



# Oregon

Theodore R. Kulongoski, Governor

## Department of Human Services

Office of the Director

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April 24, 2009

The Honorable Margaret Carter, Co-Chair  
The Honorable Peter Buckley, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048



Re: ARRA 2009 Formula Funding - Oregon Safe Drinking Water State Revolving Fund

Dear Co-Chairpersons:

The Department of Human Services (DHS), Public Health Division has received a notice of grant award for increased federal funds of \$28,515,000 for the Oregon Drinking Water State Revolving Fund (SRF). The award period for these funds is October 1, 2008 through March 16, 2010. The original permission to apply for SRF funds was granted to DHS at the January 9, 1997 Emergency Board.

The increased funding is available through the U.S. Environmental Protection Agency (EPA). This notification is retroactive as the request for additional funding was submitted to EPA on March 23, 2009 and awarded to DHS on April 9, 2009. This increased grant funding requires no state matching funds or maintenance of effort beyond the grant award period.

The SRF provides low interest loans to Oregon community and non-transient community water systems in order to meet their infrastructure needs and the safe drinking water standards of the EPA 1996 Safe Drinking Water Act.

Since 1997 the Oregon SRF has received more than \$159,000,000 in funds. The DHS Office of Environmental Public Health (OEPH) administers the Oregon SRF in partnership with Oregon Economic & Community

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Development Department (OECDD) and the Oregon Department of Environmental Quality. The additional ARRA allocation will provide funding for "shovel ready" water system projects that may have been postponed due to lack of financial resources. The ARRA funds will also increase Oregon's employment profile, and stimulate the state's economy.

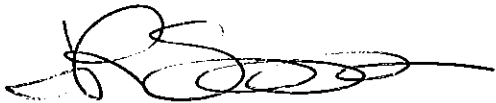
For this ARRA allocation, 97.5% will be used to fund community water system projects throughout the state. Of the remaining 2.5%, a small amount will be retained within DHS, OEPH to provide funding for an existing position to coordinate and oversee the program activities, and a portion will be used to fund contractual agreements with our partner agency OECDD in developing and monitoring the loan contracts to water systems.

At the end of the ARRA funding cycle, the Oregon SRF will continue the base program, which averages \$12,000,000 per year. SRF allocations are based on a national quadrennial infrastructure needs assessment conducted by EPA. There is no expectation that the state will provide continued funding at the ARRA level.

This grant furthers the DHS mission to assist Oregonians to become independent, healthy and safe by ensuring that all Oregonians have safe drinking water. DHS will return to a future Emergency Board for any necessary expenditure limitation adjustments.

For additional information, please call Gail R. Shibley at 971-673-0403.

Sincerely,



Jim Scherzinger  
Deputy Director of Finance

CC: John Britton, Legislative Fiscal Office  
Sheila Baker, Legislative Fiscal Office  
Blake Johnson, Department of Administrative Services