

Date: Jan. 17, 2023

To: Environmental Quality Commission

From: Leah Feldon, Interim Director

Subject: Item E: Director's Report (Informational)
Jan. 19, 2023, EQC meeting

1. Laboratory and Environmental Assessment Division

1.1 Air quality monitoring for wildfire smoke

DEQ is responding to increases in wildfire smoke and the need for additional air quality and public health related information by expanding our air quality monitoring network using lower cost monitoring equipment developed by DEQ, called the SensOR. DEQ currently has over 70 PM2.5 monitoring locations across the state, and with resources made available by the Oregon Legislature we will be adding another 20 locations. On January 11, DEQ opened a survey for public input on the proposed locations for the next 20 SensORs. The survey, available at <https://www.surveymonkey.com/r/3QD3JXQ>, will remain open through February 1. We will use public input to refine and prioritize the proposed list of sites before starting the monitor siting process.

Proposed locations are based on:

- Airsheds that don't have monitors or are not otherwise represented by the existing network.
- Counties without monitors, typically these are coastal counties or interior counties with low populations
- Areas commonly impacted by wildfire smoke
- Areas with environmental justice concerns
- Input from agency partners and other interested parties including the Oregon Department of Forestry and Oregon Health Authority.

2. Air Quality Division

2.1 Proposed revision to federal standards for particulate matter

On Jan. 6, 2023, Administrator Michael S. Regan announced a proposed rule to revise the particulate matter (PM) National Ambient Air Quality Standards (NAAQS) based on the agency's 2021-2022 reconsideration of a Dec. 8, 2020, EPA decision to retain without revision

the existing PM NAAQS. EPA proposes to revise the current 12-micrograms-per-cubic-meter ($\mu\text{g}/\text{m}^3$) primary annual PM_{2.5} standard to a level within the range of 9-10 $\mu\text{g}/\text{m}^3$ and is seeking comment on an annual standard as low as 8 $\mu\text{g}/\text{m}^3$ and as high as 11 $\mu\text{g}/\text{m}^3$.

For the primary 24-hour PM_{2.5} standard, EPA proposes to retain the current 35- $\mu\text{g}/\text{m}^3$ standard without revision and is seeking comment on lowering the short-term standard to as low as 25 $\mu\text{g}/\text{m}^3$. EPA further proposes to retain without revision the secondary annual and 24-hour PM_{2.5} standards and the primary and secondary PM₁₀ standards; EPA seeks comment on revising the level of the secondary 24-hour PM_{2.5} standard to as low as 25 $\mu\text{g}/\text{m}^3$. EPA also includes several proposed modifications to technical monitoring requirements and the monitoring network such as modifying the PM_{2.5} network design criteria to require monitoring in "at-risk communities."

2.2 Updated permitting guidance for environmental justice

On Dec. 22, 2022, EPA issued two documents that articulate permitting principles that relate to the effective incorporation of environmental justice and civil rights considerations in clean air permits. They include a memorandum from the Principal Deputy Assistant Administrator leading EPA's Office of Air and Radiation, Joe Goffman, with context about the principles, and a policy guidance document with the principles themselves.

The guidance is intended to provide a framework of principles and practices to assist each EPA region to promote environmental justice and equity through air permitting programs using existing clean air act authorities and discretion, federal civil rights laws, as well as other federal and state laws that may help to mitigate potential adverse and disproportionate effects of a permitting action. The document includes the following eight principles:

1. Identify communities with potential environmental justice concerns (especially using EJScreen)
2. Engage early in the permitting process to promote meaningful participation and fair treatment
3. Enhance public involvement throughout the permitting process (through multiple communication methods)
4. Conduct a "fit for purpose" environmental justice analysis
5. Minimize and mitigate disproportionately high and adverse effects associated with the permit action to promote fair treatment
6. Provide federal support throughout the air permitting process
7. Enhance transparency throughout the air permitting process (by documenting and addressing concerns)
8. Build capacity to enhance the consideration of environmental justice in the air permitting process (including co-regulators, communities and stakeholders).

EPA said the policy guidance is not a final action and thus not subject to notice and comment rulemaking at this time. DEQ remains engaged with EPA Region 10 and Headquarters on environmental justice issues.

3. Water Quality Division

3.1 Water Quality Memorandum of Agreement signed between DEQ and Oregon Department of Agriculture

Oregon's Department of Agriculture and Department of Environmental Quality each have responsibilities in protecting and improving water quality in Oregon's streams associated with agriculture. In 2012, ODA and DEQ signed a Memorandum of Agreement intended to coordinate the agencies' work together related to agricultural nonpoint source pollution. The MOA was renewed in 2018 without changes. In January 2022, the agencies began working on an updated MOA to focus on collaboration and better reflect the programs and responsibilities, which evolved since 2012. The agencies jointly issued an opportunity for public input and provided informational sessions to the Environmental Quality Commission and Board of Agriculture. Following consideration of input received, the agencies finalized the updated MOA, which was signed by the agency directors in January 2023.

The final, [signed 2023 MOA](#) and staff reports to the [Environmental Quality Commission](#) and [Board of Agriculture](#) summarizing public input received with responses to comments are posted on the agencies websites.

3.2 2022 Annual Report on NPDES Permit Program

A 2018 General Consent Judgement requires DEQ to prepare and post an annual report on NPDES permits. Additionally, DEQ is required to submit an annual report to the EQC which includes information on administratively extended permits (the permit backlog). In December 2022, DEQ consolidated these two reports and provided them to the commission via email, in addition to posting them online for public access:

<https://www.oregon.gov/deq/wq/wqpermits/Pages/default.aspx>

4. Eastern Region Division

4.1 Threemile Project air quality permit modification (Boardman)

DEQ opened public comment Jan. 5, 2023, on a proposed draft permit modification for a facility on Threemile Canyon Farm property that uses cow manure to create electricity, renewable natural gas, and animal bedding. The modification proposes to increase emission limits for fine particulate matter, carbon monoxide and greenhouse gases, and reduce emissions limits for large particulate matter, sulfur dioxide and volatile organic compounds. All other emission limits remain the same. The permit regulates emissions from the manure digester, methane gas treatment system, biosolids dryer, and engines that produce electricity on-site. The permit does not cover emissions from the dairy itself. Comments are due by 5 p.m. Thursday, Feb. 9, 2023.

4.2 Well water testing in southern Deschutes County

In November, DEQ's lab announced it is offering [free well water quality testing in southern Deschutes County](#) in spring and fall 2023 as part of the Statewide Groundwater Quality

Monitoring Program. [Previous research from DEQ, USGS and Deschutes County](#) shows the primary source of nitrate contamination in the area is septic systems. DEQ earned broad local media coverage of the announcement, collaborated with local community organizations for outreach, and was contacted by more than 200 property owners interested in participating. DEQ will sample 60-100 wells in the area and is working with the county to ensure residents not selected for DEQ's study have access to county well water testing resources.

4.3 Port of Morrow wastewater permit modification (Boardman)

DEQ issued a modified wastewater permit for Port of Morrow on Nov. 2, 2022, after reviewing and responding to comments from two public comment periods. The permit allows the port to manage industrial wastewater from its industrial park in evaporative lagoons and to land apply the wastewater for crop uptake. Permit changes include requirements for the port to reduce its nitrogen application during the nongrowing season, additional wastewater treatment and monitoring, and assessment and cleanup of groundwater contamination from current operations. The result will be cessation of the winter irrigation disposal program of untreated wastewater by November 2025 and reduced nitrogen loading across the expanded land application network to bring the facility into compliance.

4.4 Lower Umatilla Basin Groundwater Management Area Committee

DEQ worked with officials from Morrow and Umatilla counties to select and appoint members to the 10 newly designated membership committee categories. The committee meets every other month, and meetings are open to the public. Find more information about the committee and upcoming meetings on the [LUBGWMA website](#).

Membership categories and members:

- Morrow County – Commissioner Melissa Lindsay (alternate: County planning director Tamra Mabbott)
- Umatilla County – Commissioner Dan Dorran (Committee vice chair)
- Industry and Business – Brian Crawford, Lamb Weston
- Irrigated Agriculture – Aaron Madison, Madison Farms
- Livestock/Dairy/CAFO – Greg Harris, Threemile Canyon Farms
- Environmental – Karen Lewotski, Oregon Environmental Council
- City Government – Aaron Palmquist, City Manager, City of Irrigon
- Tribal Government – Eric Quaempts, Confederated Tribes of the Umatilla Indian Reservation (CTUIR)
- Science and Research – Dr. Salini Sasidharan, Oregon State University (Committee chair)
- General Public (2 positions) – Kristin Anderson Ostrom, Oregon Rural Action; TBD

5. Northwest Region

5.1 Astoria Area-Wide Cleanup Project (Astoria)

DEQ has completed multiple petroleum-hydrocarbon investigations and cleanups at the Astoria Area-Wide site beginning in the 1990s. The site includes the facility at Port of Astoria, five former bulk-fuel facilities, six former service stations and one utility-fleet garage located between Highway 101 and the Columbia River. DEQ launched a remedial investigation in 2001 after discovering a light petroleum sheen on the Columbia River attributed to a failure of a diesel-fuel pipeline. DEQ divided the site into five areas of concern, or AOCs, based on historic use and nature of contamination to facilitate the cleanup.

Since 2001, the facilities in areas of concern 1, 2, 3 and 5 have completed their investigations and cleanups and most have been returned to productive use. DEQ has issued six no further action determinations and two more determinations are nearing completion. The last remaining area, AOC 4, is also nearing its final stage. DEQ approved the cleanup design work plan for construction of a groundwater-permeable reactive barrier, a sediment cap, and soil vapor controls in December 2022. Remedy construction is scheduled to begin in 2023.

5.2 Columbia Steel Casting Co. (Portland)

On Aug. 25, 2022, Columbia Steel Casting Co. announced in a letter to its employees that it would be shutting down its facility, beginning with substantial layoffs in October. DEQ reached out to the facility to understand its plans, timing and what closure means for the future of its operations, permits or other commitments to DEQ.

Columbia Steel has an existing air quality permit in effect that could transfer to a new property owner conducting the same operations on the site. While the facility has verbally indicated that a cessation or curtailment of activities is likely, DEQ has not received any formal notice of such actions. Nor has the facility indicated an intent to terminate its air quality permit. Cleaner Air Oregon sent a letter to the facility on Nov. 4, 2022, approving its Emissions Inventory and Combined Modeling Protocol and Risk Assessment Work Plan, starting a 120-day clock for the facility to submit its risk assessment.

Under the Cleanup Program, Columbia Steel expressed an interest in wrapping up source control work to address historical upland sources of contamination, some of which are not related to steel manufacturing.

Under the Materials Management Program, Columbia Steel and DEQ have a mutually agreed upon order requiring Columbia Steel to remove solid waste over a 10-year time period that was illegally disposed of on the Columbia Steel property. The compliance order requires monthly reports on waste disposal and minimum disposal amounts through 2029. To date, the facility has met annual commitments for removal of the sand, slag and baghouse wastes.

Additionally, Columbia Steel has submitted a beneficial use determination application to DEQ to use sand fines captured in facility baghouses as construction fill at the Prologis Broadmoor construction project in Portland. DEQ has a draft beneficial use determination and is coordinating with interested parties on the public process which will include a public hearing.

5.3 Owens-Brockway (Portland)

Owens-Brockway Glass Plant #21 produces a variety of glass bottles and jars from post-consumer glass and raw materials. This plant has been operating in Portland since 1956.

In response to a DEQ enforcement action in 2022, Owens-Brockway plans to install new pollution control equipment. In compliance with the enforcement mutual agreement and order, Owens-Brockway obtained a construction air quality permit from DEQ in November 2022 permitting the installation of the pollution controls. Owens-Brockway notified DEQ in late December 2022 that it signed a contract with an air pollution controls vendor for a catalytic ceramic filter. The next deadline is in September 2023 when Owens-Brockway must have completed construction drawings.

In addition, DEQ is also working on drafting the Title V air quality permit modification for Owens-Brockway to ensure the permit meets the requirements from the May 2021 EPA order, Cleaner Air Oregon and the enforcement order. Once the draft permit is ready, it will be posted for public input.

5.4 Ross Island Lagoon Reclamation (Portland)

In October 2022, DEQ issued a 401 water quality certification to Ross Island Sand and Gravel to place clean fill in the Ross Island Lagoon, located in the Willamette River one mile south of downtown Portland, in order to protect water quality during reclamation activities.

In December 2022, DEQ received a petition for reconsideration from multiple organizations for the 401 water quality certification. The petition requests DEQ to evaluate three areas for reconsideration: the certification does not comply with water quality standards, the certification improperly relies on issuance of 1200-C permit and the monitoring requirements are insufficient to protect water quality. DEQ is currently evaluating this petition.

5.5 Zenith Oil Terminal (Portland)

On Oct. 3, 2022, the City of Portland approved a new land use compatibility statement for Zenith, based on an updated project description. Zenith submitted an air quality permit application for an air contaminant discharge permit in November 2022 as required under the new LUCS. The application reflects plans to cease all transloading of crude oil by 2027, lower the plant site emission limit for volatile organic compounds, cease operation of the asphalt refinery, require removal of thirty storage tanks and allow new storage tank construction only if related to renewable fuels and non-fuel projects, among other conditions.

DEQ is currently reviewing the application for completeness. Once DEQ determines the application is complete, it will begin drafting a proposed air quality permit in compliance with environmental regulations. DEQ will develop a public engagement process that includes the public notice, opportunities to comment, and a public hearing to ensure all interested have an opportunity to provide input on the proposed draft permit. Until DEQ issues a new permit, Zenith may continue to operate under the facility's current Title V permit because it has a complete air quality permit renewal application on file with DEQ.

6. Western Region

6.1 Ashland Railyard

DEQ has postponed its Jan. 5, 2023, public hearing while the City of Ashland and Union Pacific Railroad work on revised language to the deed restriction on property use. DEQ anticipates the hearing to be rescheduled for February or March, and will extend the public comment period accordingly.

When rescheduled, there will be a presentation about the recommended revision of the remedial action plan for the site along A Street in Ashland followed by a question and answer session.

The rail yard was operated by the Southern Pacific Railroad Company between 1887 and 1986 as a locomotive fueling, maintenance, and railcar repair facility near downtown Ashland. Most buildings were removed from the yard in the 1980s. Environmental investigations in the 1990s revealed that soil and groundwater in portions of the property are contaminated with petroleum hydrocarbons, polycyclic aromatic hydrocarbons, lead and arsenic. Contaminant levels in some areas of the property are higher than DEQ cleanup standards for human health.

The recommended revised remedial action for the rail yard will allow the site to be safely developed for industrial, commercial, or urban residential use. The site covered under this remedial action is a 11.7-acre area located on the central portion of the original 21-acre property. The remedial action includes excavation of contaminated soil from the western 8.7-acre area of the site and consolidation on the eastern three-acre area of the site covered with a vegetated cap. For more information go to www.ordeq.org/AshlandRailYardInfo.

6.2 Onsite ARPA Funding and Wildfire Recovery

DEQ is finalizing two subagreements for the first round of wildfire recovery funding, to Lincoln County and the Mid-Willamette Valley Council of Governments, expected to be finalized in January. A third agreement, with EWEB, is near completion pending final legal review. A fourth subagreement from Homes for Good is expected to be finalized and signed by the end of January. The Lazy Days Manufactured Home Park site is being redeveloped by Home for Good with state and federal funding including ARPA/DEQ funds. DEQ anticipates receiving an application for review during summer 2023, with potential to trigger the Three Basin Rule.

DEQ staff are providing technical assistance as the communities of Blue River and Santiam Canyon and their consultants consider a wide variety of locations and types of onsite wastewater systems. Some of these options such as new community systems or expansion of large sanitary district facilities could trigger Three Basin Rule consideration in late 2023 or 2024.

DEQ issued a second round of funding proposals for projects statewide which closed on Dec. 14, 2022. DEQ anticipates awarding \$6 million in addition funding, and received eight proposals totaling over \$14 million. DEQ will notify successful recipients of their funding in late January.