

UMPQUA BASIN WATER ASSN.

DOUGLAS COUNTY, OREGON

Rural People Join Hands To Obtain

W A T E R



September 17, 1966

Financed by USDA's
Farmers Home Administration

FIRST LOAN FOR WATER SYSTEM

The Umpqua Basin Water Association in west-central Douglas County, Oregon, was the first rural water system in Oregon to be financed by a loan from the Farmers Home Administration under the provisions of the Aiken-Poage bill (Public Law 89-240), which was signed into law by President Lyndon Johnson, October 7, 1965.

Financial assistance from the Farmers Home Administration consists of a \$1,015,000 loan and the members of the water association are contributing \$70,000 received by assessing \$100 to each water user hooking up to the system. Loan indebtedness per family will average about \$1,400, but will undoubtedly drop considerably since another 300-400 families will be joining the system. The Farmers Home Administration loan bears 5 percent interest and will be repaid over 40 years through a monthly charge for water service paid by those connected to the system.

The project is one of the biggest to date west of the Mississippi River.

ABOUT THE UMPQUA BASIN WATER ASSOCIATION

The Umpqua Basin Water Association is a nonprofit corporation organized under provisions of the Oregon Cooperative Corporation Act and composed of between 700 and 800 rural families living in the rural areas of Garden Valley, Melrose and Wilbur, north and west of Roseburg.

Valley land in the area is fertile and the scene of a diverse agriculture especially garden crops and nut and fruit orchards. Hill land produces rich pasture and the famed Douglas fir tree. Sheep and beef



William E. Garrison, left, member of the Umpqua Water Basin Board of Directors and Peter B. Serafin, Board president deposit 'time certificate' in vault of 1st National Bank of Oregon (Roseburg branch). Certificate represents FHA loan money and hookup assessments which have been temporarily invested in interest bearing certificates until needed to meet the water system's construction and installation costs.

cattle are produced in the area. The adjacent city of Roseburg is called the timber capital of the nation and headquarters a thriving forest products industry.



Peter B. Serafin, right, a long-time resident of Douglas County, serves as president of the Umpqua Basin Water Association. Other leaders are from left, Stanley G. Schmidt, FHA county supervisor headquartered at Roseburg, who processed the loan; Warren A. Woodruff, attorney for the district; William E. Garrison, board member, Joseph M. Morgan, vice-president; Dr. Richard L. McDonald, board member; and Arthur V. Faulkner, secretary-treasurer. Board members Robert Miller and Donald B. Harmon were not present when the picture was taken. Engineering firm for the association is Clark and Groff, Inc. of Salem.

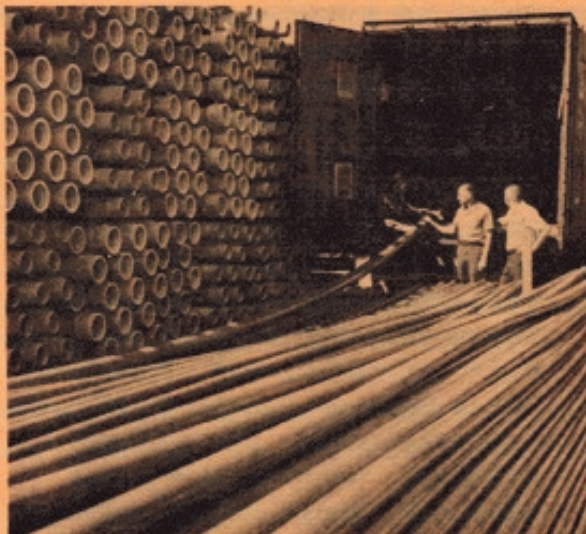
ABOUT THE NEW CENTRAL WATER SYSTEM

The Umpqua Basin Water Association will tap the North Umpqua River which winds its way through the three water-using communities in the association. Water will be taken into the system through a pumping station adjacent to and downstream from the new Brown's Bridge spanning the North Umpqua River on Garden Valley Road. It will be filtered and chlorinated in a plant at the water intake point and then pumped to five storage tanks with a total capacity of 1.1 million gallons strategically located on hill-tops with 700 to 1,000 feet elevation along the water distribution line. Some 57 miles of 2 to 12 inch pipeline will be used to distribute the water throughout the more than 50 square miles hill and valley land in the



Art Faulkner, right points to water system intake point on the bank of the North Umpqua River as FHA Supervisor Schmidt looks on.

Umpqua Basin. Three contracts have been let: (1) \$86,492 for the five storage tanks, (2) \$232,600 for the water treatment facilities and (3) \$688,735 to install the pipeline.



Nearly 60 miles of 2 to 12 inch pipe will be required to carry water to some 800 families--all rural--who will be on the water system. Construction started August 29, and water is expected to be on tap in families' homes in January 1967.



From left, W. L. Woody, caterpillar tractor operator, Winchester; Hank Etter, shop superintendent, Arthur V. Faulkner, association secretary-treasurer, and Stanley G. Schmidt, FHA county supervisor, at water-intake and treatment site on bank of Umpqua River review water system blueprints.

The water association plans to charge each water user a minimum of about \$6.60 per month. For this fee, the association agrees to supply 3,000 gallons of water, monthly. Members needing more water will pay a graduated lower fee.

President Peter B. Serafin reports that the water revenue will be used to repay the principal and interest on the Farmers Home Administration loan, pay all costs of operation and maintenance of the water system, and provide funds to meet replacements and additions to the system and unforeseen contingencies.

ABOUT THE AIKEN-POAGE BILL (PUBLIC LAW 89-240)

Recognizing the problems faced by thousands of rural communities in obtaining adequate financing for central water systems and other needed facilities, Senator George D. Aiken of Vermont, ranking minority member of the Senate Agriculture Committee, drafted and introduced into the

Senate in the last session of the Congress, a bill, S. 1766, known as the Aiken Bill. The bill's popularity is evidenced by the record which shows that 92 other Senators joined in as co-sponsors. The bill was introduced into the House by Congressman Bob Poage of Texas, chairman of the House Agriculture Committee. Congressman Robert Duncan of Oregon joined Congressman Poage in support of the bill and testified in its behalf during hearings held by the House Agriculture Committee. The bill authorized the Farmers Home Administration, a U. S. Department of Agriculture rural credit agency, to extend up to \$4 million in financial aid to a rural community for the development and improvement of a central water system or waste disposal facility.

HOW IS FINANCIAL ASSISTANCE EXTENDED

A rural community, including rural towns not exceeding 5,500 population, needing funds to install or improve a central water system or waste disposal facility and unable to obtain this credit from other sources may apply at the county Farmers Home Administration office serving the area. Anyone unable to locate the local office may write the Farmers Home Administration, U. S. Department of Agriculture, Washington, D. C. 20250.

HISTORY OF UMPQUA BASIN WATER PROBLEMS

Many wells in the area are inadequate both in quantity and quality of water. This problem is compounded in the summer and fall months when rainfall in the area is seasonally quite light. Some homes in the basin have wells and septic tanks located in close proximity to each other, bringing about problems of water pollution and chances for outbreaks of hepatitis and other waterborne diseases. Many families haul water from Roseburg and housewives take their laundry to town for washing.

The system, now under construction, is expected to be in operation by mid-winter, 1966-67.

Mrs. Richard L. McDonald of Roseburg finds that their well usually runs dry within a short time after she starts to water flowers and garden. Wells in the area usually recharge themselves quite slowly and a number of wells also have problems of excessive iron, sulphur and bad odors.



PROGRESS IN DOUGLAS COUNTY

In June 1965, FHA County Supervisor Stanley Schmidt closed the first association loan (\$30,000) ever made in Douglas County to provide water to a rural community. This loan was processed under FHA authorities in existence before enactment of the Aiken-Poage Bill early in 1966. The old authorities contained much lower limits (1) on the amount of funds available nationally, (2) on the size of community that could be aided, and (3) the amount that could be loaned to any one group. In addition, there was no provision made for (1) financial assistance for sewer systems as well as water systems, (2) grants to accompany loans when needed, and (3) preparation of comprehensive area plans for water and sewer systems. Authorities contained in the Aiken-Poage Bill seemed to be tailored to Douglas County.

Presently, FHA County Supervisor Stanley Schmidt has in process 9 applications for financial assistance to groups totaling some \$2,585,500.

When installed, these community facilities will benefit some 16,000 people.

The name of the group, type of loan, estimated financial assistance and proposed use of loan funds follow:

- (1) Sutherlin Water Control District, watershed loan, \$462,000, to provide 64,000 acre feet of water storage for City of Sutherlin.
- (2) City of Sutherlin, watershed loan, \$50,000, share with Sutherlin Water Control District cost of storing water and to pipe the water to the city's present treatment plant.
- (3) Umpqua Basin Water Association, \$1,015,000, complete water treatment and distribution system.
- (4) Dixonville Water Association, \$212,500, to construct a water distribution system (water will be purchased from Oregon Water Corporation).
- (5) Lookingglass Water Association, \$180,000 loan, \$80,000 grant, store and pipe water to families in the area (water will be purchased from the Umpqua Basin Water Association).
- (6) Glide Cooperative Water Users Association, \$18,000 subsequent loan, to construct building over the water treatment facilities and to replace water intake system.
- (7) City of Yoncalla, \$83,000 development grant, \$174,000 loan (Health Education and Welfare will also provide a \$54,000 grant), to construct a complete sewage collection and treatment system.

- (8) City of Oakland, \$78,000 development grant, \$133,000 loan (HEW will also provide a \$38,500 grant), to construct a complete sewage collection and treatment system.



Open sewer ditch in town of Oakland. Town's 8-inch water main is less than 30 inches beneath this ditch.



Mrs. Eugene B. Cherry, left, resident and water meter employee of Oakland, and FHA Supervisor Schmidt, in main-street of Oakland. Town has applied for FHA financial assistance to construct a complete sewage collection and treatment system.

- (9) City of Winston, about \$100,000, to construct an 18-hole golf course, club house, and related outdoor recreational facilities.

The City of Elkton and The City of Drain have also made inquiries to County Supervisor Stanley Schmidt concerning financial assistance to improve their water and sewer systems.

* * * * *

FARMERS HOME ADMINISTRATION OFFICIALS - NATIONAL, STATE, COUNTY



A native of Oregon, Mr. Howard Bertsch, national administrator of the Farmers Home Administration, has spent his entire life in rural credit and financial management. Under his leadership Farmers Home Administration services are currently benefiting more than 2.5 million rural people through improved housing, water and sewer systems, recreational facilities and farm development. Funds totaling \$1,088,500,000 were advanced by FHA.

Since Robert V. Pierce's appointment as state director of the Farmers Home Administration for Oregon, the agency's program in the state has seen steady progress. Number of people benefiting from services and total lending volume have tripled. More than \$12 million was loaned this past fiscal year.



Stanley G. Schmidt is the FHA county supervisor for Douglas and Coos Counties and is headquartered in Roseburg. Though the county office has only been in operation for two years, Mr. Schmidt has developed an active well-balanced program and is among other things currently working with 12 communities in obtaining improved facilities including water and sewer systems.