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**Date:** March 10, 2026  
**To:** Environmental Quality Commission  
**From:** Leah Feldon, Director  
**Subject:** Agenda item G, informational item: Director's Report  
March 12, 2026, EQC meeting

## 1.0 Director's Office

### 1.1 2026 Legislative Session Recap

The 2026 regular legislative session adjourned sine die on March 6, 2026. The session is notable for the breadth of issues the legislature considered and took action on in just five short weeks, including: transportation funding, economic development, public financing for the renovation of the Moda Center venue, campaign finance reform, immigration enforcement, and budget reconciliation. This was a high-volume session for DEQ, with nearly three dozen bills relating to the work of the agency and the Environmental Quality Commission. Notable outcomes from the session include:

- HB 4020: This measure requires permitting agencies, including DEQ, to specify a statutory or regulatory authority when denying permit applications; inform permit applicants of their rights to appeal; and by 2029, develop Key Performance Measures reported to the legislature on permit issuance and renewal timeliness. DEQ was recognized in proceedings as already fulfilling each of these directives.
- HB 4021: This measure imposes a 28-day minimum period between adoption of rules by the Environmental Quality Commission and when the rule may first be effective. This waiting period provision takes effect in 2027 and also applies to rules adopted by the Oregon Transportation Commission, the Oregon State Land Board, the Department of State Lands, and the Department of Geology and Mineral Industries.
- HB 4084: This measure, introduced by Governor Kotek, includes a suite of economic development strategies. Relevant to DEQ, the measure:
  - Establishes a Joint Permitting Council, comprised of leaders from a dozen state agencies, including DEQ, to administer a fast-track program for the permitting of certain large-scale projects that stand to meet certain economic development priorities of the state. The fast-track program aims to consolidate the permitting requirements from multiple state agencies into one, coordinated process.
  - Requires a one-time report from DEQ and other permitting agencies on the various permitting programs associated with economic development. The report must identify any opportunities to streamline processes, reduce barriers, and decrease the incidence of incomplete applications.
- HB 4100: This measure requires certain bulk fuel terminals to obtain a certificate of financial responsibility from DEQ, demonstrating financial assurance for various spill-related liabilities. These requirements will be incorporated into DEQ's existing Fuel Tank Seismic Stability program, and the measure requires the commission to adopt rules.
- HB 4102: This measure expands and clarifies existing authority (ORS 468.073) DEQ has to enter into agreements with permit applicants for expedited review. Under this authority, the department can receive revenue under such an agreement from a permit applicant to hire additional staff, hire a third-party contractor, or otherwise resource an expedited process. The measure clarifies the process for

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applicants to request DEQ to consider an agreement and requires DEQ to make certain considerations and findings before entering into such an agreement.

- HB 4144: This measure establishes a new extended producer responsibility program and requirements for certain types of batteries. The program will be developed and administered by DEQ's Materials Management program, and the measure requires the commission to adopt rules.
- Budget reconciliation: As a result of the 25-27 budget reconciliation process, DEQ realized both reductions and enhancements to the agency's General Fund appropriation. The legislature appropriated an additional \$1.5 million this biennium for expenses related to the April 2025 cyber-attack and June 2025 response to the Rowena fire. The legislature also reduced DEQ's General Fund appropriation by approximately \$1 million to account for vacancy savings generated in the first six months of the current biennium.

### 1.2 Tribal Liaison

Heather Bartlett joined the agency on March 2, 2026, as DEQ's Tribal Liaison. This marks the first time the agency has a position fully dedicated to maintaining and strengthening our relationships with Oregon Tribes and Tribal communities; work identified as a key priority in DEQ's current Strategic Plan. In this role, Heather will focus on ensuring DEQ provides timely, consistent and meaningful responses to requests from Tribes for information, coordination and consultation. Additionally, Heather will advise agency teams and leaders on approaches to more meaningfully engaging with Tribes. Heather brings a rich and diverse background working with and for Tribes in the areas of natural resource management and conservation, forestry, and environmental protection.

### 1.3 ORS 468.148-149 (Federal Rollback Monitoring) Implementation

Oregon Revised Statutes 468.148-149 requires DEQ to monitor final changes to federal regulations issued, under 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 finds that any change results in significantly less protection, the agency must notify the commission and make recommendations to the commission that are necessary to continue state-level implementation of standards and requirements as protective as those in place before the changes.

To fulfill this requirement, DEQ routinely monitors the Federal Register for proposed changes to federal regulations. As appropriate, DEQ submits comments directly on proposals or lends support efforts to national associations, such as the Environmental Council of States, the National Association of Clean Air Agencies, and the Association of Clean Water Agencies, that comment on federal actions.

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

## 2.0 Air Quality

### 2.1 Biomass Management Community-Initiated Project (CIP) Award

In February 2026, Oregon U.S. Senators Jeff Merkley and Ron Wyden announced they secured more than \$92 million in federal investments for community-initiated projects, including a \$2 million award to increase alternatives to open burning of woody biomass through a local-community grant program. Oregon is experiencing an increase in the frequency and severity of wildfires, has a growing number of homes in the wildland urban interface, and is increasing the pace and scale of prescribed fire to reduce wildfire risks. Increased forestland prescribed burning, along with the Oregon State Fire Marshal's Defensible Space Laws which enlist property owners to reduce excess vegetation from around homes and structures, is expected to increase burning adjacent to communities. To protect the use of prescribed fire near communities, Oregon applied for a CIP grant to help community members address residential woody debris in ways that also reduce

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smoke production from those treatments.

Programs to be funded include grants to communities to purchase chippers and ACIs to dispose of material, and grants to develop biomass utilization projects in areas that currently either landfill or open burn their urban wood waste. DEQ is preparing to announce the availability of grant funds receiving CIP funds from the U.S. Environmental Protection Agency later this year.

### **2.2 Rescission of the Greenhouse Gas Endangerment Finding and Motor Vehicle Greenhouse Gas Emission Standards Under the Clean Air Act**

On Feb. 12, 2026, the EPA took the unprecedented step of rescinding its own authority to regulate climate emissions. The 2009 Greenhouse Gas Endangerment Finding was a prerequisite for regulating emissions from new motor vehicles and engines. DEQ and thousands of others opposed this action when it was initially proposed and challenged the research and conclusions of the related U.S. Department of Energy's Climate Working Group. During the rulemaking, the U.S. District Court in Massachusetts ruled that the DOE violated the Federal Advisory Committee Act by failing to comply with its requirements. Yet, the EPA pushed ahead with this flawed approach.

This action will have serious and far-reaching consequences for air quality, public health, and climate policy in Oregon. Transportation accounts for nearly 35% of Oregon's total greenhouse gas emissions, and federal vehicle standards have been a central driver of pollution reductions while encouraging the adoption of cleaner technologies. Climate-related hazards, including wildfires, heat waves, and droughts, are already increasing mortality rates, adverse health outcomes, economic disruption, and stress on health care systems. These impacts are likely to become even more frequent and severe.

Without federal greenhouse gas emissions standards, Oregon has to rely on a fragmented set of state and local policies that cannot deliver equivalent emissions reductions. As a result, Oregon's projected emissions are expected to increase. To achieve the climate pollution reduction targets outlined in ORS 468A.205, the state's transportation, land use, energy, and environmental agencies will be required to identify new ways to reduce tailpipe emissions from cars and trucks. DEQ expects that reaching these goals through current programs alone will become increasingly difficult and expensive.

## **3.0 Water Quality**

### **3.1 Watershed Management**

DEQ develops clean water plans known as Total Maximum Daily Loads, or TMDLs, for watersheds throughout Oregon. TMDLs analyze sources of pollution and identify pollution reduction efforts to improve water quality. The Water Quality Program is currently developing TMDLs in several watersheds, including the Rogue, John Day, Snake River, Middle Columbia-Hood Miles Creeks, Columbia River (Water Quality Management Plan), and Umpqua Basins (Water Quality Management Plan) to address high water temperatures. DEQ is under court-ordered deadlines to complete this work.

Over the past six months, DEQ has engaged in multiple outreach activities, including presentations to interested parties, field site visits with local experts, and listening sessions with various groups. In addition, DEQ has hosted multiple informational webinars and rule advisory committee meetings to present technical and implementation information to solicit feedback on draft documents actively. Most recently, in January and February 2026, DEQ's TMDL team conducted nine information sessions, rulemaking advisory committee meetings, and local advisory group meetings for the John Day, Rogue, Columbia, Umpqua and Snake River efforts.

Moving forward, DEQ plans to complete rule advisory meetings and public notice documents for the John Day,

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Rogue, Snake, Columbia, and Umpqua Rivers by fall 2026. The Water Quality Program anticipates bringing an informational item to the EQC in late 2026 to provide an overview of efforts and key issues and topics related to this work.

### 4.0 Eastern Region

#### 4.1 Lower Umatilla Basin Groundwater Management Area (LUBGWMA)

On Jan. 30, 2026, DEQ, the Oregon Department of Agriculture, the Oregon Water Resources Department, and the Oregon Health Authority released the [first annual progress report for the LUBGWMA Nitrate Reduction Plan](#). The plan outlines the state's key strategies to reduce groundwater nitrate concentrations to less than seven milligrams per liter (mg/L) in the area and protect public health in the immediate term. Read DEQ's news release here: [State of Oregon releases first annual progress report for LUBGWMA Nitrate Reduction Plan](#).

In 2025, state agencies prioritized permitting oversight improvements, facility infrastructure upgrades, and operational changes to reduce nitrate contamination risks in groundwater and drinking water sources. A phased implementation approach enables facilities to transition practices while agencies monitor progress toward long-term groundwater protection.

DEQ and the Governor's Office have convened a working group to establish scientific-based agronomic rates for farms that participate in the beneficial wastewater reuse program in the LUBGWMA. The work group includes DEQ, ODA, Oregon State University, local permittees, local landowners and the Governor's Office. The group had made significant progress in understanding the relationship between wastewater land application and production for the landowners. DEQ hopes this group will help establish an adaptive management approach to land application and groundwater protection.

#### 4.2 Grassy Mountain Gold Mine Project

On Jan. 29, 2026, the Oregon Department of Geology and Mineral Industries, with support from DEQ, hosted a public information session and public hearing on the proposed Grassy Mountain gold mine. The project is being managed through a consolidated permit effort led by DOGAMI. The event was hybrid, with over 50 individuals attending in person in Vale, Oregon, and over 30 attending virtually. The public comment period for the proposed gold mine ended on Feb. 6, 2026. DOGAMI received 54 individual submissions with public comments on the overall project, including the four proposed DEQ permits. DEQ is evaluating all public comments on the DEQ permits, drafting responses for DOGAMI, and determining whether the comments will result in changes to the proposed permits. DOGAMI will publish the agencies' response to comments with the final order issued on the permits, which is expected to occur between mid to late March 2026.

#### 4.3 Crook County Domestic Well Testing CIP Award

In February 2026, Oregon U.S. Senators Jeff Merkley and Ron Wyden announced they secured more than \$92 million in federal investments for community-initiated projects, including \$1.014 million for DEQ to conduct a groundwater research project aimed at identifying the scope and potential causes of groundwater contamination issues in Crook County. The funds will be used to implement a surface and groundwater-sampling program. This effort will complement previous and ongoing domestic well and groundwater sampling activities occurring in the region.

### 5.0 Northwest Region

#### 5.1 Armstrong World Industries Site in St. Helens

DEQ will begin implementing a major interim removal cleanup action this spring at the former Armstrong World Industries site adjacent to Scappoose Bay in St. Helens. Construction will take three years to complete and will remove soil, sediment and wood waste from the most heavily contaminated portion of the wetlands. This work

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will significantly reduce risks to human health and fish and wildlife while restoring important ecological habitat.

The cleanup is funded through a \$77 million settlement DEQ reached with former owners and operators of the property, including Armstrong World Industries, Owens Corning Fiberglass Corporation, and Kaiser Gypsum Company. Armstrong completed the cleanup of the upland portion of the site separately in 2019.

The roughly 175-acre site was used for manufacturing fiberboard products from 1929 until the facility closed in 2018, resulting in widespread contamination with dioxins, furans, metals and other pollutants that affected upland and wetland areas. DEQ plans to select a final cleanup remedy for the site after this interim removal action is implemented. Cleanup of the site is part of a larger effort to remediate historic industrial contamination in Scappoose Bay and the lower Multnomah Channel.

### 6.0 Western Region

#### 6.1 Formosa Mine, South Umpqua River Basin of Douglas County

Acid mine drainage from the abandoned Formosa Mine has contaminated Middle Creek and South Fork Middle Creek, both tributaries of Cow Creek in the South Umpqua River Basin in Douglas County. The site includes more than 17,000 linear feet of underground tunnels spanning private property and public land managed by the Bureau of Land Management. This former copper-zinc mine generates highly acidic runoff with elevated levels of heavy metals. As a result, at least three miles of critical coho and steelhead habitat in Middle Creek have been adversely impacted by the contamination.

The mine operated into the early 1990s by Formosa Exploration, Inc., and was abandoned in 1996. The EPA placed the site on its National Priorities List (Superfund) in September 2007 and is now the lead agency for performing Comprehensive Environmental Response, Compensation, and Liability Act removal and remedial actions.

In 2025, DEQ provided critical technical support for completing the Operable Unit 2 Remedial Investigation and Feasibility Study, which addressed impacts to surface water and groundwater within the project area.

Additionally, DEQ undertook time-critical actions following BLM's removal of the sole site treatment system from the Formosa 1 Adit without EPA or DEQ concurrence. To mitigate the heightened risk of an uncontrolled release from the Silver Butte 1 Adit, DEQ implemented emergency roadway and slope drainage improvements between Jan. 28 and Feb. 13, 2026, under the Oregon DEQ and EPA Support Agency Cooperative Agreement. These actions included repairing sections of the primary access road, improving drainage infrastructure, coordinating with Silver Butte Timber Company and contractors for monitoring well access, and supporting the preparation of the OU1 Remedial Action.

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### Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age, sex, religion, sexual orientation, gender identity, or marital status in the administration of its programs and activities. Visit DEQ's [Civil Rights and Environmental Justice page](#).