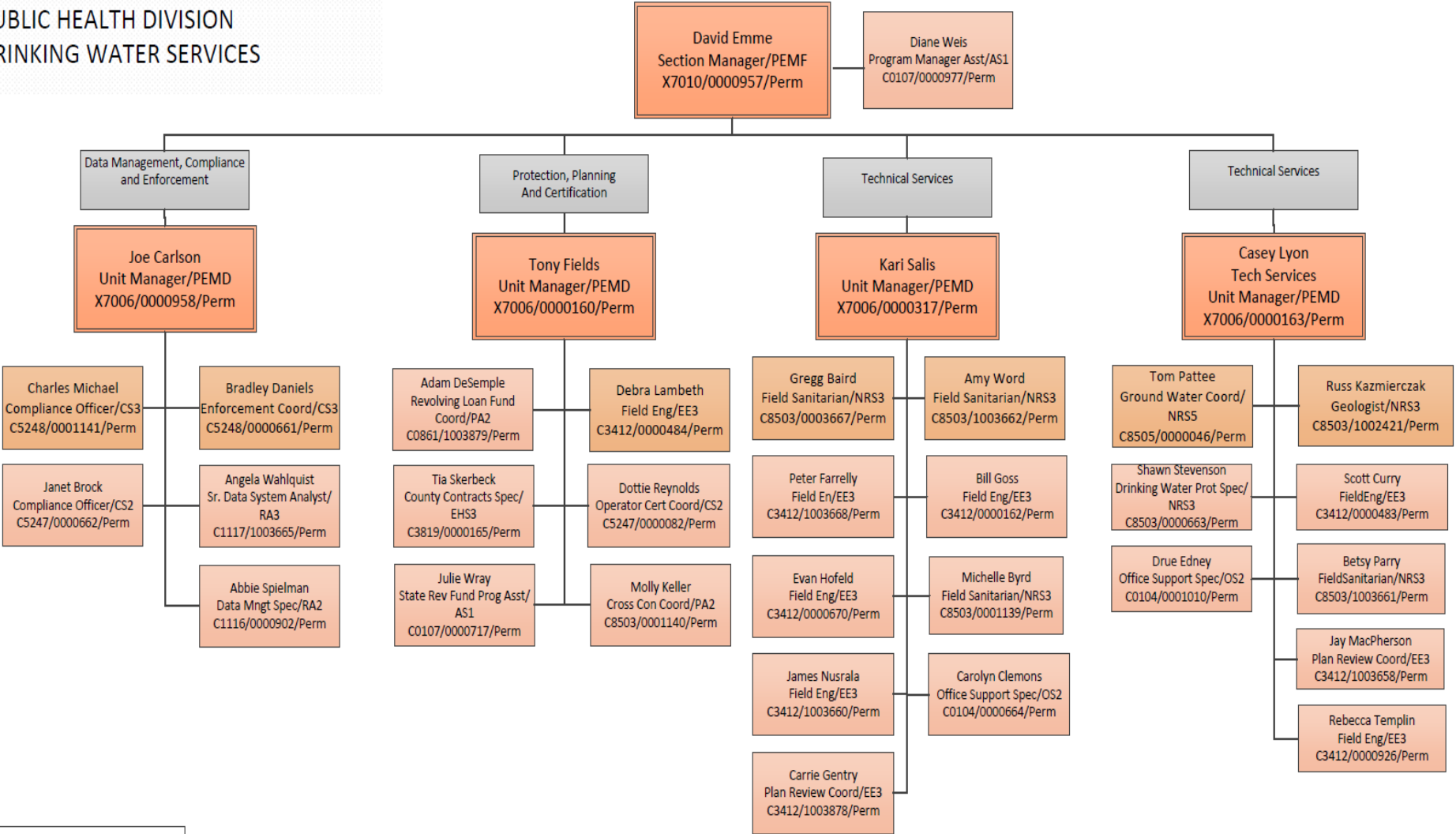

Drinking Water Services

Dave Emme, Manager

October 2017



OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION
DRINKING WATER SERVICES



Updated 03/07/17

Drinking Water Program—What we do



Who we regulate--by system type

3,405 Public Water Systems

State Regulated
(10-24 people),
919

Community, 885

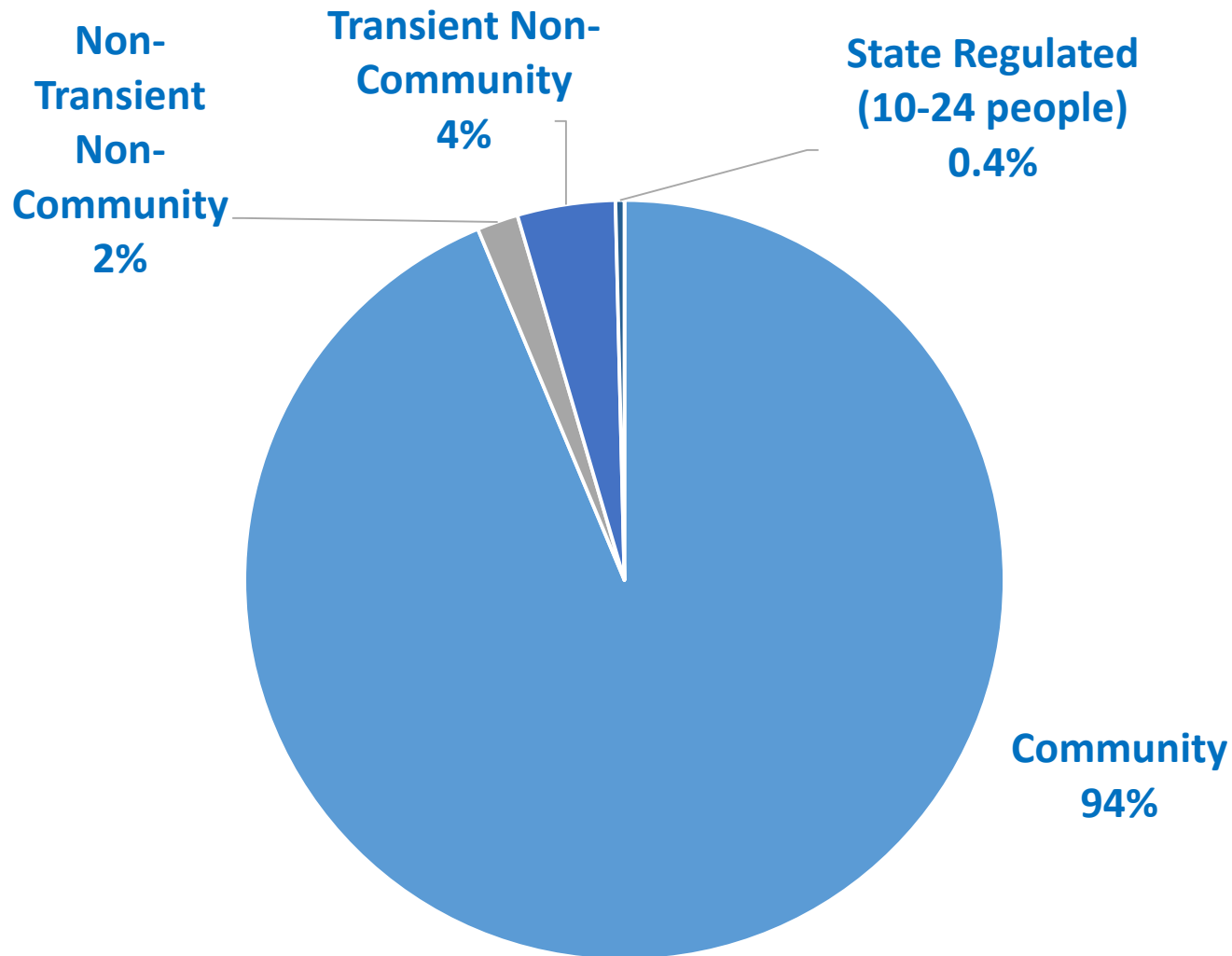
Non-Transient
Non-
Community, 322

Transient Non-
Community, 1279

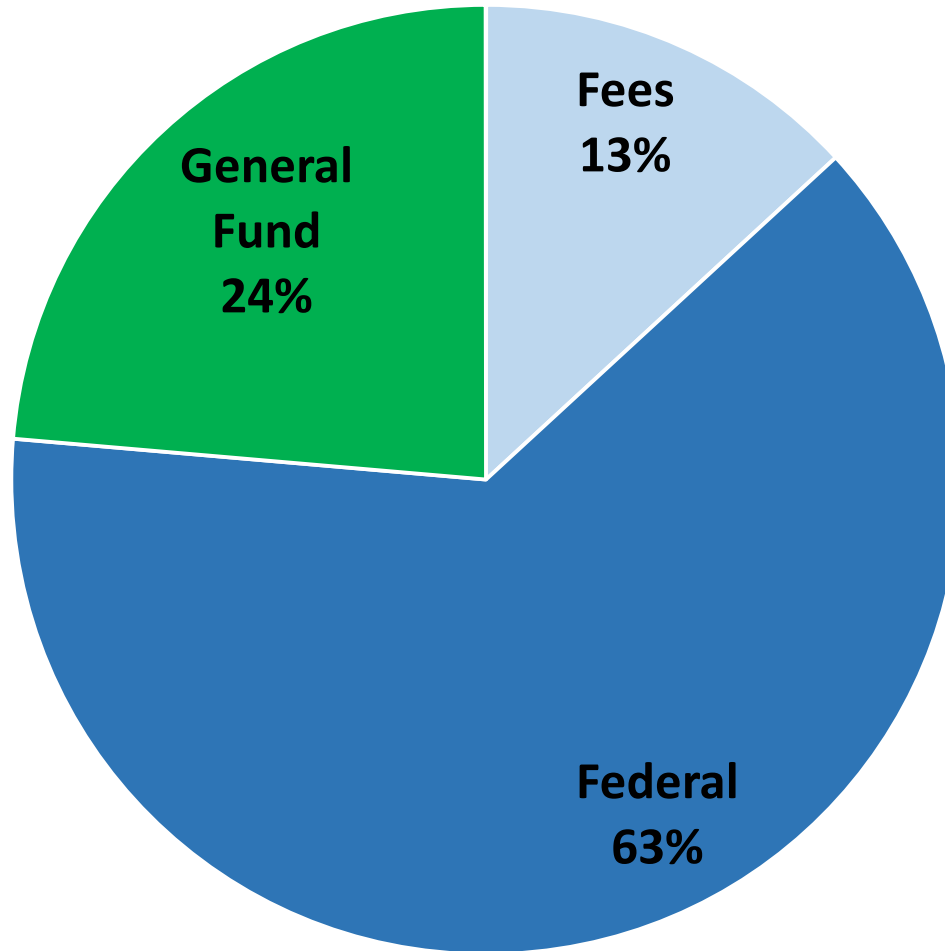
PWS/10,000 people

OR	6.07
WA	6.05
U.S. Avg	4.67
CA	2.03
NV	2.00

Who we regulate--proportion of population served by system type

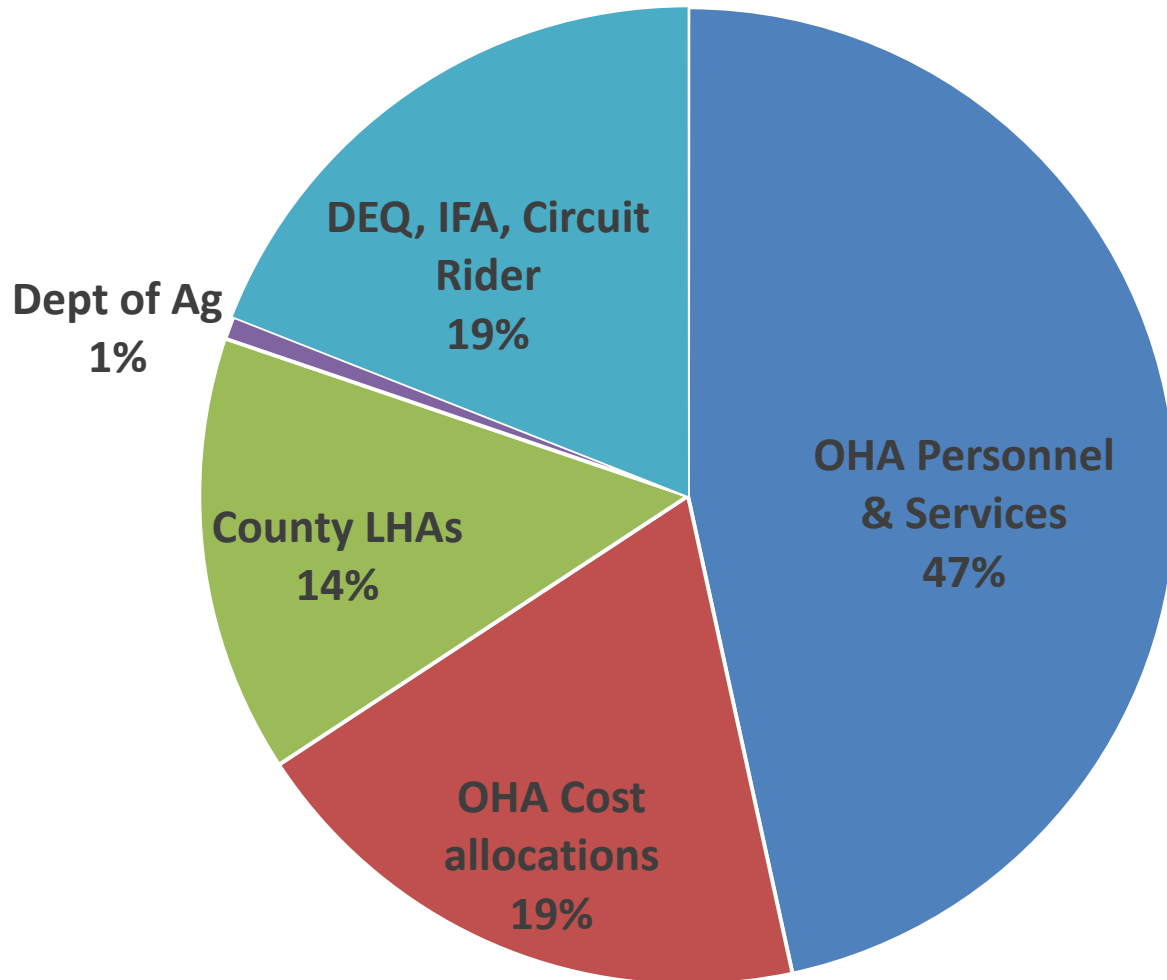


How we are funded--FY17-19

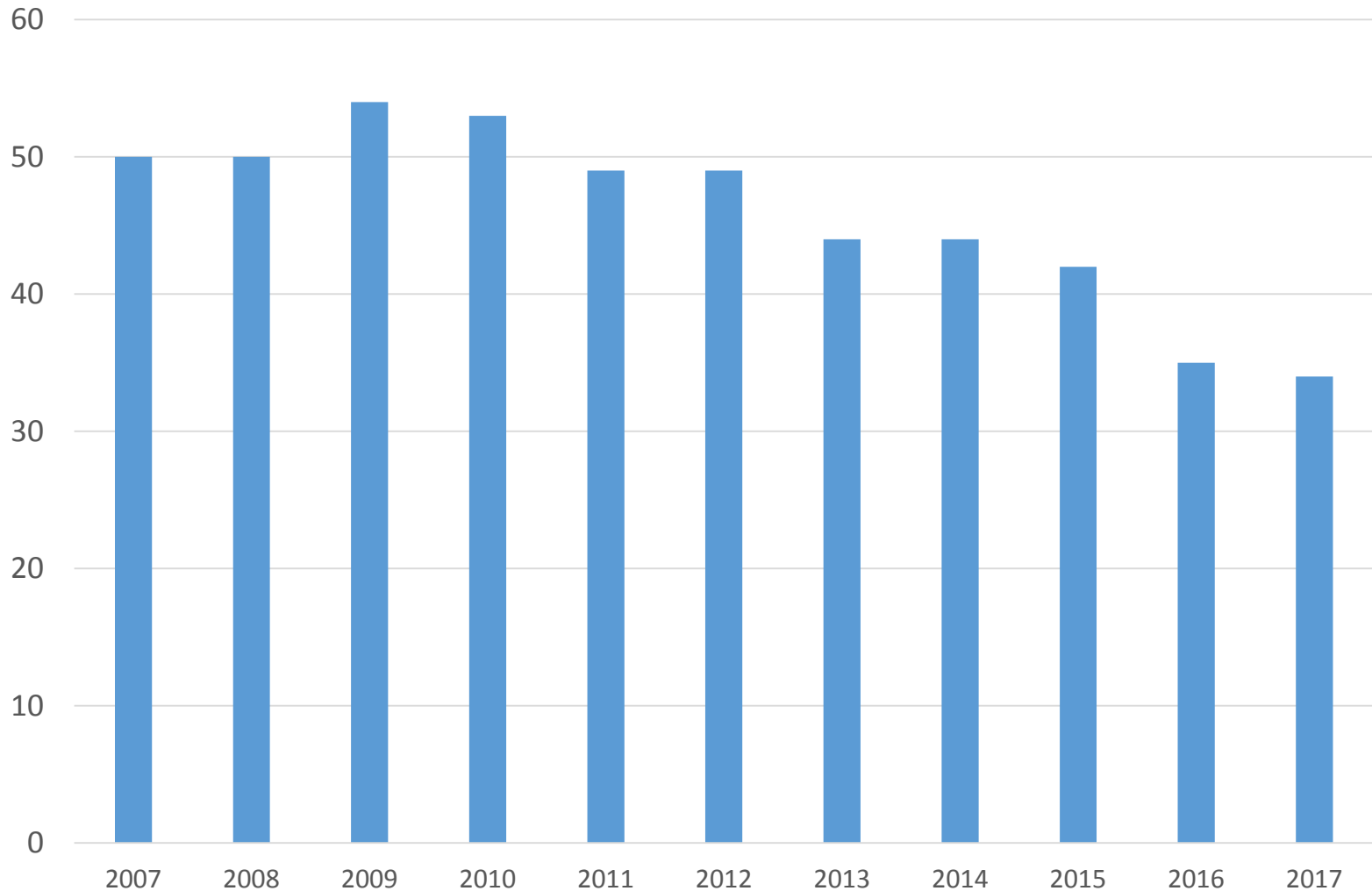


Note:
HB 5026 replaced Med MJ
with Gen Fund for 17-19

Where we spend our budget--FY17-19



Our staffing Trend—35% reduction from 2009



Challenge #1. Can we be more efficient?

- Go digital. Compliance Monitoring Data Portal—electronic lab data. Also exploring e-document management system.
- 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

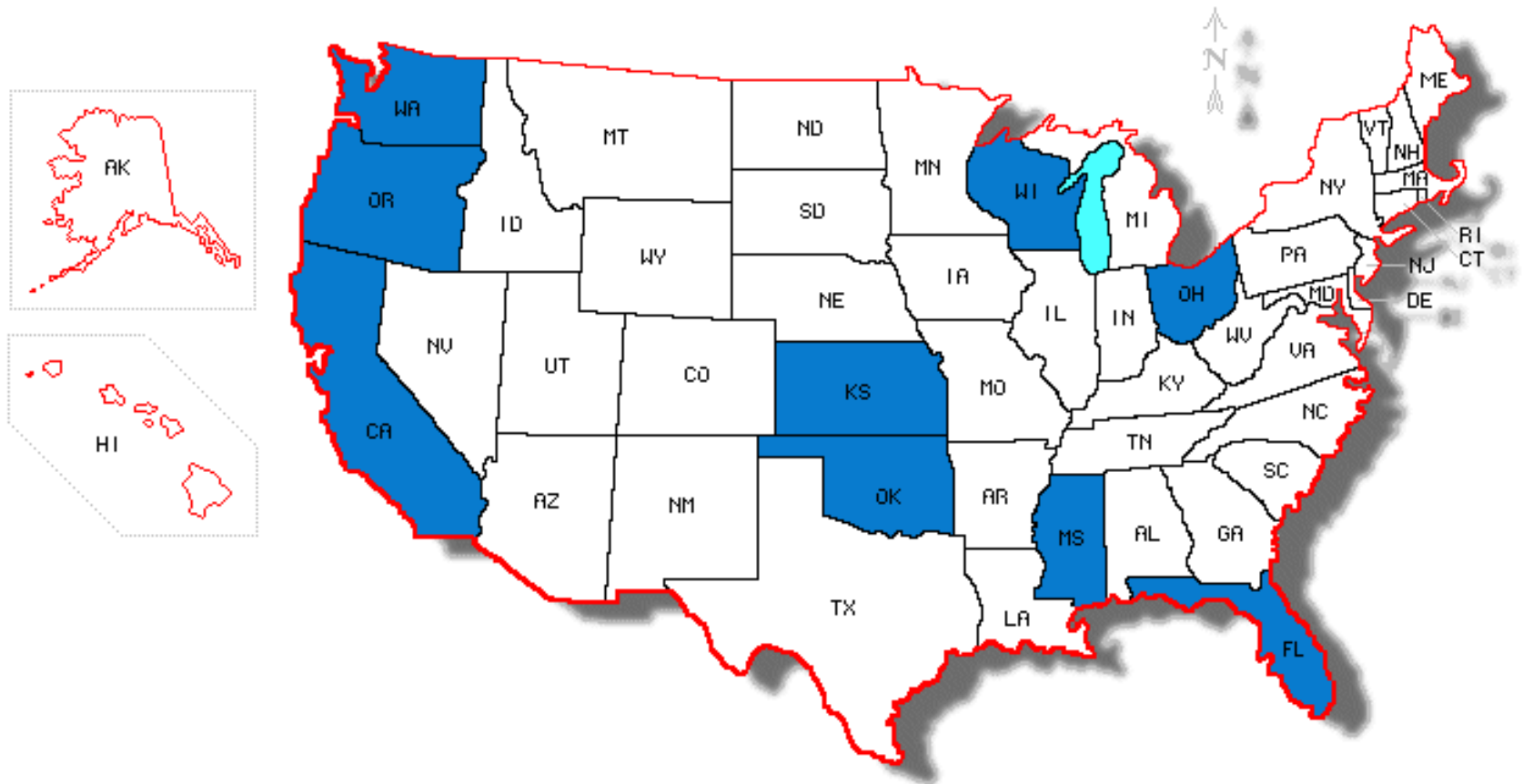
DWSRF Capitalization Grants	
Set-asides 31%	4% DWSRF Admin.
	2% Tech Assist. Small Systems
	10% State Program Mgt
	15% Local Assistance Source protection grants Source water protection Capacity Development
Loans 69%	Loans

- 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.

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

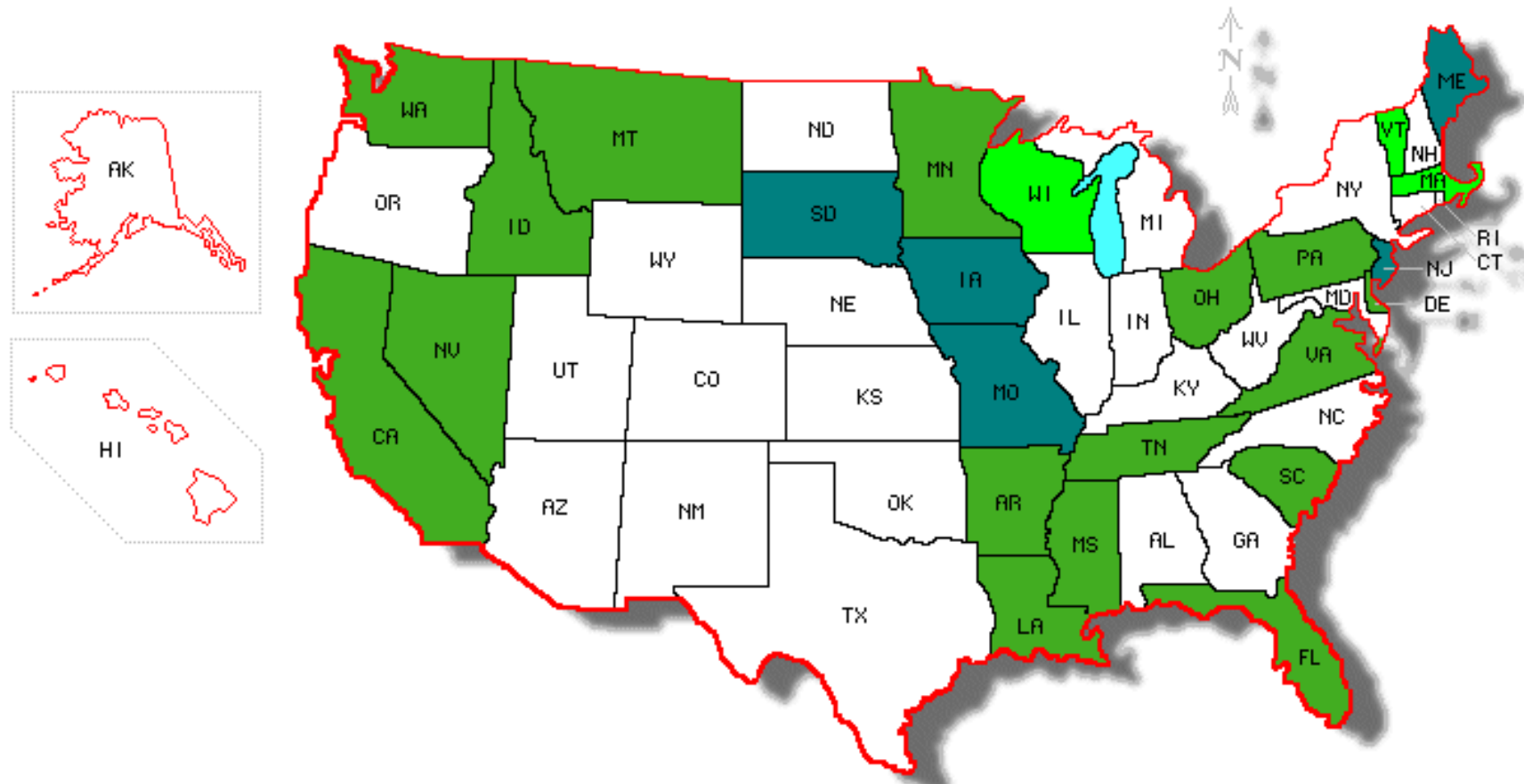
- Propose to retain State Regulated definition in statute but develop limited set of stand alone regulations.
- Internal Workgroup is evaluating potential regulatory schemes.
- Plan to tie this to proposed fee restructuring/increase.

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?

- - Service connections
- - Population
- - Water produced/sold



Some Annual Fee Options...

Connection fee with
sliding scale, e.g. WA

<14	\$1.30
15-99	\$1.25
100-499	\$1.20
500-999	\$1.15
1,000- 9,999	\$1.10
10,000-95,000	\$1.05
>95,000	\$100,000

Flat connection fee,
with or w/o cap or
min.,

MT \$2, \$100 min.
VA \$3, \$160K cap
MN \$6.36

Fee based on water
sales or production,

OR PUC: $\$0.003 \times \text{sales}$
VT:

CWS: $\$0.05/1000\text{gal}$;
NTNC $\$0.0355/1000\text{gal}$
TNC \$100

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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