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Rural waterworks need bigger flood of cash than stimulus promises

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Everything was working fine in Rudyard, until the trees grew.

Roots broke through 60-year-old clay pipes and sewer water began backing up in basements throughout the small Hi-Line town.

One house flooded more than a dozen times in a year. A black ring circled an elderly woman's basement, where the sewer water was 6 feet deep before it drained.

Replacing the pipes throughout the community carries a \$1.5 million price tag — much too steep for the 125 customers using the system.

Throughout the state, approximately 100 water and wastewater projects are starving for cash to begin construction. Even as Congress is ready to infuse the economy with billions of dollars for infrastructure, many of Montana's small towns see the economic stimulus bill as just a start.

"That stimulus money is going to help some people, but it isn't going to come close to covering what we need here in Montana," Rudyard County Water and Sewer District Board member Rick Pesper said.

Much of the state's water infrastructure was built in the 1950s and '60s and now needs to be replaced.

Booming towns in western Montana have water and sewer systems built for smaller populations. Meanwhile, the shrinking and aging towns in the eastern part of the state don't have the incomes to pay for expensive upgrades.

Still others need new systems because the state and federal standards for what's considered clean are more stringent.

- In Bynum, each day people choose between taking a shower and washing a load of clothes because the system of individual wells has run dry;
- The clay pipes running beneath Cascade date back to the early 1900s, and contaminants from long-gone fuel stations and sewer pipes can seep into the drinking water where the pipes connect about every three feet; and
- Conrad faces fines of \$25,000 a day if it doesn't make progress in replacing its outdated sewer lagoons with a new wastewater treatment plant.

Montana stands to gain about \$626 million from the stimulus bill. Of that, almost \$212 million will be

pumped into improving highways, compared to \$39 for water systems.

Water and sewer projects aren't an easy sell — no one clamors for naming rights on a sewer treatment plant.

And, unlike roads, people can't see how badly pipes are crumbling beneath the ground.

"People tend to take water and wastewater for granted," said Paul LaVigne, who oversees the state Department of Environmental Quality's revolving fund for wastewater projects. "People turn on the tap and expect water to be there and people flush the toilet and that's it. They don't think anything about it."

Federal money for such projects slumped during the past decade — just as the need for infrastructure stepped up.

As part of the stimulus package planning, states were asked to assemble lists of projects that are shovel-ready, meaning they have cleared all the planning hoops and construction can begin in the next three to 18 months.

Montana's shovel-ready list topped \$3.1 billion.

The state Department of Commerce, which channels funding for infrastructure other than highway projects, listed projects worth \$243 million. All but about \$15 million of that was for water and wastewater improvements.

The Department of Natural Resources' list of water-system projects is almost as long, but it includes even more types of projects — from dams to fisheries.

Those requests would cover just a portion of the actual costs. Communities will need grants and increased water rates to pay for the rest.

Over the past decade, the burden of paying for water infrastructure has shifted onto the state's shoulders.

The Community Development Block Grant program, which was created in 1974, funds infrastructure projects in communities with less than 50,000 people. In fiscal year 1995, the program's funding peak, Montana received \$8.7 million.

Additionally, the Legislature decided to tap interest from the state's Permanent Coal Trust Fund to pay for infrastructure programs beginning in 1992.

The state chips in roughly \$15 million annually through Treasure State Endowment grants to help communities pay for infrastructure. The DEQ also has a revolving loan program with a low-interest rate that communities can pay back by raising water rates.

Rather than completely funding a few rural projects, Department of Commerce Director Tony Preite spreads the grants around. Next year, he hopes to partially fund 32 projects.

The federal stimulus program will help pay for seven to nine projects.

"It will help us do numerous necessary projects, but in no way can we do all of the projects that we need to address over the next few years," Preite said. "We've had requests for 50, 60, even 70 projects every year.

"Next year, there will be another 50, and the year after that 50 more," he added.

In prioritizing projects, federal and state grant programs look at how much the project is needed and how much of a burden paying for it will put on local communities. The system helps small towns get placed high on the list.

Additionally, once water and wastewater bills top 2.3 percent of the median income, communities can apply for grants to pay for the rest of the project.

But, incomes already are low and water bills are high in places such as Judith Gap.

In 2001, the town finished \$1 million in improvements to its lagoon sewage treatment system in order to meet state standards. The system, designed to meet the needs of 500 people, filled up and had to be pumped out within six months.

Crews eventually discovered that an underground pipe had cracked, causing drinking water to fill up the lagoon.

Most of the town's water pipes are decades old and made of clay, ceramic tile or, in some cases, cast iron. Replacing them will cost nearly \$1.7 million, meaning water rates for residents would double to an average of more than \$100 a month without funding help.

The plan was to do the work when the Montana Department of Transportation resurfaces the highway through town, but that project has been on hold for nine years.

"We have emergency repairs all the time that we just fund out of our budget the best we can," said Mayor David Foster. "You just can't keep up in a small town. The federal money has got to keep coming."

Water and wastewater systems are expensive, and costs are only going up.

Three years ago, Conrad hoped to replace its lagoon wastewater system for \$1.7 million. Now a plant that would cost about \$4.5 million is needed to meet state standards.

Construction costs inflate 10 to 15 percent each year. If there's any good news in the economic downturn, it's that those costs have stabilized.

Dutton is seeking \$1.7 million to upgrade its 1970s sewer lagoons to meet standards. Mayor Susan Fleshman said that, between lift stations, lagoons and plastic pipe, the costs to build and maintain a small-town system are astronomical.

The higher costs for rural towns are a result of them not having engineers on staff, having fewer residents to share the financial burden and more demanding state and federal standards.

Congress passed the Clean Water Act in 1972, which set standards for wastewater cleanliness and rules to prevent sewer lagoons from leaking. The federal government put money into construction grants to help communities pay for the upgrades needed to meet those standards. The program was phased out in the 1990s.

Since then, researchers have discovered new dangers that can be found in wastewater — namely nitrates, which in high concentrations can wipe out fish and promote algae growth in rivers.

Other standards are more stringent to protect people from particles known to cause cancer.

Small fixes to Conrad's lagoon system wouldn't cause it to meet the new standards, so the town is looking to switch to a treatment plant.

To pay for the project, Conrad is cutting costs and raising money wherever possible. The town is even selling the sludge from the old lagoons as fertilizer.

"We need to look at funding these mandated infrastructure improvements," Conrad Mayor John Shevlin said. "I don't consider meeting federal DEQ or EPA (Environmental Protection Agency) requirements pork. That's money well spent."

Though it rarely happens, the law allows the state to fine communities a maximum of \$25,000 for each day they fail to meet standards. LaVigne said that as long as towns show they are making progress, they can avoid enforcement action.

Towns such as Conrad and Judith Gap are at the top of the list for funding. But dozens of other towns have little hope that the stimulus money will pay for their water or wastewater improvements.

"This could be a wakeup call, when they see the amount of money that's needed in these communities for infrastructure," Shevlin said.

In Kevin, the town's 179 people must boil or buy their water because the current system doesn't meet DEQ safety standards. To fix the system, water rates would have to go up as much as \$100 a month.

To replace Cascade's pipes, storage container and fire hydrants, the 360 water users would be burdened with a \$3.5 million bill. Without the improvements, contaminants can seep into drinking water whenever firefighters open a hydrant.

"It's a lot of money for that many people to pay for," said project manager Craig Pozega with Great West Engineering in Helena. "The economics of these projects are very difficult."

Rudyard has used grants to replaced roughly two-thirds of its underground pipes with 8-inch plastic pipes. It still needs \$655,000 to finish the job.

"There is just no way in the world that we could do it on our own," Pesper said, noting users pay about \$60 a month in water fees during the winter months. "These grants are the only way our small towns will survive."

Dutton already has raised water rates to build capital to cover what grants won't. However, since the town's project isn't ranked high enough to get state grants anytime soon, its lone hope for progress on the water project is the federal stimulus package.

"We need this before something catastrophic happens," Fleshman said. "Our citizens want to help us, but at some point you can't keep making people pay, pay, pay. They still have to live."

"Unfortunately, what happens is people move. They can't afford to live here anymore," she added.

The tiny unincorporated town of Bynum may be closer than others to dying of dehydration.

For the past five years, the town has searched for a source of water for its 89 residents. At the same time, Billy Walker, the chair of the town's water and sewer district board, has been searching for a source to pay for it.

Just six Montana towns rank lower on the list to get state funding — and Bynum isn't even on the federal list.

Each house has its own well and septic system, but years of drought mean most wells don't produce enough water.

The hope is to drill a well where there is water and then pipe it 4 miles to town. Walker figures the project will cost about \$1.5 million.

"Honest to goodness, if we aren't 100 percent funded, there's no way," he said. "You're talking to a bunch of poor people."

Walker isn't sure how long the town's three establishments — a tavern, post office and a dinosaur museum — will stay open without better water. Some people have bought land in the area but can't build homes because the state forbids any new septic systems.

"Water is going to become the most valuable resource that we have — bar none," Walker said. "At this point, it's either tough it out waiting for money or move."

Additional Facts

Here's a sampling of needed infrastructure projects in northcentral Montana

The American Society of Civil Engineers issued a report card earlier this month on the country's infrastructure. Drinking water and wastewater systems earned a D-. The group's report also stated that at least \$11 billion needs to be added to the annual federal budget to replace aging facilities.

Leaking pipes lose about 7 billion gallons of clean drinking water daily and an equal amount of untreated sewer water flows into rivers and streams, according to the society's report.

Montana had several water and wastewater systems that failed to make the grade. Here's a sampling of needed infrastructure projects in northcentral Montana, and their estimated costs:

Babb — \$1.46 million for water system

Big Sandy — \$2.7 million for wastewater system

Blackfeet Tribe — \$3 million for water main replacement

Brady Water & Sewer District — \$3.2 million for wastewater

Bynum/Teton County Water & Sewer District — \$1.5 million for water

Carter/Chouteau County Water & Sewer District — \$1.6 million for water

Cascade — \$1.4 million for water

Choteau — \$1.2 million for wastewater

Conrad — \$4.5 million for a wastewater treatment plant

Cut Bank — \$1.1 million for water

Dutton — \$1.78 million for wastewater

Fairfield — \$2.4 million for wastewater

Fort Belknap Tribe — \$2 million for water treatment plant

Harlem — \$2.3 million for water plant upgrade

Harlowtown — \$1.4 million for wastewater

Judith Gap — \$1.66 million for water and wastewater

Loma — \$2.2 million for water

Nashua — \$855,820 for water

Neihart — \$448,000 for water

Rocky Boy's Indian Reservation — \$3 million lagoon expansion

Rudyard County Water and Sewer District — \$648,000 for wastewater

Shelby — \$1.5 million for wastewater

South Chester County Water District — \$244,072

Sweet Grass Community Water and Sewer District — \$1.4 million for water

Upper and Lower River Road Water and Sewer District — \$5 million for water and wastewater

Valier — \$2.16 million for water

Winifred — \$1.35 million for wastewater
