

Item 7: Oregon Business Development Department

Warm Springs Emergency Water Infrastructure

Analyst: Steve Bender

Request: Allocate \$3,580,000 General Fund from the Emergency Fund to the Oregon Business Development Department (OBDD), for infrastructure, for improvements to the Warm Springs Indian Reservation water and wastewater systems.

Description: The water and wastewater systems serving the Warm Springs Indian Reservation need major improvements to support the health of residents and support economic growth. The U.S. Environmental Protection Agency (EPA), under the provisions of the federal Safe Drinking Water Act, identified deficiencies and ordered improvements to the systems as well.

During the 2019 session, the Legislature authorized \$7.8 million of lottery revenue bond proceeds for systems improvements. State lottery revenues have declined as a result of the COVID-19 pandemic, however, and to comply with provisions in the State's Lottery Bond indenture, the approved lottery bonds will not be issued.

The Confederated Tribes of the Warm Springs developed a reduced request, to allow critical components of the infrastructure improvement plan to be completed. These components would provide residents with clean potable water and address EPA orders. The \$3,580,000 request would finance a number of specific improvements, including upgrades to the Water and Wastewater Treatment Plants; and improvements to the water distribution system, such as installation of redundant water mains to address breaks in the existing pipe network.

Recommendation: The Co-Chairs of the Emergency Board recommend approval of an allocation of \$3,580,000 from the Emergency Fund to the Oregon Business Development Department for infrastructure, for improvements to the Warm Springs Indian Reservation water and wastewater systems.