



Safe Drinking Water Funding Program Begun

By Dave Phelps

The Safe Drinking Water Fund is a loan program established by the 1991 Oregon Legislature. The fund has been designed to expand the use of existing infrastructure financing programs specifically to assist with the construction of drinking water system improvements. The loans will be backed by the strength of the state of Oregon and its ability to sell both general obligation (GO) and revenue bonds. In the first two years of this program, state lottery funds will be used to pay bond sale, issuance and administrative costs to assure a low interest rate on drinking water project loans.

Who can apply?

An applicant for a loan from the Safe Drinking Water Fund must be a city, county, district, water supply authority or political subdivision of the state or an organization operated on a not-for-profit basis that makes drinking water available to members of the general public.

What requirements must be met by the applicant to be eligible for a loan?

- The project must improve the drinking water system to achieve or maintain compliance with applicable state and federal drinking water quality standards.
- The project must have a high probability of stimulating economic development and meet all Special Public Works Fund rules, OAR 123-42-000 to 123-42-110.
- The project must serve a community with a population of less than 30,000, although systems may join together in seeking funding.
- The applicant must have a water system master plan.
- The applicant either must have in place a coordination agreement as defined by ORS 197.185, 197.190 and 197.712 or can demonstrate that options to find a coordinated solution to the system's drinking water problems have been fully explored.
- The applicant must install meters on all new service connections to any distribution lines funded by this loan program and have adopted a plan for installation of meters on all service connections throughout the

drinking water system.

What types of projects will be eligible for Safe Drinking Water Fund funding?

Projects may include dams, storage reservoirs, wells or well systems, pumping plants, treatment facilities, pipelines, canals, ditches, revetments and all other structures and facilities necessary or convenient for supplying water.

How was the Safe Drinking Water Fund created?

The Safe Drinking Water Fund was created by combining specific features of two existing loan fund authorities and adding state lottery money. The Water Development Fund, administered by the Water Resources Department (WRD), has general obligation bond authority from the Oregon constitution. This authority was combined with revenue bond authority already in state statutes now being used for the Special Public Works Fund administered by the Economic Development Department (EDD). Working in combination, the two bonding authorities will provide a unique loan fund to assist eligible public water systems. With the addition of lottery

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money, the loan interest rate should be close to the state's borrowing rate on its bonds.

WRD's Water Development Fund and EDD's Special

Dave Phelps will be the consultant available to discuss water system improvement financing options, especially the Safe Drinking Water Fund, and is available to meet with you and your water system advisory board. Call 229-6302 in Portland to arrange for a one-on-one consultation or to discuss water system funding alternatives.

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Public Works Fund remain intact and will continue to be available. The creation of the Safe Drinking Water Fund will give public water systems a new, low interest loan fund program to tap into when faced with the need to meet the new state and federal safe drinking water requirements.

This is a new one stop application process. All drinking water system improvement projects will be reviewed by the two state funding authorities, EDD and WRD and by the federal Farmers Home Administration. Based on their review, the applicant should benefit from getting the best financing program and options available.

Why do drinking water systems need a new loan fund?

Through advances in technology and consumer health and safety awareness, providers of drinking water are required to reach higher standards in the quality of the water they provide. Since passage of the 1986 Safe Drinking Water Act amendments, the Environmental Protection Agency has been charged with increasing the number of drinking water standards (the allowable concentrations of contaminants) from 25 to 83 over the next several years. Nearly 200 standards will be established by the year 2000. Oregon is adopting the new federal standards.

Along with these industry-wide changes comes an increasing demand for financing the improvements that will be needed to treat, store and distribute water to Oregon consumers. The financing for normal growth, system expansion, routine maintenance and operating costs will compete with the non-growth system changes required to comply with the new drinking water standards.

A state-level Task Force on Drinking Water Construction Funding and Regionalization was formed by Oregon's Strategic Water Management Group. The task force studied the impact of compliance with the Safe Drinking Water Act upon public water systems in Oregon and concluded that systems would need to construct improvements to their water treatment facilities to meet the new standards. Determining how the improvements would be financed became the Task Force's major undertaking.

All of Oregon's 3,396 public drinking water systems are subject to regulation. Of this total there are:

- Community water systems: 983;
- Non-community systems: 1,461;
- Non-community, non-transient systems: 361; and
- State regulated systems: 591.

From a survey completed by the Health Division, the task force identified that community water systems in Oregon

will require approximately \$1.4 billion in capital improvements over the next 10 years to meet total demand for new treatment, growth, repair and replacement, and other services. Of that, \$238 million is estimated to be needed because of the new drinking water quality standards.

The task force then looked at funding alternatives available to systems for financing needed construction. Special districts and large- and mid-sized drinking water systems have issued bonds and raised rates to finance \$8 to \$60 million annually. Federal grants, loans and loan guarantees for drinking water projects have been provided primarily by three programs: the USDA Farmers Home Administration, the HUD Community Development Block Grant program administered by Oregon's Economic Development Department and grants from the U.S. Economic Development Administration. The task force concluded the total amount of financial capability to meet construction needs was inadequate.

How to apply for a Safe Drinking Water Fund loan.

This loan program is just being developed, so the application form and instructions are not yet available. Also, you may be aware that the State Treasurer is watching closely Oregon's economy before approving any state GO bond sales. But, that should not stop you from beginning the loan request process. In fact, your applications will represent the real demand water systems have for project funding.

Here is what you should do to make your request for a low interest loan from the new Safe Drinking Water Fund Program:

1. Complete either a Special Public Works Fund or a Water Development Loan Fund pre-application. Pre-application materials can be obtained by writing or calling:

Special Public Works Fund, Oregon Economic Development
Department
Business Resources Division
Community Development Programs
775 Summer Street N.E.
Salem, OR 97310
Betty Pongracz, Assistant Manager
378-3732, ext. 366
Water Development Loan Fund, Water Resources Department
Central Services Division
3850 Portland Road N.E.
Salem, OR 97310
Roelin Smith, Manager
378-8455, ext. 250

2. Complete those parts of either pre-application which apply to your drinking water system project. If you have questions about the Safe Drinking Water Fund, call Dave

Phelps at 229-6302. Phelps, with the Health Division's Drinking Water Section, is coordinating the Safe Drinking Water Fund Program.

3. Indicate on your pre-application that you are interested in the Safe Drinking Water Fund.

4. Mail your completed Safe Drinking Water Fund pre-application to Oregon Economic Development Department or Water Resources Department as appropriate.

Funding is part of Oregon's Compliance Assurance Plan

Oregon is one of six states nationwide assessing the funding, technical assistance and training needs that systems have in trying to comply with federal and state drinking water regulations. These needs and a strategy for filling them have been outlined in a Compliance Assurance Plan developed by Oregon Health Division (OHD) under an EPA grant.

Safe Drinking Water Funding Program Created

Earlier PIPELINES have reported on OHD's capital improvement survey which documented the need to construct more than \$1.4 billion in drinking water infrastructure statewide over the next 10 years. The task force assigned to examine the issue reported that about 60% of this need can be supported by increasing water rates; existing federal, state and local financing programs; and other *pay as you go* programs. The remaining 40% (\$40-80 million annually) will be met by the new state Safe Drinking Water Funding (SDWF) program which was created during the 1991 legislative session. The new SDWF program will be administered by the Oregon Economic Development Department. It is anticipated that up to \$20 million in state-backed loans will be available in 1991-93. Administrative rules for the program are now being written; funding may be available as soon as next spring.

Technical Assistance and Training Needs Identified

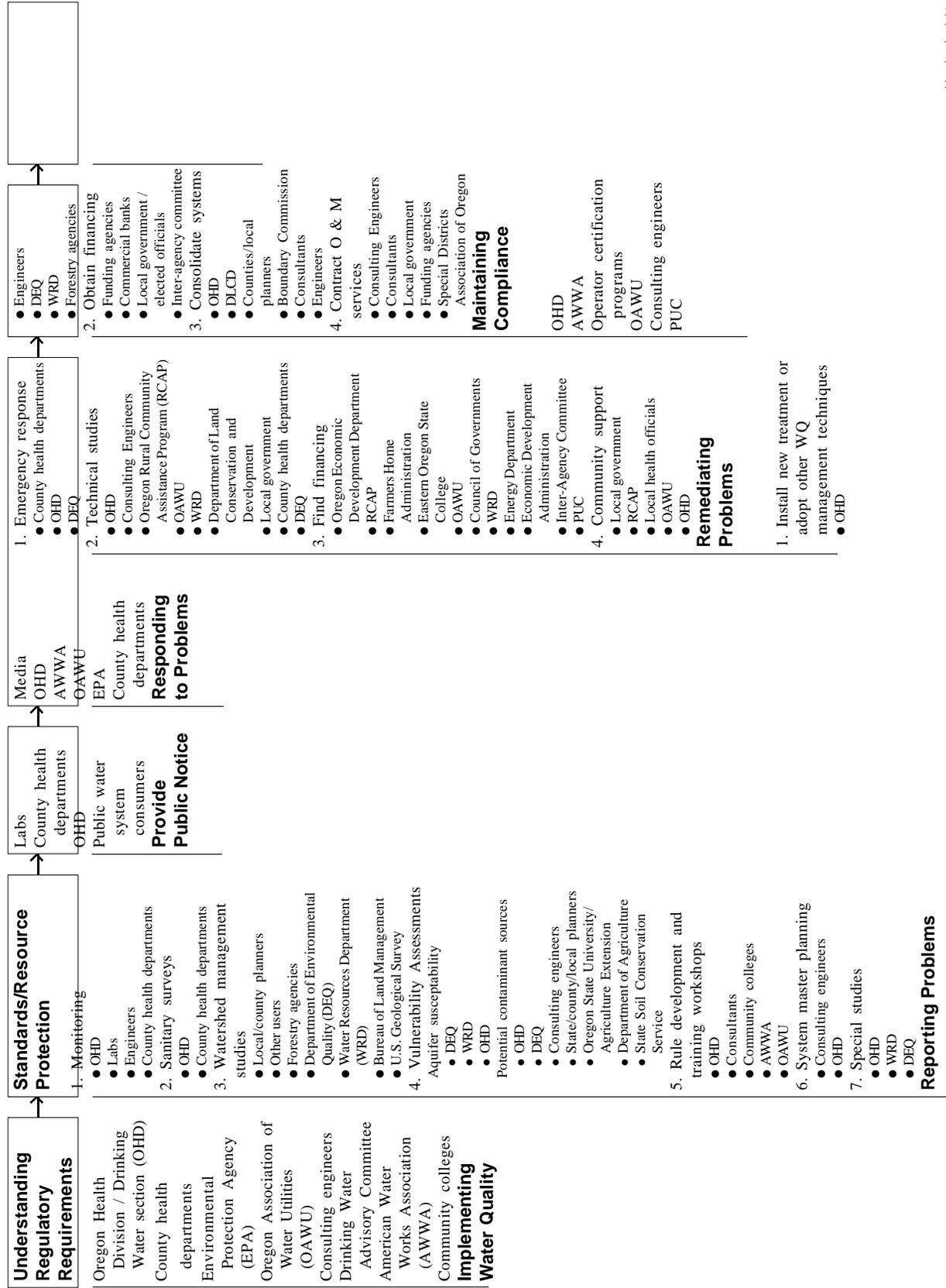
As each new drinking water regulation is developed, new technical assistance and training needs emerge. Those are in addition to the general help that small systems particularly need to stay on top of new regulatory requirements, monitoring and testing techniques, treatment processes and financial management. OHD is planning to develop a *matrix management* approach to help these systems by coordinating with other trainers in Oregon the development of new training modules and programs. Technical assistance needs will be identified at the time that each new regulation comes on line. In adopting the

surface water treatment rule, for instance, OHD is developing watershed management guidelines. New ground water protection techniques such as setting up wellhead protection areas and conducting vulnerability assessments are also being developed.

Brendan Doyle, who prepared the OHD Compliance Assurance Plan, said, "There are more than 25 organizations, such as the Oregon Association of Water Utilities, Special Districts Association, Department of Environmental Quality, Water Resources Department, Economic Development Department, community colleges, Farmers Home Administration and regional Councils of Government that can help drinking water systems obtain and maintain compliance with the drinking water regulations."

OHD cannot provide all of the technical assistance that may be needed to bring a system into compliance with the regulations. OHD can, however inform systems about what the regulations require and then refer systems that need assistance to other organizations which can help. The following flow chart shows the general steps that a system must go through to comply with the regulations and identifies the many organizations which can provide assistance during each step of the compliance process. A directory of the names of these organizations, a person whom you can contact and his or her phone number is available from OHD. The commercial banks, consultants and consulting engineers cited in this chart can be located in the Yellow Pages of your local telephone directory. The directory will be updated periodically to help systems locate the assistance that they need.

Who's involved in the Compliance Assurance Process?



hthome@gramco.com

Survey Shows Total Coliform Violations Down, Positives Up

A survey by Oregon Health Division of coliform data from the 983 community water systems under the new total coliform rule showed some surprising differences between those for the first six months of 1990 and for the same period of 1991. There were more coliform positive routine samples but fewer MCL violations under the new rule. There was an equal distribution of positive samples in systems of all sizes. Some were the result of a bad sample site or procedure. One or two acute fecal violations were reported in four of the six months of 1991.

Operators are having to pay more attention to how and where samples are collected. The repeat procedure allows the water system and OHD to identify quickly the systems with genuine problems.

	1990		1991	
	MCLs	Positives reported	MCLs	Positives reported
Jan	17	34	8	48
Feb	10	22	8	44
Mar	8	12	8	49
Apr	13	22	7	34
May	11	24	8	36
Jun	10	10	5	32

Lead and Copper Rule Seminar Set

The new lead and copper rule will be the topic of two seminars presented Dec. 4 and 5 by the AWWA Education Dept. and the Pacific Northwest Section. Designed for managers, operators and members of boards and commissions of small- to medium-sized utilities, the Dec. 4 seminar will be held in Moses Lake, WA, and in Springfield, OR, Dec. 5. Material will include background and content of the new regulations; monitoring requirements; and corrosion control strategies available to water suppliers. State-specific implementation issues will be addressed and presentations made by utilities which have already begun to deal with the lead/corrosion control problem.

A brochure announcing the seminars will be mailed to members of the PNW section. For more information about location or registration, call Judy Gwynn, 503 / 246-5845; for more about content, call Jim Ginley, Technical Training Programs Manager, AWWA, Denver, 303 / 794-7711.

Water Issues Conference Sponsored by OWUC

A conference on water issues in Eugene, Nov. 25 will be sponsored by the Oregon Water Utility Council of the Pacific Northwest Section, American Waterworks Association. The conference will feature some of the state's leading policymakers on water concerns including Rep. Chuck Norris and Martha Pagel, Governor Roberts' Assistant for Natural Resources. The agenda:

- a.m.**
- 800 Registration, coffee and rolls
- 900 Welcome: Kimber Johnson, Chairman, OWUC
- 915 Introduction: Rep. Chuck Norris
- 945 Panel 1: Environmental Groups' Views of Water Issues
- 1045 Panel 2: Water Appropriators' Views of Water Issues
- p.m.**
- 1200 Luncheon: Martha Pagel, Gov.'s Asst. for Natural Resources
- 130 Panel 3: State Agency Policy-Present and the Future (Water Resources Dept. DEQ, OHD)
- 430 Conference summary: Gene Seibel, Administrator, Tualatin Valley Water Dist.

The conference will be held at the Valley River Inn, Eugene. Registration is \$55, payable to the Pacific Northwest Section. Please indicate your intention to attend by mailing the form below:

Yes! Please register me for the OWUC water issues conference, Nov.

 _____

25, Valley River Inn, Eugene.

Name _____

Organization _____

Address _____

City, State, Zip _____

Phone _____ \$55 registration enclosed

Mail to: J.L. Gwynn, Pacific Northwest Section, AWWA, Box 19581, Portland OR 97280

PIPELINE is published quarterly by the staff of the Oregon Health Division, Drinking Water Section. It is intended to provide useful information on technology, training, and regulatory and policy issues to those involved with the state's public water systems to improve the quality of drinking water in Oregon. **PIPELINE** may be copied or reproduced without permission provided credit is given.

Please send requests for article topics or manuscripts of your articles to John Gram, editor (503 / 229-6302).

This issues contributors include: Brendan Doyle, USEPA, Region X, Seattle; Dave Phelps and John Huffman of Oregon Health Division.

Training Calendar

Small Water System Training courses

Drinking Water Section, OHD
 Contact Claudia Stiff, 229-6310
Month County
 Oct. Clatsop/Tillamook/Columbia
 Nov. Polk/Yamhill
 Dec. Marion/Linn/Benton

In addition to Small Water System Training courses put on by the Health Division, training courses are offered by a number of industry groups, private providers and community colleges throughout the Northwest. Linn-Benton Community College in Albany produces a calendar of these courses each year. For a copy of the 1991-92 Pacific Northwest training calendar, contact the Water/Wastewater Department at LBCC, 928-3620.

Oregon Association of Water Utilities seminars

<i>SDWA Review</i>	Oct. 24	Bend
<i>Surface Water Treatment Rule</i>	Nov. 7	Roseburg
	Dec. 12	Tillamook
<i>Operation, Maintenance and Treatment; SDWA Review</i>	Jan. 23	Salem
<i>SDWA Review</i>	Feb. 20	Grants Pass

Annual meeting Apr. 9-11 Lincoln City
 Contact Lynn Delmore, 364-8269

Correspondence courses for operators

California State University, Sacramento, offers home-study correspondence courses for operators of all types of drinking water and wastewater facilities and for pretreatment facility inspectors. For a copy of the catalog, Operator Training Opportunities, contact Joe Bogart, 229-5783.

CEUs required for operators of small systems

Community Water Systems having a groundwater source with more than 15 and fewer than 150 service connections were exempted from the Operator Certification requirements by the 1989 legislature. However, each system is still required to designate a person responsible for its operation and to assure he or she obtains at least two continuing education units (CEUs) every two years. The Division is considering a policy which would allow several operators to combine their training to meet a two CEU total for their system.

As of July 1, 1992, these systems will be

required to confirm through copies of training certificates or transcripts that the designated operator(s) has acquired at least one CEU. Following this confirmation, proof of at least two CEUs every other year after July 1, 1992, will be required for these operators. Please be aware that it is the systems' responsibility for documenting CEUs for their operators. All claims for training must be for courses which have been approved for water system operators through the Environmental Services Advisory Committee (ESAC). Before applying for training, ask the instructor if the course has been approved in Oregon for CEUs or call ESAC at 503 / 650-8154.

OHD contracts for operator's exams

The Health Division has contracted with the Association of Boards of Certification effective October 1, 1991, to provide examinations for the Operator Certification program. The new exams were utilized for the October 17 testing. Affiliation with ABC will provide immediate reciprocity for operators with other member states and assure that examinations reflect changes and innovations in the water service industry.