

have changed the game. The feds have said, and this is I think a product of the Reagan revolution, we're going to come to an end of these annual federal appropriations underwriting municipal waste water treatment, we're going to give a balloon, a series of years of relatively large federal fundings, but we're telling the states now begin a revolving fund. You can use these last federal dollars to put into a revolving fund, rather, and then the cities will be able to borrow against the revolving fund and pay back, over time, the costs of waste water treatment. That's the federal change. When the feds did this they said we are indifferent to where the state match comes from. It can come from a straight General Fund appropriation or, if states wish to, they can fund their portion of the revolving fund by bond payments and front-load the revolving fund in one issuance of state bonds, or state appropriations that will count towards a state revolving fund and leverage more federal money. As a matter of fact they don't have to be state bonds, they can be bonds that are issued either, in the case of Nebraska, by NIFA or the Conservation Corporation Act. Those monies will satisfy the federal standards which then give us a whole lot of federal money to build waste water treatment plants. There are two parts to the situation. First, the need, second the mechanism. I've passed out on your desks, and you'll find it listed here, two pages, the document, the need for waste water in Nebraska. In a quick survey, 1987 survey by the Infrastructure Task Force, that had only 11 communities report, it was clear that here was \$97 million in sewer pipe needs in just those 11 communities. In the '89 Waste Water Needs Survey 527 municipalities were surveyed, 350 projects were estimated with a cost of \$93 million, plus waste water related needs for the state of 253 million bucks. Because of the need in Omaha to separate their sewer system from their water system, in Omaha alone it could be as high as \$600 million to do this work. The second page indicates that in Omaha we could be looking at a \$1 billion cost of sewage work. Now I offer that as documentation that there is today and there remains out into the future, about as long as you can see, a need for clean water and waste water treatment. All right, let's move on to the second issue, that is the mechanism. Well here I've got a map for you, a drawing of the project, if you will, how the cycle of a state revolving fund works. Into the revolving fund comes any state appropriations that we wish to make, in the past that's been General Fund. The Governor, this year because she specifically mentioned LB 311 in here State of the State speech, has indicated that her budget is premised on the notion that we'll