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Oregon DEQ sues J.H. Baxter, related companies for repair costs at shuttered facility

By: Robert Desaulniers Oct 1, 2024



The wood preserving facility was closed in 2022 and still holds upwards of 500,000 gallons of hazardous chemicals.

EUGENE, Ore. – The Oregon Department of Environmental Quality has filed a lawsuit against J.H. Baxter and three Oregon-based companies in September demanding an amount that will likely eventually total more than \$3 million in damages.

J.H. Baxter & Co. is a California-based company that operated a wood and lumber treatment facility in west Eugene. The treatment facility ceased operation in January 2022 after harmful chemicals were found in properties nearby, leading the Oregon Department of Environmental Quality to require soil removal projects. Work has been ongoing since then to clean up the environmental damage caused by the facility. Environmental officials like the DEQ and EPA as well as community groups like Beyond Toxics have lobbied to have the facility declared an EPA superfund site, which would free up additional resources to clean it up.



J.H. Baxter plant to stop production, lawyer says By: Chelsea Hunt



Environmental officials want to designate J.H. Baxter plant as Superfund site By: Aaron Arellano

On September 27, the Oregon Department of Environmental Quality filed a lawsuit against J.H. Baxter and several Oregon-based companies. In the lawsuit, the DEQ accuses J.H. Baxter of outright mismanaging hazardous substances at the facility using a number of unlawful and unpermitted practices, contaminating the ground and groundwater around the facility. The DEQ alleged that J.H. Baxter's business began to decline, and as it did so, the company was less and less able to handle the environmental damage caused by the facility.

In the lawsuit, the DEQ said that when the company shuttered the facility and liquidated most of its remaining assets, it reserved insufficient resources to clean up the hazardous substances, and the DEQ had to pick up the slack to clean up the facility. The DEQ said it has done so, to the tune of \$2,722,620.25 as of September 27, 2024.

According to the DEQ's lawsuit, as J.H. Baxter approached insolvency, it transferred some of its assets to other companies that were established, owned and controlled by its owner and president. The companies were identified in the lawsuit as Ahrens Property LLC, McCollum Property LLC, and Ross-Chapelle LLC. According to the lawsuit, when J.H. Baxter transferred its assets to the LLCs, J.H. Baxter did not receive anything of value from the LLCs in exchange for its assets.

According to the lawsuit, the Oregon DEQ is demanding from J.H. Baxter a payment that will cover at least as much as the DEQ has spent cleaning up the facility thus far, with an exact amount to be determined at a later trial. The DEQ has also asked for a payment from the LLCs equivalent to the value of the assets transferred to them by J.H. Baxter, and an injunction that stops J.H. Baxter and the LLCs from transferring any more assets without the court's express permission.