Drinking Water Services
Dave Emme, Manager

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Drinking Water Program—What we do

- Rules and Health-based Standards
- Assess Monitoring Reports
- Investigate Contaminants
- On-site Sanitary Surveys
- Certification of Operators, Testers, Labs
- Plan Review
- Source Water Assessment and Protection
- Technical and Financial Assistance
- Enforcement
- Admin.
- Data Mgt.
Who we regulate--by system type

3,405 Public Water Systems

- State Regulated (10-24 people), 919
- Community, 885
- Non-Transient Non-Community, 322
- Transient Non-Community, 1279

PWS/10,000 people

<table>
<thead>
<tr>
<th>State</th>
<th>PWS/10,000 people</th>
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<tbody>
<tr>
<td>OR</td>
<td>6.07</td>
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<tr>
<td>WA</td>
<td>6.05</td>
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<tr>
<td>U.S. Avg</td>
<td>4.67</td>
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<tr>
<td>CA</td>
<td>2.03</td>
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<td>NV</td>
<td>2.00</td>
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Who we regulate--proportion of population served by system type

- Community: 94%
- Non-Transient Non-Community: 2%
- Transient Non-Community: 4%
- State Regulated (10-24 people): 0.4%
- Community: 94%
How we are funded--FY17-19

- Federal Fund: 63%
- General Fund: 24%
- Fees: 13%

Note:
HB 5026 replaced Med MJ with Gen Fund for 17-19
Where we spend our budget--FY17-19

- OHA Personnel & Services: 47%
- DEQ, IFA, Circuit Rider: 19%
- County LHAs: 14%
- OHA Cost allocations: 19%
- Dept of Ag: 1%
Our staffing Trend—35% reduction from 2009
Challenge #1. Can we be more efficient?


- State-County Workgroup. Identifying current process improvement efforts, discussing ideas.
Process Improvement efforts discussed…

- Web-forms for Advisories, Contact Reports.
- Expanded use of auto-generated letters, reviewing with County partners.
- Guidance on response to alerts.
- Plan review, redoubling efforts to keep County partners informed.
- Considered RTCR streamlining.
Specific follow-up items from Silver Falls…

- Improved New PWS letter (to include need for Coli sampling plan, ERP, O&M, and Sig Def list) (DMCE and TS)
- Level 1 investigation req’d letter (to include consequences of not doing it) (DMCE--completed)
- Significant Deficiency follow up letter template for non-priority deficiencies (DMCE)
- Corrective Action plan template (TS – in progress)
- Chemical MCL exceedance auto-generated letter template (DMCE--completed)
Challenge #2. How to stabilize program staffing levels?

- We can’t continue to reduce staff through attrition, current staff levels are insufficient.

- Revenue is insufficient to support current staff levels.

- Short-term fix is to creatively use SRF set-asides, including “banked” authority.
### SRF “banked” set-aside authority

- Use of set-asides is constrained by regulation. They fund various aspects of the program.

- OR has historically not taken all of its set-aside authority, resulting in “banked authority”.

- EPA now allows States to use this banked authority, but it comes as a reduction of loan funds.

- OR received $750K in banked funds in the FY17 SRF grant.

<table>
<thead>
<tr>
<th>DWSRF Capitalization Grants</th>
<th>Loans</th>
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<tbody>
<tr>
<td>4% DWSRF Admin.</td>
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<tr>
<td>2% Tech Assist. Small Systems</td>
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<tr>
<td>10% State Program Mgt</td>
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<tr>
<td>15% Local Assistance</td>
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<tr>
<td>Source protection grants</td>
<td></td>
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<tr>
<td>Source water protection</td>
<td></td>
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<tr>
<td>Capacity Development</td>
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<tr>
<th>Set-asides 31%</th>
<th>Loans 69%</th>
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Challenge #3. What to do with State Regulated systems?

• We respond to contaminant alerts, but don’t have resources to actively regulate them.

• About 20% of these systems have stopped reporting monitoring results.

• Options are to deregulate or find a way to fund the work.
Most States regulate PWSs to the SDWA threshold, but some regulate lower…
Some demographics of the State Regulated system inventory

- 876 GW source
- 23 SW source
- 16 Purchased
- 143 identified as “Water Systems, Districts or Associations”
- 63 “Mobile Home or Trailer Parks”
- 11 “Schools or daycares”
Deregulation seems to run counter to our mission and agency policy direction…

- Mission. ORS 448.123 Ensure that all Oregonians have safe drinking water.

- Public Health Modernization Plan.
  - Priority 1. Improve capacity to provide foundational public health programs for every person in Oregon.
    - Improve public health equity…
State Regulated systems present a Health Equity issue

- Propose to retain State Regulated definition in statute but develop limited set of stand alone regulations.

- Internal Workgroup is evaluating potential regulatory schemes.

- Plan to tie this to proposed fee restructuring/increase.
Challenge #4. How to achieve a more sustainable funding source?

- Evaluating the current Sanitary Survey Fee:
  - Funding is insufficient;
  - Narrowly tied to survey work, inflexible use of revenue;
  - Limits flexibility to target surveys based on risk;
  - Inequitable, large systems pay little, State Regulated systems pay nothing;
  - Perceived as fee for service, but it’s really not;
  - Unpredictable for systems and bad business practice to bill every 3 to 5 years.
What do other States do?
## Some Annual Fee Options…

<table>
<thead>
<tr>
<th>Connection fee with sliding scale, e.g. WA</th>
<th>Flat connection fee, with or w/o cap or min.,</th>
<th>Fee based on water sales or production,</th>
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<tbody>
<tr>
<td>&lt;14</td>
<td>MT $2, $100 min.</td>
<td>OR PUC: $0.003 x sales</td>
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<tr>
<td>15-99</td>
<td>VA $3, $160K cap</td>
<td>VT:</td>
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<tr>
<td>100-499</td>
<td>MN $6.36</td>
<td>CWS: $0.05/1000gal;</td>
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<tr>
<td>500-999</td>
<td></td>
<td>NTNC $0.0355/1000gal;</td>
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<tr>
<td>1,000-9,999</td>
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<td>TNC $100</td>
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<tr>
<td>10,000-95,000</td>
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<td>&gt;95,000</td>
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Planning for 2019, next steps…

- DWS 2019 Legislative Concept proposed.
  - Replacement of Survey Fee with Annual Regulatory Fee.

- Public Health Division compiling and prioritizing Legislative Concepts internally, by December.

- DWS, with partners, developing program needs (costs) and a proposed rate structure.

- Plan to engage Stakeholders to explain the need and proposal, receive feedback.

- If there is inadequate support for revised fees, then deregulate.
Drinking Water Services--Conclusions

Continued success is dependent on the sustainable funding and partnerships:

- Local Health Dept’s
- Dept of Agriculture
- Oregon DEQ
- Infrastructure Financing Authority
- Oregon Public Health lab/ORELAP
- Operators of Public Water Systems
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