

BEFORE THE STATE OF OREGON
OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION
CENTER FOR HEALTH PROTECTION

In the Matter of

Canby Regency Mobile Estates,
PWS OR4100163

Respondent

NOTICE OF VIOLATION AND
ADMINISTRATIVE ORDER

To: Regency MHC Holdings, LLC
George Gradow, Manager
40 N 4th Street
Carbondale, CO 81623

Regency MHC Holdings, LLC has at all times mentioned herein owned and operated, and continues to own and operate, the Canby Regency public water system (hereinafter “Water System”) located at 10038 S New Era Road in Canby, Oregon. The Water System is a community water system serving approximately 250 people and is subject to regulation under Oregon Revised Statutes 448.115 to 448.290 and Oregon Administrative Rules 333-061-0005 to 333-061-0272.¹

¹ This Notice of Violation and Administrative Order relies on the definitions in ORS 448.115 and OAR 333-061-0020

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All relay calls accepted | <http://healthoregon.org/dwp>

Regency MHC Holdings, LLC (hereinafter “Water Supplier”) is therefore a water supplier as defined in Oregon Revised Statute (ORS) 448.115(12) and Oregon Administrative Rule (OAR) 333-061-0020, and as a water supplier, has specific responsibilities that are identified in OAR 333-061-0025.

Pursuant to its authority established in ORS 431A.010 and ORS 448.255, the Oregon Health Authority, Public Health Division, Center for Health Protection, Drinking Water Services (DWS) has investigated the operation of the Water System.

DWS found, during its investigation that Water Supplier did not report water quality measurements for optimal corrosion control treatment and for lead and copper in tap water. Water Supplier is therefore unable to assure its water users that the water is sufficiently free from contaminants such that individuals will not be exposed to disease or harmful physiological effects (ORS 448.115(8)). This represents a potential public health hazard.

This Notice of Violation and Administrative Order (Order) is being issued to Water Supplier for the specific violations of the Oregon Drinking Water Quality Act (ORS 448.115 to ORS 448.290) and rules found during DWS' investigation as described below.

DESCRIPTION OF RULE VIOLATIONS

1. OAR 333-061-0034(3) requires, in part, water suppliers to install and then operate and maintain optimal corrosion control treatment such that DWS can designate minimum water quality parameter values for optimal treatment, and so that water quality parameters are maintained at or above the minimum values designated by DWS.

Corrosion control treatment was installed at the Water System and approved by DWS as of March 14, 2024. Prior to the installation of this treatment, copper had exceeded the action level identified in OAR 333-061-0030(1).

Water Supplier has not reported any water quality parameter measurements for a six-month compliance period to demonstrate optimal corrosion control treatment is installed and working effectively, and to allow DWS designate minimum values for optimal treatment. This constitutes one violation of OAR 333-061-0034(3).

2. OAR 333-061-0036(10)(a) through (e) requires, in part, water suppliers to monitor for lead and copper in tap water at least once every six months at public water systems, following the installation of optimal corrosion control treatment. Additionally, OAR

333-061-0040(1)(b)(A) requires water suppliers to report monitoring required by OAR 333-061-0036 to DWS within 10 days of the end of the required monitoring period. Water Supplier has not reported lead and copper monitoring for the Water System since reporting samples collected between the dates of June 22 and June 26, 2024. As of July 1, 2024, this constitutes two violations of OAR 333-061-0036(10)(c), or two violations of OAR 333-061-0040(1)(b)(A) if all monitoring was conducted but not reported.

3. OAR 333-061-0036(10)(f) requires, in part, water suppliers to measure water quality parameters at the entry point to the water distribution system at least once every two weeks when optimal corrosion control treatment is present. Additionally, OAR 333-061-0040(1)(b)(A) requires water suppliers to report monitoring required by OAR 333-061-0036 to DWS within 10 days of the end of the required monitoring period. Water Supplier has never reported any water quality parameter measurements to demonstrate effective operation of optimal corrosion control treatment at the Water System. As of July 1, 2024, this constitutes thirteen violations of OAR 333-061-0036(10)(f), or thirteen violations of OAR 333-061-0040(1)(b)(A) if all monitoring was conducted but not reported.

ACTIONS REQUIRED TO ACHIEVE COMPLIANCE

Water Supplier is required to conduct the remedial actions described below which, if taken within the time specified in this Order, will constitute compliance with the rule(s) violated (ORS 448.255(3)).

1. Water Supplier must immediately begin measuring water quality parameters at the Water System, appropriate for the soda ash treatment installed at the Water System. Water Supplier must also monitor lead and copper in tap water at the Water system no later than December 31, 2025 and report the results of this monitoring no later than January 10, 2026.
 - Water quality parameters measurements must include both pH and alkalinity as prescribed by OAR 333-061-0036(10)(f)(G) for soda ash treatment and must be measured at both the entry point to the distribution system and within the distribution system. Water quality parameter measurements must otherwise be conducted according to all the applicable provisions in OAR 333-061-0036(10)(f) and reported to DWS within 10 days of the end of every month according to OAR 333-061-0040(1)(b)(A),

- Lead and copper tap monitoring must be completed according to all the applicable provisions in OAR 333-061-0036(10)(a) through (e) and reported to DWS no later than January 10, 2026, according to OAR 333-061-0040(1)(b)(A).
 - Both water quality parameter measurements and lead and copper tap monitoring must be conducted within the same two-week period at the Water System so that DWS can evaluate the effectiveness of the corrosion control treatment according to OAR 333-061-0034(3)(k).
 - Water Supplier must report both water quality parameter measurements and lead and copper tap monitoring for at least two consecutive six-month monitoring periods,
2. If Water Supplier intends to change or replace the corrosion control treatment currently installed at the Water System, Water Supplier must submit construction plans to DWS no later than 30 days after the date of service of this Order. The plans must identify an alternative method of corrosion control treatment to be installed at the Water System, different from the treatment granted final approval on March 14, 2024 according to DWS plan review #153-2022.
- A. Water Supplier must thereafter complete construction or installation of the corrosion control treatment for which plans were submitted according to this compliance action no later than 60 days after DWS issues conditional approval for the construction plans.
- For this corrective action to be met, construction or installation that was performed must meet the applicable construction standards in OAR 333-061-0050, as approved by DWS.
 - Water Supplier must notify DWS in writing within 5 calendar days of completing construction or installation of corrosion control treatment according to this Compliance Action.
- B. Water Supplier must measure water quality parameters and monitor lead and copper in tap water at the Water System and report the results of monitoring to DWS no later than 30 days after completing construction of corrosion control treatment according to Compliance Action No. 2.A.

- Water quality parameters must include pH and other applicable measurements as prescribed by OAR 333-061-0036(10)(f)(G) and must be measured at both the entry point to the distribution system and within the distribution system. Water quality parameter measurements must otherwise be conducted according to all the applicable provisions in OAR 333-061-0036(10)(f),
 - Lead and copper tap monitoring must be completed according to all the applicable provisions in OAR 333-061-0036(10)(a) through (e).
 - Both water quality parameter measurements and lead and copper tap monitoring must be conducted within the same two-week period at the Water System so that DWS can evaluate the effectiveness of the corrosion control treatment according to OAR 333-061-0034(3)(k).
 - Water Supplier must report both water quality parameter measurements and lead and copper tap monitoring for at least two consecutive six-month monitoring periods,
3. Water Supplier shall have satisfied the terms of this Order when Water Supplier has demonstrated corrosion control treatment is installed and working effectively according to either Compliance Action No. 1 or Compliance Action No. 2, and:
- DWS designates minimum water quality parameters for optimal corrosion control treatment;
 - Water quality parameter measurements demonstrate water quality parameters are maintained at or above minimum values designated by DWS, according to OAR 333-061-0034(3)(l), for two consecutive six-month monitoring periods; and
 - Tap water monitoring demonstrates lead and copper are both below their respective action levels calculated according to OAR 333-061-0030(1) for two consecutive six-month monitoring periods.

GENERAL PROVISIONS AND CIVIL PENALTIES

This Order does not constitute a waiver, suspension or modification of the requirements of the Oregon Drinking Water Quality Act (ORS 448.115 to 448.290) and Oregon Administrative Rules OAR 333-061-0005 to 333-061-0272, which remain in full force and effect.

This Order does not relieve Water Supplier of any responsibilities or liabilities established pursuant to any applicable federal, state, or local law or regulation.

Issuance of this Order is not an election by DWS to forgo any civil actions authorized under the Oregon Drinking Water Quality Act.

Failure to comply with any of the requirements in this Order by the specified due dates may result in additional enforcement action, which could include assessment of civil penalties in the amount of \$100 per day per violation (OAR 333-061-0090). For example, if DWS issues a Notice of Intent to Impose Civil Penalty on December 10, 2025 for failure to report water quality parameter measurements or for failure to submit construction plans according to this Order, the proposed civil penalty could be as much as \$3,000.

Pursuant to ORS 448.990(2), violations of a rule of the Oregon Health Authority may be a crime in Oregon and punishable as a Class A misdemeanor.

NOTICE OF RIGHT TO REQUEST A HEARING

You are entitled to a hearing as provided by the Administrative Procedure Act (Oregon Revised Statutes, Chapter 183). If you want a hearing you must file a written request for hearing with DWS within 10 days from the date this Order was mailed. **The request for hearing must be sent to: Samina Panwhar, Manager; Oregon Health Authority, Drinking Water Services; and may be delivered by mail to PO Box 14450, Portland, OR 97293 or by email to samina.t.panwhar@oha.oregon.gov.**

If you request a hearing, DWS will notify you of the time and place at which the hearing will be held. You may enlist representation by legal counsel. Per ORS 413.041, a party that is not a natural person may be represented by an attorney or by any officer or authorized agent or employee of the party. Parties are ordinarily represented by counsel. DWS will be represented by an Assistant Attorney General. Prior to the hearing date, DWS will provide you with information on the procedures, right of representation and other rights of parties relating to the conduct of the hearing. An administrative law judge from the Office of Administrative Hearings will be assigned to preside over the hearing, as required by ORS 183.635.

If you do not make a timely request for a hearing, the Notice of Violation and Administrative Order will become final and effective 11 days after the date this Order

was mailed. If the Order becomes final in this manner, you will have the right to appeal the order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within 71 days from the day this order was mailed. If you do not file a petition for judicial review within the 71-day period, you will lose your right to appeal.

If you do not request a hearing and DWS subsequently issues a Notice Imposing a Civil Penalty, you will have waived any right to contest the violations identified in this Order.

If you withdraw a request for hearing, or notify DWS or the administrative law judge that you will not appear or fail to appear at a scheduled hearing, DWS may issue a final order by default. If the Order becomes final in this manner, you will have the right to appeal the Order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within 60 days from the day this Order was mailed. If you do not file a petition for judicial review within the 60-day period, you will lose your right to appeal.

Notice to Active Duty Servicemembers

Active-duty service members have a right to stay proceedings under the federal Service members Civil Relief Act and may contact the Oregon State Bar at 1 (800) 452-8260 or the Oregon Military Department at 503-584-3571 for more information. The internet address for the United States Armed Forces Legal Assistance Locator website is <http://legalassistance.law.af.mil>.

DWS has designated its complete file on the Water System as the record in this case for purposes of proving a prima facie case upon default.

If you need to receive the information in this Order in an alternate format, or if you have any questions about the requirements in this Order, please contact Brad K. Daniels at bradley.k.daniels@oha.oregon.gov or 503-735-5438.

Canby Regency Mobile Estates

Date 10.23.25

Casey Lyon

Casey Lyon, Interim Manager
Drinking Water Services
Oregon Health Authority

cc: Corporation Service Company, Regency MHC Holdings, LLC
Joel Ferguson, Clackamas County Health Department
Kim Holtman, Clackamas County Health Department
Keith Male, Oregon Health Authority, Drinking Water Services
Phillip Merrill, Canby Regency Public Water System

DATE of Service: October 27, 2025

Br K Daniel

Signature

Brad K. Daniels

Printed Name

By certified mail and first-class mail