not qualify for approval under section 1 of this rule and for retention under ORS 340-016-0250(3); and

(b) Provide the taxpayer with a written notice of the reason for the rejection within 45 days of the date that the taxpayer filed a complete application according to OAR 340-015-0230.

340-016-0260

Procedures for Reconsideration and Review

If, for any reason, the taxpayer is dissatisfied with DEQ's rejection of a truck engine for the credit according to OAR 340-016-050(2), the taxpayer may appeal the rejection.

(1) The taxpayer may request within 45 days of the date on the rejection notice that:

(a) The DEQ re-evaluate the rejection. The taxpayer must provide additional information in writing for the DEQ to re-evaluate the rejection; or

(b) The Environmental Quality Commission hears the taxpayer's case at one of its regularly scheduled meetings. The Environmental Quality Commission will issue an order providing the taxpayer with written notice of its action and a concise statement of the findings and reasons by registered or certified mail within 45 days of the decision.
(2) If the taxpayer is dissatisfied with the Environmental Quality Commission's order under section (1)(b) of this rule then the taxpayer may appeal from the order as provided in ORS 468.110 and ORS 183.384 as an order in other than a contested case.

State of Oregon
Department of Environmental Quality

Memorandum

Date: June 9, 2004

To: Environmental Quality Commission

From: Maggie Vandehey

Subject: Presiding Officer's Report for Rulemaking Hearing
Title of Proposal: Truck Engine Tax Credit
Hearing Date and Time: June 3, 2004, 2:00 PM
Hearing Location: Room 3A, 811 SW 6th Avenue, Portland

The Department convened the rulemaking hearing on the proposal referenced above at 2:00 PM and closed it at 3:00 PM. People were asked to sign registration forms if they wished to present comments. People were also advised that the hearing was being recorded.

One person attended the hearing; no people testified.

Before taking comments, Kevin Downing briefly explained the rulemaking proposal and procedures for the hearing.

The following is a summary of written and oral comments received at the hearing. The Department will include these comments in the Summary of Comments and Agency Responses for this rulemaking.

Summary of Public Comment and Agency Response

Title of Rulemaking: Truck Engine Tax Credit

Prepared by: Maggie Vandehey

Date: June 9, 2004

Comment period The public comment period opened on April 26, 2004 and closed at 5:00 PM on June 8, 2004. DEQ held a public hearing on June 3, 2004 at 2:00 PM, DEQ Headquarters, 811 SW 6th Avenue, Portland. One person attended the hearing but did not comment. One written comment was received.

Organization of comments and responses Summaries of individual comments and the Department's responses are provided below. Comments are summarized in categories. The persons who provided each comment are referenced by number. A list of commenters and their reference numbers follows the summary of comments and responses.

Summary of Comments and Agency Responses	
Comment 1	The Oregon Trucking Associations, a trade association representing approximately 800 members in the trucking industry, supports the rules as proposed.
Response	The Department thanks the commenter for taking the time to submit comments and appreciates support for the proposed rules.

List of Commenters and Reference Numbers				
Reference Number	Name	Organization	Address	Date on comments
1	Bob Russell	Oregon Trucking Associations, Inc.	4005 SE Naef Road Milwaukie, Oregon 97267-5617	May 27, 2004



Relationship to Federal Requirements

Answers to the following questions identify how the proposed rulemaking relates to federal requirements and potential justification for differing from federal requirements. The questions are required by OAR 340-011-0029.

1. Are there federal requirements that are applicable to this situation? If so, exactly what are they?

There are no federal rules applicable to the Truck Engine Tax Credit. The rules provide for a credit against an Oregon taxpayer's state tax liability only.

2. Are the applicable federal requirements performance based, technology based, or both with the most stringent controlling?

Not applicable.

3. Do the applicable federal requirements specifically address the issues that are of concern in Oregon? Was data or information that would reasonably reflect Oregon's concern and situation considered in the federal process that established the federal requirements?

Not applicable.

4. Will the proposed requirement improve the ability of the regulated community to comply in a more cost effective way by clarifying confusing or potentially conflicting requirements (within or cross-media), increasing certainty, or preventing or reducing the need for costly retrofit to meet more stringent requirements later?

Not applicable.

5. Is there a timing issue which might justify changing the time frame for implementation of federal requirements?

Not applicable.

6. Will the proposed requirement assist in establishing and maintaining a reasonable margin for accommodation of uncertainty and future growth?

Heavy duty diesel engines purchased between January 1, 2004 and December 31, 2007 anywhere in the country will have lower emissions of nitrogen oxide pollution due to federal requirements. To the extent that the tax credit during this time stimulates the purchase of engines in Oregon that replace earlier model years there will be a reduction in the pollution that has been projected in air quality plans. This unaccounted for reduction will increase margins in the projections that could accommodate uncertainty and future growth.

7. Does the proposed requirement establish or maintain reasonable equity in the requirements for various sources? (level the playing field)

This proposal doesn't impose requirements but instead offers incentives for purchasers of qualified heavy duty diesel trucks.

8. Would others face increased costs if a more stringent rule is not enacted?

Not applicable.

9. Does the proposed requirement include procedural requirements, reporting or monitoring requirements that are different from applicable federal requirements? If so, Why? What is the "compelling reason" for different procedural, reporting or monitoring requirements?

No.

10. Is demonstrated technology available to comply with the proposed requirement?

The qualifying engines have been certified to meet federal emission standards based on technologies in place at the time of the certification.

11. Will the proposed requirement contribute to the prevention of pollution or address a potential problem and represent a more cost effective environmental gain?

Diesel engines have become progressively cleaner over time, due in part to the increasingly stringent federal certification standards. These engines are less polluting than their predecessors and represent an overall improvement for air quality, especially if the vehicle that is replaced is removed from service.

DEPARTMENT OF ENVIRONMENTAL QUALITY
Chapter 340
Proposed Rulemaking
STATEMENT OF NEED AND FISCAL AND ECONOMIC IMPACT
This form accompanies a Notice of Proposed Rulemaking

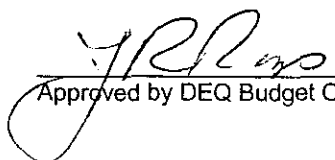
Title of Proposed Rulemaking:	Truck Engine Tax Credit Oregon Administrative Rules Chapter 340, Division 16
Need for the Rule(s)	The Oregon Legislature adopted HB 2041 in 2003 to ensure financial support for highway improvement projects. The legislation also authorizes the Department of Environmental Quality and the Department of Revenue to issue personal or corporate income tax credits for the purchase of 2004 through 2007 model year heavy duty diesel vehicles. These rules outline administrative procedures for review and approval of tax credit applications.
Documents Relied Upon for Rulemaking	The Department relied upon fiscal impact estimates prepared in support of consideration of HB 2041. These documents can be viewed at http://www.leg.state.or.us/comm/sms/SMS03Frameset.html or at the offices of the Department of Environmental Quality at 811 S.W. 6th Avenue, Portland, Oregon. Please contact Kevin Downing for times when the documents are available for review.
Fiscal and Economic Impact	
Overview	Public comment is requested on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business. This proposed rule primarily offers incentives and so does not generally create negative financial impacts on business. ORS 183.335(2)(G).
General public	Oregon taxpayers who get the credit for qualifying purchases will lower their Oregon income tax liability to the state. As a result of HB 2041, there is an indirect effect on the general public in the effect on tax revenues collected, diminishing the amount of revenue available for General Fund expenditures. On the other hand, to the extent that truck sales could be stimulated by the presence of this tax credit, truck dealers could see increased profits that could result in additional income tax revenue to the state.
Small Business	Small businesses with 50 or fewer employees may submit tax credit applications for the purchase of qualifying heavy duty diesel vehicles which could include over the road trucks as well as vehicles used in other local or regional applications like garbage trucks, package delivery vehicles, cargo vans, stake trucks, cement trucks and other similar vehicles. The amount available as a tax credit varies depending upon the number of vehicles currently owned; 1 to 10 trucks, \$925 for each qualifying engine, 11 to 50 trucks, \$705, 51 to 100 trucks, \$400. Presumably, smaller fleets may be more typical for small businesses and thus they will receive a larger credit for each qualifying purchase. A fee of \$15 per truck engine is assessed to cover the costs of processing applications. Truck dealers may see an increase in sales of trucks due to the tax credit. It is unknown at this time how large an effect this may be.
Large Business	Large businesses making qualifying purchases of heavy duty diesel vehicles can apply for the tax credit as well. The vehicle types would be similar to the range of vehicles noted above. The statute authorizes a smaller tax credit for purchasers starting with larger fleets, which is presumably typical for large businesses. A fee of \$15 per truck engine is assessed to cover the costs of processing applications. Truck dealers may see an increase in sales of trucks due to the tax credit. It is unknown at this time how large an effect this may be.
Local Government	Local governments are not eligible to receive a truck engine tax credit, as they do not have a tax liability to the state. The credits claimed may result in a reduction in tax revenues that would otherwise be available for General Funded programs, some of which support local government efforts.

State Agencies	
DEQ	The Department of Environmental Quality (DEQ) is already involved in processing tax credit applications. DEQ is authorized to charge \$15 for each application which is expected to provide \$116,250 in the 2003-05 biennium for contract staff to process these applications.
Other agencies	The Department of Revenue processes the credits submitted with income tax reporting forms. There will be some fiscal impact for Revenue to modify forms and systems.
Assumptions	Fiscal impact estimates are based on the fiscal analysis of HB 2041 prepared by the Oregon Legislative Fiscal Office.
Housing Costs	The Department has determined that this proposed rulemaking will have no effect on the cost of development of a 6,000 square foot parcel and the construction of a 1,200 square foot detached single family dwelling on that parcel.
Administrative Rule Advisory Committee	The Department did not use an Advisory Committee in the development of this proposal as most of the elements of the program were specified in the authorizing statute. The Department did consult with the Oregon Departments of Transportation and Revenue, the Oregon Trucking Associations and several truck dealers before developing the proposal outlined in the rules.


 Prepared by _____

Kevin Downing
 Printed name

4/15/04
 Date


 Approved by DEQ Budget Office _____

Jim Roys
 Printed name

4/9/04
 Date

State of Oregon
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal
for
Truck Engine Tax Credit

Land Use Evaluation Statement

1. Explain the purpose of the proposed rules.

The Department is proposing rules to specify procedures for applications, review and approval of a tax credit for the purchase of qualifying heavy duty diesel engines in model years 2004 through 2007. The rules implement tax credits authorized by approval of HB 2041-C (2003 Oregon Session Laws, Chapter 618).

2. Do the proposed rules affect existing rules, programs or activities that are considered land use programs in the DEQ State Agency Coordination (SAC) Program?

Yes ___ No X

a. If yes, identify existing program/rule/activity:

b. If yes, do the existing statewide goal compliance and local plan compatibility procedures adequately cover the proposed rules?

Yes ___ No ___ (if no, explain):

c. If no, apply the following criteria to the proposed rules.

Staff should refer to Section III, subsection 2 of the SAC document in completing the evaluation form. Statewide Goal 6 - Air, Water and Land Resources is the primary goal that relates to DEQ authorities. However, other goals may apply such as Goal 5 - Open Spaces, Scenic and Historic Areas, and Natural Resources; Goal 11 -

1. Specifically referenced in the statewide planning goals; or
2. Reasonably expected to have significant effects on
 - a. resources, objectives or areas identified in the statewide planning goals, or
 - b. present or future land uses identified in acknowledged comprehensive plans.

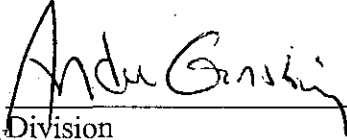
In applying criterion 2 above, two guidelines should be applied to assess land use significance:

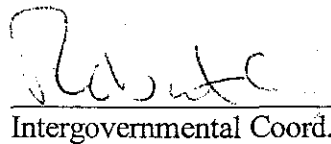
- The land use responsibilities of a program/rule/action that involved more than one agency, are considered the responsibilities of the agency with primary authority.
- A determination of land use significance must consider the Department's mandate to protect public health and safety and the environment.

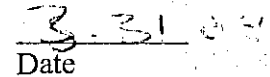
In the space below, state if the proposed rules are considered programs affecting land use. State the criteria and reasons for the determination.

The truck engine tax credit program is not a land use program. The proposed rules do not affect land use.

3. **If the proposed rules have been determined a land use program under 2. above, but are not subject to existing land use compliance and compatibility procedures, explain the new procedures the Department will use to ensure compliance and compatibility.**


Division


Intergovernmental Coord.


Date

energy from waste wood from forest thinning; expansion of the "bottle bill," salvage of reusable building materials, and electronics recycling; changing land use rules to encourage commercial composting; and a variety of internal government operations such as pilot projects, research, and "clean diesel" and other procurement practices.

I will keep you informed as this effort progresses. If you are interested, we will send you copies of the mid-October draft report containing the Advisory Group's recommendations.

DEQ's Northwest Region will Open Gresham Office in January

In an effort to better serve our customers and reduce agency costs, DEQ's Northwest Region plans to open a satellite office in Gresham in mid-January. The office will be in the Gresham Corporate Center at 1550 NW Eastman Parkway, one block north of the Gresham City Hall MAX station. Eventually, the office will house 28 staff representing a wide range of agency programs; about 20 will initially occupy the office early next year.

Although Oregon currently has a freeze on moving state offices, the Department of Administrative Services approved the move because a DEQ analysis showed that our Northwest Region could better serve customers from the Gresham location, partly because more permitted facilities exist within three miles of the Gresham office than in our current downtown Portland location. In addition, the cost-difference for leasing the Gresham space compared to our downtown office more than makes up for the expense of moving. DEQ will occupy 6,000 square feet next to the newly opened Department of Revenue Gresham field office. By co-locating and sharing costs with Revenue, we will save money in bringing telecommunications and networking infrastructure to the new location. Response from stakeholders and local community representatives to the planned move has been extremely positive thus far. DEQ staff are continuing to work with local leaders on the best ways to address their service needs.

Update on Efforts to Relocate the DEQ Laboratory

As you know, we have been working with the Department of Administrative Services (DAS) and the Oregon Public Health Laboratory (PHL) over the last two years to relocate the DEQ Laboratory and PHL in a combined facility. In July, DAS entered a sales agreement on a new, vacant building in Hillsboro with enough space to house DEQ's 75 lab staff and PHL's 75 staff. Since then, DAS has successfully completed the due-diligence review on the new building and no problems were discovered. The purchase agreement is now in progress and should be finalized soon. On September 16, DAS plans to ask the Legislative Emergency Board for approval to issue about \$22.5 million in bonds for design and construction of the building's interior. Our goal is to move the two labs into the new facility in late 2006 or early 2007.

DEQ's 2004 Strategic Directions is Now Final

Over the past year and a half, DEQ's Executive Management Team has been working on revisions to our 2002 Strategic Directions to focus on achieving our priority goals. In August 2003 and February 2004, we sought your input on the proposed changes and incorporated your guidance. Last month, we presented a revised 2004 draft Strategic Directions document to all DEQ managers, and have since made final changes in preparation for printing. We will provide you with final draft copies at your September 9 meeting (these copies contain a few typos that have been corrected in the final version).

Based on your feedback, progress we've made over the last two years, and input from DEQ employees, stakeholders and citizens, the 2004 Strategic Directions include the following changes.

- We added performance measures to the end of each of the four priorities in response to public comments.
- Under *Delivering Excellence in Performance and Product*, we modified the first three key actions to more accurately reflect what we're trying to do. The four actions under this priority now read (1) Deliver outstanding customer service, (2) Provide a work climate that supports excellence, (3) Address all types of pollution sources when solving environmental problems, and (4) Ensure understandable and equitable compliance and enforcement.
- Under *Protect Oregon's Water*, we added two key actions to reflect our focus on the Willamette River and reducing the backlog of permits in our wastewater program. The four key actions under this priority are: (1) Address multiple environmental impacts on watersheds, (2) Clean up the Willamette River system, (3) Issue timely and environmentally protective permits, and (4) Encourage broader reuse of wastewater.
- Under *Protect Human Health and the Environment from Toxics*, we modified the second and third key actions to be more proactive, stating our clear intent to make environmental improvements, rather than develop plans. The key actions are now: (1) Prepare for and minimize danger from a catastrophic release of harmful chemicals, (2) Reduce and prevent toxic releases to air, water and land, and (3) Clean up and reduce risks from toxic contaminants already in our environment.
- Under *Involve Oregonians in Solving Environmental Problems*, access to electronic information was targeted in the second key action, and the linkage between environmental and economic problems was explicitly acknowledged in the third key action. They now read: (1) Encourage personal actions by Oregonians to protect the environment, (2) Provide Oregonians with better access to electronic information on local environmental conditions and issues, and (3) Support communities in solving environmental and economic problems.

We expect to have printed copies of the 2004 Strategic Directions available for public distribution by late September, and DEQ's Executive Management Team is continuing work to refine and assess our performance measures for each key action. We will keep you informed of our progress as we move forward.

Results of DEQ's 2004 External Customer Service Survey and Internal Employee Survey

As part of our Strategic Direction to *Deliver Excellence in Performance and Product*, DEQ has committed to deliver outstanding customer service and provide a work climate that supports excellence. An important measure of how well we're doing on these commitments comes in the form of feedback from our external customers and from our employees. To this end, we recently completed the second of three customer service surveys and an employee survey that builds on the results of four previous surveys started in 1997.

We launched our first **customer service survey** in 2002 by hiring an independent firm to survey 300 businesses and municipalities who hold Air or Water Quality permits, and 200 on-site septic

system customers who applied for permits in 2001. Overall, our customers gave us positive service ratings, but identified key areas, particularly in timeliness and how we communicate information, where we could do better. This year, we repeated the survey of the same number of permittees and on-site customers to compare our progress in addressing their concerns over the last two years, and the news is good. Here are a few findings from the report:

- *Half* of our on-site customers rated DEQ's service as *excellent*, up from one third in 2002, and customers gave very favorable comments about our on-site inspectors. Over the last two years, DEQ's on-site employees have worked hard to find ways to improve customer service and communication, and it's clear that their efforts have paid off.
- The dissatisfaction on-site customers felt in 2002 with paying fees went *down* significantly, indicating a strong link between quality customer service and the willingness to pay a fee for it.
- Overall, DEQ's air and water permittees gave us ratings comparable to the 2002 results, with some positive trends but no statistically significant changes.

DEQ's Executive Management Team is working to address a number of needs identified by the surveys, including greater understanding among DEQ employees about how to apply our standards and rules; the ongoing need for clear, accurate communication with our customers; and addressing customer concerns about consistency and fairness in enforcement. This was the second step of a three-part contract with the independent firm to conduct surveys in 2002, 2004 and 2006, and the 2004 survey results will be posted on our web site within the week.

Nearly 650 DEQ employees responded to this year's **employee survey**, representing 81% of our staff. The results show that in general, employees are very satisfied with DEQ as a place to work.

- Employee satisfaction with the kind of work they do was very high – 86% said that they “like their work a great deal” (42%), are “satisfied with their work” (31%), or are “somewhat satisfied with their work” (13%).
- Employee satisfaction with DEQ as a place to work was also very high – 79% indicated that they were “very satisfied” (22%), “satisfied” (37%), or “somewhat satisfied” (20%) with DEQ as a place to work.
- Issues identified by the survey include high workload levels, the need for more time spent between managers and staff, difficulties transitioning to DEQ's new performance management system, and the need for more staff to handle high priority work.

Findings were similar to results we received in the last survey conducted in 2002. In general, this is good news considering that many state agencies are experiencing a decrease in employee morale and satisfaction because of the poor economy, budget cuts, and increased scrutiny and criticism of government. Attachment A provides a high level picture of some of the strengths and weaknesses shown by the 2004 survey, which DEQ's Executive Management Team is working on now.

We will provide you with copies of the full results from both the customer service surveys and the employee survey at your September 9 meeting.

Governor Appoints New Natural Resources Policy Director

In August, Governor Kulongoski appointed Oregon Parks and Recreation Director Mike Carrier to replace Jim Brown as his Natural Resources Policy Director, after Jim announced his retirement. Mike had served as OPRD Director since 2000, and his 27-year career in natural resources has included 15 years as head of Iowa State Parks, a division of that state's Department of Natural Resources. Before that, he was Operations Chief of the Fish and Wildlife Division in Indiana, and also served in that state's forestry division. On September 1, Mike chaired his first meeting of the Governor's Natural Resources Cabinet and shared his ideas about his goals and needs, as summarized in Attachment B.

Portland Oxygenated-Fuel Requirement Out for Public Comment

We are now seeking public input on a proposed plan to eliminate a requirement for using cleaner-burning oxygenated gasoline in the Portland area in winter because our analyses have shown that the requirement is no longer needed to meet air quality standards. The proposed "Portland Carbon Monoxide (CO) Maintenance Plan" will be out for public comment until October 25, and we plan to brief the Commission on the proposal at the October 22 EQC meeting. At that time, members of the audience will have a chance to speak directly to Commissioners about their interest in the plan. Thus far, the petroleum industry has spoken in favor of eliminating the oxy-fuel requirement, which would provide greater flexibility (translated to economic benefit) for their members. The ethanol industry, however, claims that the requirement for wintertime oxygenated fuel provides a vital anchor for the ethanol market and repealing the requirement would undermine the demand for ethanol.

DEQ's analyses show that CO levels in Portland are projected to remain less than half the CO standard, even without using oxy-fuel, and the proposed maintenance plan shows continued compliance with CO standards through 2017. DEQ previously looked at whether to continue the oxy-fuel requirement in 1996 and in 1998, and in both instances, our analyses showed that oxy-fuel was not needed for CO compliance. We retained the requirement in those years because of high stakeholder interest and the desire to provide a compliance safety-margin. Our 2004 analyses show even more clearly that oxy-fuel is not needed to reduce CO emissions in Portland or to maintain a safety margin.

After considering public input and guidance from the EQC in October, DEQ will prepare a final recommendation on the proposed plan for Commission action at your December 9-10 meeting. Attachment C provides a copy of a September 3 article in *The Oregonian* on this issue.

Attachment A

2004 DEQ Survey 10,000 Foot Summary

<p>General Trends: The 2004 DEQ Employee Survey results are, like the 2002, overall very positive. This is particularly good considering that many agencies are experiencing a downturn in their survey scores because of the turbulence in the economy. Although more questions saw an increase in rating from 2002 to 2004, the overall survey ratings went down slightly. This is not currently a concern, but it is definitely a trend to watch.</p>	
<p>Strengths:</p> <ul style="list-style-type: none"> • Employees have very positive feelings about their immediate manager/supervisor including: <ul style="list-style-type: none"> ○ Feeling respected, recognized and rewarded ○ Being treated fairly and equitably ○ Following policies and procedures • Managers feel very supported by their Administrators through: <ul style="list-style-type: none"> ○ Implementing the performance management system ○ Providing coaching and mentoring • Employees feel safe working here and encouraged to use their own judgment and experience when solving problems. • Management does what is necessary to control and reduce costs. • Divisions that compared favorably with overall Agency : Land Quality, Management Services Division, Office of Director and Western Region • Programs that compared favorably with overall Agency: Land Quality, Agency Management 	<p>Development:</p> <ul style="list-style-type: none"> • Employees are not feeling as confident in DEQ management and effectiveness in the following areas: <ul style="list-style-type: none"> ○ Solving Agency problems effectively ○ Being open and honest with employees ○ Providing necessary resources to produce quality work ○ Implementing the full performance management system • There needs to be a stronger link between Agency directions and roles/goals • The majority of managers do not feel they have enough time to spend with employees. Many employees do not felt they're engaged in making decisions that affect their work, and many do not feel greatly valued as the Agency's greatest asset. • Divisions that did not favorably compare with overall Agency: Eastern Region, Water Quality • Programs that did not favorably compare with overall Agency: Vehicle Inspection Program, Water Quality

Attachment B

**Natural Resources Cabinet
September 1, 2004**

Collective Goals:

1. Fulfill the promise the Governor made that agencies would be a source of policy analysis and advice.
2. Use agency business plans and strategic plans to create a natural resource/environmental vision and agenda for the Governor that is clear, relevant and achievable.
3. Strengthen collaboration among agencies and between agencies and the Governor's Office.
4. Increase communication between GNRO and agencies with more alerts about rising issues and briefings flowing both ways.
5. Jointly assess the importance of issues and actions and distribute workload where it belongs.

Needed From Agency Directors:

1. Your thoughts on how best to achieve Goals 1 through 5, plus:
2. Your ideas on how best to use cabinet meetings including ideas on frequency, format, content and participants.
3. Your feedback on where GNRO (and the Governor's Office in general) is or is not meeting your needs.

Contacting Mike Carrier

Michael.carrier@das.state.or.us

(503) 378-4385 (Suzy)

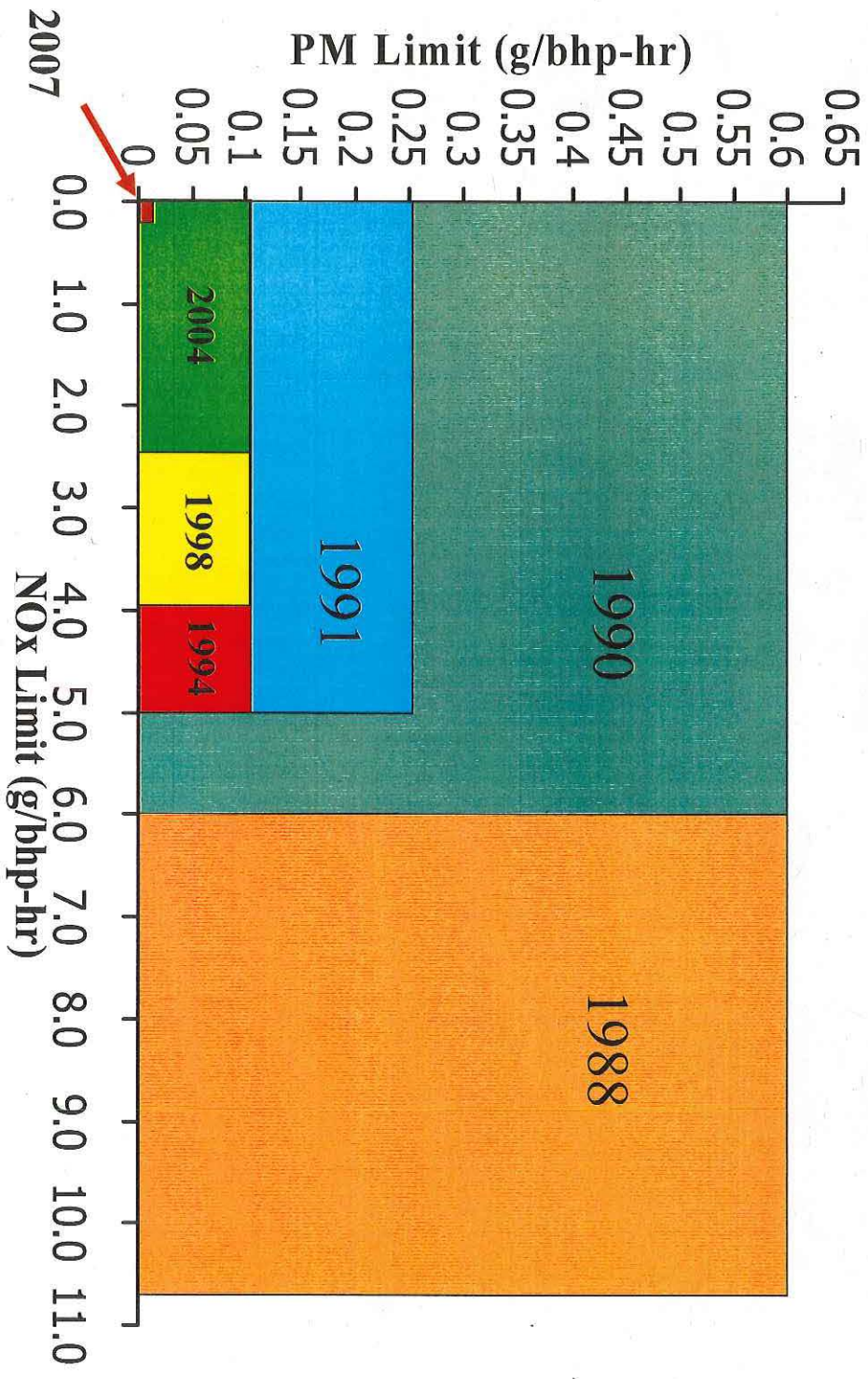
(503) 378-8197 (direct)



























(503) 551-6340 (cell)

9/9/04 EOC Meeting Item E Handout



On Road Diesel Engine Emission Standards



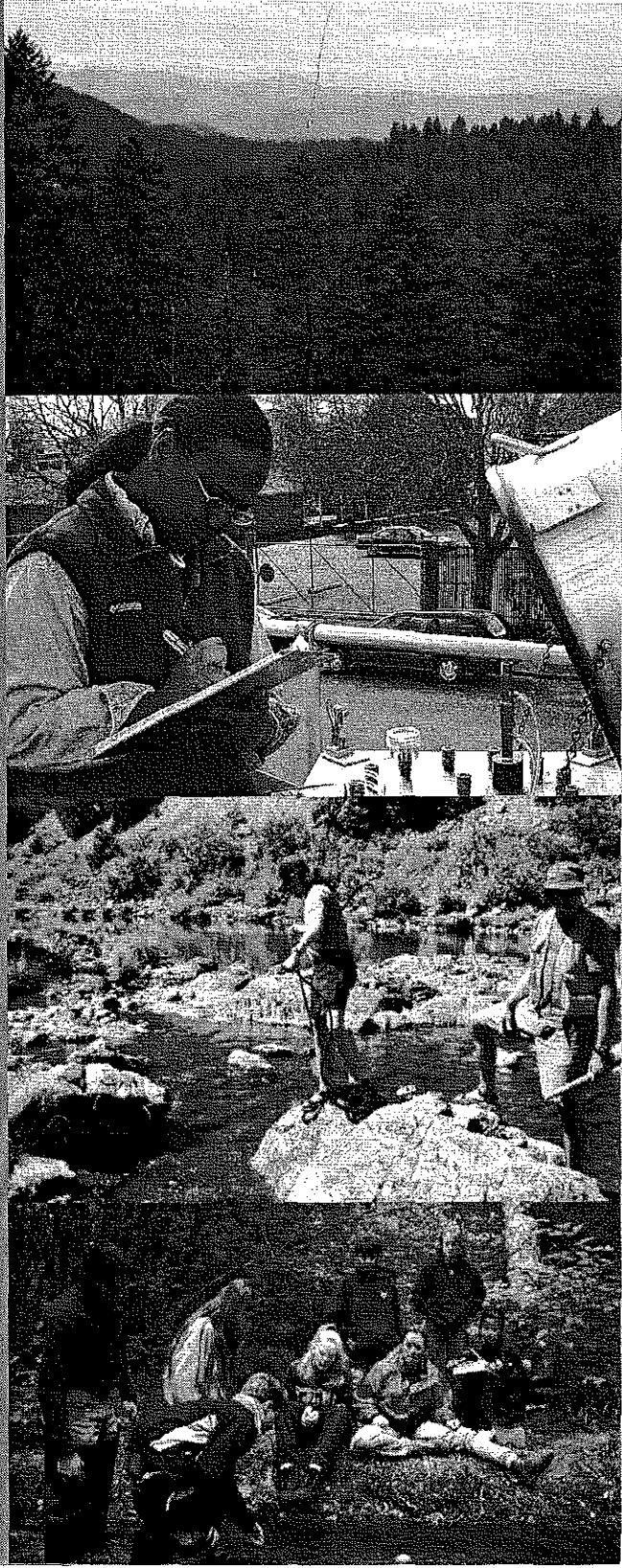
Light Duty		Medium Heavy Duty			Heavy Duty		
6,000 lbs. and less	6,001-10,000 lbs.	10,001-14,000 lbs.	14,001-16,000 lbs.	16,001-19,500 lbs.	19,501-26,000 lbs.	26,001-33,000 lbs.	33,001 lbs. and over
 Mini Pickup	 Mini-Van	 City Delivery	 Large Walk-in	 Bucket	 School Bus	 Home Fuel	 Heavy Conventional
 Pickup	 Full-size Pick-up	 Mini-Bus	 City Delivery	 Large Walk-in	 Single Axle Van	 Tow	 Fire Engine
 Mini-Van	 Mini-Bus			 City Delivery		 City Transit Bus	 Cement
 Multi-purpose						 Refuse Hauler	 Intercity/ Tour Bus
							 Dump Truck
							 Fuel Tanker

9/19/04 EOL Meeting, From F. Handlert

Oregon Department of
Environmental Quality

Strategic Directions

2004



Dear Oregonians:

The Oregon Department of Environmental Quality (DEQ) has been protecting the health of Oregon's citizens and environment since 1969. We are proud of our accomplishments, but today we face new challenges to our environment and our economy. Oregon has recently experienced severe budget reductions and high unemployment. Our citizens are demanding accountability and value from government. At the same time, Oregonians want a healthy, safe and sustainable environment. We all recognize that Oregon's beauty and natural resources are essential to our quality of life.

In 1980, only 30% of Oregonians lived in clean air areas. Today, 100% of Oregonians live where the air meets national health standards. In Oregon, 64% of rivers monitored by DEQ are improving in water quality and only 1% are declining. Since 1991, citizens have properly disposed of more than three million pounds of household hazardous waste through DEQ-sponsored statewide collection events. These successes were achieved through the collective efforts of DEQ, communities, businesses and citizens. We established these Strategic Directions more than two years ago. As we update them we realize that delivering excellence is more important than ever if citizens are to believe in government; water has become an even more valuable and precious resource; protecting Oregonians from toxics is even more complex and challenging than we anticipated; and we understand more fully that it will take all of us working together to not only solve our environmental problems but also to be sure we have economically healthy and vibrant communities.

So, our Strategic Directions remain the same but we have adjusted our Key Actions and Performance Measures to reflect the Oregon of today and ensure that we continue to lead in providing a healthy, sustainable Oregon for tomorrow. For more information about our progress, please visit the online version of this document at www.deq.state.or.us/pubs/strategicdirections/.

Stephanie Hallock

Stephanie Hallock
Director
Oregon Department of Environmental Quality



Environmental Quality Commissioner Dairdre Malarkey (right) makes a point to Commission Chair Mark Reeve (foreground), Director Stephanie Hallock and accompanying DEQ staff during a morning tour of a pond restoration project on the Upper John Day River Basin.

DEQ's vision and values in action

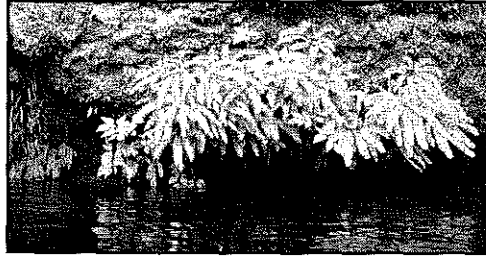
Our vision is to work cooperatively with all Oregonians for a healthy, sustainable environment.

We value:

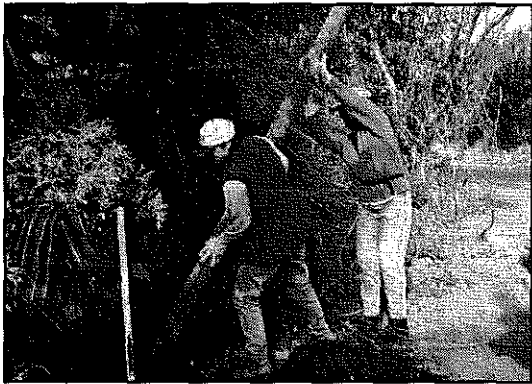
Excellence



Environmental Results



Integrity



Diversity

Partnership

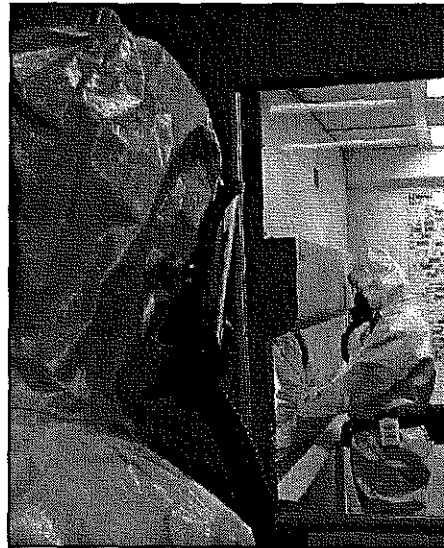
Customer Service



Teamwork



Employee Growth



Health and Safety

Priority 1

Deliver Excellence in Performance and Product



Quick and efficient customer service is top priority for DEQ's Vehicle Inspection Program (VIP). Inspector Robert Forthan, a 28-year veteran of the VIP, routinely takes the time and effort to help customers understand emissions testing results.

DEQ recognizes that even well-managed agencies must continue to improve. We are committed to motivating employees to perform professionally in their daily work and to foster collaboration within and outside the agency.

Whether you are receiving a compliance inspection or technical assistance, DEQ is dedicated to providing high-quality service. Protecting public health and the environment requires a commitment to science and to effective regulation; however, we recognize that how we do our work is equally important. The key actions that follow outline DEQ's efforts for delivering excellence in all that we do.

Key Action: Deliver outstanding customer service

DEQ interacts with many customers – the public, members of the regulated community, tribes, government agencies, and non-governmental

organizations. Every two years we work with a consultant to conduct a customer satisfaction survey of permitted sources. In addition, we regularly monitor our Web site and program delivery to identify strategies for improving customer service and achieving environmental results. We work closely with advisory committees and invite comment on the impact of our rules and policies, particularly rules and policies that affect small communities, small businesses and individual Oregonians. We make it a priority to streamline our regulatory processes, improve delivery of our programs, and make information more accessible. DEQ uses collaborative approaches to help small businesses achieve reductions in toxics use, prevent pollution, and comply with regulations through our technical assistance program. We are committed to creative thinking and to using a variety of strategies and tools to achieve environmental results.

Key Action: Provide a work climate that supports excellence

Effective, motivated DEQ employees are the key success in delivering excellent service and high-quality work. In 2003, DEQ implemented a new Employee Performance Management System to achieve greater collaboration, increase trust, clearly define performance expectations, and improve morale and job satisfaction. Currently, we are evaluating our hiring and employee development processes to make sure we retain a workforce of leaders with the best technical credentials and customer service skills. We continually look for ideas to improve service to our external customers and to each other, to have more efficient processes, to ensure fiscal and performance accountability, and to provide a safe and desirable work environment. We believe that employees who feel valued and appreciated will in turn value others and produce high-quality work.

Key Action: Address all types of pollution sources when solving environmental problems

To achieve long-term, sustainable solutions to environmental problems, we must look at all sources of pollution within a geographic area and take a coordinated approach to addressing those problems. For example, we are issuing water quality permits on the same schedule for all pollution sources in one sub-basin, and we have formed geographically-focused teams to address air, water and land issues in the Lower Willamette and Yaquina Bay areas. We are also uniting our laboratory with Oregon's public health laboratory to share comprehensive science and information about health and environmental impacts. Chemicals leaching from abandoned mines and contamination in sediments affect both water and land; toxic pollutants released to the air can come to rest on land or in the water. We must address all sources to solve pollution problems.

Key Action: Ensure understandable and equitable compliance and enforcement

DEQ is committed to having an enforcement program that is understandable, encourages compliance, is equitable, and appropriately reflects the severity of the violation. We are completing a comprehensive review and revision of our enforcement rules. An initial phase of the review primarily involving reorganization and streamlining will be finalized in 2004. A second phase addressing substantive violation issues will be undertaken in 2005. In addition, we will provide training and internal guidance to ensure consistent application of rules, and we will modify procedures to improve communication of requirements and timeliness of our actions. We will continue to evaluate which tools work most effectively to achieve compliance and protection of the environment. In some situations technical assistance gets results, while in others a formal enforcement action and penalty may be warranted.

Measuring Success

Is customer service improving at DEQ?

- Average percent of air quality and water quality permitted sources that rate DEQ's performance as meeting or exceeding expectations
- Percent of e-mail requests sent through DEQ's Web site that are responded to within five days

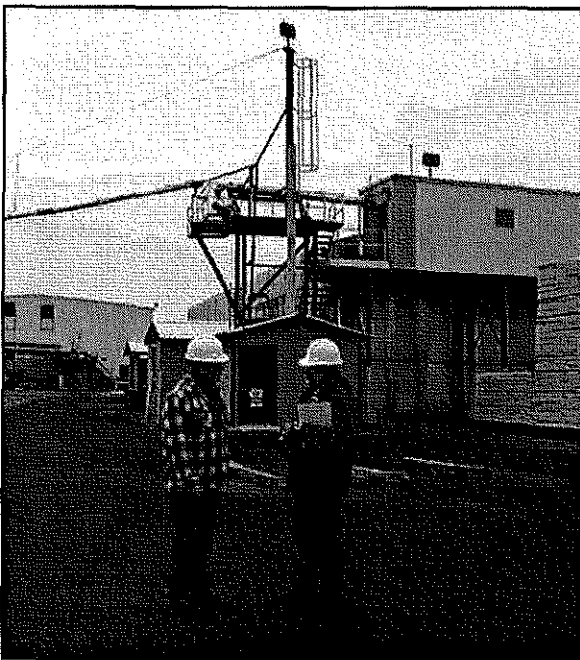
Does DEQ provide a work climate that supports excellence in employee performance?

- Percent of completed yearly performance appraisals
- Percent of DEQ subprograms operating within 10% of current budget
- Percent of satisfied employees

Are geographically focused teams able to reduce pollution from multiple sources?

Are DEQ enforcement actions equitable, consistent, understandable and timely?

- Percent of enforcement rule revisions completed
- Timeliness of compliance and enforcement actions



Senior Air Quality Engineer Patty Jacobs, Pendleton, discusses the air permit for Kinzua Resources in Pilot Rock. Sixty percent of water and 70% of air quality permitted sources rate DEQ's performance as meeting or exceeding expectations, based on a 2002 survey.

Priority 2

Protect Oregon's Water

Clean water is essential for drinking, support of industrial processes, agricultural and recreational activities, healthy ecosystems and wildlife habitat. DEQ is committed to ensuring that Oregon's rivers, lakes, streams, coastal waters and groundwater are clean enough to support these uses.

Historically, water pollution has been controlled by regulating discharges from industrial and municipal wastewater point sources. This traditional permitting approach has improved water quality, but does not address all sources of pollution. To improve and maintain water quality, DEQ is implementing the following key actions.

Key Action: Address multiple environmental impacts on watersheds

DEQ integrates water quality data, pollution limits, permitting and groundwater protection by focusing its efforts geographically in river basins as part of *The Oregon Plan for Salmon and Watersheds*. The *Oregon Plan* encourages incentives and education to motivate voluntary actions that go beyond regulation to restore healthy aquatic habitats on a watershed basis.

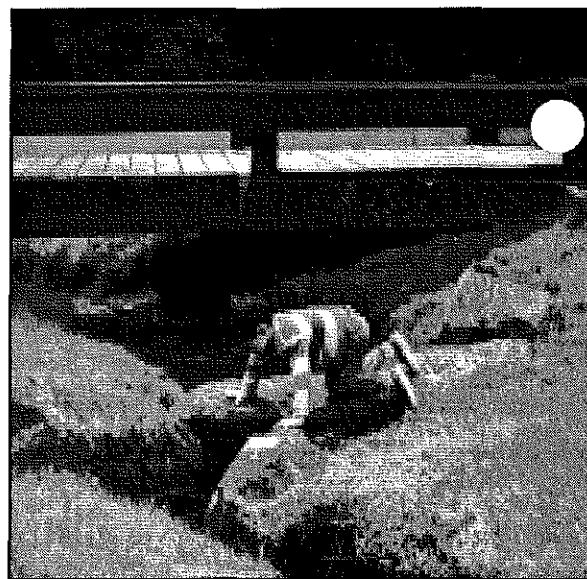
By 2010, DEQ will have established pollutant limits known as Total Maximum Daily Loads (TMDLs) throughout the entire state to define the amount of pollution a waterway can receive and still maintain water quality standards. TMDLs take into account pollution from many sources: industrial and sewage treatment facilities; runoff from farms, forests and urban areas; and natural conditions.

DEQ's goal is to have comprehensive watershed plans that include TMDLs and strategies for assessing impacts on healthy watersheds from sources such as hazardous and solid waste disposal, underground tanks, groundwater and air pollution emissions. Incentives, as well as regulation, are needed to encourage action to protect and improve

Oregon's water quality. Watershed plans can include technical assistance and education programs to provide individuals and businesses with every-day practices to help protect Oregon's water. DEQ will also market increased use of the state revolving loan fund to help landowners and communities reduce pollution from sources such as septic systems and urban runoff.

Key Action: Clean up the Willamette River system

DEQ is already actively working to reduce pollution in the Willamette Basin through regulation of permitted pollution sources, cleanup of the Portland Harbor Superfund site, and cleanup of abandoned mines. In 2004, TMDLs will be established to protect and improve water quality in nine sub-basins of the Willamette River system and the



Looking for baby salmon in an Oregon stream.

Willamette mainstem.

DEQ completed a review of efforts by state agencies to protect water quality and habitat throughout the Willamette Basin and identify work that still needs to be done. This review included the entire basin from the headwaters to the confluence with the Columbia River, and identified "success stories" as well as gaps where more work may be needed. For example, DEQ has already identified the importance of making sure that TMDLs for the Willamette Basin are implemented when they are completed, and we are supporting the Willamette River Cleanup Authority established by the Governor and the Legislature.

Key Action: Issue timely and environmentally protective permits

Permits that regulate discharges and set requirements for compliance are essential to improving and protecting Oregon's water quality. For many years, DEQ has struggled to keep up with the workload in wastewater permitting and compliance. In 2003, we established a Blue Ribbon Advisory Committee to review ways to streamline the program, minimize future permit backlogs, and stabilize funding. While the Committee completes its work, DEQ has re-directed resources from other water quality activities to reduce the permit backlog, particularly from major dischargers. By the end of 2004, DEQ will have reduced the permit backlog and be implementing the Committee's recommendations to improve long-term permitting performance.

Key Action: Encourage broader reuse of wastewater

The direct release of treated wastewater into surface water is a common water quality management practice. This wastewater, while technically clean, is often not as good in quality as natural water, but it can be, and is, used to irrigate or to restore wetland habitats. Reclamation of wastewater has many potential benefits, including helping to offset the need for using drinking water supplies for non-drinking purposes. DEQ will work with others to



Larry Marzer from the DEQ Laboratory takes a stream sample from Prairie Creek as part of the Lower Grande Ronde and Willowa River TMDL. The US EPA has acknowledged DEQ's TMDL program as the best in the country.

implement recent legislation, address public health concerns, provide information on new technologies, and develop incentives to increase the reuse of wastewater.

Measuring Success

Is Oregon's water quality improving?

- Percent of monitored streams with increasing and decreasing trends in water quality
- Percent of monitored stream sites with water quality in good to excellent condition

What progress is being made to clean up contamination of Portland Harbor?

Are we meeting our schedule for reducing the wastewater permit backlog?

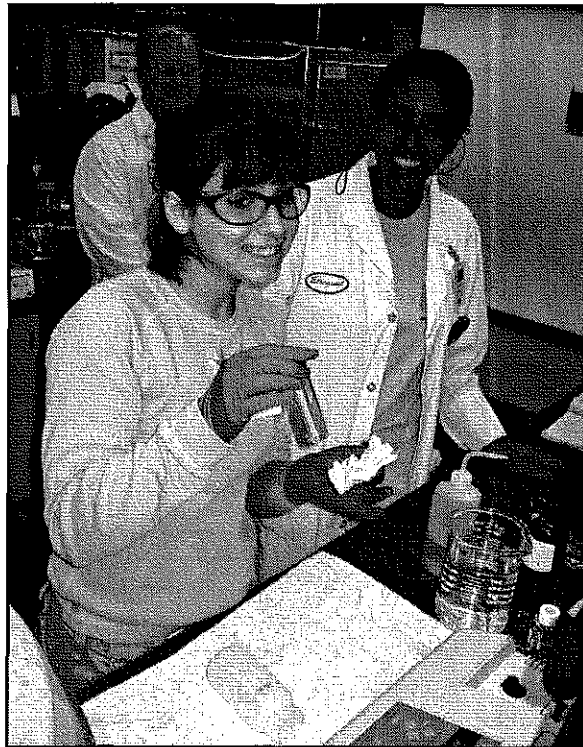
- Percent of individual wastewater permits developed on a watershed basis
- Percent of total wastewater permits expired

Has wastewater reuse increased?

- Percent of permitted facilities that produce reclaimed wastewater for use

Priority 3

Protect Human Health and the Environment from Toxics



DEQ's laboratory routinely hosts field trips for young students to meet laboratory professionals, such as DEQ's Etsegenet Belete, pictured at right. The trips also provide opportunities for firsthand learning of environmental science.

Oregonians can be exposed to toxic chemicals/pollutants through many sources such as emissions from cars, trucks and industrial plants, or through the food chain, where persistent toxics can accumulate. Additionally, the threat of terrorism has elevated the importance of preparedness to handle any potential chemical crisis. The key actions that follow are DEQ's priority activities for protecting human health and the environment from toxics.

Key Action: Prepare for and minimize danger from a catastrophic release of harmful chemicals

Citizens expect all levels of government to be prepared to respond in the event of a biological or chemical attack or other catastrophic event.

In 2004, incineration of chemical weapons is scheduled to begin at the Umatilla Chemical Depot. DEQ, along with Oregon Emergency Management and local first responders, is responsible for protecting public health and the environment during this process. In addition, DEQ's Emergency Response Team is part of the overall statewide preparedness network established to plan for and respond to many different types of emergencies, such as a credible terrorist threat, a grounded sea-going tanker, or a tanker truck spill.

DEQ's laboratory works with the state's public health laboratory to support the FBI and local first responders to safely analyze unidentified substances for the presence of chemical or biological agents. The DEQ and public health labs are moving together in 2007 to a new facility that will provide maximum efficiency and effectiveness in protecting our citizens and environment.

Key Action: Reduce and prevent toxic releases to air, water and land

In 2003, DEQ initiated an air toxics program to help achieve emission reductions in communities at greatest risk. We also began an aggressive "clean diesel" effort to reduce toxic emissions from diesel engines. In 2004, we established a scientific advisory group to help set goals for reducing air toxics, beginning with measures to reduce toxic emissions in the Portland area. We are developing a long-term plan to reduce persistent toxics in the environment, beginning with the need for a monitoring and data

management infrastructure. In addition, in 2004 we developed new water quality standards for toxics and completed TMDLs for streams that are polluted by toxics.

Q will continue to seek ways to help Oregonians reduce the use of toxic chemicals and the amount of hazardous waste generated. We will look at ways to better inform Oregonians about toxics and how they can be reduced. In 2003, mercury reduction efforts in Oregon removed 82 pounds of mercury from the environment, and reduction efforts continue. We will work with stakeholders to find cost-effective, comprehensive solutions to reducing toxic pollutants that pose the greatest hazard and have the longest lasting impact on the environment and human health.

Key Action: Clean up and reduce risks from toxic contaminants already in our environment

Toxic pollution from sources such as contaminated sediments and abandoned mines represents a long-term environmental concern. Cleanup can be complex, costly and involve many partners working together. One of DEQ's priority cleanup efforts is the Portland Harbor, listed by EPA on the national Superfund priority list.

Throughout the state, DEQ has identified several abandoned and inactive mines that pose environmental and health risks. We are working with multiple parties on strategies to fund cleanup.

Returning contaminated properties to productive use is part of Oregon's economic recovery plan. DEQ will continue to prioritize cleanup efforts to ensure productive reuse of previously contaminated industrial lands known as "brownfields." In 2003, DEQ helped host the largest EPA national "brownfields" conference ever in Portland, with more than 4,000 attendees. At the conference, Oregon was acknowledged for its continued leadership in this important effort to clean up the environment while supporting economic development and creating jobs.

Measuring Success

How have we increased our ability to respond to toxic releases, chemical threats and terrorism?

How much have we reduced risk through overseeing the elimination of chemical agents at the Umatilla Army Depot?

- Percent of chemical agents destroyed
- Percent of risk reduction over time due to destruction of chemical agents

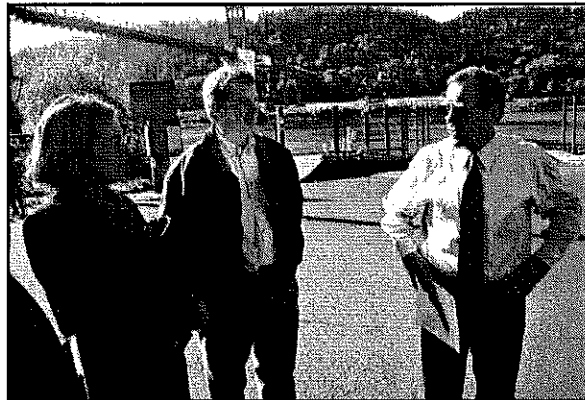
Have we made progress on our plan to reduce and prevent toxics in the environment?

- Pounds of mercury removed through DEQ's mercury reduction efforts
- Percentage of Oregonians living in areas where the health risk from exposure to air toxics is very low.

What progress has been made in reducing risk from diesel engine emissions?

Have we identified, prioritized and initiated cleanup on abandoned mines that pose the greatest risk?

- Number of mines assessed for clean



Governor Kulongoski discusses the McCormick & Baxter Superfund site with Director Hallock and DEQ Project Manager Steve Campbell. DEQ is the lead agency under EPA oversight and to date has assisted in recovering more than 2,000 gallons of creosote and removing more than 33,000 tons of highly contaminated soil and debris in an effort to protect public health and restore the 43-acre site located in the Portland Harbor.

Priority 4

Involve Oregonians in Solving Environmental Problems

Responsibility for environmental protection needs to expand beyond traditional "command-and-control" regulatory approaches to effectively address pollution from all sources. Cumulatively, the largest percentage of pollution in Oregon comes from sources not regulated by permits. For this reason, the greatest future environmental benefits will be derived from actions taken by individuals, landowners and small businesses as environmental stewards. To promote greater citizen involvement in solving environmental problems and to support economically healthy communities, DEQ will implement the following key actions.

Key Action: Encourage personal actions by Oregonians to protect the environment

DEQ will provide information to citizens on additional ways to reduce impacts on the environment. Simple actions such as using less fertilizer, disposing of household hazardous waste properly, using community transportation, riding a bike, and keeping cars well-tuned all add up. DEQ will continue to partner with non-profit organizations, private sector businesses, other government agencies and interest groups to raise public awareness in support of projects that benefit public health and the environment.

Key Action: Provide Oregonians with better access to electronic information on local environmental conditions and issues

DEQ's goal is for any Oregonian to be able to use the Internet and find out about the environment in their neighborhood or elsewhere in the state. We are improving Internet tools that allow searching for

information by interacting with maps.

In 2004, we will implement a new e-mail service making it easier for people to get specific updates and environmental news. This service will reduce paper and postage costs.

Through a partnership with Washington, Idaho and EPA, DEQ will introduce a new Internet feature that will allow easy access to regional environmental information. Ultimately, this system will enable online analysis of environmental data. Our goal is to establish DEQ as a leader in making information about the environment available to all Oregonians.



DEQ's Living Stream display is an educational tool that recreates the stream in the classroom. Young Oregonians can locate and identify the various bugs, snails and tiny fish that are found in healthy streams.

Key Action: Support communities In solving environmental and economic problems

DEQ's vision is to work cooperatively with all Oregonians for a healthy, sustainable environment. We actively work with local partners throughout the state to identify economic opportunities, remove barriers and streamline processes to move community projects forward. The goal of this effort is to enhance services that make it easier for businesses to locate and thrive in Oregon, and to help communities anticipate and solve problems in support of sustainable development. DEQ is also part of the Community Development Forum, where state and local officials work collaboratively to achieve community and economic development.

DEQ continues to be committed to locating staff throughout the state to support community-based problem solving.

Measuring Success

Are Oregonians generating and disposing of less waste, and recycling more?

Are Oregonians more aware of actions they can take to protect the environment, and have they modified their actions?

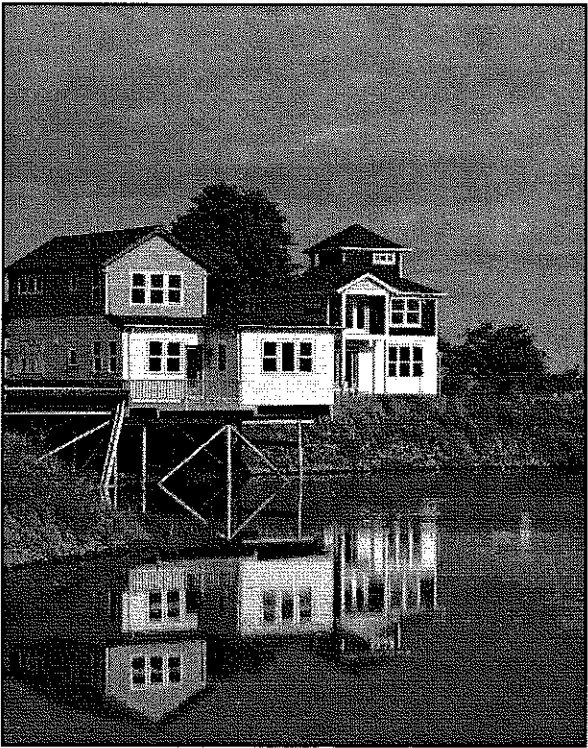
- Percent of Oregonians who have modified their actions to help protect the environment

Is DEQ providing readily available and user-friendly electronic information to the public?

- Average number of times users access DEQ's Web pages

How is DEQ partnering with other agencies and communities in sustainable solutions to environmental and economic problems?

- Percentage of Economic Revitalization Team projects with environmental issues that require significant DEQ involvement



Top: Astoria Plywood operated from the early 1950's and declared bankruptcy in 1991, leaving behind approximately 6,000 cubic yards of contaminated soil and sediment, 4,500 gallons of oil -and-diesel-contaminated groundwater, partially demolished buildings and more than 50 capacitors contaminated with polychlorinated biphenyls (PCBs).

Bottom: After extensive cleanup and remediation action, the site was purchased by the City of Astoria and development of the Astoria Mill Pond Village, a mixed commercial-residential community, started in 1999. DEQ continues monitoring the site to ensure public health and safety.

For More Information

- The online version of DEQ's *Strategic Directions 2004* includes additional information about how we are measuring our success.
<http://www.deq.state.or.us/pubs/strategicdirections>
- DEQ's *Annual Executive Measures Report* provides more detailed information on DEQ's performance and accomplishments for 2003.
<http://www.deq.state.or.us/about/PerformanceMeasures/APMProgressReport.pdf>
- Sign up for *DEQ Focus*, a quarterly newsletter highlighting DEQ's environmental successes.
<http://www.deq.state.or.us/pubs/deqfocus>
- Learn more about the Oregon Environmental Quality Commission and view agendas for upcoming meetings.
<http://www.deq.state.or.us/about/eqc/eqc.htm>
- Learn about enforcement procedures and penalties for environmental violations.
<http://www.deq.state.or.us/programs/enforcement>
- Visit DEQ's *Consumer Corner* to get answers to your questions about septic systems, heating oil tanks, asbestos, mercury reduction and more. DEQ's Consumer Corner will help you understand the most common household activities DEQ regulates to protect your health and the environment and to let you know how to protect yourself as a consumer.
<http://www.deq.state.or.us/programs/consumercorner>
- Get the latest news releases, public notices and program updates from DEQ's Web site.
<http://www.deq.state.or.us>

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9/9/04 ERL Meeting Item F Handout

SURVEY OF ON-SITE SEPTIC CUSTOMERS

Prepared for:



August 2004

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Introduction

The Oregon Department of Environmental Quality (DEQ) is responsible for statewide environmental programs, including solid and hazardous waste, and air and water quality.

In 1994, the Department of Environmental Quality selected Bardsley & Neidhart Inc. to conduct a survey of the regulated community to better understand the perceptions among businesses and local governments regarding the department. B&N also conducted a series of focus groups with individuals in the regulated community as a follow-up to the telephone survey.

In a continuation of their efforts to enhance the service it provides, DEQ again had Bardsley & Neidhart survey customers for the 2002 study. DEQ expanded the scope to include customers who applied for on-site septic permits. Unlike the regulated community, an on-site septic customer's experience with DEQ tends to be a one-time occurrence, rather than part of an on-going relationship. This year, DEQ again surveyed on-site septic customers as a follow-on to the benchmark 2002 study.

The primary objective of this on-site septic customer study was to understand how on-site septic customers view DEQ and whether opinions have shifted over the past two years. More specifically:

- Obtain measurements of on-site septic customers' perceptions of DEQ
- Assess customer satisfaction with DEQ
- Identify what, if anything, DEQ can do to better serve on-site septic customers

DEQ plans to conduct another follow-up survey in 2006 to identify any shifts in perceptions and satisfaction among on-site septic customers.

Methodology

For this 2004 study, Bardsley & Neidhart Inc. conducted a telephone survey of 200 on-site septic customers who had applied for a permit between July 1, 2003 and March 30, 2004. Telephone interviews occurred between May 13 and May 25, 2004. Respondents were assured of the confidential nature of the study and that their name would not be associated with their responses.

Executive Summary

Satisfaction

On-site septic customers' opinions of DEQ's services have improved significantly since the 2002 survey.

- Half deem the overall service provided by DEQ as "excellent," significantly higher than the one-third who said the same in 2002.
- DEQ receives an average rating of 4.1 on a 5-point scale (1=poor; 5=excellent), statistically higher than the 3.7 average posted in 2002.
- Customers have much more favorable opinions of septic inspectors, giving significantly higher marks on all 15 attributes measured.
 - ✓ Attributes where inspectors fail to meet customer expectations declined from six items in 2002 to only one in 2004 (quick turnaround time).
- Support staff continues to be noted for their customer-service skills. Some improvement is evident for the technical assistance provided. Significant gains between 2002 and 2004 are for their ability to provide reliable and consistent information, as well as the amount of technical assistance provided.
 - ✓ Gains in performance ratings has shaved the number of items posting critical performance gaps from eight in 2002 to only five in 2004.

Key Criteria

All 15 attributes that were rated are deemed important, with follow-through on commitments being the most critical. Various customer service skills are generally deemed more important than technical skills.

Customer comments indicate that there are three areas that contribute most to customer satisfaction:

- How well septic inspectors are rated
- Opinions of support staff
- Timeliness of the process (two weeks to complete appears to be the critical point)

Suggested Improvements

Customers say the dispute resolution process needs to be improved. Areas where customers think it need improvement are varied and relate to:

- Timeliness
- Communications/explanations
- Flexibility
- Giving correct information/approval the first time

Conclusions & Recommendations

On-site septic customers' opinions of DEQ's services have improved dramatically since the 2002 survey. This stems from more favorable opinions of the service provided by septic inspectors. Customers give septic inspectors much higher ratings than on the last survey on every attribute rated. In contrast, their assessments of clerical support staff, though positive, remained mostly unchanged.

Areas where inspectors failed to meet customer expectations dropped from six areas in 2002 to one in the current survey; namely, quick turnaround time. However, gains in customers' perceptions of turnaround time performance have helped to narrow the gap between performance and expectations.

Three issues appear to impact overall satisfaction with DEQ's services: inspectors, support staff, and timeliness of the permitting process (wait time for inspection and wait time for permit approval following inspection). Customers who hold less than favorable views of DEQ reported average wait times for inspections of slightly more than a month – more than twice that of those who hold DEQ in high regard. Half of those who experienced a delay in the permitting process also say that it caused them to miss their project deadline. Two weeks appears to be the critical benchmark. DEQ should strive to approve permit applications within ten working days. In instances where it would take longer to review the application, DEQ needs to communicate with the customer to inform them of and explain reasons for the delay and provide a reasonable estimate as to when it will be done.

The decline in the numbers who reported having a dispute with DEQ has also moved in the right direction. DEQ personnel are doing a better job of helping customers and providing them with information and technical assistance and guiding them through the process, thus minimizing misunderstandings. But on-site septic customers continue to have mixed or negative impressions of the dispute resolution process. A desire for greater flexibility, as well as improved response time, communications and better attitudes on the part of the staff are the most common suggestions for improving the process. Customers want to be heard – to be given the opportunity to discuss options on how to resolve the situation, as opposed to being dictated to by the staff.

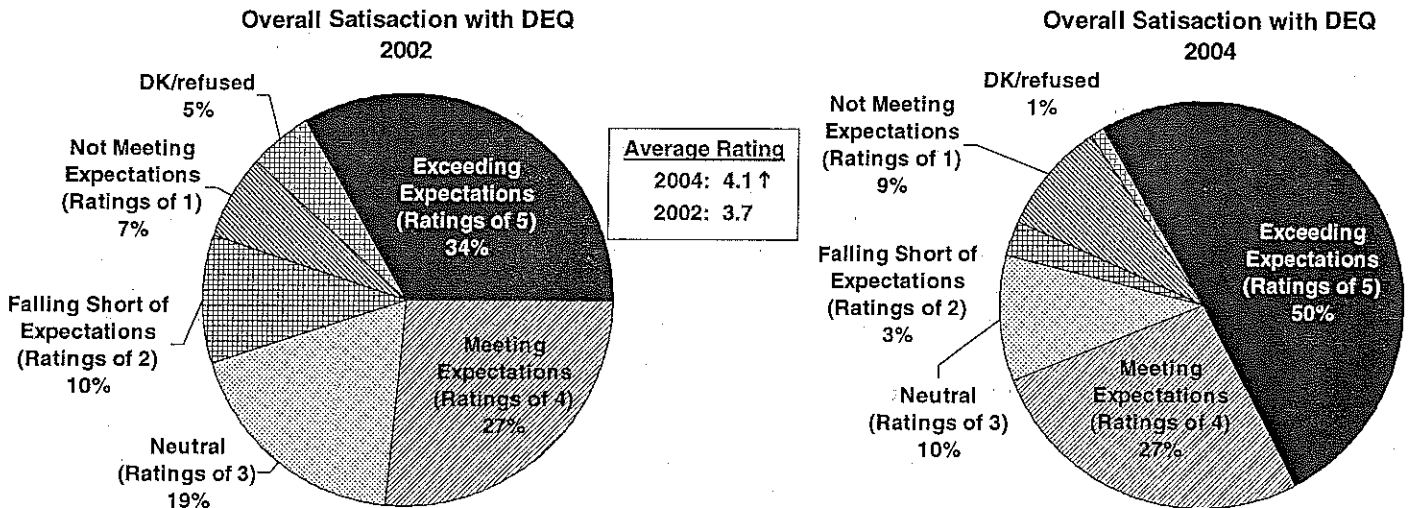
However, greater flexibility must not come at the expense of consistency. Inspectors currently receive high marks for their consistent enforcement of rules, as well as information provided. Inspectors must continue to walk a fine line between allowing leeway in interpretation and enforcement of allow for different circumstances, without contributing to perceptions of inconsistency or favoritism.

Overall, improving response time is the main suggestion for improving service. This includes speeding up the process, which, ideally, should take no more than two weeks, but now can take up to ten weeks.

Detailed Findings

Overall Satisfaction¹

Nearly eight in ten customers give high marks (ratings of 4 or 5) for their overall satisfaction with DEQ. Half deem DEQ's service excellent (5 on a 5-point scale). The average rating is 4.1, which is a statistically significant improvement over 2002 results.



Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."
 ↑ Significantly different than previous year at the 95% confidence level.

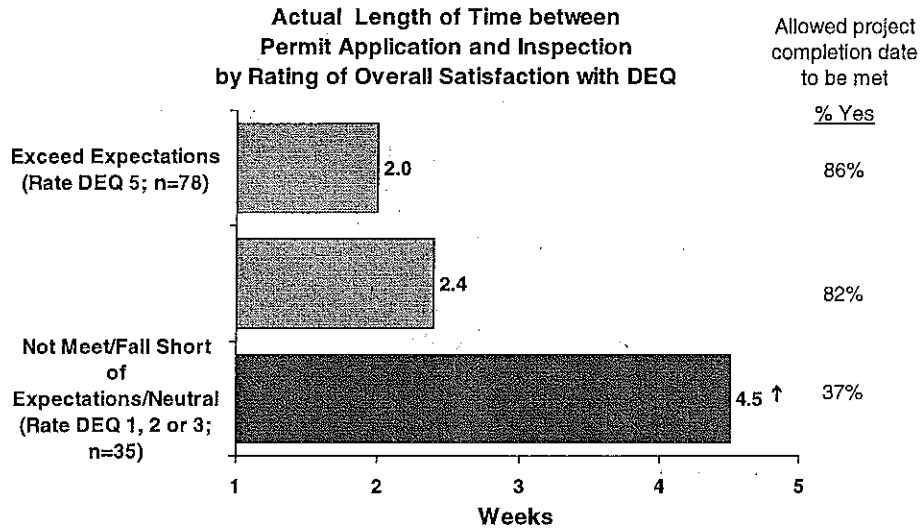
Overall satisfaction is similar across all regions of the state.

Customers who have more favorable evaluations of both inspectors and opinions of support staff tend to give higher ratings to DEQ's overall service. Three issues appear to impact overall satisfaction: timeliness of the permit and opinions of septic inspectors, as well as support staff.

Septic inspectors, support staff and turnaround time for the permitting and inspection process impact satisfaction.

¹ On a 5-point scale where 1 is poor and 5 is excellent, ratings of 1 or 2 are considered unfavorable, ratings of 3 are neutral, and ratings of 4 or 5 are considered favorable.

The length of the process impacts customers' ability to stick to project deadlines and overall satisfaction with DEQ. Customers who have favorable opinions of DEQ's service (ratings of 4 or 5) report an average wait time of about two weeks, and more than eight in ten said the timing allowed them to meet project deadlines. In contrast, customers who have neutral or negative opinions of DEQ (ratings of 1, 2 or 3) reported waiting an average of 4.5 weeks, with only 37% saying the timing enabled them to meet their project completion date.



Note: Using a scale where 1 is "poor" and 5 is "excellent."

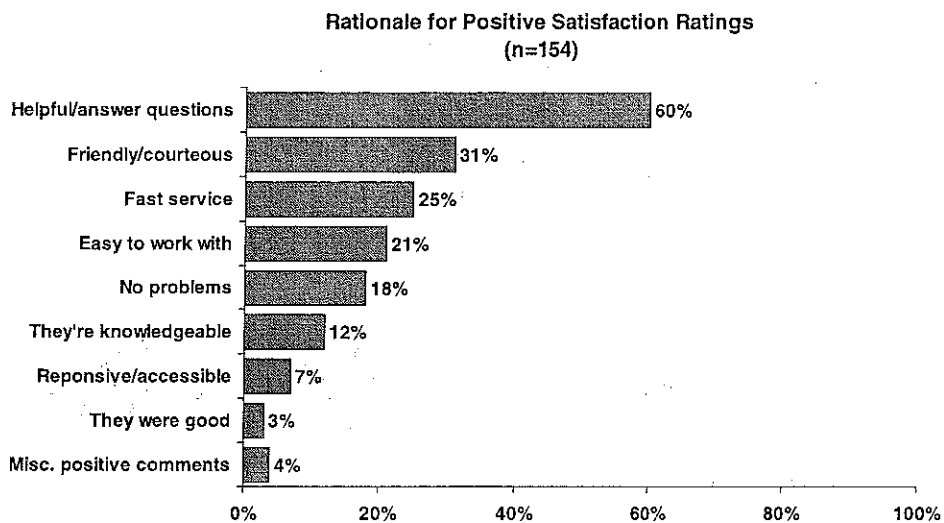
↑ Significantly higher than those who rate DEQ's overall service a 5 (excellent).

Base: Those who had permit application and review or authorization notice application and site visit.

Rationale for Positive Opinions

DEQ staff's helpfulness and ability to answer questions is the primary reason given for satisfaction (60%). Given that many are first-time customers, they appreciate information that helps guide them through the process.

Secondary contributors are friendliness and courtesy, fast service, being easy to work with and providing a hassle-free experience.



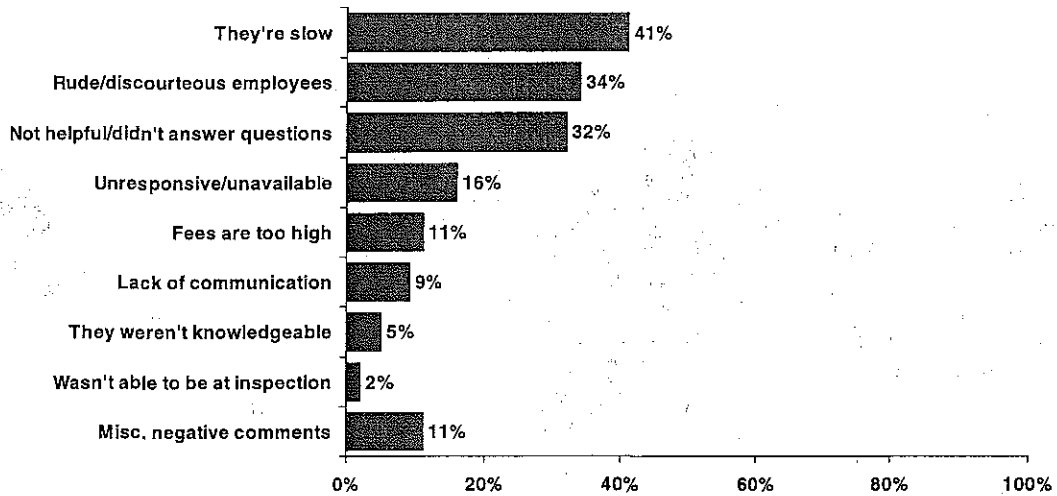
Base: Those who rated DEQ's overall service a 4 or 5 on a 5-point scale.

Note: Total may not sum to 100% due to multiple responses.

Rationale for Neutral/Negative Opinions

Those who have less than favorable assessments of DEQ gave opposite reasons for their lower satisfaction. Slow service, rude staff and not being helpful or able to answer questions are the main reasons for less positive assessments of DEQ.

**Rationale for Negative/Neutral Satisfaction Ratings
(n=44)**



Base: Those who rated DEQ's overall service a 1, 2 or 3 on a 5-point scale.

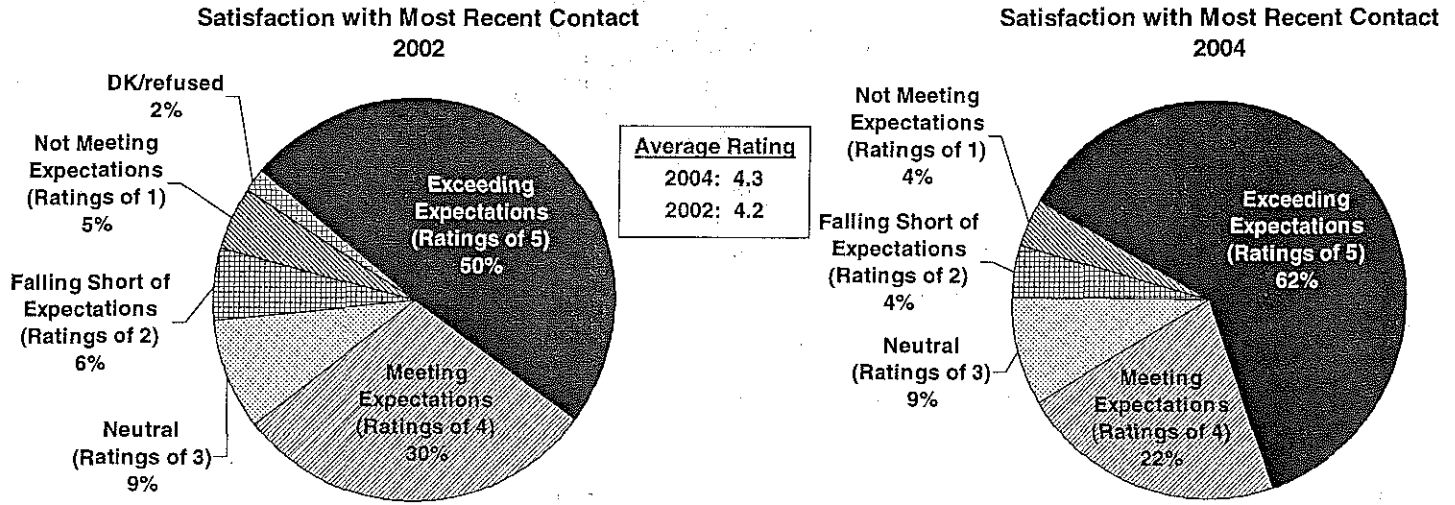
Note: Total may not sum to 100% due to multiple responses.

Slow service may be an issue in the Northwest region more than in other regions of the state. Although only three respondents in the Northwest region have negative or neutral perceptions of DEQ's overall service, all three cited DEQ being slow as the basis for their opinion. Additionally, Northwest region customers are less likely to say fast service is a reason for positive opinions of DEQ.

Types of Services Received

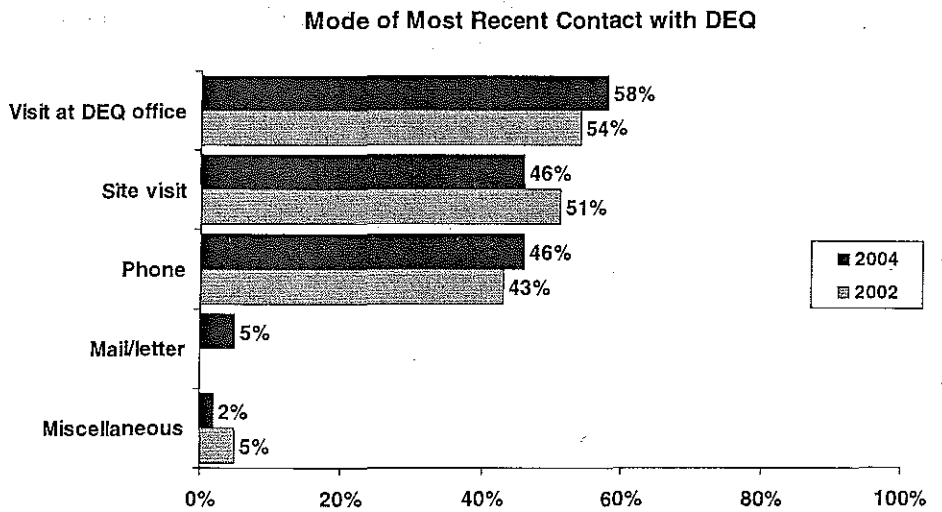
Most Recent Contact

More than eight in ten are satisfied with their most recent contact, with 62% saying it was excellent. The average rating of 4.3 out of five possible is quite similar to 2002 results.



Note: Totals may not sum to 100% due to rounding. Using a scale where 1 is "poor" and 5 is "excellent."

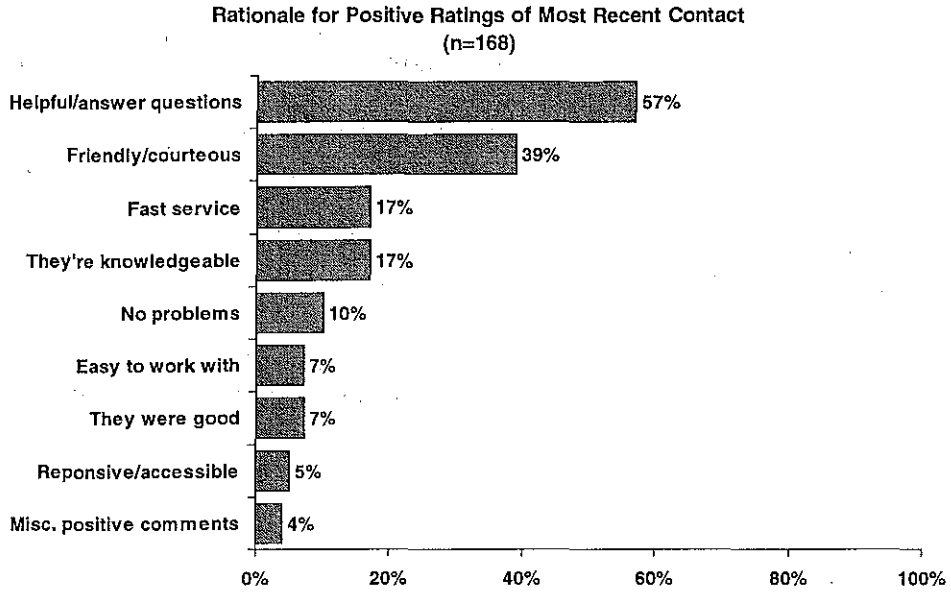
On-site septic customers appear to consider the entire experience with DEQ as a single contact rather than a series of interactions with different DEQ staff. When asked specifically about their most recent contact, many cited several types of contact. About half said it was a face-to-face visit at the DEQ office (58%), over the phone (46%) or a site visit (46%).



Note: Totals may not sum to 100% due to multiple responses.

Customers tend to deal with multiple staff. Most (63%) had their most recent contact with a septic inspector, while 49% mentioned a support staff member. Some (15%) dealt with a manager.

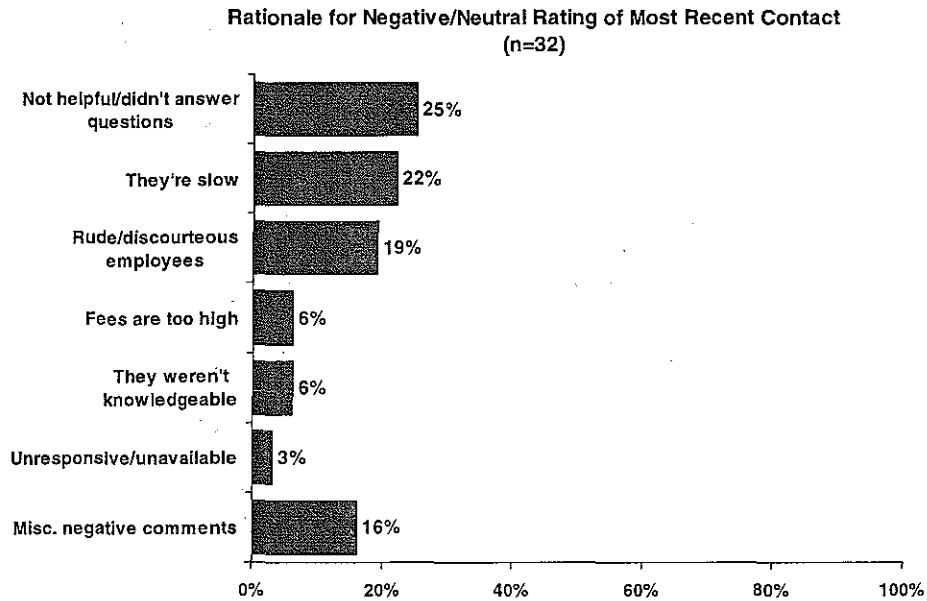
Reasons for satisfaction with their most recent contact parallel those for overall satisfaction with DEQ. Helpfulness/the ability to answer customers' questions is the primary reason, followed by friendliness and courtesy. Fast service, knowledgeable staff and a hassle-free experience are also contributors to positive opinions.



Base: Those who rated their most recent contact a 4 or 5 on a 5-point scale.

Note: Total may not sum to 100% due to multiple responses.

Rationale for dissatisfaction also reflect reasons cited for dissatisfaction with overall service. Namely, lack of helpfulness/not answering questions, slow service and rude staff.



Base: Those who rated their most recent contact a 1, 2 or 3 on a 5-point scale.

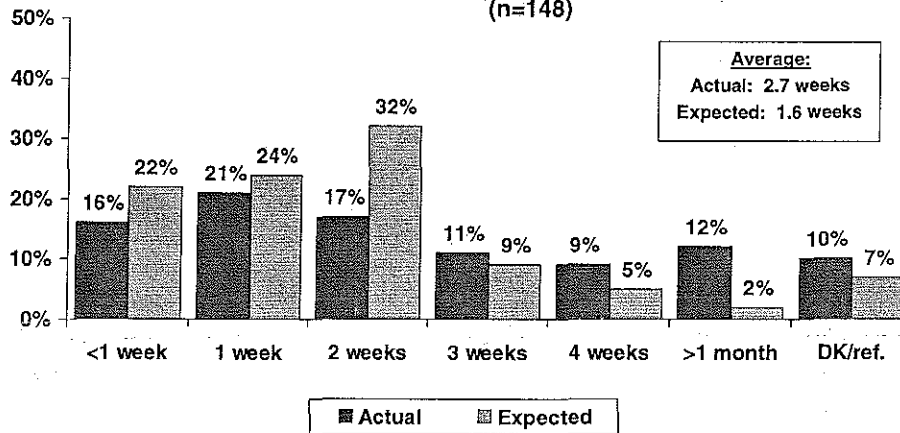
Note: Total may not sum to 100% due to multiple responses.

Permit Application and Review

For some customers, timing is critical to keep projects on time and within budget. Missed deadlines can mean delayed closings and/or higher fees for customers. Three-quarters say their inspection took place in time to meet their timelines for completion of their project. However, for one in five, the inspection did not occur in a timely fashion.

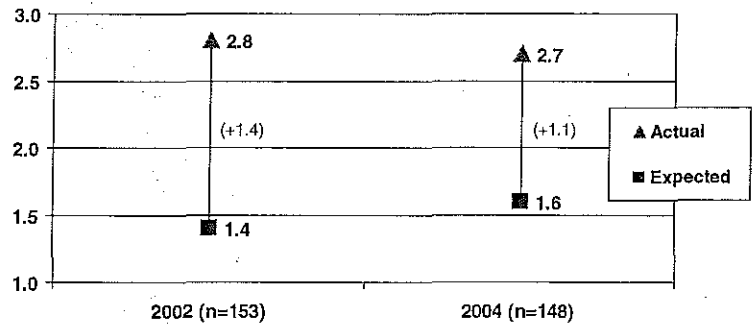
At least some on-site septic customers expect the permit application and review process to move more quickly. Two weeks appears to be the critical point at which performance falls short of expectations; 8% feel it should take DEQ two weeks or less to process their application. However, 54% said this is how long it actually took. Performance generally parallels expectations for up to one week. Nearly half (46%) feel that the inspection should take place one week or sooner after submitting their permit application, while 37% said this is how long it actually took.

Actual vs. Expected Length of Time between Permit Application and Inspection (n=148)



Base: Those who had permit application and review or authorization notice application and site visit.
Note: Totals may not sum to 100% due to rounding.

Actual vs. Expected Length of Time between Permit Application and Inspection



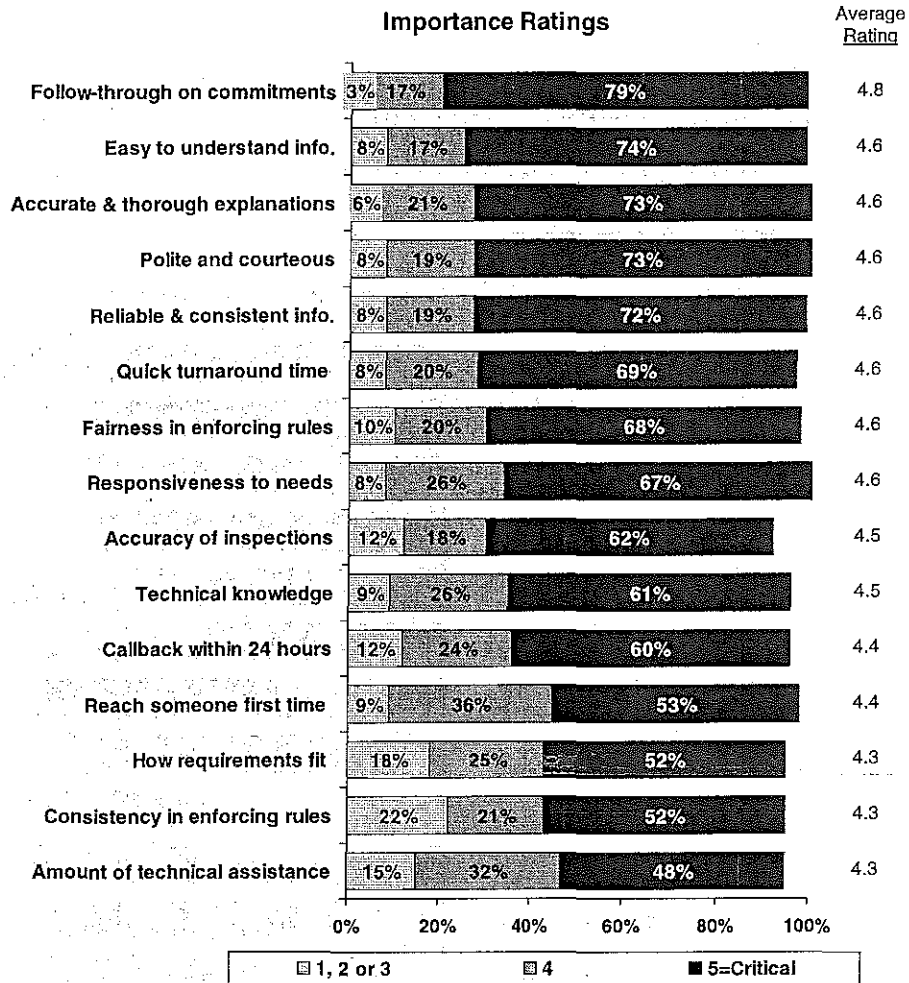
Base: Those who had permit application and review or authorization notice application and site visit.

The gap in terms of expectations vs. actual time between application and inspection appears to be narrowing. However, averages for both actual and expected wait times are unchanged from the 2002 survey.

Importance ratings remain steady.

Key Criteria

Respondents find all 15 attributes fairly important. Follow-through is most salient, with eight in ten saying it is critical.



Note: On a 5-point scale where 1 is "not at all important" and 5 is "critical." Don't know not shown.

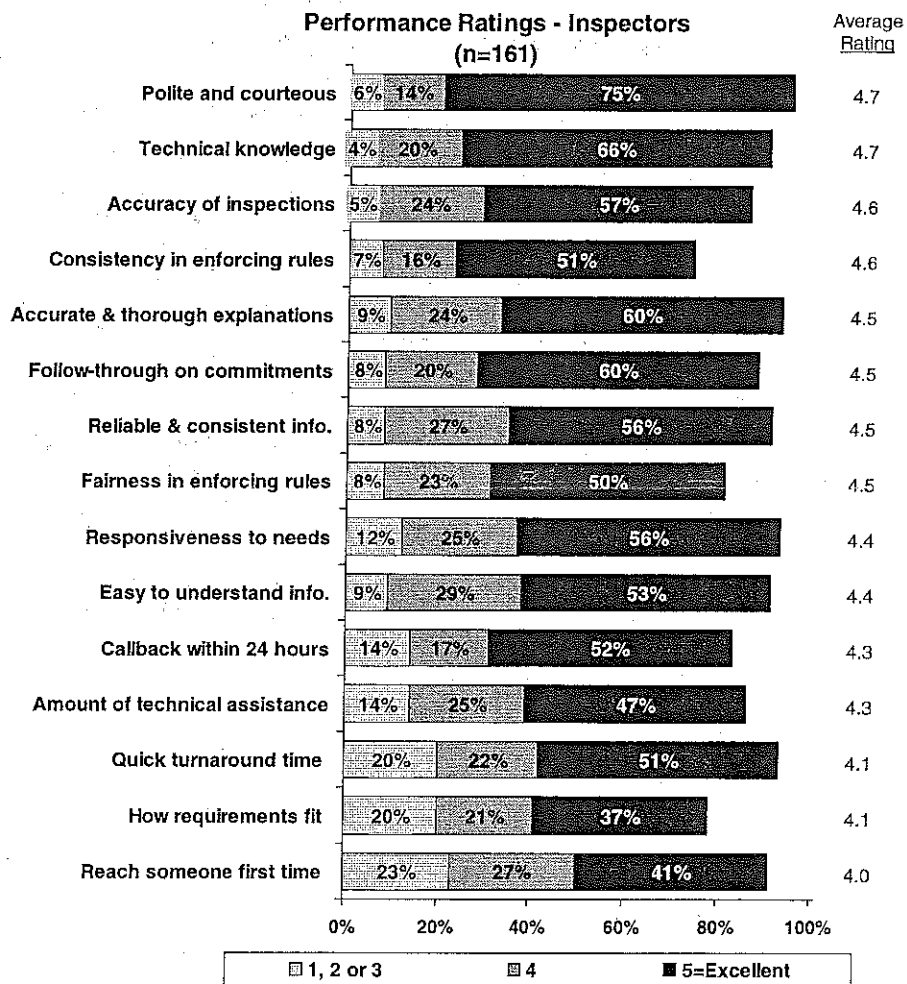
Performance on Key Criteria

On-site septic customers rated the performance of DEQ inspectors and clerical support staff on each 15 attributes that were rated for importance.

Inspectors

Customers are pleased with the service provided by septic inspectors. Majorities give favorable ratings to inspectors on each attribute.

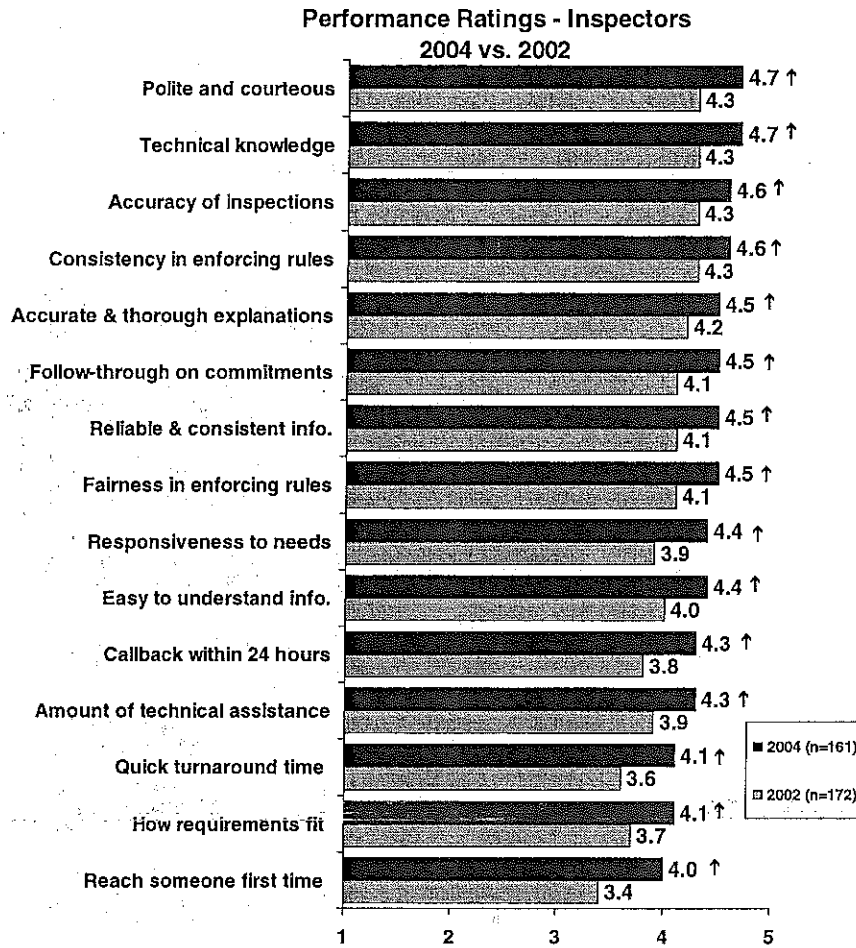
Areas with room for improvement include the ability to reach someone the first time, how requirements fit with other agencies' rules and regulations, and turnaround time.



Note: On a 5-point scale where 1 is "poor" and 5 is "excellent."
Don't know not shown.

Base: Those who had contact with a septic inspector.

Customers have much more positive assessments of inspectors in 2004 than 2002. Average ratings for all 15 attributes increased significantly between the survey periods, primarily due to greater numbers rating each as excellent.



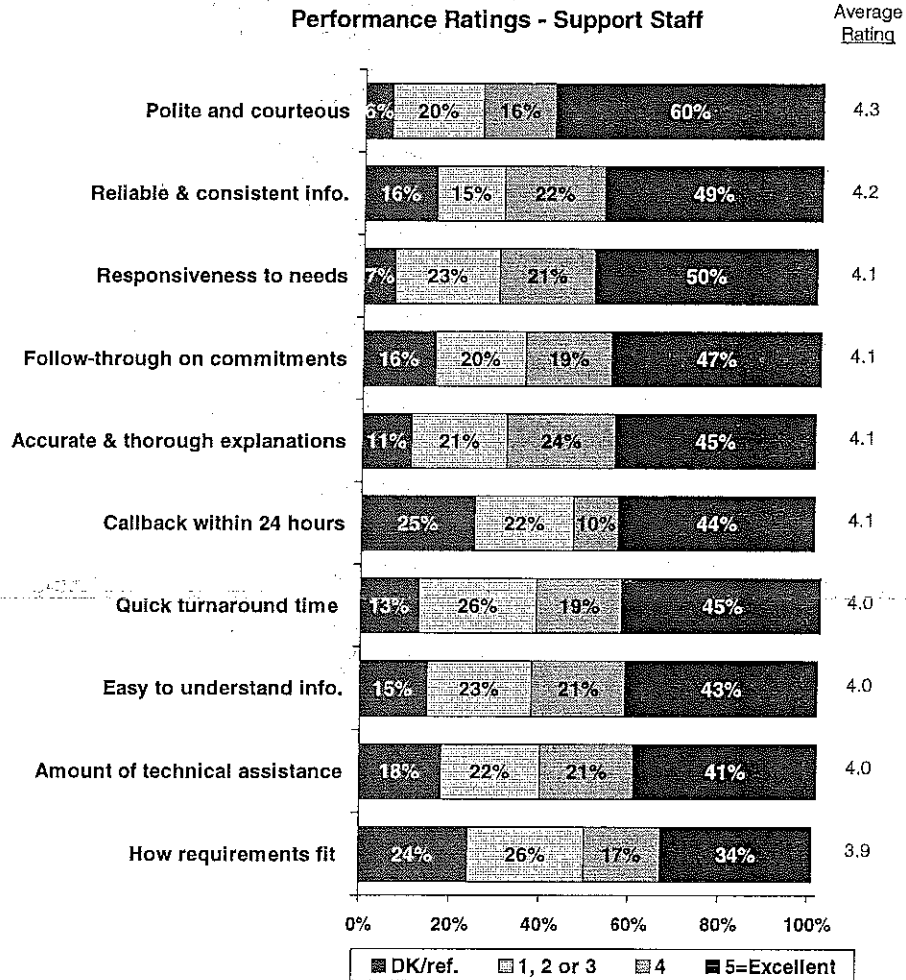
Customers have much more favorable opinions of septic inspectors in 2004.

Base: Those who had contact with a septic inspector.

↑ Significantly higher than previous year at the 95% confidence level.

Clerical Support

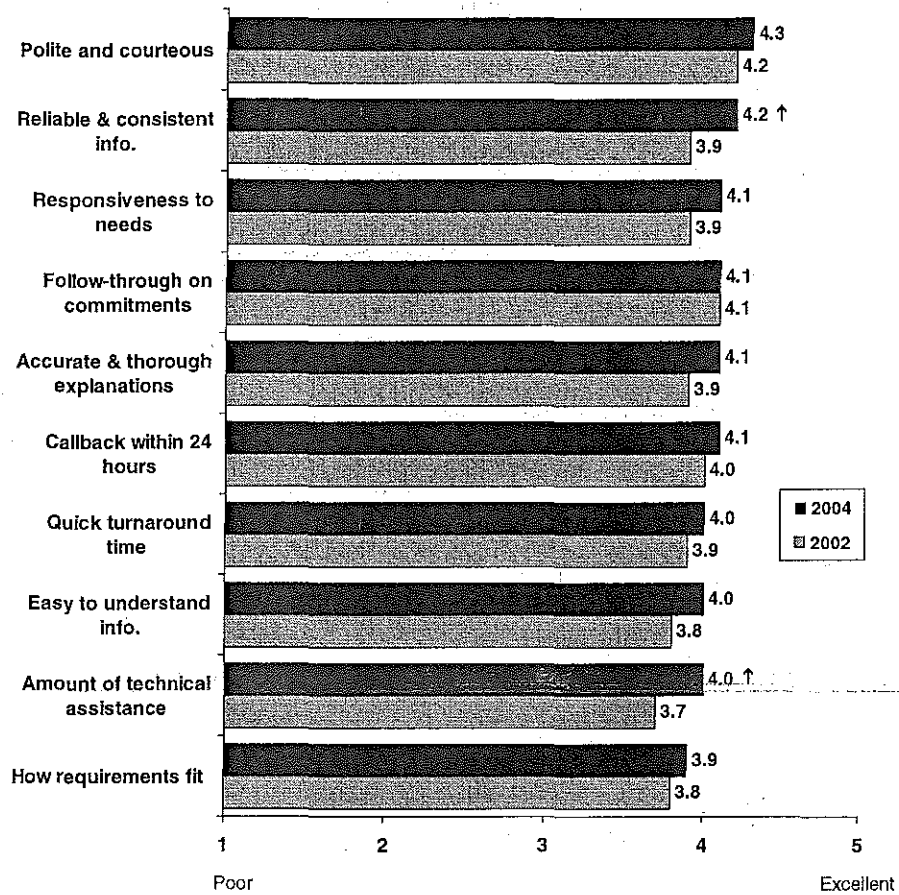
Clerical support staff get high scores for customer-service attributes: courtesy, providing reliable and consistent information, responsiveness, follow-through, accurate and thorough explanations and timely callbacks. They get slightly lower scores for the technical aspects of their job. Here about a quarter rate them lower on how requirements fit, amount of technical assistance provided and providing information that is easy to understand. About one-quarter are unable to rate support staff on how DEQ requirements fit with other state and county agencies.



Note: On a 5-point scale where 1 is "poor" and 5 is "excellent."
Totals may not sum to 100% due to rounding.

There is some improvement regarding support staff's technical assistance, but not as much as with inspectors. Significant gains were made between 2002 and 2004 for staff's ability to provide reliable and consistent information, and for the amount of technical assistance provided.

Performance Ratings - Support Staff
2004 vs. 2002



↑ Significantly higher than previous year at the 95% confidence level.

Gap Analysis

Gap analysis looks at importance and performance ratings together. Comparing average performance ratings to average importance ratings to see whether performance on specific attributes exceeds (positive gap), meets (no gap) or falls short of customer expectations (negative gap). Even for attributes where performance ratings may be fairly high, it is possible to have a negative gap or performance deficit if importance ratings are even higher.²

Inspectors

In 2004, inspectors fell short of expectations for quick turnaround time (gap of - 0.5).

Gap Analysis – Inspectors

	Importance	Performance	Gap
Follow-through on commitments made	4.8	4.5	-0.3
Providing information on regulations that is easy to understand	4.6	4.4	-0.2
Accuracy and thoroughness of explanations	4.6	4.5	-0.1
Politeness and courteousness	4.6	4.7	+0.1
Providing information on regulations that is reliable and consistent	4.6	4.5	-0.1
Quick turnaround time	4.6	4.1	-0.5
Fairness in enforcement	4.6	4.5	-0.1
Responsiveness to your needs	4.6	4.4	-0.2
Accuracy of inspections	4.5	4.6	+0.1
Technical knowledge	4.5	4.7	+0.2
Calling back within 24 hours after leaving message	4.4	4.3	-0.1
Ability to reach the first time you call or visit	4.4	4.0	-0.4
Explanations of how DEQ's requirements fit with other state and county offices	4.3	4.1	-0.2
Consistency in enforcement	4.3	4.6	+0.3
Amount of technical assistance available	4.3	4.3	0.0

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) is generally deemed in need of attention. Shading denotes an area in need of attention (gap of ± 0.5).

² Falling short of expectations is represented by a negative number (-), while exceeding expectations is represented by a positive number (+). In the case of exactly meeting expectations, the gap is zero. On a 5-point scale, gaps of 0.5 or more (either positive or negative) is generally deemed in need of attention.

This is a notable improvement over 2002, when inspectors' performance failed to meet expectations on six attributes. The decline in the number of performance deficits reflects the dramatic improvement in assessments of inspectors' performance over the past two years.

Gap Analysis – Inspectors – 2002 vs. 2004

	Gap	
	2002	2004
Follow-through on commitments made	-0.6	-0.3
Providing information on regulations that is easy to understand	-0.5	-0.2
Accuracy and thoroughness of explanations	-0.4	-0.1
Politeness and courteousness	-0.2	+0.1
Providing information on regulations that is reliable and consistent	-0.4	-0.1
Quick turnaround time	-0.9	-0.5
Fairness in enforcement	-0.4	-0.1
Responsiveness to your needs	-0.6	-0.2
Accuracy of inspections	-0.3	+0.1
Technical knowledge	-0.2	+0.2
Calling back within 24 hours after leaving message	-0.7	-0.1
Ability to reach the first time you call or visit	-0.9	-0.4
Explanations of how DEQ's requirements fit with other state and county offices	-0.4	-0.2
Consistency in enforcement	0.0	+0.3
Amount of technical assistance available	-0.4	0.0

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) is generally deemed in need of attention. Shading denotes an area in need of attention (gap of ± 0.5).

Clerical Support

The clerical staff is split in terms of attributes where performance generally meets expectations:

- Politeness/courteousness
 - Explaining how DEQ requirements fit with other agencies
 - Calling back within 24 hours
 - Amount of technical assistance
 - Reliable and consistent information
- }

Gap no longer critical

And those that fall short of expectations:

- Follow-through on commitments (-0.7)
- Providing easy-to-understand information (-0.6)
- Quick turnaround time (-0.6)
- Accuracy and thoroughness of explanations (-0.5)
- Responsiveness to customer needs (-0.5)

Gap Analysis – Support Staff

	<i>Importance</i>	<i>Performance</i>	<i>Gap</i>
Follow-through on commitments made	4.8	4.1	-0.7
Providing information on regulations that is easy to understand	4.6	4.0	-0.6
Accuracy and thoroughness of explanations	4.6	4.1	-0.5
Politeness and courteousness	4.6	4.3	-0.3
Providing information on regulations that is reliable and consistent	4.6	4.2	-0.4
Quick turnaround time	4.6	4.0	-0.6
Responsiveness to your needs	4.6	4.1	-0.5
Calling back within 24 hours after leaving message	4.4	4.1	-0.3
Explanations of how DEQ's requirements fit with other state and county offices	4.3	3.9	-0.4
Amount of technical assistance available	4.3	4.0	-0.3

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) is generally deemed in need of attention. Shading denotes an area in need of attention (gap of ±0.5).

Modest gains in support staff's performance has shaved the number of items posting critical performance gaps from eight in 2002 to five in 2004. Critical gaps are no longer noted for reliable and consistent information, timely callbacks and amount of technical assistance provided.

Gap Analysis – Support Staff – 2002 vs. 2004

	Gap	
	2002	2004
Follow-through on commitments made	-0.6	-0.7
Providing information on regulations that is easy to understand	-0.7	-0.6
Accuracy and thoroughness of explanations	-0.7	-0.5
Politeness and courteousness	-0.3	-0.3
Providing information on regulations that is reliable and consistent	-0.6	-0.4
Quick turnaround time	-0.6	-0.6
Responsiveness to your needs	-0.6	-0.5
Calling back within 24 hours after leaving message	-0.5	-0.3
Explanations of how DEQ's requirements fit with other state and county offices	-0.3	-0.4
Amount of technical assistance available	-0.5	-0.3

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) is generally deemed in need of attention. Shading denotes an area in need of attention (gap of ± 0.5).

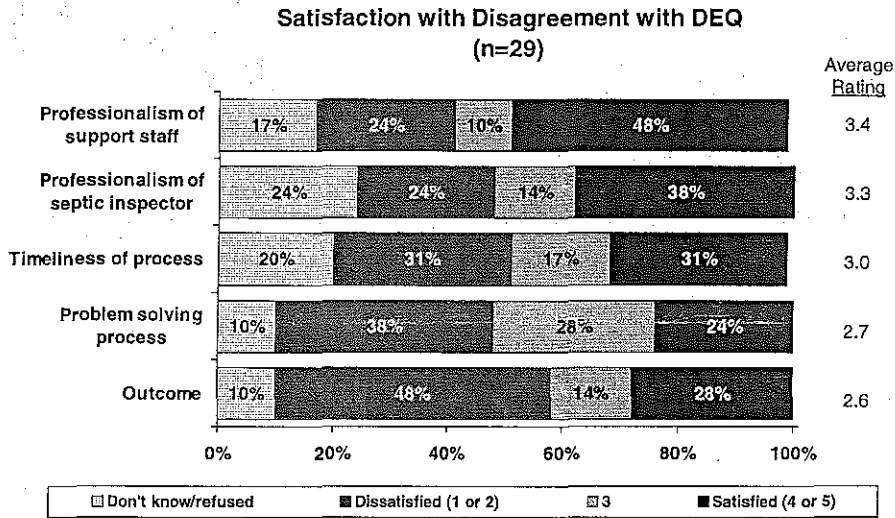
Dispute Resolution

Compared with 2002, fewer customers report having disputes with DEQ. However, many remain dissatisfied with various aspects of the dispute resolution process.

In 2004, 14% of on-site septic customers had a disagreement with DEQ about a rule or rule interpretation. This is statistically lower than the 28% in 2002 that had a dispute.

Dissatisfied customers generally outweigh those who are satisfied. Fewer than half of customers going through the process give favorable ratings on the various aspects measured. The staff's professionalism gets the highest marks – however, one-quarter have negative opinions. Assessments of the dispute resolution's timeliness, the process itself and outcomes are even more negative.

Most have less than positive opinions on the outcomes of dispute resolutions, its timeliness and the process itself.



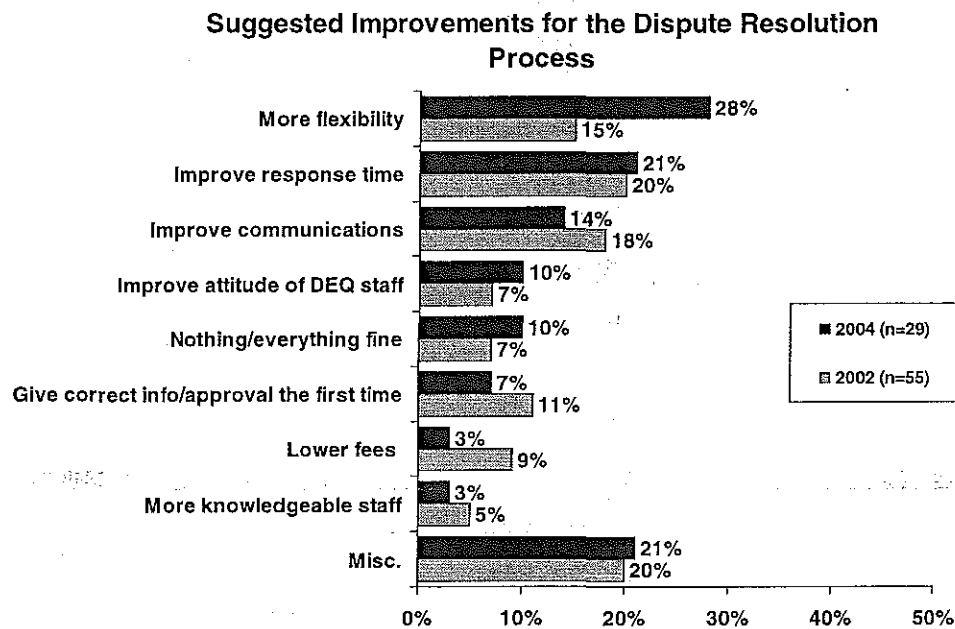
Note: Totals may not sum to 100% due to rounding.

Perceptions of aspects of the dispute resolution process are consistent with the previous survey.

Suggestions for Improving Dispute Resolution Process

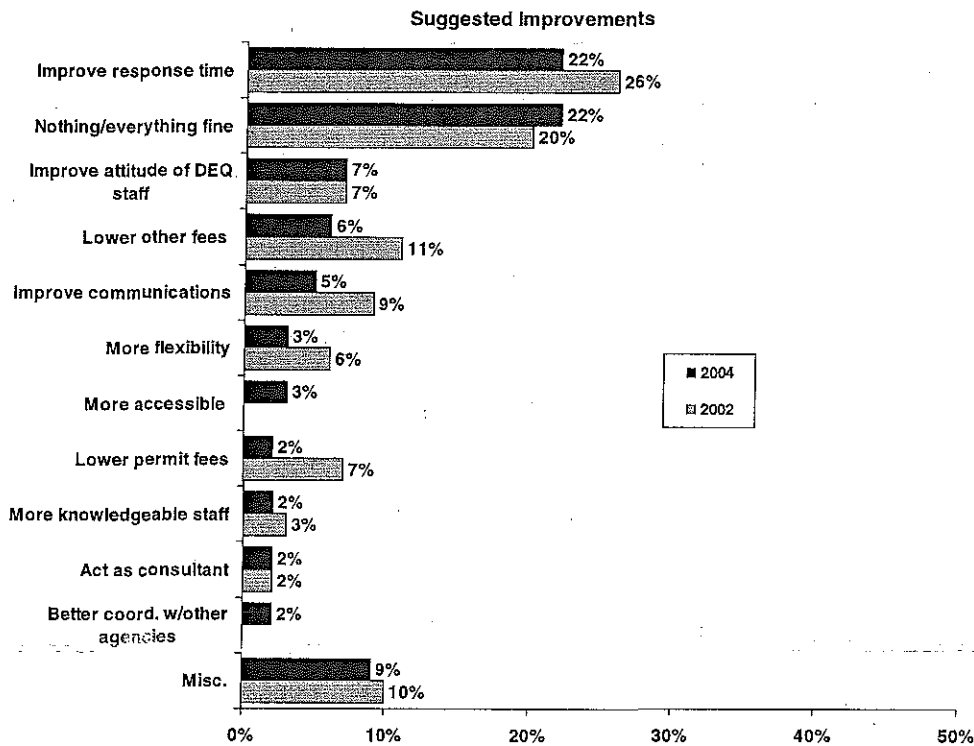
To explore on-site septic customers' top-of-mind suggestions about how the process could be improved, customers who had a disagreement were asked, in an open-ended fashion, how DEQ could have handled the disagreement better.

Suggestions for improving the dispute resolution process generally relate to greater flexibility. Customers realize that DEQ needs to enforce rules and regulations; however, there is a perception that personnel are sometimes too rigid in their interpretation. Respondents feel allowances should be made for different circumstances. There's also a sense that DEQ doesn't provide options or even consider customers' arguments and is not open to discussion on resolving the situation:



Suggested Improvements for DEQ

Customers were asked, in an unaided fashion, in what other areas DEQ could improve its services. Timeliness is the primary suggestion for improving service, which is cited by roughly one in five customers. Suggestions include speeding up the process, which should take one to two weeks but can take up to eight to ten weeks. The time between the application and inspection, as well as approval of the permit, were cited as needing improvement.



Note: Total may not sum to 100% due to multiple responses.

One in five find no fault with DEQ, saying that everything is fine and they have no suggested improvements.

Improving staff's attitudes, lowering fees (non-permit) and improving communications are secondary issues, each cited by between 5% and 10%.

One issue that emerged in the current survey is improving accessibility (3%), either in terms of location, hours or staff. Most of these comments are from customers in the East (75%), while the Western region accounts for the remaining one-quarter.

Three in ten could not provide a suggestion for improving DEQ's service.

Appendix

Sampling Variability

Every sample for a survey is subject to "standard error," the ranges of variability or chance variation that can occur when a sample is used instead of surveying the entire population. This variability is the difference between the sample findings and those which would occur from 100% enumeration of the population using the same questionnaire and research procedures.

Ranges of sampling variability (computed at the 95% confidence level for an infinite sample) are shown below for the sample sizes used in this survey. These reflect the maximum "standard error," and most survey data tend to be closer to the actual figures as they exist in the population. As shown in the table below, samples of 200, 109 and 74 ensure maximum standard errors of $\pm 6.9\%$, $\pm 9.4\%$ and $\pm 11.4\%$, respectively.

Sampling Variability			
Percentages At or Near:	Overall Sample = 200	Western Region Sample = 109	Eastern Region Sample = 74
5% or 95%	$\pm 3.0\%$	$\pm 4.1\%$	$\pm 5.0\%$
15% or 85%	$\pm 4.9\%$	$\pm 6.7\%$	$\pm 8.1\%$
25% or 75%	$\pm 6.0\%$	$\pm 8.1\%$	$\pm 9.9\%$
35% or 65%	$\pm 6.6\%$	$\pm 9.0\%$	$\pm 10.9\%$
45% or 55%	$\pm 6.9\%$	$\pm 9.3\%$	$\pm 11.3\%$
50%	$\pm 6.9\%$	$\pm 9.4\%$	$\pm 11.4\%$

Example: Overall, 56% of respondents say this was the first time they have had contact with DEQ. Based on a sample size of 200, chances are 19 out of 20 (95%) that this finding (56%) is within plus or minus 6.9% (between 49% and 63%) of the result which would occur from a complete enumeration of the population.

Example: Fifty percent of customers in the Western Region say this was the first time they have had contact with DEQ. Based on a sample size of 109, chances are 19 out of 20 (95%) that this finding (50%) is within plus or minus 9.4% (between 41% and 59%) of the result which would occur from a complete enumeration of the population.

Example: Sixty-six percent of customers in the Eastern Region say this was the first time they have had contact with DEQ. Based on a sample size of 74, chances are 19 out of 20 (95%) that this finding (66%) is within plus or minus 10.9% (between 55% and 77%) of the result which would occur from a complete enumeration of the population.

Location of Respondents

The following shows respondents by region and county. Not all counties are represented, as some did not have a qualified participant. In addition, several counties have a much lower incidence of septic systems than others.

Region/County of Residence of Respondents

	2002 %	2004 %
Region		
Eastern Region	51%	37%
Western Region	40	55
Northwest Region	9	9
County		
Baker	4%	5%
Clackamas	1	1
Clatsop	9	9
Coos	11	12
Deschutes	1	1
Douglas	13	19
Gilliam	1	--
Grant	2	2
Harney	2	5
Jackson	1	--
Josephine	14	24*
Lake	8	6
Lane	2	1
Linn	1	--
Morrow	7	4
Umatilla	21	10*
Union	2	4
Wallowa	2	1
Wasco	1	--
Wheeler	3	--

*Significantly different than previous year at the 95% confidence level.

Item C Handout

Certified Wood Chippers
4/1/04 - 7/31/04

9/9/04 EOC Meeting

Action Date	App #	Applicant	Claimed	Certified	Difference	% Allocable	Maximum Percent	GF Liability
30-Jun-04	6789	Andruss Northrup	\$499	\$499	\$0	100.00%	35.00%	\$175
30-Jun-04	6775	Bernie H Parsons	\$2,690	\$2,690	\$0	100.00%	35.00%	\$942
18-May-04	6742	Boyd R. Myers	\$600	\$600	\$0	100.00%	35.00%	\$210
30-Jun-04	6770	Bradley J. Bergquist	\$3,032	\$3,032	\$0	100.00%	35.00%	\$1,061
18-May-04	6741	Clement E. Hunter	\$6,800	\$6,550	-\$250	100.00%	35.00%	\$2,293
18-May-04	6721	Crystal Atkins	\$1,954	\$2,102	\$148	100.00%	35.00%	\$736
30-Jun-04	6771	Darren Mankin	\$640	\$640	\$0	100.00%	35.00%	\$224
18-May-04	6738	David Williams Allen	\$2,133	\$2,133	\$0	100.00%	35.00%	\$747
18-May-04	6722	Edward F. Giannetti	\$1,600	\$1,600	\$0	100.00%	35.00%	\$560
18-May-04	6732	Floyd R. Ray, Joy W. Ray	\$650	\$650	\$0	100.00%	35.00%	\$228
30-Jun-04	6785	Gary Leo Reimann	\$650	\$650	\$0	100.00%	35.00%	\$227
30-Jun-04	6743	James B. Hueske	\$2,450	\$2,450	\$0	100.00%	35.00%	\$858
30-Jun-04	6772	Jerry R. Kinney	\$2,500	\$2,500	\$0	100.00%	35.00%	\$875
18-May-04	6733	Jonathan Crowhurst	\$930	\$930	\$0	100.00%	35.00%	\$326
30-Jun-04	6784	Jonathan Pearce	\$2,599	\$2,599	\$0	100.00%	35.00%	\$910
30-Jun-04	6767	Karen Elaine Keller	\$596	\$596	\$0	100.00%	35.00%	\$209
18-May-04	6745	Karen Koch	\$1,000	\$1,000	\$0	100.00%	35.00%	\$350
18-May-04	6734	Ken Colley	\$2,099	\$2,099	\$0	100.00%	35.00%	\$735
18-May-04	6728	Larry Holmes	\$4,445	\$4,445	\$0	100.00%	35.00%	\$1,556
18-May-04	6749	Lester J. Johnson	\$2,300	\$2,300	\$0	100.00%	35.00%	\$805
18-May-04	6724	Martyn Chase - Charlie	\$1,828	\$1,828	\$0	100.00%	35.00%	\$640
18-May-04	6739	Meg Mertens	\$650	\$650	\$0	100.00%	35.00%	\$227
30-Jun-04	6788	Norman Watt	\$6,900	\$6,900	\$0	100.00%	35.00%	\$2,415
30-Jun-04	6773	Northwest Native Plants, Inc.	\$2,500	\$2,500	\$0	100.00%	35.00%	\$875
30-Jun-04	6774	Robert A Magne	\$1,349	\$1,349	\$0	100.00%	35.00%	\$472
30-Jun-04	6768	Robert M. Pinkerton	\$1,609	\$1,549	-\$60	100.00%	35.00%	\$542
18-May-04	6723	Robert P. Doss	\$1,500	\$1,500	\$0	100.00%	35.00%	\$525
30-Jun-04	6782	Robert Relf	\$3,195	\$3,195	\$0	100.00%	35.00%	\$1,118
18-May-04	6727	Ronald L. Smith	\$5,305	\$5,305	\$0	100.00%	35.00%	\$1,857
30-Jun-04	6769	S. Saliman Gray	\$585	\$585	\$0	100.00%	35.00%	\$205
18-May-04	6730	Scott E. Smith	\$2,069	\$2,069	\$0	100.00%	35.00%	\$724
30-Jun-04	6748	Stan Anderson Builders, LLC	\$1,520	\$1,520	\$0	100.00%	35.00%	\$532
30-Jun-04	6780	Tom Mason	\$2,150	\$2,150	\$0	100.00%	35.00%	\$753

**Certified Wood Chippers
4/1/04 - 7/31/04**

18-May-04	6750	Treecology, Inc	\$4,975	\$4,975	\$0	100.00%	35.00%	\$1,741
18-May-04	6725	William Lenon	\$1,600	\$1,600	\$0	100.00%	35.00%	\$560
18-May-04	6726	William Sherer	\$714	\$650	-\$64	100.00%	35.00%	\$228

Apps	Sum	\$78,616	\$78,390	\$27,437
36	Average	\$2,184	\$2,178	\$762
	Minimum	\$499	\$499	\$175
	Maximum	\$6,900	\$6,900	\$2,415

9/9/04 EAC Meeting Item F Handout

SURVEY OF THE REGULATED COMMUNITY

Prepared for:



August 2004

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Introduction

The Oregon Department of Environmental Quality (DEQ) is responsible for statewide environmental programs, including solid and hazardous waste, and air and water quality.

In 1994, the Department of Environmental Quality selected Bardsley & Neidhart Inc. to conduct a survey of the regulated community to better understand perceptions among businesses and local governments regarding the department. B&N also conducted a series of focus groups with individuals in the regulated community as a follow-up to the telephone survey.

In a continuation of their efforts to enhance the service it provides, DEQ again had Bardsley & Neidhart survey customers for the 2002 study. This year, DEQ again surveyed the regulated community as a follow-on to the benchmark 2002 study.

The primary objective of this current study of the regulated community is to understand how permitted customers view DEQ and whether opinions have shifted over the past two years. More specific objectives are to:

- Obtain measurements of perceptions of DEQ within the regulated community
- Assess customer satisfaction with DEQ
- Identify what, if anything, DEQ can do to better serve its permitted customers

DEQ plans to conduct another follow-on survey in 2006 to identify any shifts in perceptions and satisfaction among the regulated community.

Methodology

For this 2004 study, Bardsley & Neidhart Inc. conducted a telephone survey of 300 businesses and municipalities who hold Air Quality and/or Water Quality permits. Telephone interviews occurred between May 13 and June 4, 2004. Respondents were assured of the confidential nature of the study and that their name would not be associated with their responses.

Executive Summary

Overall, results of the current survey are comparable to that of the 2002 survey, with customers' assessments remaining stable over the two-year period.

Air Quality

Air Quality customers generally have favorable opinions of the program:

- Eight in ten Air Quality customers give the program ratings of four or five (4.0 average out of 5 possible).
- More than half feel DEQ's performance has improved over the past five years.
- A majority give positive ratings (four or five) for:
 - ✓ Permit application and review
 - ✓ Compliance inspections
 - ✓ Technical assistance
- Air Quality customers expect permits to be written or modified within eight weeks, while they report it actually took about ten weeks.
- Opinions regarding the enforcement process (the process itself and staff's performance) and the dispute resolution process are more mixed.

Air Quality customers feel a variety of information from DEQ are helpful.

- Ratings for information on rules and regulations are significantly higher than in 2002.
- Customers also want to receive technical assistance via an array of modes (phone, web, workshops, site visits and written documents).

Water Quality

Slightly more than half of customers with Water Quality permits hold an NPDES, while 13% have a WPCF. Nearly one in ten (8%) hold both types of permits. One-quarter don't know their permit type.

Water Quality customers also generally have favorable opinions of the program. Some gains are evident regarding the enforcement and dispute resolution process.

- About two-thirds of Water Quality customers give the program ratings of four or five (3.9 average out of 5 possible).
- Nearly half feel DEQ's performance has improved over the past five years.
- At least half give positive ratings (four or five) for:
 - ✓ Permit application and review
 - ✓ Compliance inspections
 - ✓ Technical assistance
- It actually takes about three times longer to process Water Quality permits (average of nine months) than customers feel it should take (average of three months).
- Opinions regarding the enforcement process and the dispute resolution process are more mixed.
- Aspects of the enforcement process that are trending upward (though are not statistically significant) include:
 - ✓ Fairness of enforcement process
 - ✓ Appropriateness of penalty
- DEQ staff's handling of various aspects of the enforcement process improved significantly for:
 - ✓ The inspection process
 - ✓ The overall enforcement process
 - ✓ Notice of non-compliance
- Dispute resolution aspects that are trending upward (but are not yet statistically significant) include:
 - ✓ The staff's professionalism
 - ✓ Outcomes

Key Criteria

Similar to 2002, 14 of the 15 attributes are deemed important.

- Consistency in enforcement is the sole attribute that is more important to Air Quality customers in 2004.
- Water Quality customers place greater importance on the ability to conduct business via DEQ's website in 2004 than 2002, though it remains the least critical factor.

Performance Ratings

Results remain consistent with the 2002 survey.

- Air and Water Quality customers hold the most favorable impressions of staff's politeness, as well as their ability to listen to concerns.
- The following remain areas receiving lower ratings:
 - ✓ Providing information that's easy to understand
 - ✓ Turnaround time for permits

Gap Analysis

- Air Quality posts performance deficits (difference between average performance ratings and average importance ratings) of at least -0.5 for eight of the 14 attributes. Water Quality fails to meet expectations on 10 items. The most critical gaps for both programs are for:
 - ✓ Providing information on regulations that's easy to understand
 - ✓ Accuracy and thoroughness of explanations

Conclusions & Recommendations

Customers in the regulated community generally continue to have positive opinions regarding DEQ. For the most part, results are similar to the 2002 survey.

Air Quality and Water Quality customers generally give DEQ high marks for the service provided, and most recognize that DEQ has implemented changes for the better. In general, customers recognize the shift towards a more customer-focused perspective. They cite a more collaborative relationship to solve problems, rather than focusing on enforcement. Other factors that contribute to positive perceptions include greater accessibility/user-friendliness, being helpful and faster service.

Despite some progress, timeliness remains an area in need of improvement. There continues to be a disparity between how long customers feel it should take for their permit application to be processed and the time it actually takes for both the Air and Water Quality programs. Closing the gap is a greater challenge for the Water Quality program (difference between expected and actual time of six months) than for the Air Quality program (2 week difference). And, given the backlog, it will likely take time for substantial progress to be noted. However, some customers are aware of DEQ's efforts to speed up the process and recognize their constraints in terms of funding and resources. That the process is too confusing and too technical is another criticism of the permitting process and likely contributes to processing time. DEQ should continue its efforts to guide customers through the process to shorten the length of time and communicate its efforts in that direction. Customers appreciate receiving updates on the status of their application, and these efforts should continue.

For the Water Quality program, timeliness is an issue that is pervasive and not restricted to the permitting process. Taking too long or being too slow is a reason given for neutral or negative opinions of the Water Quality program overall and for various processes. It is also a rationale for feeling DEQ's service has worsened over the past five years. On the flip side, faster service contributes to perceptions that DEQ's service has improved.

Areas where the Water Quality program has made strides (but which are not yet statistically significant) encompass the enforcement and dispute resolution processes. Since these are the most contentious processes, positive movement in these areas is a notable achievement.

There is a sense that the Air Quality program is overly stringent and that greater flexibility is needed to take into account different industries or individual situations. Again, this poses the dilemma of providing the flexibility desired, while at the same time being consistent in the information provided and actions taken so customers perceive DEQ as being fair and unbiased.

The increased desire for web-based information, particularly among Water Quality customers, provides a challenge for DEQ due to the migration requirement for all state agencies to the Oregon.gov portal. DEQ will need to examine its ability to do so given available resources while continuing to provide the expected level of customer service.

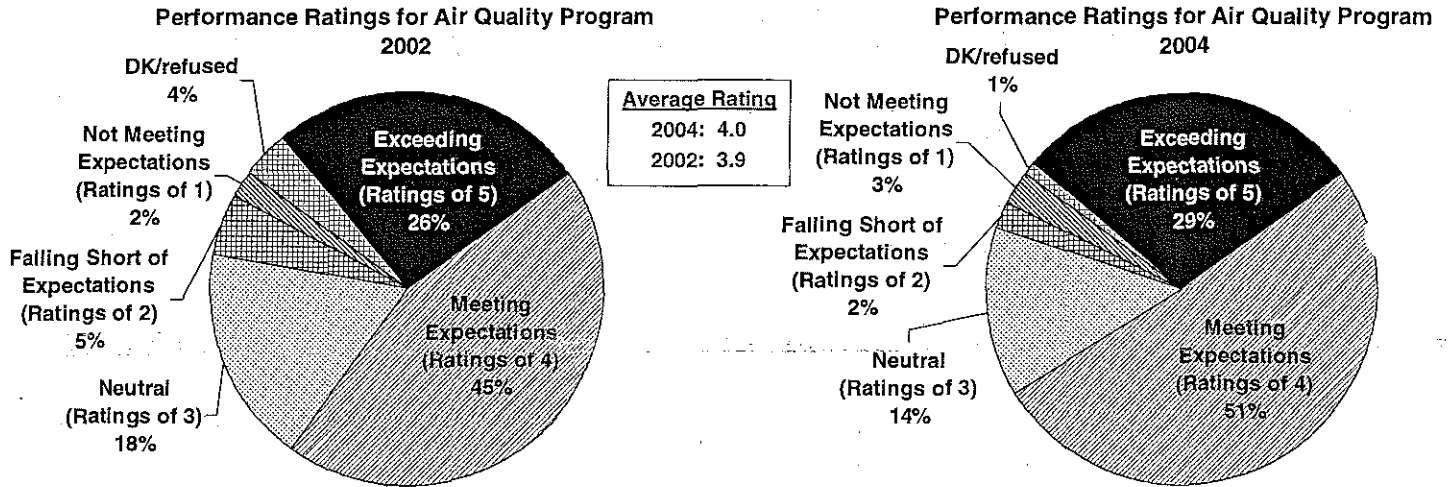
Detailed Findings

Air Quality Program

This section of the report focuses on the 101 Air Quality program customers. Two-thirds have had contact with both Air and Water Quality programs over the past year.

Performance Ratings¹

Eight in ten Air Quality customers give the program favorable ratings of 4 or 5 (excellent) on a 5-point scale. About one in five (19%) give ratings of 3 or lower, for a 4.0 average rating out of five possible. Results are unchanged from the prior survey.



Base: Those who had contact with the Water Quality Program during the past 12 months.

Note: Totals may not sum to 100% due to rounding.
Using a scale where 1 is "poor" and 5 is "excellent."

¹ On a 5-point scale where 1 is poor and 5 is excellent, ratings of 1 or 2 are considered negative/unfavorable, ratings of 3 are neutral, and ratings of 4 or 5 are considered positive/favorable.

Rationale for Neutral/Negative Ratings

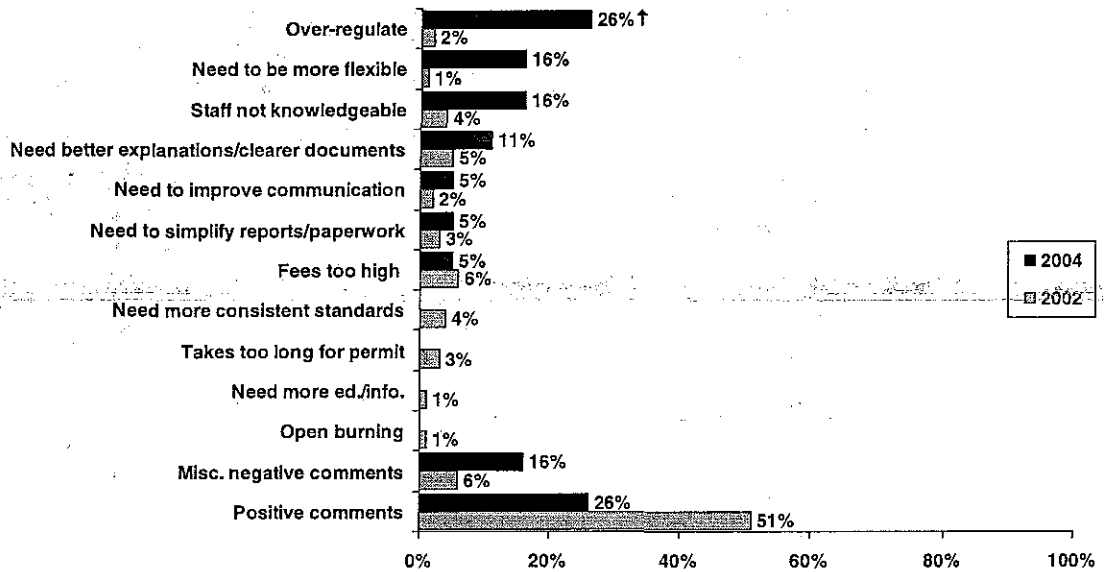
Among the 19 customers who give the Air Quality program ratings of 1, 2 or 3, a sense of being too stringent and not taking extenuating circumstances into consideration is the main source of less than favorable opinions. One-quarter cite over-regulation, while 16% say there should be greater flexibility to take into account the type of site or business.

There's a growing sense that DEQ is too stringent in its enforcement. A desire for greater flexibility is also noted.

Examples of being too dogmatic include restrictions on burning in habitat areas, having businesses responsible for employee carpooling/use of mass transit and Title V. On a similar note, lack of flexibility includes a perception of being more concerned with rules instead of local conditions and situations.

The ability to provide customers with needed information and assistance encompass the next tier of issues cited; that employees aren't knowledgeable (16%), as well as the need to improve explanations/documents (11%), communications (5%) and reports/paperwork (5%).

Reasons for Negative or Neutral Ratings of Air Quality Program



Base: Those who rated the Air Quality program a 1, 2 or 3.

Note: Total may not sum to 100% due to multiple responses.

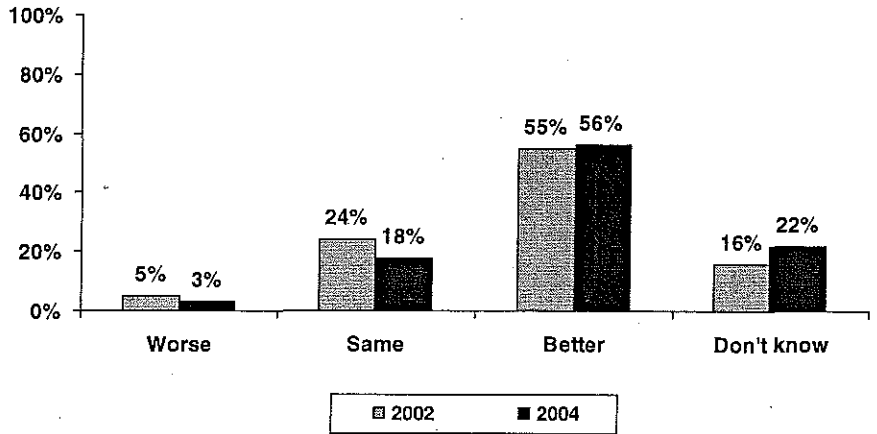
↑ Significantly higher than previous survey at the 95% confidence level.

But one-quarter of those with less than positive perceptions of the Air Quality program mention something favorable, with helpful/knowledgeable employees who can answer questions being cited most frequently (16% or three customers).

DEQ Performance Compared to Five Years Ago

Similar to 2002, most Air Quality customers feel DEQ's performance has remained consistent (18%) or improved (56%) over the past five years. Few (3%) think it has deteriorated.

DEQ's Performance Compared to 5 Years Ago Among Air Quality Customers



Rationale for Improved Performance

When asked why they feel DEQ's service has improved, many comments relate to areas where DEQ is perceived positively, such as being helpful, having a good working relationship, knowledgeable staff, etc., and are not necessarily areas where customers have noticed improvements.

Areas where real gains have been noted include:

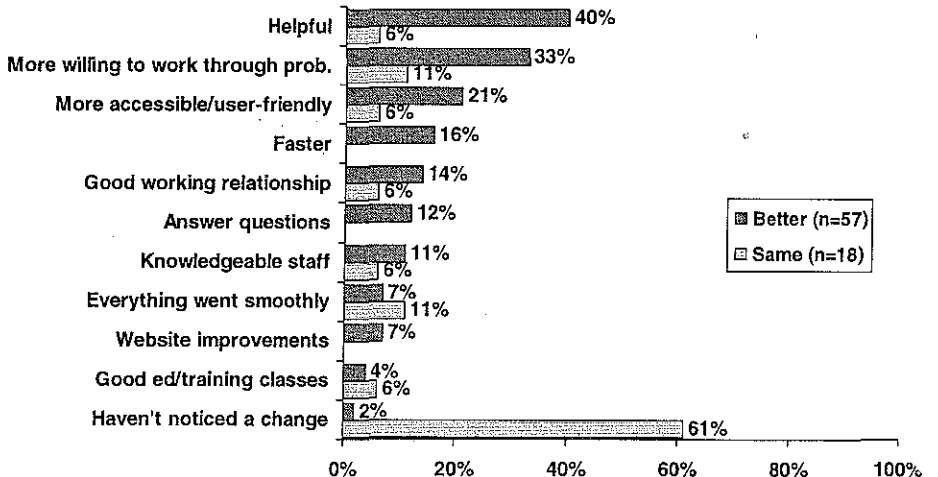
- A greater willingness to work through problems
- Enhanced accessibility/being more user friendly
- Faster response/turnaround time
- Website improvements

A customer service orientation is the foundation for perceived improvements in the service provided by DEQ.

Customers have noted a more collaborative approach to help customers solve problems, rather than focusing on enforcement.

Some feel it is easier to get in touch with representatives who are willing and able to help. Timely callbacks and site visits also enhanced perceived accessibility.

Reasons for Saying DEQ's Performance is the Same or Better Over Past 5 Years Among Air Quality Customers



Base: Air Quality customers who feel DEQ's service is the same or better.
 Note: Total may not sum to 100% due to multiple responses.

A few say that the Air Quality program has improved its speed of service, in terms of reviewing projects and issuing permits, with one respondent saying it took less than a week to receive a burn permit. Though turnaround time may still be longer than expected in some instances, there has been movement in the right direction.

Website improvements cited include making it easier to navigate and obtain needed information online, which helps to improve the speed and accuracy of service.

Rationale for Unchanged Performance

Six in ten Air Quality customers who say DEQ's service has remained unchanged over the past five years say it's because they haven't noticed any changes, either good or bad.

Rationale for Worse Performance

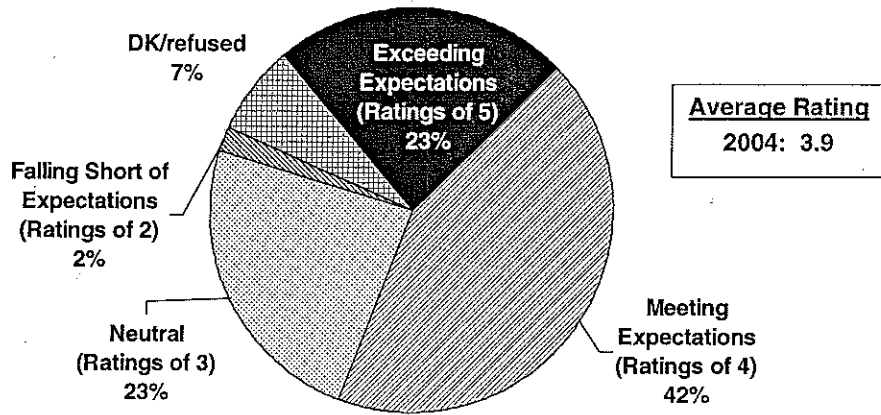
The three Air Quality customers who feel DEQ's performance has eroded over the past five years cite lack of resources (funds and staff), lack of response and being unable to keep up with an increasingly complex regulatory environment as factors in their assessment.

Processes

Permit Application and Review

Three quarters of Air Quality customers have experienced the permit application and review process during the past year. Two-thirds have favorable opinions of the process. About one-quarter give negative or neutral ratings, for an average rating of 3.9 on a 5-point scale.

Performance Ratings for Air Quality Program's Permit Application and Review Process (n=57)



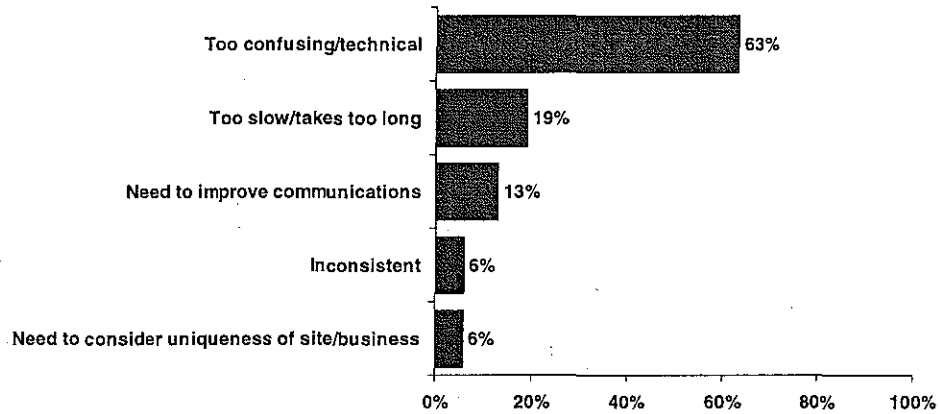
Base: Those who experienced the Air Quality permit application and review process during the past 12 months.

Note: Totals may not sum to 100% due to rounding.

Using a scale where 1 is "poor" and 5 is "excellent."

The main criticism of the process is that it's too confusing and complex (63%), which likely impacts processing time – one in five feel the process is too lengthy. Lack of communication, inconsistencies and lack of flexibility are other criticisms.

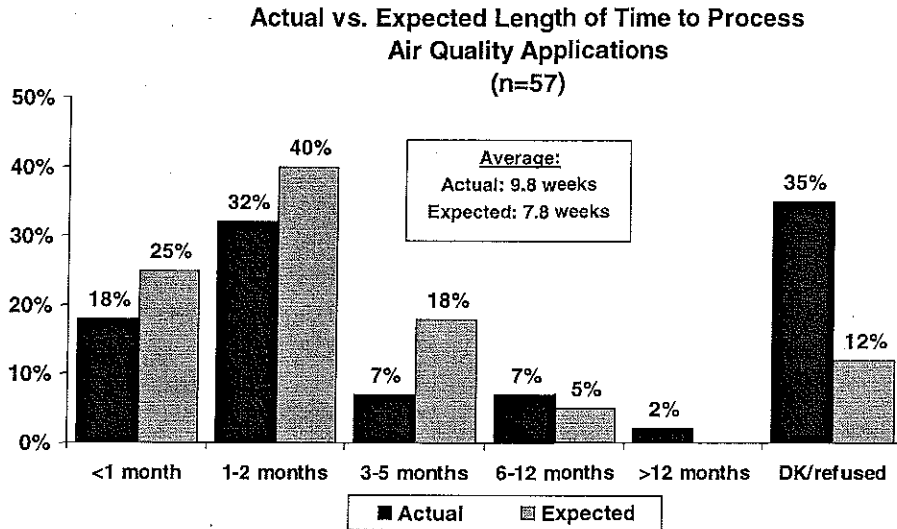
**Reasons for Negative or Neutral Ratings of
Air Quality Program's Permit Application and Review Process
(n=16)**



Base: Those who experienced the Air Quality permit application and review process during the past 12 months and rated it 1, 2 or 3.

Though most have favorable views of the permit application and review process, turnaround time remains an area where DEQ fails to meet expectations for some. Air Quality customers report it took an average of nearly 10 weeks for DEQ to write or modify their permit, but expect it to take an average of about eight weeks.

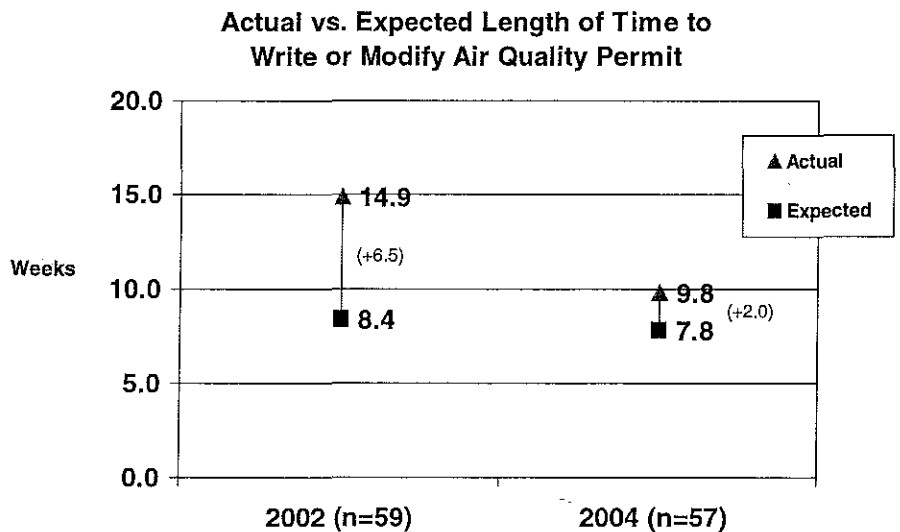
Performance on processing time generally parallels expectations up roughly the three-month mark. Two-thirds (65%) feel the process should take less than three months, while half say this is how long it actually took.



Base: Those who had an Air Quality permit application and review during the past 12 months.
Note: Totals may not sum to 100% due to rounding.

Of note is that a large number (35%) refused to say how long it actually took for their Air Quality permit to be processed.

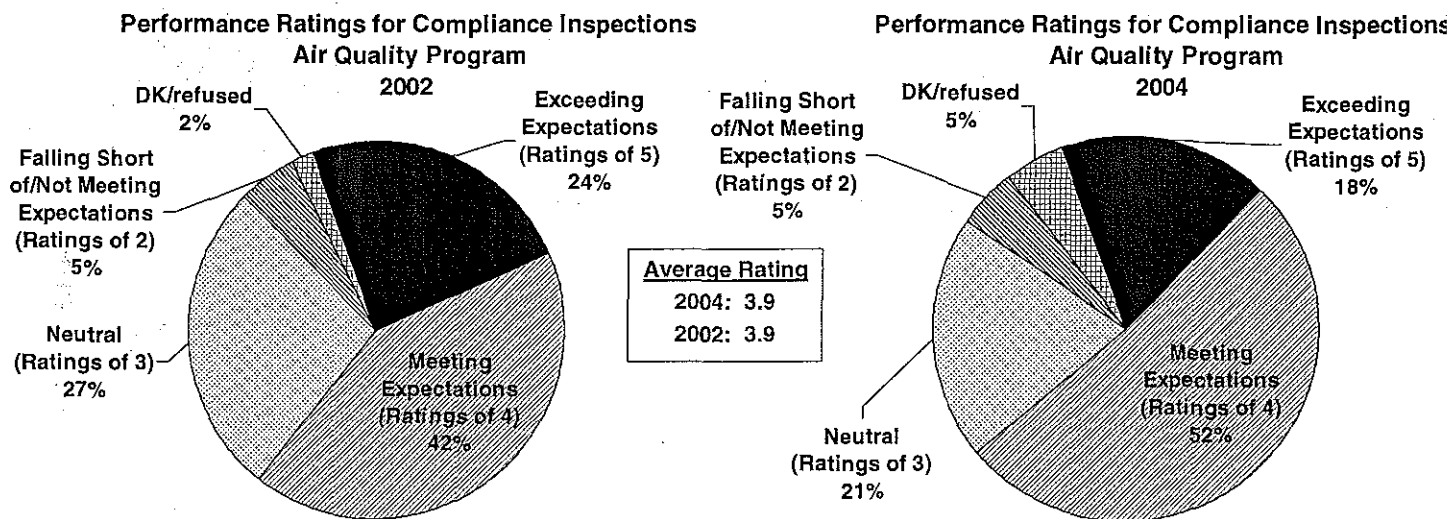
Though the gap between expectations and performance in turnaround time appears to be narrowing slightly, there is no statistical differences in either expected or actual wait time between 2002 and 2004.



Base: Those who had an Air Quality permit application and review during the past 12 months.

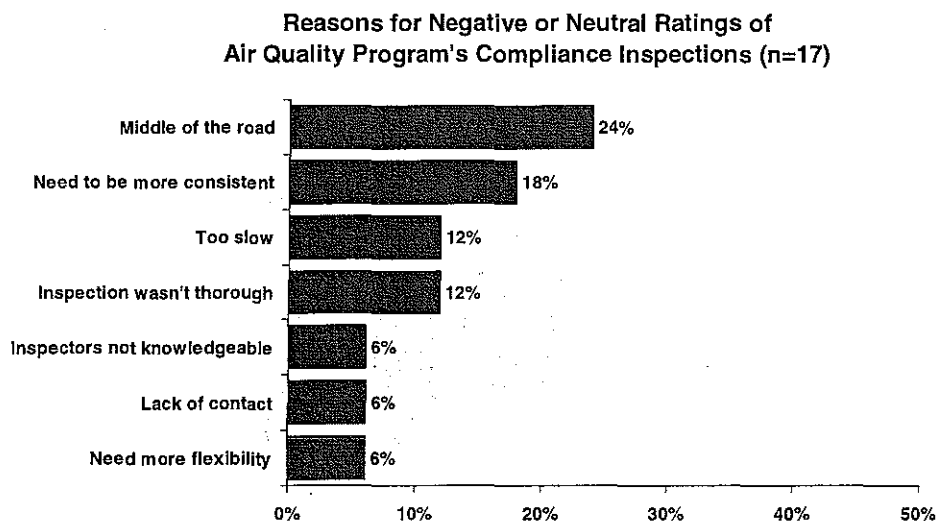
Compliance Inspections

Three-quarters of Air Quality customers have experienced compliance inspections during the past year and have positive views of inspections. Seven in ten rate it a four or five on a 5-point scale, for a 3.9 average rating. This is similar to opinions in 2002.



Base: Those who have had a compliance inspection in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

The handful of Air Quality customers with less than favorable opinions of compliance inspections cite an experience that's "middle of the road/average" and lack of consistency as the main reasons for giving less than favorable scores. Some feel the inspection wasn't thorough (12%) or that the inspector was not knowledgeable (6%). A few desire greater contact (6%) or flexibility (6%).



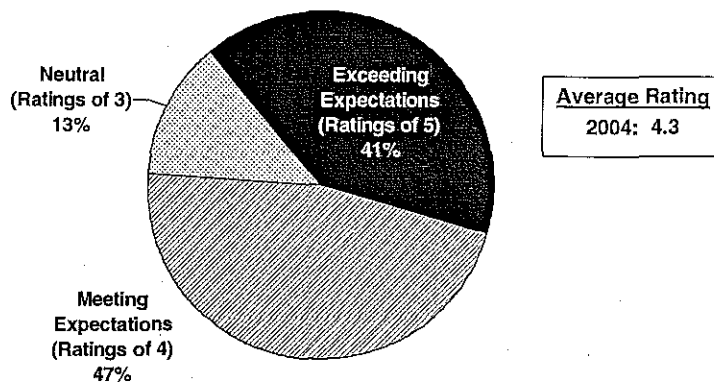
Base: Those who experienced the Air Quality compliance inspections during the past 12 months and rated it 1, 2 or 3.

Technical Assistance

One in five who received technical assistance during the past year did so concerning Air Quality. The vast majority of these customers (88%) give it high marks, for a 4.3 average rating.

Among the four with neutral assessments, rep's lack of knowledge (25%) and inconsistent information (25%) are the primary reasons given.

Performance Ratings for Air Quality Program's Technical Assistance (n=32)



Base: Those who received technical assistance during the past 12 months.
Note: Totals may not sum to 100% due to rounding.
Using a scale where 1 is "poor" and 5 is "excellent."

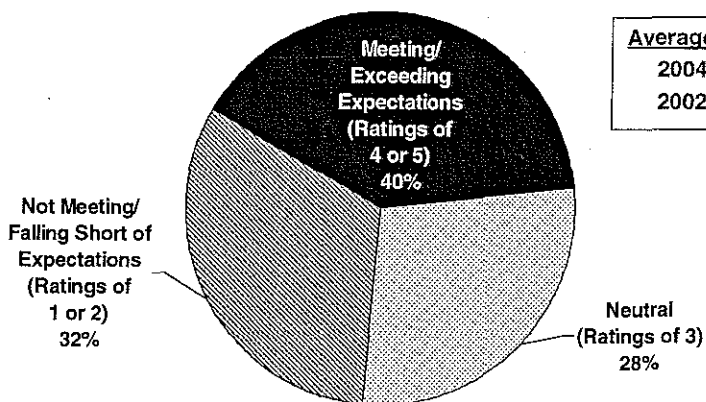
Enforcement Actions

Those who have had an enforcement action are fairly neutral in their assessments of the process. Results are similar to the initial survey in 2002.

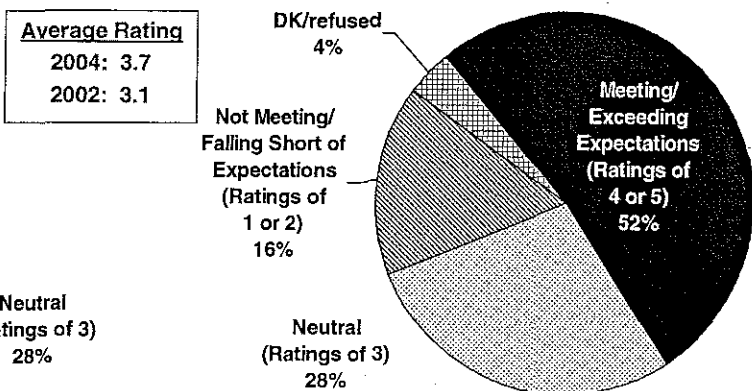
About one-third to almost half have negative (ratings of 1 or 2) or neutral (3) views of the process aspects assessed. They are generally offset by those with positive opinions (ratings of 4 or 5).

At least half of Air Quality customers who have experienced an enforcement action have positive opinions on the ease of understanding how to comply, the fairness of enforcement and appropriateness of penalties for lack of compliance. Each garner average ratings of 3.7 on a 5-point scale.

Performance Ratings for Understanding How to Comply Among Air Quality Customers - 2002



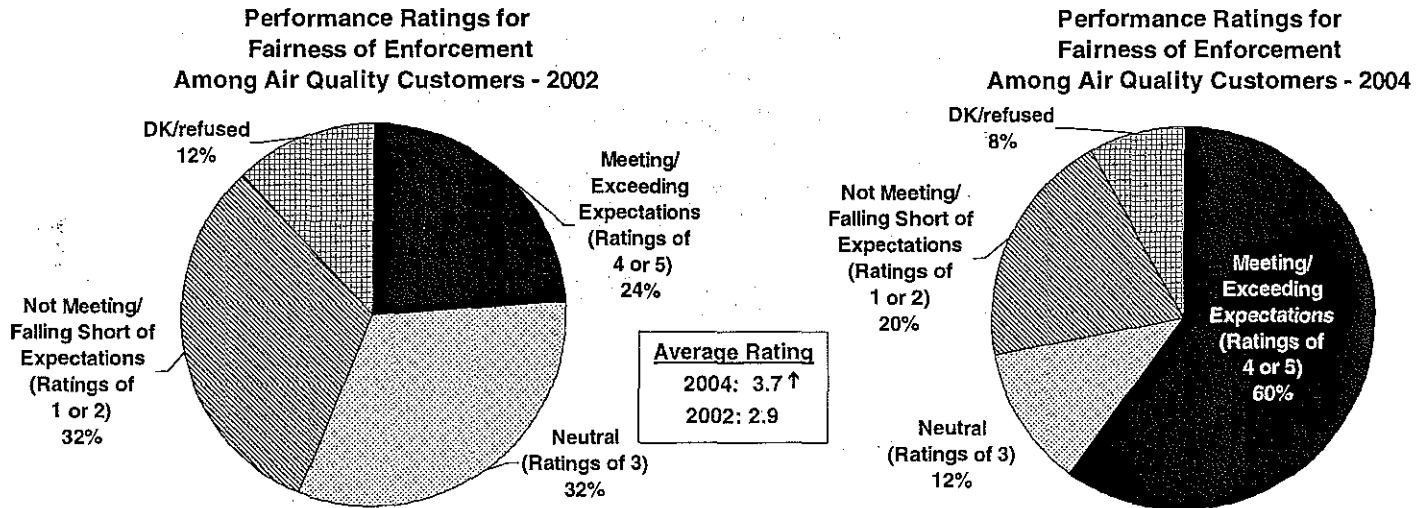
Performance Ratings for Understanding How to Comply Among Air Quality Customers - 2004



Base: Those who experienced an enforcement action during the past 12 months.
Note: Totals may not sum to 100% due to rounding.
Using a scale where 1 is "poor" and 5 is "excellent."

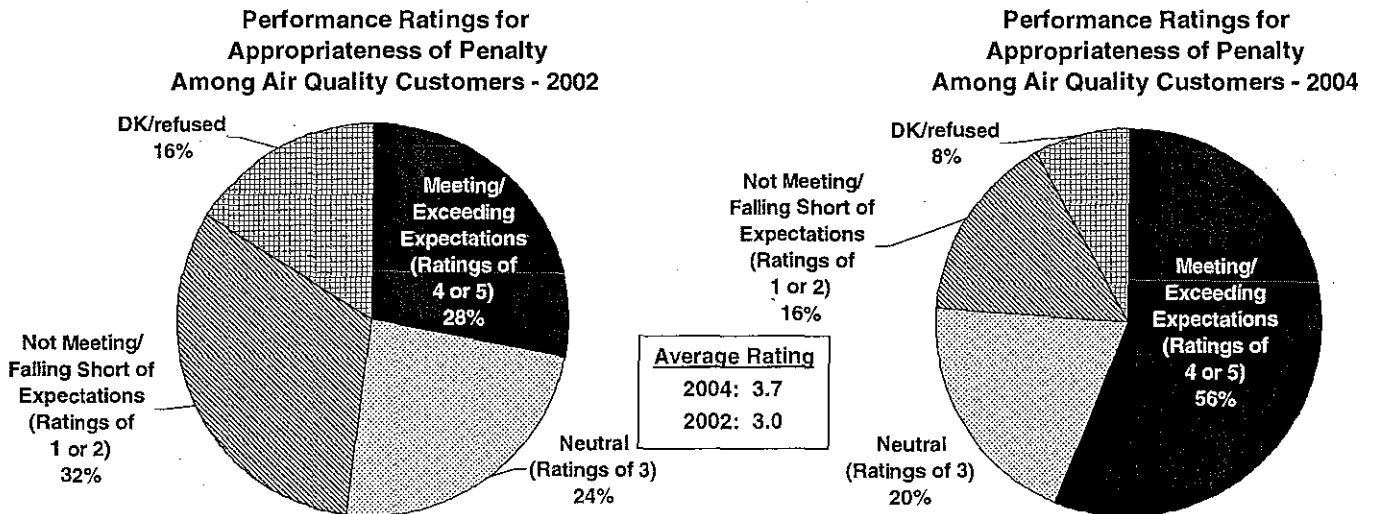
Assessments of the fairness of enforcement rules and regulations have risen significantly from the 2.9 average rating in the initial survey. This reflects the more than doubling of the numbers who give the fairness of enforcement a rating of four or five.

The numbers who deem the fairness of the enforcement as "excellent" more than doubled between 2002 and 2004.



Base: Those who experienced an enforcement action during the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."
 ↑ Significantly higher than previous survey at the 95% confidence level.

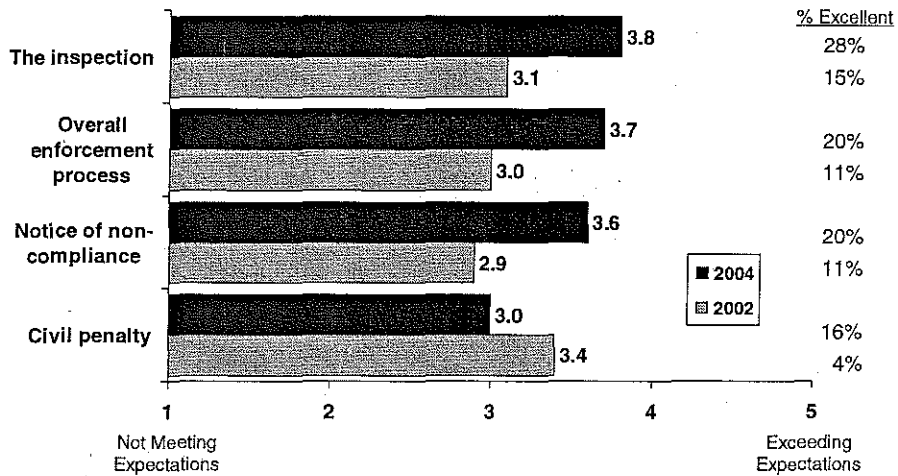
Though opinions of the appropriateness of penalties are trending upward, results are not statistically different than 2002.



Base: Those who experienced an enforcement action during the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Ratings for how DEQ staff handled different aspects of the enforcement process are similar to that of the process itself. Staff-related aspects generally receive neutral average ratings in the high 3.0 range. At least half of Air Quality customers give positive ratings of 4 or 5 for how the staff handled the various aspects of the enforcement process (the inspection, overall enforcement process and notice of non-compliance).

Performance Ratings for DEQ Staff's Handling of the Enforcement Action Among Air Quality Customers



Base: Those who experienced an enforcement action during the past 12 months. On a scale where 1 is "poor" and 5 is "excellent."

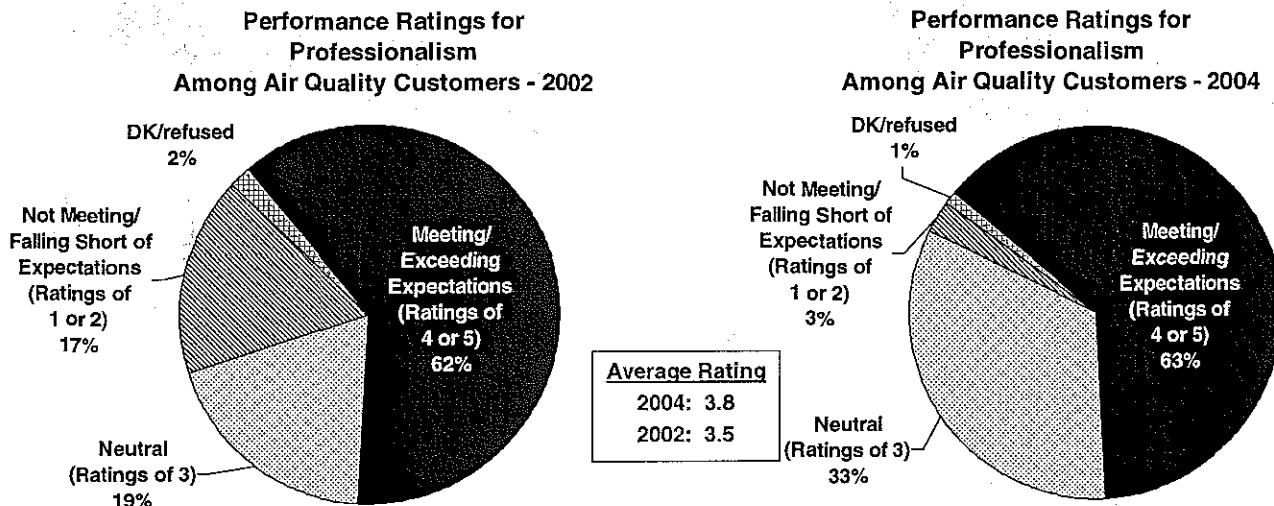
The staff's handling of enforcement actions for civil penalties is the exception. Large numbers (64%) are unable to rate the staff's handling of enforcement actions for civil penalties.

Among the handful with less than positive impressions of the overall enforcement process, lack of communication and a perception of staff being rigid are the main reasons given.

Dispute Resolution

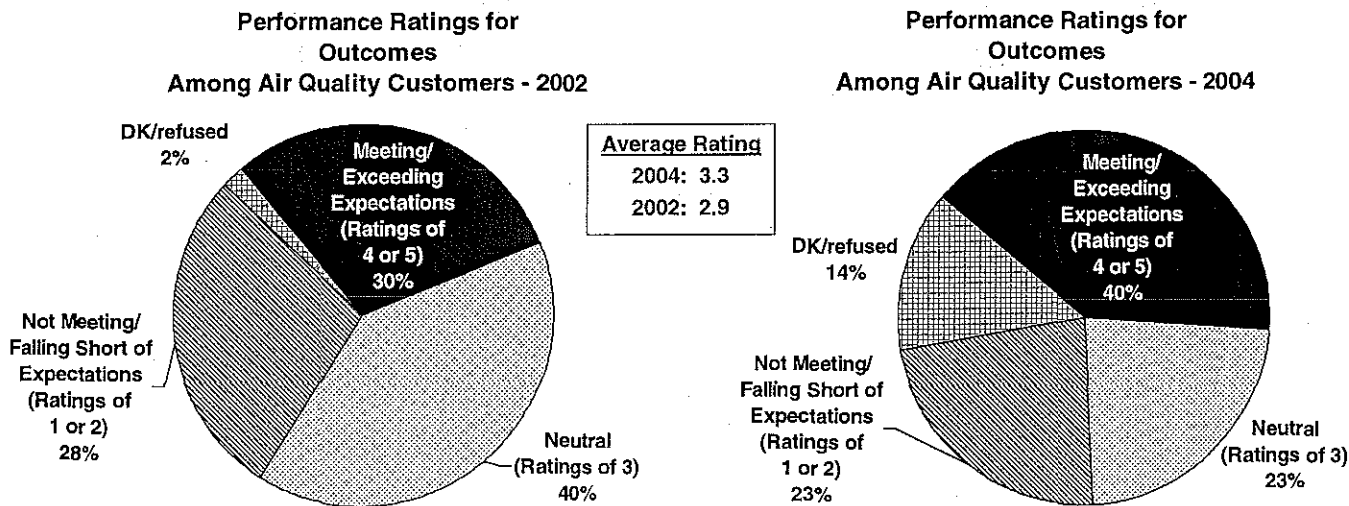
Similar to 2002, three in ten Air Quality customers have had a disagreement with DEQ because they didn't agree with a rule or thought an interpretation was wrong.

Those who have had a dispute with DEQ have mixed opinions about the experience. The staff's professionalism receives the most favorable marks, with six in ten rating it a 4 or 5.



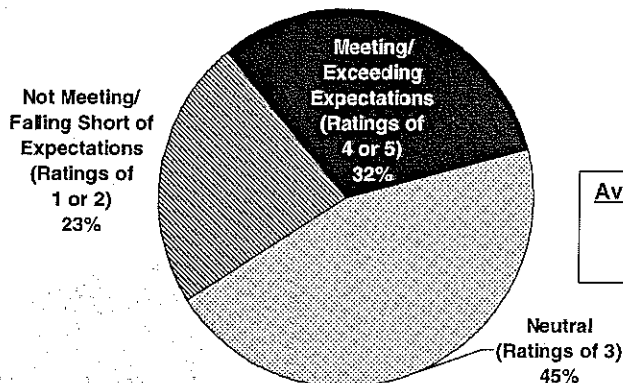
Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

But impressions of the overall process, as well as its timeliness and outcome, are less favorable. Between three in ten and four in ten have favorable opinions of each.

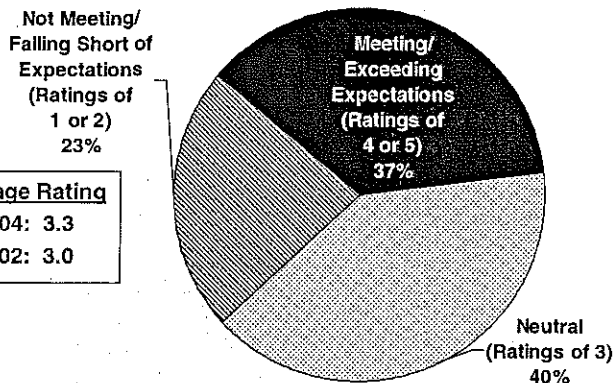


Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Performance Ratings for Problem Solving Process Among Air Quality Customers - 2002



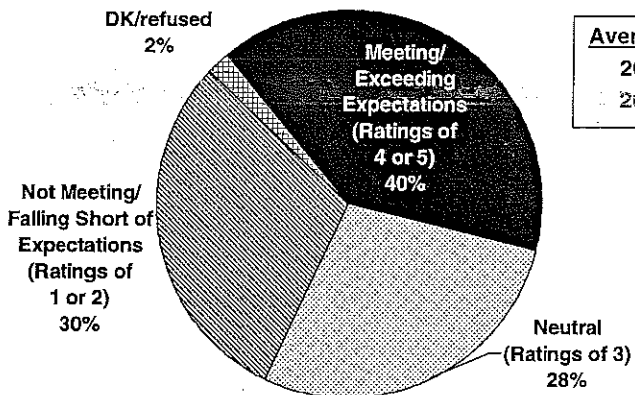
Performance Ratings for Problem Solving Process Among Air Quality Customers - 2004



Average Rating
 2004: 3.3
 2002: 3.0

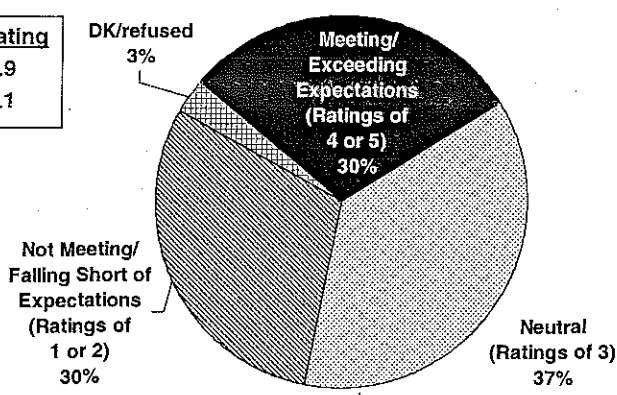
Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Performance Ratings for Timeliness Among Air Quality Customers - 2002



Average Rating
 2004: 2.9
 2002: 3.1

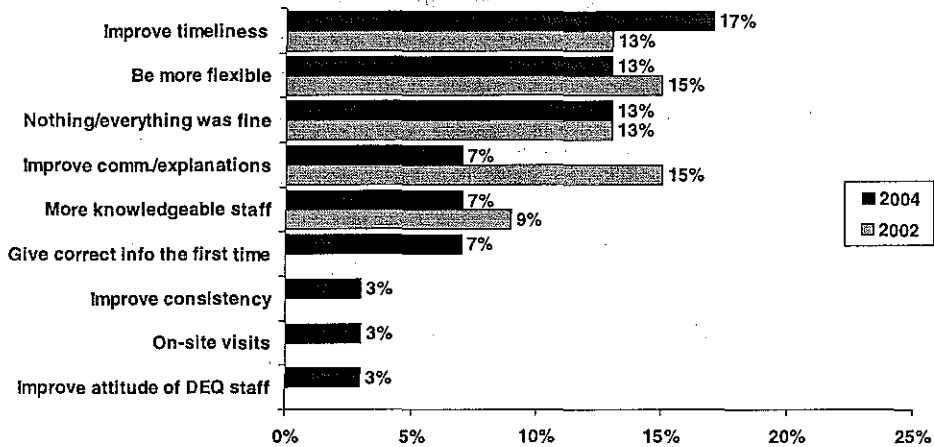
Performance Ratings for Timeliness Among Air Quality Customers - 2004



Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Enhancing timeliness (inspections, information) and flexibility are the most frequent suggestions for improving the dispute resolution process. One in eight said everything was fine. Suggestions relating to communications (improving explanations, giving correct information initially and improving consistency) and staff (knowledge and attitude) follow.

Suggestions on Improving the Dispute Resolution Process Among Air Quality Customers (n=30)



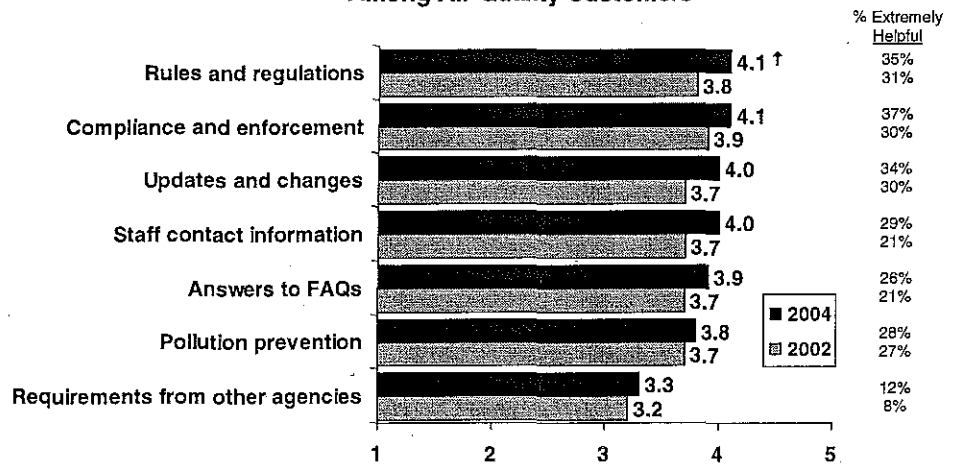
Base: Those who had a disagreement with DEQ over the past 12 months.
 Note: Total may not sum to 100% due to multiple responses.

Customer Preferences

Air Quality customers generally feel that a variety of information from DEQ would be helpful for their organization.

Information on rules and regulations, as well as compliance and enforcement, top the list, with more than one-third saying each is extremely helpful. However, the next three items follow closely, cited by roughly one-quarter as being extremely helpful. Fewer (about one in ten customers) say the same about information on requirements from other agencies.

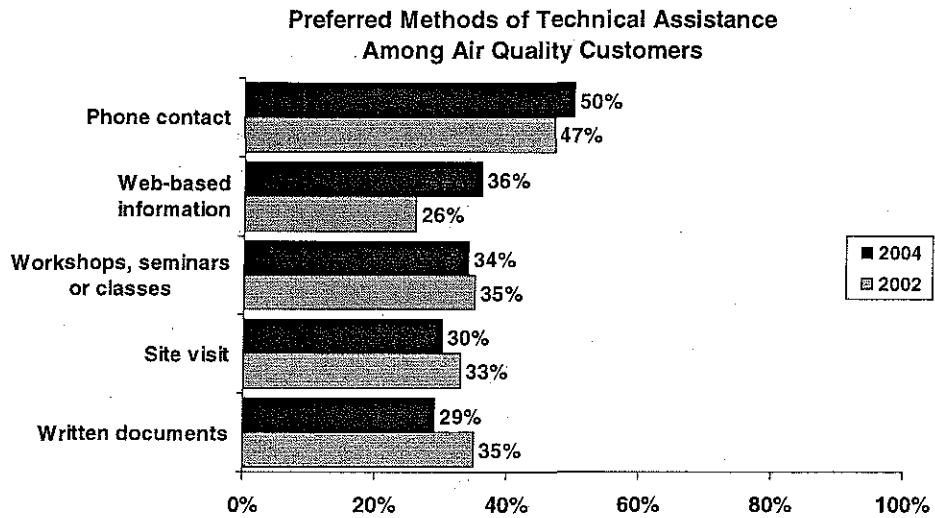
Helpfulness of Various Information from DEQ Among Air Quality Customers



Note: Using a scale where 1 is "not at all helpful" and 5 is "extremely helpful."
 ↑ Significantly higher than the previous survey at the 95% confidence level.

Customers deem information on rules and regulations as more helpful in 2004 than 2002.

In a similar vein, Air Quality customers also want to receive technical assistance via a variety of modes. Phone is the most popular, cited by one-half. But web-based information, workshops, site visits and written documentation are also preferred by about three in ten.



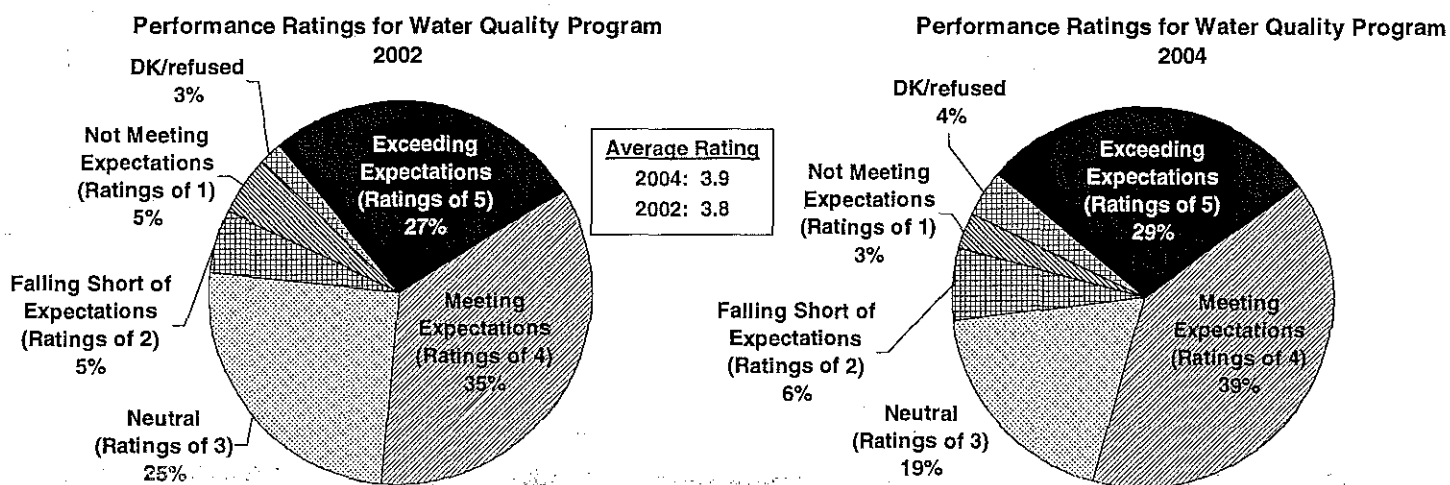
Note: Total may not sum to 100% due to multiple responses.

Water Quality Program

These findings are based on the responses of 216 Water Quality program customers.

Performance Ratings²

Seven in ten Water Quality customers give the program positive ratings of 4 or 5. One-fifth have neutral feelings (ratings of 3), while one in ten give the program negative ratings of 1 or 2, for a 3.9 average score. Opinions of the Water Quality program are consistent with 2002 results.



Base: Those who had contact with the Water Quality Program during the past 12 months.

Note: Totals may not sum to 100% due to rounding.
Using a scale where 1 is "poor" and 5 is "excellent."

² On a 5-point scale where 1 is poor and 5 is excellent, ratings of 1 or 2 are considered negative/unfavorable, ratings of 3 are neutral, and ratings of 4 or 5 are considered positive/favorable.

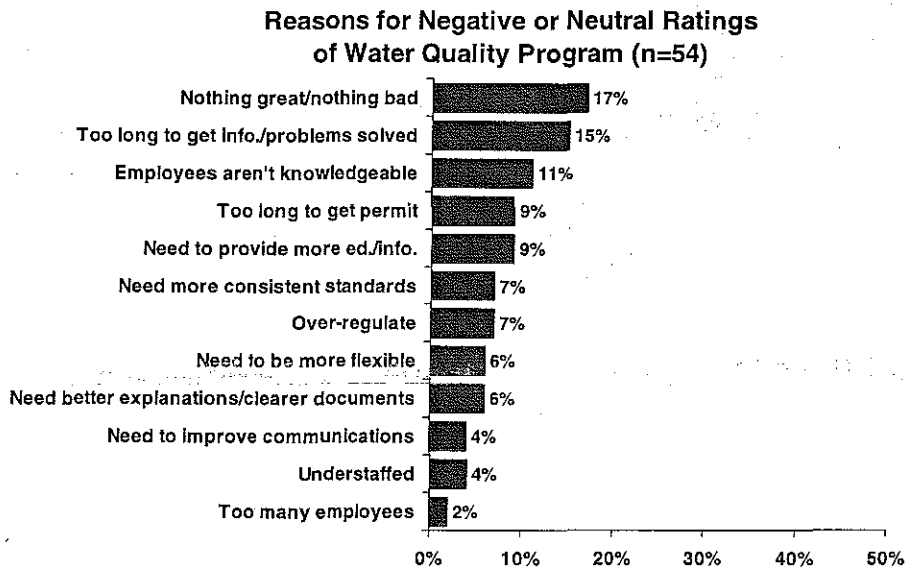
Rationale for Neutral/Negative Ratings

Of those with neutral or negative feelings towards the Water Quality program, nearly one in five can say nothing memorable (either good or bad). Timing is an issue; 15% say it takes too long to get information or resolve problems, while about one in ten feel the permitting process is too lengthy.

Greater clarity in communicating with customers is a secondary issue. Specifically, customers desire more customer education/information (9%), clearer explanations and documents (6%) and/or communications in general (4%).

There are some contradictions regarding:

- The desire for more consistent standards (7%) vs. the need to be more flexible (6%)
- The view that DEQ is understaffed (4%) vs. having too many employees (2%)



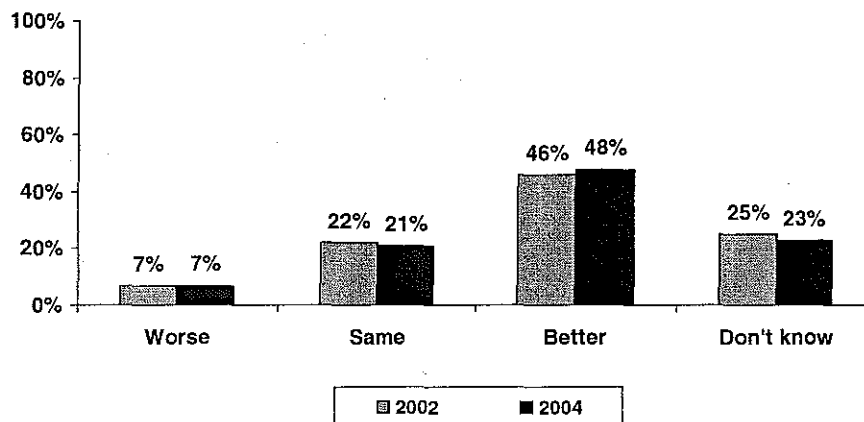
Base: Those who had contact with the Water Quality Program during the past 12 months and rated it a 1, 2 or 3.

Note: Total may not sum to 100% due to multiple responses.

DEQ Performance Compared to Five Years Ago

Almost half (48%) of Water Quality customers feel that the DEQ's performance has gotten better over the past five years. Just 7% say things have gotten worse, while one in four are unable to provide an opinion. Results are consistent with the 2002 survey.

DEQ's Performance Compared to 5 Years Ago
Among Water Quality Customers



A greater willingness to work with customers to solve problems, being more accessible and user-friendly, faster service and website improvements are the main areas where Water Quality customers have noticed improvements.

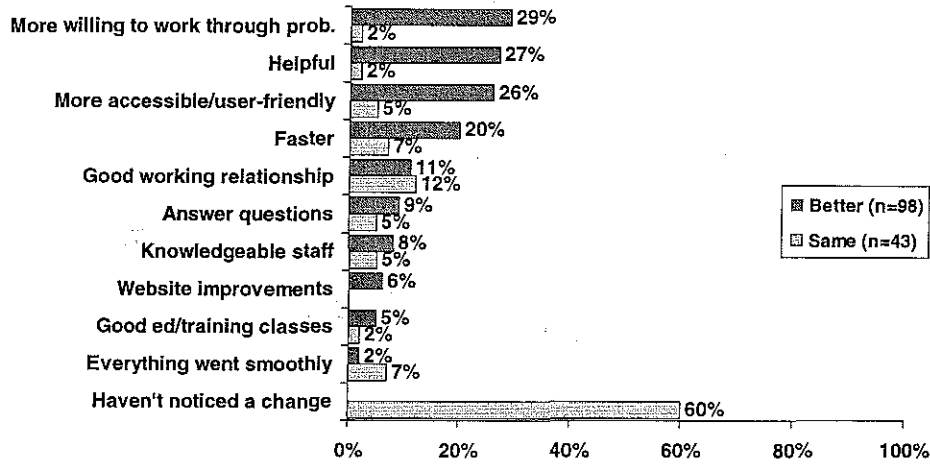
Water Quality customers have noticed a shift from an enforcement mentality to a greater willingness to work with customers to help keep them in compliance and avoid or solve problems. As a result, some perceive DEQ as being more helpful.

Customers have noticed a shift from an enforcement mentality to a more collaborative approach.

Better access in terms of more face-to-face contact and more personal service were also cited.

Customers have noticed improvements in response and permitting time. In some instances, inspections or permit approvals have taken place in a matter of weeks. Even among those whose permits take a while to process, customers have detected greater responsiveness and appreciate communications regarding their status.

Reasons for Assessment of DEQ's Performance Over Past 5 Years Among Water Quality Customer



Base: Water Quality customers who feel DEQ's service is the same or better.
 Note: Total may not sum to 100% due to multiple responses.

Rationale for Unchanged Performance

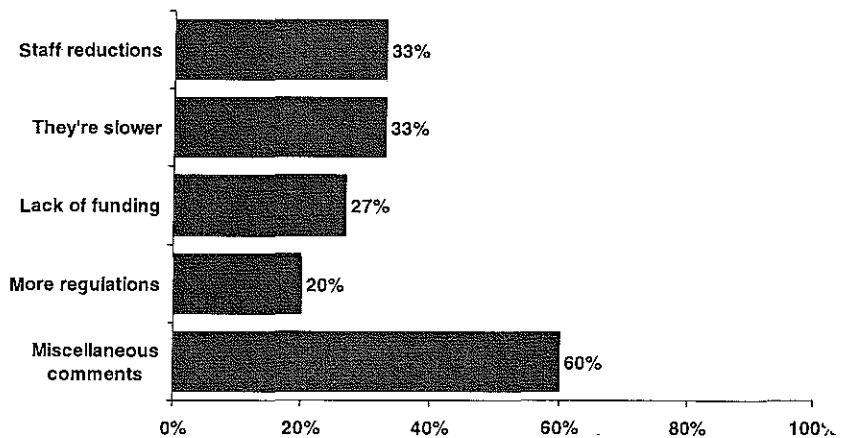
Not noticing any substantial changes (either positive or negative) is main rationale for saying DEQ's performance has remained the same over the past five years.

A few cited positives, such as having a good working relationship, ability to answer questions and knowledgeable staff, though they have not necessarily noted improvements in these areas.

Rationale for Worse Performance

Staff cuts and lack of resources contribute to a perception of slower service and are the main reasons given for perceptions that DEQ's performance has deteriorated over the past five years.

Reasons for Worsening Assessment of DEQ's Performance Over Past 5 Years Among Water Quality Customers (n=15)

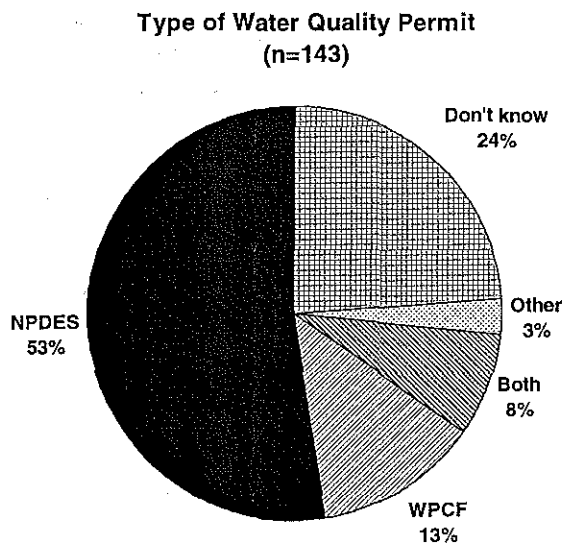


Base: Water Quality customers.
 Note: Total may not sum to 100% due to multiple responses.

Processes

Permit Application and Review

Slightly more than half of those with Water Quality permits hold an NPDES, about four times the number who have a WPCF. Nearly one in ten hold both types of permits. Fully one-quarter can't recall their permit type.

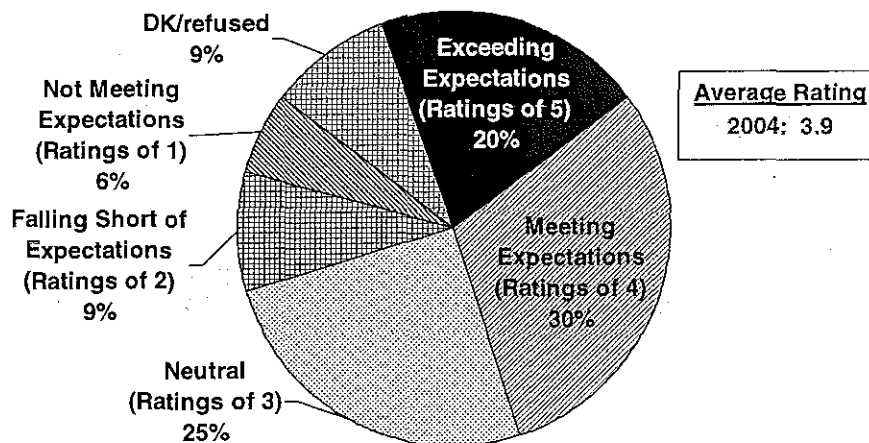


Base: Those who have a Water Quality permit.

p

Half have favorable impressions of the Water Quality program application and review process. Four in ten give either neutral (25%) or negative (15%) ratings, for an average score of 3.5.

**Performance Ratings for Water Quality Program's Permit
Application and Review Process (n=143)**



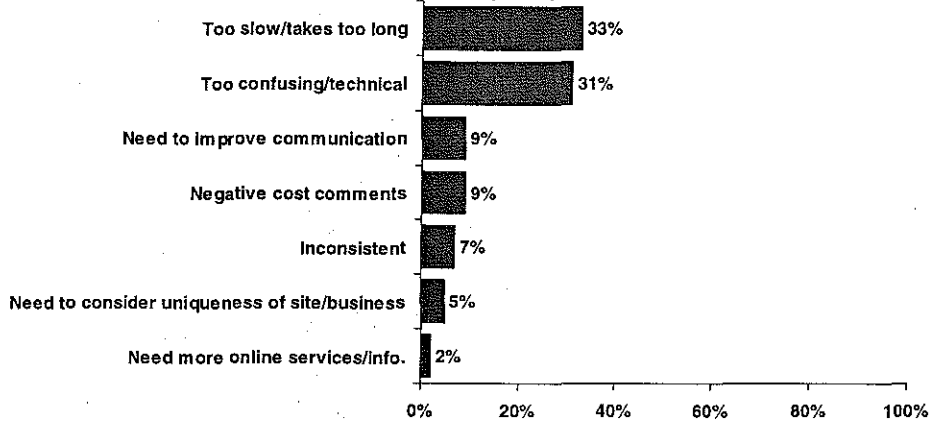
Base: Those who experienced the Water Quality permit application and review process during the past 12 months.

Note: Totals may not sum to 100% due to rounding.

Using a scale where 1 is "poor" and 5 is "excellent."

That the process is too slow or too confusing are the primary criticisms with the Water Quality permit application and review process, each cited by about three in ten. Other negatives rounding out the list relate to the need to improve communication, cost, inconsistency, desire for greater flexibility and more online features.

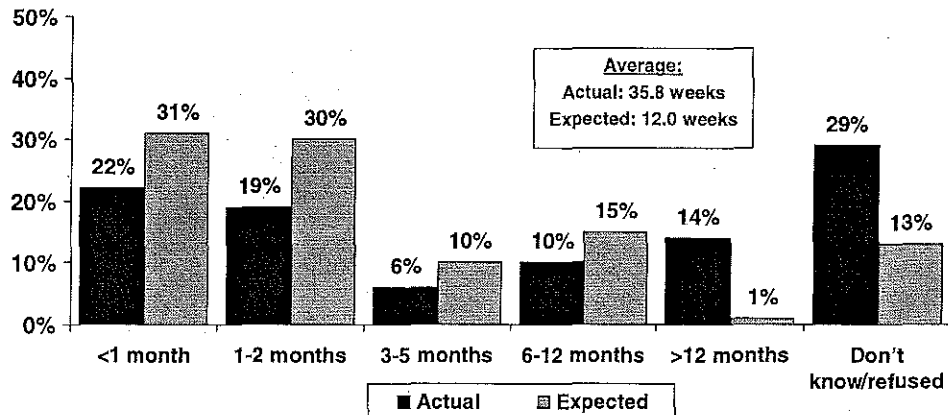
Reasons for Negative or Neutral Ratings of Water Quality Program's Permit Application and Review Process (n=58)



Base: Those who experienced the Water Quality permit application and review process during the past 12 months and rated it 1, 2 or 3.

Turnaround time for issuing Water Quality permits supports customers' comments. While customers expect their Water Quality permits to be processed within three months, it took an average of nine months. Seven in ten Water Quality customers feel it should take less than six months to process their permit, but only 47% said that was the case. Fourteen percent said it took longer than a year.

Actual vs. Expected Length of Time to Process Water Quality Applications (n=143)

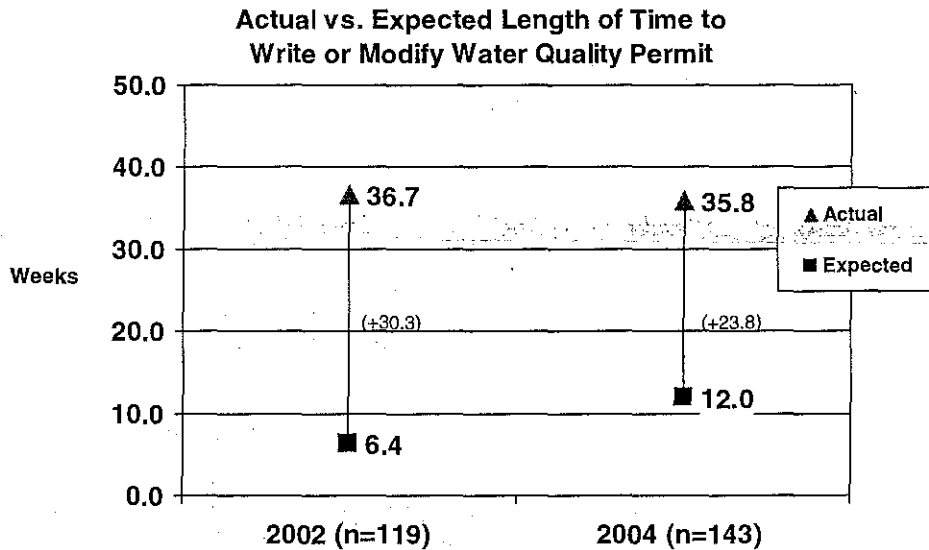


Base: Those who had a Water Quality permit application and review during the past 12 months.
Note: Totals may not sum to 100% due to rounding.

Those who feel DEQ's performance has gotten worse over the past five years say it took an average of roughly two years to process their Water Quality permit. In contrast, customers who say DEQ's performance has improved or remained unchanged report it took an average of eight months and 12 months, respectively. Those who had a disagreement with DEQ reported an average time of 84.9 weeks (21 months) compared with 22.3 weeks (about six months) for those who did not have a dispute.

Customers who feel DEQ's performance has deteriorated over the past five years say it took an average of two years to process their Water Quality permit.

Averages for both expected and actual turnaround time are not strictly comparable between 2002 and 2004 due to changes in questionnaire wording, reflecting input from the Blue Ribbon Committee. Nonetheless, the gap between expected and actual turnaround time appears to be narrowing. However, this reflects somewhat lower customer expectations, rather than improved performance. Turnaround time remains consistent with the previous survey. However, expected processing time has almost doubled from about six weeks to three months. The length of the permitting process falls short of expectations by about six months.

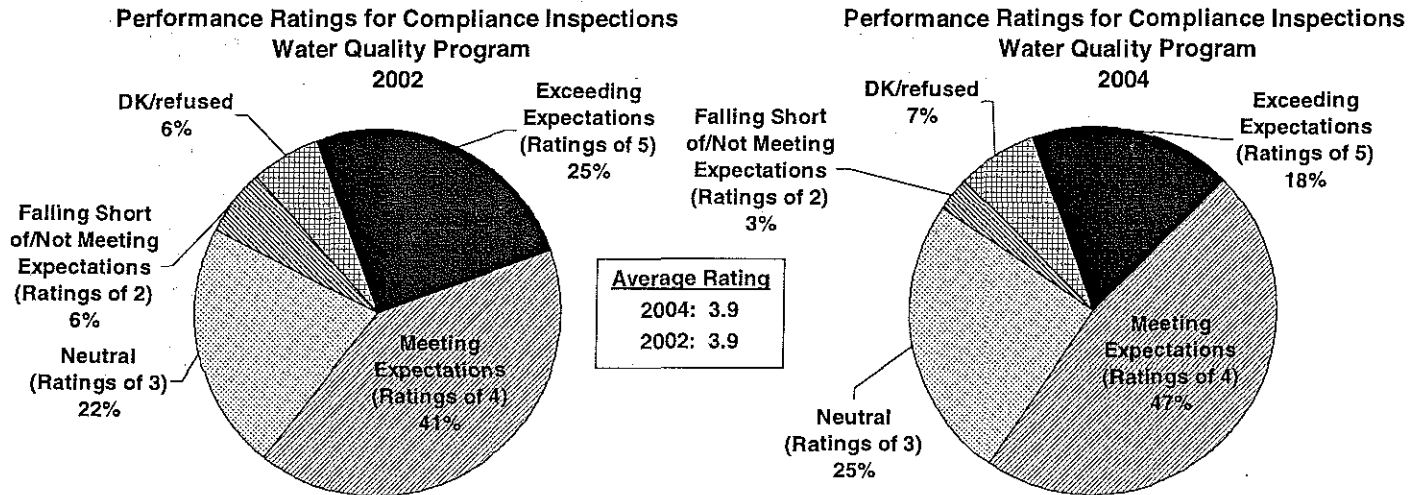


Base: Those who had a Water Quality permit application and review during the past 12 months.

Water Quality customers who feel DEQ's performance has deteriorated over the past five years have expectations for processing time (about 4.5 months) that are similar to those who feel DEQ's service has improved (3.6 months) or remained unchanged (2.5 months).

Compliance Inspections

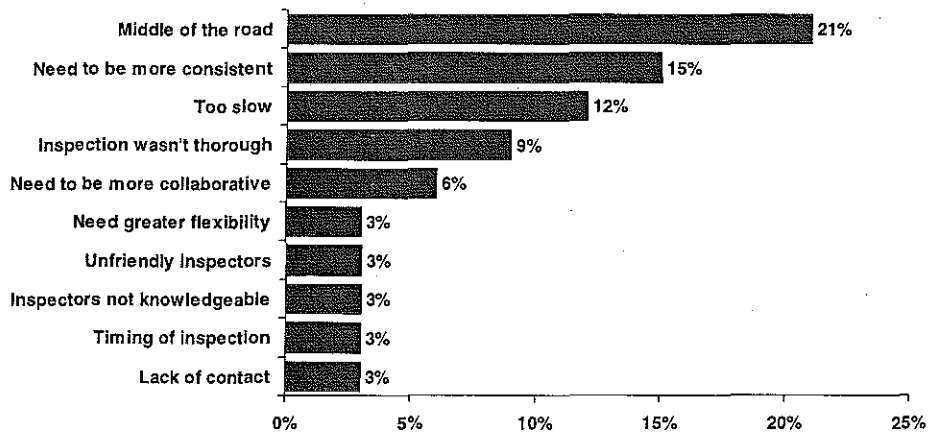
Two-thirds of Water Quality customers who experienced compliance inspections have favorable views of the process. Results are unchanged from the prior survey. About three in ten give neutral or negative ratings, for an average rating of 3.9.



Base: Those who have had a compliance inspection in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Mediocre service, a desire for greater consistency and speeding up the process are the primary reasons for having neutral or negative views of compliance inspections. On the flip side of consistency, some want more collaboration or greater flexibility to account for industry differences. A few are critical of inspectors' attitude and knowledge.

Reasons for Negative or Neutral Ratings of Water Quality Program's Compliance Inspections (n=34)

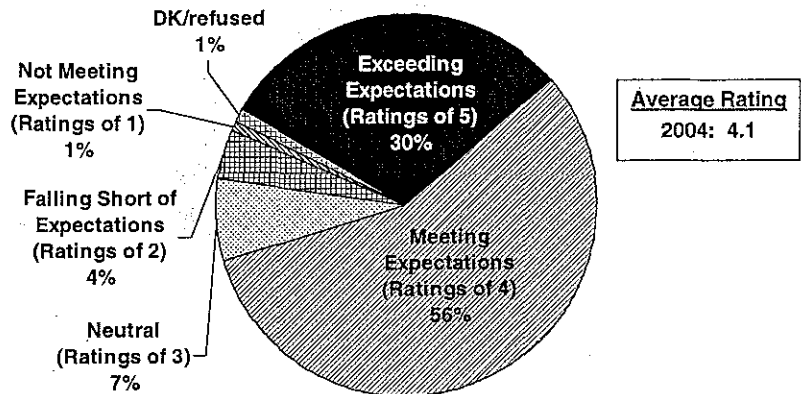


Base: Those who experienced the Water Quality compliance inspections during the past 12 months and rated it 1, 2 or 3.

Technical Assistance

Of DEQ customers who received technical assistance in the past 12 months, 65% did so for Water Quality. Water Quality technical assistance receives high marks – 86% rate it a four or five, for a 4.1 average.

Performance Ratings for Water Quality Program's Technical Assistance (n=73)



Base: Those who received technical assistance during the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

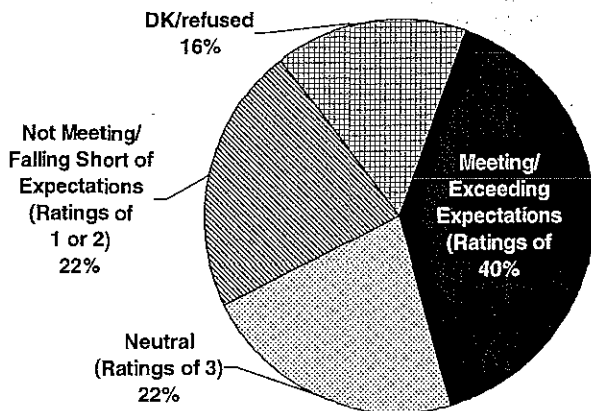
Main reasons given among the nine respondents who have neutral or negative opinions of the Water Quality program's technical assistance relate to:

- Reps aren't knowledgeable (33%)
- Inconsistent information (11%)

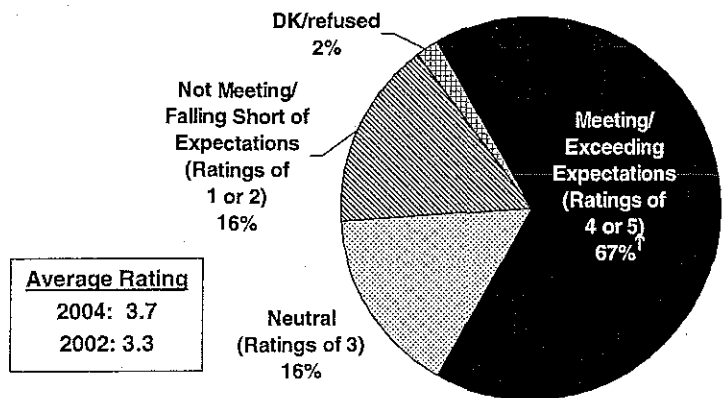
Enforcement Action

Water Quality customers' perceptions of the enforcement process are trending upward, although the differences are not statistically significant. Compared to 2002, greater numbers give high marks to the fairness of the enforcement process, although it is insufficient to boost the overall rating significantly.

Performance Ratings for Fairness of Enforcement Among Water Quality Customers - 2002



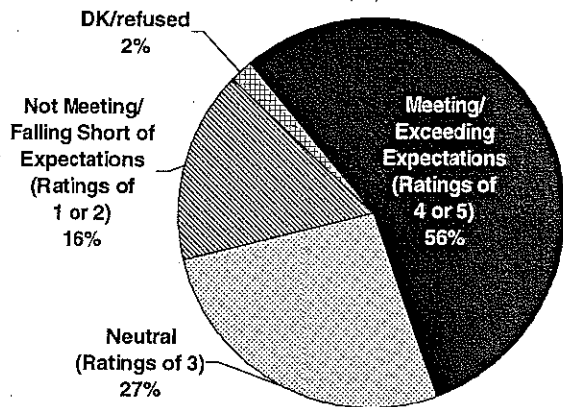
Performance Ratings for Fairness of Enforcement Among Water Quality Customers - 2004



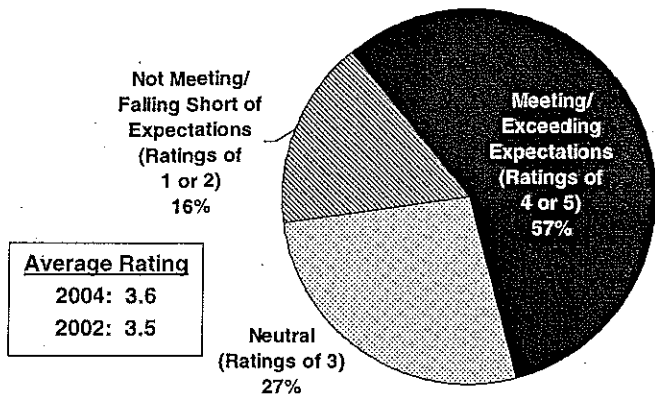
Base: Those who experienced an enforcement action during the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

↑ Significantly higher than previous survey at the 95% confidence level.

Performance Ratings for Understanding How to Comply Among Water Quality Customers - 2002



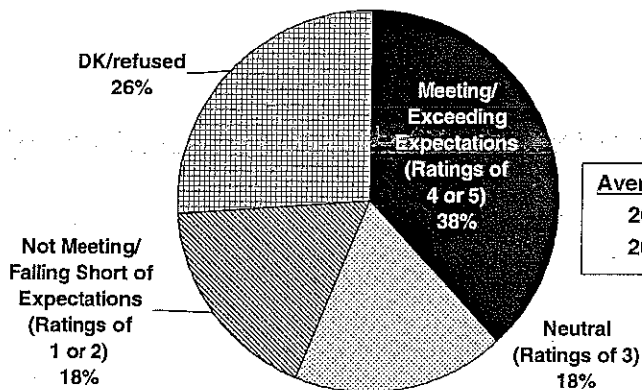
Performance Ratings for Understanding How to Comply Among Water Quality Customers - 2004



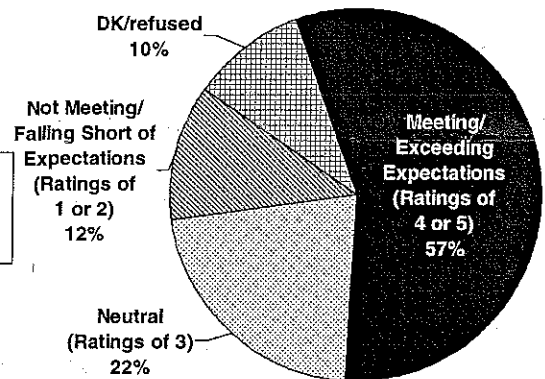
Average Rating	
2004:	3.6
2002:	3.5

Base: Those who experienced an enforcement action during the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Performance Ratings for Appropriateness of Penalty Among Water Quality Customers - 2002



Performance Ratings for Appropriateness of Penalty Among Water Quality Customers - 2004



Average Rating	
2004:	3.7
2002:	3.4

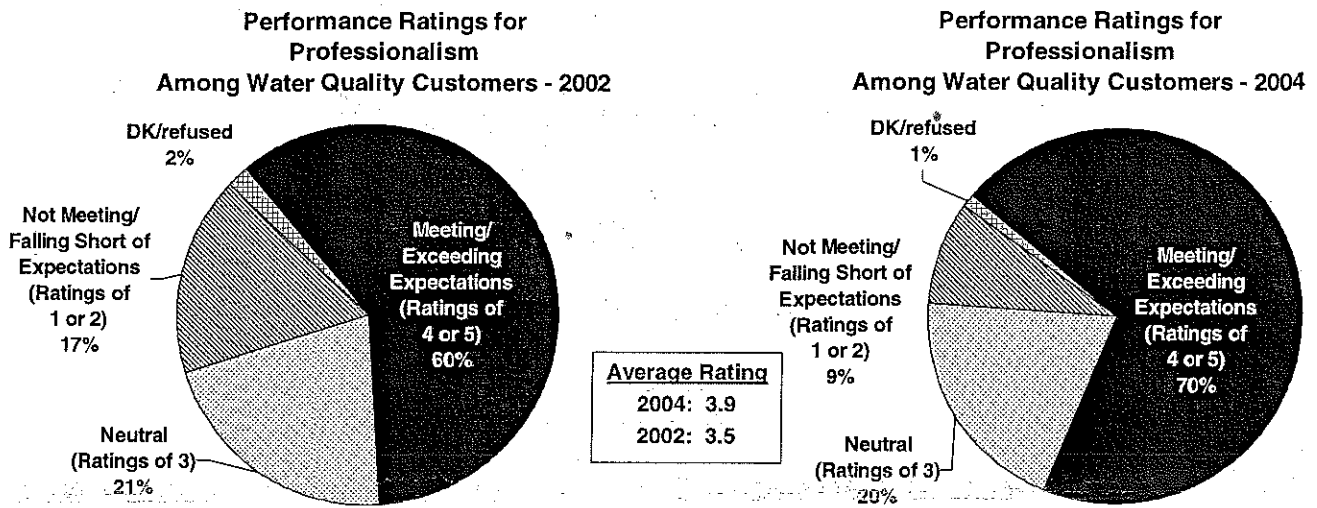
Base: Those who experienced an enforcement action during the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Dispute Resolution

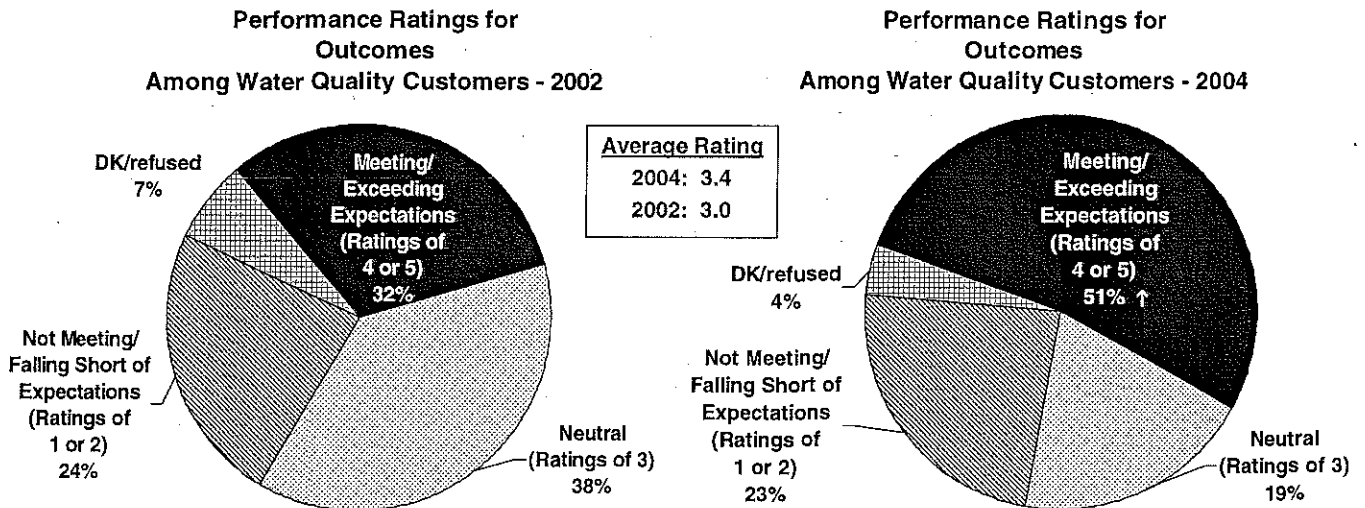
One-third of Water Quality customers have had a disagreement with DEQ because they didn't agree with a rule or thought an interpretation was wrong, similar to the 28% who said the same in 2002 survey.

Those who have had a dispute with DEQ have mixed opinions about the experience. Perceptions of the staff's professionalism and outcomes are trending upwards, though the differences in average ratings between surveys is not statistically significant. At least half rate each as "excellent."

Impressions of the overall process and its timeliness are less favorable and are also consistent with 2002 results.

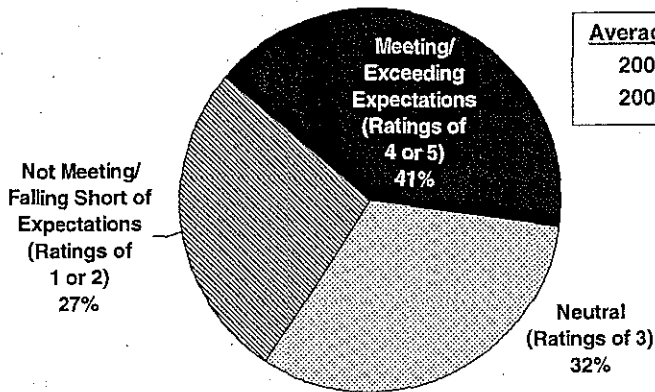


Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

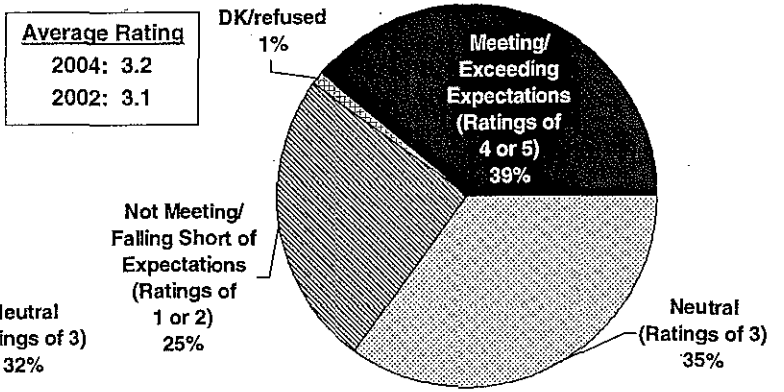


Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."
 ↑ Significantly higher than the previous survey at the 95% confidence level.

Performance Ratings for Problem Solving Process Among Water Quality Customers - 2002



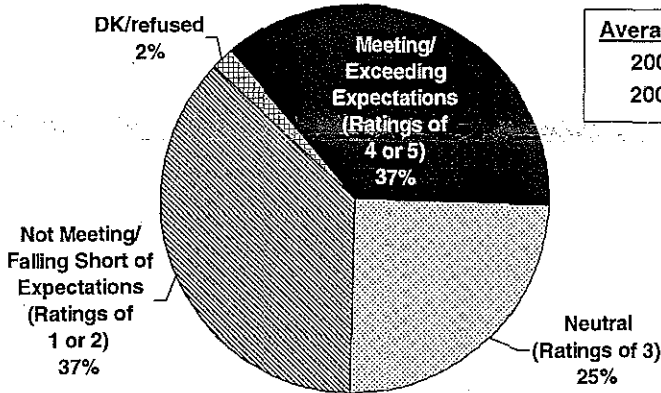
Performance Ratings for Problem Solving Process Among Water Quality Customers - 2004



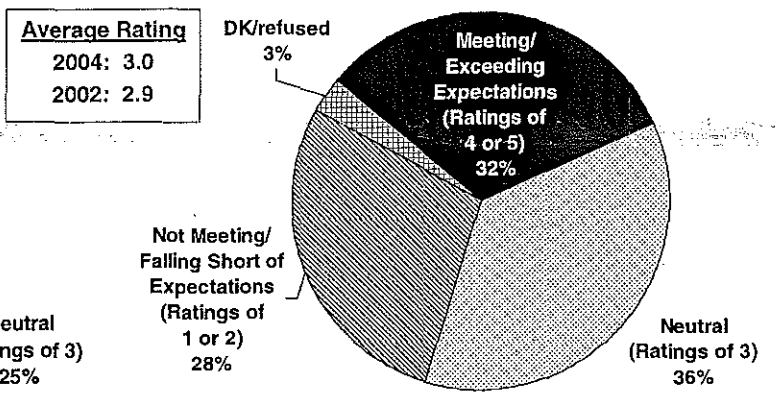
Average Rating
 2004: 3.2
 2002: 3.1

Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

Performance Ratings for Timeliness Among Water Quality Customers - 2002



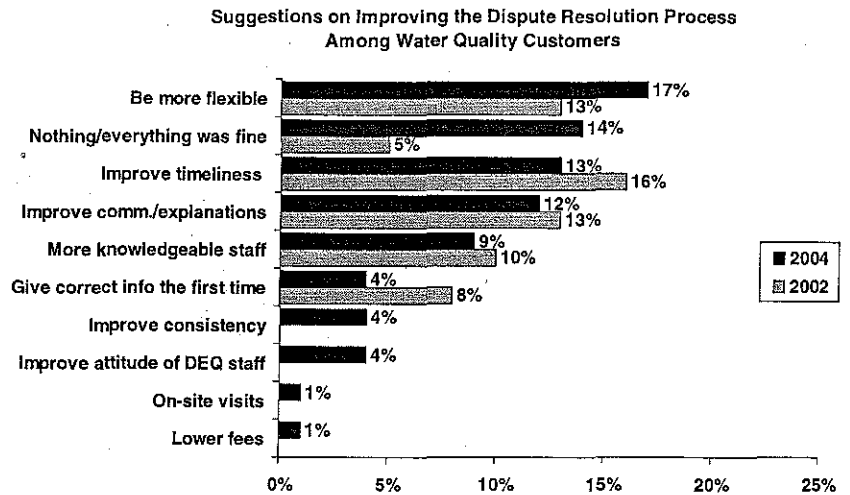
Performance Ratings for Timeliness Among Water Quality Customers - 2004



Average Rating
 2004: 3.0
 2002: 2.9

Base: Those who have had a dispute with DEQ in the past 12 months.
 Note: Totals may not sum to 100% due to rounding.
 Using a scale where 1 is "poor" and 5 is "excellent."

A desire for greater flexibility, timeliness and enhanced communications are the main suggestions for improving the dispute resolution process. About one in seven could think of nothing that needs improvement. Staff issues (knowledge and attitude), more consistency and on-site visits, and lower fees round out the list.



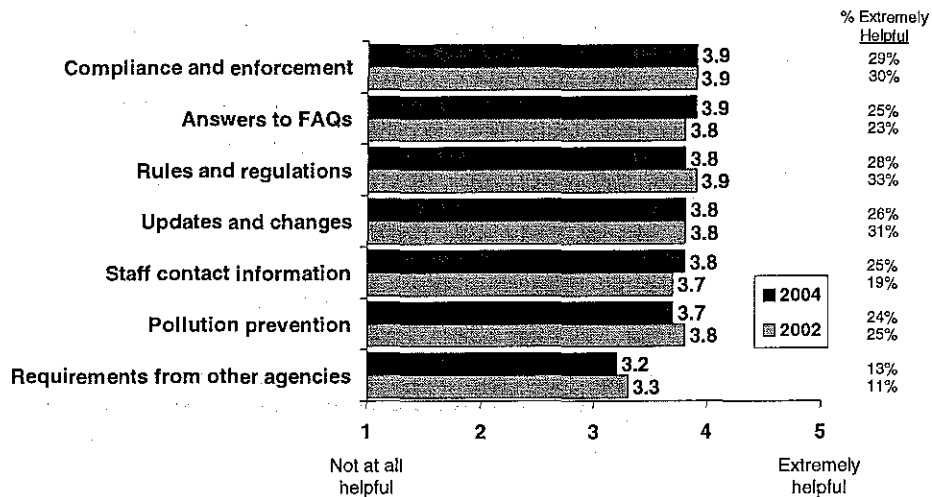
Base: Those who had a disagreement with DEQ over the past 12 months.
 Note: Total may not sum to 100% due to multiple responses.

Customer Preferences

Water Quality customers generally feel that a variety of information from DEQ would be helpful for their organization. About one-quarter rate six of the seven types of information received as “extremely helpful.” The exception is information on requirements from other agencies; a lower one in eight give it the highest rating, for a relatively neutral rating of 3.2.

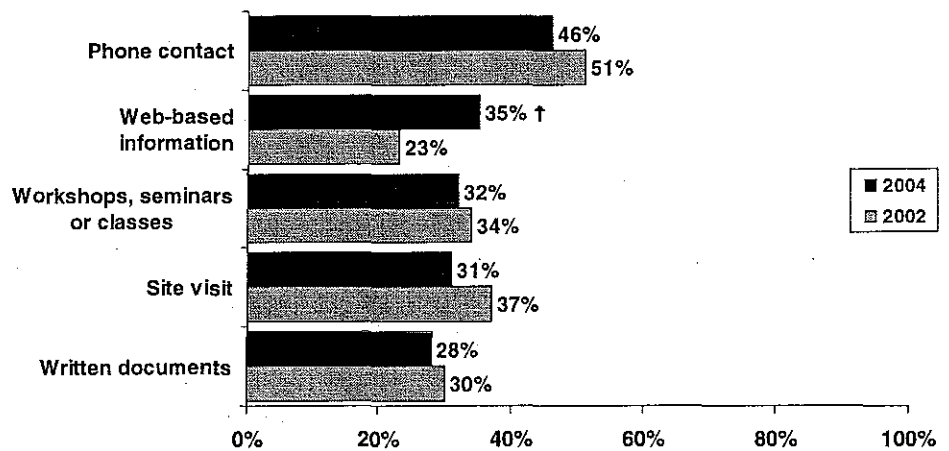
Results are similar to the previous survey.

Helpfulness of Various Information from DEQ Among Water Quality Customers



Customers want a variety of methods for contacts with DEQ. Among the five options presented to respondents, phone is the preferred method, cited by about half. Web-based information increased significantly from one-quarter in 2002 to about a third (35%) and is now among the top methods. Workshops (34%), site visits (30%) and written documents (27%) following closely.

Preferred Methods of Technical Assistance Among Air Quality Customers



Note: Total may not sum to 100% due to multiple responses.
 ↑ Significantly higher than the previous survey at the 95% confidence level.

Key Criteria³

Nearly all 15 attributes are deemed important for DEQ.

Air Quality Program

A majority deems 14 of the 15 attributes important, rating each a four or five on a 5-point scale. Follow-through is the top factor with a 4.7 average rating.

Four attributes follow closely, with about seven in ten saying each is critical (fair, as well as consistent enforcement, accurate and through explanations, and reliable and consistent information).

Six in ten rate technical knowledge, easy to understand information, staff that listens, responsiveness and accurate inspections as critical. Quick turnaround time for permits, courtesy, timely callbacks and amount of technical assistance follow closely.

The ability to do business on DEQ's website is relatively low in importance; only 10% feel this is critical, for an average importance rating of 3.2.

Consistency in enforcement is the lone attribute that is more important to Air Quality customers in 2004.

Importance Ratings Among Air Quality Customers

	2002		2004	
	% Critical	Average Rating	% Critical	Average Rating
Follow-through on commitments made	75%	4.7	75%	4.7
Fairness in enforcement	66	4.5	68	4.6
Providing information on regulations that is reliable and consistent	62	4.5	68	4.6
Accuracy and thoroughness of explanations	72	4.7	67	4.6
Consistency in enforcement	61	4.4	66	4.6 [†]
DEQ staff listening to concerns	65	4.5	62	4.6
Technical knowledge	61	4.5	62	4.5
Providing information on regulations that is easy to understand	61	4.3	63	4.5
Responsiveness to your needs	66	4.6	57	4.5
Accuracy of inspections	58	4.3	58	4.5
Quick turnaround time when issuing permits	45	4.2	51	4.3
Politeness and courteousness	56	4.3	49	4.3
Calling back within 24 hours after leaving message	54	4.4	43	4.2
Amount of technical assistance available	40	4.1	43	4.2
Ability to do business via DEQ's website	10	2.9	10	3.2

Note: On a 5-point scale where 1=not at all important and 5=critical.

[†] Significantly higher than the previous survey at the 95% confidence level.

³ On a 5-point scale where 1 is not at all important and 5 is critical, ratings of 1 or 2 are considered not important, ratings of 3 are neutral, and ratings of 4 or 5 are considered important.

Water Quality Program

Importance ratings among Water Quality customers parallel those of Air Quality customers.

The ability to use DEQ's website as a means of conducting business increased significantly from an average rating of 2.9 in 2002 to 3.1. Currently, one-third of Water Quality customers deem this as important (ratings of four or five on the 5-point scale), significantly higher than the 25% who said the same in the previous survey.

Importance Ratings Among Water Quality Customers

	2002		2004	
	% Critical	Average Rating	% Critical	Average Rating
Follow-through on commitments made	75%	4.7	76%	4.7
Fairness in enforcement	77	4.7	71	4.6
Accuracy and thoroughness of explanations	76	4.7	70	4.6
Technical knowledge	64	4.5	69	4.6
Providing information on regulations that is reliable and consistent	71	4.6	68	4.6
Providing information on regulations that is easy to understand	67	4.5	66	4.5
Responsiveness to your needs	64	4.5	60	4.5
Accuracy of inspections	58	4.4	57	4.5
Consistency in enforcement	67	4.5	58	4.4
DEQ staff listening to concerns	59	4.4	54	4.4
Politeness and courteousness	52	4.2	53	4.4
Quick turnaround time when issuing permits	47	4.2	47	4.2
Calling back within 24 hours after leaving message	53	4.3	43	4.2
Amount of technical assistance available	31	3.9	41	4.1
Ability to do business via DEQ's website	11	2.9	11	3.1 ↑

Note: On a 5-point scale where 1=not at all important and 5=critical.

↑ Significantly higher than the previous survey at the 95% confidence level.

Performance on Key Criteria⁴

As shown in the previous section, many aspects of the service provided by DEQ are deemed important by customers. But how does DEQ perform on each of these attributes? To assess customers' perception of how DEQ performs on each aspect of service, customers rated the performance of DEQ on 14 of the same attributes using a 5-point scale where 1 is "poor" and 5 is "excellent."

Air Quality Program

Air Quality customers have the most positive impressions of DEQ staff's politeness and courteousness, with over four in ten saying it is "excellent," for average ratings of 4.4 on the 5-point scale. DEQ staff are also viewed as listening to customers' concerns. Customers also have favorable opinions on various technical components (technical knowledge, accuracy of inspections, consistency and fairness of enforcement and reliable and consistent information), with about three in ten saying each are excellent. Customer service factors, such as follow-through and responsiveness, are deemed excellent by at least three in ten.

Turnaround time on permits and providing information that's easy to understand remain the lowest-rated attributes. The numbers who feel turnaround time for permits is "excellent," increased from 19% in 2002 to 32% in 2004. Although the average rating went from 3.4 to 3.7, this is not a statistically significant increase.

⁴ On a 5-point scale where 1 is poor and 5 is excellent, ratings of 1 or 2 are considered negative/unfavorable, ratings of 3 are neutral, and ratings of 4 or 5 are considered positive/favorable.

Performance Ratings Among Air Quality Customers

	2002		2004	
	% Excellent	Average Rating	% Excellent	Average Rating
Politeness and courteousness	50%	4.3	54%	4.4
DEQ staff listening to concerns	38	4.1	39	4.2
Accuracy of inspections	37	4.0	38	4.2
Calling back within 24 hours after leaving message	38	4.1	43	4.1
Follow-through on commitments made	39	4.1	39	4.1
Fairness in enforcement	32	4.0	38	4.1
Technical knowledge	30	3.9	33	4.1
Providing information on regulations that is reliable and consistent	27	3.8	35	4.0
Consistency in enforcement	37	4.0	35	4.0
Responsiveness to your needs	28	3.8	33	4.0
Amount of technical assistance available	27	3.8	32	4.0
Accuracy and thoroughness of explanations	27	3.7	30	4.0
Quick turnaround time when issuing permits	19	3.4	32 †	3.7
Providing information on regulations that is easy to understand	16	3.3	17	3.5

Note: On a 5-point scale where 1=poor and 5=excellent.

† Significantly higher than the previous survey at the 95% confidence level.

Water Quality Program

Again, Water Quality customers' assessments correspond to their Air Quality counterparts and are consistent with the previous survey. Customer-service attributes tend to rate higher than those related to technical assistance. Turnaround time and providing easy-to-understand information receive the lowest ratings.

Performance Ratings Among Water Quality Customers

	2002		2004	
	% Excellent	Average Rating	% Excellent	Average Rating
Politeness and courteousness	44%	4.3	45%	4.3
DEQ staff listening to concerns	39	4.1	38	4.1
Calling back within 24 hours after leaving message	30	3.8	35	4.0
Follow-through on commitments made	33	3.9	34	4.0
Accuracy of inspections	33	4.1	29	4.0
Technical knowledge	29	3.9	28	4.0
Fairness in enforcement	31	4.0	28	3.9
Consistency in enforcement	30	3.9	26	3.9
Responsiveness to your needs	26	3.7	29	3.8
Providing information on regulations that is reliable and consistent	29	3.8	27	3.8
Accuracy and thoroughness of explanations	27	3.8	23	3.8
Amount of technical assistance available	21	3.7	23	3.7
Quick turnaround time when issuing permits	19	3.2	22	3.4
Providing information on regulations that is easy to understand	14	3.2	13	3.4

Note: On a 5-point scale where 1=poor and 5=excellent.

Gap Analysis

One way of looking at importance and performance ratings in conjunction is through a gap analysis. Gap analysis compares the average performance ratings to average importance ratings to identify whether performance on specific attributes exceeds (positive gap), meets (no gap) or fails to meet customer expectations (negative gap), as indicated by importance ratings. Thus, even for attributes where performance ratings may be fairly high, it is possible to have a negative gap or performance deficit if importance ratings are even higher.⁵

Air Quality Program

Air Quality performance falls short of expectations on eight of the 14 attributes assessed. Providing easy to understand information is the most critical.

Gap Analysis – Air Quality

	Importance	Performance	Gap
Providing information on regulations that is easy to understand	4.5	3.5	-1.0
Accuracy and thoroughness of explanations	4.6	4.0	-0.6
Follow-through on commitments made	4.7	4.1	-0.6
Providing information on regulations that is reliable and consistent	4.6	4.0	-0.6
Consistency in enforcement	4.6	4.0	-0.6
Quick turnaround time when issuing permits	4.3	3.7	-0.6
Fairness in enforcement	4.6	4.1	-0.5
Responsiveness to your needs	4.5	4.0	-0.5
DEQ staff listening to concerns	4.6	4.2	-0.4
Technical knowledge	4.5	4.1	-0.4
Accurate inspections	4.5	4.2	-0.3
Amount of technical assistance available	4.2	4.0	-0.2
Calling back within 24 hours after leaving message	4.2	4.1	-0.1
Politeness and courteousness	4.3	4.4	+0.1

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) are generally deemed in need of attention.

⁵ Falling short of expectations is represented by a negative number (-), while exceeding expectations is represented by a positive number (+). In the case of exactly meeting expectations, the gap is zero. On a 5-point scale, gaps of 0.5 or more (either positive or negative) are generally deemed in need of attention.

There have been some slight shifts in terms of the individual items posting performance deficits. Reflecting its rise in importance, the gap between performance and expectations for consistency in enforcement widened from -0.4 in 2002 to -0.6 in 2004 and is now a critical issue for Air Quality. In contrast, technical knowledge is no longer in need of attention, with its gap declining from -0.6 to -0.4.

**Gap Analysis – Air Quality
2002 vs. 2004**

	2002	2004
Providing information on regulations that is easy to understand	-1.0	-1.0
Accuracy and thoroughness of explanations	-1.0	-0.6
Follow-through on commitments made	-0.6	-0.6
Providing information on regulations that is reliable and consistent	-0.7	-0.6
Consistency in enforcement	-0.4	-0.6
Quick turnaround time when issuing permits	-0.8	-0.6
Fairness in enforcement	-0.5	-0.5
Responsiveness to your needs	-0.8	-0.5
DEQ staff listening to concerns	-0.4	-0.4
Technical knowledge	-0.6	-0.4
Accurate inspections	-0.3	-0.3
Amount of technical assistance available	-0.3	-0.2
Calling back within 24 hours after leaving message	-0.3	-0.1
Politeness and courteousness	0.0	+0.1

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) are generally deemed in need of attention.

Water Quality Program

Water Quality posts critical gaps ten of the 14 attributes. Similar to Air Quality, easy to understand information and accurate and thorough explanations are the most critical.

Gap Analysis – Water Quality

	Importance	Performance	Gap
Providing information on regulations that is easy to understand	4.5	3.4	-1.1
Accuracy and thoroughness of explanations	4.6	3.8	-0.8
Providing information on regulations that is reliable and consistent	4.6	3.8	-0.8
Quick turnaround time when issuing permits	4.2	3.4	-0.8
Fairness in enforcement	4.6	3.9	-0.7
Follow-through on commitments made	4.7	4.0	-0.7
Responsiveness to your needs	4.5	3.8	-0.7
Technical knowledge	4.6	4.0	-0.6
Accuracy of inspections	4.5	4.0	-0.5
Consistency in enforcement	4.4	3.9	-0.5
DEQ staff listening to concerns	4.4	4.1	-0.3
Amount of technical assistance available	4.1	3.7	-0.4
Calling back within 24 hours after leaving message	4.2	4.0	-0.2
Politeness and courteousness	4.4	4.3	-0.1

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) are generally deemed in need of attention.

For Water Quality, the gap for callbacks within 24 hours has narrowed from -0.5 in 2002 to -0.2 in 2004. However, accuracy of inspections is now an area in need of attention.

**Gap Analysis – Water Quality
2002 vs. 2004**

	2002	2004
Providing information on regulations that is easy to understand	-1.3	-1.1
Accuracy and thoroughness of explanations	-0.9	-0.8
Providing information on regulations that is reliable and consistent	-0.8	-0.8
Quick turnaround time when issuing permits	-1.0	-0.8
Fairness in enforcement	-0.6	-0.7
Follow-through on commitments made	-0.8	-0.7
Responsiveness to your needs	-0.8	-0.7
Technical knowledge	-0.6	-0.6
Accuracy of inspections	-0.3	-0.5
Consistency in enforcement	-0.6	-0.5
DEQ staff listening to concerns	-0.3	-0.3
Amount of technical assistance available	-0.4	-0.4
Calling back within 24 hours after leaving message	-0.5	-0.2
Politeness and courteousness	+0.1	-0.1

Note: On a 5-point scale, gaps of 0.5 or more (either positive or negative) are generally deemed in need of attention.

Appendix

Sampling Variability

Every sample for a survey is subject to "standard error," the ranges of variability or chance variation that can occur when a sample is used instead of surveying the entire population. This variability is the difference between the sample findings and those which would occur from 100% enumeration of the population using the same questionnaire and research procedures.

Ranges of sampling variability (computed at the 95% confidence level for an infinite sample) are shown below for the sample sizes used in this survey. These reflect the maximum "standard error," and most survey data tend to be closer to the actual figures as they exist in the population. As shown in the table below, samples of 300, 194 and 97 ensure maximum standard errors of $\pm 5.7\%$, $\pm 7.0\%$ and $\pm 10.0\%$, respectively.

Sampling Variability			
Percentages At or Near:	Overall Sample = 300	Water Quality Sample = 194	Air Quality Sample = 97
5% or 95%	$\pm 2.5\%$	$\pm 3.1\%$	$\pm 4.3\%$
15% or 85%	$\pm 4.0\%$	$\pm 4.3\%$	$\pm 7.1\%$
25% or 75%	$\pm 4.9\%$	$\pm 6.1\%$	$\pm 8.6\%$
35% or 65%	$\pm 5.4\%$	$\pm 6.7\%$	$\pm 9.5\%$
45% or 55%	$\pm 5.6\%$	$\pm 7.0\%$	$\pm 9.9\%$
50%	$\pm 5.7\%$	$\pm 7.0\%$	$\pm 10.0\%$

Example: Overall, 27% of respondents say they've had a disagreement with DEQ. Based on a sample size of 300, chances are 19 out of 20 (95%) that this finding (27%) is within plus or minus 4.9% (between 22% and 32%) of the result which would occur from a complete enumeration of the population.

Example: Thirty-four percent of Water Quality customers say they've had a disagreement with DEQ. Based on a sample size of 194, chances are 19 out of 20 (95%) that this finding (34%) is within plus or minus 6.7% (between 27% and 41%) of the result which would occur from a complete enumeration of the population.

Example: Thirty-one percent of Air Quality customers say they've had a disagreement with DEQ. Based on a sample size of 97, chances are 19 out of 20 (95%) that this finding (31%) is within plus or minus 9.5% (between 22% and 41%) of the result which would occur from a complete enumeration of the population.

Profile of Participants

The following is a profile of organizations included in the survey.

Profile of Participants				
	2002	2004		
	%	%		%
Region			Industry	
Eastern	16%	14%	Wood products	9% 11%
Western	43	47	Food processing	6 5
Northwest	40	39	Electronics	1 --
			Agriculture/forestry/fishing	7 8
Program			Government	14 18
Air Quality	47%	34%	Utility	7 6
Water Quality	76	72	Mining	6 6
Both Air and Water Quality	34	22	Construction	10 11
			Other manufacturing	13 10
Number of locations in Oregon			Transportation	4 5
1	56%	58%	Retail	5 2
2	13	11	Hospitality	3 3
3	8	6	Real estate/development	2 1
4	5	3	Waste management	2 3
5	1	3	Mortuary/crematorium	1 1
6-10	5	7	Miscellaneous	10 11
11+	7	8		
Don't know/refused	5	4	Length of time regulated by DEQ	
Average	3.1	3.6	Less than 1 year	2% 4%
Median	1.0	1.0	1 to < 3 years	6 3
			3 to < 5 years	4 4
			5 to < 10 years	11 10
			10 years or more	70 66
			Don't know/refused	7 14

Note: Totals may not sum to 100% due to rounding.

9/19/04 EOC Meetings Jim F. Hancock

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Tuesday,
September 7, 2004

Clean air, polluted arguments

The winter fuel rule in the Portland area is no longer justified, and state regulators should rescind it

The only way now to justify a state rule forcing the entire Portland area to use cleaner-burning oxygenated gasoline in the winter is to pull a new argument out of thin air.

The original rationale for the winter fuel rule is gone. Thanks primarily to cleaner-burning automobile engines, carbon monoxide levels in the Portland area, which exceeded the federal standard in 1991, one year before the cleaner-fuel rule was adopted, are now well within the environmental standard.

The Oregon Department of Environmental Quality is proposing to rescind the winter-fuel regulation that covers Multnomah, Clackamas, Washington and Yamhill counties, just as it did in Grants Pass, Klamath Falls and Medford when those cities came into compliance with federal carbon monoxide standards. Washington dropped similar fuel requirements in Seattle and Vancouver in 1996. Eight years later, Seattle is continuing to see a reduction in carbon monoxide levels.

Yet Portland officials and environmentalists are still clinging to the winter-fuel regulation. Mayor Vera Katz and the four city commissioners sent a letter to the DEQ urging the state to retain the regulation. The letter claims the winter oxygenated fuels program has helped reduce emissions not only of carbon monoxide, but also of harmful toxics and carbon dioxide, the greenhouse gas that contributes to global warming.

Well, maybe. But there's a real debate about whether the production and use

of ethanol, the additive used to meet the oxygenated fuel requirement, actually amounts to a true or significant reduction in greenhouse gas emissions.

Some farmers, makers of ethanol and others supportive of alternative fuels also are urging the state to keep requiring oxygenated fuel in the Portland area. But if the central issue is creating incentives for ethanol and other alternative fuels, there are better, more direct ways to go about that than mandating that motorists in just one part of the state burn oxygenated gas from November through February.

The DEQ is planning hearings on the winter fuel rule in October and will accept written public testimony through Oct. 25. The state Environmental Quality Commission will take up the matter at its meetings Dec. 9-10 in Portland. Any decision to lift the rule would not take effect until next winter.

In the end, the state should rescind the rule. It has served its purpose. Portland has not exceeded the carbon monoxide standard for 13 years, yet in the name of CO the state is continuing to demand the use of oxygenated gasoline. DEQ models show that carbon monoxide levels would remain less than half the federal standard even after the winter fuel rule is rescinded.

When a regulation has done its job, or it's no longer necessary, government should rescind it, not search for another justification. To do otherwise is to invite greater cynicism and more opposition to truly vital environmental regulations.

Too many

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State of Oregon

Department of Environmental Quality 2004 Employee Survey Summary Report

May 2004



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Executive Summary

In 1997, the Oregon Department of Environmental Quality (DEQ) conducted its first employee survey. The primary objective of the 1997 survey was to establish a baseline against which progress could be measured toward integrating DEQ's revised mission statement and values statements into work practices.

Three follow-up surveys have since been conducted in 1998, 2000, and 2002 to measure progress and change within DEQ since the first survey. The first two follow-up surveys were paper-based and the third follow-up survey was web-based. In general, the scope of the first two follow-up surveys was focused around five dimensions or themes: leadership, management systems, performance measurement, communication, teamwork/roles, and employee morale.

A primary focus of the 2002 survey was to develop a profile of employee attitudes regarding agency management, i.e., to determine employee attitudes regarding DEQ leadership, management, performance, communication, and job satisfaction. As a result, a new questionnaire was developed for the 2002 survey which also included a number of demographic questions (e.g., division, program, type of service, and length of service) to be utilized during the data analysis and report generation activities.

Incorporating the bulk of the 2002 questions, the focus of the 2004 survey was expanded to include feedback regarding DEQ's Performance Management System, Work Environment, and the Manager's View of the Workplace. While questions for the Managers' View of the Workplace were developed as a new dimension in the 2004 survey, the questions pertaining to DEQ's Performance Management System and Work Environment were embedded within and across the existing dimensions in the questionnaire.

The 2004 survey was developed around the following eight dimensions:

- **DEQ Management/Employee Communications** - Provides information on employee perceptions about the effectiveness, quality and quantity of DEQ's communication processes.
- **Customer Focus/Service** - Provides input on relationships with internal and external customers, the level of satisfaction for the products and services we deliver, our abilities to meet customer expectations.
- **Your Immediate Manager/Supervisor** - Provides information on the overall effectiveness of the respondents' immediate manager/supervisor.
- **Work Group Effectiveness and Teamwork** - Provides information on workgroup effectiveness and team: Work groups are teams formed to accomplish specific work objectives. They are not limited to section teams and may very well cross program and division boundaries. Teamwork refers to the process of accomplishing the objectives.
- **Employee Empowerment and Involvement** - Provides information on employees' perceptions of their level of empowerment and involvement: Empowerment is defined as the ability of an employee to make decisions and take action without prior approval. Involvement refers to the level of participation in decisions regarding work.
- **DEQ Management Effectiveness and Support** - Provides information on the people and process functions of management, which includes information on the alignment of management's actions and results with the Strategic Directives.

- Managers' View of the Work Environment - Provides information about issues and challenges unique to Managers.
- General Perceptions of DEQ - Provides information on employees' experience with DEQ's work environment.

Employees were also asked to identify their division and program in DEQ, whether they are managers or staff, and their tenure at DEQ so that these subsets could be evaluated.

Overall Conclusions/Findings

Overall, 646 DEQ employees responded to this year's survey, representing an overall response rate of 81 percent. This figure represents a slight increase in the response rate to the 2002 survey (up 2% from 79%) and a significant increase over the response rates observed in the 2000 (45%) and the 1998 surveys (59%).

The highest rated item in the 2004 survey had a mean (average) rating of 4.20, while the lowest rated item in the survey had a mean (average) rating of 2.51. The highest rated item in the 2002 survey had a mean (average) rating of 4.32, while the lowest rated item in the survey had a mean (average) rating of 2.91. Given that a mean rating of 3.00 would indicate a neutral/uncertain degree of employee satisfaction/dissatisfaction toward the question and/or item being rated, this indicates that the least satisfied that employees were on any question/item included in the survey was roughly neutral/uncertain – there were no items in the survey with a mean (average) rating completely within the dissatisfied area.

In general, employees are very satisfied with DEQ as a place to work

- Employee satisfaction with the kind of work they do was very high – 86% of employees indicated that they *like their work a great deal* (42%), are *satisfied with their work* (31%), or are *somewhat satisfied with their work* (13%).
- Employee satisfaction with DEQ as a place to work was also very high – 79% of employees indicated that they are *very satisfied* (22%), *satisfied* (37%), or *somewhat satisfied* (20%) with DEQ as a place to work.

The 2004 survey dimensions are presented in descending order with their corresponding overall mean ratings along with the rank order and mean ratings from the 2002 survey:

2004 Dimension Ratings in Descending Order	2002 Dimension Ratings in Descending Order
Your Immediate Manager/Supervisor (3.85)	Your Immediate Manager/Supervisor (3.91)
General Perceptions of DEQ (3.75)	General Perceptions of DEQ (3.76)
Customer Focus/Service (3.67)	Customer Focus/Service (3.73)
Employee Empowerment and Involvement (3.56)	Employee Empowerment and Involvement (3.56)
DEQ Management/Employee Communications (3.47)	DEQ Management/Employee Communications (3.51)
Managers' View of the Work Environment (3.47)	DEQ Management Effectiveness and Support (3.45)
Work Group Effectiveness and Teamwork (3.37)	Work Group Effectiveness and Teamwork (3.43)
DEQ Management Effectiveness and Support (3.19)	

Comparison of the 2004 Results by DEQ Division

In general, employees from the following DEQ Divisions provided the greatest degree of Favorable ratings across the various survey dimensions:

- Land Quality Division
- Management Services Division
- Office of the Director
- Western Region

Employees from the following DEQ Divisions provided the lowest degree of Favorable ratings across the various survey dimensions:

- Eastern Region
- Water Quality Division

The degree of Favorable/Unfavorable ratings was mixed across the following DEQ Divisions

- Air Quality Division
- Laboratory
- Northwest Region

Comparison of the 2004 Results by DEQ Program

In general, employees from the following DEQ Programs provided the greatest degree of Favorable ratings across the various survey dimensions:

- Land Quality Division
- Agency Management

Employees from the following DEQ Programs provided the lowest degree of Favorable ratings across the various survey dimensions:

- Water Quality Division
- VIP Program Technical Center
- VIP Program Stations

The degree of Favorable/Unfavorable ratings was mixed across the following DEQ Programs:

- Air Quality Division
- Work Involves More than One Program

Comparison of the 2004 Results by Tenure at DEQ

In general, employees from the following Tenure groups provided the greatest degree of Favorable ratings across the various survey dimensions:

- Less than One Year
- 1 to 5 Years

Employees from the following Tenure groups provided the lowest degree of Favorable ratings across the various survey dimensions:

- 6 to 10 Years

The degree of Favorable/Unfavorable ratings was mixed across the following Tenure groups:

- 11 to 20 Years
- 21 Years or More

Comparison of the 2004 Results by Managerial Status

In general, the degree of Favorable response provided by Managers was greater than the degree of Favorable response provided by Staff. Once again, these patterns across managerial status are similar to those found in many organizations and agencies. Managers by the nature of their basic role within the organization (e.g., greater degree of involvement in organizational/strategic decision-making and increased access to organizational information) typically and often feel more connected to and/or involved with the goals of the organization.

Comparison of the 2004 and 2002 Survey Results

A second overall purpose of the 2004 employee survey was to compare the results of the 2004 survey with those of the 2002 employee survey as a way of measuring progress and change across time. A total of 67 questions were identical and/or available for trend comparisons across the 2004 and 2002 questionnaires.

In general, employees' ratings were surprisingly similar between the two survey administrations. Overall, employees rated 20 of the 67 common questions in the 2004 survey somewhat higher than did employees in the 2002 survey, and employees rated 13 of the 67 common questions in the 2004 survey somewhat lower than did employees in the 2002 survey. There were no discernable differences in employees' responses to 34 of the 67 common questions between the two survey administrations.

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Appendix M: Verbatim Comments – Excellence at DEQ.....Error! Bookmark not defined.

Background and Overview of the Project

In 1997, the Oregon Department of Environmental Quality (DEQ) conducted its first employee survey. The primary objective of the 1997 survey was to establish a baseline against which progress could be measured toward integrating DEQ's revised mission statement and values statements into work practices. In 1999, these statements were expanded to a strategic plan, and in 2002 into the following strategic priorities:

- Priority 1: Deliver excellence in performance and product – committed to managing and motivating employees to perform professionally in their daily work as well as fostering collaboration internally across program lines, e.g., making it easier to do business with DEQ, reinforcing effective management, emphasizing cross-program environmental problem solving, and ensuring understandable and equitable compliance and enforcement.
- Priority 2: Protect Oregon's water – committed to ensuring that Oregon's rivers, lakes, streams and groundwater are clean, e.g., implementing a comprehensive watershed approach and developing a strategy to encourage broader reuse of wastewater.
- Priority 3: Protect human health and the environment from toxics – following DEQ's short-term priority activities for protecting human health and the environment from toxics, e.g., preparing, for and minimize the danger posed by catastrophic release of dangerous chemicals; developing and implementing a strategy to reduce toxic releases to air, water, and land; and reducing risks from toxic contaminants already in our environment.
- Priority 4: Involve Oregonians in solving environmental problems – engaging individuals and small businesses as environmental stewards, e.g., encouraging personal actions by Oregonians to protect the environment, providing Oregonians with better access to information on local environmental conditions and issues, and supporting communities in solving local problems.

Three follow-up surveys have since been conducted in 1998, 2000, and 2002 to measure progress and change within DEQ since the first survey. The first two follow-up surveys were paper-based and the third follow-up survey was web-based. In general, the scope of the first two follow-up surveys was focused around five dimensions or themes: leadership, management systems, performance measurement, communication, teamwork/roles, and employee morale.

A primary focus of the 2002 survey was to develop a profile of employee attitudes regarding agency management, i.e., to determine employee attitudes regarding DEQ leadership, management, performance, communication, and job satisfaction. As a result, a new questionnaire was developed for the 2002 survey which also included a number of demographic questions (e.g., division, program, type of service, and length of service) to be utilized during the data analysis and report generation activities.

Incorporating the bulk of the 2002 questions, the focus of the 2004 survey was expanded to include feedback regarding DEQ's Performance Management System, Work Environment, and the Manager's View of the Workplace. While questions for the Managers' View of the Workplace were developed as a new dimension in the 2004 survey, the questions pertaining to DEQ's Performance Management System and Work Environment were embedded within and across

the existing dimensions in the questionnaire. Draft versions of the 2004 questionnaire were developed by BRI and then reviewed by DEQ's EMAG staff.

Survey Administration

The 2004 questionnaire was administered to all DEQ employees (N=794) using a web-based survey format; however, approximately 20% of employees were provided with the option to respond to the survey in a paper-based format due to personal preferences and/or limited access to a computer/Internet access.

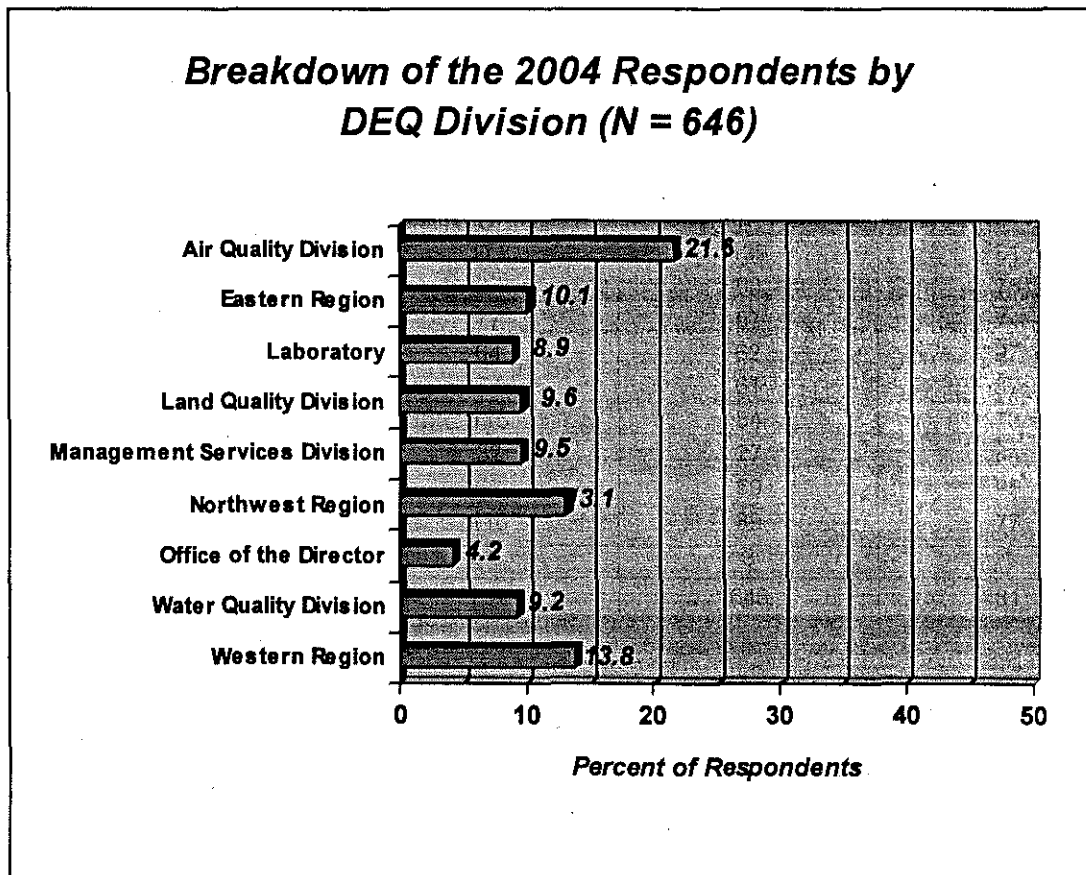
Survey follow-up activities with both survey formats (e.g., follow-up email reminders and manager reminders) were used to increase survey response rates. Survey administration began April 26, 2004 and ran through May 11, 2004.

The 2004 survey was developed around the following eight dimensions (see Appendix A to view the entire 2004 questionnaire):

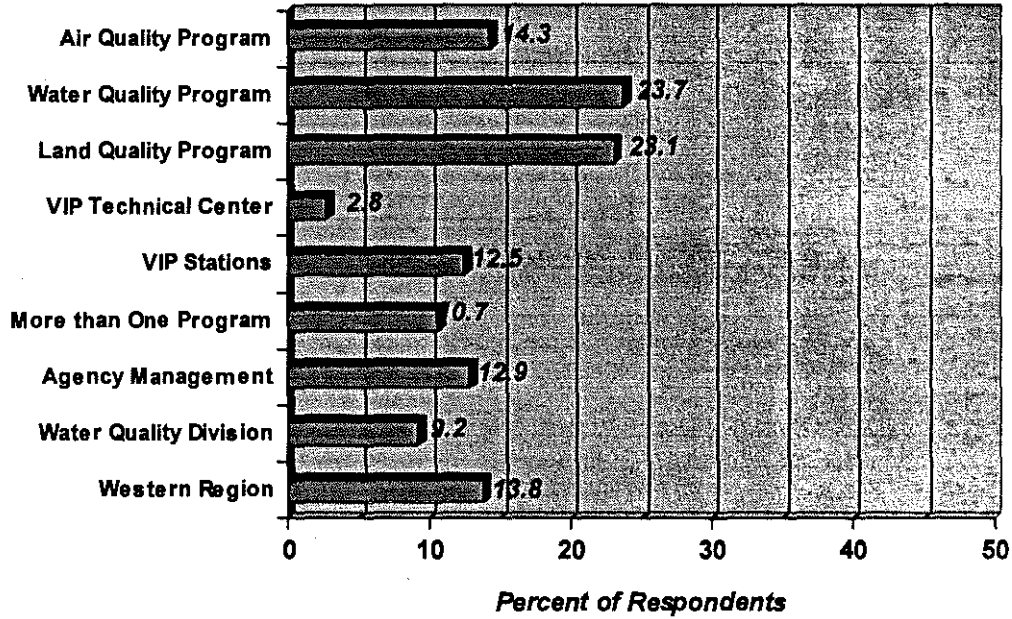
- DEQ Management/Employee Communications - Provides information on employee perceptions about the effectiveness, quality and quantity of DEQ's communication processes.
- Customer Focus/Service - Provides input on relationships with internal and external customers, the level of satisfaction for the products and services we deliver, our abilities to meet customer expectations.
- Your Immediate Manager/Supervisor - Provides information on the overall effectiveness of the respondents' immediate manager/supervisor.
- Work Group Effectiveness and Teamwork - Provides information on workgroup effectiveness and team: Work groups are teams formed to accomplish specific work objectives. They are not limited to section teams and may very well cross program and division boundaries. Teamwork refers to the process of accomplishing the objectives.
- Employee Empowerment and Involvement - Provides information on employees' perceptions of their level of empowerment and involvement: Empowerment is defined as the ability of an employee to make decisions and take action without prior approval. Involvement refers to the level of participation in decisions regarding work.
- DEQ Management Effectiveness and Support - Provides information on the people and process functions of management, which includes information on the alignment of management's actions and results with the Strategic Directives.
- Managers' View of the Work Environment - Provides information about issues and challenges unique to Managers.
- General Perceptions of DEQ - Provides information on employees' experience with DEQ's work environment.

Overall, 646 DEQ employees responded to this year's survey, representing an overall response rate of 81 percent. This figure represents a slight increase in the response rate to the 2002 survey (up 2% from 79%) and a significant increase over the response rates observed in the 2000 (45%) and the 1998 surveys (59%).

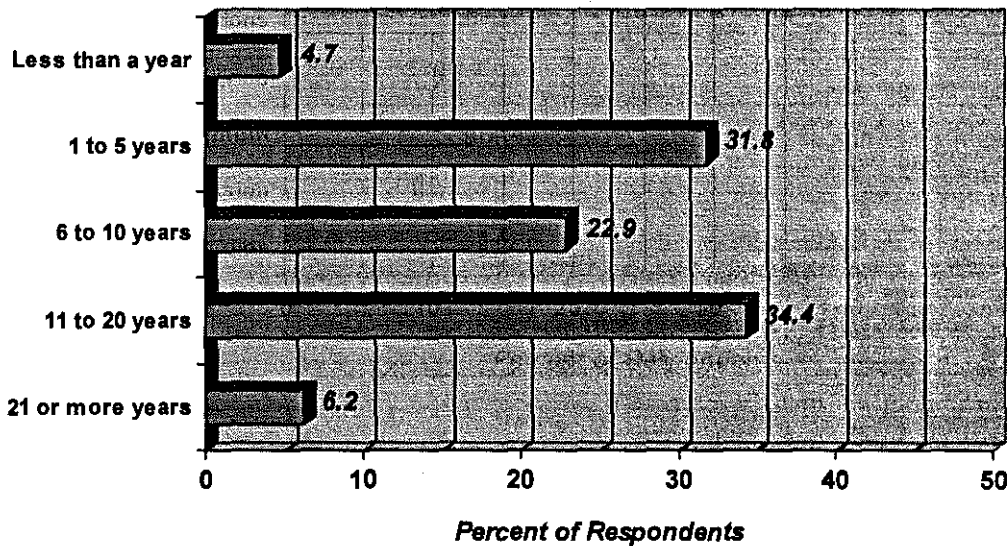
DEQ Division	Breakdown of Overall 2004 Survey Response Rates		
	Number of Employees in Division	Number of Employees Responding to the Survey	Response Rate by Division
Air Quality Division	171	139	81
Eastern Region	87	65	75
Laboratory	77	57	74
Land Quality Division	64	62	97
Management Services Division	70	61	87
Northwest Region	115	84	73
Office of the Director	32	27	84
Water Quality Division	62	59	95
Western Region	116	89	77
Left Blank	*	3	*
Total	794	646	81



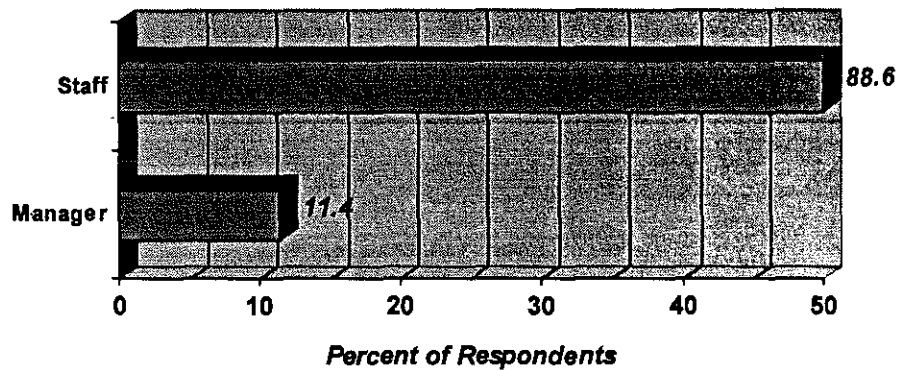
**Breakdown of the 2004 Respondents by
DEQ Program (N = 646)**



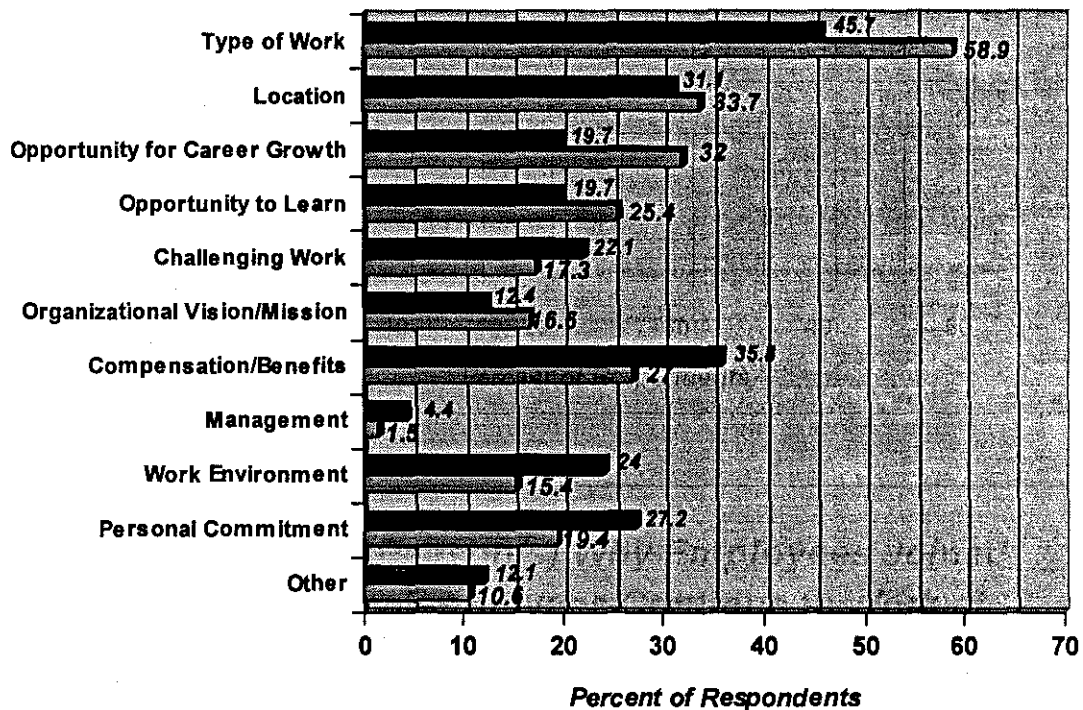
**Breakdown of the 2004 Respondents by
Tenure at DEQ (N = 646)**



Breakdown of the 2004 Respondents by Managerial Status (N = 646)



Breakdown of Reason(s) Why Employees Joined DEQ and Why Employees Continue to Work at DEQ (N = 646)



■ Reason(s) Employees Joined DEQ ■ Reason(s) Employees Continue at DEQ

Agencywide Results of the 2004 Survey

Interpreting the Results

Throughout the survey, respondents were asked to rate their agreement/disagreement with a series of statements using the following five-point scale:

- Rating 1 = Strongly Disagree
- Rating 2 = Disagree
- Rating 3 = Neither Agree nor Disagree
- Rating 4 = Agree
- Rating 5 = Strongly Agree

The results of the survey have been analyzed and summarized using two basic procedures. First, a mean rating (or average rating) was calculated for each survey question and survey dimension in order to determine the level of Favorable/Unfavorable response to a given survey question or dimension. Within this context, an item with a mean rating of 4.5 would indicate a much greater level of favorable response than an item with a mean rating of only 1.75.

Mean ratings were used to generate the Highest Rated Items, Lowest Rated Items, Dimension Rankings, Relative Areas of Strength, and Relative Areas of Potential Opportunity. Generally speaking, the following guide can be used to interpret the mean ratings presented throughout the report:

- a mean rating of 3.75 or higher – an area of relative strength
- a mean rating between 3.25 and 3.75 – an area perhaps okay for now but don't ignore it
- a mean rating less than 3.25 – an area in need of attention

Second, a Favorable/Unfavorable Ratio was calculated for each survey question using the following coding procedures:

- Rating 1 & 2 = Percent Unfavorable
- Rating 3 = Percent Neutral
- Rating 4 & 5 = Percent Favorable

Favorable/Unfavorable Ratios were used to graphically generate the percent of employees Favorable, Neutral, and/or Unfavorable across each survey question within each survey dimension in the Summary of Dimensions section of the report.

Overall Dimension Ratings

The 2004 survey dimensions are presented in descending order with their corresponding overall mean ratings along with the rank order and mean ratings from the 2002 survey:

2004 Dimension Ratings in Descending Order	2002 Dimension Ratings in Descending Order
Your Immediate Manager/Supervisor (3.85)	Your Immediate Manager/Supervisor (3.91)
General Perceptions of DEQ (3.75)	General Perceptions of DEQ (3.76)
Customer Focus/Service (3.67)	Customer Focus/Service (3.73)
Employee Empowerment and Involvement (3.56)	Employee Empowerment and Involvement (3.56)
DEQ Management/Employee Communications (3.47)	DEQ Management/Employee Communications (3.51)
Managers' View of the Work Environment (3.47)	DEQ Management Effectiveness and Support (3.45)
Work Group Effectiveness and Teamwork (3.37)	Work Group Effectiveness and Teamwork (3.43)
DEQ Management Effectiveness and Support (3.19)	

Ten Highest Rated Items in the Survey

The survey highlighted the following areas where employee feedback was the most positive and/or most favorable. Listed in descending order (with their corresponding survey dimension and mean ratings), the ten highest rated items from the 2004 and 2002 surveys are presented in the following table:

Ten Highest Rated Items in the 2004 Survey	Ten Highest Rated Items in the 2002 Survey
My manager treats me with respect as an individual. (Your Immediate Manager/Supervisor) (4.20)	My manager cares whether or not DEQ is successful. (Your Immediate Supervisor/Manager) (4.32)
I feel safe doing my job. (General Perceptions of DEQ) (4.18)	I have a full understanding of how my job affects DEQ's customers and constituents. (Customer Focus/Service) (4.13)
I have a clear understanding of my job responsibilities. (DEQ Management/Employee Communications) (4.15)	My manager follows policies and practices. (Your Immediate Supervisor/Manager) (4.13)
I have a full understanding of how my job affects DEQ's customers and constituents. (Customer Focus/Service) (4.14)	My manager treats me with respect as an individual. (Your Immediate Supervisor/Manager) (4.10)
My manager follows policies and practices. (Your Immediate Manager/Supervisor) (4.13)	My manager treats me fairly. (Your Immediate Supervisor/Manager) (4.07)
It is okay for me to admit I made a mistake. (Employee Empowerment and Involvement) (4.08)	Most employees are committed to the success of DEQ. (General Perceptions) (4.02)
I have an appropriate level of responsibility and accountability. (Managers' View of the Work Environment) (4.07)	My manager is competent at doing his/her job. (Your Immediate Supervisor/Manager) (4.01)
My administrator actively supports the new performance management system. (Managers' View of the Work Environment) (4.06)	I have a clear understanding of my job responsibilities. (DEQ Management/Employee Communications) (3.98)
My manager is fair and equitable. (Your Immediate Manager/Supervisor) (4.05)	I am encouraged to use my own judgment and experience when solving problems. (Employee Empowerment/Involvement) (3.96)
My manager is competent at doing his/her job. (Your Immediate Manager/Supervisor) (4.05)	My manager cares whether or not I succeed. (Your Immediate Supervisor/Manager) (3.95)

Relative Areas of Strength (As Perceived by Employees)

DEQ Management/Employee Communications

- I have a clear understanding of my job responsibilities. (4.15)
- I have received a performance review within the last year. (3.98)

Customer Focus/Service

- I have a full understanding of how my job affects DEQ's customers and constituents. (4.14)
- DEQ demonstrates a high standard of ethical business behavior. (3.80)

Your Immediate Manager/Supervisor

- My manager treats me with respect as an individual. (4.20)
- My manager follows policies and practices. (4.13)
- My manager is fair and equitable. (4.05)
- My manager is competent at doing his/her job. (4.05)
- My manager cares whether or not I succeed. (4.03)
- My manager is open and honest with employees. (3.97)
- My manager encourages and listens to suggestions. (3.97)
- My manager sets a positive example for others to follow. (3.95)
- My manager deals with problems in a collaborative manner. (3.86)

Work Group Effectiveness and Teamwork

- Employees treat one another with mutual respect. (3.83)

Employee Empowerment and Involvement

- It is okay for me to admit I made a mistake. (4.08)
- I am encouraged to use my own judgment and experience when solving problems. (4.02)
- I have the ability to exercise creativity and build innovative solutions. (3.89)
- I am encouraged to seek new and better work methods. (3.84)

DEQ Management Effectiveness and Support

- No items a relative strength in this dimension.

Managers' View of the Work Environment

- I have an appropriate level of responsibility and accountability. (4.07)

Ten Lowest Rated Items in the Survey

The survey highlighted the following areas where employee feedback was the least positive and/or most unfavorable. Listed with their corresponding survey dimension and mean ratings, the ten lowest rated items from the 2004 and 2002 surveys are presented in the following table:

Ten Lowest Rated Items in the 2004 Survey	Ten Lowest Rated Items in the 2002 Survey
In my work unit, there are few workload issues. (Managers' View of the Work Environment) (2.51)	In my work unit, there are enough people to handle our high priority work. (Workgroup Effectiveness and Teamwork) (2.91)
I have adequate time to spend on managing employees. (Managers' View of the Work Environment) (2.72)	DEQ treats its people as its greatest asset. (Employee Empowerment/Involvement) (3.04)
The new performance management system increases clarity and definition of roles within my section. (Work Group Effectiveness and Teamwork) (2.74)	Management provides adequate resources (time, training, money) for ensuring that the agency's standards are met and maintained. (DEQ Management Effectiveness/Support) (3.08)
The new performance management system improves the quality of direction provided by my manager. (DEQ Management Effectiveness and Support) (2.82)	Personal safety with the public is not a concern for me. (General Perceptions) (3.09)
DEQ treats its people as its greatest asset. (Employee Empowerment and Involvement) (2.84)	Employees feel comfortable in revealing problems or errors to management. (DEQ Management/Employee Communications) (3.15)
The new performance management system has improved my working relationship with my manager. (Your Immediate Manager/Supervisor) (2.84)	Management effectively solves the major problems of the agency. (DEQ Management Effectiveness/Support) (3.18)
In my work unit, there are enough staff to handle high priority work. (Work Group Effectiveness and Teamwork) (2.88)	I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ. (Workgroup Effectiveness and Teamwork) (3.19)
Management effectively solves the major problems of the agency. (DEQ Management Effectiveness and Support) (2.90)	DEQ Managers demonstrate that employees are important to the success of the agency. (DEQ Management/Employee Communications) (3.23)
Management uses performance measures effectively to measure success and improve processes, products, and services. (DEQ Management Effectiveness and Support) (2.91)	Management uses performance measures effectively to measure success and improve processes, products, and services. (DEQ Management Effectiveness/Support) (3.28)
The new performance management system helps link section goals to the Agency's mission. (DEQ Management Effectiveness and Support) (2.94)	I am given feedback that helps me to improve my job performance. (DEQ Management/Employee Communications) (3.31)

- My administrator actively supports the new performance management system. (4.06)
- I am given the support I need to deal with performance problems. (3.87)
- I am given the appropriate amount of coaching and mentoring to be successful in this job. (3.83)

General Perceptions of DEQ

- I feel safe doing my job. (4.18)
- Safety is emphasized in DEQ. (3.92)
- Most employees are committed to the success of DEQ. (3.91)

DEQ as a Place to Work

- Employee satisfaction with the kind of work they do was very high – 86% of employees indicated that they *like their work a great deal* (42%), are *satisfied with their work* (31%), or are *somewhat satisfied with their work* (13%).
- Employee satisfaction with DEQ as a place to work was also very high – 79% of employees indicated that they are *very satisfied* (22%), *satisfied* (37%), or *somewhat satisfied* (20%) with DEQ as a place to work.

Relative Areas of Potential Opportunity (As Perceived by Employees)

DEQ Management/Employee Communications

- Employees feel comfortable in revealing problems or errors to management. (3.07)
- I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ. (3.20)
- I have had the opportunity to provide meaningful feedback to my manager about his/her performance. (3.24)
- My manager and I meet at least quarterly to discuss my goals and performance. (3.28)

Customer Focus/Service

- DEQ has a high level of credibility with its customers and constituents. (3.28)

Your Immediate Manager/Supervisor

- The new performance management system has improved my working relationship with my manager. (2.84)

Work Group Effectiveness and Teamwork

- The new performance management system increases clarity and definition of roles within my section. (2.74)
- In my work unit, there are enough staff to handle high priority work. (2.88)
- DEQ works well across disciplines to solve environmental problems. (3.20)

Employee Empowerment and Involvement

- DEQ treats its people as its greatest asset. (2.84)
- DEQ fosters employee growth through training and professional development. (3.14)
- My ideas and opinions are asked for before important decisions are made that relate to my work. (3.24)
- Conditions in my job allow me to be about as productive as I can be. (3.25)

DEQ Management Effectiveness and Support

- The new performance management system improves the quality of direction provided by my manager. (2.82)
- Management effectively solves the major problems of the agency. (2.90)
- Management uses performance measures effectively to measure success and improve processes, products, and services. (2.91)
- The new performance management system helps link section goals to the Agency's mission. (2.94)

- Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work. (3.14)
- DEQ Managers demonstrate that employees are important to the success of the agency. (3.17)
- Management provides a clear picture of where the agency is headed. (3.17)
- Management is open and honest in dealing with employees. (3.18)
- Management effectively prioritizes work according to the strategic directions. (3.21)
- Management models the culture they want to see. (3.21)
- Managers are held accountable for attaining goals laid out in DEQ's strategic directions. (3.28)

Managers' View of the Work Environment

- In my work unit, there are few workload issues. (2.51)
- I have adequate time to spend on managing employees. (2.72)
- I have the support I need to handle workload issues. (3.29)

General Perceptions of DEQ

- No items in need of improvement in this dimension.

DEQ's Service Quality to Internal and External Customers

- In terms of DEQ's service quality meeting internal needs and expectations, while somewhat less than half of employees (43%) rated DEQ's service quality as *average*, an additional 35% rated DEQ's service quality as *above average*. While 6% of employees rated DEQ's service quality in terms of meeting internal needs and expectations as *excellent*, 17% of employees rated DEQ's service quality as *below average*.
- In terms of DEQ's service quality meeting external needs and expectations, the pattern was much the same – 38% of employees rated DEQ's service quality as *average* and an additional 46% rated DEQ's service quality as *above average*. While 8% of employees rated DEQ's service quality in terms of meeting external needs and expectations as *excellent*, 8% of employees rated DEQ's service quality as *below average*.

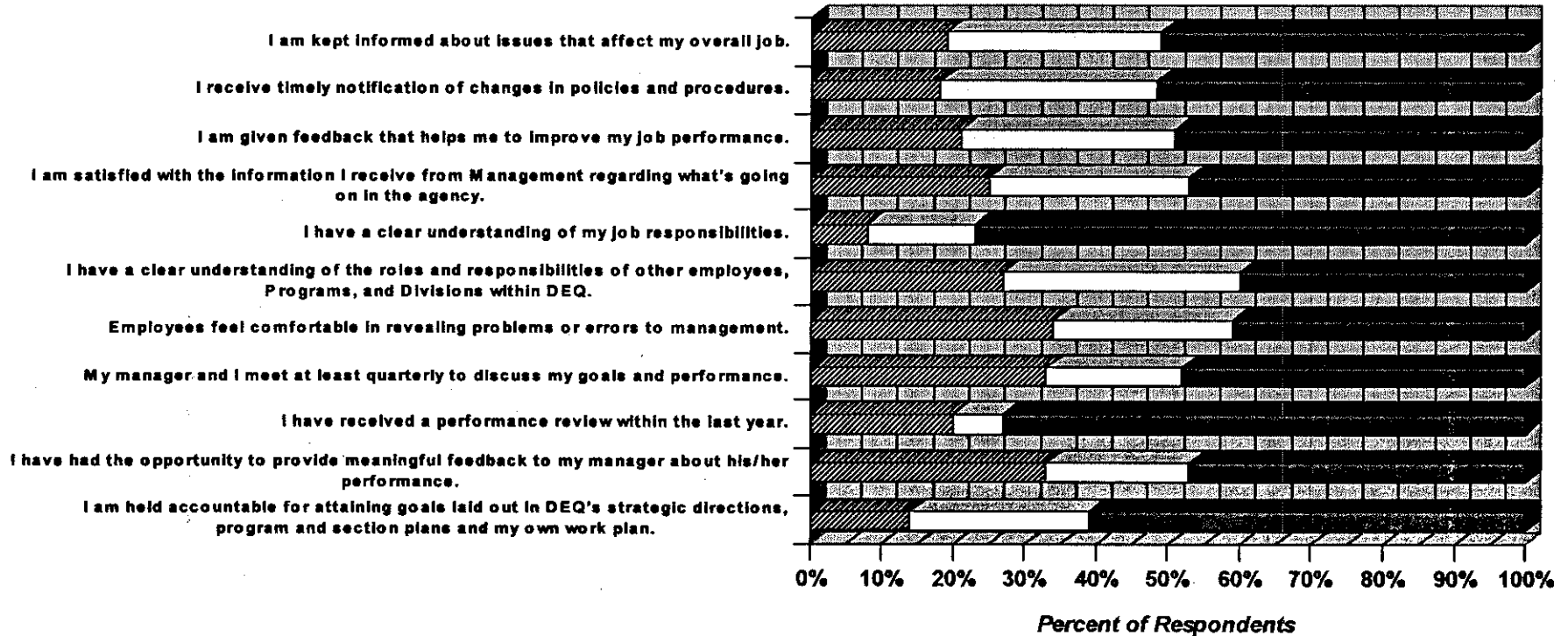
DEQ's Ability to Attract and Retain High Quality Employees

- Employees rated DEQ's ability to attract high quality employees as *average* (41%), *above average* (31%), and *excellent* (8%). Almost one-out-of-five employees (21%) rated DEQ's ability to attract high quality employees as *below average*.
- Similarly, employees rated DEQ's ability to retain high quality employees as *average* (42%), *above average* (25%), and *excellent* (5%). Almost one-out-of-four employees (29%) rated DEQ's ability to retain high quality employees as *below average*.

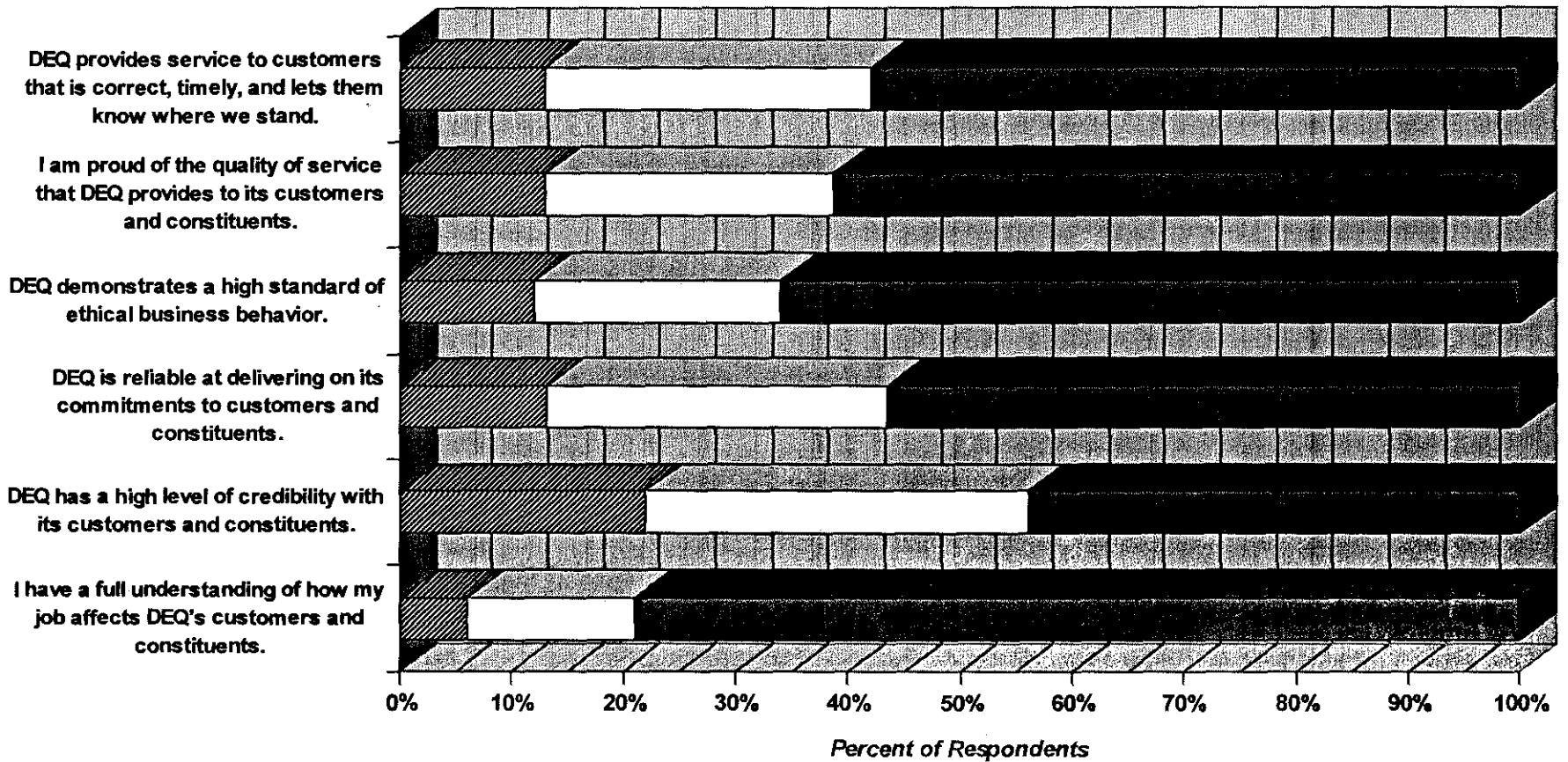
Graphs by Survey Dimension and Question

A graphical breakdown of each survey dimension and the individual survey questions within each dimension is provided as follows:

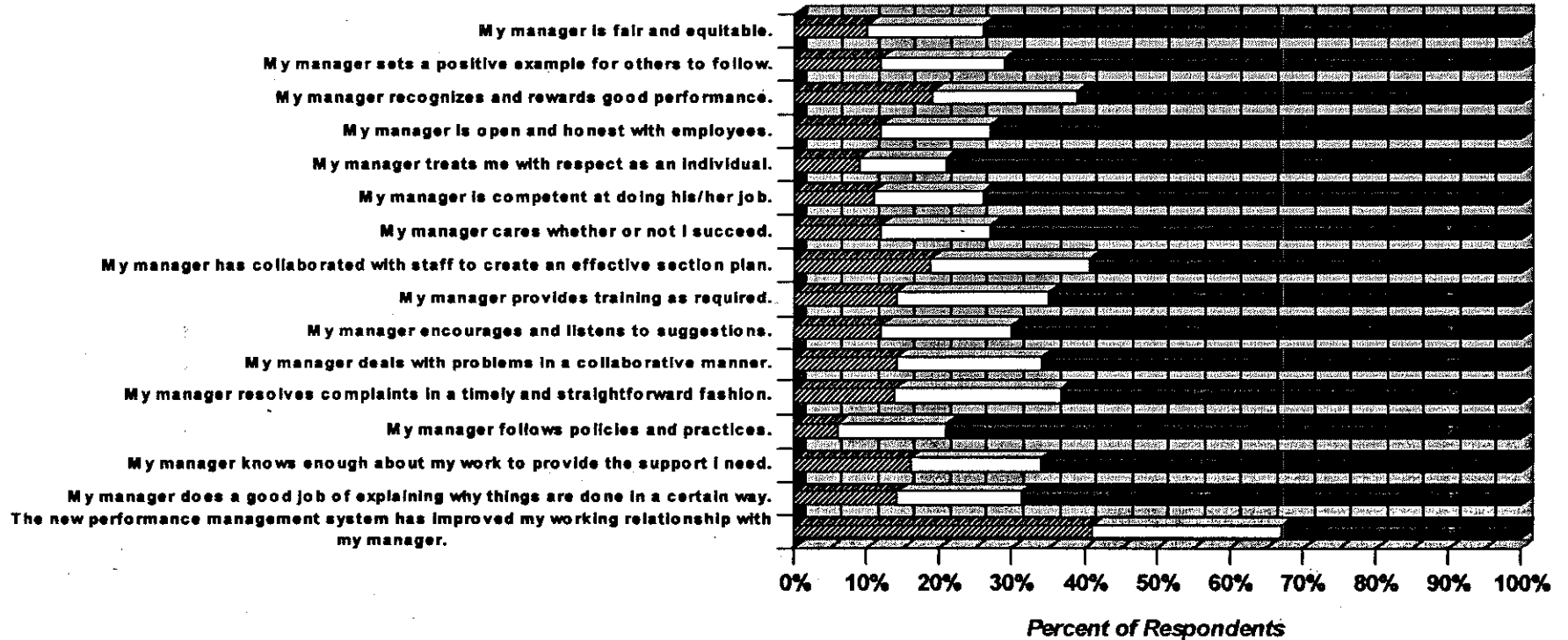
Dimension: DEQ Management/Employee Communications



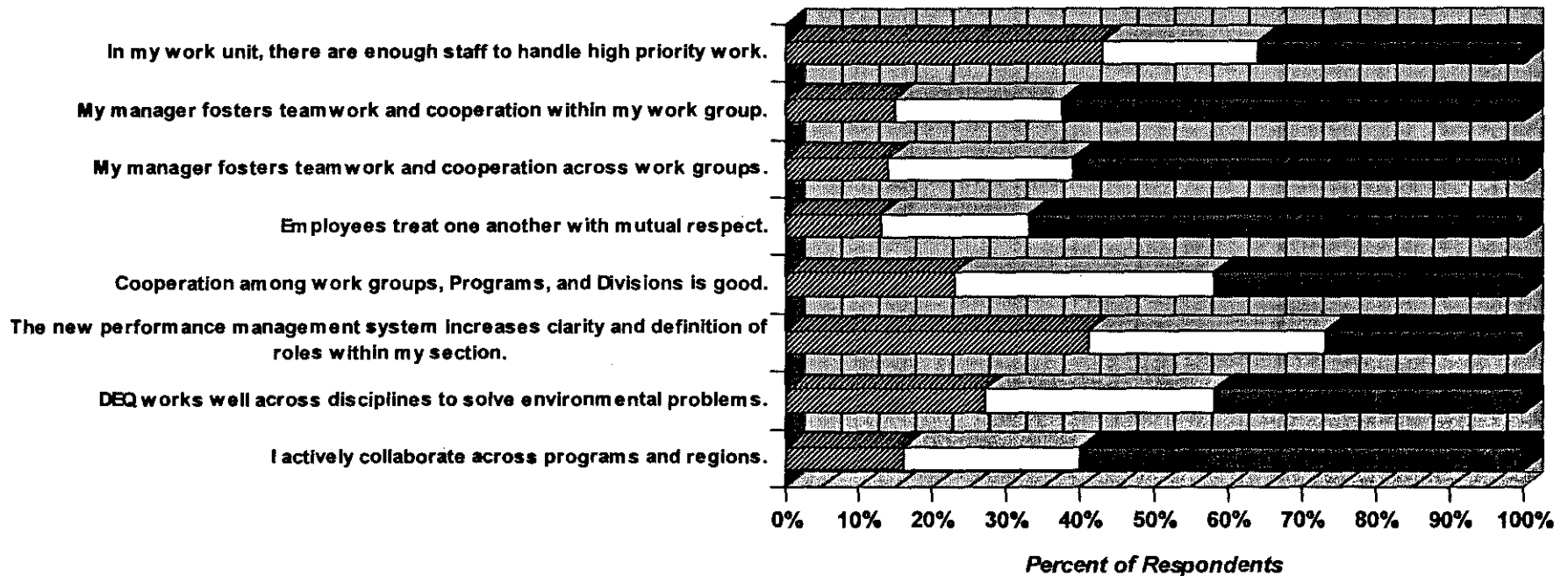
Dimension: Customer Focus/Service



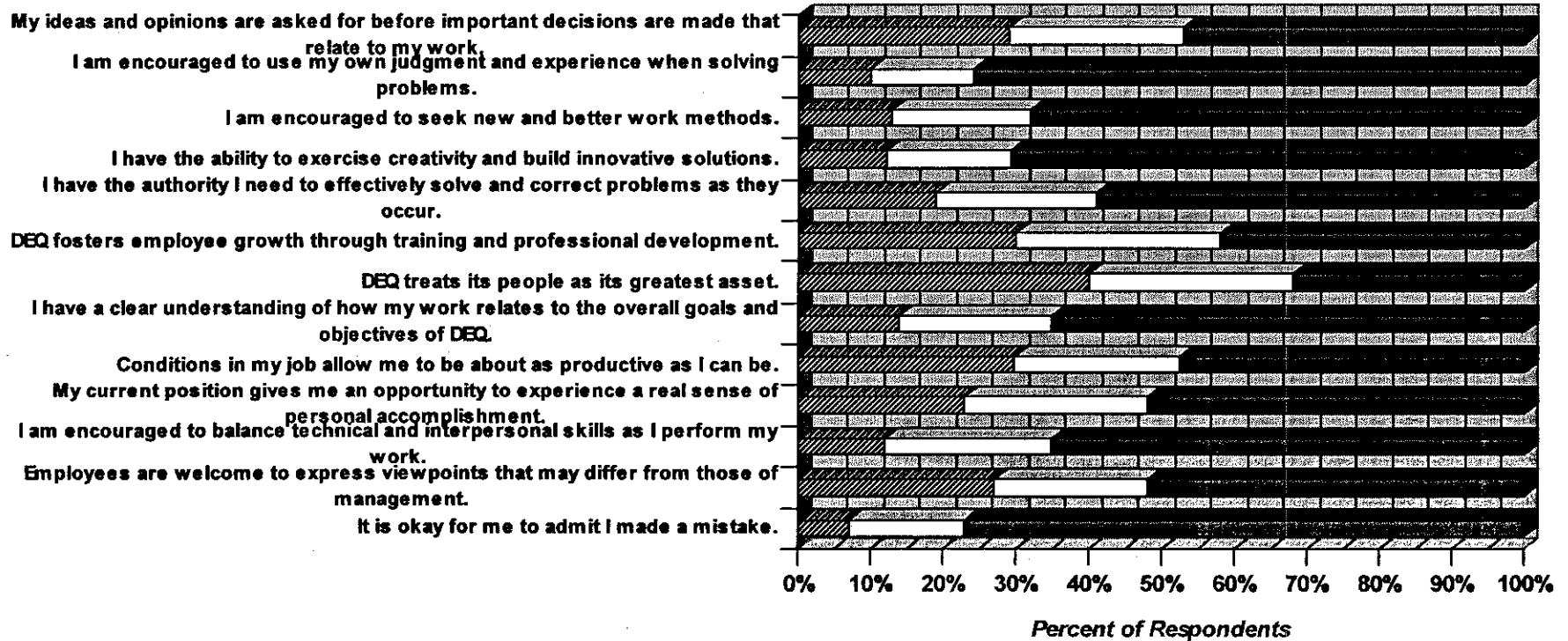
Dimension: Your Immediate Manager/Supervisor



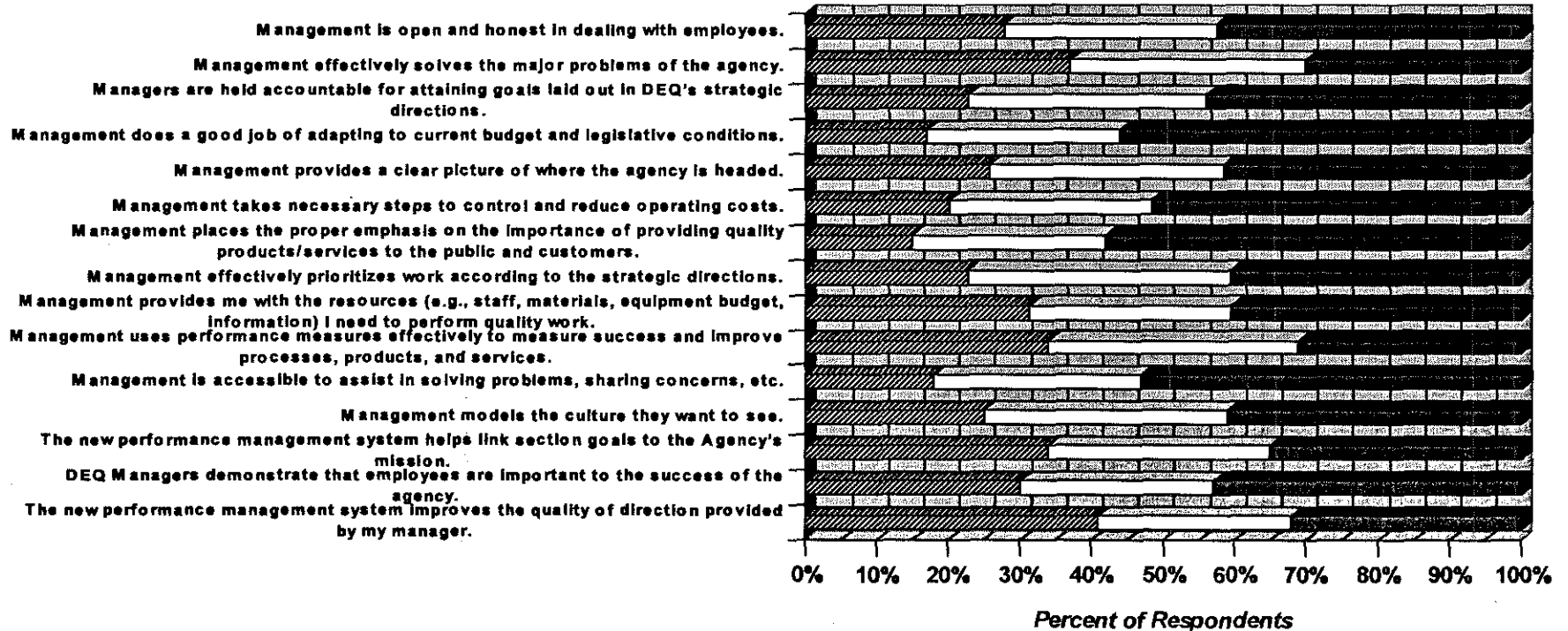
Dimension: Work Group Effectiveness and Teamwork



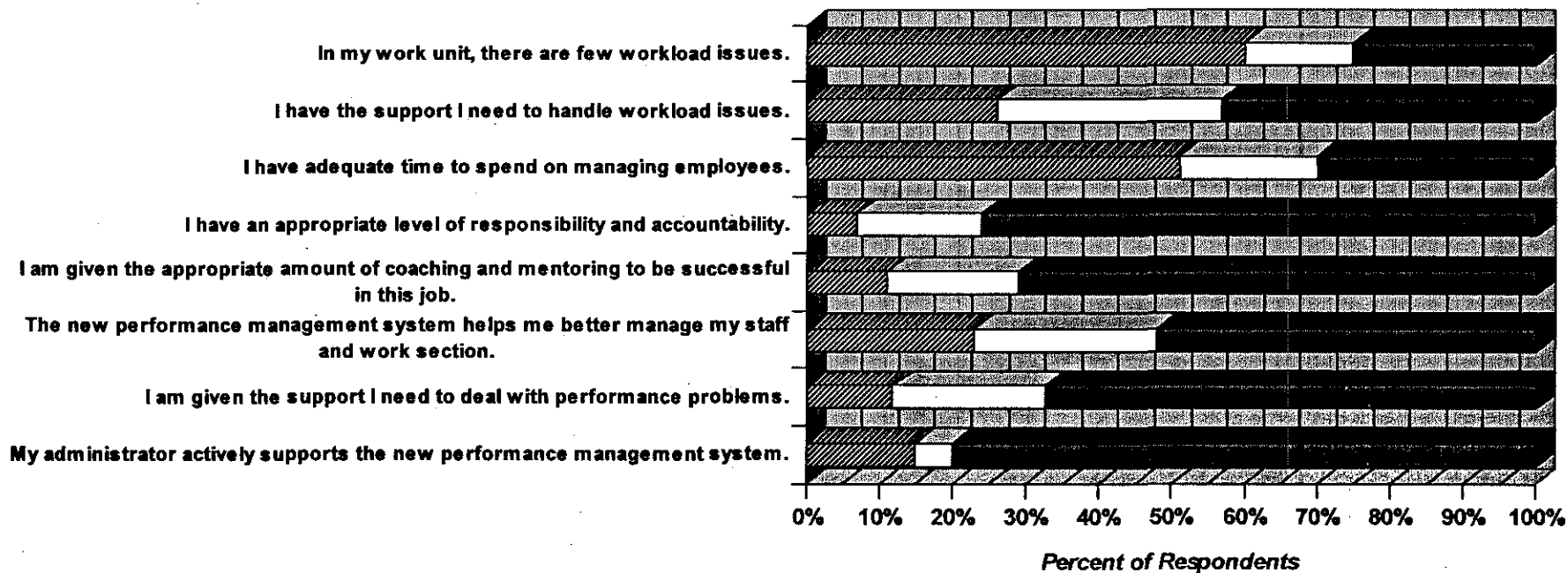
Dimension: Employee Empowerment and Involvement



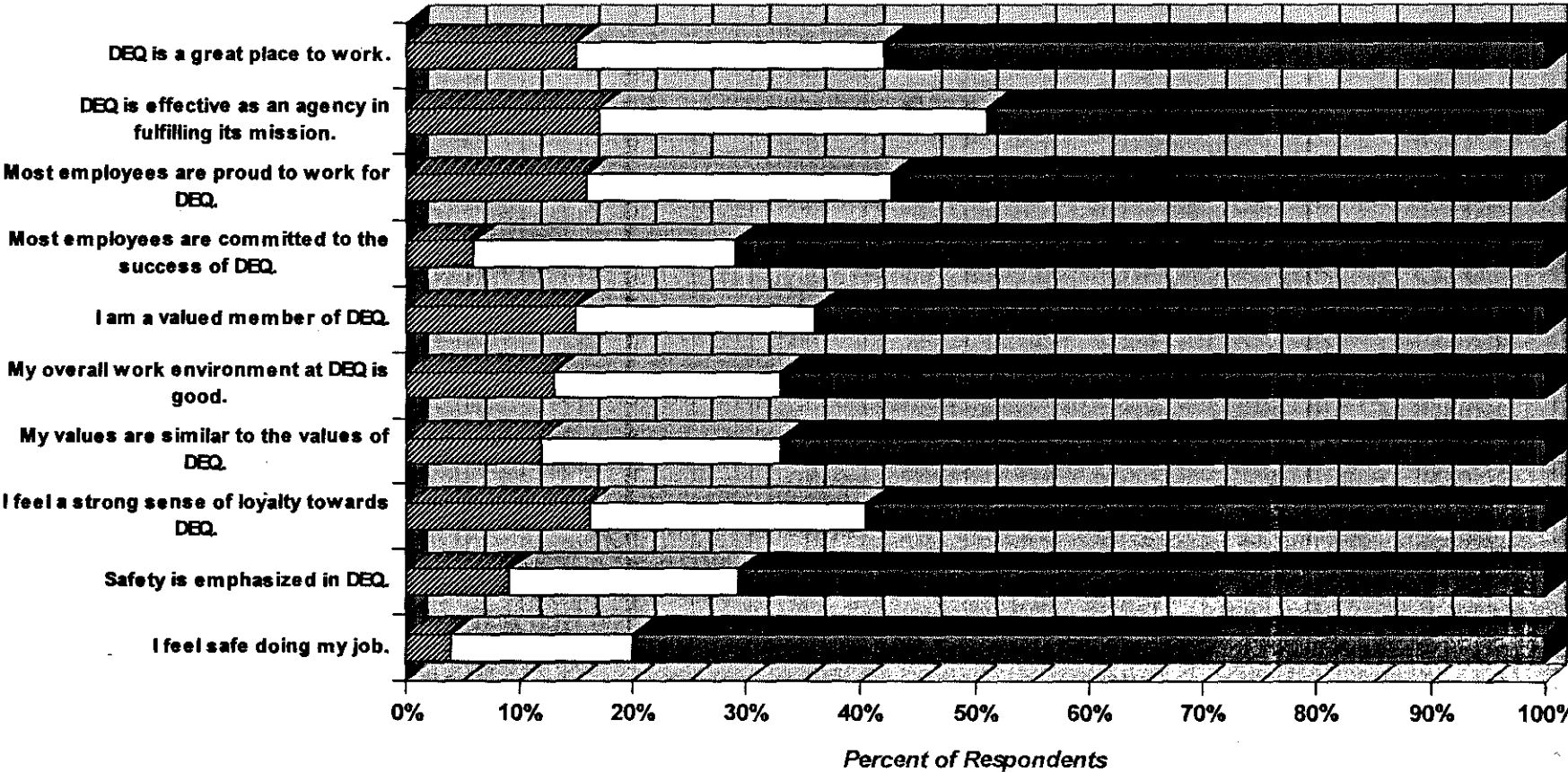
Dimension: DEQ Management Effectiveness and Support



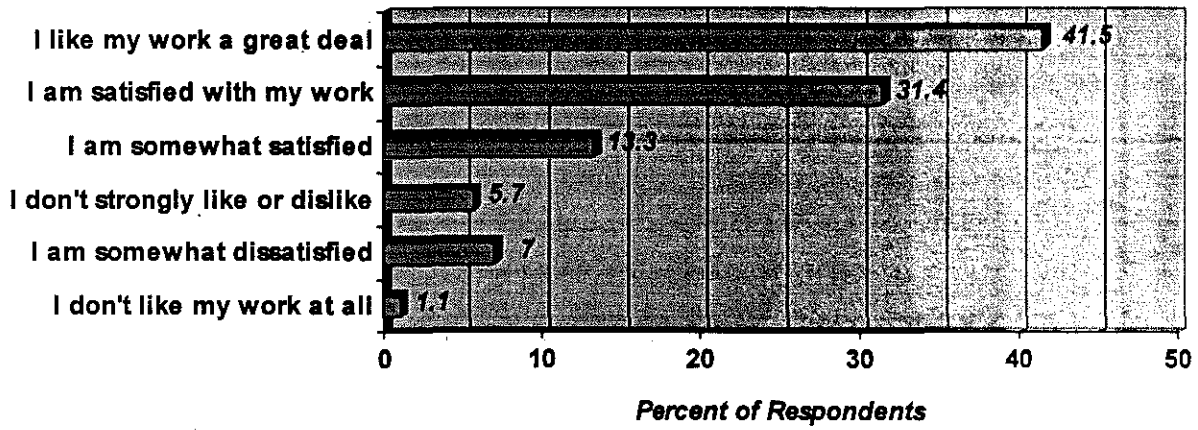
Dimension: Managers' View of the Work Environment



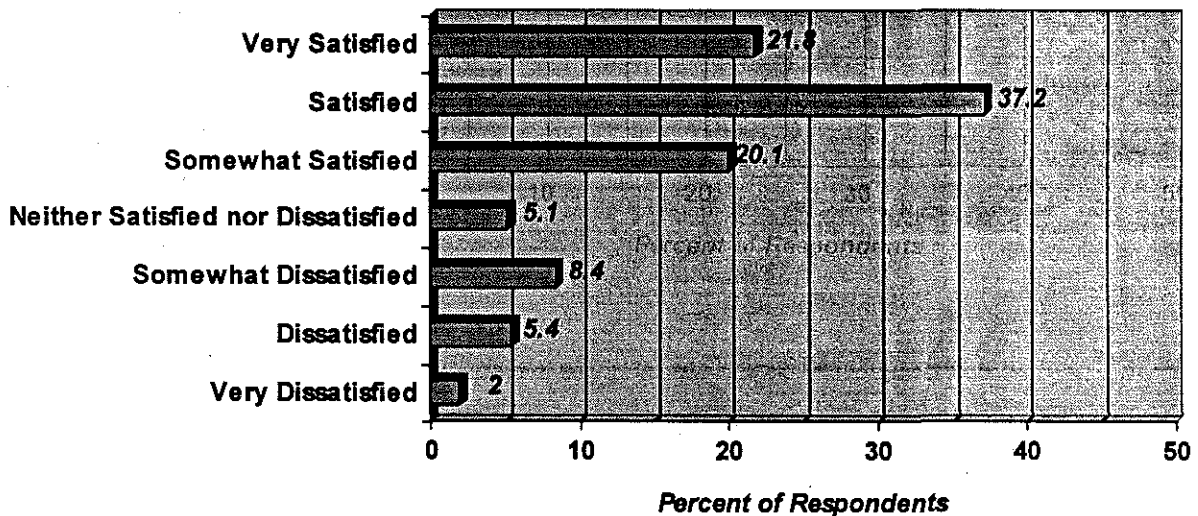
Dimension: General Perceptions of DEQ



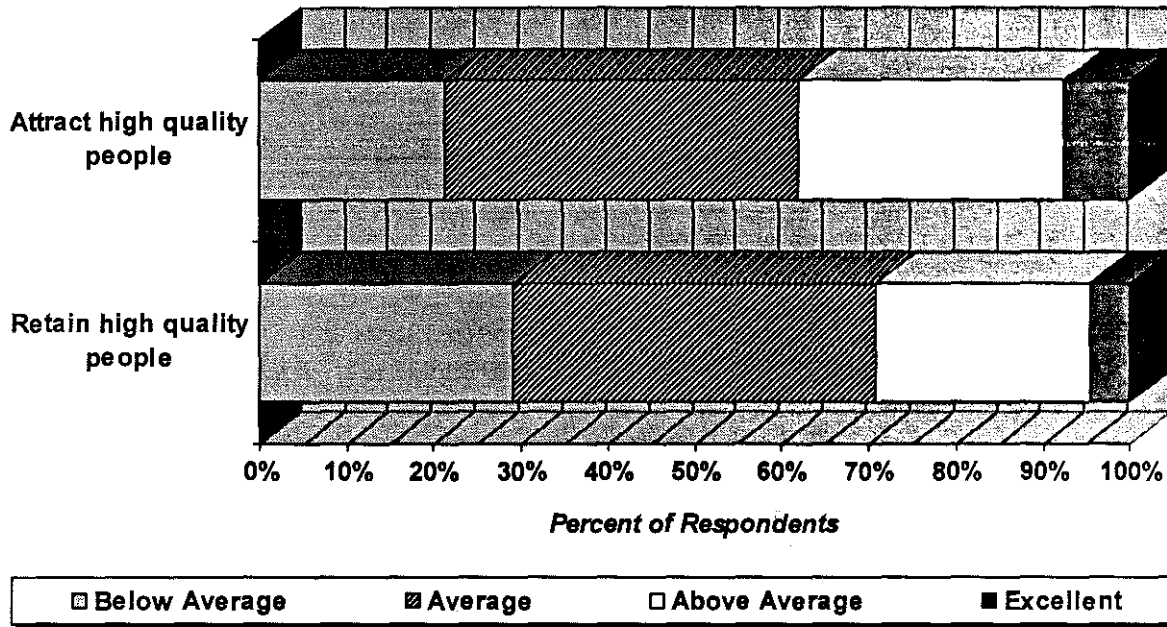
How do you feel about the kind of work you do ?



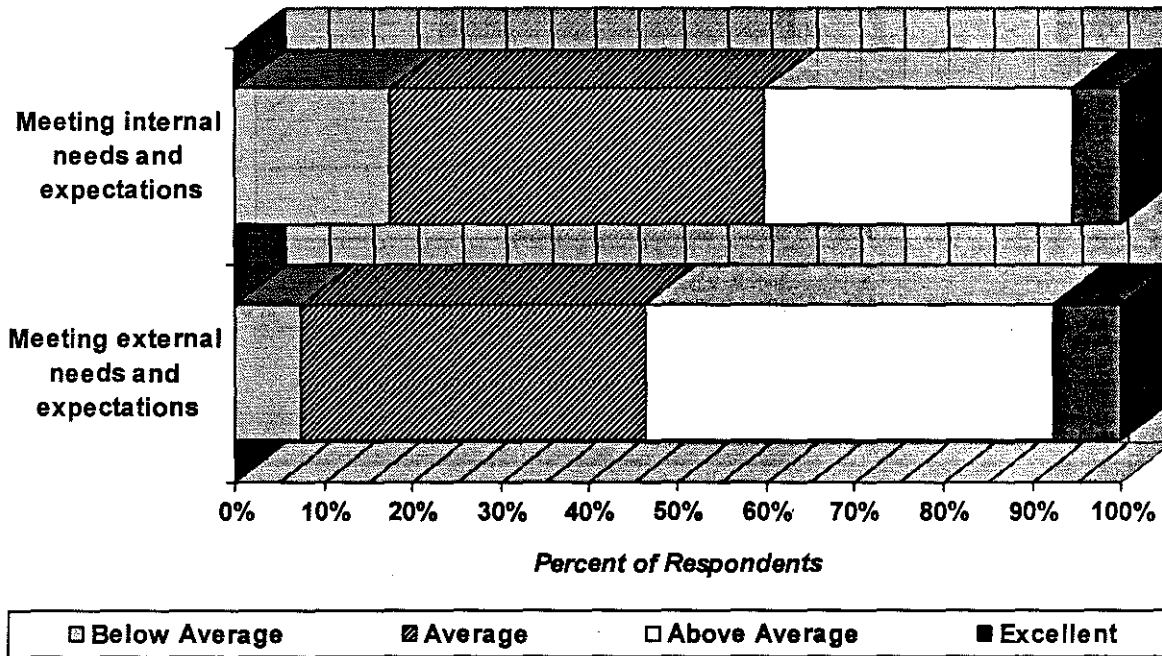
All things considered, how satisfied are you with DEQ as a place to work ?



How would you rate the ability of DEQ to . . .



How would you rate DEQ's service quality in terms of:



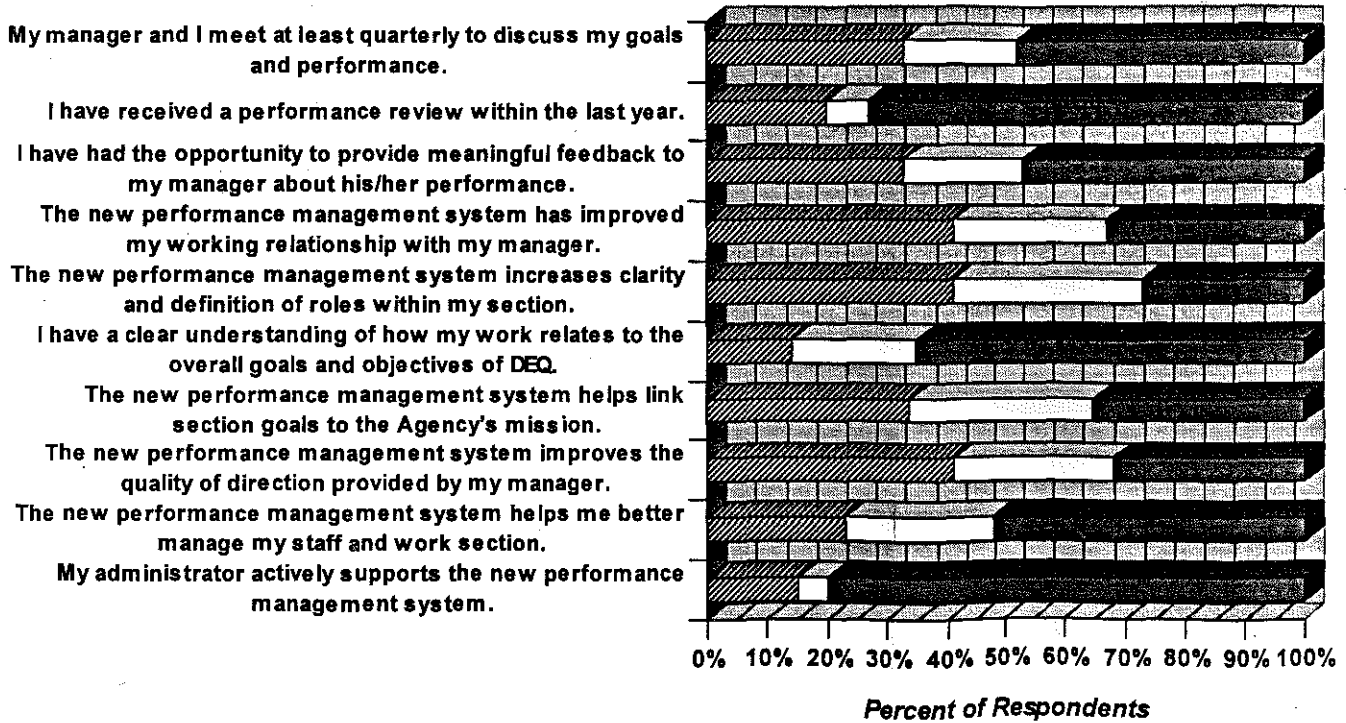
An additional set of specific items were targeted for trend comparisons across the 2004 and 2002 surveys. As can be viewed in the table below, the 2004 percent Favorable ratings for 6 of the 11 items listed below demonstrate a slight increase from the percent Favorable ratings obtained in the 2002 survey.

Survey Item	Comparisons by Survey Administration		
	Agencywide 2004	Agencywide 2002	Change
I am kept informed about issues that affect my overall job.	51%	53%	Stayed the Same
I am given feedback that helps me to improve my job performance.	49%	47%	Stayed the Same
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	58%	54%	Slight Increase
My manager recognizes and rewards good performance.	61%	55%	Slight Increase
My manager is competent at doing his/her job.	74%	71%	Slight Increase
My manager fosters teamwork and cooperation within my work group.	63%	62%	Stayed the Same
My manager fosters teamwork and cooperation across work groups.	61%	58%	Slight Increase
I am encouraged to seek new and better work methods.	68%	64%	Slight Increase
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	65%	65%	Stayed the Same
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	44%	40%	Slight Increase
Management uses performance measures effectively to measure success and improve processes, products, and services.	31%	31%	Stayed the Same

DEQ Performance Management Systems Questions

As discussed previously, a series of questions pertaining specifically to DEQ's Performance Management Systems were developed and embedded within and across the existing dimensions of the 2004 questionnaire. These questions are presented in the following chart:

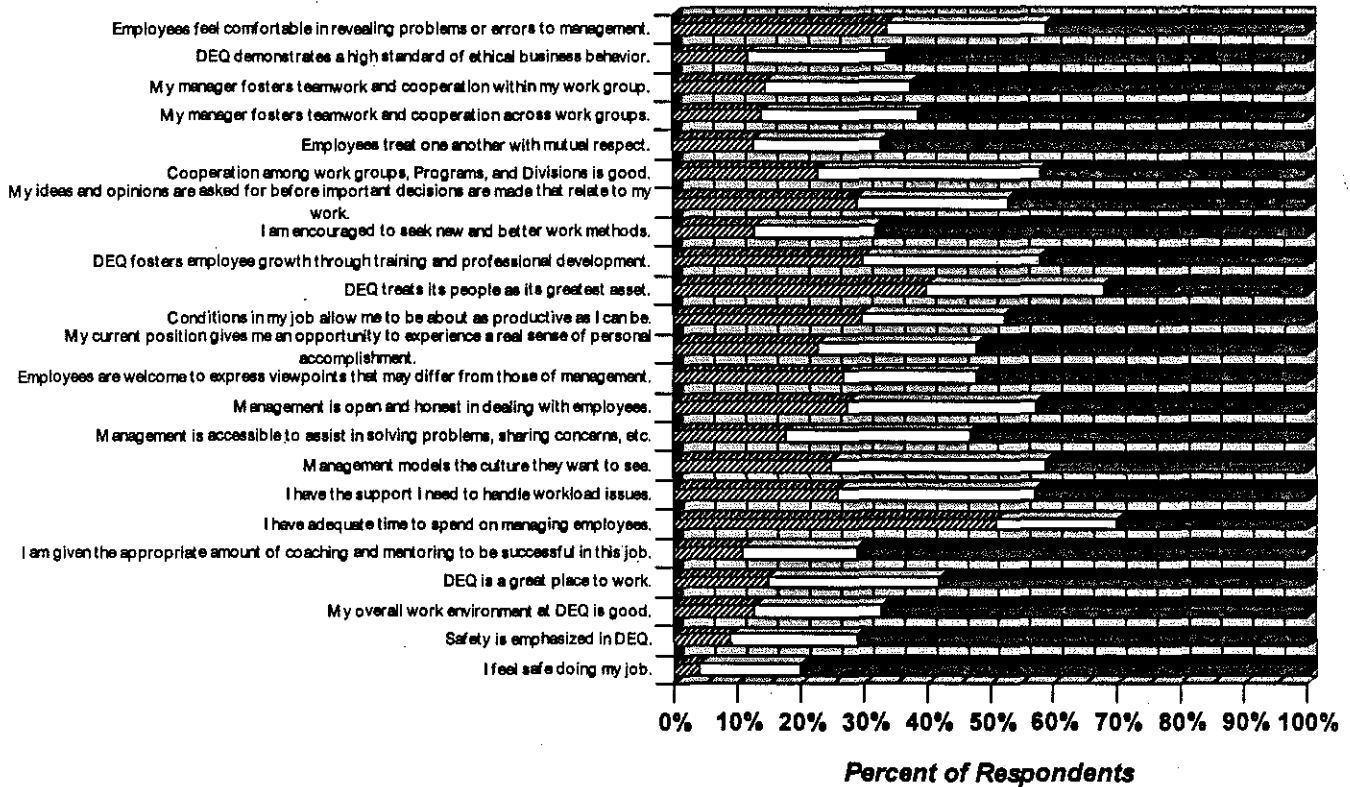
DEQ Performance Management Systems Questions



DEQ Work Environment Questions

As discussed previously, a series of questions pertaining specifically to DEQ's Work Environment were developed and embedded within and across the existing dimensions of the 2004 questionnaire. These questions are presented in the following chart:

DEQ Work Environment Questions



Comparison of the 2004 Results by DEQ Division

In general, employees from the following DEQ Divisions provided the greatest degree of Favorable ratings across the various survey dimensions:

- Land Quality Division
- Management Services Division
- Office of the Director
- Western Region

Employees from the following DEQ Divisions provided the lowest degree of Favorable ratings across the various survey dimensions:


- Eastern Region
- Water Quality Division

The degree of Favorable/Unfavorable ratings was mixed across the following DEQ Divisions

- Air Quality Division
- Laboratory
- Northwest Region

A detailed analysis of employee ratings by DEQ Division is provided in Appendix E. As can be viewed in the Appendix, a Favorable rating of 3 percentage points higher or more than the agencywide rating was categorized as "Above Average" and a Favorable rating of 3 percentage points lower or more than the agencywide rating was categorized as "Below Average" as a means of identifying general patterns of responses across subgroups. The following Table summarizes the overall pattern of Favorable/Unfavorable responses by DEQ Division across the various survey dimensions.

Dimension	Comparisons by DEQ Division								
	Air Quality	Eastern Region	Laboratory	Land Quality	Mgmt Services	Northwest Region	Office Director	Water Quality	Western Region
DEQ Management/Employee Communications									
Customer Focus/Service									
Your Immediate Manager/Supervisor									
Work Group Effectiveness and Teamwork									
Employee Empowerment and Involvement									
DEQ Management Effectiveness and Support									
Managers' View of the Work Environment									
General Perceptions of DEQ									
DEQ as a Place to Work									

	Denotes consistently "Below Average" Ratings within this Dimension
	Denotes consistently "Above Average" Ratings within this Dimension
	Denotes consistently "Average" Ratings within this Dimension

Comparison of the 2004 Results by DEQ Program

In general, employees from the following DEQ Programs provided the greatest degree of Favorable ratings across the various survey dimensions:

- Land Quality Division
- Agency Management

Employees from the following DEQ Programs provided the lowest degree of Favorable ratings across the various survey dimensions:

- Water Quality Division
- VIP Program Technical Center
- VIP Program Stations

The degree of Favorable/Unfavorable ratings was mixed across the following DEQ Programs:

- Air Quality Division
- Work Involves More than One Program

A detailed analysis of employee ratings by DEQ Program is provided in Appendix F. As can be viewed in the Appendix, a Favorable rating of 3 percentage points higher or more than the agency-wide rating was categorized as "Above Average" and a Favorable rating of 3 percentage points lower or more than the agency-wide rating was categorized as "Below Average" as a means of identifying general patterns of responses across subgroups. The following Table summarizes the overall pattern of Favorable/Unfavorable responses by DEQ Program across the various survey dimensions.

Dimension	Comparisons by DEQ Program						
	Air Quality	Water Quality	Land Quality	VIP Technical Center	VIP Stations	Involves > One Program	Agency Mgmt
DEQ Management/Employee Communications							
Customer Focus/Service							
Your Immediate Manager/Supervisor							
Work Group Effectiveness and Teamwork							
Employee Empowerment and Involvement							
DEQ Management Effectiveness and Support							
Managers' View of the Work Environment							
General Perceptions of DEQ							
DEQ as a Place to Work							
		Denotes consistently "Below Average" Ratings within this Dimension					
		Denotes consistently "Above Average" Ratings within this Dimension					
		Denotes consistently "Average" Ratings within this Dimension					

Comparison of the 2004 Results by Tenure at DEQ

In general, employees from the following Tenure groups provided the greatest degree of Favorable ratings across the various survey dimensions:

- Less than One Year
- 1 to 5 Years

Employees from the following Tenure groups provided the lowest degree of Favorable ratings across the various survey dimensions:

- 6 to 10 Years

The degree of Favorable/Unfavorable ratings was mixed across the following Tenure groups:

- 11 to 20 Years
- 21 Years or More

These patterns in the ratings across employee tenure are similar to those found in many organizations and agencies – especially in the government sector. Simply put, newer employees are often the most excited and optimistic about their work and the organizations they work for, while longer tenure employees have perhaps a more “realistic” perspective surrounding their work and the organizations they work for. Of special interest, even though the ratings of longer tenure employees were below those of the agencywide ratings in general, their ratings of DEQ as a Place to Work were above average, e.g., overall satisfaction with DEQ as a place to work, and the ability of DEQ to attract/retain high quality people.

A detailed analysis of employee ratings by Tenure at DEQ is provided in Appendix G. As can be viewed in the Appendix, a Favorable rating of 3 percentage points higher or more than the agency-wide rating was categorized as “Above Average” and a Favorable rating of 3 percentage points lower or more than the agency-wide rating was categorized as “Below Average” as a means of identifying general patterns of responses across subgroups. The following Table summarizes the overall pattern of Favorable/Unfavorable responses by Tenure at DEQ across the various survey dimensions.

Dimension	Comparisons by Tenure at DEQ				
	< one year	1 - 5 years	6 - 10 years	11 - 20 years	21 years +
DEQ Management/Employee Communications					
Customer Focus/Service					
Your Immediate Manager/Supervisor					
Work Group Effectiveness and Teamwork					
Employee Empowerment and Involvement					
DEQ Management Effectiveness and Support					
Managers' View of the Work Environment					
General Perceptions of DEQ					
DEQ as a Place to Work					
		Denotes consistently "Below Average" Ratings within this Dimension			
		Denotes consistently "Above Average" Ratings in this Dimension			
		Denotes consistently "Average" Ratings within this Dimension			

Comparison of the 2004 Results by Managerial Status

In general, the degree of Favorable response provided by Managers was greater than the degree of Favorable response provided by Staff.

Once again, these patterns across managerial status are similar to those found in many organizations and agencies. Managers by the nature of their basic role within the organization (e.g., greater degree of involvement in organizational/strategic decision-making and increased access to organizational information) typically and often feel more connected to and/or involved with the goals of the organization.

A detailed analysis of employee ratings by Tenure at DEQ is provided in Appendix H. As can be viewed in the Appendix, a Favorable rating of 3 percentage points higher or more than the agency-wide rating was categorized as "Above Average" and a Favorable rating of 3 percentage points lower or more than the agency-wide rating was categorized as "Below Average" as a means of identifying general patterns of responses across subgroups. The following Table summarizes the overall pattern of Favorable/Unfavorable responses by Managerial Status across the various survey dimensions.

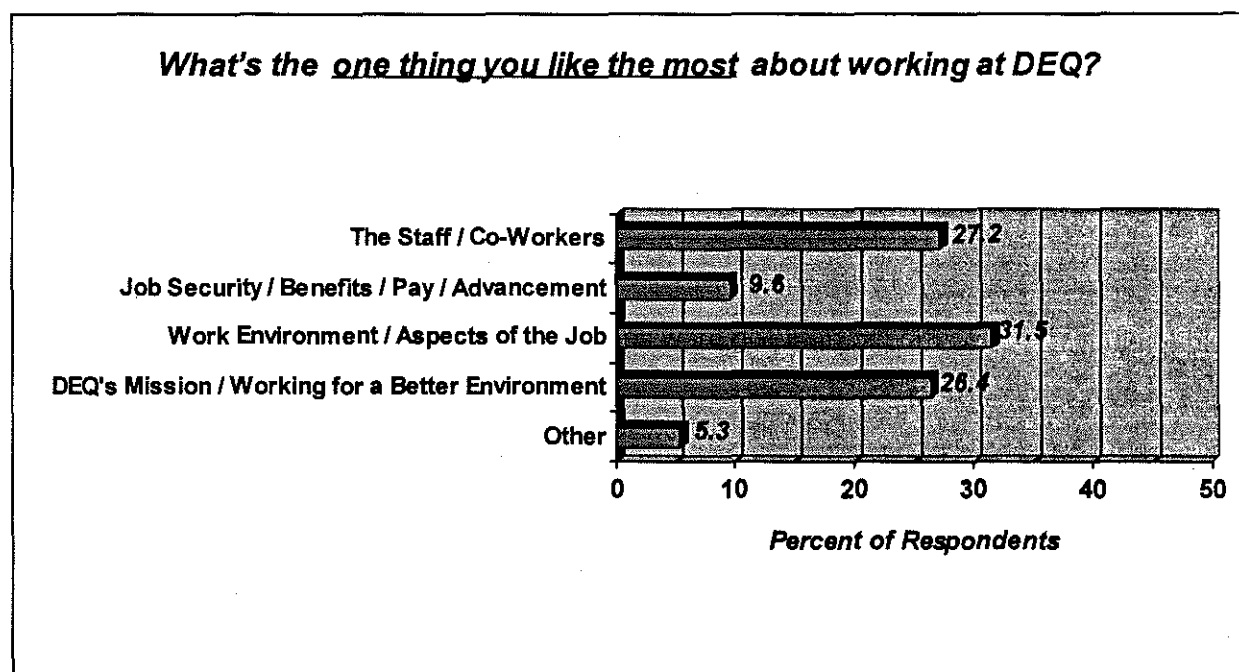
Dimension	Comparisons by Managerial Status	
	Manager	Staff
DEQ Management/Employee Communications		
Customer Focus/Service		
Your Immediate Manager/Supervisor		
Work Group Effectiveness and Teamwork		
Employee Empowerment and Involvement		
DEQ Management Effectiveness and Support		
Managers' View of the Work Environment		
General Perceptions of DEQ		
DEQ as a Place to Work		
		Below Average Ratings
		Above Average Ratings
		Average Ratings

Open-Ended Questions of the 2004 Survey

In the final section of the 2004 survey, employees were given an opportunity to respond to the following three open-ended questions:

- What's the one thing you like the most about working at DEQ?
- What is the one thing you'd like to see changed so that you can do your job better?
- Describe and give an example of excellence at DEQ:

Their responses to these questions are summarized in the remainder of this section.



What's the one thing you like the most about working at DEQ?

Representative Comments:

The Staff / Co-Workers

- I enjoy the people I work with, both in my and other offices, and I have a comfortable feeling working here.
- Dedication amongst staff in trying times.
- I can trust the people I work with.
- Management's willingness to take personal risks to help staff.

Job Security / Benefits / Pay / Advancement

- Benefits
- Knowing that I am covered medically. Medical costs have sky rocketed and knowing I have coverage puts my mind at ease.
- DEQ does give some nice training opportunities to employees.
- In my current position, I have been given a tremendous opportunity for growth.
- That they pay for 70% of my schooling.

Work Environment / Aspects of the Job

- I like the variety in what I do in my job.
- Challenging, varied, and important work.
- I am given great flexibility to balance my work load/goals with my personal life
- I feel valued as an employee. I feel treated with respect and that my satisfaction matters. This translates into a higher level of work production for me because I feel daily satisfaction in my job and as part of a team of we people trying to achieve common goals. The pay and benefits are very good, but the feeling of value matters more on a daily basis.
- Working independently without much interference.

DEQ's Mission / Working for a Better Environment

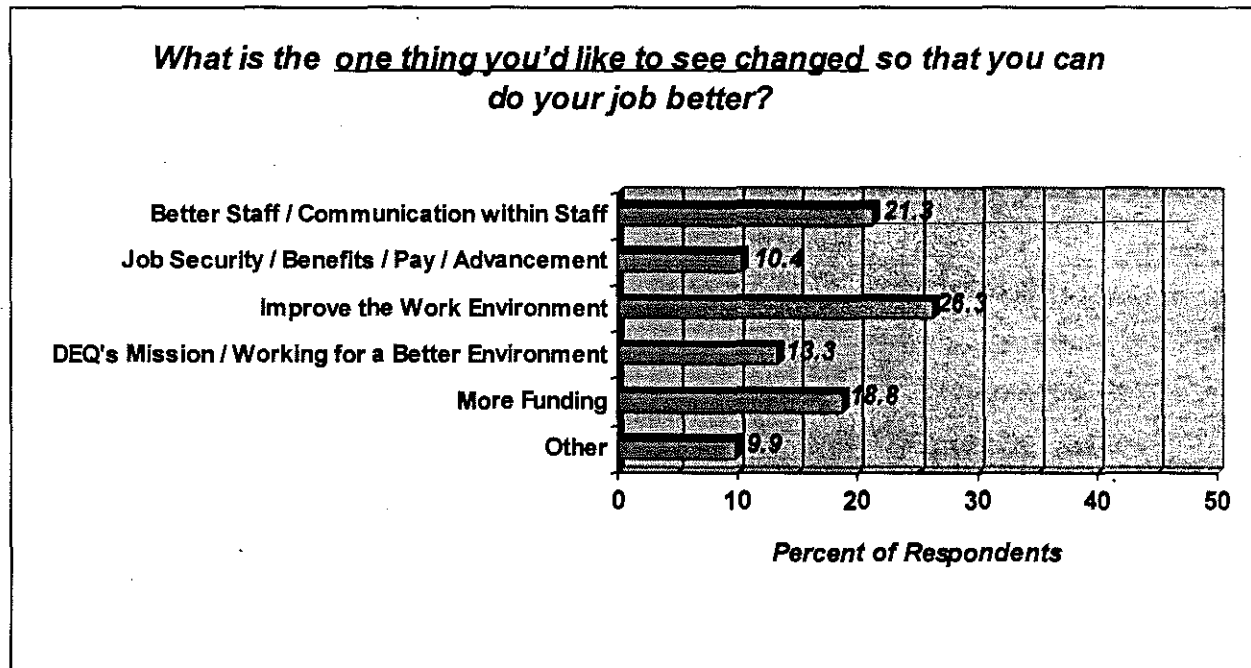
- Making a difference in the environment!
- That my work contributes to improving the quality of the environment in Oregon.
- The mission (protecting one of the greatest environments of all the 50 states).
- The type of work the agency is, in that I mean to improve and keep our air, land, and water clean.

Other

- Job Location relative to my home
- That the agency tries very hard to retain staff during hard budget times.
- I only have a very short time remaining before retirement.
- Loved the job I HAD - then got bumped backwards because I did a good job.

A complete listing of employees' comments to this question is provided in Appendix K.

What is the one thing you'd like to see changed so that you can do your job better?



Representative Comments:

Better Staff / Better Communication Within Staff

- I would like to see my manager be accessible and supportive when tough issues develop.
- Morale in long-term employees is terrible.
- Management that understands environmental challenges, and is open and honest about how to solve them as a program/agency.
- Better teamwork with other employees with similar jobs. Teamwork where all opinions are welcome, not just higher positions.
- Professional courtesy and mutual respect among people in the office.
- Intranet staff directory with photos and bios.

Job Security / Benefits / Pay / Advancement

- Stop the wage freeze, and up the wages.
- In the current situation, better compensation.
- I'd like to see my retirement restored and some legislative/public recognition that I'm valued and respected as a state employee rather than someone who's expected to work at below private sector compensation and then expect to be understanding when they bad mouth me in the press and chop my retirement compensation by every means possible.

- More encouragement for advancement. More enthusiasm to grow into something other than a vehicle Inspector; Also, a more competitive wage, this wage is hard to live on.
- Improve wages; get quality people off food stamps and similar programs. They are worth it!!!
- Better wages - back pay for the 2 year wage freeze - more pay for us for the added work we do. WAGES!!!

Improve the Work Environment

- At this time the one thing I would change would be the possible location of the new lab.
- More training and support for professional development, and more resources allocated to program development that will improve the efficiency and clarity with which we implement our regulations.
- Update the office cubicle walls, paint, furniture to create a more welcoming, productive, and up-to-date office atmosphere.
- Teach the managers to how to reword and encourage the staff to their jobs.
- I would like to have opportunities for out-of state travel to meetings and conferences.

DEQ's Mission / Working for a Better Environment

- Putting the environment back in the agency's mission.
- Place more emphasis on the science and work of the agency rather than budget and politics.
- More emphasis on PROTECTION/prevention instead of reacting to environmental problems after they are created.
- A better system for approving, tracking, accessing, and terminating DEQ policies. What do we have? What do they say? Is the policy from 1989 still in effect, or is there a policy that has superseded it?
- I would like to see science based approaches. More and more we are a political organization. This places management and staff at odds.
- I'd like DEQ to get more holistic in working on the mission. I think we should either embrace the mission and look at what is needed to fulfill it or change the mission to match what we do. I feel that currently our main work is permitting pollution instead of acting as a leader in restoring, maintaining, & enhancing the quality of Oregon's air, water, & land.

More Funding

- Improved resources so that we are fighting fewer fires and can work on shaping the future.
- Enough staff to perform top quality work.
- More money for more staff and other resources.
- New software for data input.
- Allow me to work overtime as needed to get more caught up.
- Have more resources to be able to hire the staff needed to get the job done in a timely manner.
- Additional resources - hard to balance visibility, core work, and special projects.

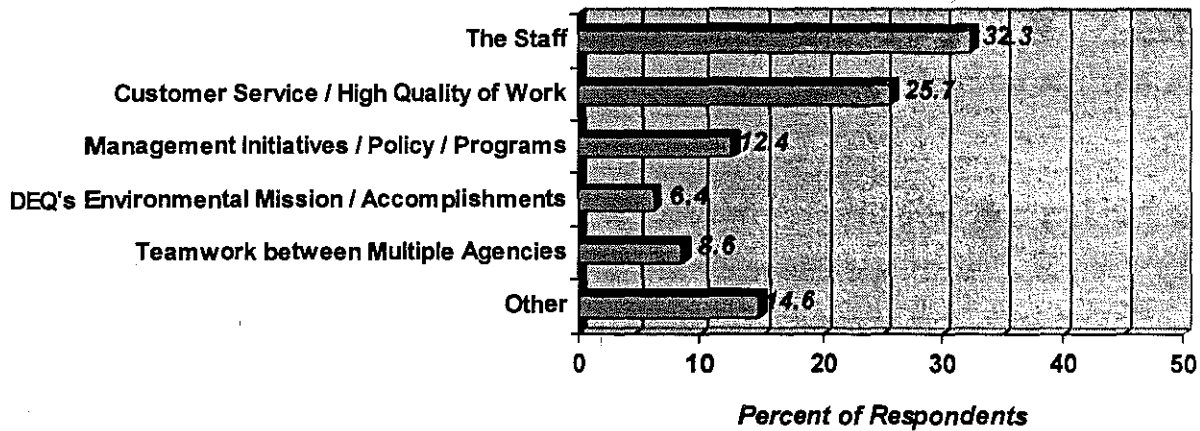
Other

- Utilize my technical skills more effectively.
- We're too quick to revert to folklore or "why things can't get done."
- Too new of an employee to have an opinion for this question.
- Nothing is limiting me from doing an excellent job.

A complete listing of employees' comments to this question is provided in Appendix L.

Describe and give an example of excellence at DEQ:

Describe and give an example of excellence at DEQ :



Representative Comments:

The Staff

- High level of respect among most staff, and a friendly working environment.
- I think Ron Doughten is an unsung hero. He produces work in a thorough and timely manner.
- I think that the recent Governors tour of the Willamette demonstrated the excellence and quality of some staff we are lucky enough to have retained.
- 'Inspectors that go above the quality of work required of them to do their part better.
- My coworkers share my job values and guarantee that the projects I lead are successful!

Customer service / High Quality of Work

- Accountability and pride in one's job demonstrated by its work product.
- Comprehensive website information available to the community, stakeholders, and employees.
- Customer service is the best quality that DEQ has.
- Most staff is thoughtful & respectful in explaining whatever their specialty is to whoever is asking. That is excellent customer service.

- Quality of work product, commitment to external communication, commitment to citizen involvement.

Management Initiatives / Policy / Programs

- Director and Manager leadership with fair, honest goals and direction.
- Construction and maintenance of DEQ Laboratory's database
- Problem solving: when a problem arises it is solved right away.
- Providing the public and staff background and implementation guidance on our rules.
- The great treatment of employees.

DEQ's Environmental Mission / Accomplishments

- Ability to maintain clean air standards.
- I believe in the clean air program and feel that we do a good job of keeping vehicles running clean with our testing.
- Lowering the CO, HC, NOx levels in the Portland area.
- I like hearing in the news how DEQ responds to environmentally dangerous situations. Recently, the asbestos and other air quality people held an emergency meeting with the community affected by the Thermo-Fluid fire.

Teamwork between Multiple Agencies

- Employees working together as a team to get a project finished on time.
- My co-workers ability to work across program and agency boundaries to solve environmental problems despite the bureaucratic roadblocks within DEQ and other state and federal agencies.
- Outreach and partnering efforts to involve DEQ with communities. I work in the Western Region, where there are multiple examples of direct outreach, which maintains strong environmental protection while working directly with various communities.
- We do this all the time by working with municipalities or individuals in trying to achieve long term goals.

Other

- Can't think of one.
- DEQ is excellent at putting on a "good show" public ally and undermining the hearts, souls, and intentions of good employees.
- I get paid on the first or before.
- We give excellence daily in DEQ as a whole.
- Why, are success stories that hard to come by here?

A complete listing of employees' comments to this question is provided in Appendix M.

Comparison of the 2004 and 2002 Survey Results

A second overall purpose of the 2004 employee survey was to compare the results of the 2004 survey with those of the 2002 employee survey as a way of measuring progress and change across time. A total of 67 questions were identical and/or available for trend comparisons across the 2004 and 2002 questionnaires.

In general, employees' ratings were surprisingly similar between the two survey administrations. Overall, employees rated 20 of the 67 common questions in the 2004 survey somewhat higher than did employees in the 2002 survey, and employees rated 13 of the 67 common questions in the 2004 survey somewhat lower than did employees in the 2002 survey. There were no discernable differences in employees' responses to 34 of the 67 common questions between the two survey administrations. A detailed comparison of employees' ratings across both surveys is provided in Appendix B.

Items Rated Somewhat Higher in the 2004 Survey:

- DEQ Management/Employee Communications
 - I have a clear understanding of my job responsibilities. (77% / 73%)
- Customer Focus/Service
 - DEQ provides service to customers that is correct, timely, and lets them know where we stand. (58% / 54%)
 - I am proud of the quality of service that DEQ provides to its customers and constituents. (62% / 58%)
 - DEQ has a high level of credibility with its customers and constituents. (44% / 41%)
- Your Immediate Manager/Supervisor
 - My manager is fair and equitable. (74% / 71%)
 - My manager sets a positive example for others to follow. (71% / 67%)
 - My manager recognizes and rewards good performance. (61% / 55%)
 - My manager is open and honest with employees. (73% / 69%)
 - My manager treats me with respect as an individual. (80% / 76%)
 - My manager is competent at doing his/her job. (74% / 71%)
 - My manager cares whether or not I succeed. (73% / 69%)
 - My manager follows policies and practices. (79% / 75%)
 - My manager does a good job of explaining why things are done in a certain way. (68% / 65%)
- Employee Empowerment and Involvement

- I am encouraged to use my own judgment and experience when solving problems. (75% / 72%)
- I am encouraged to seek new and better work methods. (68% / 64%)
- I have the authority I need to effectively solve and correct problems as they occur. (59% / 55%)
- DEQ Management Effectiveness and Support
 - Managers are held accountable for attaining goals laid out in DEQ's strategic directions. (44% / 40%)
 - Management takes necessary steps to control and reduce operating costs. (51% / 43%)
 - Management places the proper emphasis on the importance of providing quality products/services to the public and customers. (58% / 55%)
 - Management effectively prioritizes work according to the strategic directions. (41% / 37%)

Items Rated Somewhat Lower in the 2004 Survey:

- Employee Empowerment and Involvement
 - My ideas and opinions are asked for before important decisions are made that relate to my work. (47% / 53%)
 - DEQ fosters employee growth through training and professional development. (42% / 46%)
 - DEQ treats its people as its greatest asset. (32% / 35%)
- DEQ Management Effectiveness and Support
 - Management is open and honest in dealing with employees. (43% / 49%)
 - Management effectively solves the major problems of the agency. (30% / 45%)
 - Management provides a clear picture of where the agency is headed. (42% / 46%)
 - Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work. (40% / 48%)
- General Perceptions of DEQ
 - DEQ is a great place to work. (58% / 61%)
 - Most employees are proud to work for DEQ. (58% / 62%)
 - Most employees are committed to the success of DEQ. (71% / 74%)
 - I feel a strong sense of loyalty towards DEQ. (59% / 62%)
 - How do you feel about the kind of work you do? (85% / 90%)
 - All things considered, how satisfied are you with DEQ as a place to work? (79% / 82%)



State of Oregon
Department of Environmental Quality
2004 EMPLOYEE SURVEY

As an employee at Oregon DEQ, you are in the best possible position to provide valuable information about your experiences at DEQ – we need to know how well we are doing and where we need to improve. Your feedback regarding your experiences at DEQ will provide invaluable information to help us achieve our goal of being the best.

In the first part of the survey, you will be asked to rate the extent to which you agree or disagree with a series of statements. You will also be given the opportunity to provide your comments and suggestions at the end of the survey. Please respond to all of the items on the questionnaire.

The following are a few important guidelines to follow when responding:

- **Unless otherwise specified, please answer each item based on the organizational unit in which you work.**
- **The term Manager, for survey purposes, refers to the person who assigns your work, evaluates your performance, and supervises you on a daily basis.**
- **The term work group refers to the most immediate level of work organization and/or associates.**
- **The term DEQ Management refers to management in general at DEQ.**
- **The term Customer refers to the people, inside or outside of DEQ, to whom you provide services or products, including regulated sources.**
- **Please use the Don't Know category ONLY if you feel that you do not have enough information to respond to an item.**

The survey has been designed so that your responses will be kept strictly anonymous. The success of the survey depends on everyone completing the survey and responding frankly and honestly.

You can complete the survey online at <http://studies.web-surveys.net/OregonDEQ/> or mail your paper questionnaire to the following address:

Survey Processing
Bosma Research International, Inc.
P.O. Box 2609
Blaine, WA 98231

Please indicate your Division within DEQ: **(Check one)**

- Air Quality Division
- Eastern Region
- Laboratory
- Land Quality Division
- Management Services Division
- Northwest Region
- Office of the Director
- Water Quality Division
- Western Region

What factors most strongly represent the reason you joined DEQ? **(Check top three)**

- Type of Work
- Location
- Opportunity for Career Growth
- Opportunity to Learn
- Challenging Work
- Organizational Vision/Mission
- Compensation
- Benefits
- Management
- Work Environment
- Personal Commitment
- Other _____

Please indicate your Program within DEQ: **(Check one)**

- Air Quality Program **(if you're in VIP, please check below)**
- Water Quality Program
- Land Quality Program
- Vehicle Inspection Program Technical Center
- Vehicle Inspection Program Stations
- My work involves more than one Program
- Agency Management (e.g., Director's Office, Enforcement, Communications, Budget, Accounting, MSD, HR, IT, etc.)

What factors most strongly represent the reason you continue to work at DEQ? **(Check top three)**

- Type of Work
- Location
- Opportunity for Career Growth
- Opportunity to Learn
- Challenging Work
- Organizational Vision/Mission
- Compensation
- Benefits
- Management
- Work Environment
- Personal Commitment
- Other _____

How many years have you been employed at DEQ?

- Less than a year
- 1 to 5 years
- 6 to 10 years
- 11 to 20 years
- 21 or more years

Are you:

- Staff
- Manager

How do you feel about the kind of work you do? (**Check one**)

- I like my work a great deal
- I am satisfied with my work
- I am somewhat satisfied with my work
- I don't strongly like or dislike my work
- I am somewhat dissatisfied with my work
- I don't like my work at all

All things considered, how satisfied are you with DEQ as a place to work? (**Check one**)

- Very Satisfied
- Satisfied
- Somewhat Satisfied
- Neither Satisfied nor Dissatisfied
- Somewhat Dissatisfied
- Dissatisfied
- Very Dissatisfied

How would you rate the ability of DEQ to attract high quality people? (**Check one**)

- Excellent
- Above Average
- Average
- Below Average

How would you rate the ability of DEQ to retain high quality people? (**Check one**)

- Excellent
- Above Average
- Average
- Below Average

What's the one thing you like the most about working at DEQ?

What is the one thing you'd like to see changed so that you can do your job better?

Describe and give an example of excellence at DEQ:

Thank you for your participation!

DEQ Management/Employee Communications		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
I am kept informed about issues that affect my overall job.	Unfavorable	19	19
	Neutral	30	27
	Favorable	51	53
	Total	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	18	19
	Neutral	30	29
	Favorable	51	53
	Total	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	21	25
	Neutral	30	27
	Favorable	49	47
	Total	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	25	19
	Neutral	28	34
	Favorable	47	46
	Total	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	8	12
	Neutral	15	15
	Favorable	77	73
	Total	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	27	28
	Neutral	33	33
	Favorable	40	39
	Total	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	34	33
	Neutral	25	24
	Favorable	41	43
	Total	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	33	New Item in 2004
	Neutral	19	
	Favorable	48	
	Total	100	
I have received a performance review within the last year.	Unfavorable	20	New Item in 2004
	Neutral	7	
	Favorable	73	
	Total	100	

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	33	New Item in 2004
	Neutral	20	
	Favorable	47	
	Total	100	
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	14	New Item in 2004
	Neutral	25	
	Favorable	61	
	Total	100	

Customer Focus/Service		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	13	13
	Neutral	29	33
	Favorable	58	54
	Total	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	13	14
	Neutral	26	27
	Favorable	62	58
	Total	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	12	12
	Neutral	22	21
	Favorable	66	67
	Total	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	13	14
	Neutral	30	31
	Favorable	56	55
	Total	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	22	22
	Neutral	34	36
	Favorable	44	41
	Total	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	6	7
	Neutral	15	15
	Favorable	79	78
	Total	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	5	6
	Above Average	35	29
	Average	43	48
	Below Average	17	16
	Total	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	8	7
	Above Average	46	43
	Average	39	43
	Below Average	7	7
	Total	100	100

Your Immediate Manager/Supervisor		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
My manager is fair and equitable.	Unfavorable	10	14
	Neutral	16	15
	Favorable	74	71
	Total	100	100
My manager sets a positive example for others to follow.	Unfavorable	12	16
	Neutral	17	17
	Favorable	71	67
	Total	100	100
My manager recognizes and rewards good performance.	Unfavorable	19	22
	Neutral	20	23
	Favorable	61	55
	Total	100	100
My manager is open and honest with employees.	Unfavorable	12	17
	Neutral	15	14
	Favorable	73	69
	Total	100	100
My manager treats me with respect as an individual.	Unfavorable	9	13
	Neutral	12	12
	Favorable	80	76
	Total	100	100
My manager is competent at doing his/her job.	Unfavorable	11	13
	Neutral	15	15
	Favorable	74	71
	Total	100	100
My manager cares whether or not I succeed.	Unfavorable	12	16
	Neutral	15	15
	Favorable	73	69
	Total	100	100
My manager has collaborated with staff to create an effective section plan.	Unfavorable	19	New Item in 2004
	Neutral	22	
	Favorable	60	
	Total	100	
My manager provides training as required.	Unfavorable	14	16
	Neutral	21	20
	Favorable	65	63
	Total	100	100

My manager encourages and listens to suggestions.	Unfavorable	12	14
	Neutral	18	17
	Favorable	70	69
	Total	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	14	17
	Neutral	20	16
	Favorable	66	67
	Total	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	14	17
	Neutral	23	18
	Favorable	64	66
	Total	100	100
My manager follows policies and practices.	Unfavorable	6	9
	Neutral	15	16
	Favorable	79	75
	Total	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	16	19
	Neutral	18	17
	Favorable	66	65
	Total	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	14	14
	Neutral	17	20
	Favorable	68	65
	Total	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	41	<i>New Item in 2004</i>
	Neutral	26	
	Favorable	33	
	Total	100	

Work Group Effectiveness and Teamwork		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
In my work unit, there are enough staff to handle high priority work.	Unfavorable	43	43
	Neutral	21	23
	Favorable	36	34
	Total	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	15	16
	Neutral	23	21
	Favorable	63	62
	Total	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	14	16
	Neutral	25	26
	Favorable	61	58
	Total	100	100
Employees treat one another with mutual respect.	Unfavorable	13	12
	Neutral	20	23
	Favorable	67	65
	Total	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	23	27
	Neutral	35	32
	Favorable	42	41
	Total	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	41	New Item in 2004
	Neutral	32	
	Favorable	27	
	Total	100	
DEQ works well across disciplines to solve environmental problems.	Unfavorable	27	New Item in 2004
	Neutral	31	
	Favorable	42	
	Total	100	
I actively collaborate across programs and regions.	Unfavorable	16	New Item in 2004
	Neutral	24	
	Favorable	60	
	Total	100	

Employee Empowerment and Involvement		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	29	23
	Neutral	24	25
	Favorable	47	53
	Total	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	10	11
	Neutral	14	17
	Favorable	75	72
	Total	100	100
I am encouraged to seek new and better work methods.	Unfavorable	13	15
	Neutral	19	21
	Favorable	68	64
	Total	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	12	New Item in 2004
	Neutral	17	
	Favorable	70	
	Total	100	
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	19	21
	Neutral	22	24
	Favorable	59	55
	Total	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	30	25
	Neutral	28	29
	Favorable	42	46
	Total	100	100
DEQ treats its people as its greatest asset.	Unfavorable	40	34
	Neutral	28	31
	Favorable	32	35
	Total	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	14	10
	Neutral	21	25
	Favorable	65	65
	Total	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	30	26
	Neutral	23	26
	Favorable	48	48
	Total	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	23	New Item in 2004
	Neutral	25	
	Favorable	52	
	Total	100	
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	12	New Item in 2004
	Neutral	23	
	Favorable	65	
	Total	100	
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	27	28
	Neutral	21	22
	Favorable	52	50
	Total	100	100
It is okay for me to admit I made a mistake.	Unfavorable	7	New Item in 2004
	Neutral	16	
	Favorable	77	
	Total	100	

DEQ Management Effectiveness and Support		Agencywide 2004	Agencywide 2002
		N = 646	N = 631
		%	%
Management is open and honest in dealing with employees.	Unfavorable	28	20
	Neutral	30	31
	Favorable	43	49
	Total	100	100
Management effectively solves the major problems of the agency.	Unfavorable	37	28
	Neutral	33	27
	Favorable	30	45
	Total	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	23	28
	Neutral	33	32
	Favorable	44	40
	Total	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	17	15
	Neutral	27	28
	Favorable	56	57
	Total	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	26	24
	Neutral	33	30
	Favorable	42	46
	Total	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	20	23
	Neutral	28	34
	Favorable	51	43
	Total	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	15	16
	Neutral	27	29
	Favorable	58	55
	Total	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	23	28
	Neutral	37	35
	Favorable	41	37
	Total	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	31	24
	Neutral	28	28
	Favorable	40	48
	Total	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	34	36
	Neutral	35	34
	Favorable	31	31
	Total	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	18	New Item in 2004
	Neutral	29	
	Favorable	53	
	Total	100	
Management models the culture they want to see.	Unfavorable	25	New Item in 2004
	Neutral	34	
	Favorable	41	
	Total	100	
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	34	New Item in 2004
	Neutral	31	
	Favorable	35	
	Total	100	
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	30	29
	Neutral	27	26
	Favorable	43	45
	Total	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	41	New Item in 2004
	Neutral	27	
	Favorable	32	
	Total	100	

Managers' View of the Work Environment		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
In my work unit, there are few workload issues.	Unfavorable	60	New Item in 2004
	Neutral	15	
	Favorable	25	
	Total	100	
I have the support I need to handle workload issues.	Unfavorable	26	New Item in 2004
	Neutral	31	
	Favorable	43	
	Total	100	
I have adequate time to spend on managing employees.	Unfavorable	51	New Item in 2004
	Neutral	19	
	Favorable	30	
	Total	100	
I have an appropriate level of responsibility and accountability.	Unfavorable	7	New Item in 2004
	Neutral	17	
	Favorable	76	
	Total	100	
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	11	New Item in 2004
	Neutral	18	
	Favorable	71	
	Total	100	
The new performance management system helps me better manage my staff and work section.	Unfavorable	23	New Item in 2004
	Neutral	25	
	Favorable	52	
	Total	100	
I am given the support I need to deal with performance problems.	Unfavorable	12	New Item in 2004
	Neutral	21	
	Favorable	68	
	Total	100	
My administrator actively supports the new performance management system.	Unfavorable	15	New Item in 2004
	Neutral	5	
	Favorable	80	
	Total	100	

General Perceptions of DEQ		Agencywide 2004	Agencywide 2002
		N = 646	N = 681
		%	%
DEQ is a great place to work.	Unfavorable	15	13
	Neutral	27	26
	Favorable	58	61
	Total	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	17	16
	Neutral	34	34
	Favorable	49	50
	Total	100	100
Most employees are proud to work for DEQ.	Unfavorable	16	14
	Neutral	27	24
	Favorable	58	62
	Total	100	100
Most employees are committed to the success of DEQ.	Unfavorable	6	7
	Neutral	23	19
	Favorable	71	74
	Total	100	100
I am a valued member of DEQ.	Unfavorable	15	14
	Neutral	21	22
	Favorable	64	64
	Total	100	100
My overall work environment at DEQ is good.	Unfavorable	13	12
	Neutral	20	20
	Favorable	67	68
	Total	100	100
My values are similar to the values of DEQ.	Unfavorable	12	9
	Neutral	21	22
	Favorable	67	69
	Total	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	16	13
	Neutral	24	24
	Favorable	59	62
	Total	100	100
Safety is emphasized in DEQ.	Unfavorable	9	9
	Neutral	20	20
	Favorable	70	71
	Total	100	100

I feel safe doing my job.	Unfavorable	4	New Item in 2004
	Neutral	16	
	Favorable	80	
	Total	100	
How do you feel about the kind of work you do?	I like my work a great deal	41	45
	I am satisfied with my work	31	31
	I am somewhat satisfied with my work	13	14
	I don't strongly like my work	6	4
	I am somewhat dissatisfied with my work	7	6
	I don't like my work at all	1	0
Total	100	100	
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	22	28
	Satisfied	37	37
	Somewhat satisfied	20	17
	Neither satisfied nor dissatisfied	5	4
	Somewhat dissatisfied	8	8
	Dissatisfied	5	4
	Very Dissatisfied	2	2
Total	100	100	
How would you rate the ability of DEQ to attract high quality people?	Excellent	8	9
	Above Average	30	33
	Average	41	40
	Below Average	21	18
	Total	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	5	5
	Above Average	24	27
	Average	42	45
	Below Average	29	24
	Total	100	100

DEQ Management/Employee Communications		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
I am kept informed about issues that affect my overall job.	Unfavorable	22	22	29	29	21	30	18	13	16	23	14	8	4	10	25	16	13	18
	Neutral	32	26	32	20	32	27	20	26	26	21	31	33	42	30	34	34	29	31
	Favorable	46	52	40	51	46	43	62	61	57	56	54	59	54	60	41	50	57	51
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	23	24	24	24	26	22	12	11	13	23	13	12	0	3	23	19	19	19
	Neutral	27	29	38	25	28	30	36	33	30	23	31	30	26	27	37	30	26	28
	Favorable	50	47	38	51	46	48	53	56	57	55	55	58	74	70	40	52	55	52
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	22	22	25	33	21	33	25	24	15	26	19	22	15	20	36	31	13	23
	Neutral	32	25	31	27	25	33	25	30	26	21	34	35	30	23	36	30	26	22
	Favorable	47	52	44	39	54	33	50	47	59	53	47	43	56	57	29	39	61	56
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	31	27	28	24	32	18	25	22	18	17	18	18	15	10	32	13	18	14
	Neutral	30	30	28	29	18	42	16	34	32	29	33	42	22	27	33	44	31	33
	Favorable	39	43	44	47	50	40	59	44	50	55	49	40	63	63	35	43	51	53
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	8	10	6	22	13	13	8	7	5	18	7	7	0	17	17	14	7	9
	Neutral	13	15	23	14	14	15	11	10	5	9	12	16	26	10	24	20	12	23
	Favorable	79	74	70	65	73	72	81	83	90	73	81	77	74	73	59	66	81	68
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	22	23	33	20	33	47	21	34	23	21	25	25	11	10	34	42	33	27
	Neutral	35	30	32	31	32	25	38	32	28	35	31	36	44	43	32	38	28	35
	Favorable	43	46	35	49	35	28	41	34	49	44	43	39	44	47	34	20	39	38
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	33	36	42	43	28	29	29	25	41	32	35	30	22	27	40	47	33	29
	Neutral	22	22	30	25	26	26	24	25	21	29	21	25	37	20	35	16	23	28
	Favorable	46	42	28	31	45	45	47	51	38	40	44	45	41	53	25	38	44	44
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	37	<i>New</i>	50	<i>New</i>	9	<i>New</i>	41	<i>New</i>	41	<i>New</i>	19	<i>New</i>	37	<i>New</i>	59	<i>New</i>	13	<i>New</i>
	Neutral	22	<i>Item</i>	27	<i>Item</i>	15	<i>Item</i>	21	<i>Item</i>	24	<i>Item</i>	23	<i>Item</i>	19	<i>Item</i>	9	<i>Item</i>	10	<i>Item</i>
	Favorable	41	<i>in</i>	23	<i>in</i>	76	<i>in</i>	38	<i>in</i>	36	<i>in</i>	59	<i>in</i>	44	<i>in</i>	31	<i>in</i>	77	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>
I have received a performance review within the last year.	Unfavorable	8	<i>New</i>	24	<i>New</i>	6	<i>New</i>	28	<i>New</i>	21	<i>New</i>	21	<i>New</i>	32	<i>New</i>	69	<i>New</i>	4	<i>New</i>
	Neutral	8	<i>Item</i>	13	<i>Item</i>	2	<i>Item</i>	7	<i>Item</i>	14	<i>Item</i>	5	<i>Item</i>	0	<i>Item</i>	4	<i>Item</i>	5	<i>Item</i>
	Favorable	84	<i>in</i>	63	<i>in</i>	92	<i>in</i>	66	<i>in</i>	66	<i>in</i>	74	<i>in</i>	68	<i>in</i>	27	<i>in</i>	91	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	34	<i>New</i>	44	<i>New</i>	17	<i>New</i>	39	<i>New</i>	37	<i>New</i>	26	<i>New</i>	35	<i>New</i>	45	<i>New</i>	22	<i>New</i>
	Neutral	18	<i>Item</i>	24	<i>Item</i>	20	<i>Item</i>	24	<i>Item</i>	27	<i>Item</i>	24	<i>Item</i>	31	<i>Item</i>	14	<i>Item</i>	12	<i>Item</i>
	Favorable	48	<i>in</i>	32	<i>in</i>	63	<i>in</i>	37	<i>in</i>	36	<i>in</i>	50	<i>in</i>	35	<i>in</i>	41	<i>in</i>	66	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	12	<i>New</i>	19	<i>New</i>	8	<i>New</i>	18	<i>New</i>	16	<i>New</i>	11	<i>New</i>	22	<i>New</i>	20	<i>New</i>	11	<i>New</i>
	Neutral	25	<i>Item</i>	21	<i>Item</i>	24	<i>Item</i>	19	<i>Item</i>	17	<i>Item</i>	31	<i>Item</i>	37	<i>Item</i>	36	<i>Item</i>	19	<i>Item</i>
	Favorable	63	<i>in</i>	60	<i>in</i>	68	<i>in</i>	63	<i>in</i>	67	<i>in</i>	58	<i>in</i>	41	<i>in</i>	45	<i>in</i>	71	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004

Customer Focus/Service		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	6	10	16	18	24	13	5	9	8	10	9	21	4	3	27	13	19	17
	Neutral	23	27	27	35	30	54	31	28	35	32	36	23	33	41	35	42	26	33
	Favorable	71	63	56	47	46	33	64	62	57	59	55	56	63	55	38	45	55	49
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	9	13	24	27	24	18	7	12	7	9	9	13	0	3	19	16	15	18
	Neutral	18	22	27	22	24	37	22	28	32	28	36	32	22	17	32	39	25	23
	Favorable	73	65	49	51	52	46	72	60	61	63	56	55	78	79	49	45	60	59
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	9	14	27	24	17	17	5	9	7	12	9	9	4	3	18	14	10	8
	Neutral	23	21	20	35	21	19	17	15	26	12	24	20	19	17	21	30	22	20
	Favorable	68	65	53	41	62	64	78	76	67	75	68	71	78	80	61	56	68	72
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	8	9	19	16	17	17	9	13	8	7	12	13	0	3	26	25	19	21
	Neutral	25	23	41	33	31	41	25	23	32	30	31	36	26	30	39	36	29	36
	Favorable	67	67	40	51	52	41	67	64	60	63	57	51	74	67	35	39	52	44
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	16	19	37	33	27	29	20	20	12	19	19	21	0	4	41	29	20	26
	Neutral	38	34	30	39	29	31	27	36	37	32	38	38	48	43	30	43	34	35
	Favorable	46	47	33	29	44	40	53	43	52	49	43	41	52	54	30	29	46	40
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	4	7	5	12	19	14	3	3	7	6	5	1	4	3	11	6	3	7
	Neutral	10	12	16	18	15	30	18	14	13	12	17	8	19	17	19	19	14	16
	Favorable	85	81	80	71	65	56	78	83	80	82	78	91	78	79	70	75	83	77
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	10	8	5	2	2	3	2	5	10	15	4	4	4	10	3	6	4	3
	Above Average	29	37	27	28	39	32	52	33	39	21	30	25	48	33	19	19	43	27
	Average	45	42	45	44	37	45	34	51	43	47	50	51	37	47	51	52	35	56
	Below Average	16	13	23	26	23	20	13	11	8	17	17	21	11	10	27	22	18	14
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	16	11	3	4	4	2	8	3	5	11	4	8	22	7	3	5	4	3
	Above Average	40	41	35	50	46	38	53	50	48	41	55	39	63	50	32	33	52	48
	Average	38	44	52	34	42	50	35	44	42	44	37	47	15	37	44	49	34	38
	Below Average	5	4	9	12	9	10	3	2	5	5	5	5	0	7	20	13	10	11
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Your Immediate Manager/Supervisor		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
My manager is fair and equitable.	Unfavorable	18	21	12	24	9	8	5	6	13	17	6	8	4	10	8	17	5	11
	Neutral	19	18	13	8	11	15	10	15	16	11	15	15	15	7	23	17	14	18
	Favorable	63	61	75	69	80	77	84	79	70	73	79	77	81	83	69	66	81	70
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager sets a positive example for others to follow.	Unfavorable	19	23	16	25	4	17	11	6	15	18	10	15	11	3	16	20	6	8
	Neutral	18	18	14	10	20	15	5	17	17	17	16	12	22	13	18	19	21	24
	Favorable	63	59	70	65	76	68	84	77	68	65	74	73	67	83	65	61	73	68
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager recognizes and rewards good performance.	Unfavorable	25	26	29	29	9	22	16	15	19	22	15	27	15	13	21	27	14	16
	Neutral	26	26	25	29	26	29	13	25	20	22	13	14	19	20	21	22	17	16
	Favorable	49	48	46	41	64	49	71	60	61	57	72	59	67	67	58	52	69	68
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager is open and honest with employees.	Unfavorable	23	29	17	31	7	8	7	6	10	17	5	12	8	10	14	16	7	9
	Neutral	17	16	19	4	13	15	5	16	13	14	12	15	19	7	23	16	15	16
	Favorable	61	55	63	65	80	77	88	78	77	70	83	73	73	83	63	69	78	75
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager treats me with respect as an individual.	Unfavorable	15	19	9	20	9	7	5	6	5	12	5	13	7	7	12	19	5	6
	Neutral	12	15	14	6	14	12	5	9	18	14	10	12	15	3	17	9	5	15
	Favorable	72	66	77	75	77	82	90	85	77	74	86	75	78	90	71	72	91	80
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager is competent at doing his/her job.	Unfavorable	18	20	13	22	4	12	5	7	7	12	9	11	15	3	13	16	8	9
	Neutral	17	18	15	12	15	15	13	13	13	14	14	16	4	3	21	17	18	18
	Favorable	66	62	73	66	82	73	82	80	80	74	77	73	81	93	65	67	74	73
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager cares whether or not I succeed.	Unfavorable	18	25	16	25	6	13	9	9	10	18	8	11	8	7	20	19	6	6
	Neutral	18	17	18	8	22	20	9	17	11	11	11	18	4	10	20	13	16	16
	Favorable	63	59	66	67	73	67	82	74	79	71	81	72	88	83	61	68	78	78
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager has collaborated with staff to create an effective section plan.	Unfavorable	22	<i>New</i>	24	<i>New</i>	11	<i>New</i>	14	<i>New</i>	18	<i>New</i>	11	<i>New</i>	28	<i>New</i>	40	<i>New</i>	12	<i>New</i>
	Neutral	25	<i>Item</i>	29	<i>Item</i>	24	<i>Item</i>	14	<i>Item</i>	23	<i>Item</i>	16	<i>Item</i>	24	<i>Item</i>	19	<i>Item</i>	19	<i>Item</i>
	Favorable	53	<i>in</i>	47	<i>in</i>	65	<i>in</i>	72	<i>in</i>	59	<i>in</i>	73	<i>in</i>	48	<i>in</i>	40	<i>in</i>	69	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>
My manager provides training as required.	Unfavorable	17	17	19	26	9	10	4	13	8	17	8	18	12	13	35	19	10	14
	Neutral	20	22	27	24	25	27	15	18	15	17	19	11	19	20	27	32	22	15
	Favorable	63	61	53	50	65	63	81	69	76	67	73	71	69	67	39	48	69	71
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

My manager encourages and listens to suggestions.	Unfavorable	17	23	22	18	7	5	4	5	13	15	6	14	11	3	18	19	7	11
	Neutral	20	16	21	16	20	18	19	17	18	18	17	16	19	17	18	22	12	16
	Favorable	63	61	57	67	73	77	77	78	69	66	77	70	70	80	64	59	81	72
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	23	23	16	27	11	16	13	10	15	15	6	15	15	10	13	19	8	11
	Neutral	20	16	27	8	22	17	7	17	18	13	16	17	22	14	28	19	21	18
	Favorable	57	61	57	65	67	67	80	74	67	73	77	68	63	76	60	61	71	70
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	21	26	16	22	10	14	15	5	12	18	6	14	12	7	16	17	10	12
	Neutral	20	16	23	20	17	14	15	19	23	11	26	10	27	31	30	27	26	20
	Favorable	59	58	61	57	73	71	71	75	65	71	68	76	62	62	55	56	64	68
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager follows policies and practices.	Unfavorable	12	16	17	22	0	7	0	0	5	8	3	3	4	0	6	8	3	5
	Neutral	17	15	14	12	13	21	11	17	18	23	11	10	15	17	29	13	6	20
	Favorable	71	68	69	67	87	72	89	83	77	69	86	87	81	83	65	79	91	75
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	16	21	22	24	15	19	14	14	13	14	16	22	11	13	30	25	11	14
	Neutral	19	17	17	14	25	10	14	18	21	20	16	16	11	23	21	19	15	15
	Favorable	65	63	62	63	60	71	73	68	66	66	69	62	78	63	49	56	74	71
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	20	19	24	22	9	12	7	8	13	14	9	8	19	17	17	22	9	9
	Neutral	20	24	19	12	15	20	16	22	13	21	11	20	15	23	29	16	17	21
	Favorable	61	57	56	67	75	68	76	70	74	65	80	72	67	60	53	62	74	70
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	42	<i>New</i>	47	<i>New</i>	24	<i>New</i>	44	<i>New</i>	52	<i>New</i>	35	<i>New</i>	59	<i>New</i>	62	<i>New</i>	32	<i>New</i>
	Neutral	28	<i>Item</i>	38	<i>Item</i>	30	<i>Item</i>	26	<i>Item</i>	25	<i>Item</i>	27	<i>Item</i>	6	<i>Item</i>	15	<i>Item</i>	22	<i>Item</i>
	Favorable	31	<i>in</i>	15	<i>in</i>	46	<i>in</i>	31	<i>in</i>	23	<i>in</i>	38	<i>in</i>	35	<i>in</i>	23	<i>in</i>	47	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>

Work Group Effectiveness and Teamwork		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
In my work unit, there are enough staff to handle high priority work.	Unfavorable	30	38	40	37	53	58	41	23	31	30	49	40	37	47	68	71	46	52
	Neutral	21	27	13	29	20	25	13	21	26	27	27	20	26	3	14	13	26	25
	Favorable	49	35	47	33	27	17	46	56	43	42	24	40	37	50	19	16	28	23
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	18	19	20	25	11	13	13	15	18	18	7	9	19	10	25	19	7	13
	Neutral	21	20	25	16	24	23	18	24	20	21	26	23	27	17	23	30	23	18
	Favorable	62	61	56	59	65	63	68	61	62	61	67	68	54	72	52	52	70	69
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	17	19	24	24	8	15	9	14	13	19	13	14	8	4	20	17	7	12
	Neutral	27	27	26	24	29	35	13	23	33	24	19	23	16	11	27	36	30	27
	Favorable	56	54	50	52	63	51	79	63	53	57	68	64	76	86	53	47	63	61
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Employees treat one another with mutual respect.	Unfavorable	20	13	25	25	13	8	8	7	7	11	6	10	4	13	8	17	10	9
	Neutral	22	22	27	24	23	28	10	18	30	24	11	14	27	17	22	27	16	28
	Favorable	59	65	48	51	64	63	82	75	63	65	83	75	69	70	69	56	74	63
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	18	15	21	37	25	33	27	28	27	29	26	35	4	21	29	31	29	24
	Neutral	30	30	56	27	29	35	28	34	30	35	35	20	42	39	38	41	31	36
	Favorable	52	55	24	35	45	31	45	38	43	35	39	45	54	39	33	28	40	40
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	41	<i>New</i>	40	<i>New</i>	27	<i>New</i>	45	<i>New</i>	46	<i>New</i>	41	<i>New</i>	47	<i>New</i>	61	<i>New</i>	36	<i>New</i>
	Neutral	30	<i>Item</i>	47	<i>Item</i>	33	<i>Item</i>	21	<i>Item</i>	28	<i>Item</i>	35	<i>Item</i>	24	<i>Item</i>	26	<i>Item</i>	31	<i>Item</i>
	Favorable	29	<i>in</i>	13	<i>in</i>	40	<i>in</i>	33	<i>in</i>	26	<i>in</i>	24	<i>in</i>	29	<i>in</i>	13	<i>in</i>	33	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>
DEQ works well across disciplines to solve environmental problems.	Unfavorable	19	<i>New</i>	26	<i>New</i>	32	<i>New</i>	28	<i>New</i>	16	<i>New</i>	34	<i>New</i>	19	<i>New</i>	51	<i>New</i>	21	<i>New</i>
	Neutral	27	<i>Item</i>	36	<i>Item</i>	28	<i>Item</i>	29	<i>Item</i>	33	<i>Item</i>	27	<i>Item</i>	35	<i>Item</i>	22	<i>Item</i>	42	<i>Item</i>
	Favorable	54	<i>in</i>	38	<i>in</i>	40	<i>in</i>	43	<i>in</i>	51	<i>in</i>	39	<i>in</i>	46	<i>in</i>	27	<i>in</i>	37	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>
I actively collaborate across programs and regions.	Unfavorable	27	<i>New</i>	11	<i>New</i>	24	<i>New</i>	14	<i>New</i>	5	<i>New</i>	16	<i>New</i>	4	<i>New</i>	16	<i>New</i>	11	<i>New</i>
	Neutral	30	<i>Item</i>	19	<i>Item</i>	16	<i>Item</i>	12	<i>Item</i>	27	<i>Item</i>	29	<i>Item</i>	22	<i>Item</i>	22	<i>Item</i>	29	<i>Item</i>
	Favorable	43	<i>in</i>	69	<i>in</i>	60	<i>in</i>	75	<i>in</i>	68	<i>in</i>	55	<i>in</i>	74	<i>in</i>	62	<i>in</i>	60	<i>in</i>
	Total	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>	100	<i>2004</i>

Employee Empowerment and Involvement		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	40	27	27	25	29	23	24	21	25	17	23	17	19	24	40	33	18	17
	Neutral	22	23	35	27	22	23	17	20	15	21	28	34	23	24	19	27	34	25
	Favorable	38	50	38	47	49	53	59	60	61	62	49	49	58	52	41	41	47	57
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	19	19	13	16	4	7	5	3	2	11	8	9	4	10	19	11	8	6
	Neutral	18	20	23	12	9	17	10	17	11	17	11	13	15	10	19	22	10	14
	Favorable	63	61	64	73	88	77	85	79	87	73	81	78	81	80	63	67	82	81
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am encouraged to seek new and better work methods.	Unfavorable	16	24	25	16	5	13	7	15	7	11	14	9	4	0	22	17	7	8
	Neutral	22	24	22	25	13	18	18	19	11	12	17	25	19	13	29	17	20	28
	Favorable	62	53	53	59	82	68	75	66	82	77	69	65	78	87	48	66	74	64
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	20	<i>New Item</i>	19	<i>New Item</i>	11	<i>New Item</i>	8	<i>New Item</i>	2	<i>New Item</i>	8	<i>New Item</i>	0	<i>New Item</i>	16	<i>New Item</i>	10	<i>New Item</i>
	Neutral	20		22		7		7		18		19		19		24		17	
	Favorable	59	<i>in 2004</i>	59	<i>in 2004</i>	81	<i>in 2004</i>	85	<i>in 2004</i>	80	<i>in 2004</i>	73	<i>in 2004</i>	81	<i>in 2004</i>	60	<i>in 2004</i>	72	<i>in 2004</i>
	Total	100		100		100		100		100		100		100		100		100	
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	29	26	26	27	15	20	12	23	5	16	15	17	19	17	30	25	13	13
	Neutral	19	26	23	14	20	27	13	18	20	30	24	24	26	30	28	30	27	17
	Favorable	51	48	51	59	65	53	75	59	75	55	61	59	56	53	42	44	60	70
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	28	23	37	33	42	32	25	26	15	17	29	26	27	27	47	31	25	18
	Neutral	31	31	29	25	20	32	31	25	39	30	29	28	19	27	26	34	24	30
	Favorable	41	46	35	41	38	36	44	49	46	53	42	46	54	47	26	34	52	52
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ treats its people as its greatest asset.	Unfavorable	46	36	37	43	38	34	32	33	31	22	40	38	31	30	60	41	32	26
	Neutral	23	27	34	24	33	38	32	26	31	37	33	31	31	23	16	32	27	42
	Favorable	31	38	29	33	29	28	37	41	38	41	28	31	38	47	25	27	41	32
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	15	7	19	14	19	17	12	14	7	6	14	9	7	7	19	8	11	10
	Neutral	23	32	16	18	20	32	28	20	15	20	23	21	26	21	22	28	18	24
	Favorable	63	61	65	69	61	51	60	67	78	74	63	70	67	72	59	64	70	66
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	14	21	29	27	36	37	37	24	21	21	36	23	33	20	44	30	35	32
	Neutral	30	24	29	29	20	25	22	38	16	20	25	31	11	30	17	27	18	17
	Favorable	56	55	43	43	44	37	42	39	62	59	39	45	56	50	39	44	47	51
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	25	<i>New</i>	25	<i>New</i>	18	<i>New</i>	16	<i>New</i>	15	<i>New</i>	29	<i>New</i>	11	<i>New</i>	34	<i>New</i>	21	<i>New</i>
	Neutral	27	<i>Item</i>	30	<i>Item</i>	25	<i>Item</i>	26	<i>Item</i>	20	<i>Item</i>	24	<i>Item</i>	11	<i>Item</i>	24	<i>Item</i>	26	<i>Item</i>
	Favorable	48	<i>in</i>	45	<i>in</i>	56	<i>in</i>	58	<i>in</i>	66	<i>in</i>	48	<i>in</i>	78	<i>in</i>	42	<i>in</i>	53	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	13	<i>New</i>	17	<i>New</i>	17	<i>New</i>	7	<i>New</i>	5	<i>New</i>	8	<i>New</i>	7	<i>New</i>	21	<i>New</i>	8	<i>New</i>
	Neutral	29	<i>Item</i>	22	<i>Item</i>	19	<i>Item</i>	23	<i>Item</i>	18	<i>Item</i>	22	<i>Item</i>	26	<i>Item</i>	26	<i>Item</i>	19	<i>Item</i>
	Favorable	57	<i>in</i>	60	<i>in</i>	65	<i>in</i>	70	<i>in</i>	77	<i>in</i>	70	<i>in</i>	67	<i>in</i>	53	<i>in</i>	73	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	28	32	40	39	24	25	23	22	23	20	25	31	7	32	27	27	30	25
	Neutral	24	24	16	20	29	35	18	23	27	27	12	10	26	7	18	27	23	20
	Favorable	48	45	44	41	47	40	60	56	50	53	63	58	67	61	55	47	47	55
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
It is okay for me to admit I made a mistake.	Unfavorable	9	<i>New</i>	10	<i>New</i>	9	<i>New</i>	2	<i>New</i>	2	<i>New</i>	6	<i>New</i>	0	<i>New</i>	14	<i>New</i>	6	<i>New</i>
	Neutral	16	<i>Item</i>	21	<i>Item</i>	13	<i>Item</i>	14	<i>Item</i>	18	<i>Item</i>	17	<i>Item</i>	11	<i>Item</i>	19	<i>Item</i>	11	<i>Item</i>
	Favorable	75	<i>in</i>	70	<i>in</i>	78	<i>in</i>	85	<i>in</i>	80	<i>in</i>	77	<i>in</i>	89	<i>in</i>	68	<i>in</i>	83	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004

DEQ Management Effectiveness and Support		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Management is open and honest in dealing with employees.	Unfavorable	33	30	34	40	24	24	24	21	20	34	19	29	23	23	40	24	26	25
	Neutral	22	25	28	22	37	31	24	29	44	20	39	27	23	30	19	33	34	29
	Favorable	45	46	38	38	39	45	53	50	36	46	42	44	54	47	40	43	41	46
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management effectively solves the major problems of the agency.	Unfavorable	36	28	48	42	39	39	26	36	28	33	41	49	29	26	42	39	38	39
	Neutral	28	35	33	25	31	33	43	32	35	30	33	30	33	26	38	41	31	30
	Favorable	36	37	20	33	31	27	30	32	37	38	26	20	38	48	21	20	31	31
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	23	18	31	35	24	22	17	30	27	44	24	27	16	26	31	35	16	25
	Neutral	28	32	41	35	31	38	44	32	35	21	35	40	16	26	28	33	30	28
	Favorable	49	50	28	30	45	41	39	38	38	35	40	32	68	48	41	31	54	47
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	22	16	26	20	17	19	11	12	12	16	16	16	18	10	10	16	14	11
	Neutral	27	24	26	26	23	33	23	24	25	24	34	31	18	31	31	30	25	34
	Favorable	51	60	48	54	60	48	67	64	63	60	49	53	64	59	59	55	61	54
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	25	28	33	20	29	30	21	22	23	23	30	24	12	20	31	24	21	17
	Neutral	35	28	33	36	25	26	29	34	25	23	25	33	48	27	33	37	43	31
	Favorable	41	45	33	44	45	44	50	44	52	53	44	43	40	53	36	39	37	52
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	31	16	26	27	20	26	11	28	21	26	19	28	20	11	10	27	16	17
	Neutral	23	37	32	33	22	32	29	27	31	34	31	32	25	33	33	34	33	40
	Favorable	46	46	42	40	59	42	61	44	48	40	50	40	55	56	58	39	52	43
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	13	7	22	28	26	20	5	21	7	16	14	14	0	10	26	22	19	19
	Neutral	25	32	25	18	26	33	18	17	28	32	36	32	36	33	26	27	26	32
	Favorable	62	61	53	54	48	46	77	62	65	52	50	54	64	57	48	51	55	49
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	27	22	24	31	20	29	25	29	22	36	20	25	9	18	36	35	18	30
	Neutral	26	35	52	35	46	33	33	32	35	21	41	42	43	43	31	40	36	38
	Favorable	47	43	24	33	35	38	41	39	44	43	39	32	48	39	33	25	47	33
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	25	21	30	27	38	32	28	18	21	18	32	26	19	13	54	34	36	28
	Neutral	32	25	24	25	29	32	38	33	34	29	28	24	26	27	17	28	22	27
	Favorable	43	54	46	47	34	37	33	49	44	53	40	50	56	60	29	38	42	44
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	33	25	42	32	42	50	27	42	34	43	33	33	19	30	52	43	25	39
	Neutral	30	36	40	47	31	22	40	31	30	27	42	43	33	30	32	38	39	26
	Favorable	37	39	19	21	27	28	33	27	36	30	25	24	48	41	16	20	36	35
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	17	<i>New</i>	21	<i>New</i>	17	<i>New</i>	10	<i>New</i>	20	<i>New</i>	21	<i>New</i>	12	<i>New</i>	33	<i>New</i>	11	<i>New</i>
	Neutral	34	<i>Item</i>	31	<i>Item</i>	33	<i>Item</i>	25	<i>Item</i>	24	<i>Item</i>	30	<i>Item</i>	35	<i>Item</i>	28	<i>Item</i>	20	<i>Item</i>
	Favorable	49	<i>in</i>	48	<i>in</i>	50	<i>in</i>	65	<i>in</i>	56	<i>in</i>	49	<i>in</i>	54	<i>in</i>	40	<i>in</i>	69	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100
Management models the culture they want to see.	Unfavorable	27	<i>New</i>	25	<i>New</i>	38	<i>New</i>	20	<i>New</i>	31	<i>New</i>	19	<i>New</i>	17	<i>New</i>	26	<i>New</i>	21	<i>New</i>
	Neutral	31	<i>Item</i>	41	<i>Item</i>	25	<i>Item</i>	27	<i>Item</i>	35	<i>Item</i>	40	<i>Item</i>	25	<i>Item</i>	42	<i>Item</i>	33	<i>Item</i>
	Favorable	42	<i>in</i>	34	<i>in</i>	38	<i>in</i>	53	<i>in</i>	35	<i>in</i>	40	<i>in</i>	58	<i>in</i>	33	<i>in</i>	46	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	39	<i>New</i>	24	<i>New</i>	36	<i>New</i>	28	<i>New</i>	38	<i>New</i>	29	<i>New</i>	36	<i>New</i>	58	<i>New</i>	28	<i>New</i>
	Neutral	29	<i>Item</i>	43	<i>Item</i>	31	<i>Item</i>	34	<i>Item</i>	24	<i>Item</i>	38	<i>Item</i>	27	<i>Item</i>	21	<i>Item</i>	27	<i>Item</i>
	Favorable	32	<i>in</i>	33	<i>in</i>	33	<i>in</i>	38	<i>in</i>	38	<i>in</i>	33	<i>in</i>	36	<i>in</i>	21	<i>in</i>	45	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	32	31	34	35	30	29	26	22	27	27	29	31	29	24	44	36	17	24
	Neutral	24	22	27	29	26	29	26	31	29	27	30	22	21	24	30	23	29	32
	Favorable	44	46	39	35	43	42	48	48	44	45	41	47	50	52	26	41	53	44
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	50	<i>New</i>	40	<i>New</i>	32	<i>New</i>	39	<i>New</i>	37	<i>New</i>	37	<i>New</i>	44	<i>New</i>	53	<i>New</i>	33	<i>New</i>
	Neutral	17	<i>Item</i>	31	<i>Item</i>	25	<i>Item</i>	22	<i>Item</i>	35	<i>Item</i>	40	<i>Item</i>	22	<i>Item</i>	27	<i>Item</i>	25	<i>Item</i>
	Favorable	33	<i>in</i>	29	<i>in</i>	43	<i>in</i>	39	<i>in</i>	28	<i>in</i>	23	<i>in</i>	33	<i>in</i>	20	<i>in</i>	42	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100

<i>Managers' View of the Work Environment</i>		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
In my work unit, there are few workload issues.	Unfavorable	24	<i>New</i>	43	<i>New</i>	83	<i>New</i>	75	<i>New</i>	80	<i>New</i>	90	<i>New</i>	67	<i>New</i>	60	<i>New</i>	57	<i>New</i>
	Neutral	24	<i>Item</i>	29	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	10	<i>Item</i>	17	<i>Item</i>	20	<i>Item</i>	29	<i>Item</i>
	Favorable	53	<i>in</i>	29	<i>in</i>	17	<i>in</i>	25	<i>in</i>	20	<i>in</i>	0	<i>in</i>	17	<i>in</i>	20	<i>in</i>	14	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I have the support I need to handle workload issues.	Unfavorable	12	<i>New</i>	0	<i>New</i>	50	<i>New</i>	25	<i>New</i>	50	<i>New</i>	40	<i>New</i>	17	<i>New</i>	40	<i>New</i>	14	<i>New</i>
	Neutral	24	<i>Item</i>	14	<i>Item</i>	33	<i>Item</i>	25	<i>Item</i>	30	<i>Item</i>	40	<i>Item</i>	17	<i>Item</i>	20	<i>Item</i>	71	<i>Item</i>
	Favorable	65	<i>in</i>	86	<i>in</i>	17	<i>in</i>	50	<i>in</i>	20	<i>in</i>	20	<i>in</i>	67	<i>in</i>	40	<i>in</i>	14	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I have adequate time to spend on managing employees.	Unfavorable	29	<i>New</i>	50	<i>New</i>	67	<i>New</i>	50	<i>New</i>	50	<i>New</i>	60	<i>New</i>	33	<i>New</i>	100	<i>New</i>	71	<i>New</i>
	Neutral	6	<i>Item</i>	17	<i>Item</i>	17	<i>Item</i>	25	<i>Item</i>	30	<i>Item</i>	10	<i>Item</i>	50	<i>Item</i>	0	<i>Item</i>	29	<i>Item</i>
	Favorable	65	<i>in</i>	33	<i>in</i>	17	<i>in</i>	25	<i>in</i>	20	<i>in</i>	30	<i>in</i>	17	<i>in</i>	0	<i>in</i>	0	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I have an appropriate level of responsibility and accountability.	Unfavorable	18	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>	10	<i>New</i>	10	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>
	Neutral	6	<i>Item</i>	14	<i>Item</i>	17	<i>Item</i>	25	<i>Item</i>	50	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	20	<i>Item</i>	29	<i>Item</i>
	Favorable	76	<i>in</i>	86	<i>in</i>	83	<i>in</i>	75	<i>in</i>	40	<i>in</i>	90	<i>in</i>	100	<i>in</i>	80	<i>in</i>	71	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	18	<i>New</i>	0	<i>New</i>	33	<i>New</i>	0	<i>New</i>	0	<i>New</i>	20	<i>New</i>	17	<i>New</i>	0	<i>New</i>	0	<i>New</i>
	Neutral	12	<i>Item</i>	29	<i>Item</i>	17	<i>Item</i>	25	<i>Item</i>	40	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	40	<i>Item</i>	14	<i>Item</i>
	Favorable	71	<i>in</i>	71	<i>in</i>	50	<i>in</i>	75	<i>in</i>	60	<i>in</i>	80	<i>in</i>	83	<i>in</i>	60	<i>in</i>	86	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
The new performance management system helps me better manage my staff and work section.	Unfavorable	58	<i>New</i>	20	<i>New</i>	17	<i>New</i>	0	<i>New</i>	30	<i>New</i>	20	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>
	Neutral	8	<i>Item</i>	20	<i>Item</i>	0	<i>Item</i>	33	<i>Item</i>	30	<i>Item</i>	30	<i>Item</i>	40	<i>Item</i>	100	<i>Item</i>	29	<i>Item</i>
	Favorable	33	<i>in</i>	60	<i>in</i>	83	<i>in</i>	67	<i>in</i>	40	<i>in</i>	50	<i>in</i>	60	<i>in</i>	0	<i>in</i>	71	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
I am given the support I need to deal with performance problems.	Unfavorable	6	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>	50	<i>New</i>	20	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>
	Neutral	18	<i>Item</i>	50	<i>Item</i>	17	<i>Item</i>	0	<i>Item</i>	30	<i>Item</i>	0	<i>Item</i>	33	<i>Item</i>	0	<i>Item</i>	29	<i>Item</i>
	Favorable	76	<i>in</i>	50	<i>in</i>	83	<i>in</i>	100	<i>in</i>	20	<i>in</i>	80	<i>in</i>	67	<i>in</i>	100	<i>in</i>	71	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
My administrator actively supports the new performance management system.	Unfavorable	54	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>	20	<i>New</i>	10	<i>New</i>	0	<i>New</i>	0	<i>New</i>	0	<i>New</i>
	Neutral	0	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	20	<i>Item</i>	0	<i>Item</i>	0	<i>Item</i>	33	<i>Item</i>	0	<i>Item</i>
	Favorable	46	<i>in</i>	100	<i>in</i>	100	<i>in</i>	100	<i>in</i>	60	<i>in</i>	90	<i>in</i>	100	<i>in</i>	67	<i>in</i>	100	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004

General Perceptions of DEQ		DEQ Division																	
		Air Quality		Eastern		Laboratory		Land Quality		Mgmt Services		Northwest		Director		Water Quality		Western	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
DEQ is a great place to work.	Unfavorable	17	17	30	19	11	6	15	13	7	13	15	10	4	10	17	7	13	13
	Neutral	29	23	25	29	28	34	13	21	33	32	28	26	15	14	34	35	23	23
	Favorable	54	60	44	52	61	60	72	66	60	55	56	64	81	76	48	58	64	64
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	11	9	21	18	20	23	13	17	5	13	15	22	12	13	42	19	18	20
	Neutral	34	29	44	45	33	38	33	36	34	35	46	35	32	33	25	34	26	31
	Favorable	55	62	35	37	47	39	55	47	60	52	39	43	56	53	32	47	56	49
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Most employees are proud to work for DEQ.	Unfavorable	23	19	21	26	9	10	12	11	5	11	13	14	0	10	27	5	13	14
	Neutral	31	25	28	26	24	23	22	15	32	34	29	27	8	20	25	24	26	23
	Favorable	46	56	51	49	67	67	66	74	63	55	58	59	92	70	48	71	61	62
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Most employees are committed to the success of DEQ.	Unfavorable	13	14	10	18	2	4	2	2	7	5	4	4	0	3	5	5	5	2
	Neutral	33	24	32	6	15	14	12	14	29	23	14	24	13	7	18	14	22	24
	Favorable	55	62	59	76	83	82	87	84	64	72	83	72	88	90	76	81	73	74
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am a valued member of DEQ.	Unfavorable	16	14	22	18	13	11	11	15	17	23	16	12	4	10	27	12	7	7
	Neutral	19	22	28	16	23	29	18	22	28	14	15	23	13	13	24	28	21	28
	Favorable	65	64	50	65	64	60	71	63	55	63	69	65	83	77	49	60	72	65
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My overall work environment at DEQ is good.	Unfavorable	15	13	28	24	9	21	11	7	7	12	6	12	4	7	15	9	13	8
	Neutral	19	17	19	18	20	19	15	20	30	24	18	25	7	20	31	22	17	19
	Favorable	66	69	53	59	71	60	74	73	64	64	76	64	89	73	54	69	70	73
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My values are similar to the values of DEQ.	Unfavorable	13	7	17	21	13	12	11	5	7	8	9	11	4	7	17	10	13	7
	Neutral	23	23	23	15	9	26	16	17	20	26	27	28	19	10	26	17	21	25
	Favorable	64	69	60	65	78	61	74	78	73	66	65	61	77	83	57	73	66	68
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	16	17	23	22	20	12	12	11	10	14	11	9	7	10	25	14	17	9
	Neutral	28	18	27	31	11	31	18	21	33	23	32	34	11	10	25	17	20	33
	Favorable	56	65	50	47	70	57	70	68	57	64	57	57	81	80	49	69	63	58
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Safety is emphasized in DEQ.	Unfavorable	7	7	9	16	16	19	11	11	8	6	8	9	7	13	9	5	9	7
	Neutral	18	13	23	32	7	17	14	26	22	25	24	24	19	3	30	19	23	20
	Favorable	74	80	67	52	77	64	75	63	70	69	67	67	74	83	61	76	68	73
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

I feel safe doing my job.	Unfavorable	4	<i>New</i>	8	<i>New</i>	7	<i>New</i>	3	<i>New</i>	2	<i>New</i>	6	<i>New</i>	0	<i>New</i>	2	<i>New</i>	5	<i>New</i>
	Neutral	19	<i>Item</i>	20	<i>Item</i>	11	<i>Item</i>	11	<i>Item</i>	10	<i>Item</i>	17	<i>Item</i>	19	<i>Item</i>	20	<i>Item</i>	13	<i>Item</i>
	Favorable	77	<i>in</i>	72	<i>in</i>	82	<i>in</i>	85	<i>in</i>	88	<i>in</i>	77	<i>in</i>	81	<i>in</i>	78	<i>in</i>	83	<i>in</i>
	Total	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004	100	2004
How do you feel about the kind of work you do?	I like my work a great deal	41	45	40	54	44	42	44	43	38	44	39	43	52	50	44	39	42	48
	I am satisfied with my work	27	30	35	32	30	32	37	31	41	39	33	21	26	30	20	36	34	33
	I am somewhat satisfied	17	13	9	8	16	13	13	17	13	6	8	22	11	17	17	14	12	11
	I don't strongly like my work	6	5	9	2	4	10	3	2	3	5	7	5	7	3	10	3	2	2
	I am somewhat dissatisfied	8	5	6	4	7	3	3	7	5	6	10	8	0	0	8	8	9	6
	I don't like my work at all	1	2	0	0	0	0	0	0	0	0	2	0	4	0	0	0	0	1	0
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	22	27	28	24	25	25	19	28	16	39	17	29	41	53	14	22	26	19
	Satisfied	40	35	22	35	30	35	47	45	41	29	38	26	33	27	36	39	42	50
	Somewhat satisfied	18	17	20	18	18	15	21	15	25	12	26	25	19	7	25	23	13	17
	Neither satisfied nor dissatisfied	5	7	11	4	5	12	2	0	10	3	6	3	0	7	3	3	1	2
	Somewhat dissatisfied	7	8	9	6	16	12	5	7	3	6	5	12	7	7	10	6	13	9
	Dissatisfied	7	6	5	6	7	2	6	5	3	8	7	3	0	0	5	3	3	2
	Very Dissatisfied	1	1	6	8	0	0	0	0	2	3	1	4	0	0	7	3	1	0
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate the ability of DEQ to attract high quality people?	Excellent	7	6	11	14	9	17	10	8	3	8	1	6	15	20	8	5	10	8
	Above Average	25	21	34	24	37	31	35	42	23	33	27	38	22	33	42	55	33	35
	Average	44	48	37	42	39	36	40	41	56	42	40	34	44	30	32	34	33	36
	Below Average	24	25	18	20	16	17	15	9	18	17	31	22	19	17	17	6	25	20
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	8	5	6	6	0	8	8	5	5	6	1	4	0	13	3	2	4	2
	Above Average	22	20	23	27	28	32	32	31	26	30	20	25	33	23	14	27	29	31
	Average	40	44	35	47	42	42	42	43	46	44	42	44	44	50	44	44	43	47
	Below Average	30	31	35	20	30	17	18	22	23	20	37	27	22	13	39	28	24	20
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

DEQ Management/Employee Communications		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
I am kept informed about issues that affect my overall job.	Unfavorable	16	18	21	18	19	13	28	23	24	21	16	31	12	18
	Neutral	27	30	38	30	24	28	22	35	35	24	25	29	32	22
	Favorable	56	52	40	52	56	59	50	42	41	55	59	40	56	60
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	13	19	24	19	17	12	17	23	30	25	15	23	8	17
	Neutral	26	31	35	31	30	34	28	23	30	29	31	32	29	23
	Favorable	61	50	41	50	53	55	56	54	39	46	54	45	63	60
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	21	24	26	24	19	24	17	24	24	20	21	31	16	24
	Neutral	29	31	32	31	31	31	50	20	25	28	21	26	29	22
	Favorable	50	45	41	45	50	45	33	56	51	52	59	43	55	54
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	19	19	31	19	20	18	22	24	36	33	22	19	20	15
	Neutral	31	38	29	38	27	38	44	20	28	26	25	40	27	24
	Favorable	51	43	40	43	53	44	33	56	36	41	53	41	54	61
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	10	14	11	14	5	8	18	19	6	5	12	17	4	17
	Neutral	14	17	20	17	13	12	18	15	11	12	12	22	12	8
	Favorable	76	69	69	69	82	80	65	65	82	84	76	62	84	75
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	21	33	37	33	24	26	28	32	26	15	26	33	19	17
	Neutral	38	34	33	34	35	35	28	24	32	31	25	25	30	37
	Favorable	41	33	30	33	41	39	44	44	42	54	49	41	51	46
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	26	35	31	35	37	32	50	35	38	36	35	35	36	29
	Neutral	24	27	33	27	23	23	11	19	20	22	23	29	26	25
	Favorable	49	38	37	38	41	45	39	46	42	42	42	37	38	46
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	15	<i>New</i>	44	<i>New</i>	28	<i>New</i>	39	<i>New</i>	47	<i>New</i>	22	<i>New</i>	38	<i>New</i>
	Neutral	14	<i>Item in</i>	16	<i>Item in</i>	22	<i>Item in</i>	22	<i>Item in</i>	23	<i>Item in</i>	12	<i>Item in</i>	24	<i>Item in</i>
	Favorable	70	<i>2004</i>	40	<i>2004</i>	50	<i>2004</i>	39	<i>2004</i>	29	<i>2004</i>	66	<i>2004</i>	38	<i>2004</i>
	Total	100		100		100		100		100		100		100	
I have received a performance review within the last year.	Unfavorable	7	<i>New</i>	37	<i>New</i>	21	<i>New</i>	0	<i>New</i>	12	<i>New</i>	8	<i>New</i>	24	<i>New</i>
	Neutral	2	<i>Item in</i>	6	<i>Item in</i>	4	<i>Item in</i>	19	<i>Item in</i>	11	<i>Item in</i>	11	<i>Item in</i>	10	<i>Item in</i>
	Favorable	91	<i>2004</i>	57	<i>2004</i>	75	<i>2004</i>	81	<i>2004</i>	77	<i>2004</i>	81	<i>2004</i>	65	<i>2004</i>
	Total	100		100		100		100		100		100		100	

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	22	New Item in 2004	35	New Item in 2004	32	New Item in 2004	50	New Item in 2004	35	New Item in 2004	27	New Item in 2004	38	New Item in 2004
	Neutral	18		20		19		11		22		22		27	
	Favorable	60		45		49		39		43		52		35	
	Total	100		100		100		100		100		100		100	
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	10	New Item in 2004	14	New Item in 2004	13	New Item in 2004	6	New Item in 2004	15	New Item in 2004	16	New Item in 2004	18	New Item in 2004
	Neutral	18		30		26		18		32		13		23	
	Favorable	71		55		61		76		53		71		59	
	Total	100		100		100		100		100		100		100	

Customer Focus/Service		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	10	12	20	13	13	16	0	8	6	10	18	24	4	7
	Neutral	23	42	33	37	31	27	22	15	24	23	28	46	37	34
	Favorable	67	46	47	50	57	57	78	77	69	68	54	31	59	59
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	11	16	18	17	12	16	0	12	9	12	21	18	4	7
	Neutral	27	25	27	32	29	26	17	8	19	24	21	40	30	26
	Favorable	62	59	55	51	59	58	83	81	72	65	58	42	66	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	6	11	14	12	13	14	11	19	13	17	16	10	5	9
	Neutral	24	23	22	26	16	18	11	19	29	19	24	29	23	12
	Favorable	70	66	64	62	70	68	78	62	58	64	60	61	72	79
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	9	13	21	22	12	13	0	8	9	9	20	22	4	6
	Neutral	26	37	36	35	33	28	11	24	30	18	27	41	31	29
	Favorable	65	51	43	43	55	59	89	68	61	73	53	36	64	65
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	20	22	33	24	20	25	0	15	23	20	23	32	7	14
	Neutral	34	31	32	46	34	35	44	35	34	33	32	38	42	31
	Favorable	46	47	35	31	47	40	56	50	43	47	45	30	51	56
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	5	9	6	7	4	3	6	8	5	5	14	14	7	6
	Neutral	20	16	17	17	16	15	6	8	9	8	11	25	13	13
	Favorable	75	75	77	76	80	82	89	85	86	87	75	60	79	81
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	8	3	4	5	2	2	6	15	10	8	6	3	7	17
	Above Average	35	31	27	26	39	32	22	19	29	40	39	26	45	22
	Average	45	49	44	51	43	49	50	58	42	39	36	49	41	46
	Below Average	13	17	25	18	16	16	22	8	19	13	19	22	7	15
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	10	5	4	6	5	3	17	19	17	11	4	0	10	12
	Above Average	47	44	42	37	50	51	44	31	35	39	51	42	52	43
	Average	38	45	41	47	39	40	33	50	44	45	32	40	37	41
	Below Average	5	6	13	9	6	6	6	0	4	5	13	18	1	3
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Your Immediate Manager/Supervisor		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
My manager is fair and equitable.	Unfavorable	11	15	6	11	6	11	17	19	22	24	11	12	10	15
	Neutral	10	18	15	13	13	16	39	15	18	16	18	22	18	9
	Favorable	79	67	79	76	81	73	44	65	61	59	71	66	72	76
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager sets a positive example for others to follow.	Unfavorable	11	22	9	12	12	11	24	27	22	22	7	17	16	14
	Neutral	22	15	17	18	11	17	18	19	18	17	21	20	18	15
	Favorable	67	63	74	70	78	72	59	54	61	60	72	63	66	70
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager recognizes and rewards good performance.	Unfavorable	13	23	20	24	17	18	25	28	30	27	17	29	17	19
	Neutral	25	25	20	23	13	20	31	16	25	29	23	21	21	22
	Favorable	62	52	61	54	70	62	44	56	44	45	61	51	62	59
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager is open and honest with employees.	Unfavorable	9	22	9	10	8	11	22	27	28	31	15	16	10	15
	Neutral	12	11	19	15	10	17	28	12	19	17	13	13	15	10
	Favorable	79	67	72	75	82	71	50	62	53	51	72	72	76	75
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager treats me with respect as an individual.	Unfavorable	10	13	7	12	6	10	6	15	19	21	9	11	7	11
	Neutral	8	16	11	9	9	11	33	15	12	15	10	9	18	11
	Favorable	83	72	82	78	85	79	61	69	69	64	81	80	75	78
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager is competent at doing his/her job.	Unfavorable	8	16	8	10	9	9	6	15	24	23	10	20	10	10
	Neutral	14	22	16	16	16	16	39	19	13	13	16	13	10	11
	Favorable	78	62	75	74	75	75	56	65	63	64	73	67	80	79
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager cares whether or not I succeed.	Unfavorable	13	16	10	13	9	10	12	32	22	25	12	20	9	15
	Neutral	13	21	21	15	8	16	29	0	21	17	19	16	10	9
	Favorable	74	63	69	72	83	74	59	68	57	58	69	64	81	76
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager has collaborated with staff to create an effective section plan.	Unfavorable	18	<i>New Item in 2004</i>	20	<i>New Item in 2004</i>	14	<i>New Item in 2004</i>	18	<i>New Item in 2004</i>	23	<i>New Item in 2004</i>	22	<i>New Item in 2004</i>	21	<i>New Item in 2004</i>
	Neutral	23		22		14		29		29		20		25	
	Favorable	60		58		73		53		48		58		53	
	Total	100		100		100		100		100		100		100	
My manager provides training as required.	Unfavorable	10	17	21	17	8	14	11	12	24	20	9	15	10	17
	Neutral	19	26	23	24	17	18	33	19	24	19	25	17	18	16
	Favorable	71	57	55	60	76	68	56	69	52	60	66	68	73	66
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

My manager encourages and listens to suggestions.	Unfavorable	11	17	11	12	6	12	17	19	19	25	15	8	14	12
	Neutral	17	21	19	19	16	14	22	19	24	11	15	22	18	18
	Favorable	72	62	70	69	78	74	61	62	57	64	70	71	67	70
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	16	20	10	12	9	16	28	24	21	22	16	21	16	14
	Neutral	16	15	24	18	14	14	6	20	31	16	22	19	20	13
	Favorable	68	65	66	70	78	70	67	56	48	62	63	60	65	74
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	13	21	11	10	10	15	11	28	26	26	16	15	12	15
	Neutral	21	15	25	23	21	16	28	16	22	14	20	21	25	16
	Favorable	66	64	64	67	69	69	61	56	53	60	64	64	63	69
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager follows policies and practices.	Unfavorable	7	11	5	8	4	5	6	15	14	17	5	8	5	6
	Neutral	10	16	19	13	8	15	28	23	21	14	13	23	17	19
	Favorable	83	73	76	80	89	80	67	62	65	69	82	69	78	75
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	19	21	18	19	15	18	11	15	18	19	13	27	14	12
	Neutral	11	16	20	17	15	17	17	23	22	15	24	9	18	21
	Favorable	70	63	62	65	70	65	72	62	61	66	63	64	67	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	15	13	13	14	11	10	11	23	24	20	12	19	15	14
	Neutral	10	23	18	18	17	22	44	19	20	20	21	19	16	21
	Favorable	75	64	70	67	72	68	44	58	56	60	67	63	70	65
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	41	<i>New Item in 2004</i>	40	<i>New Item in 2004</i>	37	<i>New Item in 2004</i>	45	<i>New Item in 2004</i>	43	<i>New Item in 2004</i>	34	<i>New Item in 2004</i>	52	<i>New Item in 2004</i>
	Neutral	28		30		28		27		29		20		18	
	Favorable	32		31		36		27		29		46		30	
	Total	100		100		100		100		100		100		100	

Work Group Effectiveness and Teamwork		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
In my work unit, there are enough staff to handle high priority work.	Unfavorable	42	40	65	68	41	33	22	23	25	36	37	50	30	32
	Neutral	19	33	18	17	21	22	17	31	19	22	27	22	27	23
	Favorable	40	27	17	14	39	45	61	46	56	42	36	28	43	46
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	13	22	15	12	11	16	17	15	18	15	15	18	18	16
	Neutral	16	18	24	26	22	21	22	15	26	24	26	18	22	20
	Favorable	71	60	61	61	67	63	61	69	56	61	58	63	60	64
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	11	21	13	12	12	16	17	12	20	18	17	20	11	15
	Neutral	29	27	28	35	20	23	22	31	29	28	18	22	29	18
	Favorable	60	52	60	54	67	61	61	58	51	54	65	59	59	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Employees treat one another with mutual respect.	Unfavorable	8	11	11	11	8	13	22	8	29	16	19	14	6	10
	Neutral	21	24	19	23	12	20	22	35	22	20	25	25	30	23
	Favorable	72	65	71	66	80	66	56	58	49	64	56	62	64	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	20	25	27	30	27	34	25	12	21	10	22	29	19	26
	Neutral	33	42	37	37	33	27	38	16	32	28	38	32	33	34
	Favorable	47	33	36	33	40	39	38	72	46	62	40	39	48	39
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	34	<i>New</i>	44	<i>New</i>	44	<i>New</i>	58	<i>New</i>	43	<i>New</i>	26	<i>New</i>	48	<i>New</i>
	Neutral	37	<i>Item in</i>	34	<i>Item in</i>	31	<i>Item in</i>	25	<i>Item in</i>	30	<i>Item in</i>	38	<i>Item in</i>	20	<i>Item in</i>
	Favorable	29	<i>2004</i>	23	<i>2004</i>	25	<i>2004</i>	17	<i>2004</i>	27	<i>2004</i>	36	<i>2004</i>	33	<i>2004</i>
	Total	100		100		100		100		100		100		100	
DEQ works well across disciplines to solve environmental problems.	Unfavorable	23	<i>New</i>	33	<i>New</i>	32	<i>New</i>	21	<i>New</i>	15	<i>New</i>	29	<i>New</i>	16	<i>New</i>
	Neutral	40	<i>Item in</i>	29	<i>Item in</i>	28	<i>Item in</i>	29	<i>Item in</i>	27	<i>Item in</i>	29	<i>Item in</i>	36	<i>Item in</i>
	Favorable	37	<i>2004</i>	38	<i>2004</i>	39	<i>2004</i>	50	<i>2004</i>	58	<i>2004</i>	42	<i>2004</i>	48	<i>2004</i>
	Total	100		100		100		100		100		100		100	
I actively collaborate across programs and regions.	Unfavorable	17	<i>New</i>	16	<i>New</i>	11	<i>New</i>	21	<i>New</i>	39	<i>New</i>	14	<i>New</i>	5	<i>New</i>
	Neutral	24	<i>Item in</i>	28	<i>Item in</i>	19	<i>Item in</i>	43	<i>Item in</i>	34	<i>Item in</i>	15	<i>Item in</i>	23	<i>Item in</i>
	Favorable	59	<i>2004</i>	56	<i>2004</i>	70	<i>2004</i>	36	<i>2004</i>	27	<i>2004</i>	71	<i>2004</i>	72	<i>2004</i>
	Total	100		100		100		100		100		100		100	

Employee Empowerment and Involvement		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	16	16	30	27	24	21	39	24	52	30	29	23	24	19
	Neutral	33	26	27	30	27	22	11	16	18	25	21	26	17	21
	Favorable	51	58	44	42	49	57	50	60	30	45	50	51	59	60
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	12	14	9	7	7	7	11	15	24	20	10	11	4	11
	Neutral	8	12	18	17	10	14	22	8	24	29	15	22	12	14
	Favorable	80	75	73	76	84	79	67	77	52	51	75	68	84	75
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am encouraged to seek new and better work methods.	Unfavorable	12	15	15	12	12	13	17	12	19	29	13	16	5	8
	Neutral	15	29	23	22	17	20	11	19	29	23	16	19	14	13
	Favorable	73	56	62	66	71	67	72	69	51	48	71	65	81	79
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	10	<i>New Item in 2004</i>	12	<i>New Item in 2004</i>	9	<i>New Item in 2004</i>	6	<i>New Item in 2004</i>	31	<i>New Item in 2004</i>	15	<i>New Item in 2004</i>	2	<i>New Item in 2004</i>
	Neutral	13		21		14		17		28		12		18	
	Favorable	77		67		77		78		41		73		79	
	Total	100		100		100		100		100		100		100	
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	22	14	20	21	14	21	6	16	37	31	20	26	8	16
	Neutral	19	31	28	26	19	16	17	16	21	23	23	25	22	30
	Favorable	59	56	52	53	66	63	78	68	42	45	58	49	70	54
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	29	30	41	29	26	25	31	8	31	24	29	25	16	19
	Neutral	31	34	22	35	29	23	50	20	28	29	26	37	34	26
	Favorable	40	36	37	35	45	52	19	72	41	47	45	38	50	56
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ treats its people as its greatest asset.	Unfavorable	36	37	41	36	38	35	41	31	52	34	40	38	29	23
	Neutral	27	35	27	34	33	30	41	23	21	25	22	31	32	33
	Favorable	36	28	32	31	29	35	18	46	27	41	37	31	39	44
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	13	13	15	9	19	13	6	0	17	6	11	16	7	5
	Neutral	26	26	20	25	19	19	39	27	21	38	20	27	18	21
	Favorable	61	62	65	65	62	68	56	73	62	56	69	58	74	74
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	24	28	36	30	39	26	6	12	18	17	27	34	25	22
	Neutral	33	27	23	27	17	32	33	8	24	23	23	25	16	21
	Favorable	42	44	41	43	43	42	61	81	58	59	50	41	59	58
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	22	New Item in 2004	23	New Item in 2004	23	New Item in 2004	22	New Item in 2004	31	New Item in 2004	22	New Item in 2004	14	New Item in 2004
	Neutral	32		26		23		17		31		22		16	
	Favorable	47		51		54		61		38		55		70	
	Total	100		100		100		100		100		100		100	
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	11	New Item in 2004	12	New Item in 2004	10	New Item in 2004	11	New Item in 2004	18	New Item in 2004	15	New Item in 2004	6	New Item in 2004
	Neutral	28		24		17		17		34		23		19	
	Favorable	61		64		74		72		48		62		75	
	Total	100		100		100		100		100		100		100	
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	20	31	26	26	30	28	17	24	35	34	34	27	20	24
	Neutral	25	21	20	26	16	19	39	24	18	19	24	28	26	19
	Favorable	55	48	54	48	54	52	44	52	47	47	42	45	55	57
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
It is okay for me to admit I made a mistake.	Unfavorable	3	New Item in 2004	9	New Item in 2004	6	New Item in 2004	0	New Item in 2004	14	New Item in 2004	12	New Item in 2004	0	New Item in 2004
	Neutral	22		14		13		17		16		18		16	
	Favorable	75		77		82		83		70		70		84	
	Total	100		100		100		100		100		100		100	

DEQ Management Effectiveness and Support		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
Management is open and honest in dealing with employees.	Unfavorable	24	25	27	20	28	32	44	32	36	32	26	25	21	31
	Neutral	29	34	34	36	27	26	22	12	20	20	31	27	39	20
	Favorable	47	41	39	44	45	42	33	56	43	49	43	48	40	49
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management effectively solves the major problems of the agency.	Unfavorable	32	38	41	40	42	41	38	24	38	26	33	43	26	27
	Neutral	40	40	36	34	32	34	38	24	22	28	25	25	37	29
	Favorable	28	21	23	26	26	25	25	52	40	46	41	32	37	44
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	25	26	21	29	25	31	42	23	25	14	14	30	23	36
	Neutral	23	44	35	37	38	32	33	23	31	25	30	32	32	21
	Favorable	52	30	44	33	37	37	25	55	44	60	56	39	45	43
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	14	12	11	14	15	16	6	13	35	19	22	18	13	15
	Neutral	27	33	32	28	26	28	24	17	26	22	22	37	23	24
	Favorable	58	55	57	58	59	56	71	70	39	59	56	46	64	61
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	25	29	27	23	29	22	28	24	25	27	22	25	21	20
	Neutral	29	40	32	29	33	35	33	20	40	22	31	30	31	24
	Favorable	46	31	41	48	38	43	39	56	35	52	48	46	48	56
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	21	20	15	22	15	29	33	13	38	17	21	21	18	24
	Neutral	28	45	30	34	31	30	17	30	22	30	29	40	31	30
	Favorable	51	35	54	43	54	41	50	57	40	52	51	39	51	45
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	15	13	24	23	13	20	11	0	13	10	20	20	4	13
	Neutral	26	38	24	25	28	23	6	23	31	29	26	35	30	32
	Favorable	59	49	52	51	59	58	83	77	56	61	55	45	66	56
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	24	33	25	31	25	26	38	8	25	21	13	36	16	28
	Neutral	33	37	33	38	43	37	31	33	27	36	45	34	37	26
	Favorable	42	30	42	31	32	37	31	58	48	44	42	30	47	46
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	26	20	48	32	29	23	17	12	26	22	30	31	19	20
	Neutral	26	37	20	27	32	27	39	12	32	23	26	31	34	27
	Favorable	48	43	32	41	39	50	44	77	42	55	44	39	47	53
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	31	34	42	41	31	39	35	16	36	21	29	48	29	39
	Neutral	38	47	34	34	41	34	29	28	28	32	37	25	31	27
	Favorable	31	19	24	25	28	28	35	56	36	47	33	27	40	34
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	13	<i>New</i>	20	<i>New</i>	16	<i>New</i>	17	<i>New</i>	19	<i>New</i>	20	<i>New</i>	20	<i>New</i>
	Neutral	30	<i>Item in</i>	24	<i>Item in</i>	28	<i>Item in</i>	33	<i>Item in</i>	36	<i>Item in</i>	35	<i>Item in</i>	25	<i>Item in</i>
	Favorable	56	<i>2004</i>	56	<i>2004</i>	57	<i>2004</i>	50	<i>2004</i>	45	<i>2004</i>	45	<i>2004</i>	55	<i>2004</i>
	Total	100		100		100		100		100		100		100	
Management models the culture they want to see.	Unfavorable	29	<i>New</i>	19	<i>New</i>	25	<i>New</i>	29	<i>New</i>	25	<i>New</i>	28	<i>New</i>	25	<i>New</i>
	Neutral	35	<i>Item in</i>	39	<i>Item in</i>	33	<i>Item in</i>	21	<i>Item in</i>	32	<i>Item in</i>	34	<i>Item in</i>	31	<i>Item in</i>
	Favorable	36	<i>2004</i>	42	<i>2004</i>	42	<i>2004</i>	50	<i>2004</i>	43	<i>2004</i>	38	<i>2004</i>	44	<i>2004</i>
	Total	100		100		100		100		100		100		100	
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	40	<i>New</i>	34	<i>New</i>	28	<i>New</i>	45	<i>New</i>	39	<i>New</i>	27	<i>New</i>	36	<i>New</i>
	Neutral	29	<i>Item in</i>	34	<i>Item in</i>	35	<i>Item in</i>	36	<i>Item in</i>	27	<i>Item in</i>	34	<i>Item in</i>	21	<i>Item in</i>
	Favorable	31	<i>2004</i>	31	<i>2004</i>	37	<i>2004</i>	18	<i>2004</i>	35	<i>2004</i>	39	<i>2004</i>	43	<i>2004</i>
	Total	100		100		100		100		100		100		100	
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	28	36	29	27	32	28	50	31	28	26	28	32	27	26
	Neutral	24	21	33	24	22	31	17	23	29	26	30	30	27	25
	Favorable	48	43	39	49	46	40	33	46	43	49	42	38	46	49
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	42	<i>New</i>	36	<i>New</i>	38	<i>New</i>	73	<i>New</i>	48	<i>New</i>	39	<i>New</i>	38	<i>New</i>
	Neutral	29	<i>Item in</i>	36	<i>Item in</i>	28	<i>Item in</i>	0	<i>Item in</i>	15	<i>Item in</i>	20	<i>Item in</i>	28	<i>Item in</i>
	Favorable	29	<i>2004</i>	28	<i>2004</i>	33	<i>2004</i>	27	<i>2004</i>	37	<i>2004</i>	41	<i>2004</i>	33	<i>2004</i>
	Total	100		100		100		100		100		100		100	

Managers' View of the Work Environment		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
In my work unit, there are few workload issues.	Unfavorable	67	New	70	New	64	New	25	New	25	New	73	New	73	New
	Neutral	11	Item in	20	Item in	18	Item in	25	Item in	25	Item in	9	Item in	7	Item in
	Favorable	22	2004	10	2004	18	2004	50	2004	50	2004	18	2004	20	2004
	Total	100		100		100		100		100		100		100	
I have the support I need to handle workload issues.	Unfavorable	22	New	30	New	36	New	25	New	17	New	18	New	33	New
	Neutral	33	Item in	20	Item in	27	Item in	25	Item in	25	Item in	55	Item in	27	Item in
	Favorable	44	2004	50	2004	36	2004	50	2004	58	2004	27	2004	40	2004
	Total	100		100		100		100		100		100		100	
I have adequate time to spend on managing employees.	Unfavorable	56	New	78	New	45	New	0	New	42	New	70	New	40	New
	Neutral	11	Item in	0	Item in	27	Item in	0	Item in	8	Item in	20	Item in	40	Item in
	Favorable	33	2004	22	2004	27	2004	100	2004	50	2004	10	2004	20	2004
	Total	100		100		100		100		100		100		100	
I have an appropriate level of responsibility and accountability.	Unfavorable	11	New	0	New	0	New	0	New	25	New	0	New	7	New
	Neutral	22	Item in	20	Item in	18	Item in	0	Item in	8	Item in	9	Item in	27	Item in
	Favorable	67	2004	80	2004	82	2004	100	2004	67	2004	91	2004	67	2004
	Total	100		100		100		100		100		100		100	
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	22	New	0	New	9	New	0	New	25	New	9	New	7	New
	Neutral	11	Item in	30	Item in	18	Item in	25	Item in	17	Item in	9	Item in	20	Item in
	Favorable	67	2004	70	2004	73	2004	75	2004	58	2004	82	2004	73	2004
	Total	100		100		100		100		100		100		100	
The new performance management system helps me better manage my staff and work section.	Unfavorable	0	New	0	New	10	New	100	New	75	New	20	New	21	New
	Neutral	22	Item in	57	Item in	30	Item in	0	Item in	0	Item in	10	Item in	36	Item in
	Favorable	78	2004	43	2004	60	2004	0	2004	25	2004	70	2004	43	2004
	Total	100		100		100		100		100		100		100	
I am given the support I need to deal with performance problems.	Unfavorable	0	New	13	New	9	New	33	New	8	New	0	New	27	New
	Neutral	22	Item in	13	Item in	18	Item in	0	Item in	25	Item in	10	Item in	33	Item in
	Favorable	78	2004	75	2004	73	2004	67	2004	67	2004	90	2004	40	2004
	Total	100		100		100		100		100		100		100	
My administrator actively supports the new performance management system.	Unfavorable	11	New	0	New	0	New	100	New	56	New	0	New	14	New
	Neutral	0	Item in	11	Item in	0	Item in	0	Item in	0	Item in	0	Item in	14	Item in
	Favorable	89	2004	89	2004	100	2004	0	2004	44	2004	100	2004	71	2004
	Total	100		100		100		100		100		100		100	

General Perceptions of DEQ		DEQ Program													
		Air Quality		Water Quality		Land Quality		VIP Technical		VIP Stations		> Program		Agency Mgmt	
		2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002	2004	2002
		%	%	%	%	%	%	%	%	%	%	%	%	%	%
DEQ is a great place to work.	Unfavorable	13	17	15	7	18	14	12	6	22	19	16	12	5	12
	Neutral	31	24	30	33	17	24	35	22	26	22	29	26	28	28
	Favorable	56	60	55	60	64	62	53	72	53	59	54	62	67	60
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	14	16	29	20	18	21	6	0	10	6	12	23	6	13
	Neutral	40	41	33	37	33	35	50	35	28	21	36	37	34	31
	Favorable	46	43	38	44	49	44	44	65	62	73	52	40	60	57
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Most employees are proud to work for DEQ.	Unfavorable	16	16	17	8	15	13	22	14	28	24	11	17	3	11
	Neutral	24	30	28	21	24	22	50	23	30	23	25	27	27	28
	Favorable	59	55	55	71	61	65	28	64	42	53	64	56	71	61
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Most employees are committed to the success of DEQ.	Unfavorable	2	8	5	5	4	5	6	14	21	19	6	2	4	4
	Neutral	28	25	21	14	15	15	44	23	33	25	14	20	24	18
	Favorable	69	68	74	82	81	80	50	64	46	56	80	79	72	78
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I am a valued member of DEQ.	Unfavorable	13	13	17	9	14	13	28	12	14	16	17	15	11	20
	Neutral	23	27	22	27	16	24	6	23	21	17	24	23	27	13
	Favorable	65	60	61	65	70	63	67	65	64	67	59	62	62	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My overall work environment at DEQ is good.	Unfavorable	14	17	13	9	14	11	11	12	18	11	12	22	6	11
	Neutral	21	23	23	17	14	25	17	4	22	21	22	14	20	22
	Favorable	65	60	64	74	73	65	72	85	61	68	66	63	73	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
My values are similar to the values of DEQ.	Unfavorable	14	10	14	10	13	10	18	4	8	8	11	12	5	7
	Neutral	27	29	21	18	17	22	18	15	29	24	15	22	20	22
	Favorable	58	62	65	72	70	68	65	81	63	69	74	67	75	71
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	18	14	18	11	17	15	33	15	14	16	13	11	10	12
	Neutral	28	30	21	24	23	26	22	8	31	16	22	33	25	21
	Favorable	54	56	62	65	60	59	44	77	55	67	65	56	65	67
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Safety is emphasized in DEQ.	Unfavorable	6	8	9	9	11	11	6	12	11	7	12	13	7	8
	Neutral	26	26	22	15	20	27	24	4	16	10	15	21	20	18
	Favorable	69	65	70	75	70	62	71	85	72	83	73	66	72	74
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

I feel safe doing my job.	Unfavorable	3	<i>New Item in 2004</i>	3	<i>New Item in 2004</i>	6	<i>New Item in 2004</i>	12	<i>New Item in 2004</i>	5	<i>New Item in 2004</i>	6	<i>New Item in 2004</i>	1	<i>New Item in 2004</i>
	Neutral	16		19		10		24		22		15		12	
	Favorable	80		77		84		65		73		79		86	
	Total	100		100		100		100		100		100		100	
How do you feel about the kind of work you do?	I like my work a great deal	38	37	48	52	39	41	56	46	39	47	39	47	41	47
	I am satisfied with my work	28	27	28	31	37	32	22	42	28	29	32	25	36	37
	I am somewhat satisfied with my work	12	19	12	9	11	18	6	4	19	13	17	17	13	8
	I don't strongly like my work	11	7	6	2	3	3	6	0	6	7	6	6	4	4
	I am somewhat dissatisfied with my work	11	7	5	6	8	6	11	4	6	5	6	5	5	4
	I don't like my work at all	0	2	1	0	1	0	0	4	3	0	0	0	1	0
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	20	27	21	28	21	23	28	31	23	23	23	17	24	47
	Satisfied	33	26	36	38	40	43	33	38	43	43	32	37	41	26
	Somewhat satisfied	23	20	22	20	20	17	22	15	16	15	17	18	22	10
	Neither satisfied nor dissatisfied	7	7	5	3	2	1	0	0	6	8	10	12	5	3
	Somewhat dissatisfied	11	12	9	7	9	9	6	0	5	7	10	9	5	7
	Dissatisfied	7	5	5	2	7	4	11	12	5	2	4	5	4	5
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
How would you rate the ability of DEQ to attract high quality people?	Excellent	8	5	7	7	7	7	6	12	6	6	13	14	6	16
	Above Average	35	29	39	49	30	36	11	15	23	21	29	22	24	33
	Average	35	45	36	33	39	39	44	54	48	43	36	43	54	37
	Below Average	23	20	18	11	24	18	39	19	23	30	22	21	16	14
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	3	2	4	3	5	2	6	8	10	8	3	9	4	10
	Above Average	26	26	21	35	27	28	6	23	20	15	32	20	28	28
	Average	46	45	46	41	39	46	44	35	39	43	28	48	48	47
	Below Average	25	26	29	22	30	23	44	35	31	34	38	22	20	15
	Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

DEQ Management/Employee Communications		Agencywide N = 646 %	DEQ Division								
			Air Quality N = 139 %	Eastern N = 65 %	Laboratory N = 57 %	Land Quality N = 62 %	gmt Service N = 61 %	Northwest N = 84 %	Director N = 27 %	Water Quality N = 59 %	Western N = 89 %
I am kept informed about issues that affect my overall job.	Unfavorable	19	22	29	21	18	16	14	4	25	13
	Neutral	30	32	32	32	20	26	31	42	34	29
	Favorable	51	46	40	46	62	57	54	54	41	57
	Total	100	100	100	100	100	100	100	100	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	18	23	24	26	12	13	13	0	23	19
	Neutral	30	27	38	28	36	30	31	26	37	26
	Favorable	51	50	38	46	53	57	55	74	40	55
	Total	100	100	100	100	100	100	100	100	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	21	22	25	21	25	15	19	15	36	13
	Neutral	30	32	31	25	25	26	34	30	36	26
	Favorable	49	47	44	54	50	59	47	56	29	61
	Total	100	100	100	100	100	100	100	100	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	25	31	28	32	25	18	18	15	32	18
	Neutral	28	30	28	18	16	32	33	22	33	31
	Favorable	47	39	44	50	59	50	49	63	35	51
	Total	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	8	8	6	13	8	5	7	0	17	7
	Neutral	15	13	23	14	11	5	12	26	24	12
	Favorable	77	79	70	73	81	90	81	74	59	81
	Total	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	27	22	33	33	21	23	25	11	34	33
	Neutral	33	35	32	32	38	28	31	44	32	28
	Favorable	40	43	35	35	41	49	43	44	34	39
	Total	100	100	100	100	100	100	100	100	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	34	33	42	28	29	41	35	22	40	33
	Neutral	25	22	30	26	24	21	21	37	35	23
	Favorable	41	46	28	45	47	38	44	41	25	44
	Total	100	100	100	100	100	100	100	100	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	33	37	50	9	41	41	19	37	59	13
	Neutral	19	22	27	15	21	24	23	19	9	10
	Favorable	48	41	23	76	38	36	59	44	31	77
	Total	100	100	100	100	100	100	100	100	100	100
I have received a performance review within the last year.	Unfavorable	20	8	24	6	28	21	21	32	69	4
	Neutral	7	8	13	2	7	14	5	0	4	5
	Favorable	73	84	63	92	66	66	74	68	27	91
	Total	100	100	100	100	100	100	100	100	100	100

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	33	34	44	17	39	37	26	35	45	22
	Neutral	20	18	24	20	24	27	24	31	14	12
	Favorable	47	48	32	63	37	36	50	35	41	66
	Total	100	100	100	100	100	100	100	100	100	100
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	14	12	19	8	18	16	11	22	20	11
	Neutral	25	25	21	24	19	17	31	37	36	19
	Favorable	61	63	60	68	63	67	58	41	45	71
	Total	100	100	100	100	100	100	100	100	100	100

Customer Focus/Service		Agencywide	DEQ Division								
			Air Quality	Eastern	Laboratory	Land Quality	gmt Service	Northwest	Director	Water Quality	Western
			N = 646	N = 139	N = 65	N = 57	N = 62	N = 61	N = 84	N = 27	N = 59	N = 89
		%	%	%	%	%	%	%	%	%	
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	13	6	16	24	5	8	9	4	27	19
	Neutral	29	23	27	30	31	35	36	33	35	26
	Favorable	58	71	56	46	64	57	55	63	38	55
	Total	100	100	100	100	100	100	100	100	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	13	9	24	24	7	7	9	0	19	15
	Neutral	26	18	27	24	22	32	36	22	32	25
	Favorable	62	73	49	52	72	61	56	78	49	60
	Total	100	100	100	100	100	100	100	100	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	12	9	27	17	5	7	9	4	18	10
	Neutral	22	23	20	21	17	26	24	19	21	22
	Favorable	66	68	53	62	78	67	68	78	61	68
	Total	100	100	100	100	100	100	100	100	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	13	8	19	17	9	8	12	0	26	19
	Neutral	30	25	41	31	25	32	31	26	39	29
	Favorable	56	67	40	52	67	60	57	74	35	52
	Total	100	100	100	100	100	100	100	100	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	22	16	37	27	20	12	19	0	41	20
	Neutral	34	38	30	29	27	37	38	48	30	34
	Favorable	44	46	33	44	53	52	43	52	30	46
	Total	100	100	100	100	100	100	100	100	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	6	4	5	19	3	7	5	4	11	3
	Neutral	15	10	16	15	18	13	17	19	19	14
	Favorable	79	85	80	65	78	80	78	78	70	83
	Total	100	100	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	5	10	5	2	2	10	4	4	3	4
	Above Average	35	29	27	39	52	39	30	48	19	43
	Average	43	45	45	37	34	43	50	37	51	35
	Below Average	17	16	23	23	13	8	17	11	27	18
	Total	100	100	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	8	16	3	4	8	5	4	22	3	4
	Above Average	46	40	35	46	53	48	55	63	32	52
	Average	39	38	52	42	35	42	37	15	44	34
	Below Average	7	5	9	9	3	5	5	0	20	10
	Total	100	100	100	100	100	100	100	100	100	100

Your Immediate Manager/Supervisor		Agencywide	DEQ Division								
			Air Quality	Eastern	Laboratory	Land Quality	gmt Service	Northwest	Director	Water Quality	Western
		N = 646	N = 139	N = 65	N = 57	N = 62	N = 61	N = 84	N = 27	N = 59	N = 89
		%	%	%	%	%	%	%	%	%	
My manager is fair and equitable.	Unfavorable	10	18	12	9	5	13	6	4	8	5
	Neutral	16	19	13	11	10	16	15	15	23	14
	Favorable	74	63	75	80	84	70	79	81	69	81
	Total	100	100	100	100	100	100	100	100	100	100
My manager sets a positive example for others to follow.	Unfavorable	12	19	16	4	11	15	10	11	16	6
	Neutral	17	18	14	20	5	17	16	22	18	21
	Favorable	71	63	70	76	84	68	74	67	65	73
	Total	100	100	100	100	100	100	100	100	100	100
My manager recognizes and rewards good performance.	Unfavorable	19	25	29	9	16	19	15	15	21	14
	Neutral	20	26	25	26	13	20	13	19	21	17
	Favorable	61	49	46	64	71	61	72	67	58	69
	Total	100	100	100	100	100	100	100	100	100	100
My manager is open and honest with employees.	Unfavorable	12	23	17	7	7	10	5	8	14	7
	Neutral	15	17	19	13	5	13	12	19	23	15
	Favorable	73	61	63	80	88	77	83	73	63	78
	Total	100	100	100	100	100	100	100	100	100	100
My manager treats me with respect as an individual.	Unfavorable	9	15	9	9	5	5	5	7	12	5
	Neutral	12	12	14	14	5	18	10	15	17	5
	Favorable	80	72	77	77	90	77	86	78	71	91
	Total	100	100	100	100	100	100	100	100	100	100
My manager is competent at doing his/her job.	Unfavorable	11	18	13	4	5	7	9	15	13	8
	Neutral	15	17	15	15	13	13	14	4	21	18
	Favorable	74	66	73	82	82	80	77	81	65	74
	Total	100	100	100	100	100	100	100	100	100	100
My manager cares whether or not I succeed.	Unfavorable	12	18	16	6	9	10	8	8	20	6
	Neutral	15	18	18	22	9	11	11	4	20	16
	Favorable	73	63	66	73	82	79	81	88	61	78
	Total	100	100	100	100	100	100	100	100	100	100
My manager has collaborated with staff to create an effective section plan.	Unfavorable	19	22	24	11	14	18	11	28	40	12
	Neutral	22	25	29	24	14	23	16	24	19	19
	Favorable	60	53	47	65	72	59	73	48	40	69
	Total	100	100	100	100	100	100	100	100	100	100
My manager provides training as required.	Unfavorable	14	17	19	9	4	8	8	12	35	10
	Neutral	21	20	27	25	15	15	19	19	27	22
	Favorable	65	63	53	65	81	76	73	69	39	69
	Total	100	100	100	100	100	100	100	100	100	100

My manager encourages and listens to suggestions.	Unfavorable	12	17	22	7	4	13	6	11	18	7
	Neutral	18	20	21	20	19	18	17	19	18	12
	Favorable	70	63	57	73	77	69	77	70	64	81
	Total	100	100	100	100	100	100	100	100	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	14	23	16	11	13	15	6	15	13	8
	Neutral	20	20	27	22	7	18	16	22	28	21
	Favorable	66	57	57	67	80	67	77	63	60	71
	Total	100	100	100	100	100	100	100	100	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	14	21	16	10	15	12	6	12	16	10
	Neutral	23	20	23	17	15	23	26	27	30	26
	Favorable	64	59	61	73	71	65	68	62	55	64
	Total	100	100	100	100	100	100	100	100	100	100
My manager follows policies and practices.	Unfavorable	6	12	17	0	0	5	3	4	6	3
	Neutral	15	17	14	13	11	18	11	15	29	6
	Favorable	79	71	69	87	89	77	86	81	65	91
	Total	100	100	100	100	100	100	100	100	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	16	16	22	15	14	13	16	11	30	11
	Neutral	18	19	17	25	14	21	16	11	21	15
	Favorable	66	65	62	60	73	66	69	78	49	74
	Total	100	100	100	100	100	100	100	100	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	14	20	24	9	7	13	9	19	17	9
	Neutral	17	20	19	15	16	13	11	15	29	17
	Favorable	68	61	56	75	76	74	80	67	53	74
	Total	100	100	100	100	100	100	100	100	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	41	42	47	24	44	52	35	59	62	32
	Neutral	26	28	38	30	26	25	27	6	15	22
	Favorable	33	31	15	46	31	23	38	35	23	47
	Total	100	100	100	100	100	100	100	100	100	100

Work Group Effectiveness and Teamwork		Agencywide	DEQ Division								
			Air Quality	Eastern	Laboratory	Land Quality	gmt Service	Northwest	Director	Water Quality	Western
			N = 646	N = 139	N = 65	N = 57	N = 62	N = 61	N = 84	N = 27	N = 59	N = 89
		%	%	%	%	%	%	%	%	%	%
In my work unit, there are enough staff to handle high priority work.	Unfavorable	43	30	40	53	41	31	49	37	68	46
	Neutral	21	21	13	20	13	26	27	26	14	26
	Favorable	36	49	47	27	46	43	24	37	19	28
	Total	100	100	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	15	18	20	11	13	18	7	19	25	7
	Neutral	23	21	25	24	18	20	26	27	23	23
	Favorable	63	62	56	65	68	62	67	54	52	70
	Total	100	100	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	14	17	24	8	9	13	13	8	20	7
	Neutral	25	27	26	29	13	33	19	16	27	30
	Favorable	61	56	50	63	79	53	68	76	53	63
	Total	100	100	100	100	100	100	100	100	100	100
Employees treat one another with mutual respect.	Unfavorable	13	20	25	13	8	7	6	4	8	10
	Neutral	20	22	27	23	10	30	11	27	22	16
	Favorable	67	59	48	64	82	63	83	69	69	74
	Total	100	100	100	100	100	100	100	100	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	23	18	21	25	27	27	26	4	29	29
	Neutral	35	30	56	29	28	30	35	42	38	31
	Favorable	42	52	24	45	45	43	39	54	33	40
	Total	100	100	100	100	100	100	100	100	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	41	41	40	27	45	46	41	47	61	36
	Neutral	32	30	47	33	21	28	35	24	26	31
	Favorable	27	29	13	40	33	26	24	29	13	33
	Total	100	100	100	100	100	100	100	100	100	100
DEQ works well across disciplines to solve environmental problems.	Unfavorable	27	19	26	32	28	16	34	19	51	21
	Neutral	31	27	36	28	29	33	27	35	22	42
	Favorable	42	54	38	40	43	51	39	46	27	37
	Total	100	100	100	100	100	100	100	100	100	100
I actively collaborate across programs and regions.	Unfavorable	16	27	11	24	14	5	16	4	16	11
	Neutral	24	30	19	16	12	27	29	22	22	29
	Favorable	60	43	69	60	75	68	55	74	62	60
	Total	100	100	100	100	100	100	100	100	100	100

Employee Empowerment and Involvement		Agencywide	DEQ Division								
			Air Quality	Eastern	Laboratory	Land Quality	gmt Service	Northwest	Director	Water Quality	Western
			N = 646	N = 139	N = 65	N = 57	N = 62	N = 61	N = 84	N = 27	N = 59	N = 89
		%	%	%	%	%	%	%	%	%	
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	29	40	27	29	24	25	23	19	40	18
	Neutral	24	22	35	22	17	15	28	23	19	34
	Favorable	47	38	38	49	59	61	49	58	41	47
	Total	100	100	100	100	100	100	100	100	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	10	19	13	4	5	2	8	4	19	8
	Neutral	14	18	23	9	10	11	11	15	19	10
	Favorable	75	63	64	88	85	87	81	81	63	82
	Total	100	100	100	100	100	100	100	100	100	100
I am encouraged to seek new and better work methods.	Unfavorable	13	16	25	5	7	7	14	4	22	7
	Neutral	19	22	22	13	18	11	17	19	29	20
	Favorable	68	62	53	82	75	82	69	78	48	74
	Total	100	100	100	100	100	100	100	100	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	12	20	19	11	8	2	8	0	16	10
	Neutral	17	20	22	7	7	18	19	19	24	17
	Favorable	70	59	59	81	85	80	73	81	60	72
	Total	100	100	100	100	100	100	100	100	100	100
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	19	29	26	15	12	5	15	19	30	13
	Neutral	22	19	23	20	13	20	24	26	28	27
	Favorable	59	51	51	65	75	75	61	56	42	60
	Total	100	100	100	100	100	100	100	100	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	30	28	37	42	25	15	29	27	47	25
	Neutral	28	31	29	20	31	39	29	19	26	24
	Favorable	42	41	35	38	44	46	42	54	26	52
	Total	100	100	100	100	100	100	100	100	100	100
DEQ treats its people as its greatest asset.	Unfavorable	40	46	37	38	32	31	40	31	60	32
	Neutral	28	23	34	33	32	31	33	31	16	27
	Favorable	32	31	29	29	37	38	28	38	25	41
	Total	100	100	100	100	100	100	100	100	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	14	15	19	19	12	7	14	7	19	11
	Neutral	21	23	16	20	28	15	23	26	22	18
	Favorable	65	63	65	61	60	78	63	67	59	70
	Total	100	100	100	100	100	100	100	100	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	30	14	29	36	37	21	36	33	44	35
	Neutral	23	30	29	20	22	16	25	11	17	18
	Favorable	48	56	43	44	42	62	39	56	39	47
	Total	100	100	100	100	100	100	100	100	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	23	25	25	18	16	15	29	11	34	21
	Neutral	25	27	30	25	26	20	24	11	24	26
	Favorable	52	48	45	56	58	66	48	78	42	53
	Total	100	100	100	100	100	100	100	100	100	100
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	12	13	17	17	7	5	8	7	21	8
	Neutral	23	29	22	19	23	18	22	26	26	19
	Favorable	65	57	60	65	70	77	70	67	53	73
	Total	100	100	100	100	100	100	100	100	100	100
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	27	28	40	24	23	23	25	7	27	30
	Neutral	21	24	16	29	18	27	12	26	18	23
	Favorable	52	48	44	47	60	50	63	67	55	47
	Total	100	100	100	100	100	100	100	100	100	100
It is okay for me to admit I made a mistake.	Unfavorable	7	9	10	9	2	2	6	0	14	6
	Neutral	16	16	21	13	14	18	17	11	19	11
	Favorable	77	75	70	78	85	80	77	89	68	83
	Total	100	100	100	100	100	100	100	100	100	100

DEQ Management Effectiveness and Support		Agencywide	DEQ Division								
			Air Quality	Eastern	Laboratory	Land Quality	gmt Service	Northwest	Director	Water Quality	Western
			N = 646	N = 139	N = 65	N = 57	N = 62	N = 61	N = 84	N = 27	N = 59	N = 89
		%	%	%	%	%	%	%	%	%	
Management is open and honest in dealing with employees.	Unfavorable	28	33	34	24	24	20	19	23	40	26
	Neutral	30	22	28	37	24	44	39	23	19	34
	Favorable	43	45	38	39	53	36	42	54	40	41
	Total	100	100	100	100	100	100	100	100	100	100
Management effectively solves the major problems of the agency.	Unfavorable	37	36	48	39	26	28	41	29	42	38
	Neutral	33	28	33	31	43	35	33	33	38	31
	Favorable	30	36	20	31	30	37	26	38	21	31
	Total	100	100	100	100	100	100	100	100	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	23	23	31	24	17	27	24	16	31	16
	Neutral	33	28	41	31	44	35	35	16	28	30
	Favorable	44	49	28	45	39	38	40	68	41	54
	Total	100	100	100	100	100	100	100	100	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	17	22	26	17	11	12	16	18	10	14
	Neutral	27	27	26	23	23	25	34	18	31	25
	Favorable	56	51	48	60	67	63	49	64	59	61
	Total	100	100	100	100	100	100	100	100	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	26	25	33	29	21	23	30	12	31	21
	Neutral	33	35	33	25	29	25	25	48	33	43
	Favorable	42	41	33	45	50	52	44	40	36	37
	Total	100	100	100	100	100	100	100	100	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	20	31	26	20	11	21	19	20	10	16
	Neutral	28	23	32	22	29	31	31	25	33	33
	Favorable	51	46	42	59	61	48	50	55	58	52
	Total	100	100	100	100	100	100	100	100	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	15	13	22	26	5	7	14	0	26	19
	Neutral	27	25	25	26	18	28	36	36	26	26
	Favorable	58	62	53	48	77	65	50	64	48	55
	Total	100	100	100	100	100	100	100	100	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	23	27	24	20	25	22	20	9	36	18
	Neutral	37	26	52	46	33	35	41	43	31	36
	Favorable	41	47	24	35	41	44	39	48	33	47
	Total	100	100	100	100	100	100	100	100	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	31	25	30	38	28	21	32	19	54	36
	Neutral	28	32	24	29	38	34	28	26	17	22
	Favorable	40	43	46	34	33	44	40	56	29	42
	Total	100	100	100	100	100	100	100	100	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	34	33	42	42	27	34	33	19	52	25
	Neutral	35	30	40	31	40	30	42	33	32	39
	Favorable	31	37	19	27	33	36	25	48	16	36
	Total	100	100	100	100	100	100	100	100	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	18	17	21	17	10	20	21	12	33	11
	Neutral	29	34	31	33	25	24	30	35	28	20
	Favorable	53	49	48	50	65	56	49	54	40	69
	Total	100	100	100	100	100	100	100	100	100	100
Management models the culture they want to see.	Unfavorable	25	27	25	38	20	31	19	17	26	21
	Neutral	34	31	41	25	27	35	40	25	42	33
	Favorable	41	42	34	38	53	35	40	58	33	46
	Total	100	100	100	100	100	100	100	100	100	100
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	34	39	24	36	28	38	29	36	58	28
	Neutral	31	29	43	31	34	24	38	27	21	27
	Favorable	35	32	33	33	38	38	33	36	21	45
	Total	100	100	100	100	100	100	100	100	100	100
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	30	32	34	30	26	27	29	29	44	17
	Neutral	27	24	27	26	26	29	30	21	30	29
	Favorable	43	44	39	43	48	44	41	50	26	53
	Total	100	100	100	100	100	100	100	100	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	41	50	40	32	39	37	37	44	53	33
	Neutral	27	17	31	25	22	35	40	22	27	25
	Favorable	32	33	29	43	39	28	23	33	20	42
	Total	100	100	100	100	100	100	100	100	100	100

Managers' View of the Work Environment		Agencywide	DEQ Division								
			Air Quality	Eastern	Laboratory	Land Quality	gmt Service	Northwest	Director	Water Quality	Western
			N = 646	N = 139	N = 65	N = 57	N = 62	N = 61	N = 84	N = 27	N = 59	N = 89
		%	%	%	%	%	%	%	%	%	%
In my work unit, there are few workload issues.	Unfavorable	60	24	43	83	75	80	90	67	60	57
	Neutral	15	24	29	0	0	0	10	17	20	29
	Favorable	25	53	29	17	25	20	0	17	20	14
	Total	100	100	100	100	100	100	100	100	100	100
I have the support I need to handle workload issues.	Unfavorable	26	12	0	50	25	50	40	17	40	14
	Neutral	31	24	14	33	25	30	40	17	20	71
	Favorable	43	65	86	17	50	20	20	67	40	14
	Total	100	100	100	100	100	100	100	100	100	100
I have adequate time to spend on managing employees.	Unfavorable	51	29	50	67	50	50	60	33	100	71
	Neutral	19	6	17	17	25	30	10	50	0	29
	Favorable	30	65	33	17	25	20	30	17	0	0
	Total	100	100	100	100	100	100	100	100	100	100
I have an appropriate level of responsibility and accountability.	Unfavorable	7	18	0	0	0	10	10	0	0	0
	Neutral	17	6	14	17	25	50	0	0	20	29
	Favorable	76	76	86	83	75	40	90	100	80	71
	Total	100	100	100	100	100	100	100	100	100	100
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	11	18	0	33	0	0	20	17	0	0
	Neutral	18	12	29	17	25	40	0	0	40	14
	Favorable	71	71	71	50	75	60	80	83	60	86
	Total	100	100	100	100	100	100	100	100	100	100
The new performance management system helps me better manage my staff and work section.	Unfavorable	23	58	20	17	0	30	20	0	0	0
	Neutral	25	8	20	0	33	30	30	40	100	29
	Favorable	52	33	60	83	67	40	50	60	0	71
	Total	100	100	100	100	100	100	100	100	100	100
I am given the support I need to deal with performance problems.	Unfavorable	12	6	0	0	0	50	20	0	0	0
	Neutral	21	18	50	17	0	30	0	33	0	29
	Favorable	68	76	50	83	100	20	80	67	100	71
	Total	100	100	100	100	100	100	100	100	100	100
My administrator actively supports the new performance management system.	Unfavorable	15	54	0	0	0	20	10	0	0	0
	Neutral	5	0	0	0	0	20	0	0	33	0
	Favorable	80	46	100	100	100	60	90	100	67	100
	Total	100	100	100	100	100	100	100	100	100	100

General Perceptions of DEQ		Agencywide N = 646 %	DEQ Division								
			Air Quality N = 139 %	Eastern N = 65 %	Laboratory N = 57 %	Land Quality N = 62 %	gmt Service N = 61 %	Northwest N = 84 %	Director N = 27 %	Water Quality N = 59 %	Western N = 89 %
DEQ is a great place to work.	Unfavorable	15	17	30	11	15	7	15	4	17	13
	Neutral	27	29	25	28	13	33	28	15	34	23
	Favorable	58	54	44	61	72	60	56	81	48	64
	Total	100	100	100	100	100	100	100	100	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	17	11	21	20	13	5	15	12	42	18
	Neutral	34	34	44	33	33	34	46	32	25	26
	Favorable	49	55	35	47	55	60	39	56	32	56
	Total	100	100	100	100	100	100	100	100	100	100
Most employees are proud to work for DEQ.	Unfavorable	16	23	21	9	12	5	13	0	27	13
	Neutral	27	31	28	24	22	32	29	8	25	26
	Favorable	58	46	51	67	66	63	58	92	48	61
	Total	100	100	100	100	100	100	100	100	100	100
Most employees are committed to the success of DEQ.	Unfavorable	6	13	10	2	2	7	4	0	5	5
	Neutral	23	33	32	15	12	29	14	13	18	22
	Favorable	71	55	59	83	87	64	83	88	76	73
	Total	100	100	100	100	100	100	100	100	100	100
I am a valued member of DEQ.	Unfavorable	15	16	22	13	11	17	16	4	27	7
	Neutral	21	19	28	23	18	28	15	13	24	21
	Favorable	64	65	50	64	71	55	69	83	49	72
	Total	100	100	100	100	100	100	100	100	100	100
My overall work environment at DEQ is good.	Unfavorable	13	15	28	9	11	7	6	4	15	13
	Neutral	20	19	19	20	15	30	18	7	31	17
	Favorable	67	66	53	71	74	64	76	89	54	70
	Total	100	100	100	100	100	100	100	100	100	100
My values are similar to the values of DEQ.	Unfavorable	12	13	17	13	11	7	9	4	17	13
	Neutral	21	23	23	9	16	20	27	19	26	21
	Favorable	67	64	60	78	74	73	65	77	57	66
	Total	100	100	100	100	100	100	100	100	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	16	16	23	20	12	10	11	7	25	17
	Neutral	24	28	27	11	18	33	32	11	25	20
	Favorable	59	56	50	70	70	57	57	81	49	63
	Total	100	100	100	100	100	100	100	100	100	100
Safety is emphasized in DEQ.	Unfavorable	9	7	9	16	11	8	8	7	9	9
	Neutral	20	18	23	7	14	22	24	19	30	23
	Favorable	70	74	67	77	75	70	67	74	61	68
	Total	100	100	100	100	100	100	100	100	100	100

I feel safe doing my job.	Unfavorable	4	4	8	7	3	2	6	0	2	5
	Neutral	16	19	20	11	11	10	17	19	20	13
	Favorable	80	77	72	82	85	88	77	81	78	83
	Total	100	100	100	100	100	100	100	100	100	100
How do you feel about the kind of work you do?	I like my work a great deal	41	41	40	44	44	38	39	52	44	42
	I am satisfied with my work	31	27	35	30	37	41	33	26	20	34
	I am somewhat satisfied	13	17	9	16	13	13	8	11	17	12
	I don't strongly like my work	6	6	9	4	3	3	7	7	10	2
	I am somewhat dissatisfied	7	8	6	7	3	5	10	0	8	9
	I don't like my work at all	1	1	0	0	0	0	2	4	0	1
Total	100	100	100	100	100	100	100	100	100	100	100
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	22	22	28	25	19	16	17	41	14	26
	Satisfied	37	40	22	30	47	41	38	33	36	42
	Somewhat satisfied	20	18	20	18	21	25	26	19	25	13
	Neither satisfied nor dissatisfied	5	5	11	5	2	10	6	0	3	1
	Somewhat dissatisfied	8	7	9	16	5	3	5	7	10	13
	Dissatisfied	5	7	5	7	6	3	7	0	5	3
	Very Dissatisfied	2	1	6	0	0	2	1	0	7	1
Total	100	100	100	100	100	100	100	100	100	100	100
How would you rate the ability of DEQ to attract high quality people?	Excellent	8	7	11	9	10	3	1	15	8	10
	Above Average	30	25	34	37	35	23	27	22	42	33
	Average	41	44	37	39	40	56	40	44	32	33
	Below Average	21	24	18	16	15	18	31	19	17	25
	Total	100	100	100	100	100	100	100	100	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	5	8	6	0	8	5	1	0	3	4
	Above Average	24	22	23	28	32	26	20	33	14	29
	Average	42	40	35	42	42	46	42	44	44	43
	Below Average	29	30	35	30	18	23	37	22	39	24
	Total	100	100	100	100	100	100	100	100	100	100

DEQ Management/Employee Communications		Agencywide	DEQ Program						Agency Mgmt
			Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	
I am kept informed about issues that affect my overall job.	Unfavorable	19	16	21	19	28	24	16	12
	Neutral	30	27	38	24	22	35	25	32
	Favorable	51	56	40	56	50	41	59	56
	Total	100	100	100	100	100	100	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	18	13	24	17	17	30	15	8
	Neutral	30	26	35	30	28	30	31	29
	Favorable	51	61	41	53	56	39	54	63
	Total	100	100	100	100	100	100	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	21	21	26	19	17	24	21	16
	Neutral	30	29	32	31	50	25	21	29
	Favorable	49	50	41	50	33	51	59	55
	Total	100	100	100	100	100	100	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	25	19	31	20	22	36	22	20
	Neutral	28	31	29	27	44	28	25	27
	Favorable	47	51	40	53	33	36	53	54
	Total	100	100	100	100	100	100	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	8	10	11	5	18	6	12	4
	Neutral	15	14	20	13	18	11	12	12
	Favorable	77	76	69	82	65	82	76	84
	Total	100	100	100	100	100	100	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	27	21	37	24	28	26	26	19
	Neutral	33	38	33	35	28	32	25	30
	Favorable	40	41	30	41	44	42	49	51
	Total	100	100	100	100	100	100	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	34	26	31	37	50	38	35	36
	Neutral	25	24	33	23	11	20	23	26
	Favorable	41	49	37	41	39	42	42	38
	Total	100	100	100	100	100	100	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	33	15	44	28	39	47	22	38
	Neutral	19	14	16	22	22	23	12	24
	Favorable	48	70	40	50	39	29	66	38
	Total	100	100	100	100	100	100	100	100
I have received a performance review within the last year.	Unfavorable	20	7	37	21	0	12	8	24
	Neutral	7	2	6	4	19	11	11	10
	Favorable	73	91	57	75	81	77	81	65
	Total	100	100	100	100	100	100	100	100

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	33	22	35	32	50	35	27	38
	Neutral	20	18	20	19	11	22	22	27
	Favorable	47	60	45	49	39	43	52	35
	Total	100	100	100	100	100	100	100	100
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	14	10	14	13	6	15	16	18
	Neutral	25	18	30	26	18	32	13	23
	Favorable	61	71	55	61	76	53	71	59
	Total	100	100	100	100	100	100	100	100

Customer Focus/Service		DEQ Program							
		Agencywide	Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	Agency Mgmt
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	%
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	13	10	20	13	0	6	18	4
	Neutral	29	23	33	31	22	24	28	37
	Favorable	58	67	47	57	78	69	54	59
	Total	100	100	100	100	100	100	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	13	11	18	12	0	9	21	4
	Neutral	26	27	27	29	17	19	21	30
	Favorable	62	62	55	59	83	72	58	66
	Total	100	100	100	100	100	100	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	12	6	14	13	11	13	16	5
	Neutral	22	24	22	16	11	29	24	23
	Favorable	66	70	64	70	78	58	60	72
	Total	100	100	100	100	100	100	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	13	9	21	12	0	9	20	4
	Neutral	30	26	36	33	11	30	27	31
	Favorable	56	65	43	55	89	61	53	64
	Total	100	100	100	100	100	100	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	22	20	33	20	0	23	23	7
	Neutral	34	34	32	34	44	34	32	42
	Favorable	44	46	35	47	56	43	45	51
	Total	100	100	100	100	100	100	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	6	5	6	4	6	5	14	7
	Neutral	15	20	17	16	6	9	11	13
	Favorable	79	75	77	80	89	86	75	79
	Total	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	5	8	4	2	6	10	6	7
	Above Average	35	35	27	39	22	29	39	45
	Average	43	45	44	43	50	42	36	41
	Below Average	17	13	25	16	22	19	19	7
	Total	100	100	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	8	10	4	5	17	17	4	10
	Above Average	46	47	42	50	44	35	51	52
	Average	39	38	41	39	33	44	32	37
	Below Average	7	5	13	6	6	4	13	1
	Total	100	100	100	100	100	100	100	100

Your Immediate Manager/Supervisor		Agencywide N = 646 %	DEQ Program						> Program N = 69 %	Agency Mgmt N = 83 %
			Air Quality N = 92 %	Water Quality N = 152 %	Land Quality N = 148 %	VIP Technical N = 18 %	VIP Stations N = 80 %			
My manager is fair and equitable.	Unfavorable	10	11	6	6	17	22	11	10	
	Neutral	16	10	15	13	39	18	18	18	
	Favorable	74	79	79	81	44	61	71	72	
	Total	100	100	100	100	100	100	100	100	
My manager sets a positive example for others to follow.	Unfavorable	12	11	9	12	24	22	7	16	
	Neutral	17	22	17	11	18	18	21	18	
	Favorable	71	67	74	78	59	61	72	66	
	Total	100	100	100	100	100	100	100	100	
My manager recognizes and rewards good performance.	Unfavorable	19	13	20	17	25	30	17	17	
	Neutral	20	25	20	13	31	25	23	21	
	Favorable	61	62	61	70	44	44	61	62	
	Total	100	100	100	100	100	100	100	100	
My manager is open and honest with employees.	Unfavorable	12	9	9	8	22	28	15	10	
	Neutral	15	12	19	10	28	19	13	15	
	Favorable	73	79	72	82	50	53	72	76	
	Total	100	100	100	100	100	100	100	100	
My manager treats me with respect as an individual.	Unfavorable	9	10	7	6	6	19	9	7	
	Neutral	12	8	11	9	33	12	10	18	
	Favorable	80	83	82	85	61	69	81	75	
	Total	100	100	100	100	100	100	100	100	
My manager is competent at doing his/her job.	Unfavorable	11	8	8	9	6	24	10	10	
	Neutral	15	14	16	16	39	13	16	10	
	Favorable	74	78	75	75	56	63	73	80	
	Total	100	100	100	100	100	100	100	100	
My manager cares whether or not I succeed.	Unfavorable	12	13	10	9	12	22	12	9	
	Neutral	15	13	21	8	29	21	19	10	
	Favorable	73	74	69	83	59	57	69	81	
	Total	100	100	100	100	100	100	100	100	
My manager has collaborated with staff to create an effective section plan.	Unfavorable	19	18	20	14	18	23	22	21	
	Neutral	22	23	22	14	29	29	20	25	
	Favorable	60	60	58	73	53	48	58	53	
	Total	100	100	100	100	100	100	100	100	
My manager provides training as required.	Unfavorable	14	10	21	8	11	24	9	10	
	Neutral	21	19	23	17	33	24	25	18	
	Favorable	65	71	55	76	56	52	66	73	
	Total	100	100	100	100	100	100	100	100	

My manager encourages and listens to suggestions.	Unfavorable	12	11	11	6	17	19	15	14
	Neutral	18	17	19	16	22	24	15	18
	Favorable	70	72	70	78	61	57	70	67
	Total	100	100	100	100	100	100	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	14	16	10	9	28	21	16	16
	Neutral	20	16	24	14	6	31	22	20
	Favorable	66	68	66	78	67	48	63	65
	Total	100	100	100	100	100	100	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	14	13	11	10	11	26	16	12
	Neutral	23	21	25	21	28	22	20	25
	Favorable	64	66	64	69	61	53	64	63
	Total	100	100	100	100	100	100	100	100
My manager follows policies and practices.	Unfavorable	6	7	5	4	6	14	5	5
	Neutral	15	10	19	8	28	21	13	17
	Favorable	79	83	76	89	67	65	82	78
	Total	100	100	100	100	100	100	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	16	19	18	15	11	18	13	14
	Neutral	18	11	20	15	17	22	24	18
	Favorable	66	70	62	70	72	61	63	67
	Total	100	100	100	100	100	100	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	14	15	13	11	11	24	12	15
	Neutral	17	10	18	17	44	20	21	16
	Favorable	68	75	70	72	44	56	67	70
	Total	100	100	100	100	100	100	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	41	41	40	37	45	43	34	52
	Neutral	26	28	30	28	27	29	20	18
	Favorable	33	32	31	36	27	29	46	30
	Total	100	100	100	100	100	100	100	100

Work Group Effectiveness and Teamwork		Agencywide	DEQ Program						
			Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	Agency Mgmt
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	
In my work unit, there are enough staff to handle high priority work.	Unfavorable	43	42	65	41	22	25	37	30
	Neutral	21	19	18	21	17	19	27	27
	Favorable	36	40	17	39	61	56	36	43
	Total	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	15	13	15	11	17	18	15	18
	Neutral	23	16	24	22	22	26	26	22
	Favorable	63	71	61	67	61	56	58	60
	Total	100	100	100	100	100	100	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	14	11	13	12	17	20	17	11
	Neutral	25	29	28	20	22	29	18	29
	Favorable	61	60	60	67	61	51	65	59
	Total	100	100	100	100	100	100	100	100
Employees treat one another with mutual respect.	Unfavorable	13	8	11	8	22	29	19	6
	Neutral	20	21	19	12	22	22	25	30
	Favorable	67	72	71	80	56	49	56	64
	Total	100	100	100	100	100	100	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	23	20	27	27	25	21	22	19
	Neutral	35	33	37	33	38	32	38	33
	Favorable	42	47	36	40	38	46	40	48
	Total	100	100	100	100	100	100	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	41	34	44	44	58	43	26	48
	Neutral	32	37	34	31	25	30	38	20
	Favorable	27	29	23	25	17	27	36	33
	Total	100	100	100	100	100	100	100	100
DEQ works well across disciplines to solve environmental problems.	Unfavorable	27	23	33	32	21	15	29	16
	Neutral	31	40	29	28	29	27	29	36
	Favorable	42	37	38	39	50	58	42	48
	Total	100	100	100	100	100	100	100	100
I actively collaborate across programs and regions.	Unfavorable	16	17	16	11	21	39	14	5
	Neutral	24	24	28	19	43	34	15	23
	Favorable	60	59	56	70	36	27	71	72
	Total	100	100	100	100	100	100	100	100

Employee Empowerment and Involvement		Agencywide	DEQ Program						
			Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	Agency Mgmt
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	%
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	29	16	30	24	39	52	29	24
	Neutral	24	33	27	27	11	18	21	17
	Favorable	47	51	44	49	50	30	50	59
	Total	100	100	100	100	100	100	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	10	12	9	7	11	24	10	4
	Neutral	14	8	18	10	22	24	15	12
	Favorable	75	80	73	84	67	52	75	84
	Total	100	100	100	100	100	100	100	100
I am encouraged to seek new and better work methods.	Unfavorable	13	12	15	12	17	19	13	5
	Neutral	19	15	23	17	11	29	16	14
	Favorable	68	73	62	71	72	51	71	81
	Total	100	100	100	100	100	100	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	12	10	12	9	6	31	15	2
	Neutral	17	13	21	14	17	28	12	18
	Favorable	70	77	67	77	78	41	73	79
	Total	100	100	100	100	100	100	100	100
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	19	22	20	14	6	37	20	8
	Neutral	22	19	28	19	17	21	23	22
	Favorable	59	59	52	66	78	42	58	70
	Total	100	100	100	100	100	100	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	30	29	41	26	31	31	29	16
	Neutral	28	31	22	29	50	28	26	34
	Favorable	42	40	37	45	19	41	45	50
	Total	100	100	100	100	100	100	100	100
DEQ treats its people as its greatest asset.	Unfavorable	40	36	41	38	41	52	40	29
	Neutral	28	27	27	33	41	21	22	32
	Favorable	32	36	32	29	18	27	37	39
	Total	100	100	100	100	100	100	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	14	13	15	19	6	17	11	7
	Neutral	21	26	20	19	39	21	20	18
	Favorable	65	61	65	62	56	62	69	74
	Total	100	100	100	100	100	100	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	30	24	36	39	6	18	27	25
	Neutral	23	33	23	17	33	24	23	16
	Favorable	48	42	41	43	61	58	50	59
	Total	100	100	100	100	100	100	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	23	22	23	23	22	31	22	14
	Neutral	25	32	26	23	17	31	22	16
	Favorable	52	47	51	54	61	38	55	70
	Total	100	100	100	100	100	100	100	100
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	12	11	12	10	11	18	15	6
	Neutral	23	28	24	17	17	34	23	19
	Favorable	65	61	64	74	72	48	62	75
	Total	100	100	100	100	100	100	100	100
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	27	20	26	30	17	35	34	20
	Neutral	21	25	20	16	39	18	24	26
	Favorable	52	55	54	54	44	47	42	55
	Total	100	100	100	100	100	100	100	100
It is okay for me to admit I made a mistake.	Unfavorable	7	3	9	6	0	14	12	0
	Neutral	16	22	14	13	17	16	18	16
	Favorable	77	75	77	82	83	70	70	84
	Total	100	100	100	100	100	100	100	100

DEQ Management Effectiveness and Support		Agencywide	DEQ Program						
			Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	Agency Mgmt
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	%
Management is open and honest in dealing with employees.	Unfavorable	28	24	27	28	44	36	26	21
	Neutral	30	29	34	27	22	20	31	39
	Favorable	43	47	39	45	33	43	43	40
	Total	100	100	100	100	100	100	100	100
Management effectively solves the major problems of the agency.	Unfavorable	37	32	41	42	38	38	33	26
	Neutral	33	40	36	32	38	22	25	37
	Favorable	30	28	23	26	25	40	41	37
	Total	100	100	100	100	100	100	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	23	25	21	25	42	25	14	23
	Neutral	33	23	35	38	33	31	30	32
	Favorable	44	52	44	37	25	44	56	45
	Total	100	100	100	100	100	100	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	17	14	11	15	6	35	22	13
	Neutral	27	27	32	26	24	26	22	23
	Favorable	56	58	57	59	71	39	56	64
	Total	100	100	100	100	100	100	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	26	25	27	29	28	25	22	21
	Neutral	33	29	32	33	33	40	31	31
	Favorable	42	46	41	38	39	35	48	48
	Total	100	100	100	100	100	100	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	20	21	15	15	33	38	21	18
	Neutral	28	28	30	31	17	22	29	31
	Favorable	51	51	54	54	50	40	51	51
	Total	100	100	100	100	100	100	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	15	15	24	13	11	13	20	4
	Neutral	27	26	24	28	6	31	26	30
	Favorable	58	59	52	59	83	56	55	66
	Total	100	100	100	100	100	100	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	23	24	25	25	38	25	13	16
	Neutral	37	33	33	43	31	27	45	37
	Favorable	41	42	42	32	31	48	42	47
	Total	100	100	100	100	100	100	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	31	26	48	29	17	26	30	19
	Neutral	28	26	20	32	39	32	26	34
	Favorable	40	48	32	39	44	42	44	47
	Total	100	100	100	100	100	100	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	34	31	42	31	35	36	29	29
	Neutral	35	38	34	41	29	28	37	31
	Favorable	31	31	24	28	35	36	33	40
	Total	100	100	100	100	100	100	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	18	13	20	16	17	19	20	20
	Neutral	29	30	24	28	33	36	35	25
	Favorable	53	56	56	57	50	45	45	55
	Total	100	100	100	100	100	100	100	100
Management models the culture they want to see.	Unfavorable	25	29	19	25	29	25	28	25
	Neutral	34	35	39	33	21	32	34	31
	Favorable	41	36	42	42	50	43	38	44
	Total	100	100	100	100	100	100	100	100
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	34	40	34	28	45	39	27	36
	Neutral	31	29	34	35	36	27	34	21
	Favorable	35	31	31	37	18	35	39	43
	Total	100	100	100	100	100	100	100	100
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	30	28	29	32	50	28	28	27
	Neutral	27	24	33	22	17	29	30	27
	Favorable	43	48	39	46	33	43	42	46
	Total	100	100	100	100	100	100	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	41	42	36	38	73	48	39	38
	Neutral	27	29	36	28	0	15	20	28
	Favorable	32	29	28	33	27	37	41	33
	Total	100	100	100	100	100	100	100	100

Managers' View of the Work Environment		DEQ Program							
		Agencywide	Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	Agency Mgmt
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	%
In my work unit, there are few workload issues.	Unfavorable	60	67	70	64	25	25	73	73
	Neutral	15	11	20	18	25	25	9	7
	Favorable	25	22	10	18	50	50	18	20
	Total	100	100	100	100	100	100	100	100
I have the support I need to handle workload issues.	Unfavorable	26	22	30	36	25	17	18	33
	Neutral	31	33	20	27	25	25	55	27
	Favorable	43	44	50	36	50	58	27	40
	Total	100	100	100	100	100	100	100	100
I have adequate time to spend on managing employees.	Unfavorable	51	56	78	45	0	42	70	40
	Neutral	19	11	0	27	0	8	20	40
	Favorable	30	33	22	27	100	50	10	20
	Total	100	100	100	100	100	100	100	100
I have an appropriate level of responsibility and accountability.	Unfavorable	7	11	0	0	0	25	0	7
	Neutral	17	22	20	18	0	8	9	27
	Favorable	76	67	80	82	100	67	91	67
	Total	100	100	100	100	100	100	100	100
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	11	22	0	9	0	25	9	7
	Neutral	18	11	30	18	25	17	9	20
	Favorable	71	67	70	73	75	58	82	73
	Total	100	100	100	100	100	100	100	100
The new performance management system helps me better manage my staff and work section.	Unfavorable	23	0	0	10	100	75	20	21
	Neutral	25	22	57	30	0	0	10	36
	Favorable	52	78	43	60	0	25	70	43
	Total	100	100	100	100	100	100	100	100
I am given the support I need to deal with performance problems.	Unfavorable	12	0	13	9	33	8	0	27
	Neutral	21	22	13	18	0	25	10	33
	Favorable	68	78	75	73	67	67	90	40
	Total	100	100	100	100	100	100	100	100
My administrator actively supports the new performance management system.	Unfavorable	15	11	0	0	100	56	0	14
	Neutral	5	0	11	0	0	0	0	14
	Favorable	80	89	89	100	0	44	100	71
	Total	100	100	100	100	100	100	100	100

General Perceptions of DEQ		Agencywide	DEQ Program						
			Air Quality	Water Quality	Land Quality	VIP Technical	VIP Stations	> Program	Agency Mgmt
		N = 646	N = 92	N = 152	N = 148	N = 18	N = 80	N = 69	N = 83
		%	%	%	%	%	%	%	%
DEQ is a great place to work.	Unfavorable	15	13	15	18	12	22	16	5
	Neutral	27	31	30	17	35	26	29	28
	Favorable	58	56	55	64	53	53	54	67
	Total	100	100	100	100	100	100	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	17	14	29	18	6	10	12	6
	Neutral	34	40	33	33	50	28	36	34
	Favorable	49	46	38	49	44	62	52	60
	Total	100	100	100	100	100	100	100	100
Most employees are proud to work for DEQ.	Unfavorable	16	16	17	15	22	28	11	3
	Neutral	27	24	28	24	50	30	25	27
	Favorable	58	59	55	61	28	42	64	71
	Total	100	100	100	100	100	100	100	100
Most employees are committed to the success of DEQ.	Unfavorable	6	2	5	4	6	21	6	4
	Neutral	23	28	21	15	44	33	14	24
	Favorable	71	69	74	81	50	46	80	72
	Total	100	100	100	100	100	100	100	100
I am a valued member of DEQ.	Unfavorable	15	13	17	14	28	14	17	11
	Neutral	21	23	22	16	6	21	24	27
	Favorable	64	65	61	70	67	64	59	62
	Total	100	100	100	100	100	100	100	100
My overall work environment at DEQ is good.	Unfavorable	13	14	13	14	11	18	12	6
	Neutral	20	21	23	14	17	22	22	20
	Favorable	67	65	64	73	72	61	66	73
	Total	100	100	100	100	100	100	100	100
My values are similar to the values of DEQ.	Unfavorable	12	14	14	13	18	8	11	5
	Neutral	21	27	21	17	18	29	15	20
	Favorable	67	58	65	70	65	63	74	75
	Total	100	100	100	100	100	100	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	16	18	18	17	33	14	13	10
	Neutral	24	28	21	23	22	31	22	25
	Favorable	59	54	62	60	44	55	65	65
	Total	100	100	100	100	100	100	100	100
Safety is emphasized in DEQ.	Unfavorable	9	6	9	11	6	11	12	7
	Neutral	20	26	22	20	24	16	15	20
	Favorable	70	69	70	70	71	72	73	72
	Total	100	100	100	100	100	100	100	100

I feel safe doing my job.	Unfavorable	4	3	3	6	12	5	6	1
	Neutral	16	16	19	10	24	22	15	12
	Favorable	80	80	77	84	65	73	79	86
	Total	100	100	100	100	100	100	100	100
How do you feel about the kind of work you do?	I like my work a great deal	41	38	48	39	56	39	39	41
	I am satisfied with my work	31	28	28	37	22	28	32	36
	I am somewhat satisfied with my work	13	12	12	11	6	19	17	13
	I don't strongly like my work	6	11	6	3	6	6	6	4
	I am somewhat dissatisfied with my work	7	11	5	8	11	6	6	5
	I don't like my work at all	1	0	1	1	0	3	0	1
	Total	100	100	100	100	100	100	100	100
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	22	20	21	21	28	23	23	24
	Satisfied	37	33	36	40	33	43	32	41
	Somewhat satisfied	20	23	22	20	22	16	17	22
	Neither satisfied nor dissatisfied	5	7	5	2	0	6	10	5
	Somewhat dissatisfied	8	11	9	9	6	5	10	5
	Dissatisfied	5	7	5	7	11	5	4	4
	Very Dissatisfied	2	1	3	1	0	3	3	0
Total	100	100	100	100	100	100	100	100	
How would you rate the ability of DEQ to attract high quality people?	Excellent	8	8	7	7	6	6	13	6
	Above Average	30	35	39	30	11	24	29	24
	Average	41	35	36	39	44	48	36	54
	Below Average	21	23	18	24	39	23	22	16
	Total	100	100	100	100	100	100	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	5	3	4	5	6	10	3	4
	Above Average	24	26	21	27	6	20	32	28
	Average	42	46	46	39	44	39	28	48
	Below Average	29	25	29	30	44	31	38	20
	Total	100	100	100	100	100	100	100	100

DEQ Management/Employee Communications		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
I am kept informed about issues that affect my overall job.	Unfavorable	19	15	13	22	24	20
	Neutral	30	37	34	31	25	35
	Favorable	51	48	53	48	51	45
	Total	100	100	100	100	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	18	8	14	24	22	15
	Neutral	30	32	31	29	30	38
	Favorable	51	60	56	48	49	48
	Total	100	100	100	100	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	21	21	19	24	23	10
	Neutral	30	21	30	34	27	33
	Favorable	49	57	51	42	50	58
	Total	100	100	100	100	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	25	11	24	28	26	23
	Neutral	28	29	30	26	29	23
	Favorable	47	61	47	46	45	55
	Total	100	100	100	100	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	8	10	5	11	8	8
	Neutral	15	17	15	12	15	20
	Favorable	77	73	80	77	77	73
	Total	100	100	100	100	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	27	27	29	24	27	21
	Neutral	33	27	34	36	32	24
	Favorable	40	47	37	40	41	55
	Total	100	100	100	100	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	34	20	30	36	39	36
	Neutral	25	20	26	30	22	23
	Favorable	41	60	44	34	39	41
	Total	100	100	100	100	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	33	18	35	39	32	20
	Neutral	19	23	20	17	20	15
	Favorable	48	59	46	44	48	65
	Total	100	100	100	100	100	100
I have received a performance review within the last year.	Unfavorable	20	11	20	27	19	9
	Neutral	7	28	7	5	7	6
	Favorable	73	61	73	68	75	86
	Total	100	100	100	100	100	100

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	33	26	28	37	36	23
	Neutral	20	22	22	23	17	21
	Favorable	47	52	50	40	47	56
	Total	100	100	100	100	100	100
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	14	9	15	19	12	3
	Neutral	25	17	27	28	22	21
	Favorable	61	74	58	53	65	77
	Total	100	100	100	100	100	100

Customer Focus/Service		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	13	18	9	18	12	8
	Neutral	29	25	35	26	30	16
	Favorable	58	57	56	56	58	76
	Total	100	100	100	100	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	13	14	8	15	17	5
	Neutral	26	17	28	24	25	31
	Favorable	62	69	64	61	58	64
	Total	100	100	100	100	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	12	7	9	13	16	3
	Neutral	22	21	23	20	20	37
	Favorable	66	71	69	68	64	61
	Total	100	100	100	100	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	13	15	7	19	16	6
	Neutral	30	15	35	29	30	31
	Favorable	56	70	58	53	54	64
	Total	100	100	100	100	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	22	14	19	26	23	14
	Neutral	34	43	33	37	32	37
	Favorable	44	43	48	37	44	49
	Total	100	100	100	100	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	6	7	4	6	9	5
	Neutral	15	18	14	18	14	15
	Favorable	79	75	82	76	77	80
	Total	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	5	17	5	6	3	10
	Above Average	35	43	35	31	34	40
	Average	43	37	47	42	40	38
	Below Average	17	3	13	21	23	13
	Total	100	100	100	100	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	8	20	7	5	8	10
	Above Average	46	43	46	42	46	60
	Average	39	30	43	42	37	23
	Below Average	7	7	4	11	9	8
	Total	100	100	100	100	100	100

Your Immediate Manager/Supervisor		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
My manager is fair and equitable.	Unfavorable	10	11	8	12	9	15
	Neutral	16	7	15	18	15	20
	Favorable	74	81	77	70	76	65
	Total	100	100	100	100	100	100
My manager sets a positive example for others to follow.	Unfavorable	12	11	12	17	11	10
	Neutral	17	11	15	14	19	28
	Favorable	71	78	74	69	69	63
	Total	100	100	100	100	100	100
My manager recognizes and rewards good performance.	Unfavorable	19	19	18	26	17	13
	Neutral	20	11	22	17	22	23
	Favorable	61	70	61	57	60	64
	Total	100	100	100	100	100	100
My manager is open and honest with employees.	Unfavorable	12	15	13	15	10	8
	Neutral	15	8	13	14	17	21
	Favorable	73	77	75	70	73	72
	Total	100	100	100	100	100	100
My manager treats me with respect as an individual.	Unfavorable	9	7	9	11	7	10
	Neutral	12	10	10	12	13	13
	Favorable	80	83	82	77	79	77
	Total	100	100	100	100	100	100
My manager is competent at doing his/her job.	Unfavorable	11	12	12	15	8	8
	Neutral	15	12	14	11	18	23
	Favorable	74	77	74	74	74	69
	Total	100	100	100	100	100	100
My manager cares whether or not I succeed.	Unfavorable	12	12	11	12	13	10
	Neutral	15	12	15	22	11	18
	Favorable	73	77	73	66	77	72
	Total	100	100	100	100	100	100
My manager has collaborated with staff to create an effective section plan.	Unfavorable	19	21	15	23	20	13
	Neutral	22	8	23	25	19	21
	Favorable	60	71	61	52	61	67
	Total	100	100	100	100	100	100
My manager provides training as required.	Unfavorable	14	7	12	16	16	8
	Neutral	21	14	20	24	22	18
	Favorable	65	79	69	60	62	74
	Total	100	100	100	100	100	100

My manager encourages and listens to suggestions.	Unfavorable	12	10	11	14	12	13
	Neutral	18	17	18	20	18	10
	Favorable	70	72	71	66	70	77
	Total	100	100	100	100	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	14	15	11	21	12	13
	Neutral	20	8	20	20	20	24
	Favorable	66	77	69	59	68	63
	Total	100	100	100	100	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	14	9	13	19	14	5
	Neutral	23	17	18	26	25	23
	Favorable	64	74	69	56	61	73
	Total	100	100	100	100	100	100
My manager follows policies and practices.	Unfavorable	6	8	4	9	6	8
	Neutral	15	8	15	16	15	15
	Favorable	79	84	81	75	80	78
	Total	100	100	100	100	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	16	10	15	18	18	13
	Neutral	18	17	15	18	21	13
	Favorable	66	72	70	64	61	75
	Total	100	100	100	100	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	14	18	10	20	14	13
	Neutral	17	18	20	14	18	18
	Favorable	68	64	70	66	68	70
	Total	100	100	100	100	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	41	20	37	50	42	33
	Neutral	26	20	30	27	23	24
	Favorable	33	60	34	24	35	42
	Total	100	100	100	100	100	100

Work Group Effectiveness and Teamwork		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
In my work unit, there are enough staff to handle high priority work.	Unfavorable	43	19	42	46	46	33
	Neutral	21	27	20	21	20	25
	Favorable	36	54	38	33	33	43
	Total	100	100	100	100	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	15	14	13	17	16	8
	Neutral	23	18	19	28	22	25
	Favorable	63	68	68	55	62	68
	Total	100	100	100	100	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	14	11	13	17	14	10
	Neutral	25	19	24	32	23	23
	Favorable	61	70	63	51	63	67
	Total	100	100	100	100	100	100
Employees treat one another with mutual respect.	Unfavorable	13	10	14	12	11	13
	Neutral	20	21	19	24	18	23
	Favorable	67	69	67	64	71	65
	Total	100	100	100	100	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	23	21	18	22	29	32
	Neutral	35	29	35	41	31	29
	Favorable	42	50	47	37	40	39
	Total	100	100	100	100	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	41	15	36	45	48	29
	Neutral	32	23	34	32	28	37
	Favorable	27	62	31	23	23	34
	Total	100	100	100	100	100	100
DEQ works well across disciplines to solve environmental problems.	Unfavorable	27	32	19	30	31	24
	Neutral	31	14	27	33	34	32
	Favorable	42	55	53	37	35	44
	Total	100	100	100	100	100	100
I actively collaborate across programs and regions.	Unfavorable	16	13	19	17	11	21
	Neutral	24	17	27	25	23	21
	Favorable	60	71	54	58	65	59
	Total	100	100	100	100	100	100

Employee Empowerment and Involvement		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	29	23	31	29	29	20
	Neutral	24	19	23	26	26	23
	Favorable	47	58	47	46	45	58
	Total	100	100	100	100	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	10	10	11	12	8	15
	Neutral	14	20	14	13	16	10
	Favorable	75	70	75	75	77	75
	Total	100	100	100	100	100	100
I am encouraged to seek new and better work methods.	Unfavorable	13	14	14	12	13	8
	Neutral	19	21	21	18	18	15
	Favorable	68	66	65	69	69	78
	Total	100	100	100	100	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	12	11	16	12	10	8
	Neutral	17	33	17	17	17	15
	Favorable	70	56	67	72	74	77
	Total	100	100	100	100	100	100
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	19	11	20	22	19	13
	Neutral	22	36	24	20	20	18
	Favorable	59	54	57	58	60	70
	Total	100	100	100	100	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	30	8	25	34	35	30
	Neutral	28	25	30	29	27	25
	Favorable	42	67	46	37	38	45
	Total	100	100	100	100	100	100
DEQ treats its people as its greatest asset.	Unfavorable	40	22	36	43	44	33
	Neutral	28	22	28	32	24	35
	Favorable	32	56	36	24	32	33
	Total	100	100	100	100	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	14	11	12	12	20	3
	Neutral	21	19	19	22	21	31
	Favorable	65	70	69	66	59	67
	Total	100	100	100	100	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	30	23	26	31	35	20
	Neutral	23	15	21	22	24	33
	Favorable	48	62	53	48	41	48
	Total	100	100	100	100	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	23	21	22	28	22	15
	Neutral	25	14	25	26	25	30
	Favorable	52	66	54	47	53	55
	Total	100	100	100	100	100	100
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	12	12	10	13	13	5
	Neutral	23	19	23	20	25	23
	Favorable	65	69	66	67	62	73
	Total	100	100	100	100	100	100
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	27	15	21	29	32	28
	Neutral	21	19	22	25	19	20
	Favorable	52	65	57	46	50	53
	Total	100	100	100	100	100	100
It is okay for me to admit I made a mistake.	Unfavorable	7	8	6	7	7	5
	Neutral	16	15	10	17	19	20
	Favorable	77	77	84	76	73	75
	Total	100	100	100	100	100	100

DEQ Management Effectiveness and Support		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
Management is open and honest in dealing with employees.	Unfavorable	28	12	23	31	32	29
	Neutral	30	19	29	34	29	32
	Favorable	43	69	48	36	39	39
	Total	100	100	100	100	100	100
Management effectively solves the major problems of the agency.	Unfavorable	37	18	32	40	42	31
	Neutral	33	27	32	38	31	33
	Favorable	30	55	36	22	27	36
	Total	100	100	100	100	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	23	13	20	22	29	19
	Neutral	33	31	32	37	29	39
	Favorable	44	56	48	41	42	42
	Total	100	100	100	100	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	17	11	14	17	19	19
	Neutral	27	16	25	26	31	17
	Favorable	56	74	60	57	50	64
	Total	100	100	100	100	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	26	22	19	28	31	28
	Neutral	33	26	34	37	29	31
	Favorable	42	52	48	35	40	41
	Total	100	100	100	100	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	20	17	18	22	23	16
	Neutral	28	17	29	31	27	32
	Favorable	51	65	53	47	50	53
	Total	100	100	100	100	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	15	15	11	17	20	5
	Neutral	27	31	25	26	28	28
	Favorable	58	54	64	57	52	68
	Total	100	100	100	100	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	23	9	18	30	26	17
	Neutral	37	23	37	33	39	43
	Favorable	41	68	45	37	35	40
	Total	100	100	100	100	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	31	14	28	36	35	23
	Neutral	28	14	28	23	31	40
	Favorable	40	71	43	41	34	38
	Total	100	100	100	100	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	34	10	32	45	35	20
	Neutral	35	25	34	28	40	43
	Favorable	31	65	35	28	25	37
	Total	100	100	100	100	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	18	11	15	22	20	10
	Neutral	29	33	27	28	28	41
	Favorable	53	56	58	50	52	49
	Total	100	100	100	100	100	100
Management models the culture they want to see.	Unfavorable	25	13	20	25	30	31
	Neutral	34	26	31	36	35	37
	Favorable	41	61	49	39	35	31
	Total	100	100	100	100	100	100
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	34	9	31	38	38	24
	Neutral	31	27	31	30	29	41
	Favorable	35	64	38	32	32	34
	Total	100	100	100	100	100	100
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	30	19	25	28	37	25
	Neutral	27	15	28	33	22	38
	Favorable	43	65	47	40	41	38
	Total	100	100	100	100	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	41	18	36	46	43	37
	Neutral	27	18	30	24	27	23
	Favorable	32	64	33	30	30	40
	Total	100	100	100	100	100	100

Managers' View of the Work Environment		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
In my work unit, there are few workload issues.	Unfavorable	60	100	55	63	68	46
	Neutral	15	0	30	6	9	15
	Favorable	25	0	15	31	23	38
	Total	100	100	100	100	100	100
I have the support I need to handle workload issues.	Unfavorable	26	100	25	38	14	31
	Neutral	31	0	30	31	36	23
	Favorable	43	0	45	31	50	46
	Total	100	100	100	100	100	100
I have adequate time to spend on managing employees.	Unfavorable	51	100	35	50	59	54
	Neutral	19	0	41	13	18	0
	Favorable	30	0	24	38	23	46
	Total	100	100	100	100	100	100
I have an appropriate level of responsibility and accountability.	Unfavorable	7	100	10	13	0	0
	Neutral	17	0	20	19	23	0
	Favorable	76	0	70	69	77	100
	Total	100	100	100	100	100	100
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	11	100	10	13	9	8
	Neutral	18	0	20	19	14	23
	Favorable	71	0	70	69	77	69
	Total	100	100	100	100	100	100
The new performance management system helps me better manage my staff and work section.	Unfavorable	23	100	20	33	18	20
	Neutral	25	0	33	25	23	20
	Favorable	52	0	47	42	59	60
	Total	100	100	100	100	100	100
I am given the support I need to deal with performance problems.	Unfavorable	12	100	6	19	9	8
	Neutral	21	0	19	19	23	23
	Favorable	68	0	75	63	68	69
	Total	100	100	100	100	100	100
My administrator actively supports the new performance management system.	Unfavorable	15	100	24	23	5	8
	Neutral	5	0	6	8	5	0
	Favorable	80	0	71	69	91	92
	Total	100	100	100	100	100	100

General Perceptions of DEQ		Agencywide	Tenure at DEQ				
			< year	1 to 5 years	6 to 10 years	11 to 20 years	21 or more years
		N = 646	N = 30	N = 204	N = 147	N = 221	N = 40
		%	%	%	%	%	%
DEQ is a great place to work.	Unfavorable	15	7	13	14	19	11
	Neutral	27	18	25	32	28	13
	Favorable	58	75	62	53	53	76
	Total	100	100	100	100	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	17	10	12	23	19	10
	Neutral	34	17	39	33	34	33
	Favorable	49	72	49	44	46	56
	Total	100	100	100	100	100	100
Most employees are proud to work for DEQ.	Unfavorable	16	8	13	17	18	11
	Neutral	27	16	28	29	25	28
	Favorable	58	76	59	54	56	61
	Total	100	100	100	100	100	100
Most employees are committed to the success of DEQ.	Unfavorable	6	11	6	7	6	6
	Neutral	23	19	26	20	22	22
	Favorable	71	70	68	74	72	72
	Total	100	100	100	100	100	100
I am a valued member of DEQ.	Unfavorable	15	12	12	13	20	15
	Neutral	21	24	20	24	20	18
	Favorable	64	64	68	62	60	67
	Total	100	100	100	100	100	100
My overall work environment at DEQ is good.	Unfavorable	13	7	13	15	13	10
	Neutral	20	7	14	23	22	33
	Favorable	67	86	74	62	65	58
	Total	100	100	100	100	100	100
My values are similar to the values of DEQ.	Unfavorable	12	7	6	13	18	11
	Neutral	21	15	18	25	20	32
	Favorable	67	78	76	62	62	58
	Total	100	100	100	100	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	16	7	12	19	20	18
	Neutral	24	27	23	28	23	25
	Favorable	59	67	66	53	58	58
	Total	100	100	100	100	100	100
Safety is emphasized in DEQ.	Unfavorable	9	10	9	9	10	10
	Neutral	20	14	16	20	26	15
	Favorable	70	76	75	71	64	74
	Total	100	100	100	100	100	100

I feel safe doing my job.	Unfavorable	4	7	4	4	5	3
	Neutral	16	7	14	14	19	13
	Favorable	80	86	82	82	76	85
	Total	100	100	100	100	100	100
How do you feel about the kind of work you do?	I like my work a great deal	41	53	39	38	43	53
	I am satisfied with my work	31	33	30	31	33	28
	I am somewhat satisfied	13	7	17	14	11	10
	I don't strongly like my work	6	0	6	7	6	3
	I am somewhat dissatisfied	7	7	5	10	7	8
	I don't like my work at all	1	0	2	0	1	0
Total	100	100	100	100	100	100	
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	22	47	24	19	17	30
	Satisfied	37	40	42	32	36	38
	Somewhat satisfied	20	10	18	24	22	15
	Neither satisfied nor dissatisfied	5	3	4	7	5	5
	Somewhat dissatisfied	8	0	7	12	9	5
	Dissatisfied	5	0	4	3	8	8
	Very Dissatisfied	2	0	2	1	3	0
Total	100	100	100	100	100	100	
How would you rate the ability of DEQ to attract high quality people?	Excellent	8	17	9	7	4	13
	Above Average	30	43	31	23	32	38
	Average	41	27	39	44	43	30
	Below Average	21	13	21	26	20	20
	Total	100	100	100	100	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	5	13	5	5	3	5
	Above Average	24	43	24	18	25	30
	Average	42	30	40	47	40	48
	Below Average	29	13	30	30	32	18
	Total	100	100	100	100	100	100

DEQ Management/Employee Communications		Managerial Status		
		Agencywide	Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
I am kept informed about issues that affect my overall job.	Unfavorable	19	21	7
	Neutral	30	33	14
	Favorable	51	47	79
	Total	100	100	100
I receive timely notification of changes in policies and procedures.	Unfavorable	18	20	4
	Neutral	30	32	21
	Favorable	51	48	75
	Total	100	100	100
I am given feedback that helps me to improve my job performance.	Unfavorable	21	23	8
	Neutral	30	31	21
	Favorable	49	46	71
	Total	100	100	100
I am satisfied with the information I receive from Management regarding what's going on in the agency.	Unfavorable	25	27	12
	Neutral	28	30	12
	Favorable	47	43	75
	Total	100	100	100
I have a clear understanding of my job responsibilities.	Unfavorable	8	9	3
	Neutral	15	16	5
	Favorable	77	75	92
	Total	100	100	100
I have a clear understanding of the roles and responsibilities of other employees, Programs, and Divisions within DEQ.	Unfavorable	27	28	14
	Neutral	33	34	22
	Favorable	40	38	64
	Total	100	100	100
Employees feel comfortable in revealing problems or errors to management.	Unfavorable	34	35	25
	Neutral	25	25	29
	Favorable	41	40	47
	Total	100	100	100
My manager and I meet at least quarterly to discuss my goals and performance.	Unfavorable	33	35	15
	Neutral	19	19	15
	Favorable	48	45	69
	Total	100	100	100
I have received a performance review within the last year.	Unfavorable	20	21	11
	Neutral	7	7	4
	Favorable	73	71	85
	Total	100	100	100

I have had the opportunity to provide meaningful feedback to my manager about his/her performance.	Unfavorable	33	34	21
	Neutral	20	20	22
	Favorable	47	46	58
	Total	100	100	100
I am held accountable for attaining goals laid out in DEQ's strategic directions, program and section plans and my own work plan.	Unfavorable	14	15	7
	Neutral	25	26	15
	Favorable	61	59	78
	Total	100	100	100

Customer Focus/Service		Managerial Status		
		Agencywide	Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
DEQ provides service to customers that is correct, timely, and lets them know where we stand.	Unfavorable	13	14	6
	Neutral	29	30	21
	Favorable	58	56	73
	Total	100	100	100
I am proud of the quality of service that DEQ provides to its customers and constituents.	Unfavorable	13	14	4
	Neutral	26	27	18
	Favorable	62	59	78
	Total	100	100	100
DEQ demonstrates a high standard of ethical business behavior.	Unfavorable	12	13	4
	Neutral	22	22	16
	Favorable	66	65	79
	Total	100	100	100
DEQ is reliable at delivering on its commitments to customers and constituents.	Unfavorable	13	14	7
	Neutral	30	31	27
	Favorable	56	55	66
	Total	100	100	100
DEQ has a high level of credibility with its customers and constituents.	Unfavorable	22	23	11
	Neutral	34	35	29
	Favorable	44	42	60
	Total	100	100	100
I have a full understanding of how my job affects DEQ's customers and constituents.	Unfavorable	6	6	5
	Neutral	15	16	5
	Favorable	79	77	89
	Total	100	100	100
How would you rate DEQ's service quality in terms of meeting internal needs and expectations?	Excellent	5	5	7
	Above Average	35	32	55
	Average	43	44	33
	Below Average	17	19	5
	Total	100	100	100
How would you rate DEQ's service quality in terms of meeting external needs and expectations?	Excellent	8	7	14
	Above Average	46	44	60
	Average	39	41	23
	Below Average	7	8	3
	Total	100	100	100

Your Immediate Manager/Supervisor		Managerial Status		
		Agencywide	Staff	Manager
		N = 646 %	N = 569 %	N = 73 %
My manager is fair and equitable.	Unfavorable	10	10	10
	Neutral	16	16	11
	Favorable	74	74	79
	Total	100	100	100
My manager sets a positive example for others to follow.	Unfavorable	12	13	7
	Neutral	17	17	15
	Favorable	71	70	78
	Total	100	100	100
My manager recognizes and rewards good performance.	Unfavorable	19	20	11
	Neutral	20	22	10
	Favorable	61	58	79
	Total	100	100	100
My manager is open and honest with employees.	Unfavorable	12	13	5
	Neutral	15	15	15
	Favorable	73	72	79
	Total	100	100	100
My manager treats me with respect as an individual.	Unfavorable	9	9	8
	Neutral	12	12	7
	Favorable	80	79	85
	Total	100	100	100
My manager is competent at doing his/her job.	Unfavorable	11	11	5
	Neutral	15	16	8
	Favorable	74	73	86
	Total	100	100	100
My manager cares whether or not I succeed.	Unfavorable	12	13	4
	Neutral	15	16	13
	Favorable	73	72	83
	Total	100	100	100
My manager has collaborated with staff to create an effective section plan.	Unfavorable	19	20	12
	Neutral	22	21	22
	Favorable	60	59	67
	Total	100	100	100
My manager provides training as required.	Unfavorable	14	14	9
	Neutral	21	22	10
	Favorable	65	63	81
	Total	100	100	100

My manager encourages and listens to suggestions.	Unfavorable	12	12	11
	Neutral	18	19	8
	Favorable	70	69	81
	Total	100	100	100
My manager deals with problems in a collaborative manner.	Unfavorable	14	14	10
	Neutral	20	21	14
	Favorable	66	65	77
	Total	100	100	100
My manager resolves complaints in a timely and straightforward fashion.	Unfavorable	14	14	7
	Neutral	23	24	11
	Favorable	64	61	82
	Total	100	100	100
My manager follows policies and practices.	Unfavorable	6	6	5
	Neutral	15	16	8
	Favorable	79	78	86
	Total	100	100	100
My manager knows enough about my work to provide the support I need.	Unfavorable	16	16	14
	Neutral	18	19	8
	Favorable	66	64	78
	Total	100	100	100
My manager does a good job of explaining why things are done in a certain way.	Unfavorable	14	15	5
	Neutral	17	18	14
	Favorable	68	66	81
	Total	100	100	100
The new performance management system has improved my working relationship with my manager.	Unfavorable	41	42	34
	Neutral	26	27	22
	Favorable	33	32	43
	Total	100	100	100

Work Group Effectiveness and Teamwork		Managerial Status		
		Agencywide	Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
In my work unit, there are enough staff to handle high priority work.	Unfavorable	43	45	29
	Neutral	21	20	25
	Favorable	36	35	47
	Total	100	100	100
My manager fosters teamwork and cooperation within my work group.	Unfavorable	15	16	7
	Neutral	23	23	19
	Favorable	63	62	74
	Total	100	100	100
My manager fosters teamwork and cooperation across work groups.	Unfavorable	14	15	6
	Neutral	25	26	19
	Favorable	61	59	75
	Total	100	100	100
Employees treat one another with mutual respect.	Unfavorable	13	13	8
	Neutral	20	19	23
	Favorable	67	68	68
	Total	100	100	100
Cooperation among work groups, Programs, and Divisions is good.	Unfavorable	23	25	13
	Neutral	35	35	31
	Favorable	42	40	57
	Total	100	100	100
The new performance management system increases clarity and definition of roles within my section.	Unfavorable	41	43	27
	Neutral	32	32	32
	Favorable	27	25	42
	Total	100	100	100
DEQ works well across disciplines to solve environmental problems.	Unfavorable	27	29	15
	Neutral	31	29	44
	Favorable	42	43	41
	Total	100	100	100
I actively collaborate across programs and regions.	Unfavorable	16	17	7
	Neutral	24	26	12
	Favorable	60	57	81
	Total	100	100	100

Employee Empowerment and Involvement		Managerial Status		
		Agencywide	Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
My ideas and opinions are asked for before important decisions are made that relate to my work.	Unfavorable	29	31	12
	Neutral	24	25	16
	Favorable	47	44	71
	Total	100	100	100
I am encouraged to use my own judgment and experience when solving problems.	Unfavorable	10	11	5
	Neutral	14	15	4
	Favorable	75	74	90
	Total	100	100	100
I am encouraged to seek new and better work methods.	Unfavorable	13	14	3
	Neutral	19	21	4
	Favorable	68	65	93
	Total	100	100	100
I have the ability to exercise creativity and build innovative solutions.	Unfavorable	12	13	4
	Neutral	17	18	10
	Favorable	70	68	86
	Total	100	100	100
I have the authority I need to effectively solve and correct problems as they occur.	Unfavorable	19	21	8
	Neutral	22	23	11
	Favorable	59	56	81
	Total	100	100	100
DEQ fosters employee growth through training and professional development.	Unfavorable	30	32	15
	Neutral	28	29	23
	Favorable	42	39	62
	Total	100	100	100
DEQ treats its people as its greatest asset.	Unfavorable	40	42	21
	Neutral	28	28	26
	Favorable	32	30	53
	Total	100	100	100
I have a clear understanding of how my work relates to the overall goals and objectives of DEQ.	Unfavorable	14	15	3
	Neutral	21	23	10
	Favorable	65	62	88
	Total	100	100	100
Conditions in my job allow me to be about as productive as I can be.	Unfavorable	30	31	22
	Neutral	23	23	21
	Favorable	48	47	58
	Total	100	100	100

My current position gives me an opportunity to experience a real sense of personal accomplishment.	Unfavorable	23	24	12
	Neutral	25	25	21
	Favorable	52	51	67
	Total	100	100	100
I am encouraged to balance technical and interpersonal skills as I perform my work.	Unfavorable	12	13	3
	Neutral	23	24	15
	Favorable	65	63	82
	Total	100	100	100
Employees are welcome to express viewpoints that may differ from those of management.	Unfavorable	27	28	19
	Neutral	21	23	10
	Favorable	52	50	71
	Total	100	100	100
It is okay for me to admit I made a mistake.	Unfavorable	7	7	7
	Neutral	16	16	12
	Favorable	77	77	81
	Total	100	100	100

DEQ Management Effectiveness and Support		Managerial Status		
		Agencywide	Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
Management is open and honest in dealing with employees.	Unfavorable	28	29	16
	Neutral	30	31	21
	Favorable	43	40	63
	Total	100	100	100
Management effectively solves the major problems of the agency.	Unfavorable	37	40	17
	Neutral	33	34	29
	Favorable	30	27	54
	Total	100	100	100
Managers are held accountable for attaining goals laid out in DEQ's strategic directions.	Unfavorable	23	25	13
	Neutral	33	32	35
	Favorable	44	43	52
	Total	100	100	100
Management does a good job of adapting to current budget and legislative conditions.	Unfavorable	17	17	14
	Neutral	27	29	10
	Favorable	56	54	76
	Total	100	100	100
Management provides a clear picture of where the agency is headed.	Unfavorable	26	28	10
	Neutral	33	34	23
	Favorable	42	38	67
	Total	100	100	100
Management takes necessary steps to control and reduce operating costs.	Unfavorable	20	21	14
	Neutral	28	30	19
	Favorable	51	49	67
	Total	100	100	100
Management places the proper emphasis on the importance of providing quality products/services to the public and customers.	Unfavorable	15	17	5
	Neutral	27	28	14
	Favorable	58	55	81
	Total	100	100	100
Management effectively prioritizes work according to the strategic directions.	Unfavorable	23	23	24
	Neutral	37	36	35
	Favorable	41	41	41
	Total	100	100	100
Management provides me with the resources (e.g., staff, materials, equipment budget, information) I need to perform quality work.	Unfavorable	31	32	25
	Neutral	28	28	26
	Favorable	40	39	49
	Total	100	100	100

Management uses performance measures effectively to measure success and improve processes, products, and services.	Unfavorable	34	35	28
	Neutral	35	36	29
	Favorable	31	29	43
	Total	100	100	100
Management is accessible to assist in solving problems, sharing concerns, etc.	Unfavorable	18	19	8
	Neutral	29	30	21
	Favorable	53	51	71
	Total	100	100	100
Management models the culture they want to see.	Unfavorable	25	26	18
	Neutral	34	34	32
	Favorable	41	40	50
	Total	100	100	100
The new performance management system helps link section goals to the Agency's mission.	Unfavorable	34	36	25
	Neutral	31	33	22
	Favorable	35	32	53
	Total	100	100	100
DEQ Managers demonstrate that employees are important to the success of the agency.	Unfavorable	30	32	11
	Neutral	27	27	25
	Favorable	43	40	64
	Total	100	100	100
The new performance management system improves the quality of direction provided by my manager.	Unfavorable	41	42	33
	Neutral	27	29	15
	Favorable	32	29	52
	Total	100	100	100

Managers' View of the Work Environment		Agencywide	Managerial Status	
			Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
In my work unit, there are few workload issues.	Unfavorable	60	0	60
	Neutral	15	0	15
	Favorable	25	0	25
	Total	100	0	100
I have the support I need to handle workload issues.	Unfavorable	26	0	26
	Neutral	31	0	31
	Favorable	43	0	43
	Total	100	0	100
I have adequate time to spend on managing employees.	Unfavorable	51	0	51
	Neutral	19	0	19
	Favorable	30	0	30
	Total	100	0	100
I have an appropriate level of responsibility and accountability.	Unfavorable	7	0	7
	Neutral	17	0	17
	Favorable	76	0	76
	Total	100	0	100
I am given the appropriate amount of coaching and mentoring to be successful in this job.	Unfavorable	11	0	11
	Neutral	18	0	18
	Favorable	71	0	71
	Total	100	0	100
The new performance management system helps me better manage my staff and work section.	Unfavorable	23	0	23
	Neutral	25	0	25
	Favorable	52	0	52
	Total	100	0	100
I am given the support I need to deal with performance problems.	Unfavorable	12	0	12
	Neutral	21	0	21
	Favorable	68	0	68
	Total	100	0	100
My administrator actively supports the new performance management system.	Unfavorable	15	0	15
	Neutral	5	0	5
	Favorable	80	0	80
	Total	100	0	100

General Perceptions of DEQ		Managerial Status		
		Agencywide	Staff	Manager
		N = 646	N = 569	N = 73
		%	%	%
DEQ is a great place to work.	Unfavorable	15	16	7
	Neutral	27	28	18
	Favorable	58	56	75
	Total	100	100	100
DEQ is effective as an agency in fulfilling its mission.	Unfavorable	17	18	8
	Neutral	34	36	24
	Favorable	49	46	68
	Total	100	100	100
Most employees are proud to work for DEQ.	Unfavorable	16	17	6
	Neutral	27	28	18
	Favorable	58	55	76
	Total	100	100	100
Most employees are committed to the success of DEQ.	Unfavorable	6	7	6
	Neutral	23	23	17
	Favorable	71	70	78
	Total	100	100	100
I am a valued member of DEQ.	Unfavorable	15	16	10
	Neutral	21	22	16
	Favorable	64	63	74
	Total	100	100	100
My overall work environment at DEQ is good.	Unfavorable	13	14	5
	Neutral	20	20	16
	Favorable	67	66	78
	Total	100	100	100
My values are similar to the values of DEQ.	Unfavorable	12	13	4
	Neutral	21	22	18
	Favorable	67	65	78
	Total	100	100	100
I feel a strong sense of loyalty towards DEQ.	Unfavorable	16	17	8
	Neutral	24	26	12
	Favorable	59	57	79
	Total	100	100	100
Safety is emphasized in DEQ.	Unfavorable	9	10	6
	Neutral	20	21	15
	Favorable	70	69	79
	Total	100	100	100

I feel safe doing my job.	Unfavorable	4	4	4
	Neutral	16	17	5
	Favorable	80	79	90
	Total	100	100	100
How do you feel about the kind of work you do?	I like my work a great deal	41	39	64
	I am satisfied with my work	31	32	25
	I am somewhat satisfied	13	14	5
	I don't strongly like my work	6	6	0
	I am somewhat dissatisfied	7	7	5
	I don't like my work at all	1	1	0
	Total	100	100	100
All things considered, how satisfied are you with DEQ as a place to work?	Very satisfied	22	19	41
	Satisfied	37	37	38
	Somewhat satisfied	20	21	11
	Neither satisfied nor dissatisfied	5	5	3
	Somewhat dissatisfied	8	9	1
	Dissatisfied	5	5	4
	Very Dissatisfied	2	2	1
Total	100	100	100	
How would you rate the ability of DEQ to attract high quality people?	Excellent	8	7	11
	Above Average	30	30	40
	Average	41	41	38
	Below Average	21	22	11
	Total	100	100	100
How would you rate the ability of DEQ to retain high quality people?	Excellent	5	5	5
	Above Average	24	23	37
	Average	42	42	41
	Below Average	29	31	16
	Total	100	100	100

Appendix I: Reasons I Joined DEQ – Other

- A job with benefits
- agency's environmental responsibilities (predates articulated Vision/Mission)
- Availability of a job
- available at the time
- belief in making a positive impact
- Benefits and pay, but those are no longer valid
- best geologic position for the area at the time
- better than unemployment
- chance to go to school
- Change of environment
- change of environment
- Commitment to Public Service and the Environment
- Concern for the environment
- Concern for the Environment
- Environmental Mission
- Environmental protection
- Flexibility in scheduling
- God
- help cleanup the environment
- help the environment
- hours
- I just needed a job.
- I needed a job.
- intern
- it was \$\$
- It was a big paycut, but I was a little desperate.
- job fit my Master's degree studies
- needed A job
- needed a job
- needed a job
- Needed a job
- needed a job at the time

- No other jobs available
- only place I could find a job
- organizing work my own way
- People that I work with are very knowledgeable and professional.
- PERS
- PERS
- Program assumption by DEQ
- Promotional opportunity
- Quality of co-workers
- Quality of the people in the agency
- reduce work-related stress
- Retired
- Service
- specific complex technical project
- stability
- Started as temp. employment; became real job.
- the people
- the people
- Unemployed
- unemployed
- unemployed
- Unemployment
- was a job
- WAS PERS.
- work to actively improve environment
- work to actively improve environment
- Working hours

Appendix J: Reasons I Continue with DEQ – Other

- at my current level there are no promotional opportunities in this area
- bad job market
- belief in making a positive impact
- colleagues, my manager
- Commitment to Public Service and the Environment
- Contact with regulated community
- employment stability
- employment stability
- Environmental protection
- family flexibility
- fellow employees (part of work environment?)
- fellow staff
- Fellow staff
- Flexibility
- Flexibility in schedule
- Flexibility in scheduling
- Flexible hours
- Flexible schedule
- Flexible work hours.
- Flexible work schedule
- flexible work schedule
- Given authority to craft solutions to difficult problems in a collaborative and creative fashion
- Good co-workers
- Haven't figured out what I really want to do in life, but working here is not it!
- Haven't found a better job yet
- Honestly, the main reason I stay is that I've been too lazy to mount an effective job search for something more financially and emotionally rewarding. It's pretty clear that state employees are not highly regarded by the legislature or the gov.
- hours
- I am afraid to change, I hate change,
- I am too close to retirement to change jobs again.
- I have no idea!
- I like the people who work here.

- independence of action to get work done
- It's a job
- Its a job
- it's a job
- It's a job
- it's a steady paycheck
- Job market
- Job Security
- Job security
- Lack of motivation to go find another job
- lack of other opportunities
- like my job & helping folks
- Location
- Looking for other work
- nearing retirement and the security is important
- need a job
- need a job
- No other employment options in this area
- No where else to go (sad isn't it)
- None
- None of the above. Waiting to qualify for retirement.
- Not sure anymore (sorry)
- Other opportunities outside of DEQ are not available in this current job market (i.e. grateful to have a job)
- passion to work in the Environmental field
- Paying 70% of school
- people
- PERS
- PERS
- quality of co-workers
- quality of life (flex schedule)
- Quality of the people in the agency
- Reached a critical level of experience and knowledge of regulatory work
- really like the people that i work with and my manager is great
- really only job security now
- retirement

- retirement
- Semi-decent coworkers, usually
- Should be a decent retirement.
- slow economy
- Sometimes I get to shape my job, ask worthwhile questions.
- Sometimes i'm not sure why I stay here; the pay is terrible and there is no compensation for doing great work and for going the extra mile.
- stable employment
- Stable work
- staff/people I work with
- Tendancy to not layoff
- The people
- The people who work alongside me are terrific!
- The unknown PERS effect
- Time on the job
- To close to retirement to make a change
- to see that my manager doesn't intimate people with his control thing
- too close to retirement
- Too close to retirement
- Too much time invested to leave
- Too old to do anything else
- Trapped - too close to retirement to change.
- Weak job market

Appendix K: Verbatim Comments – Like the Most

Appendix K: Verbatim Comments – Like the Most contains the full listing of employees' responses to the question, *What's the one thing you like the most about working at DEQ?*

Code	N	%
The Staff / Co-Workers	139	27
Job Security / Benefits / Pay / Advancement	49	10
Work Environment / Aspects of the Job	161	32
DEQ's Mission	135	26
Other	27	5
Total	511	100

The Staff / Co-Workers

- As a manager I am allowed to make my own decisions and I am provided support for those decisions from my manager.
- Cohorts are friendly, fun AND dedicated, intelligent professionals. Most could easily get a better paying position somewhere else.
- Committed, friendly, competent people.
- Coworkers
- Coworkers
- co-workers
- Dedication amongst staff in trying times.
- Dick Nichols is easy to work with and he encourages cross-training.
- Everyone is collegial and very friendly.
- Everyone I've encountered at DEQ has a positive attitude, good intentions, and they are dedicated to protecting the environment.
- fellow employees
- Fellow employees.
- Fellow staff
- For the most part, my coworkers, without them I would not be here.
- Great colleagues...great manager at the moment
- Great co-workers
- Great group of people in the program.
- Hard working, dedicated co-workers.

- I am motivated by the high level of concern that my fellow employees share about protecting the environment.
- I am treated with respect and encouraged to succeed by my current manager
- I appreciate most working with some of the people of DEQ. A great deal of them treat me like family
- I appreciate the fact that some my co-workers play a big role in influencing me on how important it is for me to thoroughly understand and dedicate my efforts to this agency.
- I can trust the people I work with.
- I enjoy all of the people that I work with on a regular basis. Recently, I have started a job development assignment which is allowing me to explore my abilities.
- I enjoy the people I work with, both in my and other offices, and I have a comfortable feeling working here.
- I enjoy the people I work with.
- I enjoy the people that I work with.
- I enjoy working for my current manager.
- I enjoy working with other staff on projects.
- I have a strong feeling of commitment to my manager.
- I have an excellent manager.
- I have many very close friends here at DEQ
- I like my fellow employees. They are a good bunch of folks.
- I like my particular program but I think the relationship we have in our group is much better than in other programs. I like my co-workers and my managers are good people that I respect. My manager does not always keep me informed with things that affect me and my position. I have to reprimand that manager frequently because of it.
- I like the people I work with, location and the job itself.
- I like the relationships of the coworkers and how we are able to find what is needed when we all pitch in to get the job done.
- I like working collaboratively on projects with co-workers and staff from other agencies and my supervisor. She is an artist of encouragement.
- I like working for my manager a great deal.
- I like working with my fellow employees.
- Immediate work group and manager.
- in general, the people are nice
- Intelligent, committed employees.
- Intelligent, friendly, and helpful co-workers.
- interacting with fellow staff and source contacts
- It's the people, stupid! This is the same answer to the same question that has been answered countless times before. What's mystifying and depressing is that management has not found a way to energize the people resource.
- It's a tie between the downtown location and the friendly people.

- It's like a big family.
- management's willingness to take personal risks to help staff
- Manager and co-workers
- Most of the people are very good to work with.
- Most of the people I work with work hard and enjoy making a contribution to improving the environment.
- Most of the people I work with.
- Most of the people who work here.
- mutual respect
- my co workers
- My co-workers
- My co-workers
- My coworkers in my immediate office area keep me going
- My co-workers.
- My co-workers. They are dedicated professionals and on a personal level, most of them are really great people!
- My fellow employees
- My fellow employees.
- My manager Trusts me
- My people.
- My work unit.
- Other staff's attitudes about work. After all we spend a great deal of time working here, and other staff, whom do quality work and are a pleasure to work with make working here more satisfying, that we as a group are making a contribution.
- people
- People
- People
- Personal integrity of DEQ employees
- probably the diversity of people at the agency
- professional, pleasant co-workers
- public/peer interaction
- relationship w/peers, managers, and public
- Relationship with other employees
- Relationship with other employees
- Staff that I work with and working on local projects
- The caliber of fellow employees.
- The coaching and support I get from my manager

- the collaboration of my section internally and externally
- The customers
- The dedicated staff
- The diversity of personalities and skills that work together well.
- The frontline people performing the work.
- the great people I work with/the other inspectors
- The immediate staff I work with.
- The other staff members
- The people
- the people
- the people
- The people
- the people
- The people
- The people
- The people and their commitment to serving the environment.
- the people and their support (my coworkers)
- The people are likable and overall enjoy working at DEQ.
- The people at DEQ and most of our customers
- The people here are fantastic!
- The people I directly work with.
- The people I share an office space with, and their commitment to doing good work.
- The people I work with.
- the people I work with
- The people I work with
- The people I work with and for
- The people I work with and the flexibility of my manager to accommodate individual needs.
- The people I work with and the overall mission of DEQ!
- The people I work with and the work environment.
- The people I work with are great. My manager is very good to work for.
- The people I work with in my section.
- The people I work with, both management & associates.
- The people I work with.
- The people I work with.
- The people I work with.
- The people I work with.

- The people I work with.
- The people I work with.
- The people I work with.
- The people I work with.
- The people I work with.
- The people with whom I have the most contact
- The people, mission and goals.
- The people.
- THE PERSONAL COMMITMENT OF THE STAFF --- DEQ STAFF BELIEVE IN WHAT THEY'RE DOING
- The quality and commitment of the staff who I manage
- The quality of the people and the efforts to carry on our mission with inadequate resources.
- The staff
- The staff are top notch
- The staff that I get to work with not managers
- The staff.
- The staff.
- The team of professionals I work with.
- The teamwork and supportive, collaborative, and communicative work environment from top to bottom. We all matter, and are treated with much respect. The quality of the people here make this a very supportive environment to do your best.
- Two: coworkers and making some difference.
- working with a great bunch of people who take pride in their work.
- Working with a professional staff, across all programs.
- working with all the staff. Doing different things all the time.
- working with dedicated people
- Working with its outstanding employees...

Job Security / Benefits / Pay / Advancement

- Anymore, I like the benefits and compensation for time off.
- benefits
- benefits
- benefits
- benefits
- benefits
- benefits
- Benefits

- Benefits
- benefits
- Benefits, great staff.
- Compensation
- Compensation, co-workers
- Compensation.
- Constant paycheck.
- DEQ does give some nice training opportunities to employees.
- Getting paid
- Getting paid.
- "Guess that was a really good hint, time to leave. I've been sitting for 10 minutes trying to think of my answer. All I came up with is:
 - 1. I have a nice office
 - 2. It's a stable job in a bad economy."
- Having a job, with some assurance of keeping the job.
- I HAVE NOT MISSED PAY CHECK IN TWENTY EIGHT YEARS.
- In my current position, I have been given a tremendous opportunity for growth.
- It's an easy paycheck -- my standards are higher than DEQ's so no pressure here.
- Job security
- Job Security
- Job security
- Job security.
- Job stability
- Knowing that I am covered medically. Medical costs have sky rocketed and knowing I have coverage puts my mind at ease.
- Money
- Of the top three items that were listed for me to choose from I would say benefits at this point.
- Pay check is there every month..
- Paycheck
- PAYCHECK
- PAYCHECK
- So far it's been steady work.
- stability
- Stable employment
- Steady paycheck.
- That they pay for 60% of my schooling.

- THE BENEFITS
- the benefits
- The hours and benefits.
- The medical benefits
- The monetary income
- the money
- The opportunity for advancement.
- the pay and my direct boss Gil Hargreaves
- The stability

Work Environment / Aspects of the Job

- A flexible work schedule that provides more personal time.
- A proper blend of technical analysis and practical implementation
- ability to act independently
- Ability to be responsible for my own doings & decisions
- Autonomy and discretion to do my work with my own creativity, expertise and vision
- Autonomy in my job.
- Being able to do most of my job independently, organize my work, get things done.
- Being able to work in a team to provide service to DEQ
- Being able to work independently, without being "micromanaged".
- Being allowed to respectfully disagree even when decisions are made that are contrary to ones opinion.
- Challenging work -- technically and politically.
- Challenging, varied, and important work.
- Clear, honest, timely information about where the agency is headed and ongoing communication about important issues to employees, e.g. legislative action, budget updates, etc.
- commitment to employees. Allowing flexibility in schedules allows for better quality of life at home.
- customer interaction
- daily challenges
- Daily challenges
- DEQ encourages new approaches to everything. It's very friendly to families and flexibility.
- DEQ has been sensitive to structuring my employment so that I can also manage my personal responsibilities outside of work.
- DEQ values its employees.
- Doing a variety of assignments within in my group and with other programs.

- each day is different and I am continually challenged
- Enjoyable work at a reasonable pace.
- family flexibility
- Field work
- Field work.
- Flexibility
- Flexibility
- flexibility
- flexibility
- Flexibility -- flex schedule, telecommuting, etc.
- Flexibility (flex schedule)
- Flexibility in my job and work schedule
- Flexibility in working on environmental issues
- Flexibility of work schedule.
- Flexibility to do my job without a lot of pressure and intervention.
- Flexibility with my work schedule
- flexibility with schedule.
- Flexibility with schedules, family time, etc.
- Flexible schedule
- flexible schedule
- Flexible Schedule
- Flexible schedule
- flexible schedule, independence to work on side projects
- flexible schedules
- Flexible work schedule
- Flexible work schedules
- Flexible working conditions.
- freedom and independence to resolve daily issues with the public and to be creative within the confines of the regulations.
- Generally relaxed atmosphere.
- Getting paid to assist people in complying with environmental regulations.
- Getting paid to work in a scientific setting where valid data production is high priority.
- Helping property owners clean up their sites so they can be reused for their highest and best use.
- High-end analytical equipment.
- I am given great flexibility to balance my work load/goals with my personal life

- I am not boxed in. Creative problem solving is encouraged. I am not micro managed.
- I appreciate the fact that we are given the opportunity to move up and around in the program
- I can set up my own time.
- I can work at a job I can tolerate, at wages that can support me and my family and live where I want to live. Oh yeah... and I just LOVE taking these surveys!
- I don't have to look for work to stay busy or involved.
- I enjoy the type of work that I do.
- I feel valued as an employee. I feel treated with respect and that my satisfaction matters. This translates into a higher level of work production for me because I feel daily satisfaction in my job and as part of a team of we people trying to achieve common goals. The pay and benefits are very good, but the feeling of value matters more on a daily basis.
- I have carved out a niche where I can be productive and effective. I am grateful for that opportunity.
- I have opportunities to explore and innovate
- I like being able to work independently with people to solve environmental problems.
- I like my position and work duties:
- I like the challenging work and the responsibility.
- I like the freedom to work on a project, and develop it the way I feel it needs to be developed, but have peer support and managerial help to perform the tasks.
- I like the harmonious atmosphere of our department.
- I like the Mentorship Program and the Career Plan opportunities.
- I like the variety in what I do in my job.
- I like the work I'm doing.
- I like to keep busy and for the most part, the VIP program provides this.
- I like to organize and prioritize my work in my own way, with the freedom to devise challenging projects when I see the need for them.
- I like to teach the permittees how to comply with their permits.
- I like working at the laboratory, performing laboratory analysis, many of my co-workers, and my manager.
- I love the challenge of the work.
- I value the flexibility I have in my schedule, allowing me to balance my work life and my outside interests.
- I work a forty-hour week and have never been called in the evening due to system problems. I have worked elsewhere knowing that I would be putting in 60 to 60 hours per week due to evening/weekend calls, at a 40-hour wage.
- Immediate work environment.
- Independence and flexibility
- Independence and old friends
- Independence and responsibility to pursue my work. And, the importance of my work.

- Intellectual stimulation.
- Interesting, engaging work.
- Job satisfaction.
- Lots of variety...there is no "same old grind" here.
- My co-worker that I work around each day. Ability to work a flexible schedule
- My job fits my skill-set, and I'm able to expand my knowledge as situations present themselves that require additional knowledge.
- my specific job
- My specific work
- My work environment.
- My work is very interesting and continues to provide a high learning curve.
- Office atmosphere
- Opportunities for career growth seem to be re-emerging in the overall culture (e.g., the mentoring program). I think this is necessary for continued interest in working at DEQ. Otherwise, when the employee is unchallenged by the work and stuck in a job (despite attempts to move on to a different challenge) there is a tendency to begin looking at opportunities outside the agency.
- Opportunities to acquire varied and quality work experiences with highly qualified professionals.
- opportunity for creative problem solving
- Opportunity to deal with many industries
- Opportunity to use my creativity
- Overall, a high quality of work and work ethic.
- People, hours and helping the environment.
- Personal commitment and professionalism of my peers
- Personal responsibility for planning and implementing solutions to assigned tasks/work.
- Project management; complex issues to manage
- Public interaction, solving problems, being responsive
- Regular hours.
- sense of challenge to successfully complete complex projects
- So far the working environment has been exceptional. I have everything I need in order to do my job effectively.
- Staff, work, benefits, sense of accomplishment.
- Strong commitment to working with Oregonians
- That I can do my work without much hassle from management, and finish it with quality.
- That I have the opportunity to advance into other departments.
- That the work is interesting and challenging and my co-workers are smart and funny.

- The ability to do my job knowing that my manager trusts my judgment and integrity, while providing support as needed.
- The ability to have a flex schedule and to work at home in needed.
- The ability to work with Oregonians in solving real and complex problems.
- The autonomy that my position provides.
- The challenge of learning a new job.
- The challenge of successfully completing the project.
- The chance to work in a scientific agency with like-minded individuals.
- The chance to work in the field
- The DEQ offers great flexibility to people with families in terms of schedule.
- The diverse things I get to do...work out in the field, office and lab setting. The opportunity to learn new things.
- The fact the we approach our work with a private sector business ethic and are only satisfied with high quality work.
- The flexibility and activity and variety of customers.
- The flexibility of coworkers and management in work schedules and in learning new things.
- The freedom to develop creative solutions to effectively address environmental problems I have been assigned to address.
- The freedom to get things done....field work, flexibility
- The mix of field work and office work.
- The opportunity to do innovative technical work while interacting with the Regions and the regulated community.
- The opportunity to work on a variety of projects that I can bring expertise and excellent skills to accomplish.
- The support I receive from my boss to make innovative decision and work towards finding better solutions to how I do my job. That drive to always improve in what we do. The work environment is key too. Also, it is great to work with liked minded environmentalists.
- The type of work that we do. Our function in society and in the field of environmental science.
- The variety in the type of work
- The variety of work and issues.
- The variety or work experiences provided by my job.
- the work
- the work environment
- The work environment in MSD/BSD is supportive and productive.
- the work I am doing
- The work that I am doing.
- The work, collaborating with other agencies and constituents.
- The working environment

- Type of work
- Variety
- Variety of challenges
- When opportunities arise to do creative and important new work (challenging and innovative work interest me)
- When we do things right, we have a fun, creative, innovative work environment.
- Work environment
- work environment
- Work Environment
- work environment
- Work environment.
- Work place environment, managers.
- Work schedule flexibility
- Working a flex schedule.
- Working conditions are great.
- Working independently without much interference.
- working on diverse projects
- Working on interesting projects
- Working with the public.

DEQ's Mission

- To be able to do my best job and have the results be meaningful to the State of Oregon.
- A chance to contribute towards a better environment.
- a chance to keep the environment clean.
- A clean environment is our goal
- A worthwhile mission, and good people to carry it out.
- Being a part of the agency that helps to protect the environment.
- Being able to work on issues I care about and do work I consider meaningful.
- being in a position to help improve the environment
- being part of the solution to environmental problems
- Believing that I am contributing to the solution of environmental problems.
- Chance to make a difference.
- Collaboration with external stakeholders and sister agencies.
- contributing to a healthier environment
- contributing toward environmental protection goals

- DEQ appears to be technically competent and innovative (as opposed to efficient and effective execution)
- Doing a job that's important and makes a difference.
- Doing an important job.
- Doing good for the air quality.
- doing good for the environment
- Doing paid work that is in alignment with my values of environmental stewardship and protection.
- Doing projects that will have an impact
- Doing work that you can believe in.
- Environmental protection
- Environmentally oriented
- Excellent leadership from our Director. Proud of the work we do to protect the environment. Well respected by other agencies, the public, regulated community, and other branches of government.
- Good Environment and Good People to work with.
- having a positive impact on Oregon's environment
- Having a positive impact on trying to maintain an environment that all Oregonians can be proud of.
- Having the opportunity to make a positive impact on the environment and protect the health of Oregonians.
- Helping keeping air quality is good.
- Helping people and the environment.
- helping the environment be a better place for the public to live
- Helping the environment but I think that the VIP programs should be statewide.
- I agree with the goals of DEQ, and I like working for an agency with a mission similar to mine. And my section manager is a really great person to work for.
- I appreciate the opportunity to assist our state in working toward achieving and maintaining livable and improving air quality standards for the future generations of Oregonians
- I believe in the work that I do and that is the first thing that comes to mind about what I like most about working for DEQ.
- I can prioritize my work helping the public
- I enjoy working for an agency that has the goal of protecting human health and the environment.
- I feel as if I'm making my own little corner of the environment better based on what I have learned with the Agency over the past 15+ years.
- I feel I have a chance to improve the environment in creative, innovative, collaborative (with communities) ways.
- I feel that I have the ability to make a difference - this can happen at various levels within the organization.

- I have a purpose to help and serve for something bigger than myself.
- I have a strong belief in DEQ's mission and get a lot satisfaction with the little bit that I contribute to the success of that mission. I also really like that fact that the job is always challenging and therefore has plenty of opportunity for personal growth and continual learning. I guess that was more than one example... sorry.
- I like that I am doing meaningful work that will make a difference to future generations.
- I look forward to coming in each day because I get to try to solve environmental problems.
- I love what DEQ stands for making a difference
- I share some environmental values with my employer.
- I think that it is important to protect the environment and I like participating in technical assessments that can provide sound science to decision makers.
- I think the work is important
- Involved with environmental protection
- It gives me an opportunity to make a difference
- knowing that I am helping the environment.
- Knowing that I am part of an organization that takes a great deal of pride in the work that is being done, working towards cleaner air, land, water issues.
- Making a difference
- Making a difference in the environment!
- Making a difference.
- making a good difference for the environment
- Making government processes better (i.e., simpler, more efficient, etc.)
- Mission
- Mission and current leadership.
- Mission to protect the environment
- Mission to protect the environment.
- Mission.
- my job helps protect the environment
- My position helps address water quality problems and allows me to work with local citizens to implement conservation practices.
- Opportunity to do positive things for the environment
- Opportunity to make a positive contribution through science
- opportunity to perform important public service
- Our job is to protect the environment
- Our mission to protect the environment.
- Our mission.
- over all it stands for something good; thus I look forward to my work knowing I contribute to that 'something good'.

- People doing public service showing commitment to improve the environmental and insure safe and healthful place for Oregonians.
- People.
- Professionally, the work is now at the forefront of changes in investigation and cleanup. The agency work to streamline and find better solutions has a lot to do with this. When you leave the business as usual frame, you allow creativity.
- Protecting the environment
- Protecting the environment
- Protecting the environment and the challenges involved in doing so.
- Sense of purpose in helping our environment.
- Serving the public
- Shared goal of protecting the environment with all employees.
- Solving an environmental problem or helping a business meet its obligations to the environment more efficiently -- through TA or through enforcement
- Successful completion of work that has real benefit to the people of Oregon and the environment.
- That my daily work positively affects water quality in Oregon.
- That my work contributes to improving the quality of the environment in Oregon.
- That we are making a difference for the environment.
- The "culture" of this agency emphasizes integrity and commitment to our core mission and attracts great people.
- The ability as the lead agency to set the tone of environmental stewardship/protection for the state of Oregon
- The ability to assist communities in reaching their goals
- The ability to make a discernible positive impact
- The challenges of the work and the contentment of knowing I am helping to protect the environment.
- The Director would be great in any environment. In these tough political and budget times, she is fantastic.
- The environmental challenges
- The fact that I am doing something to protect and improve the environment.
- The feeling that my work is worthwhile and that I am not just putting in my 40 hrs/week.
- The feeling that my work matters, that my work benefits the environment.
- The great work we do to keep the environment clean
- The idea that I can have a direct influence in improving the environment.
- The importance of the work speaks for itself, which makes me feel good about my program.
- The mission (protecting one of the greatest environments of all the 50 states).
- The mission and the dedication of the staff to doing an excellent job. That's two things, but I don't want to leave either of them out.

- The mission of the agency.
- The mission, even though we don't always implement it (mostly because of political pressure).
- The nature of the work I perform is my dream job.
- The opportunity to do something to protect the environment and help educate the public about the environment.
- The opportunity to help change the air quality for future generations of Oregonians
- The opportunity to make a difference.
- The overall mission of the agency
- The potential to protect and restore Oregon's water resources for the citizens of Oregon.
- the role of the agency in protecting and restoring the environment
- The sense of helping others and protecting the environment
- The sense of knowing that I work for an Agency with strong values that is striving to improve the quality of the environment.
- The shared commitment of DEQ employees to protecting the environment and providing public service.
- The shred of hope that I can actually be part of environmental progress.
- The stated mission of the agency.
- The think I like the most is the satisfaction of doing my part in keeping the air cleaner by having people actually fixing their vehicles.
- The type of work I do and helping the customers/clients get what they want from the agency.
- The type of work the agency is, in that I mean to improve and keep our air, land, and water clean.
- The varied nature of my work, working with programs and sections throughout the agency on a variety of issues
- The work we do.
- To be a researcher for all my life
- We are here for the health and well-being of the public and the planet.
- we are trying to improve Oregon's environment.
- Within VIP they are always on the quest for a better way to do things, we are not just standing still. Other states look to us for advice on program operations and customer service issues. It's good to be a part of something like that.
- Working for the environment doing work I trained to do.
- working for the environment.
- Working to help the environment
- Working to help the environment.
- Working to improve the environment
- working to improve the lives of Oregonians
- Working to maintain and protect the environment

- Working to protect and improve environmental quality.
- working toward a mission of protecting public health and the environment
- Working towards a better environment for the general population as well as this small planet.
- Working with different groups of people to resolve environmental problems.

Other

- Anti-mobbing policy
- At DEQ, I enjoy most of the vanishing ethically environmental principles of DEQ's mission statement "to be a leader in restoring, maintaining, and enhancing the quality of Oregon's air, water and land". For years I really believed DEQ put the environment first. Now I have learned this is not true. I will continue to personally strive towards returning these lofty principles to DEQ one day.
- Close to my home.
- DEQ does have the authority to address the various causes of pollution and regulate it appropriately. The big problem is that we have to buffer our capability to regulate based on how politically charged the issue may be. Although not realistic, it would be nice if we has enough staff to quit fighting fires and put in the appropriate amount of time to do quality work and protect the environment.
- Downtown location
- dress code
- Establishing good working relationship with the customers.
- Going home.
- I don't know
- I like that my manager and all his fellow managers keep 4/40 schedules. So when they take Friday off, the rest of the staff can play all day long on. Friday too!
- I only have a very short time remaining before retirement.
- I'm not sure of the meaning of "high quality people", I don't know who is "Management" I don't like having to answer when the answers don't meet what I would answer. This survey is fixed to make DEQ appear as a "great" place to work, even if I agree or don't agree. The last two answer, I only checked just to complete the survey. I don't know what the standard is for "high quality" I mean, who and how do you rate a person as being "high quality?" I would have answered, "I don't know"
- Job Location relative to my home
- Location
- location
- location
- loved the job I HAD - then got bumped backwards because I did a good job
- Never getting a raise means never having to work harder.
- people are chosen to be well suited to the work conditions
- retirement

- That the agency tries very hard to retain staff during hard budget times.
- The location is great.
- The people are dedicated and believe in what they're doing. Regardless of public perception and poor mgmt.
- we need more \$\$\$\$\$\$\$\$\$\$\$\$\$\$.so we con survive. in this world. more \$\$\$\$\$\$\$\$\$\$\$\$\$\$.
- Working with stakeholders.
- Working within the community I live in.
- No comment

Appendix L: Verbatim Comments – One Thing to Change

Appendix L: Verbatim Comments – One Thing Change contains the full listing of employees' responses to the question, *What is the one thing you'd like to see changed so that you can do your job better?*

Code	N	%
Better Staff / Communication within Staff	103	21
Job Security / Benefits / Pay / Advancement	50	10
Improve the Work Environment	127	26
DEQ's Mission	64	13
More Funding	91	19
Other	48	10
Total	483	100

Better Staff / Communication within Staff

- 1) More effective manager modeling of behaviors and characteristics to be modeled to forward the mission of the agency; more face time with employees, more time for managers to manage people, not be responsible for program component implementation. I see staff near me that are nearly TOTALLY unmanaged, un-directed, unknowledgeable about their responsibilities, unaware of how they fit in to the agency and its cross-program approach, and unaware of customer service ethic that is of a high priority to the agency. 2) Less opportunity for staff members to consistently say ""I'm really busy, I'm swamped"". I'm not so sure that is necessarily true, and priority setting and staff focus may need some attention.
- A few technically skilled managers.
- A greater sense of everyone doing their part for the betterment of the agency and its overall mission, instead of just for their own silo, priorities or needs.
- Accountability, manager level cross programs.
- Adequate clerical support
- better able to deal with problem employees
- Better clerical support.
- Better communicate
- Better communicate with our department
- Better communication from some managers to staff when changes in support staff duties are made that affect other employees.
- Better communication with management
- Better communication.

- better internal communication - especially between HQ and the regions
- Better involvement with management actually doing our job so they can really see what needs to be changed to make it a safer and more productive workplace. Upper management really needs to see how we operate, and take our advice on changes, not just make changes and not care how we feel. Also, meritorious service needs to be rewarded, not just jobs given to people that management wants in the job, but actually hire people that have done the job before and know how to do it. Bringing someone in for a VET 2 position that knows nothing has no benefit, especially when there are more and better qualified people that are interviewing for that job. When you bypass qualified people for someone who will just be a "yes" man and has no business being in the position, you create discord and almost a hostile work environment.
- Better morale, everyone doing their job, better staff support & customer service
- Better planning and communication with other programs.
- Better teamwork with other employees with similar jobs. Teamwork where all opinions are welcome, not just higher positions.
- Clearer definition of roles and responsibilities of my lead worker responsibilities.
- COMMUNICATION
 - communication needs
 - cooperation among different programs
 - co-workers spend more time doing their jobs and less time undermining the boss.
 - Cross program thinking and problem solving
 - Decrease the top down management style. Decrease power of EMT
 - De-politicize the department; bring in capable managers and staff.
 - Development teams
 - empower staff (e.g. if I'm lead staff on a project, I should be called on to help management respond to stakeholders BEFORE they meet)
 - Equitable treatment of staff.
 - EQUITABLE WORK LOADS BETWEEN EMPLOYEES, PUT AN END TO THE FEAR OF UPPER MANAGEMENT THAT EMPLOYEES CARRY REGARDING FREEDOM EXPRESSING THEIR THOUGHTS WITHOUT REPRISALS THAT THEY HAVE SEEN THEIR CO-WORKERS EXPERIENCE FROM MGMNT, MORE EMPLOYEE TRAINING OFFERED AND EMPLOYEES BE ALLOWED TO ATTEND
 - Fire Ted Ketsakis. Get rid of the CAPS program.
 - For management to not tell me to be easier on permittees who aren't even doing the minimum of reading and following their permit.
 - Get a handle on dealing with people who are dead weight and also helping employees who are underperforming. Much of the contradiction in the rating between my answers has to do with DEQ's failure to deal with underperformance.
 - Get better customer service from the DEQ Lab analytical sections. Samples don't get analyzed within holding time, and results come long after promise dates. Complete the LIMS and LASAR databases with written documentation.
 - Get rid of the dynes at VIP, soon

- Get ride of dead wood. There are a few employees, only a few, that just seem to take up space. I don't want to violate labor laws, but it seems as if some people are not held accountable for doing what they are paid to do.
- Have a steady back-up person who can be crossed trained to learn how to do my job in case I am not here. (i.e. sick, vacation, etc.)
- Having more control over my schedule. HR being more responsive to good employees rather than being just a management tool against good and bad employees. I have numerous personal experiences to back this up as a good employee.
- I need to attain a classification on the same level with the people to whom I am liaison in many areas; equal status would eliminate some people trying to pull rank on me.
- I would like for my manager to be around more.
- I would like my manager to be in the office more and more available to staff.
- I would like to have more interaction with my manager and not when negative issues come up.
- I would like to see better management of personnel that exhibit unprofessional and disruptive behavior.
- I would like to see employee treated equally.
- I would like to see employees that work hard and do their best retained while employees that are lazy or have bad attitudes and simply use the union to keep their jobs let go. The latter are distractions and do not allow me to work in an efficient matter when I have to work with them
- I would like to see my manager be accessible and supportive when tough issues develop.
- I would like to see open and transparent communications treated as a tool for effective public involvement and good government - not something we merely invest in when "times are good" or pay lip service too unless it might make a State Representative upset.
- If my manager had more time to manage people.. Some people are working hard, others are "getting by". The manager is too busy to notice.
- If other employees were more satisfied and motivated about their job, it would make my job even more productive.
- Improved communication
- In my section at the lab, there are serious morale and interpersonal problems among the staff. There are even some minor conflicts. My section is a stressful place to work because of this. I would also like it if it were easier to move to other positions within the agency. I feel that being a lab employee has been an obstacle as I have applied for other positions. Other managers seem to think that lab employees are not very qualified for other positions in the agency.
- Increased use of lead workers to lighten the managers' workload. The mid-level manager has too much on his/her plate.
- "Input from the inspectors before policies are made that affect the work we do. Listen to us!
- Have Ted not be a part of the inspector forum.
- Have Management follow some type of communication policy that makes it to all-not some!
- Policies are not e-mails- Policies/changes are to be presented to all- not some.

- Give more credibility to the ones who do the work. LISTEN
- The one thing is COMMUNICATION!
- intranet staff directory with photos and bios
- It would be easy to say - fire my manager. But he/she/it is not the root cause of my professional frustration with DEQ. Industry and the legislature have too great a power and the influence in decisions DEQ makes. I would change DEQ's funding mechanisms, so that industry does not directly support DEQ's programs and our budget is not controlled by lawmakers, thus removing the conflict of interest. If this is not feasible, at a minimum DEQ Management should honestly communicate to staff when decisions are influenced or dictated by politics.
- Less egos and more positive attitudes
- Less micro-management; managers tend to over-manage because, for some, that justifies their function and fills their time ("Hey, I'm a manager, so I must find something to manage"). If managers had their own projects, in addition to their management responsibilities, they would have less time on their hands to over-manage. This would also reduce time that is spent in management meetings (HQ Managers Team, Program Managers Team, Region Managers Team). Dilbert would have a field day.
- Management appears to be resistant to changes suggested by staff.
- Management does preferential treatment to women. Would like to be treated as an equal. I feel men are discriminated against.
- Management flushing out difficult staff members and groups and dealing with them so that problems do not fester.
- Management learning how to delegate effectively and then doing it. We don't use people resources effectively at DEQ. Managers are often bottlenecks to productivity.
- "Management needs to make and support timely and principled decision making. Fuzzy thinking and avoidance prevail. Debates are endless and aimless. People don't clearly identify issues and objectives, identify the principles that will guide decision making, thoughtfully contribute their best thinking, listen to others, and focus discussion on how best to achieve objectives consistent with principles.
- And engage staff in making decisions. Management, including senior management, often lack capacity to make clear, wise decisions and do not engage staff effectively. Managers need to recognize their limitations and the value of participatory decision making.
- And value staff. Managers, particularly senior managers, too often treat staff as chattel -- in their remarks and actions. This sets a bad example and wastes their most valuable resource.
- Management not continually lie to its employees The people that work at the station are not stupid and know when they are not being told the truth. they usually say nothing because of the strong fear of discipline by management.
- Management of personnel at DEQ could improve productivity by as much as 60%. About 40% of the people carry the remaining 60%.
- Management that is more in tune with their program implementation so they can better support their staff
- Management that understands environmental challenges, and is open and honest about how to solve them as an program/agency

- Managers have no idea what employees are doing during a work day. Managers need to observe day to day and hour to hour happenings within a section. The workload is not proportional. Some employees have time to make/answer 30 minute personal phone calls and visits to other employees desks, while other employees are never caught up on their work, pressured to do more and are stressed at work every day. Managers are gone out of town to meetings too much. Why can't they use the teleconferencer? Employees are not given an opportunity to give input to decisions which directly concern employee's work environment, duties, stress levels etc. Why are Managers assigned to programs they have never worked in previously? It leaves the program training to the employees under the new Manager. Yet employees are held accountable for a poor running program, public complaints, work back-logs and are receiving poor performance appraisals because of these managerial deficiencies and decisions.
- Manager's personality.
- managers should be more aware of tasks in support staff roles so they know when these jobs are not being done properly
- Managers should have a greater ability to move between programs and not get 'pigeon holed' as being a good manager in one, and only in one, program. The easiest way to bring a cross program perspective to individual sections is to have managers who have experienced work in other programs.
- Managers who really listen / talk without holding it against you. Manager who cares enough to think ahead and consider all employees equal.
- Morale in long-term employees is terrible
- More administrative support
- More administrative support, expertise regarding software
- More clerical support so things can be filed in a timely fashion.
- more communication between staff and management regarding job
- more confidence given to and shown to inspectors
- More cooperation and coordination among all the programs. Improved communications would help with this.
- More direction from my manager.
- More direction with management, and more support from management
- more discipline to employees who do not work fast (VIP)
- more information shared from top management-better communication to what is happening
- More qualified staff, not enough support.
- MORE STABILITY IN MANAGEMENT STRUCTURE (I'VE HAD 5 BOSSES IN 5 YEARS ... TO MUCH CHANGE I THINK)
- More time to spend with staff.
- More visible leadership
- Other staff held accountable to do their jobs.
- People with better work ethic.
- Professional courtesy and mutual respect among people in the office.
- Put in management that can deal with the environment.

- Quit coming down hard on employees when there is a mistake.
- recognition of efforts beyond a few verbal words
- Remove the apathy from the laboratory analytical staff and managers.
- Right now I'd like to meet with the project managers & hydros in the SW dept, as a group, to find out more about my job (I've had it just over 3 months)
- Some technical staff seem to think clerical staff are greatly inferior to them, which can make an office person not want to try so hard.
- Staff to coordinate needs in a more timely fashion.
- Ted Katsakis resigns.
- That he said she said garbage within supervisors and other people and the fact that everyone asks for our opinion and nothing ever matters. And of course the pay. It sucks.
- That management has the same expectation of performance for all employees.
- The WQSYS data system for storing water quality source data has many shortcomings and needs to be fixed. Space not sufficient here to go into detail. Likewise, the DMS (monitoring report data system) has many flaws that have not been addressed, in spite of staff comments.
- It is frustrating to see folk commended for their work on a data system when you know that the data system has so many flaws. What is even worse is to realize that those who enter the data will be stuck with that data system after its construction is completed. It is also annoying to me to see a couple of co-workers who spend so much DEQ time doing personal business, or actually sleeping on the job. I have no way of knowing if management is doing anything about this. Since management has been told about it, and the activities are continuing, either management is not addressing it at all, or management is not successfully addressing it. Most of my co-workers, however, do indeed put in a full work day.
- There are two: 1) HR is a problem. I had to mark down numerous areas in the survey because their service is so poor, and because of disrespect for our employees --particularly clericals and others lower on the pay scale. HR represents DEQ, so this is appropriate to assign this problem to the agency as a whole.
- Unprofessional people that are in higher positions
- Upper management request input from field staff before making decisions that affect field staff.
- Work conditions in my section could improve if some would pay a little more attention to themselves and a little less on others (co workers). You know, something our mothers probably taught most of us before we were 5 years old!

Job Security / Benefits / Pay / Advancement

- A raise.
- Attain equitable pay rate.
- Benefits.
- Better paid administrative support
- Better pay
- better pay for inspectors.

- Better pay for the VIP Inspectors.
- Better pay of course. It's difficult to keep your chin up when everything around you is on the rise except your income. The longer you work here the lower your quality of life becomes. Also Mgmt. should be more enthusiastic about helping people to excel in their positions. I personally don't get any encouragement or support for trying to move up the ladder and positions (in the regions at least) aren't available that allow you to move up the ladder. I look at other agencies in the same area and find all kinds of positions, why not ours?
- Better pay would go a long way.
- Better wages - back pay for the 2 year wage freeze - more pay for us for the added work we do. WAGES!!!
- compensate employees for the job well done as a whole; by protecting the level of benefits from nose-diving and reimplementing cost of leaving increases.
- Fair compensation
- Give appreciation due when it is necessary. More pay.
- give people that have worked here for a long time ,the chance to advance .I have been trying for years. But instead they put people in these spot that shouldn't be. It's deserved/hard work. Not good looks or the right thing said
- Give us back our step increases and raises and colas.
- Higher competitive salary.
- Higher starting pay
- higher wages management backing your decision when you kick a car out instead of testing it anyway.
- Higher wages would make for a more satisfying overall experience, which would naturally be reflected in job performance.
- I would like the salary freeze undone
- I WOULD LIKE TO BE PAID TWICE A MOUTH.
- I would like to earn more money.
- I would like to have available the incentive to be promoted in my position, to positions of more authority and responsibility, without having to leave water quality or the agency.
- I'd like our wages be "defrosted", as currently by contract, our wages are frozen, probably indefinitely. I say ""indefinitely"" because when asked if wages will be ""defrosted"", they (AFSCME) said to ""...wait and see in two years when the current contract is over..."" Frankly, this statement isn't the most assuring in the world. Along with that, the Cost of Living compensation has been frozen, making it difficult to make ""ends' meat"" now that most prices are adjusted with the new year. Since we don't get Cost of Living anymore, I'm hard pressed to keep living in my apartment, which the rent has in fact gone up. Gas prices are higher, food costs more... because I barely make due even before the frozen wages took effect, I now must work a second job just to help with the living expenses.
- As an added bonus, I lose more sleep than I ever have, and I'm sure sooner or later I will fall ill or get seriously injured at home or on the job, thus affecting both jobs, money to pay the bills and food, any medical bills... who knows how long it will take to recover from such a condition. Not only does this affect me personally, I'm sure it would affect my fellow co-workers as they must make due without my help. I provide a lot to my job at DEQ, and I am told how valued I am.

- For me to consistently provide the quality work that I do, I must be adequately compensated, but not by how the company sees fit, because right now they (STATE, DEQ?) think that I, who is a VET1 in the DEQ Vehicle Inspection Program / Air Quality Division, am frozen at the 2nd tier pay rate from the beginning of 2003. As of right now, I should be half-way through Tier 3. I always think about how much I'm getting screwed out of. IT IS NOT FAIR! Tier 2 only pays \$1,793 but I see all of these other jobs on the pay scale which seem so out of proportion. If there needs to be cuts agency-wide, why not harvest more from where the ""fat"" is, instead of taking a big bite out of the ""meat""? I can attest, down here, we're all ""skin and bones"" when speaking of how much money we make. I never make ""comfortable"" living wage. Why is it that nearly every month my checking account is overdrawn? I'm sure those who are paid more generously don't experience that kinds of feelings more than once a year.
- There is so much more to explain/complain about, but my time is limited."
- I'd like to see my retirement restored and some legislative/public recognition that I'm valued and respected as a state employee rather than someone who's expected to work at below private sector compensation and then expect to be understanding when they bad mouth me in the press and chop my retirement compensation by every means possible.
- improve my salary as soon as possible
- Improve wages, get quality people off food stamps and similar programs. They are worth it !!!
- In the current situation, better compensation.
- It is more can I afford to work for the State anymore. Wage Freeze is the Biggest Issue!! It is effecting all in work attitude and productivity.
- Less work on Plate and better pay for what is on the Plate
- More advancement for lower level employees. If you look at DEQ you either have office staff or NRS3 and above. There are no positions or anyway not many positions open for someone in a entry level position or office staff to move into or for advancement and you are missing out on a great asset your people who want to advance and learn. These are the people that DEQ loses to other programs because they have no where to go in DEQ itself as an organization. You basically have two layers of employees those who have been here for years and years and new employees who are in positions that have no advancement possibilities.
- More encouragement for advancement. More enthusiasm to grow into something other than a vehicle Inspector; Also, a more competitive wage, this wage is hard to live on.
- More pay, We do a lot more that what we get paid for
- More promotion within management of attention spans beyond three minutes.
- PAY RAISES. We are well underpaid. (poverty level)
- pay us more
- Quit trying to steal my PERS retirement.
- raises or cost of living adjustments are not keeping pace with the industry in general and can divide loyalties of family financial stability vs. job satisfaction.
- Stop freezing my salary, I have responsibilities toward my family of 5 people, and I am the only worker in my family.
- Stop the wage freeze, and up the wages

- The pay compensation. If the inspectors for the air quality department ,VIP was greater I believe more people would be happy. They would feel like all there hard work is worthwhile. It would be nice not to Qualify and have to use the Oregon trail card. Because the pay is low compared to the amount of work you are required to do. This one thing alone would make an employee feel like he/she is a valuable asset to the company and the company values its employees and is dedicated to keeping them.
- The pay should be higher!
- The politics involved can be unmotivating. I also think VIP tech.'s are grossly underpaid
- There are a lot of good people working at the station, that are qualified to perform other jobs with more responsibility within the agency, however, there is no encouragement or growth opportunities offered to the VIP1 employees.
- There are several issues I'd like to point out. Quicker response from upper management to station level issues, e.g., request for position 1 heaters has been ongoing since I began work here 4 years ago- only got them this year. It seems the only time ""issues"" are addressed promptly is when an employee (or customer) is injured on the job...
- Another issue pertains to the effect of low pay and the pay freeze on employee morale. Many employees have let the quality of their work decrease significantly because of the budget issues we presently face, ergo, the pay freeze. Many have verbalized that they simply do not care to put forward a good effort into their work, and it really shows. I feel more effort needs to be put into reclassifying the VET1 positions so that the pay scale can be increased. I personally know of 2 VIP employees who must supplement themselves with food stamps to feed their children. I think that some consideration should have also been given to state employees below a certain wage threshold. I realize that there are greater numbers of low-paid employees, however, is it really necessary to subject this group to near-poverty conditions with the wage freeze? DAS must seriously reconsider it's classification of VET1 & 2, and begin offering an equitable wage to VIP employees (managers included)!!! "
- They should recognize peoples' effort and give like bonuses or something like that, paid rate, too.
- We need better pay to boost morale.
- We need to be paid fairly, and our workload needs to be more realistic.
- We need to have better pay. I say that because we used to have much better luck at attracting and keeping high quality staff in the past, but that is no longer true. The lack of raises and the destruction of PERS has had a devastating effect in that we are losing many highly experienced, top quality people and having a hard time replacing them. If I wasn't so close to retirement I'd be looking around seriously for another position. Also, I would not have thought this possible several years ago but I am now just "hanging on" until I retire. Public service has become a thankless job and the Oregon legislature has done their best to make it as thankless as possible.
- Would like better monetary incentives for doing good work. The best workers at DEQ aren't properly rewarded.

Improve the Work Environment

- a culture fostering continuous improvement and innovation in work practices
- A QA module in LIMS from the Technical Services section.
- Ample time to allow additional training so that I could be more efficient at my job.
- At this time the one thing I would change would be the possible location of the new lab.
- Authority to respond more directly to rule violations
- Be allowed to attend professional training courses that would assist me with the technical aspects of my work.
- Be better informed about what's going on.
- Because I only work part time I seem to miss out on some of the changes that take place only after the fact. I do not see any way to change that. Also a little more training in customer relations - how to accept and treat people.
- Being provided heads-up notification of staffing, policy and rule changes, and more opportunity to offer input on these.
- Better ability to work with other programs.
- Better air conditioning.
- Better database functions
- better equipment to work with
- Better filing system (both hard copy filing and electronic filing).
- Better learning / advancement opportunities, better payoffs, even a COL raise every once in a while.
- better planning and less regionalization
- Better technical training for new employees and standards that are used among all the regions (i.e. templates, methods of reporting, testing, etc.) Many sources that are in multi-regional areas indicate differences in permits/standards among DEQ regions.
- better technical training, more emphasis on keeping certain skill sets in the agency
- Better training
- Better uniforms so we look more professional and not like fast food restaurant waiters.
- Better ways to address (fund) the highest priority work
- Computerized permitting systems need to be implemented similar to all programs. DEQ should not re-create the wheel, but should utilize existing professional software programs.
- Continuing education and advanced training to bring me up to the level of aptitude with time-saving computer tools that other, similar, public environmental quality agencies and consulting firms use on a daily basis.
- DEQ management profit from organizational development training to better manage internal and external publics. Empower all DEQ staff with organizational training. When all DEQ employees understand and use organizational development, the entire organization will be lifted up with all staff functioning as independent decision makers, DEQ will grow in competency and organizational maturity.

- do more work in-house rather than contracting everything out
- Fewer emails from management regarding all of the "excellence" buzzwords of the day. We have a job to do and a lot of our time is taken up telling us how well we have to do it and patting us on the back or how our image is perceived. Instead, our time should be taken on doing the actual job, meeting with our team managers and coworkers and achieving the goals.
- Fewer meetings.
- Find better balance with getting work done vs. responding to phone calls.
- Go to a paperless office.
- Greater opportunity to work outside my division and across programs. The Agency does not foster cross-communication and does not provide opportunities to work collaboratively across traditional lines. It's a loss because it continues to build silos within the Agency. When I have a project that is naturally collaborative, it's difficult (i.e., nearly impossible) to actually work with those other groups. As a result, everyone does her/his own thing and we're wracked with inefficiency.
- Greater staff involvement in long range planning. Too often there is an attitude by management that staff will do what they are told, without involving them in the decision making process. I do not believe it is intended to be condescending; however, the end result is that staff investment is compromised, and valuable insight is left out of the decision making process.
- I believe that job rotations/exchanges would be a great way to avoid job burnout, increase understanding amongst programs and enhance the overall quality and productivity of the agency.
- I find that that the support for my work is not there. For example The lab turn around time is slow, and the enforcement case turn around time is slow. Something seriously needs to be done to correct this I think these things are going through too much review.
- I think opening up NWR satellite offices in Gresham and Hillsboro is too far away and that the agency is being penny wise and pound foolish. By locating offices that far out, people more centrally located in the city will find commuting a hardship. I think it will be a problem trying to staff those offices.
- I think that DEQ could do a better job of managing expectations both internally and externally. I would like more public outreach to better educate the general public, and especially the legislature, about the functions that DEQ can perform with limited resources.
- I think the region is overstaffed and staff does not have enough to do.
- I would like improvements made to the CRIS system to make it work faster and more efficiently. I would like the CRIS invoices designed so that our customers can read them accurately.
- I would like to be able to take more classes to be able to move up in DEQ,
- I would like to have opportunities for out-of state travel to meetings and conferences.
- I would like to see better training and more defined training opportunities.
- I would like to see the EMT group lead the direction to take work off the plate when size of staff and budgets are reduced.
- I would like to see upper management gain a better understanding of or job duties / workload at the VIP stations.

- I'd like explanations of new policies when they are administered. Recently I found posted that customers with mobility issues would be administered a more lenient test, which happens to not require the customer to exit their vehicle. No explanation was given as to why this policy was added, and no clarification about when and how the policy was to be administered was offered by management. This makes it hard for me to ensure I am doing my job correctly, and in a manner consistent to my peers.
- I'd like for those kinds of opportunities to be made available in other parts of the agency.
- I'd like more opportunities to participate in the agency's high priorities.
- I'd like to have a more quiet, private work space with a window.
- I'd like to see more flexibility in the rules, and more trust from the management.
- I'd like to see the Agency improve it's ability to make decisions efficiently and to communicate those decisions
- Identify high volume error producers and act on that information to improve the work environment at DEQ!
- In light of the looming age demographic changes in the department, a timely and efficient cross-training (NOT mentoring) campaign that quickly and efficiently prepares available staff for new challenges and opportunities. Too many people are buried in dead-end positions that underutilize their skills.
- In OCE particularly, we have a unique situation where we do not have any ability for advancement in our section or in the agency. Further, because we are very specialized in the work we do we do not have collaborative approach to our work. I believe it limits our productivity and motivation as a group.
- increased accountability and responsibility
- It is not the responsibility of DEQ to make me feel good about myself! Please put an end to the surveys, the employee recognition programs, the feel-good newsletters and especially, please put an end to staff meetings where we sit around and pat ourselves on the back and list to topics that don't have to do with our jobs.
- Lack of leadership is a real problem in our program. Managers who have no technical background in the program subject matter present big challenges to staff because the staff must do the technical work and then teach the manager. Managers do not know what the issues are, have no background in the subject matter, and then represent the agency to industry. This does not bode well for the future of the program. It puts DEQ in response mode instead of at the leading edge.
- Larger work area.
- Less barriers to doing cross-program work.
- Less emphasis on the generation of documentation that no one is interested in.
- Less new programs assigned by EMT
- Less reporting and paperwork
- Less time should be spent on issues that are not part of a scientist's training, such as a detailed account of all the intricacies involved in searching for a new laboratory. I personally may have spent up to 40 hours working with architects and others about the laboratory layout, which information never led to ant results.
- Less work on the plate. The Agency seems to be able to pick up new work while not dropping off older priorities.

- lighten my workload
- Lower manager to employee ratio. Give more time to managers to manage people, they have far too many assignments that limit their ability to interact with staff.
- Level the work loads amongst desks. "
- Maintain adequate technical and monitoring staff to implement water quality-based programs.
- Management needs to provide a better and clear policy implementation guidance for our rules
- More accountability by the Division Administrators to ensure things are working effectively.
- More authority and responsibility for decision making at levels in the organization below the EMT level.
- More challenging work.
- More consistency in all the aspects. Whether it's with the performance evaluations or with policy and rule making. All DEQ staff managers and employees a like should all be on the same page heading for the same goal.
- more consistent access to upgrading equipment with a faster turn around.
- More control of physical location of future laboratory site.
- More creative freedom
- More cross training of staff
- More direction in my job
- More employee training and development
- More employee training on work related skills
- More flexibility in schedule.
- More flexible (liberal) use of comp time allowed
- MORE FLEXIBLE.
- More integration through programs and Agency Management.
- More opportunities for professional growth
- More opportunities to grow.
- more opportunity
- More signs about NO SMOKING. Bigger stop signs. More and bigger signs about cell phone or change the policies about smoking and cell phones so we do not have to argue with the customers.
- More support for technical services such as GIS, database development and Web based tools.
- More support within the agency and the EMT for the importance of collecting reliable long term environmental data. Such data is needed to measure trends in environmental conditions and to evaluate the overall effectiveness of the agency in improving the environment.
- More time educating staff and managers so they can learn to look beyond the success or importance of what they do to the success of the Agency

- More time, less unproductive paperwork.
- More training
- more training
- More training
- More training and support for professional development, and more resources allocated to program development that will improve the efficiency and clarity with which we implement our regulations.
- more training in my field
- More training, better work environment, equivalent pay to average in the field.
- Of the things that are realistically possible.... It would help me feel better if the office were not so cluttered and didn't look like a big storage closet. I'd feel better about inviting external people to meet me here in conference rooms or my cubicle.
- office physical environment
- Performance management is very cumbersome. I do not perceive that the new system adds anything that I was not doing, but it takes a lot more time.
- Perhaps, some more on the job training, or smaller section sizes to increase communication.
- Prioritize training and retention of quality employees
- Product management of software and databases. In AQ there doesn't seem to be a timelines, deadlines, accountability.
- Provide/ meet specialized training needs.
- Quit trying to force the new performance evaluation down our throats.
- re-class position to match major additions to job responsibilities
- Reinstitute group meetings across the state.
- Reliable databases and staff that have the time to maintain them.
- Remove the 40-hour maximum work week - it is a barrier to those who have to travel a great distance to do their work.
- Remove the regulatory barriers that make it sometimes very difficult to arrive at a sensible solution to an environmental concern, rather than arriving at a conclusion that fits a regulatory dictate.
- Somehow filter out the unnecessary distractions like emails that do not apply to me, endless details about projects or things that are of peripheral interest to me. If I could get through the work day with 50% fewer distractions, I'd be a happy camper.
- Specific training keyed to specific tasks
- Staff are involved in key decisions. Science first, politics second.
- Teach the managers to how to reword and encourage the staff to their jobs.
- That DEQ is more committed to provide support for improving through education. I can see that with our current budget situation is difficult.
- The lighting
- The water quality computer database system needs to be improved.

- To be allowed to replace the people who are transferred or leave the agency to maintain staffing levels.
- To be fair with the above question, I'll have to give two examples. I get pretty tired of the boring white walls, fluorescent lights, the stained cubicle walls, and the millions of boxes/filing cabinets of ancient reports and random unused office furniture that clutters about. I'd really like HQ-WQ do a serious spring cleaning, maybe paint the walls a color, and arrange the cubicles with a little more feng shui...I think it would go a long way to making the work environment extra nice. 2. It would also be tremendously helpful to have WQ-permits online along with all their DMRs. I know the permits are ""sorta"" online right now but I'd like to see it expanded to be more useful from an internal perspective."
- To have the ability and flexibility to change employee classifications and become creative when it comes to job descriptions and classifications. Instead one mold is suppose to fit the entire state.
- training opportunities
- training programs that relate more to the job rather than general classes or courses.
- Travel constraints lifted. One of the best things used to be going and meeting with counterparts across the U.S. and other countries. Conferences with these groups have always been a helpful means to do my job and think outside of the box.
- Turn down the air conditioning at HQ. It is difficult to work in a physically uncomfortable environment.
- Uniform application of the rules. Larger sites with more political clout seem to be given much bigger breaks than the smaller sites.
- Update the office cubicle walls, paint, furniture to create a more welcoming, productive, and up-to-date office atmosphere.
- We need to streamline our methods and processes so we are more efficient.
- Welcoming ways to make the contributions I can offer.
- Which job? I'd like to have the number of jobs cut back so I can focus more on one or two - rather than three or more.
- Working in a Dilbert-type cube farm is too noisy and distracting. One must often return at night when it's quiet. One must have a quiet space to think and write effectively.

DEQ's Mission

- A better system for approving, tracking, accessing, and terminating DEQ policies. What do we have? What do they say? Is the policy from 1989 still in effect, or is there a policy that has superceded it?
- A greener legislature.
- A huge decrease in waste that we generate as an "environmental" agency. The thought of all the waste we generate to do our work (monitoring, paperwork, hardware, etc) is sickening.
- A return to a Tom McCall/enforcement approach to protecting the Oregon environment (where the true customer we serve is the state as a whole and not business/special interests).

- A true commitment on the part of DEQ's top management to workplace sustainability as demonstrated by actions both simple and complex. Embracing all opportunities - large and small - to model ourselves as the kind of business we want to see in the community. Paying attention to the triple bottom line in all our transactions: environment, equity and economy
- allow telecommuting for staff residing in WA state.
- Attention to mission, not political and special interests.
- Better rules.
- Clear priorities that guide work so that efforts are not wasted.
- DEQ operates in the mode that the work should be given to the people who will do it. The less one does, the less that person's workload. DEQ has time and again FAILED to correct this problem by addressing the source of the problem.
- Enact a uniform standard for data.
- "End the budget two year cycle of fiscal roller coastering.
- e.g.: Stable funding mechanisms."
- Figuring out ways to balance common sense and environmental protection. Some rules require us to do things that can cost a customer a lot of money but provide little or no environmental benefit. It's frustrating for everyone on both sides.
- Focus our mission and create more milestones to achieve.
- following the rules of the state..
- Frequently initiatives are "tried" and then abandoned. Care needs to be exercised in charging off in reorganizations/administrative restructurings/new "strategic" directions. We are good at beginning projects (and reorganizing!) and less successful in seeing them through to conclusion.
- Get legislature off our backs, trim some of the fat and people not pulling their weight, compensate us according to our skill/expertise to allow us a stable future
- Have DEQ stop swaying in response to the legislative wind (special interests) in terms of program direction, rules, etc. and adhere to the goal of environmental protection.
- Having more public support and appreciation for the work we do.
- headquarters managers and regional managers need to better interact with each other and regional staff. In particular, I feel that the PMT and regional managers have not been able structure the program (Tanks) so that program goals are met. There has been a debilitating amount of shuffling at HQ which has produced chaos and an inability to establish and achieve program goals. Also, managers are failing to provide timely information to staff on program changes and developments.
- I don't see DEQ working with people or staff to make things better. It is DEQ's way or not at all. Then when a decision is made by DEQ to the public (depending who the public knows or complains to) DEQ's decisions change.
- I want the agency to start protecting the environment rather than making regulatory compliance easier for the regulated community
- I wish we were more upfront with the public about what we can fix and what we can't. A lot of times we can't do as much as we'd like because of limitations in the laws. Example: CWA ties our hands w.r.t. agriculture. We never say that, instead we pretend that SB1010 plans are somehow sufficient. When we are less than honest about stuff like this, we get in the

way of a better solution. Another example: we never mention the potential impact of global warming in our discussions of stream temperature. When the largest natural resource agency in the state does not mention such an important environmental problem, we serve to undercut its credibility. I think it is okay, statesmanlike even, to say, we don't have the resources to deal with this problem, but it is bigger than many of the problems that we are dealing with.

- I would like the agency to seriously consider what it means to meet its strategic directions with nontraditional, non regulatory methods and then to commit the resources necessary to make it happen.
- I would like to see DEQ operate as though it is the agency responsible for the environmental health of Oregon; politically savvy rather than politically hypersensitive, and to (truly) focus its work based on high priority issues. To deliberately build a constituent base of government, industry, academia, environmental and public health interests, and to meaningfully engage the public, to solve problems that have a real effect on Oregonians, versus wasting resources on imaginary problems, low risk probabilities or politically safe issues. DEQ has lost credibility internally and externally because strategic directions that lack real meaning, or the mantra d'jour, or the failure to take on tough environmental issues, eventually create the collage that is the reality of who DEQ is.
- I would like to see DEQ pursue enforcement more aggressively. As a result, more projects would be available for cost recovery and we would be enforcing the statute, not providing exceptions.
- I would like to see human resources improve job classifications so that it is more even across the board for the support staff and thoroughly make sure a manager does not get "okay's" to lower a classification when the duties are not in fact less or lower in skill level.
- I would like to see more staff in the field, more design review personnel and less management personnel so that the work in the field can be accomplished.
- I would like to see science based approaches. More and more we are a political organization. this places management and staff at odds.
- I'd like DEQ to get more holistic in working on the mission. I think we should either embrace the mission and look at what is needed to fulfill it or change the mission to match what we do. I feel that currently our main work is permitting pollution instead of acting as a leader in restoring, maintaining, & enhancing the quality of Oregon's air, water, & land.
- I'd like to see a Governor stand up and be more supportive for state workers and the value they are to Oregon. State employees have been victimized in the press over salaries, PER's and a whole host of other things. For DEQ management to make a difference, it needs to start with the Governor himself taking positive steps to support state employees.
- I'd like to see the management team make more timely policy decisions. it seems the pmt attempts to be too democratic which delays important decisions and frustrates employees and our customers.
- I'd like to see upper management quit hiring mostly women and hire the best candidate
- If possible, even more outreach to communities in the State, to provide information about the agency and how we can help all communities, large and small
- Improve communication between HQ and VIP.
- Innovation w/global views

- internal hurdles, overlapping laws that need to be fixed (GW protection act vs. cleanup law). Like to see the cleanup billing rate lowered and the agency overhead rate increased to a realistic level that reflects actual overhead.
- Less "touchy feely" training. I could care less about the agency's management model. I'd like some technical training to help me in the work I actually do.
- Less impact from legislator that influence our decisions in what is sometimes a less protective posture towards the environment.
- "Less upper level management, in order to put more tech level people in the field. We seem to create a lot of ""new"" upper management positions (asst Director, Administrative Programs exec assistants) while being ""unable"" to fund staff positions that actually do the work!
- We seem to be more concerned with coddling business than protecting the environment. Business assistance is important, however, consistency with enforcement for ALL business is necessary. i.e. Food processors, AOI members, etc..."
- More decision making based on scientific data than whether a legislator may get upset or AOI may balk. Very unethical.
- More emphasis on creative and innovative environmental problem solving within the context of our core job responsibilities. It still seems like there's much more talk than action on these innovative initiatives.
- more emphasis on PROTECTION/prevention instead of reacting to environmental problems after they are created
- more focus - do fewer things better, rather than trying to do it all
- More support from the legislature
- Need to be more proactive in drafting rules, permits, etc. to achieve environmental results -- use flexibility where available. Stated the other way around, stop being reactive to litigation, EPA, or other agencies. We should do what we think is best for our mission, not what we think some other agency/court wants or is going to make us do.
- place higher value on loyalty to the public interest, rather than the interests of the internal bureaucracy.
- place more emphasis on the science and work of the agency rather than budget and politics
- Putting the environment back in the agency's mission.
- recognition of value of regulatory pollution prevention
- Reinstate the cross-program Toxics Strategy group to identify more toxics than just mercury, and a action steps to integrate throughout the agency.
- Seriously consider less rigid and less restrictive options and alternative views. The programmatic inflexibility is a direct reflection of the personal limitations and cynicism of the individuals who have been, and continue to be, allowed to dictate it.
- Set priorities and be clear about what we are NOT going to do so that we have resources/time to feel like we're doing high quality work.
- Set training standards and insure an employee is technically qualified before the employee performs technical work.
- shift the focus of the DEQ from kissing up to the right wing conservative business community back to protecting and enhancing the environment.

- simpler processes, whether in rules changes (specifically) or planning processes. How can we take out some of the useless steps?
- Slow down the pace of the changes that we are trying to implement. Give them a chance to get to be part of the culture before we move to the next change.
- Stop pandering to political "powers that be" that the Department is charged with regulating. It's called conflict of interest.
- The agency to fulfill its mission of being a "leader" by being willing to make a stand for important environmental issues
- the breaks that we grant over and over again to industries who continue to pollute
- The notion that headquarters thinks it knows what is best for all the different regions and workplaces.
- The one thing I would like to see changed so I can do better is we actually follow our mission statement. We are not here to stimulate economic growth. We are here "...to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water." for the people of Oregon.
- The relatively new field of regulation in groundwater/surface interaction and sediment contamination needs policy and guidance development.
- The way people are appointed to position.

More Funding

- A budget analyst for the Lab Division.
- A larger budget for more resources, staff, and step increases.
- Ability to hire temporary help for project-specific work
- Addition of another position.
- Additional funding for some programs that are lacking (i.e. water quality), so each program is equally represented to the public for follow-ups and/or questions, and enforcement/TA.
- Additional resources - hard to balance visibility, core work and special projects
- Additional staff for the program I work in so we can be proactive rather than reactive.
- Additional staff resources.
- Adequate staff resources to do the job properly. A change in direction from spending a lot of time and energy looking good to doing a good job and letting that speak for itself.
- Allow me to work overtime as needed to get more caught up.
- Allow out-of-state travel for training and to keep updated on National issues.
- At VIP - more money and less DMV Stuff! Adjust attitudes towards inspectors.
- balancing the work load and resources
- Better funding, less waste on "political" activities
- Better support from Governor and Legislature - funding and allowing us to do our jobs - not impede us.
- Biggest hindrance right now are the budget restrictions.

- Due to budget constraints we have not been allowed to hire employees to fill vacant spots left by other employees leaving. During the winter months when we are slower this hasn't been a huge problem. Last summer, however, it was difficult to keep up with the work load with a full staff. I am concerned that we will be expected to maintain a full summer work load with less employees.
- Due to State budget problems, our retirement system and benefits are continually under attack. Excellent training opportunities are also denied due to budget shortfalls.
- either more staff or better technology
- Enough employees to adequately staff the stations.
- Enough staff to handle work load
- Enough staff to perform top quality work
- For my work scope, more staff to implement the work or less work load.
- Fund the WQ Program so that it can function properly and fix the schism between management and staff. The "us and them" system needs to be replaced with a "one hand washes the other" system. This confidential survey, with its inherent potential for misinterpretation, would not be necessary but for the lack of trust between parties.
- Get better equipment to med for.
- Hardware, software, more personnel in GIS. Another position added to WQ LAN, so we can actually have customer assistance in technical support provided to us.
- Have better equipment, more staff, and a more aesthetic work place.
- Have enough staff resources to actually meet work load expectations.
- Have more resources to be able to hire the staff needed to get the job done in a timely manner.
- Have the resources to do the job right.
- Hire additional junior staff. Junior staff would give me the ability to help train someone while getting more work done for less money and using my technical skills more effectively. For instance, the time spent editing documents, formatting documents, filing projects, etc could be more efficiently done by someone else. Also, if there were some junior staff to hand off parts of projects to, they would receive valuable training, while offloading more senior technical staff - by plotting data, preparing file review drafts, gathering information, etc.
- Hire managers with management experience instead of scientists. Less time traveling and being in meetings, more time for staff and implementing programs.
- I wish we had a bigger budget and were less politically compromised. My sense is that we do not pursue the companies that do the most damage to the environment, because they are the biggest employers in the state. the result is that we penalize mainly small and uneducated businesses who can least afford our fines, and that causes its own political backlash.
- I would like to have more staff resources.
- I would like to see staff hired into vacant positions, so that there are enough people to get the work done.
- I would like us to stop losing resources and be able to promote and hire highly qualified technical people. I realize that the first desire will not happen.

- I'd like to have one more employee in the section to spread the workload around so that a little more time could be spent to do a better job on the assigned tasks.
- I'd like to see the travel budget ease up so we can meet with other state agencies with similar missions and learn about how they accomplish their missions and learn from each others mistakes and successes.
- improved resources so that we are fighting fewer fires and can work on shaping the future
- In the LAB we need more help, so hire more help.
- Increase resources in the program.
- increased staff assigned to the program - restore some of the positions that were cut.
- "More employees to address the quantity of issues that come into the DEQ.
- The ability to be confident in our Compliance and Enforcement section that when I turn in three years of investigative work I can count on getting a higher fine than 4,000 dollars after a salmon spawning area was wiped out and a creek affectively made so that no salmon would be spawning in that creek for the season. I would also like to be able to send information over to the Enforcement Section and be sure that they won't loss the referral in the process. Timeliness is also very important when levying a fine."
- More money for more staff and other resources.
- More people, better equipment.
- more resource
- More resources for HR for training, new employee training and giving more support to the agency overall.
- more resources from the legislature so the agency could tackle environmental problems more effectively.
- More resources or fewer goals. We are getting stretched too thin and quality is beginning to suffer.
- More resources to do the job and less on the plate
- More resources to hire staff to work important projects that aren't getting done.
- more resources to the program which I work in, but I do understand this is not feasible under the current political budget realities.
- More resources, regional staffing for the program
- More resources.
- More staff less workload
- More staff so I can do my job better instead of being so overloaded I'm unable to finish one project before two more are given to me.
- More staff to alleviate workload problems and slow response to responsibilities.
- More staff to share the work load
- More staff, more data, and more outreach/education for citizens so they understand why we do what we do.
- More staff, training, manager feedback
- More staff.

- More staff.
- More staff. I have averaged 40 extra hours each of the last three months just trying to keep up.
- MORE SUPPORT STAFF
- More support staff and less technical.
- More support staff.
- more support to get the resources I need
- More technological products to do science.
- New software for data input
- Our work load needs to be balanced. We need more staff members, and less work to do to produce the best work outcome.
- Provide adequate equipment, training, travel to meetings, etc.
- Provide competent support staffing
- Provide funding for maintaining state-of-the-art training.
- Provide one more well-trained and competent support staff person for The Dalles Office.
- Replace old, unreliable equipment with more modern and reliable gear
- Replace some of the positions lost during the last few years.
- Resolve the funding/budget issues in this state
- software upgrades
- Somebody working under me to assist in research, document reviews, correspondence.
- Sorry, two things. Pay has to be enough to keep the tox's and other staff needed to support the work in my section. And DEQ has got to step up and make some of the difficult policy decisions to allow work all the work to move forward.
- Stable funding
- Stable funding for the agency would limit the distractions we face biennially.
- That we have more staff so that we can do our individual job more effectively instead of just putting out fires a majority of the time.
- The ability of the lab to start re-filling positions that were lost in the budget cuts. The lab is under staffed and that effects our ability to perform efficiently.
- The resources, internal will, and legislative support to do a lot more. There are communities in Oregon that want to do significant new work regarding managing growth pressure, public health protection, livability, sustainability, etc. and DEQ's limited resources are a serious obstacle to this progress. We could be an even more effective leader at the local level if we had the staff and technical resources to back up our good intentions.
- Time to identify and implement work efficiencies and/or more people so we can get more accomplished.
- Update the antique software.
- Updated software in the computers. Testing equipment, such as contact & non-contact techs that work.
- We definitely need more help in our office.

- We need a lan person/computer person at each location. It would also help a great deal if we had more resources available; more printers and copiers, better ergonomic furniture rather than just surplus junk.
- We need more staff for support and for completing the assigned work.

Other

- An opportunity for growth.
- Can we reduce the "bean" counting? Creating more benchmarks for employees to track and report doesn't improve a manager's effectiveness.
- Can't think of anything.
- Data systems are a horrible cash sink that seem to lack coherent thought overall. We react with these systems, and some changes even hurt work product. Better thought and a tighter rein needs to go into this sector!
- don't "punish" people for doing a good job. was the WQ LAN admin (while Josh was off on special assignments) My official job went away, I was told I would be double filled in the LAN position (it never happened), then when WQ brought Josh back, HR told me that when my position ended, they hadn't even looked for another job for me because I was doing a necessary job and doing it well.
- Excitement about innovation.
- I believe that DEQ (or perhaps a higher authority) needs to come to grips on the issue of demand for our services and the resources allocated to perform them. This does not necessarily only mean more money for DEQ, but rather balance money - demand - an performance management
- I do not believe there is only one thing that could improve my job; I think I do it in the best manner possible. Many things need to improve in order for employees to improve job performances. Currently there is absolutely no incentive to stay with the agency or to strive for excellence as a mainstay. The people I see here working the hardest, paid the least, and the most under appreciated people are our support staff. One must keep in mind, without these people things would not run smoothly.
- I have what I need and the support of management. I'm happy
- I like the continued focus on being able to get results and worry less about the process (i.e. that it has to be done a certain way). I think that DEQ had this approach for quite a few years.
- I wish people would pay their taxes so that the DEQ would not face budget constraints.
- I would like the legislature to stop kicking state employees and start treating them with respect.
- If I knew advancement was promoted then I would strive even harder to do more
- Improve our ability (individually and as an agency) to let go of low priority work.
- Less emphasis on putting a good spin on everything. Fewer success stories.
- Less federal oversight.
- management
- More FTE

- No changes.
- no comment
- No comment
- no comment
- No comments
- None
- nothing
- Nothing
- nothing
- Nothing
- Nothing is limiting me from doing an excellent job.
- nothing really
- Nothing. Anytime I feel that job performance can be enhanced by some particular change, I have the power to make that change, or request what I need from higher authorities
- Oh, there probably isn't anything DEQ can do to make an intrinsically boring job better.
- Paying more than lip service to "employees are our greatest asset."
- Rely on professional judgment looking out for real dangers + benefits.
- Run it more efficiently. Still way too much inherent waste.
- Some sense that initiative and competency will be rewarded in a concrete manner
- Stop the surveys. They're used to no good purpose. First instill honesty in this agency, then do surveys. (Can you managers figure out why this should be so? ... thought not). I am only doing this survey in solidarity with others who have been depressed and trampled here. I figure I should add my voice to theirs' even though it's so damn useless.
- team building does not mean letting the public walk all over you
- The elitist club that is the EMT, it appears that their time and money spent on learning how to be a good manager and measuring how good they are at being managers does not translate into providing excellence and responsiveness toward their staff. Staff is required to be "excellent" and "responsive" but this is a one way movement.
- The problem lies with me. I'm a perfectionist. I need to learn to let some things go that aren't terribly important.
- This survey is too damn long. I could make this a more effective tool with less questions. You are wasting my patience as well as my work time.
- Too new of an employee to have an opinion for this question
- Utilize my technical skills more effectively
- Walk the talk don't just talk.
- We're too quick to revert to folklore or "why things can't get done."
- What DEQ can control is OK as is.

Appendix M: Verbatim Comments – Excellence at DEQ

Appendix M: Verbatim Comments – Excellence at DEQ contains the full listing of employees' responses to the question, *Describe and give an example of excellence at DEQ.*

Code	N	%
The Staff	117	32
Customer Service / High Quality of Work	93	26
Management Initiatives & Programs	45	12
DEQ's Environmental Mission / Accomplishments	23	6
Teamwork Between Multiple Agencies	31	9
Other	53	15
Total	362	100

The Staff

- A great many staff continue to do what is needed to perform their jobs at a high level regardless of the lack of training, workload demand, and positive management feedback.
- Ability of my program to think progressively and a willingness to attempt the taking of risks even when the rest of the agency wants to continue with the status quo.
- Ability to solve problems at staff level.
- Air Quality monitoring section's work to address duplicate sampling problems.
- All the extra hours employees put in to get the job done right, with little reward.
- All the truly dedicated, energetic and talented individuals that I meet working at DEQ just about every day who inspire me to strive to do better work.
- Analytical sections at the Lab.
- As a whole the agency shows compassion and support for their employees. Individuals in the agency sincerely care about one another and do what they can to support their co-workers. Individual staff are the glue that makes the agency what it is and keeps people on board. Most individuals do their best to show excellence customer service, and show caring and compassion for fellow employees.
- Attending public information meetings and hearings in the region until late into the night, answering any and all questions, friendly or hostile, and maintaining a positive attitude
- Availability of the DEQ staff to problem solve.
- Because of many, many budget cuts over the years, I believe many individuals at DEQ have worked very hard to shift their focus to public education, empowering citizens to be environmentally responsible. An example is the investment in web development. By placing much of our work product on DEQ's web pages and effectively directing our public to the specific pages that are of use to them, we have created a more effective relationship with Oregon's citizens, and higher visibility as an environmental leader.

- Been able to keep a high moral in spite of budget restrictions
- being a team player and performing the work of two separate positions during tough budget times as a way to help programs meet their commitments and reduce expenditures.
- Bob Danko. He walks his talk.
- Commitment of folks around me.
- Commitment of staff considering current budget issues, hiring freezes, etc...
- Dave Belyea's handling of a brownfield/UST project in Cottage Grove was exemplary. He was positive, straightforward, and timely in his responses.
- Dedicated staff.
- During the recent Thermo-Fluids fire, staff did not hesitate to help out where needed.
- Duty Officer - Help resolve concerns from the public
- Effort by David Collier on the Medford's PM10 Maintenance Plan.
- Employees are always willing and "happy" to assist you in any work which you have a problem with achieving.
- Employees are dedicated to their work, and take great pride in protecting and improving the environment.
- Employees are personally vested in their work.
- Employees looking beyond the needs of the environment to consider long and short term effects on people.
- Employees that are committed to this agency despite their feelings about the agency, director & management.
- Every person that I work with I believe wants to provide the best technical support to every customer that they deal with.
- Excellence at the VIP stations within DEQ would be the inspectors that show up everyday; put in their 8.5 + whatever needs are needed before and beyond the 8.5 to keep the program running creating most of the revenue for the program, that is what I think excellence at DEQ is. Also, we still show up for low wages with a smile on our face!
- Excellence is that we continue to get our jobs done and serve the public despite shrinking resources.
- Greg Geist and AFSCME taking initiative to advocate better environmental protection for stream quality, I recall, outside what we could do at our jobs.
- High level of respect among most staff, and a friendly working environment.
- I am amazed by the level of commitment, to the mission of DEQ, demonstrated by so many DEQ employees.
- I am prompt in my deliverables outside the agency.
- I think Ron Doughten is an unsung hero. He produces work in a thorough and timely manner.
- I think that the recent Governors tour of the Willamette demonstrated the excellence and quality of some staff we are lucky enough to have retained.
- I think the WR management team is an example of excellence at DEQ. Kerri has done a great job of teambuilding, and I think that many of the initiatives that come out of our retreats

foster excellence throughout the region as people get involved and see us practicing what we said we would do.

- I'm always pleased every year to see how well we do in The Food Drive. This year Angela Parker did an excellent job with The Food Drive at the Lab.
- In general, I would say the support staff do a fantastic job of supporting me in my job! Willing, helpful, and often times the ones who will save your rear-end.
- Individual helpful interaction with the public
- Inspectors that go above the quality of work required of them to do their part better.
- Ivan Camacho going to school assemblies to teach kids about the environment.
- James Yates quick turnaround of samples and his punctual attention to his data review responsibilities.
- "Jim Glass: Innovative implementer of USTfield/brownfield projects in local communities; effective communicator and representative of the agency.
- Dave Belyea: Versatile, experienced staff person in UST programs; works well with wide spectrum of people to solve difficult problems.
- Karen White-Fallon: Friendly, competent, customer-service driven to work with even difficult people in a positive and constructive way."
- Kati Robertson thought ahead when applying for a federal brownfields assessment grant, and included \$\$ for doing Phase I assessments on industrial lands sites. She took a lot of heat for being a little ahead of the curve at DEQ.
- Kerri Nelson is one of the best examples of excellence at DEQ. She sets a great example for staff; she finds the time to take personal interest in employees; she looks for ways to improve operations; and she has enormous personal integrity.
- Kevin McCrann's work on Thermal Fluids fire. All of NWR AQ's response to Thermal Fluids. Randy Bailey's work on ESCO's permit. Ed Druback's big picture thinking. John Ruscigno and Terry Hosaka. Susan Drake's ability to put together any presentation we need. Janice Fischer and her work making our asbestos webpage so wonderful. Dave Wall's work on the asbestos rules revisions. Dottie Boyd's work on the asbestos home owner's survey guidance. Steven Croucher's development of the asbestos mats. Alana Davis' ability to do anything you need with computer software. Dave Wall and Ernie Weber's work on the asbestos database and Ernie's management of the TRAAQS business plan development. Bob Sturdivant's processing of payroll every month!!! Heather Garrett's ability to answer every one of my questions and work with my employees. Jane Hickman's work on Division 12. Bryan Smith's processing of enforcement actions. Judy Simmons and Will McElhinny and how they can fix anything with payroll. Dawn Jansen and her mediation skills.
- Kevin Parrett is doing an excellent job moving the remediation at M&B forward while continuing to keep stakeholders in the loop.
- Linda McRae at the lab. She works hard, is always doing her job and doing it well, she cares about whether things go well and whether accurate data is being generated quickly and passed on to stakeholders
- Management is very accommodating to its employees' special needs.
- Manager and staff have been very supportive in my success in my new position.
- many employees would participate in this work whether or not it was their job
- Many of the staff at DEQ go to heroic efforts to get there job done.

- Many staff take a personal interest in seeing projects through to successful completion
- Marianne Fitzgerald
- Mark Fisher recently was very patient with a permitted and he explained basic permit needs to that permitted.
- Most of the senior administrators in this agency are very skilled and committed.
- My coworkers share my job values and guarantee that the projects I lead are successful!
- my manager
- My manager always treats me with respect and always values my opinion.
- My manager has an open door policy.
- My manager is an example of excellence at DEQ.
- Nina DeConcini speaking with passion and knowledge about individuals supporting the environment
- Nina DeConcini's customer service training work.
- Observing the overall conduct/professionalism of the department.
- On any given Saturday there are usually staff/management working hard at their desks to get things done and doing so on their own time.
- Our director has been doing an excellent job.
- Our IT section. They are great, keep us running smoothly, quick to respond in emergencies.
- Overall commitment by most employees to provide quality work
- Paul Slyman and Stephanie Hallock are excellent leaders of the agency and role models for staff.
- Program manager is always in reach and treats all employees with equal respect
- Ray Larivee does a wonderful job. He has excellent people skills, runs a very tight ship at Sunset, and is genuinely interested in the success of his employees.
- Really committed people taking their lumps for the DEQ (and the environment) on a daily basis
- Regardless of budget constraints, staff shortages, hard economic times, etc., a lot of DEQ staff and management go out of their way and beyond their expected duties to make sure DEQ gets it done, and does it in the best possible way. You don't see commitment like that very often and it's a shining example of excellence.
- Regardless of the budget issues, my colleagues and I do the best job possible under the given circumstances. I respond to every phone call, email, or letter received as best I can.
- Responsiveness of my current manager to the public is excellent.
- Ruben Kretzschmar's standout efforts in coastal WQ management! He put both compliance and beyond compliance into the vocabulary of multiple industry sectors working over our coastal waterways!
- Sorry - don't have one within my own program that I can seriously and sincerely endorse. I am encouraged by the continued efforts of others to do their personal best in often trying circumstances.

- Specific people in the performance of their jobs day after day. I would name names, but then would leave someone out... Let's go with our computer network. It is exceptional compared to most in the private and public sectors. Here's to those who build and maintain it!
- staff level efforts to communicate with stakeholders; staff commitment to move forward and produce tangible results on the ground
- Staff tend to be self starters and produce high quality work toward achieving section goals.
- Staff that stick with the rule making process and help to make rules clear and concise even though both the process and EMT direction are moving targets.
- Staff who take the time to sincerely help a member of the public solve an environmental problem. And our vehicle inspectors -- they are the best!!
- Staff working hard at their jobs, without complaining, with dwindling budget and resources to deliver good environmental work
- Stations and job inspectors do.
- Stephanie does an outstanding job of leading the agency by working harder and smarter than anyone else!
- Stephanie Hallock and Kerri Nelson
- Stephanie has set a high bar for expectations and shows her own commitment by living up to them. It is a great source of inspiration to me that she is leading the way.
- Stephanie is an outstanding director--she sees the big picture, but is also aware of the inner workings of the agency. Her integrity trickles down to set the tone for the entire agency.
- Sunset Manager
- The 800 staff dutifully performing functions and achieving goals in a compensation environment frozen by uninformed politicians.
- The ability to integrate all the information that we encounter and use it to become more efficient in our jobs.
- The Accounting Manager
- The clerical staff are miracle workers in overcoming obstacles and ensuring the smooth operation of the agency, even though their resources and compensation are very limited.
- The commitment of field monitoring staff to conduct their work at the highest level; to collect data of known and high quality - every time!
- The Director - Stephanie has been persistent in moving her excellent vision for the Agency forward both internally and externally against some difficult odds.
- The Director's dedication to keeping staff informed about the good, the bad, the threats and the successes.
- The employees work hard to do good customer service and keep the lines down. This makes the public happy
- The every day dedication to their jobs that most DEQ employees embody.
- The individuals that dedicate their passion to make this agency work well.
- The individuals who go out of their way to make things easier for people - like Jeff Ingalls and his technical assistance visits and write-ups. There's a guy who really cares if people understand what he's saying to them! He's not just saying what he's saying so he can say that he said it!

- The laboratory staff collecting samples and data in the field under duress in all kinds of weather conditions. That should be considered a higher level position. Environmental Technician 2...it is a very technical position.
- The level of technical rigor employed in TMDL development.
- The lower paid office support staff. They have been asked to do a lot in the northwest region in some cases two jobs. It seemed very unfair that they had to make up snow time missed, the expectations of them and their time is high considering what they get paid. BTW: I am not an office support person.
- the Mailroom ! They are dependable, professional and great people to work with every time I need something no matter how big or small.
- The permit writers have surpassed expectations and are usually doing the work of 3-4 people (not too unlike most DEQ employees)
- The Southern Willamette Valley Groundwater Management team!
- The staff.
- The Thermofluids fire. Everyone chipped in to do the right thing from phoning schools and daycares, to translating important information into Russian to on-site coordination. Everyone here was giving 110% to make sure the public was informed and protected from a potential environmental hazard.
- The VIP Centers.
- The VIP program does an good job testing vehicles
- The way staff come together at the last minute to respond to an emergency, solve a problem, or address an issue - staff response to legislative inquiries, staff involvement in the recent Governor's tour, staff involvement in spill response.
- The web team. The coordinated efforts of the web representatives, which helps make the Agency web site a great tool for the public and local governments.
- To many to list. Look at every facet of our program. Everybody has a chance to input. All of our tech center people bend over backwards to do good work, and they do it. Look at the innovations our maintenance staff have come up with. Great group of people. You can stop any one of them in the hallway or job site and ask for advice and you get it. Not just some off the wall answer either, but a thoughtful, considered comment that will most likely be followed up on later with more information because they have had additional time to think about it.
- To observe excellence, look at the daily job performance of Lyle Christensen, Beth Moore, and Anne Cox.
- We are a team of everyday heroes. The staff who worked on the Medford rulemaking and hearings showed grace under pressure.
- when an employee is willing to work without getting pay for the sake of the environment
- when we got our new manager! she does good!

Customer Service / High Quality of Work

- (Customer service) I enjoy giving high quality service to all customers.
- 24 hour emergency response capability. Providing leadership among state agencies in homeland security with no additional resources.
- A couple of years ago VCP published the coffee book that emphasized our success on projects that were cleaned up. That was excellent in promoting our Agency on the quality of work that our staff have done.
- Accountability and pride in one's job demonstrated by it's work product.
- Accountings continued ability to meet required deadlines and to provide excellent customer service in spite of top management's lack of interest in internal customer service and ethics in general.
- Although' we do fall short at times, we really do try to be customer oriented.
- An air quality general permit assignment was issued while the permitted waited.
- Any of the success stories especially when folks who've had a negative opinion of DEQ, after working with DEQ, have changed their minds because of a positive experience.
- Assistance provided to communities by the regional people with whom I work is, I believe, first rate.
- Comprehensive website information available to the community, stakeholders, and employees.
- Customer comes in the door and is immediately greeted with a smile and a friendly attitude of helpfulness. Questions are answered immediately or a path to finding the answer is begun simultaneously. Progress is checked. Success is measured. People don't get lost in this system (even if that might be their goal at the moment).
- CUSTOMER SERVICE, LITTLE ERRORS, TESTING ALMOST 550 CARS A DAY.
- Customer service
- Customer service at all vip stations is A+++.
- customer service from selected inspectors
- customer service I believe that we give very good customer service compared to other state ran agencies (i.e.) DMV
- customer service is key.
- Customer service is probably the most important issue. I think that customers expect and deserve the highest quality of customer service. Since customers do not have a choice of whether or not to be here, making there experience with us an enjoyable one really sets the precedence of what that customer relates to others.
- customer service is the best quality that DEQ has
- customer service working as a team.
- Data coming from the DEQ laboratory is of the highest quality and usually reported in a timely manner.
- DEQ's Vehicle Inspection Program is always prompt and responsive when addressing customer concerns, inquiries and problems. The service at the stations is also unparalleled.

- Despite the difficulties cited in my above answer, Tanks program is able to regularly and continuously provide prompt and high quality service to the regulated community
- Diligent efforts to write "first-of-their-kind" permits while balancing the regulations, public and permitted perspectives of what should be in the permit.
- Emergency response
- Exceeding the TMDL consent decree requirements while producing high quality technical work and constructively working with Stakeholders.
- "Excellence at DEQ means doing our best every single day, with every internal and external communication we have, with every project and assignment we complete. It's also about thinking positively about our jobs and the work we do; it's about choosing to be here every day.
- Example: returning ALL phone calls and emails, internal and external, within 24 hours. "
- Excellence at DEQ to me is resolving an on-site system failure that is amenable to all parties (designer, owner, DEQ)
- Excellence is going beyond what I or others expect from me, my section, our division and the agency. An daily example of excellence in action is the building of trust and transparency with customers internally and externally.
- Excellent technical work and analysis at a staff level.
- External customer service.
- Great customer service! I only wish we would get equal pay a DMV employees since we are doing a lot of their work!
- Helping the public with a long standing land use dispute - Lakeside Landfill
- High quality, never try to cut corners on quality.
- I am currently working on a new project, which strives to enhance customer service and lead the nation in the new technology for vehicle emissions testing.
- I believe the program I work for does an excellent job. This at first may sound bias but is proven by the fact that as a whole this section works so hard that we can't get replacement people from in-house.
- I frequently receive compliments on DEQ's website.
- I get many complements about the service that the main HQ receptionists provide. I also get compliments on DEQ's webpage.
- I heard a rumor from a somewhat reliable source, that our remote sensing department discovered that vehicles are actually running cleaner outside of the vehicle testing area. Incredible.
- I provide service and benefit to Oregonians in protection of the environment and public health that is worth at least 5 times more than it costs Oregonians to compensate me.
- I SEE EXCELLENCE AT D.E.Q., WE TEST FIVE HUNDRED VEHICLES A DAY, ALMOST NO MISTAKES.
- I see in myself and others a willingness to help in whatever is asked. This attitude makes for good internal and external customer service and it makes coming to work a pleasure.
- I think excellent is achieved when I customer receives the best of our experience and information and is able to leave our station with the understanding that we all need to be an

active part in keeping our air clean even if that means putting out a little cash to make this happen.

- I think that excellence is just going the extra mile for our "clients." Avoid trying to keep the answers as short as possible in order to get off of the phone. Make sure the caller or visitor has exactly the information that he or she needs. I can't offer a specific instance of this, but some staff are very good at this. Others look at calls and visits as intrusions.
- I think the overall quantity of work accomplished, usually resulting from work above and beyond the allotted 40 hours/week (despite the resources available to us) by (often) unsung but dedicated employees is the least recognized but true indicator of excellence at DEQ. I regret that this additional effort is not seen, appreciated, or recognized outside the agency by the general public. Often the extra effort is not even recognized outside the small group of people doing the work.
- I think the TMDL reports we put out are too inaccessible to lay people and need a good technical editor, however I think the modeling work that goes into them is excellent.
- I work very well with the public. I try to answer all of the person's questions without rushing them. If I don't know the answer, I admit it, and either refer them to the right person or call them back with the information. There is no replacement for courtesy and respect for the person and their time. I've been complimented on this more than once.
- Many, many satisfied VIP customers.
- Most of DEQ's technical work is top notch. Examples would be the TMDL documents that are being produced.
- Most of the co-workers I work with give excellent service
- Most staff are thoughtful & respectful in explaining whatever their specialty is to whoever is asking. That is excellent customer service.
- My customer service
- Notifying permittees of potential problems before they arise. Being proactive instead of reactive.
- NWR WQ technical staff go the extra mile to respond to calls from the public on a variety of issues, many of which do not deal with DEQ jurisdiction. Instead of transferring the call, staff find the answer or the agency responsible.
- Our responsiveness to the public is exceptional; however sometimes we create unintended consequences.
- Our section continues to address any and all requests for information from concerned citizens.
- People providing excellent service despite increased workloads
- Providing a quality work.
- providing new and modern methods of testing to cut testing time for our customers
- Providing prompt response to phone inquiries
- Providing the highest quality data to our clients is the prime goal of our laboratory section. All analyses are conducted using quality assurance measures that have been established for each method. All data is reviewed prior to the final report to the client. I am proud to be working at a laboratory that makes quality a priority.
- Putting on a happy face to the public regardless of changes in the program.

- Quality and unbiased data
- Quality of work product, commitment to external communication, commitment to citizen involvement
- recent Governor's tour of the Willamette; publication of the Groundwater Quality Report for the Willamette Basin, Oregon
- Response and turn around time to the public.
- Response to recent fire in SE Portland.
- response to spills
- Response to the public. DEQ employees try very hard to provide information to the public.
- Responsiveness to customers and fellow employees
- The analytical chemists results on Performance Samples for the entire DEQ laboratory.
- The cleanup of the Willamette River over the decades was an incredible milestone.
- The customer service our section provides.
- The level of accuracy expected is an example of excellence at DEQ.
- The number cleanups completed
- The NWR Air Quality Section response to the Thermo Fluids fire rocked!
- The Pacific Northwest Water Quality Data Exchange is the leading environmental interstate technical achievement in the country.
- The performance of our director in educating the legislature (and constituents) on what we do and how we do it with a high priority on customer service.
- The public appreciating our willingness to help them in a timely manner as "state agencies generally aren't so willing to help and don't care about the general public's time schedules." We were praised for same-day service and a positive attitude.
- The quality of the data collected by our water quality monitoring staff at the lab.
- The response to asbestos fall-out from the Thermo-Fluids fire was rapid and comprehensive.
- The testing of high numbers of cars when called upon.
- The way we responded to the Thermofluids fire. Everyone hopped on board and got the job done.
- Timely issuance of UST service provider and supervisor licenses facilitates conducting business in the state.
- Timely response
- VIP owes a great deal to Ted Kotsakis. Not only because who he is as a person but also because of the way he interacts with his advisors in implementing necessary changes that has improved the overall operation of VIP. It just keeps getting better and better. As problems are addressed and resolved the work environment becomes better and better and employees become happier even when we have frozen wages etc. Excellence starts at the top, we have that and it is felt throughout VIP.
- We are unfailingly polite and considerate in our dealings with the public.
- We have an excellent public document turn-around time.

- We have established a reputation of going further with our interpretation of national requirements, providing more reliable data and internal QA than most states.
- Western Region Haz Waste measurement and performance measure web page reporting
- When confronted with differing interpretations of environmental regulations between DEQ and our regulated entity (customer), DEQ Management makes the difficult decision to concede - thus preserving our "customer-oriented" philosophy. This perpetuates industry's belief that DEQ does indeed "make decisions based on good science".
- When people come in and compliment us and a job well done.
- When we say we'll get back with more information we do just that and even more. Going the extra mile is just a matter of fact around here.

Management Initiatives & Programs

- Aiding stakeholders in the development of plans and then finding resources to put plans into play that eventually protect the beneficial uses of the waters of the State.
- Annual employee surveys give excellent feedback.
- Cleanup Program successes.
- Clear direction to responsible parties so they are able to make informed decisions.
- Commitment to educating youth
- Construction and maintenance of DEQ Laboratory's database
- DEQ goes out of it's way to satisfy legislature members.
- Design of new performance management system
- Director and Manager leadership with fair, honest goals and direction.
- Efforts underway to improve internal communication and understanding within DEQ, through internal employee newsletter, DEQ in the News.
- Emissions Testings 1 Million Vehicles every year.
- Every one is treated equal
- Excellence is a balanced budget and public trust.
- Excellence is when management asks and responds to your concerns, one example in this survey.
- getting rewarded with a little something for a the hard work, like the shirt's we got as a thank you
- improvements in our budgeting in the Water Quality Division
- Knowing that DEQ cares enough about its employee's to have an employee survey shows excellence at DEQ!
- Listening to people before trying to solve problems.
- Managers conveying the importance of the linkages between agency direction/section work plan/employee performance plan.
- My job is closely related to the employees within DEQ and not the public. I think in that respect, DEQ does an excellent job providing it's employees with everything they need to do their jobs. Much more so than other places I have worked.

- My manager was allowed the creativity and flexibility to offer me a position, designated for Pendleton, by geographically re-allocating the work load and allowing me to remain in my regional office. It was also possible to re-allocate my work duties from one program area to another, offering me the opportunity to grow professionally.
- Our emphasis on technical assistance and public input rather than enforcement.
- Our guidance documents. Many have been superbly written.
- People here are very supportive, and here for the overall effectiveness of the agency mission, more so than for personal gain. I noticed the difference immediately from my previous assignment with another governmental agency. Here people and staff are treated with the highest regard.
- PPG effort to overcome program barriers and really focus on environmental goals using all agency tools and programs
- Problem solving: when a problem arises it is solved right away.
- Producing an integrated, comprehensive report in conjunction with ODFW on the Oregon Plan.
- Provide technical solutions and financial assistance to municipalities to improve and protect water quality. Develop NPDES permits and Mutual Agreements and Orders to protect water quality from Rule violations. Apply the above in a holistic and innovative manner.
- Providing the public and staff background and implementation guidance on our rules.
- Realism in anticipating lower state revenues in 0103 biennium and staffing accordingly -- throughout the biennium.
- Soliciting and valuing public comments in the rule-writing process.
- SUPPORT GIVEN TO SMALL BUSINESSES AS THE HW PROGRAM SHIFTED OVER TO ELECTRONIC REPORTING
- The amount of good programs.
- The Applegate TMDL produced by the Medford WQ staff - which is being used by EPA as a model for future TMDLs.
- The duty officer program is a successful program. It is a good opportunity to communicate with the public, and solve problems.
- The great treatment of employees.
- The HQ reception function (and field offices as far as I have experienced) is outstanding. I have been frustrated by public agency "menu" systems many time. I'm glad we have live humans.
- The management approach in VIP, putting the employees first.
- The mentoring program.
- The new on-line recruiting tool developed for managers describing everything they need to know about conducting a recruitment, and the ability for applicants to check the status of recruitments they have applied for.
- The SPPIT program
- The TMDL program -- I think that we see real change in Water Quality and will continue to document improving trends in the coming years.

- Understanding and being able to convey the reasoning behind rules, regulations, and why they're in everyone's best interest.
- Using funds provided for in the Rural and Economically Distressed Site Assessment Initiative, DEQ reviewed numerous Phase I - Environmental Site Assessments as part of the Industrial Lands Certification process outlined by the governor. Many of these Phase I's were from rural areas hoping to draw industry and much needed jobs to their communities. DEQ showed excellence by securing Federal grant money to conduct these reviews, placing no financial burden on these communities yet producing Certified Industrial Lands in a majority of the cases reviewed.
- Using state-of-the-art technical methods to evaluate risk.

DEQ's Environmental Mission / Accomplishments

- Ability to maintain clean air standards.
- An example of the excellence of DEQ would be to look at the work that we have been doing and are continuing to do, to clean up the Willamette River. Many people don't remember when we weren't allowed to swim in the Willamette but because of DEQ people are now able to swim and fish all along the Willamette River.
- cares about the environment
- DEQ is one of only a few states that can accurately measure long term trends in water quality. The long term maintenance of the ambient water quality monitoring network and the development and use of the Oregon Water Quality Index is an example of excellence in terms of strategic thinking, commitment and technical expertise.
- Going home after a long hard day in the office with the knowledge that your job makes a difference and families are protected
- I believe in the clean air program and feel that we do a good job of keeping vehicles running clean with our testing.
- I believe that programs such as DEQ, Forestry, US Fish & Wildlife, etc.. are important to a community/society. Because, these programs and others protect our environment, wildlife, etc. and make sure that we all have the opportunity to be good stewards of our earth, by incorporating policy, rules, and guidelines to assist the public as earth stewards. However, to say that DEQ is "great"(er) than any of the others in this mission as a governed steward??? Can't say.
- I believe the outreach we provide in helping to prevent environmental contamination is excellent.
- I excel in providing high quality water quality/pollution prevention outreach presentations to students (K-12). I believe that I do a great job in such efforts.
- I like hearing in the news how DEQ responds to environmentally dangerous situations. Recently, the asbestos and other air quality people held an emergency meeting with the community affected by the Thermo-Fluid fire.
- I think that DEQ believes in the mission and as such accomplishes many great things because of the strong idea of a cleaner and sustained environment.
- In my section, I think we have helped to keep the state on track with our recycling goals though the excellent work in the field and HQ
- Keep the most valuable things in humanity clean (air & water).

- Lowering the CO,HC,NOx levels in the Portland area.
- Seeing the mountains and eating the fish (most of the time in some areas).
- The overall improvement in water quality that has occurred over the last two decades.
- The YES project is using a cross-program approach to addressing environmental priorities and is effectively engaging Oregonians. This is a great example of Oregonians helping Oregon.
- There are a number of success stories, where an inspection and sometimes an enforcement action result in a company installing pollution prevention measures. The recent Eastern Region cases with Ready Mix Concrete plants, are a great example. The industry representatives are installing new systems, reducing pollution, and constructively working with the Department.
- There are several examples of DEQ inspectors providing technical assistance to small businesses that leads to pollution prevention. These are win/win situations because the small business avoids regulation and pollution is prevented.
- To me, excellence at DEQ would mean combining accurate, well supported, peer reviewed scientific information with an unapologetic priority to protect the environment and public health. Present that information and our mission clearly so that the public would understand how what we do provides universal benefits. Examples: clean diesel program, Thermofluids fire teamwork.
- To work with permitted sources to minimize and prevent permit violations before they have a chance to occur. This is accomplished with engineering plan review during the design phase of new, modified, and upgraded facilities.
- when I think about Oregon without DEQ, I think about the deteriorating overall health of the land, water, and air. Therefore, excellence at DEQ is every employees contribution to better the environment
- Writing permits that allow sources to operate their businesses, and still provide environmental protection.

Teamwork Between Multiple Agencies

- Collaboration between programs to effectively and efficiently resolve complex environmental problems.
- Collaboration between regions and HQ on developing permits
- Coordinated multi-disciplinary effort to manage the Thermo-Fluids fire.
- Cross region and cross program staff and managers responding to the Thermofluids fire and associated problems, and addressing the neighborhood's needs.
- DEQs involvement with the air toxics program at a national level, and the development of an air toxics program at the state level.
- Employees working together as a team to get a project finished on time.
- I think working collaboratively with stakeholders and other government agencies produces a better product. Examples of this include Green Permits and EcoLogical Business programs. Unfortunately, this is the kind of work that is being phased out.

- I would love for the teamwork. Although the morale is down because the employees are doing more work - and frozen wages. Losing valuable employees. Something needs to be done.
- In the VIP program at the gresham station we are all a team, A large family you could say, we are dedicated to helping our customers and each other.
- Innovative approaches that are supported by the regulated community, such as the recent watershed based permit for Washington County.
- Its giving me the freedom to focus on helping members of the public...i.e., helping the people who put a roof over my head.
- My co-workers ability to work across program and agency boundaries to solve environmental problems despite the bureaucratic roadblocks within DEQ and other state and federal agencies.
- My section is good at collecting all the samples/data we plan to collect on various projects. An example is the 2003 offshore survey of Oregon's coastal waters. It was a multi-agency project with a team of 13 scientists.
- My section's staff work together on cross-training and being flexible to meet priorities.
- Outreach and partnering efforts to involve DEQ with communities. I work in the Western Region, where there are multiple examples of direct outreach which maintains strong environmental protection while working directly with various communities.
- Partnering between programs.
- Partnering with private and local stake holders to solve environmental problems in a cost-effective manner.
- Successfully working with rancher and stakeholders who are initially skeptical of our water quality program, and being able to get them "on board" with our mission.
- Team effort at the Thermo-fluids fire.
- The ability of cross program staff to effectively work together with businesses and communities to promote a better environment.
- The CEMAP Ocean Cruise during the Summer of 2003. The ocean cruise required an intense sampling period of sampling; 24 hours a day for 6 days. The CEMAP crew came from the lab, NWR, HQ and other federal agencies. We all worked together as a team and the sampling was finished without a major hitch.
- The coordinated response to the fire at Thermo Fluids (especially the willingness of staff from outside NWR AQ to pitch in and help out in any way they could).
- The joint response to the Thermal Fluids fire
- The multi-agency partnerships that DEQ has played an active, key role in recently (e.g., Clean Rivers/Lawn-Garden Awareness, the Eco-Logical Business Program, etc.). These efforts eliminate government duplication, while providing coherent and unified messages to the public and businesses.
- the work we do with watershed councils.
- Tri-County Household Hazardous Waste Project. DEQ has provided 5 grants to this effort to plan for, construct and operate 2 permanent household hazardous waste facilities in Wasco, Sherman and Hood River Counties. While the grant money was very helpful for this project, the truly excellent work of DEQ was the providing of technical assistance and project oversight which culminated in the 3 counties and all of their incorporated cities signing an

Intergovernmental Agreement in support of this project and then raising their garbage/recycling rates in late 2003 in order to pay for it. A fine example, in my view, of excellent collaborative work that DEQ was involved in.

- We do this all the time by working with municipalities or individuals in trying to achieve long term goals.
- We have several projects in which we worked cooperatively with property owners and other agencies to clean up a site cost-effectively so that it could be put back into productive use.
- When the Thermo Fluids fire presented a possible threat to human health via asbestos exposure it was pure magic to see the AQ section come together and tackle the issue with such enthusiasm and cooperation. Even those who have nothing to do with asbestos rushed to help cover all the tasks that needed doing.
- Willamette mercury monitoring in 2002-2003 was an excellent example of multiple agencies working together.
- working with the DMV, giving tags at the stations.

Other

- "Excellence" is a mighty big word for a state agency.
- An analogy would be a duck floating along very smoothly on top of the water when the duck's feet are actually paddling wildly under water to create this smooth image.
- Can not remember one lately
- Can not think of one.
- Can't think of one.
- Certainly not the sentence structure to this question. (You first have to give an example before you then describe it.) I guess by definition those that receive the "Director's Award for Excellence" are excellent even though they mostly go to those managers who have palled-around with the Director for years. Would have been better, though, if their staff employees agreed they were deserving.
- DEQ is excellent at double-talk and instantly morphing for a particular audience.
- DEQ is excellent at putting on a "good show" public ally and undermining the hearts, souls and intentions of good employees.
- Despite the economy, there has been no one that has physically lost their job yet.
- Don't know of any.
- EMT is an excellent example of time wasting. All the planning we do to find better/faster/cheaper processes to do more with less is an excellent example of the goal of excellence gone awry.
- excellence at DEQ is only revealed in community oriented positions. People who do compliance do not get recognized because the "customers" do not get that "feel good" experience.
- Excellence in conflict of interest. Excellence at double-speak.
- Finishing any job.

- For this question to mean anything other than to give you a warm, fuzzy, feeling, it should have been paired with the question "Describe and give an example of where DEQ is falling short of its goals."
- Getting needed work done despite interference from legislators.
- Getting the job done on the basis of science
- Going to DEQ to get your car tested is perceived the same as getting a tooth pulled for most people. Dealing with different personalities requires tremendous social skills. We deserve more recognition and compensation.
- HA!
- I am not sure what DEQ means by "excellence." I think it is just a vague buzzword designed to promote blind morale.
- I don't know
- I don't know.
- I get paid on the first or before
- I SEE NO EXAMPLE OF EXCELLENCE FROM DEQ MANAGEMENT
- I'm at a loss for an answer for this one.
- I'm thinking, I'm thinking!
- Listening to the BS from Steph.
- Me baby me.
- My excellence? DEQ's excellence?
- no comment
- No comments
- no staff were terminated during the latest budget constraint
- NOT APPLICABLE
- Not familiar enough with the overall programs
- not sure
- One of the most important to me is striving for consistency in the cleanup messages we deliver.
- Our hours
- psh. I'm internal, not much excellence.
- safety
- still don't have a clear definition of excellence. Most staff really try, a few should be fired.
- The recent CWS permit
- There is not any that come to mind.
- There isn't one example - lots of WQ staff go above and beyond what should be expected of them to do their jobs well.
- There used to be.
- Unable to.

- We give excellence daily in DEQ as a whole.
- We haven't had to take too many budget B.S. No layoffs, says we can budget.
- we only have to waste time with this survey once a year
- When someone does something that management (DA level and above) thinks is "cool", management calls that Excellence.
- Why, are success stories that hard to come by here?
- Willamette TMDL.
- Working on environmental issues in this political climate - are you kidding? It's everywhere.
- You've got to be kidding.