



Memorandum

Date: Sept. 10, 2025
To: Environmental Quality Commission
From: Leah Feldon, Director
Subject: Agenda item G, informational item: Director's Report
Sept. 11-12, 2025, EQC meeting

1.0 Director's Office

1.1 State and Federal Budget Update

DEQ, like all state agencies, is beginning to develop its 2027-2029 Agency Request Budget. That process involves evaluating the financial health of the agency's fee-funded programs and monitoring larger economic trends that are likely to influence the 2027 budget environment. At this stage of the budget development, there remain a number of factors likely to influence key budget decisions, including:

- Adoption of House Resolution 1 by Congress: While federal funds that flow directly to DEQ were unaffected by provisions of H.R. 1, the reconciliation bill includes significant modifications to federal tax code and to federal funds that benefit states, such as changes to Medicaid and the Supplemental Nutrition Assistance Program. Changes to the tax code are likely to reduce General Fund revenue in Oregon at the same time the state sees reductions to federal funds, as mentioned. Efforts to backfill those federal funds (should Oregon's budget writers chose to pursue that) will further strain the state's available General Fund revenue.
- Congressional budget deliberations: Congress is now preparing the next federal budget. The Environmental Council of States is active in supplying information to Congress on states' budgets and resource needs, and in June testified on EPA's budget to the Senate Committee on Appropriations.
- Oregon's General Fund Revenue forecast: The most recent forecast by Oregon's state Economist was released in late August, projecting a \$372 Million General Fund deficit in the current biennium. A projected deficit could further constrain the nature of any budget conversations in current and future biennia. DEQ will continue to monitor these quarterly forecasts as we prepare for the 2027-2029 biennium.

DEQ will provide a comprehensive update to the commission on the 2027-2029 budget development process at its November meeting.

1.2 Office of Equity Manager Recruitment

Work is underway to launch a recruitment for an Office of Equity Manager at DEQ. This position will sit on

Translation or other formats



Memorandum

the agency's Leadership Team and serve as principal leader on issues of environmental justice and equity. The position will also be responsible for managing positions authorized by the legislature dedicated to environmental justice, and positions focused on the agency's diversity, equity and inclusion work. Director Feldon and other DEQ leaders have engaged the Department of Administrative Services' Office of Cultural Change to support DEQ in the development and recruitment of the position. That work also involves connecting with and learning from other agencies with well-established Offices of Equity and senior leadership-level staff focused on diversity, equity and inclusion. The formal recruitment is expected to start before the end of this calendar year.

2.0 Air Quality

2.1 Oregon Clean Vehicle Program Update

The Oregon Clean Vehicle Rebate Program reopened on May 22, 2025. To be eligible for the rebate, vehicles must be purchased or leased on or after the specified date and while the program remains open.

Due to limited funding, the Oregon Clean Vehicle Rebate Program suspended the Standard Rebate on Sept. 8, 2025. To qualify for the Standard Rebate, applicants must have purchased or leased their vehicle between May 22, 2025, and Sept. 8, 2025. Shortly after notifying the public, the Standard Rebate exhausted its 2025 funding. We will place approved applicants on a waiting list to receive payment in spring 2026. The income-based Charge Ahead Rebate remains available to eligible applicants.

As of July 29, 2025, the program has issued 34,480 rebates, amounting to over \$104 million. The program began in 2025 with approximately \$30.5 million in Climate Equity and Resilience Through Action funding for Charge Ahead Rebates, and nearly \$6.8 million in Vehicle Privilege Tax funding dedicated to Standard Rebates. Since May 22, 2025, the program has approved over 3,000 rebates, equaling about \$12.7 million. 65% of that funding has gone to Charge Ahead Rebates.

Oregon Clean Vehicle Rebate Program staff and engagement contractors continue to work with community-based organizations throughout the state. They have also tabled at events in the Portland Metro area and Roseburg this year and have several more in-person events planned for this fall. Focused dealership communication and engagement continues with new and used dealerships to provide them with program information and updates.

2.2 EPA Proposed Action to Rescind Greenhouse Gas Endangerment Finding

The U.S. Environmental Protection Agency has proposed rescinding the 2009 Endangerment Finding, which determined that greenhouse gases pose a threat to public health and welfare and established EPA's legal authority under the Clean Air Act to regulate climate pollution. This landmark decision has served as the foundation for national standards that reduce emissions from cars, trucks, and power plants for more than a decade. Rolling back the Endangerment Finding would strip EPA of its ability to regulate greenhouse gas emissions, undermining federal protections and state-led strategies. In response, Oregon DEQ is coordinating with other state agencies and will provide formal public comments and testimony opposing the rescission, while calling on EPA to maintain its existing science-based authority. Comments are due Sept. 22, 2025, and will focus on the science at issue, the impacts of climate change in Oregon, and the importance of federal and state action to mitigate climate impacts.

Memorandum

2.3 Air Quality Permit Program Improvements

DEQ works to improve our permitting processes to continuously increase the effectiveness of public health protections within our permits and increase the timeliness, quality, and consistency of the permitting experience for our regulated industry. In August 2025, the air quality program launched a new team of dedicated permit writers, focusing on improving the timely issuance of new permits and the technical modifications of existing permits. Because new permits and technical modifications are also required to obtain approval of the Cleaner Air Oregon program, the new team is housed within CAO thereby creating a more efficient one-stop shop.

3.0 Eastern Region

3.1 Crook County Domestic Well Concerns

DEQ and the Department of Geology and Mineral Industries (DOGAMI) have granted provisional approval to the Knife River Sampling Plan. Sampling will begin mid-September and continue for 12 months before consideration of permit issuance for site expansion at the Woodward site. Subject matter expertise from both agencies, along with input from the U.S. Environmental Protection Agency, were carefully considered before issuing the provisional approval.

Additionally, the second round of drinking water sampling was completed earlier this summer. The Oregon Health Authority is currently completing its Health Assessment, which is scheduled for completion this fall. Individual well owners received their specific results by mail in early June.

3.2 Lower Umatilla Basin Groundwater Management Area (LUBGWMA) Update

Port of Morrow: The Port of Morrow is moving forward with construction of the two 750-million-gallon storage ponds and is on schedule to meet the Nov. 1, 2026, winter irrigation cessation deadline required by its permit. The Port provided an update on its progress in a press release issued on Aug. 8, 2025. The Port has also indicated it is on track to meet the Sept. 1, 2025, deadline for the design documents for the secondary treatment. These documents will be a critical step for transitioning to the construction phase of the treatment system for the Port.

Lamb Weston Hermiston: DEQ continues work on drafting and preparing the Lamb Weston wastewater permit renewal for public notice. Under an enforcement order with DEQ, Lamb Weston is also taking steps, via a remedial investigation/feasibility study, to assess the impacts on groundwater and complete additional monitoring and flow reductions to minimize impacts from site operations.

J.R. Simplot Hermiston: DEQ approved a permit modification in June 2025 to add a small amount of acreage, adjust monitoring requirements, and update the groundwater monitoring plan. DEQ is working to resolve an open enforcement case with the facility for agronomic rate exceedances and groundwater exceedances.

LUBGWMA Advisory Committee: The next committee meeting is scheduled on Sept. 19 in Hermiston, with a virtual option. The committee is convened by DEQ, the Oregon Department of Agriculture and the Oregon Water Resources Department, with facilitation support from PSU's Oregon Consensus. Advisory committee meetings are open to the public allowing them to listen and observe.

Memorandum

3.3 Chemical Waste Management of the Northwest, Inc. Permit Modification

Chemical Waste Management of the Northwest is a hazardous waste treatment, storage and disposal facility in Gilliam County, near Arlington. The facility is Oregon's only commercial hazardous waste landfill, in operation since 1976. The facility is seeking a permit modification to expand its existing landfill, allowing it to continue properly disposing of hazardous waste. DEQ opened a 45-day public comment period on the proposed modification beginning Aug. 20 and ending Oct. 3, 2025.

Key changes in the proposed draft permit include:

- Expanding an existing landfill to add disposal capacity at the facility. Waste streams would remain the same as what the facility currently accepts.
- Updating the Groundwater Monitoring Plan and infrastructure to cover the expansion area and replace several closed monitoring wells.
- Revising permit language to reflect the formal closure of two landfills.

DEQ is also in the process of drafting a permit renewal for the facility. Permit renewals are more extensive than permit modifications, and once drafted, the proposed renewal will have a separate public process.

4.0 Western Region

4.1 Stella-Jones Wood Treatment Facility Enforcement Action

On Sept. 8, 2025, DEQ issued a Formal Enforcement Action to the Stella-Jones wood treatment facility located in Sheridan. The order includes civil penalties totaling approximately \$1,055,000, as result of numerous violations of hazardous waste, spill response and cleanup and water quality regulations applicable to the operations. Along with the civil penalty, DEQ is ordering Stella-Jones to take multiple corrective actions and submit documentation of compliance, including the following:

- Amend their hazardous waste generator reporting;
- Evaluate hazardous waste tanks for compliance;
- Upgrade their stormwater treatment system;
- Revise their stormwater operations and maintenance plan; and
- Increase stormwater discharge monitoring and reporting.

The company has 20-days from issuance of the order to file an appeal.

In addition to DEQ enforcement order, the U.S. EPA [reached a settlement agreement](#) with Stella-Jones that includes a \$98,000 civil penalty. Stella-Jones and the Oregon Department of Justice also agreed to a settlement, in late August 2025, with the company [pleading guilty to 10 misdemeanor counts](#) of unlawful water pollution for violations of its state-issued water quality permit.

Non-discrimination statement

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