

COUNCIL POLICY NO. S-3

- TITLE:** TESTIMONY ON PROPOSED RULE CHANGE NORTH SANTIAM RIVER WATERSHED
- POLICY:** Council opposes any amendments to existing water quality rules which could open the door to degradation of the quality of the water which is used as a source of Salem's domestic drinking water
- REFERENCE:** Testimony on Proposed Rule Change North Santiam River Watershed 1/10/94.

FOR COUNCIL MEETING OF January 10, 1994
AGENDA ITEM NO.:

TO: MAYOR AND CITY COUNCIL
THRU: LARRY J. WACKER, INTERIM CITY MANAGER
FROM: FRANK MAULDIN, PUBLIC WORKS DIRECTOR
SUBJECT: TESTIMONY ON PROPOSED RULE CHANGE
NORTH SANTIAM RIVER WATERSHED
ENVIRONMENTAL QUALITY COMMISSION

ISSUE:

The Department of Environmental Quality (DEQ) is proposing to amend Oregon Administrative Rule (OAR) 340-41-470(1). The proposed rule change could have serious negative impacts on the extraordinarily high water quality in Salem's watershed. The proposed rule change is centered around permitting the Kinross Copper (formerly Plexus, Inc.) bornite mining project and, potentially, other waste dischargers located within the watershed to discharge waste products into the waters of the North Santiam River Sub-basin.

RECOMMENDATION:

It is recommended that the Council:

1. Adopt the companion resolution (Attachment I).
2. Adopt Alternative 1 that opposes any amendments to the OAR which could result in a lowering of water quality in the North Santiam River Sub-basin. This could be accomplished by adopting a revision to DEQ's Option 1 as detailed by staff in Attachment II, Technical Comments.
3. Authorize the Mayor or a selected Council designee to provide testimony at the January 27, 1994, public hearing before the Environmental Quality Commission.

POLICY DECISIONS:

Should the City oppose amendment to existing Water Quality Rules which could open the door to degradation of the quality of the water which is used as a source of Salem's domestic drinking water?

BACKGROUND:

On January 3, 1994, staff submitted a report (Attachment III) to Council, alerting them of the proposed actions by DEQ and indicated that a follow-up staff report would be submitted on January 10, 1994, containing specific recommendations addressing the proposed action by DEQ.

Attached to the January 3, 1994, staff report were the following items:

- 1) Attachment 1 October 7, 1991, staff report
- 2) Attachment 2 January 11, 1993, staff report
- 3) Attachment 3 OAR 340-41-470(1)
- 4) Attachment 4 DEQ Notice of Rule Making

The central issue of this subject is: Should the existing rules be amended to allow new or increased "wastewater" to be discharged to any of the three drainage systems identified in OAR 340-41-471(1), i.e., a) the Clackamas River Sub-basin; b) the McKenzie River Sub-basin above the Hayden Bridge (River Mile 15); and c) the North Santiam River Sub-basin.

The North Santiam River Sub-basin is the watershed for the City of Salem.

FACTS AND FINDINGS:

The City of Salem has relied upon the high quality waters of the North Santiam River Sub-basin since 1937. At that time, this community made a substantial investment to secure and develop its water source some 17 miles east of the City, within the sub-basin. In addition, the City developed, and continues to rely upon the filtration technology known as slow-sand filters to meet the requirements of the Federal Safe Drinking Water Act. While this technology enables us to meet all requirements at a very low cost, it is susceptible to changes in the quality of the water entering it.

The City has just completed a 20-year Water Master Plan which is based upon the continued use of this technology as the principle method to meet the requirements of the Safe Drinking Water Act. In preparing the Plan, the City identified the cost of installing alternative technology at a \$87 million increased capital cost plus significant additional annual operating costs. To fund such an improvement would require the newly adopted water rates to be raised in excess of 100 percent above the currently projected levels. Therefore, a degradation of water quality in the North Santiam Sub-basin would have a significant economic impact on every person and economic activity in the City of Salem.

In preparing a response to the proposed rule amendment, staff has drafted a resolution for Council consideration and action. This resolution (Attachment I) provides a general overview of our position on this issue. In addition, staff has currently developed technical comments relative to the rule notification and the potential impacts upon the City, its citizens, and the industrial community. The Technical Comments are enclosed as Attachment II.

The technical comments address the following areas in detail:

1. Existing condition of the water quality in the North Santiam River Basin.
 - a) Background and history of Salem water supply.
 - b) Treatment technology.
 - c) Water rights.
 - d) Quality impacts to industrial users.
2. Review of specific rule changes.
 - a) Review each proposed option.
 - b) Possible revisions to Option 1.

Staff is currently in the process of contacting major industrial users which rely upon the quality of the water in the operation of their facilities. They will be urged to provide comments to the Environmental Quality Commission. In addition, staff has been in contact with other water system owners which are located within the three drainage systems identified, plus the League of Oregon Cities and Oregon Water Utilities Council. Copies of this report have also been sent to the Water and Wastewater Task Force.

Alternatives

1. Adopt Alternative 1 that opposes any amendments to the OAR which could result in a lowering of water quality in the North Santiam River Sub-basin. This could be accomplished by adopting a revision to DEQ's Option 1 as detailed by staff in Attachment II, Technical Comments.
2. Support one of the three options identified in the proposed rule amendment. This could result in a political process being used to develop a rule which could result in requiring the City to make modifications to existing and future water supply facilities.
3. Do nothing - such action would most probably result in the adoption of an amendment to the current Oregon Administrative Rule (OAR), which could have a major impact on the future water supply system of the City of Salem and subsequently require major rate adjustments.