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**Julia Baumgartner**

Community Development Programs Manager

January 22, 2025

**To: House Committee on Agriculture and Natural Resources**

**Re: HB 2168**

Dear Co-Chair Helm, Co-Chair Owens and Members of the Committee,

Central Oregon Intergovernmental Council (COIC) is the region's Council of Governments serving Crook, Deschutes, and Jefferson Counties, including the Confederated Tribes of Warm Springs. We are writing in support of HB 2168, which would appropriate funds so that DEQ could continue to administer financial assistance offerings for septic systems.

In 2023, COIC, in partnership with Crook, Jefferson, and Deschutes Counties and the Confederated Tribes of Warm Springs received \$2,453,045 through DEQ's Onsite Septic Financial Aid Program to administer the Central Oregon Septic Assistance Program (COSAP). This program has awarded \$1.8m in grants directly to low- and moderate-income homeowners to repair or replace their failing septic systems or connect to sewer. COSAP prioritized projects from homeowners who were seniors (65+), veterans, and the lowest incomes. Projects were also evaluated by severity, including threat to public health and risk to local groundwater and surface water sources.

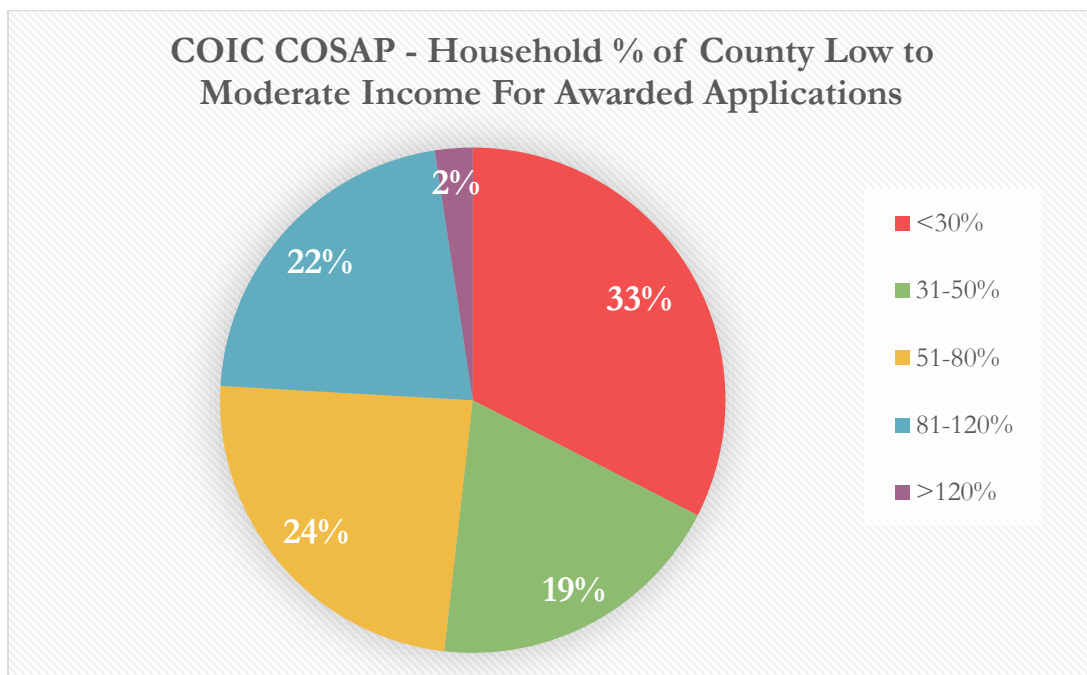
Our region's high water table and copious volcanic rock make installing septic systems and sewer connections expensive. In some areas, like south Deschutes County, we retrofit old, substandard systems into newer, more efficient nitrogen reduction systems to protect the water table. In parts of Crook and Jefferson County, we've funded projects to decommission noncompliant 50-year-old drill holes and installed new systems. On the Warm Springs Reservation, we've partnered with Warm Springs Public Utilities to replace nearly \$400,000 worth of failing systems in some of the most remote areas of the reservation.

Below we have included several statistics on our program:

- 272 applications were received over two rounds of funding.
- 101 households have been awarded grants, which includes 87 households with completed projects and 14 households with projects in progress.
- The overall average cost to replace a septic system was \$22,171.09.

- When residents opted to, or were legally obligated to connect to municipal sewer, the average cost of that connection was \$21,532.51.
- The average cost of a septic repair/replacement in the Confederated Tribes of Warm Springs reservation septic repair/replacements is \$29,368.

Our program aimed to serve households most in need of financial assistance, and the pie chart below shows the income breakdown for awardees. 76 percent of awarded households had incomes at or below 80 percent AMI, which is equal to \$48,650 for a two-person household. A third of our awarded households had income below 30 percent AMI, or around \$15,000 annually. We prioritized households with the lowest incomes due to limited funding, however many moderate-income households in Central Oregon still struggle afford the \$20,000-30,000 cost of a septic system replacement.



Our waitlist for approved projects consists of over 100 households, and we are certain the need for septic replacements in Central Oregon goes well beyond that number simply due to the age of most systems. The need is particularly acute in our rural communities that rely on decentralized wastewater treatment.

In doing this work, our team was made aware of the major, often hidden danger of failing septic systems in our community. Many of the homeowners we worked with would not have been able to replace their failing system or connect to city sewer without this grant funding; the cost is just simply too high. We provided new systems to residents whose failed septic was so bad, effluent was pooling in their yard, backing up into their home, or leeching into the groundwater without their knowledge. Failing septic systems pose serious health risks for low-income

homeowners, many being elderly, single-parents, or people with disabilities, as well as create environmental damage in their communities.

Not only are systems failing, but many also do not meet current code standards. For example, there is a neighborhood in Madras where several homes use individual drill holes for human waste. During the winter when the water table rises, so does the sewage, which you can smell throughout the neighborhood. The sewer line is too far for some households to connect and because lot sizes are small, septic system installations cost upwards of \$30,000.

Maintaining healthy septic systems and assisting with septic-to-sewer conversions are critical to achieving the State's goal of preserving affordable housing and preventing low-income families, seniors, and veterans from entering homelessness. This is a real risk for many homeowners whose homes may be condemned due to failing systems.

The direct grant and loan assistance for homeowners outlined in this bill will likely improve public health, maintain safe drinking water, preserve the environment, and aid in solving the statewide housing crisis. There are very few resources available to support this type of work, and with the Legislature's support we can make progress towards solving this urgent issue.

This funding has been transformational for many Central Oregonians and that is largely due to the accessibility of available grants made possible by DEQ's OSFAP program. Many homeowners cannot afford loan repayment, so a combination of loan and grant programs are necessary to ensure homeowners with the greatest need can access these resources.

Sincerely,



Julia Baumgartner

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