



Memorandum

Date: Dec. 1, 2025

To: Environmental Quality Commission

From: Leah Feldon, Director

Subject: Agenda item G, informational item: Director's Report
Dec. 2, 2025, EQC meeting

1.0 Director's Office

1.1 Employee Engagement

The State of Oregon contracts with Gallup to conduct annual surveying of employee engagement across executive branch agencies. Gallup conducts this work through their "Q12 Employee Engagement Survey" – a tool used across the world to measure indicators validated as predictors of employee engagement and qualities associated with high-functioning organizations.

DEQ received 2025 survey results in recent weeks, and the findings illustrate that DEQ continues to improve overall employee engagement, despite challenges facing the state and the government sector more generally. 76% of all DEQ employees participated in the survey in 2025, consistent with participation levels in the year prior. Survey results roll-up to a high-level measure indicating the proportion of agency employees who are "actively engaged" at work, those who are neither engaged nor disengaged, and those who are "actively disengaged." In 2025, 49% of DEQ employees were found to be actively engaged at work, up from 40% just two years ago, a proportion higher than the rest of Oregon state government, and significantly higher than the government sector more generally. Gallup notes that "engaged employees feel involved in and enthusiastic about their work and workplace; they are loyal and productive" and "there is a powerful link between employees who are engaged in their jobs and the achievement of crucial business outcomes."

The results also highlight areas of focus for the agency in the coming year, including ensuring all employees know what is expected of them at work, and that employees have an opportunity every day to do what they do best.

1.2 Governor Kotek Climate and Energy Executive Orders

Over the last several months, Governor Kotek has issued a trio of Executive Orders focused on accelerating clean energy development, promoting landscape and climate resilience, and reducing greenhouse gas emissions. DEQ, and in some instances the Environmental Quality Commission, has a role in implementing each.

[EO25-25: Accelerating Wind and Solar Energy Development in Advance of Elimination of Federal](#)

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Clean Energy Tax Credits

The order directs relevant state agencies, boards, and commissions to take all steps necessary and authorized by existing statutes to accelerate and prioritize siting and permitting reviews, approvals, and processes necessary to expedite the permitting and development of solar and wind energy projects in Oregon that seek to qualify for federal clean energy tax credits requiring construction to commence by July 4, 2026.

DEQ implements certain environmental review and permitting activities relating to the siting and development of clean energy projects. Additionally, some projects seeking to take advantage of expiring federal tax credits also work with DEQ's Clean Water State Revolving Loan Fund as a component of their financing strategy. Generally speaking, DEQ is working through each project and their associated loans (where relevant) on a case-by-case basis. As summarized below, DEQ will be working to get loans through the established process as quickly as possible. Based on the circumstances for each project, DEQ may consider a categorical exclusion or partial waivers to accelerate the process. Additionally, specific actions the agency is taking to implement this order include:

- Authorizing up to \$2 million in principal forgiveness for projects also seeking and qualifying for Clean Water SRF funds (e.g. solar panel installation over irrigation canals to provide shade)
- Prioritizing technical assistance and guidance to help solar borrowers and contractors understand the CWSRF program
- Customizing recommendations and opportunities based on specific project requirements
- Prioritizing document reviews and loan agreement preparation
- Seeking options to expedite federal and state reviews for environmental and cultural resources
- Authorizing limited waivers or considering categorical exclusions where applicable

EO25-26: Directing State Agencies to Take Urgent Action to Promote the Resilience of Our Communities and Natural and Working Lands and Waters

The order directs state agencies to prioritize and increase the pace and scale of adoption of climate resilient strategies into existing state programs to deliver benefits for communities and ecosystems. Implementation will be coordinated through mandatory biennial plans and inter-agency teams, with consolidated reporting to ensure transparency and accountability to Tribal nations, stakeholders, and the Legislature.

DEQ will play a supporting role in implementing this measure, and its directive to "protect, conserve, connect or restore ten percent of lands and water in Oregon within ten years, compared to baseline conditions in 2025." This includes advancing mitigation banks; participating in Oregon's "Plan for a Resilient Oregon," a statewide planning effort to help communities adapt and thrive in the face of climate risks; and continue supporting the development of community smoke response plans to protect public health while increasing the pace and scale of prescribed fire.

DEQ and other state agencies are directed to develop a biennial plan, describing how we will execute elements of the order relevant to our work. Coordination and oversight of implementation of this order will be provided by two teams:

1. Agency Leadership Team: A group of agency directors, senior staff, and Governor's Natural Resources staff.
2. Board and Commission Oversight Team: A group of Board and Commission members from the relevant natural resource agencies.

EO25-29: Executive Order on Reducing Greenhouse Gas Emissions and Advancing Oregon's Clean Energy Future

Along with a specific suite of actions, this order directs executive branch agencies to adopt and implement greenhouse gas reduction strategies and align their decisions, activities, and investments as appropriate to

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advance the five least-cost pathways identified in the Oregon Energy Strategy, accelerating our state's resilient clean energy future. The Governor's Office will take a leadership role in advancing the efforts associated with this order. It is the responsibility of each respective agency director to ensure appropriate coordination and implementation contemplated by this order is integrated into agency programs and initiatives.

In addition to general directives related to streamlining implementing of environmental review and permitting activities for clean energy development, energy storage and associated infrastructure, DEQ and the commission are directed to evaluate the status and projected growth of the clean fuels markets and update and strengthen the Low Carbon Fuels Standard to achieve a 50% reduction in carbon intensity of transportation fuels by 2040. The Department must submit a workplan for this effort within three months.

Similar to EO 25-26, DEQ is directed to plan and report requirements under the order, some of which will involve coordination with and reporting to the commission.

1.3 ORS 468.148-149 (Federal Rollback Monitoring) Implementation

Oregon Revised Statute 468.148-149 requires DEQ to monitor final changes to federal regulations issued pursuant to the federal clean air act and federal water pollution control act to determine if those changes are "significantly less protective of public health, the environment or natural resources" than the law and standards in place on Jan. 19, 2017. If DEQ determines any change does result in significantly less protection, then the agency must notify the commission and make recommendations to the commission necessary to continue state-level implementation of standards and requirements as protective as those in place before the change.

In implementing this requirement, DEQ routinely monitors the federal register for proposed changes and as appropriate makes comment directly on proposals or supports efforts to comment on federal proposals through national associations such as the Environmental Council of States, the National Association of Clean Air Agencies, and the Association of Clean Water Agencies.

Attachment A summarizes key proposals subject to this monitoring requirement and provides a status update on relevant DEQ activities.

1.4 Strategic and DEI Plan Implementation

DEQ's 2025-2027 Strategic Plan Project Charter was signed on Sept. 27, 2025, marking the true beginning of the project process. There is a Project Lead Team tasked with developing and overseeing the implementation plan for DEQ's Strategic Plan and DEI Plan. Roles on this team cover critical perspectives and responsibilities. The team includes DEQ's Senior DEI Implementation Specialist, Change Manager, Strategic Initiatives Coordinator, and a dedicated Project Manager.

Additionally, there is a Strategic Review Panel tasked with providing strategic direction, removing barriers, supporting the project team and resolving escalated decisions. The panel includes DEQ's Deputy Director and senior managers and administrators from divisions across the agency.

Currently, the project team is focused on developing the project plan, which outlines a project's goal, scope, deliverables, timeline, and tasks. The plan creates a process for and assigns people to complete the agreed upon project deliverables. The draft plan is anticipated to be completed in mid-December. The team is also leading efforts to establish consultant groups and interested parties, furthering the commitment to

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collaboration across DEQ and ensuring implementation is aligned with the agency's current mission, vision and values in the strategic plan while centering those most impacted in these efforts.

2.0 Air Quality

2.1 New Source Permitting Team

DEQ's Air Quality Division launched a new permitting team in August 2025. This team consists of 3.5 permit writers dedicated solely to the issuance of permits for new and major modifications. Recently, the team developed programmatic materials and processes to integrate all elements of the permitting process more efficiently. The team will send the first new permit to public notice this month, aiming to significantly reduce permit issuance time for new permits and major modifications.

2.2 New Air Quality Data Center Permit Template

DEQ's Air Quality Division recently completed the development of a new data center permit template. This template represents a significant step forward in how we approach the growing demand for permitting from data centers in Oregon. Through extensive collaboration with industry partners and subject-matter experts, the Air Quality Division researched best practices, aligned technical and regulatory requirements, and integrated comprehensive feedback.

The new data center permit template will streamline the permitting process while incentivizing more health protective controls, reducing variability, and strengthening the quality, clarity, and consistency of DEQ's permits. It also enhances transparency by standardizing expectations and improving permit development across Air Quality departments. Applicants who choose to use this template can cut their permitting process time in half.

2.3 Oregon Clean Vehicle Rebate Program

Based on historical rebate participation and projected demand, the Oregon Clean Vehicle Rebate Program will suspend the income-based "Charge Ahead" Rebate on Dec. 5, 2025.

As of Oct. 24, 2025, the program has issued over 38,000 rebates, equaling almost \$120 million. The rebate program opened in 2025 with approximately \$30.5 million in Climate Equity and Resilience Through Action funding for Charge Ahead Rebates, the program's income-eligible rebate, and nearly \$6.8 million in Vehicle Privilege Tax funding, which is available to Oregonians that don't qualify for the Charge Ahead Rebate.

DEQ suspended the Standard Rebate on Sept. 9, 2025, due to the depletion of available privilege tax funding. The program will place approved applicants on a waiting list to receive payment later this year or in early 2026. The Charge Ahead Rebate suspends on Dec. 5, 2025. To be eligible for the rebate, all vehicles must be purchased or leased during the open period for the associated rebate.

2.4 Grants for Medium and Heavy Duty Zero Emission Vehicles and Charging Infrastructure

DEQ recently announced the 2025 recipients of the 2025 Medium- and Heavy-Duty Vehicle and Infrastructure grant programs, marking a major milestone in the agency's efforts to reduce diesel emissions and advance clean transportation solutions statewide. These awards are part of a broader \$33 million

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investment to support cleaner fleets, expand charging infrastructure, and improve air quality, particularly in communities disproportionately affected by diesel pollution.

2.5 Zero Emission Vehicle Grants

DEQ received 44 applications for its Diesel Emissions Mitigation and Clean Truck grant programs, with funding requests exceeding \$20 million. After a competitive review prioritizing emissions reductions and environmental equity, DEQ selected 20 projects for funding:

- 17 projects through the DEM program, totaling a little over \$8 million
- Three projects through the Clean Truck program, totaling \$780,000

Oregon allocates funding from the Volkswagen Environmental Mitigation Trust to the Diesel Emissions Mitigation program, which supports projects that replace older diesel engines and vehicles with cleaner alternatives. The Clean Truck program is funded through Oregon's federal Climate Pollution Reduction Grant, under the Climate Equity and Resilience Through Action initiative. It focuses on advancing the transition to all-electric medium- and heavy-duty vehicles.

Funded projects span rural and urban areas across the state and encompass a diverse range of fleets, including public libraries, sanitation services, airlines, utilities, and logistics providers.

2.6 Zero Emission Vehicle Charging Infrastructure Grants

In addition to vehicle upgrades, DEQ is also awarding approximately \$2.5 million in medium- and heavy-duty charging infrastructure grants through the Oregon Zero-Emission Fueling program, funded by the U.S. Environmental Protection Agency's Climate Pollution Reduction Grant and Oregon's CERTA grant. The 13 awarded projects are distributed across the state and serve a wide range of fleet types, including public and private fleets and utilities, as well as a geographic range across the state.

3.0 Water Quality

3.1 Water Quality Staff Development: Making Waves – Collaborating for Clean Water

On Sept. 16-17, 2025, DEQ's Water Quality Program hosted an all-water quality staff conference titled "Making Waves – Collaborating for Clean Water," with approximately 200 staff attending the event in Portland. A committee of DEQ staff spearheaded the agenda and logistical arrangements to meet the needs and interests of their peers.

Staff had the opportunity to meet other water quality colleagues from across the state and learn more about how their work relates to and complements other areas of the water quality program. The agenda included panels on environmental justice, collaboration to address 6PPD-quinone pollution, the work of DEQ's Regional Solutions staff including their roles and opportunities to engage with them, case studies on inspections and compliance, and training on science communication. The event also had many hands-on activities, including a water quality fair where each program highlighted the important work that they do for Oregon. With the significant number of new employees that DEQ has hired over the last five years, many attendees noted that this was the first time they met some of their colleagues in person, and that it was an excellent opportunity to learn more about DEQ's work and their connection to it.

3.2 Integrated Water Resource Strategy Finalized

Oregon's Integrated Water Resources Strategy, or IWRS, provides a statewide inter-agency framework for better understanding and outlining key strategies and actions to address Oregon's water needs. Oregon's Water Resources Commission adopted the first IWRS in 2012 and the second in 2017. The Water Resources Commission adopted the most recent effort to update the strategy in September 2025. The [2025 IWRS](#) includes priorities developed by state agency leaders that elevate the role of climate change and identify actions needed for mitigation, adaptation and resilience.

These priorities are now guiding the development of a 2025-2027 inter-agency work plan. The team will present this biennial work plan to the Water Resources Commission in December 2025, guiding the state's IWRS work. They plan to begin developing the 2027-2029 work plan in early 2026. Many DEQ water quality programs and staff help implement the IWRS to meet Oregon's instream and out-of-stream water needs, considering water quantity, water quality and ecosystem needs.

4.0 Eastern Region

4.1 Pelton Round Butte 401 Water Quality Certificate Evaluation

This fall, staff from several DEQ programs will present information about water quality work underway in the Deschutes Basin to local workgroups aiming to improve transparency about DEQ's work and the 401 water quality certification evaluation specific to the Pelton Round Butte dam and water tower, jointly owned and operated by Portland General Electric and the Confederated Tribes of Warm Springs. Forums include the Deschutes Basin Water Collaborative in late November and the Middle Deschutes Watershed Council in early December.

4.2 Grassy Mountain Gold Mine Project

DEQ prepared four draft permits for the Grassy Mountain project, a proposed gold mine located in Malheur County approximately 22 miles south-southwest of Vale. Mining will be sub-surface, and gold will be extracted from the ore using a cyanide extraction process. DEQ permits regulate potential releases of contaminants to air, land, and water. DEQ has been working closely with the Department of Geology and Mineral Industries and other state agencies to develop draft permits, following a consolidated permitting process that is unique to chemical process mining. DEQ is currently working with DOGAMI on draft permit conditions related to the protection of groundwater resources and solid waste management in response to preliminary comments from the applicant. DEQ expects to make draft permits available for public comment in early January 2026.

4.3 Port of Morrow

The Port of Morrow has completed construction of one of two 750-million-gallon storage lagoons and has deemed the lagoon operational. As of Nov. 1, 2025, the Port has ceased all winter application practices and will rely on lagoon storage to carry them through the winter months. The second lagoon is expected to come online Dec. 1, 2025. This represents a significant milestone in achieving better groundwater protections, as it will be the first year in decades of no winter irrigation at the Port under their Water Pollution Control Facility permit.

4.4 Klamath Dam Removal Anniversary

The removal of J.C. Boyle Dam on the Klamath River was completed one year ago, along with the removal of three other dams on the river in California. The water quality and habitat improvements we are seeing in 2025 are a result of a complex, multi-party, interstate planning and negotiation process that began decades ago. In 2000, PacifiCorp began a relicensing process for the Klamath River hydro project in Oregon and California. Within several years, it became clear that pursuing a new license with associated facility improvements would not be cost-effective. About 15 years ago, DEQ began planning to address potential water quality impacts and uncertainties associated with the removal of a dam of this magnitude. In 2012, the EQC considered a rulemaking proposal intended to clarify existing water quality certification rules for a dam removal project and ensure compliance with water quality standards. EQC's adopted rules for the J.C. Boyle Dam removal provided time for compliance with water quality standards, assuming dam removal and its associated water quality impacts would be of limited duration and related restoration activities would provide a net ecological benefit, among other findings.

The team started preparation for the dam removal in 2023 and completed it in 2024. Water quality conditions associated with construction and demolition were as projected, and post-removal water quality has stabilized more quickly than expected. Water temperatures downstream of the former dam sites have returned to more natural levels, dissolved oxygen levels have stabilized, and harmful cyanobacteria have nearly disappeared. In October 2025, researchers documented fall Chinook salmon swimming into the Williamson and Sprague rivers above Upper Klamath Lake for the first time in over 100 years. These salmon made the remarkable journey by travelling through a fish ladder at the remaining Keno Dam on the Klamath, which was thought to be inaccessible for Chinook.

5.0 Northwest Region

5.1 McCormick and Baxter Superfund Site

DEQ is proposing to enter into a Prospective Purchaser Agreement, also known as a PPA, with the nonprofit organization Portland Botanical Gardens to facilitate the transfer of the McCormick and Baxter property in Portland to the organization. The property is in North Portland, between the University of Portland and Metro's future Willamette Cove Nature Park. The property includes 41 acres of land along the Willamette River and 23 acres of in-water habitat. The McCormick and Baxter Creosoting Company operated a wood treating facility from 1944 to 1991, leaving behind extensive contamination from creosote, metals, and other pollutants. The team completed the cleanup in 2005.

The formal comment period to accept written comments on this proposed agreement is scheduled for Dec. 1, 2025, through Jan. 30, 2026, at 5 p.m. DEQ is hosting informational meetings during this time.

DEQ must approve the sale through a legally binding PPA before the property can be transacted as DEQ has a lien on the property due to the significant public resources used to clean up the contamination that remained following decades of industrial use. A PPA requires the prospective purchaser to provide a substantial public benefit in return for environmental cleanup liability protection. Their proposal includes a ticketed botanical garden on a portion of the property, a public greenway along the waterfront, an interpretive plant garden, and a semi-public open gathering space. In addition, the proposed PPA ensures the remediation infrastructure remains protective of human health and the environment as designed, provides public access to greenspace, promotes habitat improvements, and ensures the property's security.

6.0 Western Region

6.1 Coffin Butte Landfill Pre-Enforcement Notice for Air Quality Violations

On Nov. 6, 2025, DEQ issued a pre-enforcement notice to Valley Landfills for multiple air quality violations at the [Coffin Butte Landfill](#) in Benton County. The violations include inadequate monitoring of methane emissions, an undersized gas collection-and-control system, and failure to monitor and repair the landfill's cover properly. While the notice does not yet impose penalties or orders, it requests additional information and corrective actions from the landfill operator. The next phase will likely include a civil penalty and enforceable orders, with the company's responsiveness to the pre-enforcement notice potentially influencing the outcome. The U.S. Environmental Protection Agency, which conducted inspections in 2022 and 2024, referred the case to DEQ and supports state-level enforcement. However, it may still pursue its own action depending on the outcome.

Methane, a potent greenhouse gas and a major component of landfill gas, poses significant environmental and health risks, making the regulation of emissions at Coffin Butte a DEQ priority. In parallel, DEQ is revising the landfill's draft Title V air quality permit and will soon open another public comment period. Meanwhile, local land use decisions have added public interest to the issue. On Nov. 4, 2025, the Benton County Board of Commissioners approved the landfill's expansion application. The written decision was finalized, and the board adopted the decision on Nov. 17, 2025. The conditional land use determination is needed for permitting the expansion of the landfill. This land use process is separate from DEQ's enforcement actions. However, future expansion may require a permit modification from DEQ.

6.2 Stella-Jones Corporation Enforcement Update

On Sept. 8, 2025, DEQ issued a Notice of Civil Penalty Assessment and Order to Stella-Jones Corporation for numerous violations of hazardous waste, spill response and cleanup and water quality regulations at its wood treating facility in Sheridan. The Notice assessed a civil penalty of \$1,055,825 and requires the company to implement multiple corrective actions to address the violations. Stella-Jones has appealed the Notice, and DEQ will be meeting with the company in December 2025 to discuss a potential settlement.

On Oct. 14, 2025, Stella-Jones Corporation requested to terminate its Voluntary Cleanup Agreement with DEQ. DEQ corresponded with Stella-Jones management and DEQ's Cleanup Program will be terminating the VCP agreement as requested and will work with the Department of Justice to ensure that the state can continue to provide appropriate regulatory oversight of cleanup projects conducted by Stella-Jones.

6.3 U.S. Army Corps of Engineers Implementation of 2024 National Marine Fisheries Service Biological Opinion

The U.S. Army Corps of Engineers is scheduled to complete deep drawdowns at several reservoirs in the Willamette Valley System in 2025, including those at Green Peter and Lookout Point reservoirs. USACE will not implement a deep drawdown at Detroit Reservoir this year. The deep drawdowns support volitional downstream fish passage, which is balanced against tradeoffs such as impacts to other species, increased downstream temperature, total dissolved gas, and turbidity. The USACE holds regular meetings with state agencies and drinking water providers downstream from Lookout Point and Green Peter reservoirs to provide updates on drawdown progress, including turbidity measurements. USACE also meets regularly with the governor's office to provide updates on the drawdowns.

Lookout Point Reservoir is scheduled to reach the target minimum elevation on Dec. 1, 2025, and the

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USACE will hold the reservoir at that level for two weeks before beginning to refill (this is shorter than in previous years). Turbidity levels have been relatively low but are expected to increase in late November 2025, depending on the amount of precipitation.

Green Peter Reservoir is scheduled to reach the target minimum elevation between Dec. 1, 2025, and Dec. 15, 2025, and will be maintained at that elevation for two weeks (this is also shorter than in previous years). The drawdown rates at Green Peter have been slow this fall due to the dry conditions and low reservoir levels over the summer. USACE increased the drawdown rate sharply in mid-November 2025. Turbidity concerns below Green Peter are generally more severe than below Lookout Point. Elevated turbidity levels have not occurred yet this fall but are projected once the reservoir elevation reaches 840, assuming conditions are similar to those of previous years. Downstream drinking water providers have been preparing and adjusting their systems where possible.

Non-discrimination statement

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