

STATE SANITARY AUTHORITY

MINUTES OF NINTH MEETING

June 21, 1940

The meeting of the State Sanitary Authority convened at 9:30 A. M., on June 21, in Room 720, Oregon Bldg., Portland. Members present were chairman Harold Wendel, Messrs. Albert Burch, Blaine Hallock and John C. Veatch. Doctor Frederick D. Stricker arrived at 9:55 A. M. Mr. Charles E. Stricklin arrived at 10:15.

The meeting between 9:30 and 10:00 A. M. was given over to a discussion of matters pertaining to the Portland hearing scheduled for 10:00 A. M.

PORTLAND CITATION HEARING: In response to an order issued by the State Sanitary Authority, on the occasion of its previous meeting on May 7, representatives of the city of Portland appeared to show cause why the Sanitary Authority should not institute proceedings against the city for the abatement of a nuisance created by the discharge of the untreated Portland sewage into the waters of the state.

The city of Portland was represented by the following persons: Mayor Joseph K. Carson, Jr., Commissioner of Public Works William A. Bowes, Commissioner of Public Affairs James Bennett, City Engineer Ben S. Morrow, City Attorney Lyman Latourette, Assistant City Attorney David Sandberg, and L. G. Apperson, Construction Engineer.

Mr. Wendel opened the hearing by calling upon the city to present its case and City Attorney Latourette proceeded to outline what the city has done and explained the city's answer to the Sanitary Authority citation, which was later placed in the hands of all members of the Authority.

A general discussion of the matters pertaining to the proposed Portland sewage disposal project was engaged in by the representatives of the city and members of the Sanitary Authority.

The hearing was terminated at 12:00 noon.

A transcript of the proceedings appears as an appendix to the minutes of this meeting.

DISCUSSION, PORTLAND SEWAGE DISPOSAL PROJECT: At the conclusion of the Portland hearing, the Sanitary Authority opened the meeting for discussion on the part of any interested persons.

Mr. Ed F. Averill stated that the Portland city commissioners had not acted in good faith in carrying out the wishes of the people for the construction of needed sewage treatment facilities. Mr. Averill promised to supply the Sanitary Authority with copies of correspondence pertinent to the Portland project. He stated that it would not be necessary to issue bonds for the construction of the proposed project, but that it might be financed by an increase in sewer service charges above those previously authorized.

Mr. William Finley, naturalist, asked the Authority whether or not it had the legal right to force the city of Portland to proceed. Mr. Hallock replied that the Authority had the right to initiate proceedings in a court of competent jurisdiction. Mr. Finley asked whether or not the Sanitary Authority would proceed with such an action.

In response to this question, Messrs. Hallock and Wendel stated that the board would necessarily have to discuss such a matter and reach a decision before proceeding in any court action.

Mr. F. H. Young, representing Oregon Business and Tax Research, Inc., stated that in his opinion, an increase in sewer service charges is not necessary at this time.

COLUMBIA RIVER POLLUTION: Mr. James Cellars, representing the Columbia River Pollution Committee, appeared before the Authority to describe the pollution of fishermen's nets which has been observed in the Columbia River from Astoria to a point near Vancouver, Washington. He asked the assistance and cooperation of the Sanitary Authority in conducting studies of pollution of the Columbia river. Mr. Cellars stated that the condition complained of has existed for seven years, but that the pollution during the 1940 fishing season has been more aggravated than formerly. He outlined a meeting of interested persons at Kalama, Washington, on May 31, 1940, and the plea which had been made to the State Fish Commission of Washington, the Washington Pollution Commission and the Oregon Fish Commission, for financial assistance needed to carry on a thorough investigation of the Columbia river.

Mr. Wendel pointed out the very limited funds appropriated to the Authority by the 1939 legislature and the impossibility of using these limited funds for a study of the Columbia river.

The meeting adjourned for lunch at 12:45 P. M., to reconvene at 2:00 P. M.

MINUTES: At the conclusion of the hearing and discussions relative to the Portland project and the pollution of the Columbia river, Chairman Wendel called for a consideration of business on the agenda of the regular meeting. With consent of other members, the chairman dispensed with the reading of minutes of the previous meeting on May 7, 1940. Realizing the length of business remaining to be transacted, the chairman deferred further consideration and adjourned for lunch at 12:45 P. M., to reconvene at 2:00 P. M.

PORTLAND HEARING DISCUSSION: The Authority reconvened at 2:00 P. M., and a general discussion of the material presented by the Portland

officials took place. MOTION: It was moved by Mr. Hallock, seconded by Mr. Burch, that the Authority forthwith communicate in writing to the city of Portland, Oregon, its mayor and the members of its council, that the showing made in response to the Authority's citation and notice to show cause is neither satisfactory or convincing; that in the opinion of the Authority the proposed service charges as embodied in the pending Bowes' ordinance for the purpose of paying expenses of investigations, surveys, preparation of designs and plans, construction and/or maintenance and operation of a sewage disposal system under the provisions of Section 347 of the charter of said city are not adequate to accomplish the purposes thereby contemplated, and that the city of Portland and its appropriate officers and representatives be urged to initiate and bring to immediate conclusion such ordinance as shall provide for the imposition and collection of service charges in accordance with those recommended by the legal voters of said city on the occasion of the general election of 1938, and as interpreted by the Board of Equalization in its report of July 20, 1939.

While waiting for copies of the motion to be typed for examination by the members, prior to action, Mr. Wendel called for consideration of federal water pollution control legislation.

PROPOSED FEDERAL WATER POLLUTION CONTROL LEGISLATION: Mr. Ed F. Averill appeared before the board and asked the Authority to endorse the Barkley Bill, S. B. 685, as amended by Representative Mundt.

Mr. F. H. Young, representing Oregon Business and Tax Research, Inc., advocated disapproval of the Mundt amendments and approval of the original, unamended Barkley Bill, on the grounds that the Mundt amendments classed additional sources of pollution as public

and common nuisances and on the further ground that the passage of such a measure would encroach upon states' rights and would usurp powers already granted to the Oregon State Sanitary Authority.

Mr. Hallock referred to the previous action of the Authority in the form of a resolution, under date of December 15, in which the type of legislation as exemplified by the Barkley Bill was approved.

MOTION: It was moved by Mr. Stricklin, seconded by Mr. Burch, and carried, that the State Sanitary Authority not endorse the Mundt amendments to the Barkley Bill, S. B. 685, 76th Congress, Third Session.

PORTLAND PROJECT: After examination of the motion submitted by Mr. Hallock, it was moved by Chairman Wendel that the original motion be amended as follows:

Substitute "plans submitted" for "showing made", and "adequate" for "not satisfactory or convincing".

MOTION: The amendment being accepted by Messrs. Hallock and Burch, it was again moved by Mr. Hallock, seconded by Dr. Stricker, that the amended motion, as follows, be adopted.

"I move that the Sanitary Authority forthwith communicate in writing to the city of Portland, Oregon, its mayor and the members of its council, that the plan submitted in response to the Authority's citation and notice to show cause is not adequate; that in the opinion of the Authority the proposed service charges as embodied in the pending Bowes ordinance for the purpose of paying expenses of investigations, surveys, preparation of designs and plans, construction and/or maintenance and operation of a sewage disposal system under the provisions of Section 347 of the charter of said city are not adequate to accomplish the purposes thereby contemplated, and that the city of Portland and its appropriate officers and representatives be urged to initiate and bring to immediate conclusion such ordinance as shall provide for the imposition and collection of service charges in accordance with those recommended by the league of voters of said city on the occasion of the general election of 1938, and as interpreted by the Board of Equalization in its report of July 20, 1939."

Unanimously carried.

The secretary was then directed to send a communication to each person named in the Portland citation, as well as to the state attorney general and to the official Portland representatives who appeared at the hearing, and enclose a copy of the resolution adopted by the Authority.

PROJECT PLANS FOR APPROVAL: The Authority next considered a list of project plans approved by the state sanitary engineer, for the month of May, for official approval. MOTION: It was moved by Dr. Stricker, seconded by Mr. Veatch, and carried, that the following project plans be officially approved.

SEWERAGE AND SEWAGE DISPOSAL PROJECT PLANS

Approved by State Sanitary Engineer

<u>DATE</u> 1940	<u>LOCATION</u>	<u>TYPE OF PROJECT</u>
May 1	Baker	Hillcrest Addition, revised sewer plans
3	Portland	MacCleay park caretaker's residence sewage disposal system
3	Mill City	Fire hall revised sewage disposal system
13	Corvallis	Water department caretaker's house sewage disposal system
18	Salem	Sewer extensions; Rosedale, Simpson and Bouillard Additions
18	Glenada	Jessie M. Honeyman state park sewage disposal system
21	Silver Creek	Silver Creek falls state park sewage treatment project
22	Marion County	Keizer school sewage disposal system
22	Silverton	Sewer extensions, Felt St. and Chadwick Ave.

SHOULD SANITARY AUTHORITY POLLUTION ACTIVITIES BE FINANCED IN PARK BY STATE GAME COMMISSION FUNDS?: Chairman Wendel reported upon his conference with Chairman E. E. Wilson, of the State Game Commission, relative to the possible use of game commission funds to assist the Sanitary Authority in its work. He advised that he had been asked to attend the September meeting of the State Game Commission at which time a concrete proposal might be discussed. A general discussion of this matter and the policies involved followed, in which all members of the Sanitary Authority participated.

Mr. Burch recommended against asking the State Game Commission to divert funds to the Sanitary Authority, on the grounds that to do so might give the game commission some control over how the funds might be spent. Mr. Burch objected to Mr. Wendel's proposed appearance before the State Game Commission, but later stated that he would not object to an informal discussion of these matters.

Mr. Burch further stated that he would not object to diversion of game commission funds for use by the Sanitary Authority, if such were accomplished by means of legislation.

Mr. Wendel next asked whether or not the Authority would oppose or approve of a bill which would increase the Authority membership by the addition of the chairman of the State Game Commission. It was agreed such a plan would not be opposed. Mr. Veatch, Mr. Stricklin and Dr. Stricker expressed doubt that such a plan would meet with approval of the legislature and the various fish, game and sportsmen's organizations.

COLUMBIA RIVER POLLUTION: Chairman Wendel called upon the secretary to report regarding a meeting of persons interested in the control of pollution in the Columbia river which, it was claimed, had been affecting the nets of commercial fishermen.

Mr. Green reviewed briefly the meeting at Kalama, Washington,

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which representatives of the Fishermen's Protective Union, the Columbia River Packers' Association, the Washington State Fish Commission and the Oregon Fish Commission attended.

Mr. Veatch next reported relative to these matters as presented to the State Fish Commission at its meeting on June 11, and outlined the requests made by James Cellars for the appropriation of funds by the Fish Commission to match funds and personnel, in the amount of \$3,000 offered by the Washington Fish Commission to conduct studies in the Columbia river.

Mr. Veatch reported that the Fish Commission had advised Mr. Cellars and others that it did not have funds available for the purpose at this time, but if any funds were made available that they should be expended through the State Sanitary Authority.

Doctor Stricker read a letter from the state budget director, David Eccles, relative to the public health aspects of Columbia river pollution.

Following discussion, it was agreed that the matter should be referred to Mr. Veatch and the State Fish Commission for action.

The secretary was directed to acknowledge letters to members of the Authority from A. C. Forrester, relative to pollution of the Columbia river.

The meeting adjourned at 4:15 P. M., to reconvene at 10:00 A. M., Friday, September 20, 1940.

Respectfully submitted,



Carl E. Green, Secretary,
State Sanitary Authority.

OREGON STATE SANITARY AUTHORITY
TRANSCRIPT OF
CITY OF PORTLAND "SHOW CAUSE" CITATION HEARING

SUBJECT: PORTLAND SEWAGE DISPOSAL

June 21, 1940

PERSONS PRESENT AT HEARING

STATE SANITARY AUTHORITY

Members:

Harold F. Wendel, Chairman
Albert Burch
Blaine Hallock
Dr. Frederick D. Stricker
Charles E. Stricklin
John C. Veatch

Carl E. Green, State Sanitary
Engineer and Secretary
Curtiss M. Everts, Jr.,
Assistant Sanitary Engineer

STATE ATTORNEY GENERAL'S OFFICE

Rex Kimmell

CITY OF PORTLAND REPRESENTATIVES

Joseph K. Carson, Jr., Mayor
William A. Bowes, Commissioner of Public Works
J. E. Bennett, Commissioner of Public Affairs
Ben S. Morrow, City Engineer
Lyman Latourette, City Attorney
L. G. Apperson, Construction Engineer

OTHERS PARTICIPATING IN DISCUSSION
FOLLOWING HEARING

Ed. F. Averill, representing various
sportsmen's organizations

William L. Finley, Naturalist

F. H. Young, Oregon Business and
Tax Research, Inc.

OREGON STATE SANITARY AUTHORITY
TRANSCRIPT OF
CITY OF PORTLAND "SHOW CAUSE" CITATION HEARING

SUBJECT: PORTLAND SEWAGE DISPOSAL

June 21, 1940

Mr. Latourette: We have been going on the theory that it would be a suitable procedure for the city and the city officials to get a written statement and set forth, in a general way, what has been done in order to better conditions here, insofar as sanitation is concerned, especially with reference to the Willamette river and the Columbia slough. We have prepared a statement along that line, not going too far back in the history of the proceedings, but beginning about 1933 when this matter reached the active stage, although steps had been taken for years before that to get something done about our sanitary conditions in the city of Portland, with reference to the Willamette river not only in Portland, but also on upper reaches of the river around Oregon City and on up to Salem.

In 1933, the Baer report was made and steps were taken to bring about a definite program for sewage treatment. We have set out in the written statement that will be presented, a general program of events that happened from that time, following studies that were made, votes of the people that were taken on the subject with the view of financing the problem, the charter amendment that was turned down and the voters' amendment that was finally adopted, and steps that have been taken since the adoption of the charter amendment providing for sewer user service charge, in order to work out a program of construction and a program for financing.

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Under the Baer plan, the system was estimated to cost about \$6,000,000 and self-liquidating bonds were to be used to finance the project. The project was submitted on a very indefinite basis as to construction, although the method of disposal was set out. Litigation followed and the State Supreme Court upheld the validity of the bonds, subject to certain qualifications. However, it was found that the bonds were not salable, and the project did not proceed. Another project on the basis of "pay as you go" was submitted to the people, turned down, and then another project was submitted to the people and quite a strong effort was made on the part of city officials to get it before the people in a light that would appeal to the people and, at the election, this was carried. That project provided, in a general way, for full authority on the part of the council to lay out a construction plan or method of sewage disposal. The council was restricted, as it had been under the previous plan, to any definite program. Studies were begun at once and engineers were obtained. One of them was Mr. Eddy, of Boston, a consulting engineer of high caliber, and local engineers were obtained to work up the details, so the matter progressed rapidly, insofar as the preparation of plans was concerned, up until the matter of making application of the sewer user service charge came up. The charter amendment provided for sewer user service charges to an extent of $33 \frac{1}{3}$ per cent of the amount of the water bills. Hearings were held before the council prior to the adoption of a sewer service charge schedule, and various strenuous remonstrances were made, especially by citizens of Portland who were engaged in business enterprises of various kinds. As a result of this hearing, the council concluded that it would be necessary to have a Board of Equalization, in order to study more definitely the local conditions with reference to industries, business houses and residences. The city council then appointed

a Sewer Charge Equalization Board, of which Mr. Willard was chairman. The board met with various groups of property owners and water consumers, with the view of so synchronizing the charges that it would not be burdensome or confiscatory on any line of industry in the city Portland. Commissioner Bean, who was fathering and particularly pushing this project, was appointed to the position as state utilities commissioner. Commissioner Bowes was appointed to fill Mr. Bean's vacancy and, being uncertain as to the length of his service in the matter, the progress was delayed a little until after the May, 1940, election, when Commissioner Bowes was elected to the position of Commissioner of Public Works.

The report of the Board of Equalization was made in July 20, 1939, and was referred to the Commissioner of Public Works. He has prepared a report to the council, based on the report of the Board of Equalization, setting out temporary sewer user service charges on a basis of approximately half the amount that was authorized by the charter amendment. The proposed temporary charge now before the city council, in ordinance form, is for the purpose of financing the necessary engineering work.

A hearing has been had by the city council, and the council has adopted the report and read the ordinance the first and second reading, and it is scheduled for the third and final reading on July 5, which is the earliest date it can come up for final passage. That is a general picture of the situation.

We have come prepared to make a general showing in an attempt to answer, in a general way, all of the questions that may be submitted by the Authority. Any additional questions that members of the board wish answered that we are not prepared to answer at this time, we will be glad to answer in writing or at the time of a second hearing, if that

is the pleasure of this board.

I might say that the most difficult problem in this project is the financial problem. Efforts have been made all along the line since 1933, until now, to get aid from Congress or from some of the governmental agencies, to assist in financing a project suitable for Portland. This sewer user service charge, as authorized at the present time, from careful calculation that the Commissioner of Public Utilities has had made recently, will be inadequate to finance construction to the extent that is necessary on a "pay as you go" basis. It staggers the imagination of this city to figure out how we can pay for the proposed work on a "pay as we go" basis, because the charges, even if they go up to the maximum amount as authorized by the charter amendment, will be very difficult for many of the house owners, householders, property owners and merchants and industrial organizations to meet.

I am stating these matters not by close contact with them, because I have not personally followed the course of events. Mr. Morrow, city engineer, and Mr. Apperson, from the city engineer's office, are here, who have followed the details and construction methods much more closely. If there are any suggestions that the members of the commission have to make about this method of procedure, or any further statements that I should make at this time on whether we should proceed by question and answer, or by statements from the mayor and from the city engineer, Mr. Morrow, and Mr. Apperson, and from the different commissioners who are here, is a question for the members of the Sanitary Authority to advise us as to how we shall proceed.

Mr. Wendel: Thank you, Mr. Latourette. You realize that the people of Oregon have expressed their will in the enactment of legislation about stream purification and, in spite of the alibi which is generally

used throughout the state, astonishing progress is being made--the alibi, of course, being Portland. We will proceed on an informal basis.

Mr. Hallock: What will the proposed service charges yield annually?

Mr. Morrow: About \$130,000. While water bureau revenue is about \$1,600,000 annually, all sources of funds both inside and outside of the city are included, and this figure cannot be used for sewer revenue estimating purposes.

Mr. Hallock: Plans have been prepared. What is approximate cost for needed additional plans?

Mr. Morrow: Plans are preliminary in character and we could not proceed with construction. We have to have complete plans.

Mr. Hallock: What would be the approximate cost of assembling such data?

Mr. Morrow: Somewhere in the neighborhood of \$150,000.

Mayor Carson: Lots of people believe that the people of Portland voted and, by their vote, made an appropriation of money to carry on the work of sewage disposal. I say, flatly, that the people of Portland have never made an appropriation of money. There never has been any plans or specifications which were definite in character which could be submitted for bids for construction. Neither of those two things have ever been done. Anything that has been done by the people leaves legislative work for the council to do. Neither the act of 1938, nor the resolution of 1933, is self-executing. Neither makes an appropriation of money. Further legislative action on the part of the council would be necessary to proceed with the project.

Mr. Hallock: As I understand, the state law permits the levy of a tax of assessed valuation of not exceeding five mills for

the establishment of a sinking fund for sewage disposal. Assuming that the constitutional limitation of 6 per cent tax increase would not have prevented such a levy, one million dollars could have been levied yearly on a basis of an assessed valuation of \$200,000,000, and I am wondering if any study has been made in looking toward the establishment of such a levy.

Mayor Carson: There never has been a time, since 1931, that an advance of five mills on the city levy would not have greatly exceeded the 6 per cent tax limitation. In 1930, the operating budget for the city of Portland was, in round figures, \$5,000,000. I am just giving approximate figures, and I should say that the levy at that time was between \$3,900,000 and \$4,300,000. Six per cent of that sum would be in the neighborhood of \$250,000 a year. One mill on the present evaluation would yield \$265,000.

Mr. Hallock: Five mills is the maximum. I am wondering if Mr. Latourette, or anyone on behalf of the city, has information as to whether that statute can be construed as authorizing a levy over the constitutional limitation.

Mayor Carson: The budget deficit was almost \$250,000 in 1930; \$300,000 in 1931, and \$500,000 in 1932. Those deficits have been gradually decreased. We have balanced the budget insofar as income and outgo are concerned. I do not believe the council would have been justified at that time, nor do I believe people would have permitted such a levy to have been made in view of the cash budget deficits.

Mr. Hallock: The statute gives the council that authority without action by the voters and, furthermore, can we contemplate a deficit if we are considering tax levy which, if collected, speaks for itself. I do not see how that would affect your deficit. I am concerned with the

question as to whether or not that right to levy such a tax is in addition to the limitation or is governed by it.

Mr. Latourette: I remember that this matter was discussed. The conclusion that was reached in the question was that the constitutional limitation held against the legislature, as well as against the city council, and that the city council could not levy that 5 mill sinking fund tax of any part of it if it overran the 6 per cent increase specified as a maximum by the constitution.

Mr. Hallock: Was it briefed?

Mr. Latourette: We are now briefing it very carefully in connection with litigation pending in Judge Olson's court in the city of Portland regarding the public market. Portland has been running right along close to the margin on tax levies and bond issues for a good many years. Most of the time, the city has been under supervisory control of the Tax Advising and Conservation Commission.

Mr. Hallock: Assuming that that right to levy the tax up to a maximum of 5 mills is governed by constitutional limitation, it would seem, by the mayor's statement, it would not allow you to go to 5 mills but some figure less than 5 mills. Is that correct?

Mayor Carson: I do not know. I am not answering from a legal standpoint, but in a matter of dollars and cents.

Mr. Hallock: That gets back to the matter I have previously discussed. That is whether these possibilities and these limitations have been the subject of a study and a brief, so that the city might know to what extent they could go insofar as the 5 mill sinking fund levy will permit.

Commissioner Bennett: Has any city in Oregon levied a sinking fund tax for sewage disposal?

Mr. Green: No.

Mr. Wendel: Have preliminary plans been made going further than this preliminary step of providing necessary engineering data? Have any financial plans been made to carry out the project after the engineering studies and survey are completed?

Mayor Carson: No. No matter what the city council does in this regard, the people, if they wish, can invoke the referendum. At a hearing before the council, in 1938, conflicting statements regarding how the proposed work should be financed and who should pay most, led to the appointment of the Board of Equalization. Mr. E. C. Willard was made chairman of the Board of Equalization, because of his experience in years past with the operation of the water bureau. I believe he had something to do with setting up the accounting system. I knew facts insofar as the water was concerned, and it was a surprise to me and to others when the result of their investigation showed that \$275,000 to \$300,000 a year would be the maximum that would be raised by the schedule recommended by the Board and as authorized under the act of 1938. The lowest estimate of cost for the project we have had anyone submit, and they have been guesses, was \$6,000,000. It would take 20 years to construct the works, if their estimate was right, and, during those 20 or more years, you would have overhead expenses in the way of engineering services to carry on the work which would be needed, in addition to the amount paid contractors, etc., and, in the meantime, you would not have it completed until anywhere from 20 years to a quarter of a century under this plan.

Mr. Hallock: Do you feel that the people of this section of the state are confronted with a serious menace by the condition of the river? Should it be allowed to drift along?

(Note: The mayor here evaded and did not answer the question.)

Mayor Carson: The first thing we should have is a competent engineering job done to survey the whole terrain of 67 square miles emptying into the Willamette river and the Columbia slough, so that someone would know exactly what it would cost to construct the system. That has never been done, and that, of course, is the first thing. No one here knows where you would have to connect these outfalls; no one knows how much gravity system could be employed, how much pumping would be required, etc. These facts have not been ascertained. We asked the government for money to go ahead with government surveys and were unsuccessful in obtaining it.

Mr. Hallock: After data is assembled, would financial situation remain insuperable?

Mayor Carson: I don't know, but I do say that people should know how much it would cost and when and how it would have to be paid. You see, since 1928, including this year, the city of Portland will have paid in excess of \$20,000,000 in interest. The peak of the city's debt load will not drop precipitously until 1945. The assessed valuation is \$264,000,000 for the current year. At one time, the city of Portland bonds were not acceptable to government for postal savings. The city's credit is now second to no city in the United States. Part of this is due to the fact that the debt has been steadily decreased, which correspondingly makes less burden for the people to carry.

Mr. Veatch: If this ordinance, as has been introduced by Commissioner Bowes, is passed by the council, it will raise about \$130,000 a year. Is it contemplated that, assuming that the ordinance

passes, that this survey or start of the survey will be delayed until all the money is raised under this ordinance?

Mr. Morrow: No, that is not the intention. We would ask for authority to proceed immediately.

Mr. Veatch: The reason I ask is this. We have had a good many industries before this commission, and the answer to all questions relative to waste treatment is that they are not ready to proceed until Portland makes a move. Municipalities all over Oregon who are putting in disposal plants with heavy tax levies, all want to know if Portland is going ahead. The rates that small municipalities have levied for sewage treatment projects are much larger than those proposed for Portland. It is the impression of this board that the public not only of the state, but of the city, want this work done and are willing to stand considerable cost to get it.

Mr. Burch: Do you contemplate going ahead with your surveys and your estimates, in accordance with the recommendations of the board of engineering review that was employed last year, or do you think possibly that by making surveys you may work out a better method of disposal?

Mr. Morrow: We will follow the basic plans and studies outlined by the board of engineering review, in order that essential data, which is now lacking, may be obtained.

Mr. Hallock: Lakeview is charging annually for sewage treatment a minimum sewer service charge of \$10.20, and Nyssa \$12.00. Silverton charges canneries a minimum of \$90.00. Malin charges creameries \$200.00 and hotels a minimum of \$200.00 yearly. The service charges which are contemplated in Portland are but fractions of what are charged in smaller towns that are going along with their work.

Commissioner Bennett: I have prepared a very short statement

that I am going to read. Before I do that, I would like to make an observation. There are at least two governmental agencies involved in this matter. First is the Oregon legislature, and, second, is the city council of Portland, and this commission is a representative, indirectly, of the legislature. Therefore, we are all governmental bodies and there is no reason why we should not be frank with each other. With that in mind, I have prepared a statement, which I would now like to read.

"Statement issued to the Sanitary Authority of the State of Oregon in connection with their inquiry as to the attitude of Portland's city government in regard sewage disposal.

My attitude in this matter is as follows:

1. First and foremost, I am in favor of doing a complete job in the cleaning up not only of the Willamette River but the Columbia River as well.
2. The people of Portland have not issued a mandate to Portland's city government to proceed to eliminate sewage from these rivers. They have, by their vote, granted us the authority to attempt to do so either on our own or in cooperation with other governmental bodies.
3. It is my opinion now and will probably be my future policy as a member of the Council, to oppose any program that would lay the entire cost of this undertaking upon Portland taxpayers. If Portland was the only city guilty of polluting the rivers that would be one thing, and if that were the case, it might be an obligation of Portland only, but unfortunately, that is not the case. The Willamette River receives pollution not only from other cities but from the country-side as well.
4. Preliminary investigation and information received as the result of employment of nationally known and qualified engineers we know that the authority granted us by the people at the last election, which restricted the Council to the levying of a 33 1/3% increase in water rates as the only method of financing said undertaking, is inadequate. We also found as the result of hearings before the Council, that had we levied this 33 1/3% increase in water rates on the industries of Portland, that it would have driven many of them from our City. We also discovered that to relieve industry of its full share of the cost, and even though the full percentage should have been levied against the home owners, the total receipts would have been very little more than enough to have paid the operating overhead of the proposed program if and when completed.

The amount would have been so small that to have tried to build the ambitious plant planned, would have taken many, many years to complete.

5. Able engineers obtained by the City at a cost of \$200.00 a day each, have recommended a bond issue as the initial step in financing, and a sewer user charge as a sustaining method. Portland's city council at this time has no authority to meet this suggestion, and would not have without another vote of the people.

6. In closing this statement, I wish to reiterate the hope that someday in the near future the condition complained of will be remedied, but I believe that that will not be done until such time as financial assistance is received by the Federal Government, the State, or both, or until such time as the cleaning up of these rivers becomes an active statewide program in which case, then it could be expected, that the people of Portland would be required to meet their share of the cost in whatever manner they might select.

I have purposely refrained from discussing previous action of the people at the polls in this matter, feeling that whatever obligations the Council may have as the result of the directions given it by the people that the last, and what should be, in my opinion, the governing direction, was their vote in 1938.

(Signed) J. E. Bennett,
Commissioner of Public Affairs."

(Note: The above statement submitted by Commissioner J. E. Bennett contains misstatements of fact.)

Mr. Burch: The Sanitary Authority was created by an initiative measure passed by the people of the state of Oregon, by a 3 to 1 vote, and not by the legislature.

Mr. Veatch: Cleaning up the Willamette river and other streams is a statewide program. Other municipalities who are contributing to pollution of the river have already taken steps to solve their pollution problems.

Commissioner Bennett: Are you levying tax in these counties?

Mr. Wendel: The Sanitary Authority has no tax levying powers.

Commissioner Bennett: What is being done to control pollution from barn-yards, pig-pens, etc., in the Willamette valley?

Mr. Burch: Mr. Bennett, if you have any complaint relative to

pollution by a barn-yard, pig-pen, or other place, you may advise this Authority, and it will be investigated.

Commissioner Bennett: Our sewage does not flow up the river, but the sewage from the upper valley flows down to us.

Mr. Veatch: Upper valley cities are taking steps to provide for treatment, and Portland is the only other city which is holding off and stalling. We want to find out what the city of Portland is going to do.

Commissioner Bennett: People should be told the truth about anything, especially when it comes to spending of public funds. I am of the opinion that the Portland project will cost \$20,000,000 at least, and if it is the sense of this sanitary board that the council should put up the question as to whether they should vote these bonds, I am willing to do this, but I am not willing, as a member of the city council, to levy a tax without consent of the people of the city of Portland.

Mr. Hallock: Why did the city not get federal aid in 1933-34?

Mayor Carson: There was no appropriation of money.

Mr. Hallock: Didn't federal agencies authorize a grant of \$2,240,000?

Mayor Carson: We were told that our bonds would have to be general obligation bonds. In the fall of 1934, a proposition to vote \$6,000,000 in general obligation bonds, to be used with a PWA grant of \$2,240,000, was decisively defeated.

Mr. Hallock: Under present war conditions, it is unlikely that federal aid may now be secured.

Mayor Carson: I conferred with Hopkins, who was WPA administrator, relative to the Portland project. As a result of this conversation, I wired our commissioner to begin surveys of the Columbia slough. Hopkins thought it was a good program. I think the local WPA administrator thought the same thing. However, the local office of PWA said they opposed construction by the WPA. In my opinion, had not the controversy occurred between PWA and WPA, we could have had several thousand men working on a useful project that would have at least started something and the city could possibly at that time have furnished sponsor's contribution necessary to carry on. We did not have 55% to match the 45% grant that had been proposed by the PWA, and had no authority to get it.

Mr. Wendel: Assuming, for the moment, that you can't see your way clear as to how the second step may be taken, have you given any thought to what practical value there might be in assessing a service charge up to the amount recommended by the Board of Equalization putting the excess over and above the cost of the survey into a sinking fund?

Mayor Carson: I have not given that phase of it any consideration, because on the basis of \$275,000, or a maximum of \$300,000 which might be collected, it would take several years before you would have enough money to do a substantial portion of the work, which would be a unit in itself. As a result of engineering studies, you would have to determine what particular area could be connected to a particular area could be connected to a particular intercepting facility and complete that as a unit. Otherwise, sewage might be run down a partly constructed intercepting facility to be put right back into the river.

Mr. Wendel: My question did not intend to bring out your immediate plans for spending this excess.

Commissioner Bowes: Until we had definite information, we

did not want to go ahead, but wanted to get necessary surveys first and then we could formulate a definite financial program.

Mayor Carson: Bennett pointed out that the survey made here by Wellington Donaldson, Abel Wolman, Mr. Corey and Mr. Green, that the initial cost of constructing the facilities would be, I think, \$7,000,000 plus for partial treatment and a minimum of \$10,000,000 if you had such a thing as activated sludge.

Mr. Morrow: The collecting system was estimated to cost \$7,000,000 and with partial treatment the cost was estimated to be about \$10,000,000. Activated sludge treatment would cost more.

Mayor Carson: The annual operating expense of these facilities has been overlooked. That is something you never hear anyone talking about. Lots of people think the activated sludge process works by itself. It has to have people constantly in attendance. The public was led to believe that sewage treatment could be done without any cost to the people, and that we were going to sell tons of fertilizer and utilize by-products of the sewage which would be translated into large sums of money. Experience at Milwaukie, and other places, does not bear out this contention. Our people have been led to believe that by some legerdemain, or by some performance, that money can be had from this mysterious source which will pay for sewage treatment. We know, from a practical engineering standpoint, that it will cost so much for annual operation, how much the plant itself will cost, what will be done with the sludge or the sewage after partial treatment or entire treatment, whatever it may be. Some say you can put multiple of sludge plants along the river and connect up to certain outfall sewers and save the expense of building larger facilities. The city of New York takes most of its sludge and barges it 15 miles out into the Atlantic

ocean. The more plants you have, the more sludge you will have to take out. Where will you put it? If you reduce it and make fertilizer out of it, you will have to stand expense for buildings, etc., and mix it with certain other ingredients. People, generally, in Portland have been led to believe that the Willamette river can be cleaned up with no substantial burden on the people here. It is not true. It is going to cost somebody real money, not only now but after its completion. It will cost lots of money annually to keep it up. I am not going to be party to not letting people know the truth.

Commissioner Bennett: At the time the people voted the sewer service charge that is now under discussion, and the only means by which they can raise revenue without going back to the people, the people were led to believe that that charge would be sufficient to do the job. Since that time, as a result of information we have received, we have found that it would not. The question I would like to ask is this: In view of the fact that we now know that the proposition that was put to the people was unworkable, are we justified in levying any money as the result of that vote of the people in 1938? Should we go back to the people with new proposition? I do not see how the council is justified in levying a new charge.

Mr. Hallock: The charter amendment gives the city council the power to proceed with project.

Commissioner Bennett: It is for one specific purpose, to be carried out in one way.

Mr. Hallock: I think the statute contemplates the very study we propose you make.

Mr. Wendel: The vote of the people of Portland indicates a desire to have the Willamette river cleaned up, and I would feel that every penny raised under that vote was a step nearer in giving the people what

they want. It may not be just as the people intended, but is carrying out wishes of the people.

Mayor Carson: Is it your view that the city should spend the necessary sum for complete engineering data, so it can adequately be determined how much it would cost to put a practical system into effect?

Mr. Wendel: I think we are all agreed that complete engineering data must be obtained. Whatever money is put into the sinking fund now will reduce the amount which must be collected later.

Mr. E. A. Averill: May I be heard on this project?

Mayor Carson: We were cited to appear here to show cause to you. Is this a public debate?

Mr. Wendel: I would not construe it as that. It is more or less an attempt to have a meeting of all minds who are concerned with this problem.

Mayor Carson: If this is to be a sounding board for a public discussion on this matter, I want to consult my colleagues before we proceed any further.

Mr. Hallock: I do not see how a discussion could prejudice this Authority. We have not attempted to stand on formalities.

Mr. Wendel: I believe Mr. Averill may be heard at the conclusion of this hearing.

Mr. Veatch: I understand that the council is proceeding with a definite plan for the purpose of raising money to conduct an engineering survey. Necessary data must be obtained before the city can go before the people with any plan. That is the program that is up right now.

Mayor Carson. That is true. That is what Mr. Bowes has in

mind.

Mr. Veatch: It is not the place of this Authority to try to tell the city council which method they should pursue. We cannot substitute ourselves for legislative authority for the council, and our only authority is to determine whether or not definite steps are being taken for accomplishing the purpose intended.

Commissioner Bowes: There has been quite a lot of misinformation given to the public, and one of the greatest pieces of misinformation is that the people of Portland have issued a mandate. The people of Portland have never issued a mandate to the council to do this.

Mr. Wendel: That is true. The situation is that people of Oregon have issued mandate.

Commissioner Bennett: Has the legislature the power to levy required tax throughout the state for this purpose?

Mr. Veatch: Would have power--yes.

Mayor Carson: One-third of taxable wealth of Oregon is in Multnomah county. It is the Willamette river, from its source to its mouth, that is under discussion. That portion of cost that might be borne by Portland if the state would undertake a project from the source of the river to its mouth, would certainly be as much or more than their share of such a tax.

(Mr. Averill had remained standing awaiting permission to speak.)

Mr. Wendel: I think Mr. Averill's discussion should be postponed until the end of the hearing.

Mayor Carson: If this hearing is intended to be a sounding board, it might be just as well heard before the city council of Portland. He then read the citation from the Sanitary Authority.

Mr. Veatch: Paper mills contribute much pollution to the Willamette river. If all treatment were to be taken care of by general tax levy, it would take care of pollution caused by private industries. Industries must pay their share of cost of stream pollution reduction.

Commissioner Bennett: Might be too much of a burden on one industry. The state possibly could pay cost of treatment for industries as well as cities.

Mr. Hallock: Where I come from, mining operators are responsible in a substantial way toward assisting us in reducing pollution on their own. They are doing it cheerfully. This is true of other industries, as well.

Mayor Carson: In the case of paper plants in Oregon City--- their refuse goes directly into the river from their plants and not through the sewer systems of Oregon City or West Linn. Industries in Portland, instead of discharging effluents into the river direct, use trunk sewers of the city of Portland. Under such conditions, the amount of pollution enters into a determination of what a particular industry should pay. What yardstick are you going to apply to a Portland industry which does not discharge effluent directly into the river, but is connected to one of the trunk sewers?

Mr. Hallock: Isn't that a detail which the city must work out and that equalization can accomplish ultimately?

Mayor Carson: If you think that is a detail when it is before the council, it will be a tortuous discussion.

Commissioner Bowes: It would have to increase basic water rate if this goes into effect.

Mr. Burch: Mr. Bennett, you speak of a state tax to take care of pollution throughout the state and the Willamette valley. All

the Authority is asking is that the city of Portland take care of the sewage of the city of Portland and nothing else.

Commissioner Bennett: I am of the opinion that all rivers of the state should be cleaned up.

Mr. Burch: Other cities are going ahead, and Portland is not.

Mayor Carson: The nature of your citation indicates that if we have not satisfied you, that appropriate proceedings of some kind, I presume legal in character, will be instituted against the city. We are here for a specific purpose. We don't want any extraneous matters brought up here if we are going to be faced with some action on the part of the Authority. We don't believe that this is an appropriate time to have any discussion that might detract, or add to, any action which may be taken by your body.

Mr. Wendel: I would not want to see that done. We thought perhaps ways might be found for getting the sewage disposal project under way. However, I am going to confine discussion, merely to the purposes of the hearing. Are there any other matters or questions to direct to the city?

Mr. Veatch: The only thing I am particularly interested in is to see that steps are going ahead to accomplish the purpose intended. The reason we issued the citation was because the city of Portland was doing nothing. We want to know what has been done and what is going to be done.

Mayor Carson: The matter before the council now is a legislative matter. The vote of any member of the council cannot be controlled by mandamus or any other action.

Mr. Veatch: What the city does is up to the good judgment of the council. In our capacity as the Sanitary Authority, we have certain duties to perform. If we find that pollution exists, we make inquiries as to what is going to be done to correct it, and I suppose that while that power has not been tested, that we would have authority to issue order to municipalities,

industries, or anyone else, to eliminate or reduce pollution. The Authority is not attempting to mandamus the vote or legislative action of the city council.

Mr. Latourette: The city and the Sanitary Authority are both confronted with the same problem. It is a matter for mutual study on all sides. City officials have studied it, and are still, and are making progress, as our statement will show. If there are any suggestions that will help us, we will be glad to make suggestions or receive them. I want to say that Commissioner Riley wanted a statement to be made here that he hoped to have been present at this hearing, but was unavoidably prevented, and Commissioner Clyde, as you know, is physically incapacitated. Riley will be glad to furnish data at his command, especially along the line of the financial resources of the city that might be available within his power.

Mr. Veatch: I do not think the Authority has any desire to tell the city how to pursue its problem. We only want to know if steps are being taken. We are approaching state institutions and other municipalities as well as everyone else who is contributing pollution.

Commissioner Bowes: About \$50,000 has already been spent on the project.

Mr. Averill interrupted to state that it was his desire to show the Sanitary Authority that the mayor and city council were not now, or ever had been, acting in good faith in trying to promote sewage disposal facilities for the city of Portland.

Mr. Wendel: Any persons desiring to discuss the matter before the Authority may remain for that purpose. The citation hearing is now closed.

STATE SANITARY AUTHORITY
GENERAL DISCUSSION FOLLOWING
PORTLAND CITATION HEARING

June 21, 1940

Mr. Ed. F. Averill: At the Multnomah Civic Club, Mayor Carson said that the people of the city of Portland, in 1933, did not vote any bonds. I have here a copy of a resolution that was passed by the council, 206-91, which refers to the bond issue. The statement was made that bonds were not salable. We met with the mayor and council and they made that statement. We told them that we would carry the matter to the supreme court. I, personally, furnished money to carry suit to supreme court. Supreme court held that the bonds were all right, and that they were salable, and then the city attorneys reversed their decision. They first said bonds were not salable; after supreme court's decision, said bonds were salable.

All agree there must be detailed plans and specifications. If Portland puts into effect a sewer user charge, the city will have enough money to make this survey and start a sinking fund, as referred to previously. The city could then start work on first unit of the plan, which is Columbia slough.

Mr. Wendel: Revenue bonds were only bonds ever voted by the city of Portland.

Mr. Averill: There is no necessity to have a bond issue to put in a sewage disposal system. It may be necessary to increase the sewer user charge, but it is not necessary to issue bonds. This method of sewer rental is in general use throughout the United States. (Read Cleveland data.) Massachusetts put it into effect in 1892, and in 1936, 328 cities in the state of Massachusetts were paying for sewage disposal by sewer

user charges.

If the council will proceed, in accordance with instructions given by the people and show that it is necessary to raise the charge, in order to finance project in reasonable length of time, I am sure the people will approve. The people were told it would take at least 10 years. If it takes 15 years, let us get started. Council has never presented any concrete plan for putting sewer service charges into effect. Those on the council now never will, unless forced to do it.

Mayor Carson refers to the fact that people did not appropriate any money. The people gave the council machinery to get money, if they would put it into motion. I may be mistaken, but I doubt if voters could do more than that.

Mayor Carson said the people may invoke the referendum. Why should they invoke referendum after having voted for the project?

Mayor Carson spoke of the necessity of raising water rates, in case certain industries were compelled to put in own water systems. Tax should be levied on those who do the polluting.

Mr. Wendel: Do you believe that the sentiment expressed here today is the attitude of the people?

Mr. Wm. Finley: This is something I am interested in, and have been for many years. I happened to be on a committee that met in 1937-38 to formulate legislation. In establishing this Authority, it was our understanding that the elimination or reduction of pollution would be finished in one year or two years. One question---I am not an attorney---do you legally have the right to enforce the city of Portland to clean up this river? Is that correct or not?

Mr. Hallock: Yes.

Mr. Finley: Will this Authority do it, or not, if the city

of Portland does not proceed to clean up?

Mr. Hallock: Will be left up to the Authority after a thorough discussion of the matter.

Mr. Wendel: It would seem folly to institute proceedings until the basic data has been obtained by the city. The Authority would then decide upon a course of action.

Mr. Finley: Have you taken any stand on other cities that are cleaning up?

Mr. Wendel: It has not been necessary. Cooperation has been manifested on the part of most everybody. Progress that is being made is astonishing.

Mr. Finley: I think it was a great mistake that the legislature did not give you more money, and I certainly think you ought to put up a fight in the next session of the legislature.

Mr. F. H. Young: Mr. Averill's argument is faulty, as he argued for sewer user charges suggested by Board of Equalization. Averill feels that the people of Portland will gladly approve of a substantial increase in sewer user charges. The city of Portland should first raise funds to conduct engineering studies to determine actual cost of the project.

Mr. Burch: Is the small proposed levy adequate for the purpose it is intended? If it were increased, the survey could be made much more rapidly, and the actual cleaning up of the river could be commenced sooner if larger levy was made at this time.

Mr. Young: The city would not have to wait for funds from this levy to accumulate before beginning the surveys.

Mr. Veatch: If ordinance is passed, the city will proceed immediately with the survey. I asked that specific question.

Mr. Young: Engineering survey would cost about \$150,000.

Mr. Burch: Is that going to be enough?

7/11/37

