

State of Oregon

Department of Environmental Quality Memorandum

Date: May 5, 2025

To: Environmental Quality Commission

From: Leah Feldon, Director

Subject: Agenda item J, Informational item: Director's Report
May 8-9, 2025, EQC meeting

1.0 Director's Office

1.1 April 2025 Cyberattack

DEQ experienced a cyberattack during the week of April 7, which has significantly interrupted agency services since then. DEQ staff were unable to receive any emails from Wednesday, April 9, through Friday, April 11. Thank you to the public and our partners for their patience and understanding, as response times have been longer while DEQ works to recover from the cyberattack. For the most recent information, anyone can visit [DEQ's newsroom webpage](#) and view published news releases from the agency.

The Department of Administrative Services, Cyber Security Services is leading an investigation into the cause, scope and impacts of the attack. Thank you to the many dedicated staff at DEQ and DAS who have been working hard for nearly a month to ensure DEQ services are restored as expeditiously as possible.

2.0 Air Quality

2.1 Air Quality Division Grant and Incentive Programs

The Air Quality Division is set to launch multiple grant and incentive programs on June 2, 2025, offering a total of approximately \$33 million in funding to accelerate the transition to zero-emission transportation technologies and reduce diesel emissions statewide. Designed to target medium- and heavy-duty (MHD) diesel vehicles and infrastructure, these programs provide vital resources to businesses, local governments and organizations committed to advancing Oregon's clean air and climate goals.

These grant programs support Oregon's activities to reduce transportation-related greenhouse gas emissions. The Diesel Emissions Mitigation (DEM) and Diesel Emissions Reduction Act (DERA) Grants (approximately \$9 million available in 2025), Oregon Zero-Emission Fueling (OZEF) Infrastructure Grants (\$3 million), Zero Emissions Rebates for Oregon Fleets (ZERO Fleet) (\$17 million), and Oregon DEQ Clean Truck Program (\$4.8 million) collectively support the development of robust zero-emission vehicle use and cleaner transportation technologies in Oregon that prioritize both economic growth and environmental justice.

As Oregon positions itself as a national leader in clean transportation, DEQ is providing structured financial incentives to replace outdated diesel fleets, build essential charging infrastructure, and support equitable access to clean transportation technologies. Targeted funding opportunities are available to

individuals, businesses, local governments and organizations across the state, with applications opening on June 2, 2025, and closing on Aug. 15, 2025. DEQ will announce grant awards on Oct. 15, 2025, with funding becoming available in stages based on contract negotiation timelines.

2.2 Oregon Clean Vehicle Rebate Program

The Oregon Clean Vehicle Rebate Program was temporarily suspended on June 3, 2024, due to program participation outpacing allocated funding. This year, the Oregon Clean Vehicle Rebate Program anticipates reopening on Thursday, May 22, 2025. The program will monitor participation and funding closely and announce a suspension date at least 30 days in advance for Standard and Charge Ahead Rebates. Vehicles must be purchased or leased while the program is open to be eligible for the rebates.

Projected rebate funding includes \$10 million in Vehicle Privilege Tax revenue and \$30.5 million in federal Climate Equity and Resilience Through Action grant funding. All federal funding will be dedicated to Charge Ahead Rebates for new and used zero-emission vehicle purchases.

Upon reopening, Charge Ahead Rebates for low- and moderate-income applicants will be prioritized until the 20% Charge Ahead funding allocation is reached. Standard Rebates will continue to be processed during this time, but they may experience longer wait times. Charge Ahead Prequalification is currently open, allowing applicants to be prequalified, and if approved, to present a voucher to a participating dealer, while the program is open, to receive the rebate at the time of sale or lease. The response to the Charge Ahead Prequalification application has been positive and DEQ has received over 200 applications to date.

OCVRP staff and engagement contractors have been tabling and presenting at outreach events and interested party meetings, and training and engaging with new and used dealerships. Additionally, program updates and the reopen date are shared via GovDelivery emails, press releases, media outreach and website updates.

Since the program launched, DEQ has issued more than 33,000 rebates equaling almost \$100 million.

3.0 Water Quality

3.1 Resilient Columbia Basin Agreement

In 2023, the Six Sovereigns – the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs, the Confederated Tribes of the Yakama Nation, the Nez Perce Tribe, and the states of Oregon and Washington – developed the “Columbia Basin Restoration Initiative,” providing a framework to restore Columbia Basin fisheries to healthy and abundant levels, honor commitments to Tribal Nations, and deliver affordable and reliable clean power while meeting the many resilience needs of interested parties in the Columbia River Basin and the Pacific Northwest.

In September 2023, a Presidential Memorandum was issued establishing the federal policy to restore wild Columbia River Basin salmon, steelhead and other native fish to healthy and abundant levels.

In December 2023, the Six Sovereigns and the National Wildlife Federation entered into the “Resilient Columbia Basin Agreement” with the U.S. Government that: a) stayed litigation related to the operation of the Columbia River Power System for up to 10 years; b) established a list of federal commitments related to expanding funding for fish and wildlife programs; and c) included agreed-upon spill operations for the federal dams for the next 10 years. The core elements of the RCBA are aimed to advance the objectives of both the presidential memorandum and the CBRI in a manner that secures a clean and

resilient energy future, supports local agriculture and its role in food security, and invests in the communities that depend on the services provided by the Basin's federal dams to enhance resilience to climate change.

In September 2024, Governor Kotek signed Executive Order 24-28 directing coordinated and transparent implementation of Oregon's commitments to the CBRI and the RCBA, including annual reports to each state agency's boards/commissions.

DEQ has taken and continues to take actions consistent with its authorities to implement the CBRI and RCBA. In November 2024, DEQ presented to the EQC recommended text for a new five-year order modifying the total dissolved gas water quality criteria on the mainstream Columbia River to allow for the agreed-to spill operations intended to benefit migrating salmonids to proceed. The EQC voted to approve the new modification order and Director Feldon signed the document in December 2024. In addition, DEQ continues to work with the state of Washington and other regional partners to develop implementation plans to achieve the required temperature reductions specified in the 2020 Columbia and Lower Snake Rivers Temperature Total Maximum Daily Load. These are to improve water temperatures for the protection of aquatic life. The actions also include work to protect and restore sufficient cold-water refuges at the mouths of key major tributaries on the mainstem Columbia River to support increased survival of migrating salmon.

4.0 Eastern Region

4.1 Crook County Domestic Well Concerns

DEQ worked with environmental consultant Maul Foster and Alongi and Crook County residents to schedule the second round of domestic well sampling in Crook County, which began in late April. Results are expected at the end of June. Once results are analyzed, a summary report will be produced. The data will be given to the Oregon Health Authority (OHA) as soon as possible for them to complete their health assessment. This data, along with the first round, will give OHA seasonal comparison in the data sets.

4.2 Grassy Mountain Gold Mine Project

DEQ continues to work on the development of four permits for the proposed Grassy Mountain gold mine in Malheur County. The agency's draft permits must be submitted to the Department of Geology and Mineral Industries (DOGAMI) by mid-May. However, DEQ will be submitting an extension request due to the recent cyberattack. DOGAMI will review all permits for consistency and facilitate the resolution of conflicting permit conditions through the project's Technical Review Team. After all the draft permits from the coordinating state agencies have been prepared and conflicts resolved, DOGAMI will facilitate a public comment period on the permits.

In mid-March, President Trump issued an Executive Order to facilitate the extraction of mineral resources on federal lands. The Executive Order is not expected to significantly change the timing of the state's permitting process or alter the environmental standards the Grassy Mountain project must meet.

4.3 Lower Umatilla Basin Groundwater Management Area (LUBGWMA)

DEQ released an updated nitrate trend analysis report in January. The results showed that generally, nitrate concentrations continue to increase in the Basin's groundwater. The LUBGWMA.org website has been updated and is now being maintained by DEQ. DEQ, ODA and OWRD finalized a Memorandum of Agreement on collaborative work in the LUBGWMA. This agreement formalizes the commitment the three agencies have made towards collaborative governance in reducing nitrate in the basin.

DEQ, in partnership with ODA, OWRD, National Policy Consensus Center and Oregon Consensus, organized and participated in two LUBGWMA Committee Meetings (January and March). DEQ gave updates on the progress of the Nitrate Reduction Plan at both meetings. DEQ, ODA and OWRD gave a presentation at the March meeting on relevant data collected by the state that relates to groundwater. The focus was only on locations and information collected, not on results or interpretation. The goal of this exercise was to start a discussion on where there may be data gaps or more information available. Oregon Consensus has sent a follow-up query to the Committee, requesting information on any additional data that may be shared with the state that will complement the Nitrate Reduction Plan.

The agencies have started working towards engaging the Committee in conversations about their role in the basin and how that can complement the Nitrate Reduction Plan. NPCC and Oregon Consensus are leading the effort to work with the Committee to determine what the next steps may be. This will likely focus on communication with the local communities on actions taken and progress made with the Nitrate Reduction Plan and exploration of potential voluntary measures that can be implemented in the basin.

DEQ, ODA, OWRD and OHA met with EPA on April 30 to review a report summarizing the progress made for each section of the Nitrate Reduction Plan during the first quarter of 2025. EPA representatives were pleased with the progress state agencies have made in the early stages of implementing the Nitrate Reduction Plan. It was jointly decided to move to an annual in-person meeting between EPA and state agencies, while still providing quarterly written reports to EPA.

4.4 Harney County Emergency Flood Response

DEQ staff from Emergency Response, Water Quality permitting, and Materials Management supported the Emergency Operations Center (EOC) established in Burns to respond to extensive flooding in Harney County in late March/early April. DEQ assigned a liaison from the Eastern Region to provide communications support, and direct support to the State EOC and Harney County. Also, DEQ provided immediate technical assistance related to the disposal of solid and hazardous waste, while also working daily with the city's public works staff to ensure wastewater challenges were handled appropriately. Finally, DEQ reviewed and provided input on the County's Disaster Debris Management Plan.

DEQ staff worked on location in Burns to help the community with solid waste and hazardous waste determinations and disposal. Once DEQ staff were on-site, it was determined that common household waste could be disposed of at the local landfill, and DEQ provided specific guidance on disposal of asbestos-containing materials. DEQ and a third-party vendor organized and executed a household hazardous waste (HHW) disposal event on April 26 to properly dispose of household waste deemed dangerous.

DEQ continues to work with the city of Burns and Business Oregon to consider the best funding options available, which may include the Clean Water State Revolving Fund (CWSRF) to update the County's wastewater treatment system.

5.0 Northwest Region

5.1 Zenith Energy

Zenith Energy Terminal Holdings, LLC is a fuel products transloading facility in the Critical Energy Infrastructure Hub, located in an industrial section of northwest Portland near the Linnton neighborhood. The company accepts crude oil, diesel, renewable and other fuel products from one mode of transportation, such as railcar or pipeline, and passes them along to another, such as marine vessels. In the interim, fuel products are stored at the facility in above-ground tanks. Zenith does not own the products it

handles.

DEQ posted Zenith's draft air quality permit on public notice on April 7, 2025, including the public comment period, public hearing dates, and draft permit documents. This comes after DEQ received an approved land use compatibility statement from the City of Portland on Feb. 3, 2025, and subsequently determined it to be sufficient to continue processing Zenith's permit application.

The public comment period started on April 7, 2025, and will close on May 30, 2025, at 5 p.m. The first public hearing is scheduled for May 12, 2025, at the University of Portland Buckley Center Auditorium with an option for people to join virtually. The second public hearing is scheduled for May 15, 2025, and will be held virtually on Zoom. After the public comment period concludes, DEQ will evaluate all comments received on the draft permit and make a permitting decision, which could include revisions to the permit.

On May 1, 2025, DEQ and Zenith Energy reached a settlement, resolving the enforcement case about Zenith's unauthorized connection to and use of the McCall dock. The settlement maintains all violations alleged in DEQ's December 2024 enforcement order. The violations include Zenith's failure to obtain DEQ approval for its connection to the McCall dock and 34 unauthorized loading events at the dock. The civil penalty was reduced from \$372,600 to \$129,600. This adjustment is based on information provided during settlement discussions and DEQ's review of the penalty calculation. It does not reflect a change in DEQ's assessment of the violations. Zenith will pay part of the penalty through a Supplemental Environmental Project to benefit air quality in the vicinity of Zenith's Portland facility. Zenith's Supplemental Environmental Project proposal is due to DEQ by July 30, 2025.

5.2 Moore and Wright Islands Natural Area Cleanup

DEQ will conduct an in-water sediment cleanup project in the Columbia Slough in Portland this year with active construction expected to begin this summer. For over 100 years, development along the Columbia Slough resulted in contamination accumulating in the bottom of the slough. Slough sediments impacted by PCBs, PAHs and calcium between Moore and Wright Islands and the former Pacific Carbide facility represent an in-water area that must be addressed as part of the Columbia Slough Cleanup Plan. The cleanup will consist of a three-acre sediment cap with bank soil removal and appropriate disposal. The bank will be revegetated and monitored for three years.

DEQ is funding this \$3 million cleanup project through the Columbia Slough Settlement fund and a \$1 million EPA Brownfield Cleanup Grant issued through the Oregon Department of State Lands. As a condition of the grant, DEQ entered into agreements with Oregon State University (OSU) and the Columbia Slough Watershed Council to support enhanced community engagement. DEQ is working with local and state partners to keep the community informed throughout the project, including a community information meeting held on April 23, 2025, two upcoming community field trips, and hosting an OSU Sea Grant undergraduate internship.

6.0 Laboratory and Environmental Assessment Division

6.1 Development of Agency PFAS Strategic Plan

DEQ is making significant progress on its PFAS Strategic Plan to address the risks associated with per- and polyfluoroalkyl substances (PFAS) contamination and exposure across Oregon. Supported by a portion of the EPA Columbia River Lead Toxics Reduction grant, the plan is designed to guide DEQ's efforts in preventing, assessing and reducing PFAS pollution statewide. In addition to supporting the development of the strategic plan, the EPA grant also includes funding for implementation activities to be

determined and prioritized following plan completion.

The plan's vision is, within the next several years, for Oregon to have the knowledge and tools needed to evaluate and address PFAS risks to both human and ecological health, similar to the way other toxic chemicals have been managed for decades. The plan emphasizes actions that will provide the greatest benefits for air, land and water quality, such as pollution prevention, identification of safer alternatives, public education, and offers of technical support to regulated entities.

Environmental justice is a key priority, with the plan specifically addressing the disproportionate risks faced by Tribal communities and those living near sources of PFAS pollution. DEQ is currently finalizing the plan with an expected release date of June 2025. Once the plan is completed, a comprehensive overview will be provided to the commission.

Translation or other formats

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