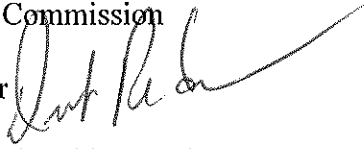


State of Oregon  
Department of Environmental Quality

Memorandum

**Date:** Aug. 25, 2014

**To:** Environmental Quality Commission

**From:** Dick Pedersen, Director 

**Subject:** Agenda item F, Informational item: Director's report  
Aug. 27-28, 2014, EQC meeting

**2014 wildfire season**

With many large wildfires this summer, DEQ is working with local and statewide health agency partners to alert residents when air quality is degraded to an unhealthy category. Much of central, southern and eastern Oregon has been affected by smoke at various times throughout July and August and health and fire experts expect conditions to continue to deteriorate through the end of fire season. In addition to news releases, DEQ will continue to update the [Oregon Smoke Blog](#) with current information and participate in the statewide smoke and wildfire meetings as needed.

**Pesticide collection event held in Milton-Freewater**

DEQ held a pesticide collection event in Milton-Freewater in July. Funding for the event was provided by the 2013 Oregon Legislature. More than 15,000 pounds of pesticide chemical waste and 3,500 pounds of empty pesticide containers, which were triple-rinsed before being recycled, were collected at the event and will now be properly disposed of. Approximately 30 people participated in the event, most of whom were growers in the region. The event was a partnership among several agencies, including DEQ, Oregon State University Extension, Walla Walla Basin Watershed Council and the Umatilla County Soil and Water Conservation District. DEQ also has pesticide collection events scheduled in October for Hermiston and Ontario.

**DEQ-proposed Superfund site land exchange gets state approval**

The state of Oregon benefited from an inter-agency agreement last month that will lead to significant cost savings on the Northridge Estates asbestos remediation project in Klamath Falls, a designated Superfund site. A land exchange agreement between the Department of State Lands and Oregon Department of Transportation was approved by the State Land Board. DEQ Regional Solutions staff spearheaded the agreement, which involves moving clean fill dirt from state-owned property and using it as part of the remediation work. The land exchange allows the state to use the donation of clean fill dirt to fulfill its obligation of funding 10 percent of the project's cost. The exchange will save the state approximately \$2 million and improve the environmental outcomes and cleanup of the site.

### **Many small communities lose access to community development block grant funding**

Dozens of small and largely rural Oregon communities are no longer eligible for some federal funding after the U.S. Department of Housing and Urban Development changed program eligibility requirements for community development block grants July 1. While 39 cities remain eligible under the new criteria, 31 others are no longer eligible for the funding much needed to comply with environmental regulatory requirements. Almost half of the newly non-eligible communities are in DEQ's Eastern Region, including Haines, Lonerock, Granite, Mt. Vernon, Seneca, Burns, Madras, Merrill, Nyssa, Boardman, Milton-Freewater, North Powder, Wallowa, Shaniko and Spray. DEQ is discussing the issue with the Oregon Infrastructure Financing Authority to better understand impacts to the affected communities.

### **Leaking residential heating oil tank awareness increasing**

A story in the *Eugene Register-Guard* July 12 was picked up by several newspapers across the state. The story centered on an energy audit program run by Clean Energy Works, a non-profit home energy performance provider, on petroleum leaks from heating oil tanks. This increased awareness of the dangers of leaking residential oil tanks is important for homeowners and helps DEQ provide better environmental protection and restoration for individuals across the state.

Homeowners with past or current heating oil usage are receiving letters from Clean Energy Works offering an energy audit. Participants can be eligible for a \$500 grant if they decommission a heating oil tank and use a different energy source for heating. The program is closely coordinated with the City of Portland Office of Sustainability and received Oregon Department of Energy grant funding. The marketing program runs June through September. DEQ estimates there are approximately 200,000 homes in Oregon that have or had heating oil tanks. By 2013 year-end, approximately 36,000 have been approved for closure by DEQ. Vapors from petroleum contamination under homes can cause unhealthy indoor air. Most heating oil tank decommissioning or cleanup projects cost homeowners between \$1,000 and \$6,000. The article can be viewed online: <http://registerguard.com/rg/news/local/31814587-75/tank-oil-tanks-heating-homes.html.csp>

### **Springfield Swanson Mill fire**

A July 17 fire destroyed a plywood and veneer mill in Springfield and resulted in chemicals and materials being released into the millrace. DEQ is working with Swanson Group to manage fire debris and hazardous materials. Once the site has been cleared of debris, the site assessment program will evaluate the residual contaminants in the soil and groundwater. A licensed asbestos contractor will be hired by Swanson Group to manage and dispose of debris on the site.

The primary objective will be to ensure all stormwater and site runoff does not discharge into the Springfield Millrace, finalize a plan for managing stormwater in the event of a large storm and identify and mitigate releases of hazardous materials caused by the fire.

Lane Regional Air Protection Agency is overseeing the management and cleanup of asbestos-containing materials from the mill site as well as asbestos-containing materials that were carried by the fire and wind, which landed on private and public properties south of the mill site.

### **Clean Fuels Program update**

DEQ has convened an advisory committee to assess information and help develop rules associated with the second phase of the Clean Fuels Program. That committee has met three times since June 2014, and is comprised of 21 members representing large and small fuel distributors; Oregon producers of biofuels; providers of clean fuel such as electricity, propane, natural gas and biogas; local governments; and business and environmental interests.

The committee will provide expert input to DEQ on policy and technical issues related to several program design options and the fiscal and economic impact of the proposed rules. The attached document provides additional information about the public hearing associated with the Phase 2 rule development process. That hearing is scheduled to be before the commission at the November 6 meeting in Portland.

# Oregon Clean Fuels Program

## Update on the Phase 2 rulemaking process

### Rulemaking Advisory Committee

DEQ convened the Clean Fuels Program Phase 2 Rulemaking Advisory Committee, which has met three times between June and August 2014. The 21-member committee included representatives from large and small fuel distributors; Oregon producers of biofuels; providers of clean fuel such as electricity, propane, natural gas and biogas; local governments; and business and environmental interests.

The purpose of the committee was to gather expert input on policy and technical issues related to several program design options and the fiscal and economic impact of the proposed rules. The advisory committee focused on how new information developed over the past several years could affect the design of Oregon's clean fuels program (i.e. low carbon fuels).

Key topics discussed by the committee are:

- Changing the definition of fuel "importer"
- Requirements for importers of finished fuels
- Establishing criteria for periodic program reviews
- Setting the carbon intensity baseline and the clean fuel standards
- Identifying who can generate carbon credits by supplying clean fuels
- Mechanisms to contain the costs of the program

### Public comment period

The notice of proposed rulemaking and the draft rules will be published by the Secretary of State on October 1, 2014. DEQ will also notify over 8,000 interested stakeholders about the chance to comment via the agency's general GovDelivery lists for rulemaking and the Clean Fuels Program interested parties list.

DEQ will accept comments through 5 p.m. on Nov. 7, 2014.

### Public hearing

DEQ plans to hold one public hearing hosted by EQC at its regularly scheduled meeting:

Thursday, Nov. 6, 2014  
Time: 1 p.m.  
811 SW 6<sup>th</sup> Avenue  
Portland, Oregon

Cory-Ann Wind, lead staff for the Clean Fuels Program, will provide the introductory information prior to the start of the formal hearing. The presiding officer's report will include all oral and written comments received at the hearing.

### Proposed rule adoption

After the comment period closes, DEQ will carefully consider all comments received before finalizing the proposed rules. DEQ may amend its proposed rules based on comments received. A summary of comments and the agency's response will be included in the final staff report to the commission. DEQ will recommend that EQC take action on the proposed rules at its January 2015 meeting.



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