

March 3, 2017

The Honorable Michael Dembrow, Chair
The Honorable Alan Olsen, Vice-Chair
Senate Committee on Environment and Natural Resources

REGARDING SUPPORT FOR SENATE BILL 812

Dear Senators,

Last year, the Oregon legislature enacted the Septic Systems Replacement Program (Senate Bill 1563), creating in Oregon the first-ever program designed to help homeowners and small businesses replace their failed systems. In less than six months time, the program has served families in over 11 cities and 12 counties across the state, installing systems that will treat over 1.5 million gallons annually of wastewater. The \$200,000 initial investment made by the Oregon legislature has been matched by an additional \$350,000 in private philanthropy. In short, the program has been proven to be a successful and cost effective way to help Oregonians replace their failed septic systems and promote healthier communities and natural systems.

Senate Bill 812 makes three useful changes to this program. The first two changes would clarify the program's focus, ensuring that it does not require small businesses or homeowners to replace systems not required by law or policy. The other proposed change would allow an owner to borrow an amount less than the full system replacement price. Upon implementation it was discovered that the law requires borrowers to borrow the full amount required to replace a failed system. While in some instances borrowers need to loan the full amount, we do not want to require small businesses or homeowners to borrow more than they need. This correction would also help stretch the dollars available to make loans to other customers.

Oregon's septic system replacement program is an excellent example of public private partnership, one that improves the health of communities and natural systems, and shifts program administration and lender risk to non-profit entities capable of managing risk and

leveraging private capital to help public dollars serve more people. Senate Bill 812 makes important improvements upon this program; we strongly endorse these changes.

Sincerely,



OREGON WATER UTILITY COUNCIL
Pacific Northwest Section, American Water Works Association

