

The Oregonian

Portland must make a \$500 million call on removing parasites from its water

By Jessica Floum

June 27, 2017

Portland has just six weeks to decide how it will comply with a state order to protect its drinking water from parasites while keeping bills down for ratepayers.

By August, the City Council must choose between spending up to \$500 million and 12 years to build a filtration treatment system or about \$105 million and five years on a facility that will treat water with ultraviolet light.

The council considered a combination of the two options in a work session Tuesday.

Portland's drinking water comes from the Bull Run watershed and travels to Portland area homes with almost no treatment. In 2006, federal rules required that cities with unfiltered water systems treat for cryptosporidium.

The Oregon Health Authority, however, permitted Portland an exemption, so long as the bureau regularly tested for cryptosporidium and found none.

That worked well for water drinkers and rate payers for years. But the discovery of 19 cryptosporidium parasite structures in 14 water samples from January through March means the city now must build a treatment plant, as ordered by the state health authority on May 19 .

"This winter and spring, we got a fairly big surprise," Water Bureau director Mike Stuhr said Tuesday.

Although the unusual rate of cryptosporidium findings surprised the bureau, considering potential treatment options is no new task. Stuhr said he experienced *déjà vu* Tuesday, since he presented the council with the same treatment options in 2009, after which the city council decided to seek a state exemption instead.

The bureau spent \$16 million and several years developing a design for an ultraviolet treatment plant that got shelved in 2012, he said. The council now has no choice but to choose a treatment option by August, he said.

"Water professionals try to be ahead of the game for regulation when we can because being up against these type of deadlines is difficult, to say the least," Stuhr said.

To get ahead of an increasingly restrictive regulatory environment, Stuhr said he would opt for a treatment plant that uses sand or charcoal to filter dangerous pathogens, sediment and other contaminants. It could also increase the supply of useable water, which Stuhr said is important considering climate change is expected to create dryer, hotter summers and higher water demand.

"If I was made of money, I would build a filtration plant and I wouldn't think twice about it," Stuhr said. "It does so many things."

But Stuhr isn't made of money and doesn't have much time to comply with the state order, he said. The filtration plant could cost up to \$400 million more than an ultraviolet treatment plant and take at least twice as long to set up.

However, an ultraviolet plant would not address future regulations, doesn't get rid of sediment and does nothing to increase supply, he said.

"Obviously there is a cost-benefit trade off here," Mayor Ted Wheeler said Tuesday.

The mayor asked if it's possible to build the UV plant in the short term to bring the city into federal compliance and then pursue a filtration plant later.

"Can we make the investments we're making today go toward the plans for tomorrow?" Wheeler asked. "Or is that a pipe dream?"

Water Commissioner Nick Fish and Stuhr agreed that pursuing UV treatment in the short-term and filtration in the long-term could be the best option to achieve compliance while keeping water bills down for ratepayers. That would give the city time to set aside money to build a filtration plant later, Stuhr said.

Fish encouraged members of the public to share their thoughts at a July 11 Public Utility Board meeting, at which the board will come up with a recommendation for the council.

Janice Thompson, advocacy director for Oregon Citizens' Utility Board, encouraged the council to consider the risks of going with the cheaper option.

"Sometimes the thing that's the cheapest doesn't end up being the cheapest when you factor in risks involved," Thompson said.

So far, public health officials report that there were fewer cases of illnesses caused by cryptosporidium this year than average. There are multiple forms of cryptosporidium, only some of which make people sick, and the animal droppings believed to have led to the tainted samples this year don't contain the type harmful to people.

The Portland Tribune

Bull Run treatment options discussed by City Council

By Jim Redden

June 27, 2017

UPDATE: Mayor and commissions make no decision after being briefed on different ways to treat potentially deadly parasite in Bull Run water

The City Council made no decision Tuesday morning after being asked by the Portland Water Bureau officials to consider spending between \$105 million and \$500 million to treat a potentially deadly parasite in the Bull Run Watershed.

Mayor Ted Wheeler and the other members of the council were concerned about the affect on water ratepayers who will pay for either option.

An Aug. 2 council hearing has been tentatively scheduled for the decision, which must be made by Aug. 11.

The June 27 work session was scheduled after the Oregon Health Authority announced it will revoke the city's variance from federal rules requiring treatment for cryptosporidium on Sept. 22. Portland owns and operates the only large municipal water system in the country that does not currently treat for the parasite.

Bureau officials will testify that the city could build a plant that treats crypto — as it is commonly called — with ultraviolet light for \$105 million. Such a plant would not treat or filter any other contaminant out of water in the Bull Run reservoir, the city's primary source of water that also is sold to suburban customers.

A filtration plant could be built for between \$300 million and \$500 million. In addition to removing crypto from the water, such a plant also could filter out contaminants that might be prohibited by the federal government in the future. Although none are currently under discussion, regulations have changed many times in previous years.

The vast majority of U.S. cities have built filtration plants to comply with the requirement.

Such a plant also could filter sediments out of the reservoir, such as dirt and mud that enter the reservoir because of landslides triggered by an earthquake. It also could filter ash deposited by a catastrophic wildfire in the watershed. Such a fire is overdue. They are thought to occur every 350 years, but the last one happened 524 years ago in 1493.

The City Council fought complying with the rule adopted by the U.S. Environmental Protection Agency for many years, because Bull Run water historically has been so clean. It is currently only treated with chlorine and ammonia. The OHA granted a variance in March 2012, provided the city regularly test for crypto and report its findings. None was found after that — until earlier this year, after heavy winter storms may have washed it into the reservoir.

Once the city realized it could no long comply with the variance, it notified the health authority, which enforces the variance for the EPA. The health authority announced the revocation on May 11. It has given the city until Aug. 11 to submit a plan with measurable mileposts for complying with the rule by treating Bull Run water for crypto.

Planning for a UV plant is much further along than planning for a filtration plant. When the council decided to pursue the variance, it also directed the bureau to draw up plans for a UV plant. They are approximately 30 percent complete, so construction could be finished in five years. Planning for a filtration plant would have to start from scratch and construction could take 10 to 12 years, the Water Bureau says.

There are no estimates yet on the impact of either project on potential water rate increases.

Crypto is transmitted through animal feces. It can cause cryptosporidiosis, a respiratory and gastrointestinal illness, which killed 104 people and sickened thousands of others in 1993 in Milwaukee, Wisconsin. That outbreak prompted the EPA to adopt its treatment rule.

The Portland Mercury

One of Dan Saltzman's Top Aides Is Departing, Setting Off Speculation

By Dirk VanderHart

June 27, 2017

Commissioner Dan Saltzman's office is about to lose one of its most-senior members.

Earlier today, the Portland Housing Bureau announced it's hired Shannon Callahan—a Saltzman aide for roughly a decade, who'd served as a liaison to the PHB during Saltzman's stint as housing director from 2013 to early this year. Callahan will serve in a new position at the

housing bureau, a second assistant director position alongside current Assistant Director Javier Mena. In that role, she'll supervise the bureau's communications and policy and equity staff.

“The Portland Housing Bureau has grown substantially in the last two years with a trebling of financial resources,” PHB Director Kurt Creager said in a prepared statement. “This new position will be especially crucial in the administration and implementation of the Affordable Housing Bond. I can’t think of a better person than Shannon to fill that role.”

While there's no doubt Callahan has experience in housing policy, the timing of her departure has set off speculation in City Hall, where some wonder whether her new gig signals that Saltzman won't run for re-election next year, **as planned**—something his office emphatically denies.

Saltzman's campaign committee has been absolutely Hoovering up cash this month, pulling in a slew of donations of \$500 or more. He reported receiving \$3,000 yesterday alone, and has been paying long-time campaign consultant Mark Weiner, **records show**.

Interestingly, Callahan had a big role in creating the funding for her \$118,123 position. As Saltzman's primary staffer assigned to housing, she helped craft the language the \$258.4 million housing bond that Portland voters passed last November. That bond money will pay for her work.

"She will be compensated through that portion of the Housing Bond allocated for administration," Creager tells the *Mercury*. "She is a very strong and effective professional and will be enormously helpful to PHB and the City generally." According to the **housing bond measure**, administrative costs of the bond money are limited to a maximum of 7 percent, or about \$18 million. Bond backers have promised to build or refurbish at least 1,300 units of affordable housing with the remaining money.

"I'm obviously incredibly sad to lose her, but it's an opportunity," says Brendan Finn, Saltzman's chief of staff. "There's no way to fill the gap because of all the things she does for our office."

Callahan's new position begins August 1. Read the full announcement after the jump.

Portland, OR – On August 1, 2017, Shannon Callahan, longtime Policy Director for Commissioner Saltzman, will join the Portland Housing Bureau (PHB) as the Assistant Director for Policy and Strategy. With the support of Mayor Wheeler, PHB will for the first time operate with two Assistant Directors.

“I am pleased to see Shannon Callahan join the Portland Housing Bureau as the Assistant Director for Policy and Strategy,” said Mayor Ted Wheeler. “Shannon will provide the additional support and capacity necessary for the bureau to address the Housing Emergency and the implementation of the Affordable Housing Bond. As Housing Commissioner, I am committed to ensuring quality, affordable housing is accessible to all Portlanders, and look forward to this additional support to make this a reality.”

Callahan has worked closely with the Portland Housing Bureau since 2013 in her role as Policy Director for Commissioner Dan Saltzman. During her 10+ years with Commissioner Saltzman’s office, she has worked on a variety of programs and policies – enacting local payday loan regulation, creating the City’s first one-stop service center for domestic violence victims (now known as the Gateway Center), redesigning the Fire and Police Disability and Pension System and Board, and assisting with a wide range of housing policy initiatives including the affordable housing bond, inclusionary zoning, and first-step tenant protections.

Prior to joining the City, Callahan worked as a staff attorney on consumer protection legislation and provided advice to tenants on landlord/tenant law. She is a community college graduate, earned a BA at Evergreen State College, and a JD from Lewis & Clark College of Law.

“The Portland Housing Bureau has grown substantially in the last two years with a trebling of financial resources,” said PHB Director Kurt Creager. “This new position will be especially crucial in the administration and implementation of the Affordable Housing Bond. I can’t think of a better person than Shannon to fill that role.”

Callahan will join Javier Mena, Assistant Director for Development and Asset Management, and Leslie Goodlow, Business Operations Manager, as the Senior Staff in the office of the Director.

The Daily Journal of Commerce

Portland faces deadline for water treatment project

By Chuck Slothower

June 27, 2017

Portland’s **City Council** must decide by early August whether to direct the **Water Bureau** to build a \$150 million ultraviolet-light reactor or a \$350 million to \$500 million water filtration plant to fight microscopic parasites.

The city has been ordered by the **Oregon Health Authority** to treat its water for cryptosporidium after the parasites turned up in a series of tests in January, February and March.

Health authorities revoked Portland’s 10-year variance from federal drinking water rules requiring treatment for cryptosporidium in the aftermath of the tests that detected the parasite.

OHA issued the variance in 2012 and revoked it on May 19. The City Council held a work session Tuesday to discuss the way forward.

“We cut the deal that we did, and it became obvious that our water system does not deliver water of the quality of a filtration plant,” said Michael Stuhr, director of the city’s Water Bureau.

City commissioners now must make a decision quickly. They must decide on a treatment option by Aug. 11 to adhere to an OHA compliance schedule. To meet that deadline, an Aug. 2 hearing has been set aside for commissioners to pass a resolution directing the Water Bureau on a course of action.

Building a UV treatment facility would be cheaper and faster. It could be built in about five years, Stuhr said. A UV treatment facility would also fit at the city’s headwaters facility at Bull Run Lake.

A filtration plant would cost much more, take 10-12 years to construct and would be built most likely at Lusted Hill, on a parcel along Carpenter Lane in east Gresham, Stuhr said. The city purchased the 90-acre site years ago with a treatment facility in mind.

Either facility could include solar panels to offset their energy use, Stuhr said.

Filtration plants are more effective than UV facilities for a wide variety of water-quality issues, Stuhr said.

“The water professionals’ answer has been filtration plants, because they are so effective and have been able to handle anything anyone’s cooked up,” he said.

Portland could build a UV facility that would work for 20 to 30 years, while setting aside funds to convert the facility to a treatment plant, Stuhr said.

Cryptosporidium outbreaks cause a diarrheal disease that is particularly dangerous to those with weakened immune systems, such as AIDS patients, according to the Centers for Disease Control. During the worst such recorded outbreak in U.S. history, in Milwaukee, Wisconsin, in 1993, 69 deaths were attributed to the cryptosporidium outbreak, according to a Milwaukee Journal-Sentinel account.

Such an outbreak is a possibility in Portland as long as the water is untreated, Stuhr said.

“If crypto takes hold, it can wreak havoc with your most vulnerable populations,” he said.

No outbreak was detected in Portland despite the presence of the parasites earlier this year, said Paul Lewis, a Multnomah County health officer.