

**SB 1189 STAFF MEASURE SUMMARY****Carrier:** Rep. Diehl**House Committee On Agriculture, Land Use, Natural Resources, and Water****Action Date:** 04/21/25**Action:** Do Pass.**Vote:** 8-0-1-0**Yeas:** 8 - Boice, Hartman, Helm, Levy B, Marsh, McDonald, McLain, Owens**Exc:** 1 - Scharf**Fiscal:** No fiscal impact**Revenue:** No revenue impact**Prepared By:** Anna Glueder, LPRO Analyst**Meeting Dates:** 4/16, 4/21**WHAT THE MEASURE DOES:**

The measure authorizes the construction and installation of a new publicly owned treatment works facility within the North Santiam Basin prior to the issuance of a Department of Environmental Quality (DEQ) water quality permit, provided construction begins between April 15 and June 6, 2025. It requires the facility's owner to have an applicable DEQ permit to operate the treatment works or discharge waste into state waters, and that any discharges comply with the permit's terms and conditions. The measure states that the owner is still required to obtain any other required permits. The measure sunsets January 2, 2027, and declares an emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Impacts of the Three Basin Rule on the construction of the proposed treatment works facility
- Funding status of the proposed treatment works facility

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

A publicly owned treatment works (POTW) is a government-run wastewater facility. In Oregon, the Department of Environmental Quality (DEQ) oversees groundwater protection and regulates pollution through discharge permits under the National Pollutant Discharge Elimination System (NPDES) or the state Water Pollution Control Facilities (WPCF) program.

[House Bill 5006](#) (2021) allocated \$50 million in American Rescue Plan Act funds to Marion County for building a POTW in Mill City, with a spending deadline of December 31, 2026. Many homes and businesses in Santiam Canyon currently rely on septic systems, which can leak untreated waste into waterways—especially in wildfire-affected areas. The planned Mill City POTW aims to replace those systems.

Following the 2021 U.S. Supreme Court ruling in *Maui v. Hawaii Wildlife Fund*, facilities that discharge into the ground but eventually reach surface water must obtain an NPDES permit. Therefore, Mill City cannot rely on a state WPCF permit. However, Oregon's Three Basin Rule—which restricts new discharges in the North Santiam watershed—prevents DEQ from issuing the required federal permit.