



Nick Fish, Commissioner
Michael Stuhr, P.E., Administrator

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IMPACT STATEMENT

Date: August 2, 2017

Council Date: August 2, 2017

Legislation Title: Comply with Oregon Health Authority's order to treat drinking water from the Bull Run Watershed for *Cryptosporidium* by submitting a compliance plan and proceeding with planning, design and construction of a filtration plant. (Resolution)

Contact Name: David Peters, P.E.

Contact Phone: (503) 823-2003

Presenter Name: David Peters, P.E.
Michael Stuhr, P.E., Administrator

Purpose of proposed legislation and background information:

The purpose of the proposed legislation is for City Council to direct the Portland Water Bureau (PWB) to develop a plan to submit to Oregon Health Authority (OHA) in accordance with its May 19, 2017 order selecting a *Cryptosporidium* treatment technology and schedule, as well as identifying interim control measures and a sampling schedule that will remain in effect until the technology is online. The legislation also authorizes the Portland Water Bureau to proceed with planning, design and construction of a filtration plant.

In 2006, the U.S. Environmental Protection Agency (EPA) issued a federal drinking water rule called the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) that required water utilities to treat for the pathogen *Cryptosporidium*. In 2009, PWB presented LT2 compliance options to the Portland City Council, and Council directed PWB to pursue a variance to the rule while proceeding with design of UV treatment as a backup if the variance was denied (Resolution 36720). In 2012, PWB completed the UV treatment design plans and obtained a 10-year variance from OHA subject to a set of conditions that included maintaining an exceptionally low concentration of *Cryptosporidium* in ongoing raw water sampling.

Between January and March 2017, a total of 19 *Cryptosporidium* oocysts were found in 14 water samples from the Bull Run Watershed. On March 8, 2017, PWB notified OHA that due to the quantity of *Cryptosporidium* detected at that point, it was no longer feasible to achieve the concentration level of *Cryptosporidium* required to maintain the variance. On May 19, 2017, OHA issued an order to PWB revoking Portland's treatment variance as of September 22, 2017.

On August 1, in response to a letter OHA received from Commissioner Fish and Mayor Wheeler requesting an extension to the timeframes in the Crypto treatment variance revocation order, OHA amended the order by extending the deadlines by an additional 60 days.

The amended OHA order requires PWB to submit a plan to OHA by October 11, 2017, selecting a *Cryptosporidium* treatment technology and schedule, as well as identifying interim control measures and a sampling schedule that will remain in effect until the selected treatment technology is online. The amended OHA order revokes Portland's treatment variance as of November 22, 2017.

Financial and budgetary impacts:

The cost for planning, design, and construction of a filtration plant is estimated to be between \$350 million and \$500 million. Operating costs are likely to increase \$5 million when the plant becomes operational. During the annual rate-setting process, PWB will make every effort to minimize rate impacts while following the intent of this resolution.

PWB will seek to optimize and enhance its discount programs to lessen the impact of rising water rates on low-income customers.

Community impacts and community involvement:

The City shares the community's values regarding the need to balance the cost, public health, current and future regulatory compliance, and system resilience considerations of treatment options in a responsible manner.

The City has subsequently reviewed treatment options with the public and various interest groups, and recommends that filtration be the option for treatment.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ YES: Please complete the information below.
☒ NO: Skip this section

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|-------------|--------------------|------------------------|------------------------|-----------------------|--------------|--------------------------|---------------|
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Michael Stuhr, P.E., Administrator

Date

AGENDA ITEM 867 – MOTIONS FROM AUGUST 2, 2017:

- #1 Motion to accept Substitute Resolution to reflect change from UV+ to Filtration:** Moved by Fish and seconded by Fritz (Y-5)
- #2 Motion to accept amendment to enhance Bull Run environmental protections:** Moved by Fish and seconded by Fritz (Y-5)
- #3 Motion to accept amendment to enhance low-income discount program:** Moved by Fish and seconded by Fritz (Y-5)
- #4 Motion to accept amendment for annual reporting on filtration project:** Moved by Fish and seconded by Fritz (Y-5)

Fish Amendment 1

Introduce substitute Resolution to reflect change from UV+ to Filtration.

FISH AMENDMENT 1: SUBSTITUTE RESOLUTION (CLEAN)

RESOLUTION No.

Comply with Oregon Health Authority's order to treat drinking water from the Bull Run Watershed for *Cryptosporidium* by submitting a compliance plan and proceeding with planning, design and construction of a filtration plant. (Resolution)

WHEREAS, in 2006, the U.S. Environmental Protection Agency (EPA) issued a federal drinking water rule called the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) that required water utilities to treat for the pathogen *Cryptosporidium*; and

WHEREAS, in 2009, the Portland Water Bureau (PWB) presented LT2 compliance options to the Portland City Council, and Council directed PWB to pursue a variance to the rule while proceeding with design of UV treatment as a backup if the variance was denied (Resolution 36720); and

WHEREAS, in 2012, PWB completed the UV treatment design plans and obtained a 10-year variance from the Oregon Health Authority (OHA) subject to a set of conditions that included maintaining an exceptionally low concentration of *Cryptosporidium* in ongoing raw water sampling; and

WHEREAS, between January and March 2017, a total of 19 *Cryptosporidium* oocysts were found in 14 water samples from the Bull Run Watershed; and

WHEREAS, on March 8, 2017, PWB notified OHA that due to the quantity of *Cryptosporidium* detected at that point, it was no longer feasible to achieve the concentration level of *Cryptosporidium* required to maintain the variance; and

WHEREAS, on May 19, 2017, OHA issued an order to PWB revoking Portland's treatment variance as of September 22, 2017; and

WHEREAS, the OHA order requires PWB to submit a plan to OHA by August 11, 2017, selecting a *Cryptosporidium* treatment technology and schedule, as well as identifying interim control measures and a sampling schedule that will remain in effect until the selected treatment technology is online; and

WHEREAS, the City shares the community's values regarding the need to balance the cost, public health, current and future regulatory compliance, and system resilience considerations of treatment options in a responsible manner; and

WHEREAS, the City has subsequently reviewed treatment options with the public and various interest groups, and recommends that filtration be the option for treatment; and

NOW THEREFORE, BE IT RESOLVED, that the City Council directs the Portland Water Bureau to develop a plan to submit to OHA in accordance with its May 19, 2017 order selecting a *Cryptosporidium* treatment technology and schedule, as well as identifying interim control measures and a sampling schedule that will remain in effect until the technology is online; and

BE IT FURTHER RESOLVED that the Portland Water Bureau proceed with planning, design and construction of a filtration plant; and

BE IT FURTHER RESOLVED that during the annual rate-setting process the Portland Water Bureau will make every effort to minimize rate impacts while following the intent of this resolution.

Adopted by the Council:

Commissioner Nick Fish
Todd Lofgren
August 2, 2017

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

RESOLUTION No.

Comply with Oregon Health Authority's order to treat drinking water from the Bull Run Watershed for *Cryptosporidium* by submitting a compliance plan and proceeding with planning, design and construction of a filtration plant. ~~updating the design and construct an ultraviolet treatment facility~~ (Resolution)

WHEREAS, in 2006, the U.S. Environmental Protection Agency (EPA) issued a federal drinking water rule called the Long Term 2 Enhanced Surface Water Treatment Rule (LT2) that required water utilities to treat for the pathogen *Cryptosporidium*; and

WHEREAS, in 2009, the Portland Water Bureau (PWB) presented LT2 compliance options to the Portland City Council, and Council directed PWB to pursue a variance to the rule while proceeding with design of UV treatment as a backup if the variance was denied (Resolution 36720); and

WHEREAS, in 2012, PWB completed the UV treatment design plans and obtained a 10-year variance from the Oregon Health Authority (OHA) subject to a set of conditions that included maintaining an exceptionally low concentration of *Cryptosporidium* in ongoing raw water sampling; and

WHEREAS, between January and March 2017, a total of 19 *Cryptosporidium* oocysts were found in 14 water samples from the Bull Run Watershed; and

WHEREAS, on March 8, 2017, PWB notified OHA that due to the quantity of *Cryptosporidium* detected at that point, it was no longer feasible to achieve the concentration level of *Cryptosporidium* required to maintain the variance; and

WHEREAS, on May 19, 2017, OHA issued an order to PWB revoking Portland's treatment variance as of September 22, 2017; and

WHEREAS, the OHA order requires PWB to submit a plan to OHA by August 11, 2017, selecting a *Cryptosporidium* treatment technology and schedule, as well as identifying interim control measures and a sampling schedule that will remain in effect until the selected treatment technology is online; and

WHEREAS, the City shares the community's values regarding the need to balance the cost, public health, current and future regulatory compliance, and system resilience considerations of treatment options in a responsible manner; and

WHEREAS, the City has subsequently reviewed treatment options with the public and various interest groups, and recommends that filtration be the option for treatment ~~recommends that UV treatment be the option for treatment at this time~~; and

~~WHEREAS, the City recognizes that the ultraviolet treatment plant will need to be upgraded or replaced approximately 25 years after its construction; and~~

~~WHEREAS, the City Council has determined that it is in the City's best interests to plan for its future need for a filtration treatment plant by building a reserve within the Water Rate Stabilization Account.~~

NOW THEREFORE, BE IT RESOLVED, that the City Council directs the Portland Water Bureau to develop a plan to submit to OHA in accordance with its May 19, 2017 order selecting a *Cryptosporidium* treatment technology and schedule, as well as identifying interim control measures and a sampling schedule that will remain in effect until the technology is online; and

BE IT FURTHER RESOLVED that the Portland Water Bureau proceed with planning, design and construction of a filtration plant; and ~~updating the design and construction of an UV treatment facility; and~~

~~BE IT FURTHER RESOLVED that the Portland Water Bureau Administrator create a sub-account within the Rate Stabilization Account to be used for rate stabilization and/or the construction of a filtration treatment facility. This sub-account shall be referred to as the "Water Treatment Facility Reserve," and shall be funded by an amount approved by Council in the Water Bureau's annual rate of at least 0.2%.~~

BE IT FURTHER RESOLVED that during the annual rate-setting process the Portland Water Bureau will make every effort to minimize rate impacts while following the intent of this resolution.

Adopted by the Council:

Commissioner Nick Fish
Todd Lofgren
August 2, 2017

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

Fish Amendment 2

Amendment to enhance Bull Run environmental protections.

“BE IT FURTHER RESOLVED that the City of Portland will continue to advocate for strict environmental protections to preserve and protect the Bull Run Watershed for future generations, regardless of any final decision about water treatment in the Bull Run Watershed.”

Fish Amendment 2 - UPDATED

Amendment to enhance Bull Run environmental protections.

“BE IT FURTHER RESOLVED that the City of Portland will continue to advocate for strict environmental protections, including but not limited to prohibiting logging and limiting access, to preserve and protect the Bull Run Watershed for future generations, regardless of any final decision about water treatment in the Bull Run Watershed.”

Fish Amendment 3

Amendment to enhance low-income discount program.

“BE IT FURTHER RESOLVED that the Portland Water Bureau will seek to optimize and enhance its discount programs to lessen the impact of rising water rates on low-income customers.”

Fish Amendment 4

Amendment for annual reporting on filtration project.

“BE IT FURTHER RESOLVED that the Portland Water Bureau will submit an annual report to the Portland Utility Board, the Oregon Citizens’ Utility Board and the Portland City Council regarding the progress of the water filtration-treatment project, the first of which shall be delivered on or before June 30, 2018.”