

Submitter: Dean Sawyer

On Behalf Of: City of Newport

Committee: Joint Committee On Ways and Means Subcommittee On Capital Construction

Measure: HB5030

Dear Co-Chairs Steiner & Sanchez and Members of the Joint Committee on Ways & Means:

For the record, I am Mayor Dean Sawyer representing the City of Newport. This week, the City is submitting a Capital Request Form to the Legislative Fiscal Office for consideration in the 2023-2025 budget to help pay for the construction of three high priority, compliance-related wastewater projects in Newport.

The City is requesting \$7.65M in capital construction funds to help replace aging wastewater infrastructure for our community. This amount would provide our community with 50% of the total projected costs of \$15.3M. The City is financing the other \$7.65M through one of the state's existing loan programs supplemented by federal infrastructure funding through the BIL. During this past fiscal year, the City has used \$475,000 of operating funds in unanticipated repairs and costs to keep the wastewater system functioning. Some background on the project:

The City's wastewater improvements have been put on hold for a decade due to lack of funding.

The problem has resulted in the City being fined by the Oregon Department of Environmental Quality (DEQ) for violations from contamination events that occurred in 2021. Those violations were a direct result of the aging wastewater infrastructure proposed to be replaced in this project request.

The City's wastewater treatment facilities are at or beyond their operating life and certain systems are beginning to fail. Based on critical wastewater systems assessments commissioned by the City in 2021, Newport's City Council identified several systems that are either failing, or on the verge of failure, risking environmental damage and fines from ODEQ. Based on these findings, the Newport City Council authorized funding in 2022 to conduct a comprehensive master plan regarding wastewater infrastructure improvements currently needed. That work is still underway, and will be completed later this year.

In the meantime, the City currently faces fines from the ODEQ for water quality

discharge violations from contamination events that occurred two years ago, and that are ongoing. Those violations are the direct result of aging infrastructure, and antiquated system design. New chemical control facilities will be constructed to correct the systemic design issues exacerbated by the aging infrastructure system.

The timing of this project and the financing to support it is critically urgent because the likelihood of equipment failure is imminent. Specifically, the City's sludge handling facilities, and in particular the centrifuges have been operating beyond their design capacity for years and have been rebuilt multiple times. Both centrifuges must run to keep up with demand. Currently, one centrifuge is out of service and out for repair, while the remaining centrifuge is being manned by a public works employee for 24 hours per day. If the remaining centrifuge goes down while we await the other one to return, the plant has only four days capacity until it will no longer be able to operate. If the plant cannot process sludge, raw or partially treated effluent discharge into the Pacific Ocean would result. The new centrifuge proposed in this scope would eliminate this risk of failure and inability to process its wastewater.

The City has violated its waste discharge permit for chlorine residual discharge to the Pacific Ocean seven times in the past two years, with each violation carrying a \$10,000 minimum fine. In May 2023, the City expects a new NPDES permit that will lower the limits for chlorine residual, resulting in the inevitable possibility of this violation occurring on a monthly basis at a cost of \$10,000 per month. The new de-chlorination project proposed in this scope would eliminate this violation from occurring.

Another way in which this project is urgent is to help protect the health and safety of City staff working on the mechanical screens at the Northside Plant and at the WWTP headworks that no l