



CITY OF

PORTLAND, OREGON

OFFICIAL
MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20TH DAY OF APRIL, 1994 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Blumenauer, Hales, Kafoury and Lindberg, 5.

OFFICERS IN ATTENDANCE: Cay Kershner, Clerk of the Council; Jan Betz, Deputy City Attorney; and Chuck Bolliger, Sergeant at Arms.

REGULAR AGENDA

Mayor Vera Katz

- *590 TIME CERTAIN: 9:30 AM** - Authorize the execution of an Amended Stipulation and Final Order with the Department of Environmental Quality in connection with abatement of the Combined Sewer Overflows (Ordinance)

Discussion: Commissioner Lindberg said this ordinance modifies the original 1991 Stipulated Final Order (SFO) with the Department of Environmental Quality (DEQ) in terms of the appropriate level of control for Combined Sewer Overflows (CSO). Because of a serious problem with raw sewage going into the Willamette River and the Columbia Slough in 1991, the City signed a legal agreement calling for the elimination of 99.6 percent of the sewer overflows by 2011, moving from 60 overflows per year down to three in ten years. That level of control would have cost about one billion dollars. Last fall, the City began a collaborative process to see if a less expensive of control, 94 percent, would be acceptable. This level would still protect public health and virtually eliminate overflows during the summer months. Commissioner Lindberg said the impact of the rate increases needed to pay for this program can be ameliorated through conservation, on-site treatment and dealing with drainage issues in other ways. He said in addition to treating what comes out of single pipes, it is also clear that a comprehensive watershed and water quality management approach is needed. People are interested in multi-objective approaches to open up recreational access and protect fish and wildlife habitat. He stressed the importance of reconfirming Council's decision to clean up the Columbia Slough which, because it is so polluted, needs the highest degree of cleanup.

Commissioner Lindberg said people of goodwill may disagree about this proposal but he believes this \$700,000,000, 18-year project strikes a good

APRIL 20, 1994

balance. He reminded those who want the City to do more about the importance of looking at cost benefits. For those who want to do less, he noted that State regulations require a higher level of control than federal government standards. Eliminating discharges in the summer is critical, especially given the role of the Willamette River in the future. The DEQ will meet in June to decide on these modifications.

William Wessinger, Chair, Environmental Quality Commission (EQC), noted that a lot of information was not available when the agreement was originally negotiated in 1991 so after Commissioner Lindberg suggested that the Commission take another look at the CSO problem, the Department and the Commission agreed to do so despite some reluctance by commission members from other parts of the State who felt everyone should have to abide by the same strict standards. He said with the tremendous population growth that is coming, the State will have to run like crazy just to stay even and the compromise being proposed is at the least level necessary to have a usable river. He said he wanted a condition added calling for the City to continue to look at methods that allow improvements to be made when repairs are necessary. Work ad infinitum will have to be done.

Fred Hanson, Director, Department of Environmental Quality, said the issue of statewide equity is important here. As the DEQ and EQC wrestled with this problem, they recognized that all cities have moved either to total separation of their sewer systems or to proper treatment of the combined system before discharge. Five cities in the State, including Portland, still need to address these problems. He said, because of the complexities that Portland has to deal with, the Commission and Department were willing to enter into a collaborative agreement. He stressed two parts of the SFO. He said the pressures of growth on water quality is an absolutely critical issue and this is reflected in Item #23, which states that any improvement, even if not covered by the facilities plan, should be looked at from a pollution prevention standpoint. Second, the Commission indicates, (subsection D of Item 23) that by September, 2010, the City will submit a facilities plan to outline what further improvements may take place after that date. Mr. Hanson said no resource is of more concern than water quality and it is not sufficient to be at the bare, federal 85 percent minimum.

Dean Marriott, Director, BES, said as a newcomer to the City he has been very impressed with this agreement and the risks taken by those entering into the collaborative process. He noted the higher commitment to the Slough, protection of the Willamette during the summer when it has a higher use, and the emphasis on non-point source runoff.

Catherine Collis, BES, said these amendments to the SFO reflect the tremendous success of the collaborative effort and address both rate payer

APRIL 20, 1994

and environmental concerns. She said this effort has provided not only a good solution but a model process for future problem-solving. The recommended modifications adjust the CSO reduction from 99.6 to 94 percent on the Willamette River and reaffirms the 99.6 percent level of control on the Slough. The agreement also calls for continued implementation of the Cornerstone projects and commits to incorporate CSO reduction activity into all ongoing sewer planning and water quality management efforts. They also agreed that the Bureau would stay in touch with major technological advances and revisit those with DEQ to make sure they are using the most cost-effective solution. Ms. Collis noted the Bureau's commitment to an overall policy of water quality improvement and implementation of a comprehensive clean river strategy. BES also committed to addressing upstream pollution issues in a comprehensive way and to undertake an aggressive public outreach campaign so citizens know the risk of using the River when there are overflows.

Commissioner Lindberg said a major effort is being made by the Bureau to use this public works project to provide opportunities to all people in the community, including youth.

Alec Josephson, ECO Northwest, described the economic impacts of the CSO project. He said the direct effect would be almost 4,000 jobs in the construction sector and almost 1,800 jobs in the service sector. Very little effect will leak out of the Portland metropolitan area. The indirect effects would add almost 7,000 person years of employment, mostly concentrated in the service sector, and represents \$125,000,000 in personal income and \$75,000,000 in business income. Induced effects, caused by changes in household spending patterns due to increased incomes, will create over 9,300 person years of employment. The total effect of the CSO project is \$1.5 billion in industrial output created by the direct \$700,000,000 in expenditures, a multiplier of a little over two. To assess the impact on women and minorities, ECO assumed the City can meet its affirmative action goals on direct hires and then applied the incidence of minority and women in each industrial sector to arrive at the induced and indirect effects. The total effect is almost 9,000 person years of employment for women and over 2,000 person years for minorities. The direct effect, concentrated in the construction sector, will be almost 400 construction jobs for minorities.

Commissioner Lindberg said the MBE and FBE numbers ECO used are the basic minimum and the goals will actually be much higher than that.

Commissioner Hales noted the projections were based on nine and five percent for women and minorities.

Mayor Katz noted that minority and female participation has been in the

APRIL 20, 1994

20 and 30 percentage range recently on City projects.

Senator Ron Cease, District 10, said the kinds of environmental issues to be dealt with now will be increasingly conflicted and complex and will need to be negotiated. He said it is well worth going to 94 percent at a savings of \$300,000,000.

Don McClave, President, Portland Chamber of Commerce and Chair of the Clean River Committee, said the Chamber is very pleased with this process and the fact that the cost has come down while the level of control remains satisfactory and the original objectives of cleaning up the river and Slough will still remain. He said one of the major areas for potential cost savings is cleaning things up on-site and the Cornerstone projects show great promise for cleaning up the most waste at the least cost. He said this clearly is not the end of the process, simply the beginning of a long undertaking done in a more reasoned manner. He said the levels of control bandied about are just a draft proposal and it is conceivable that the 85 percent federal standard, if adopted, would not apply on the Slough anyway. He said they are encouraged by the extraordinary outreach made to identify people who will potentially be hurt by the cost of the cleanup and to accommodate special needs.

Gail Achterman, attorney and chair of the Clean Rivers Funding Task Force, urged adoption of the modifications in the SFO. She stressed that this is not the end, only the beginning, of conversations with the State and the Environmental Protection Agency (EPA). The City must continue to explore new technologies but a big part of the conversation is going on in Washington D.C. and the City must be a part of it so that whatever federal standards are adopted make sense for City waterways. She noted Water Bureau efforts to modify EPA rules which ultimately allowed the City to avoid filtration of the Bull Run Water system at enormous cost savings to the citizens. Second, the Task Force heard repeatedly from citizens that they want their rates to be based upon their contribution to the problem. Demand-side management is very complicated as conservation takes longer and requires more outreach and innovation. Rate increases are inevitable and will be more acceptable if people think they can make choices that influence what their bill will be. People also want certainty that the costs are fairly allocated. Currently a good chunk of the stormwater runoff cost is attributable to streets and it is difficult to tell sewer rate payers that their rates are doubling when so much of the problem is because of the streets. This is something the City must come to grips with, as citizens are very concerned about the enormous cost and a continuing effort must be made to explore every avenue of controlling and reducing those costs.

Commissioner Lindberg noted that the Funding Task Force had mentioned the possibility of a gas tax to share some of the costs.

APRIL 20, 1994

Ms. Acherman said the Task Force was interested in exploring the notion of charging street programs which would end up coming out of the gas tax but would not be a direct allocation of the gas tax.

Mike Houck, Urban Streams Council, focused on what he believes Council should direct BES to do regardless of the level of CSO reduction. He asked staff to find as many non-structural, multiple-benefit solutions as possible to CSO and urban waterway non-point pollution reduction strategies. He also asked Council to require the Bureau to reevaluate the use of Ramsey Lake for both CSO and stormwater treatment. Other recommendations included: 1) creation of a \$1.5 million endowment fund to pay citizens to be watershed stewards and help solve non-point pollution problems; 2) design the wet weather treatment facility to provide educational opportunities and site it in a prominent place, such as adjacent to OMSI; 3) use at least a portion of Willamette River water as part of its drinking water supply; 4) BES adoption of a broader environmental mission statement to include fish and wildlife habitat, aesthetics, recreation, etc.; and 5) leverage the City's commitment to cleaning up the Willamette into a broader ecosystem restoration effort.

Nina Bell, Executive Director, Northwest Environmental Advocates, said when they filed their law suit on the CSO problem they did not believe that total separation or the 99 percent level of control was necessary. She said they do not have a problem with approximately four overflow discharges annually in the winter or one every three years in the summer. However, they do not believe that current plans are sufficient to meet the requirements of the law or EPA guidelines. For instance, both the City and DEQ have ignored the toxic component of CSO discharges and the level of treatment provided to the captured discharge. This makes the whole project of questionable validity. Nor does the proposal address the EPA's nine minimum control strategies. They are also concerned about the rationale for chlorinating discharges. Finally, they doubt the City's commitment to address the runoff issues on urban tributaries. Ms. Bell said this project needs a lot more oversight and while the level of control is fine, the level of treatment and the method of achieving that control level is far from satisfactory.

Eugene Lewins, 6410 SW Hamilton, 97221, supported the modification, stressing the need to get the most cost benefit instead of going for perfection. He stressed his enjoyment of nearby natural resources and said rather than spending all the money on this one system, the community would get a better return for its money if it looked at some broader objectives, such as being able to enjoy the outdoors.

Kathy Wheatley, League of Women Voters, supported the proposed modification and the Cornerstone Projects.

APRIL 20, 1994

Bill Hutchinson, attorney, supported the revised Order. He said the City needs to include the true cost of growth and living in the equation of sustainability. He noted the \$500,000,000 spent to clean up the Tualatin River, which fixed a broken system and enhanced Washington County's ability to sustain growth and attract growth. Portland's system is similarly broken and people will come to understand that a working system is necessary in order to support life.

Kay Durtschi, member of the CSO committee, said the collaborative process was very extensive and lengthy. The multiple benefits of this project need to be built on, including development of the Eastbank and the River District and placing a treatment facility next to OMSI so that citizens know what is going on. She is also happy to see that CSO projects are now being built into the development process. Finally, while rate relief for senior citizens may be necessary, those in the middle income group should not be forgotten either.

Richard Meyer, Audubon Society, urged support. He said the City has used a process that was flexible, democratic and the most inclusive he has ever seen. All major issues were carefully considered and this solution meets the criteria that citizens helped devise and that all sides could live with.

Don Francis, ratepayer and advocate for healthy rivers, said the facilities treatment plan should address all the pollutants, not just fecal coliform. He said other pollutants such as heavy metals should be dealt with and sediment should also be examined for contamination. Finally, the CSO abatement program provides a perfect means to educate people about the impact of their actions on nature.

Troy Clark, member of several BES committees, said the change from 99.6 percent remediation is a retreat and he wishes the City could have held to the higher level. To stress the \$300,000,000 savings and state that there is only a five percent difference in the level of remediation is misleading. He said the pipes called for in the revised proposal are only half of what the original plan called for and questioned what happens in 50 to 60 years when the City outlives the smaller pipes. He said if you are going to dig a ditch, it makes sense to build the one that lasts the longest. He said this is an opportunity to prove to the future that we are good stewards and he is a little disappointed by this backpedaling.

Commissioner Blumenauer said if 25 years from now the choices are just bigger pipes, this effort will have failed because the goal is to have less stormwater and recapture the urban streams. If the City does its job right, then it would need even smaller, not larger, pipes. If the City cannot handle what is coming with anything other than more ditches and more runoff, then it will have failed.

APRIL 20, 1994

Mr. Clark said those technologies require a crystal ball. If the population doubles, the City better have streets that handle the runoff or pipes big enough to treat it.

Commissioner Blumenauer said with the plans for narrower streets, alternative transportation, etc., it is hoped that this will drive them in the other direction.

Tom O'Keefe, UCAN, supported the amended Order and described some of his group's activities to clean up the river. He said the question of who pays seems to focus on the residential ratepayer rather than commercial properties and large parking lots. A year ago, commercial properties paid 40 percent less on stormwater drainage charges than residential. UCAN's concern is that everyone pay their fair share and currently that is not happening.

Nancy Rosenlund, Friends of Balch Creek, said new developments and transportation improvements should be evaluated in terms of their impact on water quality as everything is interwoven. She stressed the importance of stream restoration and watershed protection.

John Pointer, Citizens Concerned with Wastewater Management, said they are a group of former BES employees who disagreed with Bureau policies. He stressed the need for separation of storm and sewer water as the treatment methods are different. He said chlorination must stop as it creates dioxin, one of the most potent carcinogens around. He said the City has long thumbed its nose at the DEQ and continually broken the law, adding that in 1986 he and a number of other employees wrote a memo to that effect to the Mayor. As a result, they were called nuts and quacks, although everything in that memo has since been addressed. He called for committing funds over and above the money the Council commits to be used if the City does not perform adequately.

Juliann Lansing, no address given, said taxpayer money is being misused on such projects as tearing up property around Union Station and forcing the main post office to move to the airport. She said both the pros and cons for this project should receive equal time.

Mikey Jones, no address given, said the City has done nothing for 21 years about the CSO problem except close the Inverness Treatment plant. Rates have been low because the City has deferred correcting the problem and the longer it is put off, the more it will cost. He said this cheaper plan will not meet federal standards and the Cornerstone projects will fail before the 20 years are up. He said this will make the Columbia River a disaster because the primary treatment of discharges will be bypassed into it.

Paul Richmond, PO Box 454, 97207, said the City has ignored its

APRIL 20, 1994

responsibility here and it is ironic that the City devotes two thirds of its budget to public safety (Police and Fire Bureaus) and trying to keep people from voluntarily putting toxics into their systems while there does not seem to be enough money to adequately deal with toxics going into the water supply. Regarding the plan itself, he said it should not take 10 years before the City actually constructs anything.

Commissioner Kafoury said construction will begin in May, 1998.

Commissioner Lindberg said the Cornerstone projects have already started.

Alice Blatt, 15231 NE Holliday, representing FOWL (Friends of Wildlife, Wetlands and What's Left), supported Mr. Houck's suggestion for an endowment fund to carry on the projects. She also urged promotion of "green solutions" where at all possible. Ms. Blatt contrasted the process used to achieve this compromise with the disastrous "lose-lose" process used in the Columbia South Shore Natural Resources Management Plan which resulted in a three-year appeal process.

Steve Engel, no address given, supported the amended SFO. As a naturalist for the Green City Data Project, he noted that young citizens of Portland are studying the River and are interested in its health.

Commissioner Lindberg noted some issues had been raised about the wet weather treatment plant.

John Lang, BES, said the plant is meant to provide primary treatment with some type of disinfection agent so that there is no disease carrying capability. There has been no final decision about the actual type of treatment. The facilities plan describing the types of treatment will also provide cost estimates and BES is assuming that as treatment plants are sited the decision will be made as to the types of discharges. It is assumed that if the disinfectant is chlorine, the discharge will be dechlorinated before leaving the facility.

Commissioner Blumenauer said he is very pleased that the process with the DEQ has worked so well and he likes the idea of using the process of change to make improvements that go beyond those to which the City committed. People are interested in going beyond the minimum but the solutions are not getting cheaper, just more complex. He said he is still concerned because the River is polluted even before it gets here and unless something happens with the non-point pollution sources upstream, Portlanders will have spent a lot of money but will continue to have a river polluted upstream by animal manure, pesticides, fertilizers, etc. He said the City needs to be aggressive in dealing with the entire length of the Willamette River system but that should not hinder implementation of this

APRIL 20, 1994

plan. Good planning which links land-use, transportation and housing is important in dealing effectively with growth.

Commissioner Hales said this project is visionary, it works and is cost-effective.

Commissioner Kafoury said, as a member of the CSO committee, she picked three issues to concentrate on: 1) health concerns; 2) the relation of watershed management and other non-point pollution to this project; and 3) the citizen involvement process. She found that people do not seem to be reporting illness from swimming or ingesting the water, despite the foulness of the River. The watershed management issue is reflected in language which calls for the DEQ to approach all sources of pollution on a comprehensive, watershed management basis. Regarding citizen involvement, she said participants generally come to the same conclusions as the committee as to the cost and return on investment. However, there is a huge challenge in getting a complicated message out to citizens and ratepayers. She said this is a fair deal for both the River and the ratepayer.

Commissioner Lindberg said this is a historic day for Council and shows the commitment of this generation to leaving the River cleaner than the last one did. He committed to looking at the entire watershed as one ecological system. Also, he wants to continue to give citizens as many choices and as much control as possible over their rate destiny.

Mayor Katz said the City needs to continue to be flexible and adapt to technological changes. The City also needs to look at value-added opportunities when dealing with land-use, transportation and parks issues. Finally, the City needs to realize the taxpayer continues to subsidize the automobile and the consequences of sprawl. She said they should consider how the gas tax can be used to pay for that share of the project.

Disposition: Ordinance No. 167573. (Y-5)

At 11:55 a.m., Council adjourned.

BARBARA CLARK
Auditor of the City of Portland

Cay Kershner
By Cay Kershner
Clerk of the Council

APRIL 20, 1994

WEDNESDAY, 2 PM, APRIL 20, 1994

**DUE TO THE LACK OF AN AGENDA
THE PORTLAND CITY COUNCIL
DID NOT MEET**