



**Onsite** | **2023**  
Hampton, Virginia  
**Wastewater**  
**Mega-Conference**



# Funding Septic System Repairs

A PANEL DISCUSSION

10/23/23 @ 3:45 - 4:40 PM

# Agenda

- Program Overviews
- Panel Discussion

# Disclaimer

- ▶ The materials being presented represent the speakers' opinions, and do NOT reflect the opinions of NOWRA.

# Panelists

| <b>Name</b>             | <b>Title</b>                      | <b>Agency</b>                    | <b>Program</b>                     |
|-------------------------|-----------------------------------|----------------------------------|------------------------------------|
| Zachary Lowenstein      | Environmental Scientist           | EPA                              | Decentralized Wastewater Program   |
| Dolores “Lola” Maratita | Community Program Specialist      | USDA                             | Water & Environ. Programs          |
| Jeremy Simmons          | Wastewater Section Manager        | WA Department of Health          | WA Regional Loan Program           |
| Travis Sterner, LEHS    | BRF, BAT Section Head             | MD Department of the Environment | Bay Restoration Fund               |
| Nicole Sandberg         | Wastewater Infrastructure Manager | VA Department of Health          | Septic and Well Assistance Program |

A large, rectangular concrete wastewater treatment tank is shown under construction in a deep trench. The tank has a grey concrete finish and several circular access points on top, some with green covers. The surrounding area is filled with brown soil and rocks.

# EPA Decentralized Wastewater System Funding Programs

Zach Lowenstein

*2023 Onsite Mega-Conference*

Oct 23, 2023

# Disclosures

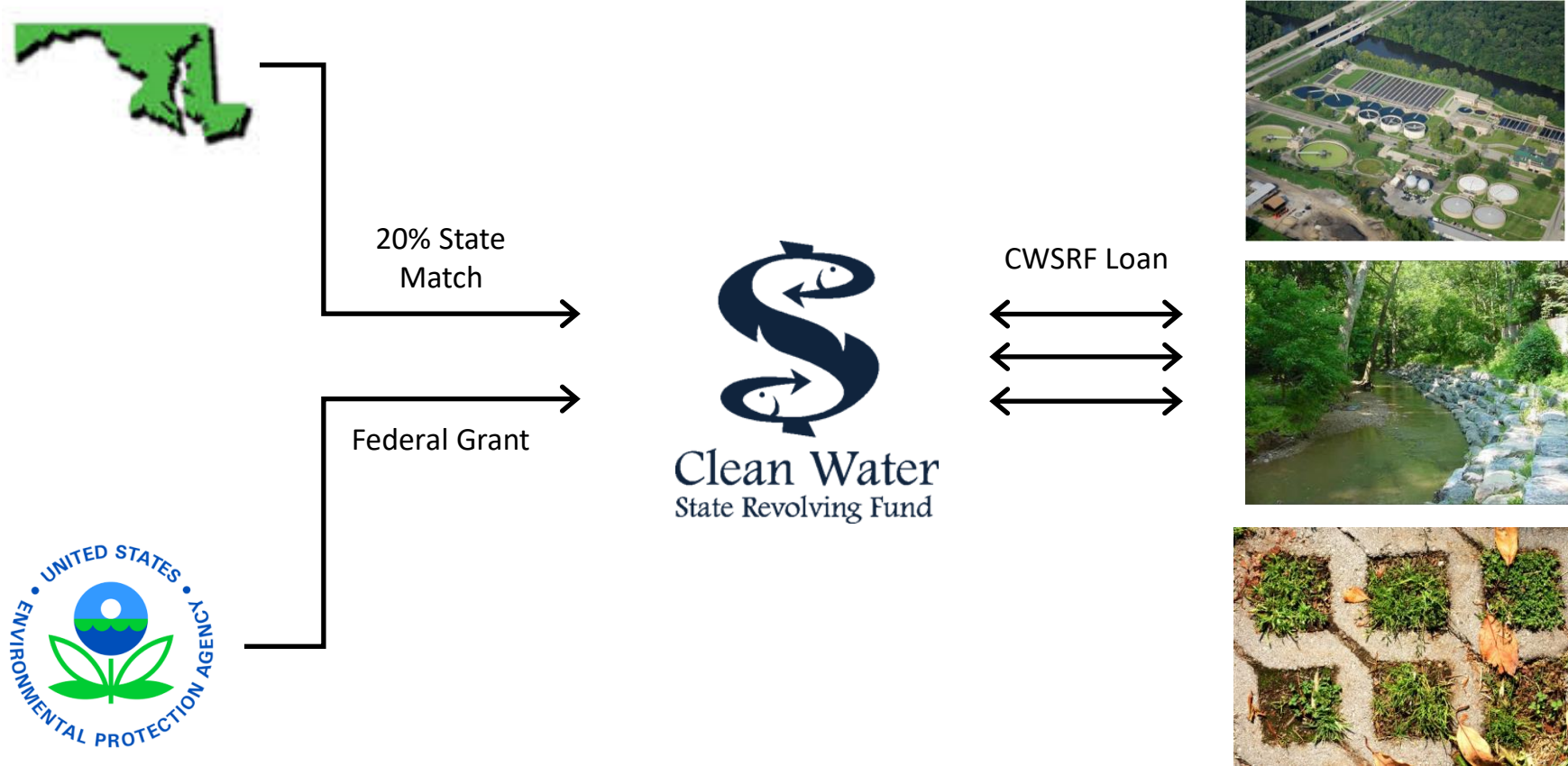
The comments and opinions made in this presentation are those of the presenter and not of NOWRA or the Mega-Conference sponsors.

Scenarios and best practices identified in this talk may not be applicable to each community, technical assistance is an individualized practice.

# EPA Funding Programs Snapshot

- Clean Water State Revolving Fund (CWSRF)
- Water Infrastructure Finance and Innovation Act (WIFIA) Program
- Nonpoint Source (Sec. 319) Program

# What is the CWSRF?



# What kinds of projects are eligible for CWSRF funding?

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Construction of POTWs

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Nonpoint Source

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**Decentralized wastewater systems**

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Stormwater

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Water conservation, efficiency, reuse

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Watershed pilot projects

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Energy efficiency

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Water reuse

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POTW security

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Technical Assistance

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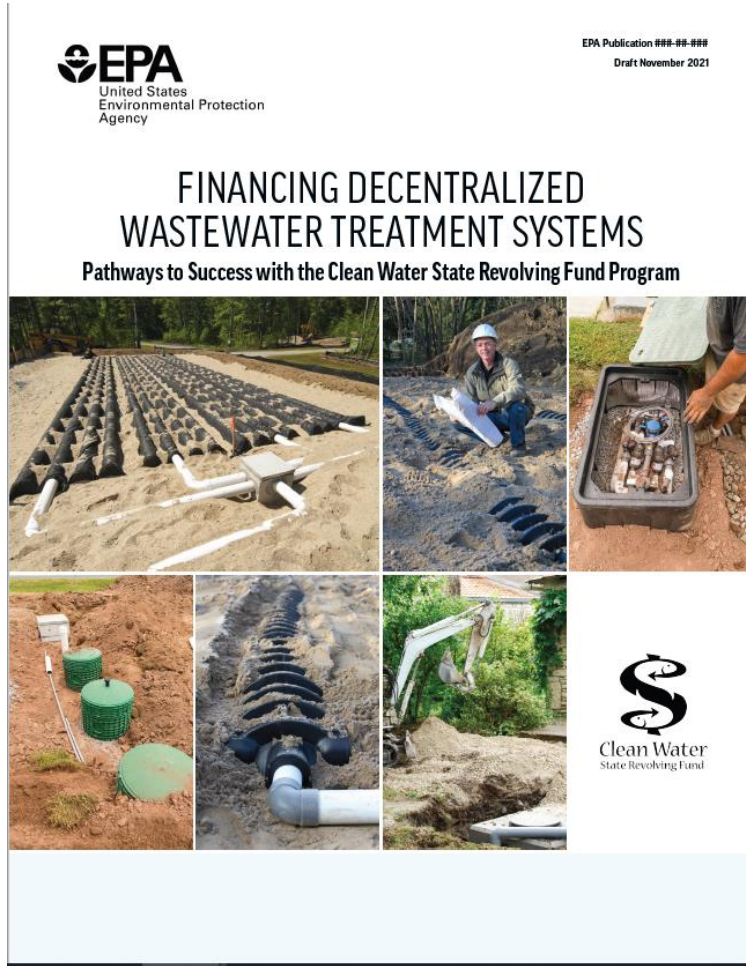




## CWSRF Decentralized Wastewater Funding

- Planning, design, and construction projects are eligible including:
  - new installations, repair/ replacements,
  - cesspool conversion,
  - cluster/ community systems, and
  - setting up special district or Responsible Management Entity
- The CWSRF may lend to: communities, municipalities, townships, counties, subdivisions, individual homeowners, citizen groups, nonprofits, public utilities.

# Financing Decentralized Systems with the CWSRF



## Financing Decentralized Wastewater Treatment Systems

### INTRODUCTION

Approximately one in five households in the United States rely on decentralized wastewater systems, such as single-family home septic systems or community cluster systems, for wastewater treatment and disposal. For communities relying on decentralized systems, costs to repair, replace, or install systems can be expensive, and these costs are often the homeowner's responsibility. EPA's [Financing Decentralized Wastewater Treatment Systems: Pathways to Success with the Clean Water State Revolving Fund Program](#) Guide helps community leaders, local and state decentralized wastewater treatment programs and state Clean Water State Revolving Fund (CWSRF) administrators understand how the CWSRF can be a viable source of financing for decentralized systems.

The Guide details (1) the CWSRF Program; (2) How to Use the CWSRF to Finance Decentralized System Projects; (3) Options for CWSRF Loan Repayment; and (4) Initiating a Financing Program for Decentralized Wastewater Systems with the CWSRF. This summary sheet highlights key content from these sections.

### 1 The CWSRF Program

EPA's CWSRF Program, administered individually by each state and Puerto Rico, provides low-cost financing for wastewater infrastructure and water quality projects, including decentralized wastewater system projects. The CWSRF functions like an environmental infrastructure bank, providing funding, primarily in the form of below-market interest rate loans to eligible borrowers. However, it is important to note that States are afforded extensive flexibility in administering their program, including defining project and applicant eligibilities, financing terms, and loan forgiveness options for qualified borrowers. Contact your state for [details](#).

### CWSRF Financing Fundamentals



#### Is my project eligible for CWSRF funding?

- Planning and design
- Construction
- CWSRF CANNOT pay for *operations and maintenance* (O&M)

Your state's CWSRF staff can help you understand what costs may/may not be included in a CWSRF loan.



#### What kinds of projects are eligible?

- New septic system installation
- Repair/replacement projects
- Converting cesspools to septic
- Cluster systems or community package plants
- Certain fees associated with setting up a special district or a Responsible Management Entity



#### Am I eligible to apply?

- The CWSRF may lend to:
- Communities, municipalities, townships, counties, political subdivisions
  - Individual homeowners
  - Citizen groups
  - Non-profit organizations
  - Public utility companies



#### What terms are available?

- Within statutory limits, state CWSRF programs have a great deal of flexibility to offer borrowers, including leeway with:
- Interest rate and repayment loans
  - Limited amounts of loan forgiveness
  - Sculpted repayment structures to accommodate borrower cash flows

Check with staff in your state about how a CWSRF loan can be customized to fit your needs.

- New guide (left) promotes best practices for communities to access CWSRF for decentralized wastewater systems, including funding mechanisms and a step-by-step implementation plan.
- Fact sheet (right) offers an abbreviated version of the guide .

# Water Infrastructure Finance and Innovation Act (WIFIA) Program

- Total project costs need to be at least \$20M for larger communities
- For small communities, communities with 25,000 people or fewer, total project costs need to be at least \$5 million
- **Eligible borrowers** include: local/ state/ tribal government entities, partnerships and joint ventures, corporations and trusts, CWSRF and DWSRF programs
- **Eligible projects** include all projects eligible under the CWSRF.

# Nonpoint Source Section 319 Grants

- Under Section 319 of the Clean Water Act, EPA provides grants to states to control nonpoint sources of pollution, which can include failing septic systems
- Some, but not all, states use these grants to construct, upgrade, or repair onsite systems.
- Depending on your state's NPS management program, grants may be available to construct, upgrade, or repair individual septic systems.

# Additional Resources

- Check out our website, [www.epa.gov/septic/funding-septic-systems](http://www.epa.gov/septic/funding-septic-systems), which highlights all of these programs and other resources such as:
  - Water Finance Center
  - Environmental Finance Center network, and
  - Other Federal programs

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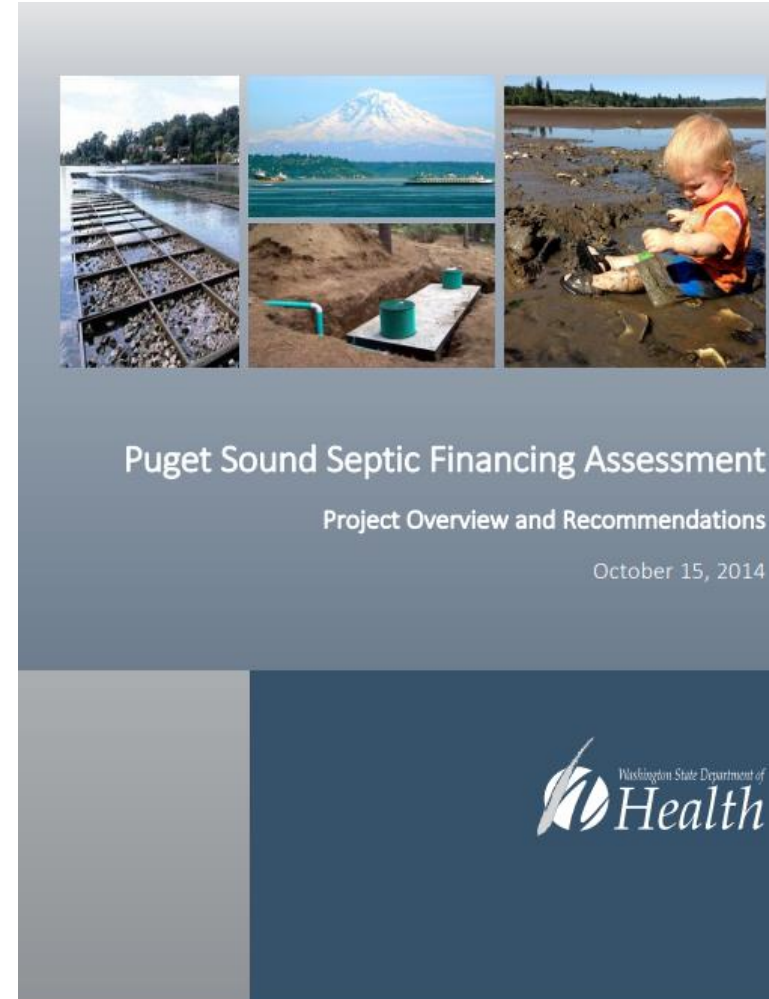


WASHINGTON REGIONAL LOAN PROGRAM  
Wastewater Management Section

# History

In 2014, The Washington Dept. of Health formed the Puget Sound Financing Advisory Committee to assess needs and develop recommendations. The committee included:

- WA Dept. of Health
- WA Dept. of Ecology
- Local Health Jurisdictions
- Jamestown S'Klallam Tribe
- Washington On-Site Sewage Association
- Washington Realtors
- Washington Environmental Council
- Taylor Shellfish Farms
- Consultants
- Others





# Committee Recommendation: Develop a Loan Program

## Funding Sources

- Capitalize with Water Pollution Control State Revolving Fund and Centennial Clean Water Grant
- Allow flexibility to add other fund sources

## Loan Program Administration

- The Department of Health, Department of Ecology, and participating counties should coordinate, capitalize, and administer a regional loan program to fund septic system repairs or replacements

## Eligibility Criteria

- Septic owners in participating counties should be eligible for loans to repair or replace septic systems without income-based limitations
- Securities and minimum loan amount to be determined by lead agency

## Geographic Coverage

- All marine counties should be invited to participate in the initial loan program
- The lead agency should be authorized to expand geographic coverage

[SFAC\\_Recommendations.pdf \(wa.gov\)](#)

# Program Background & Goals

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## Program Background

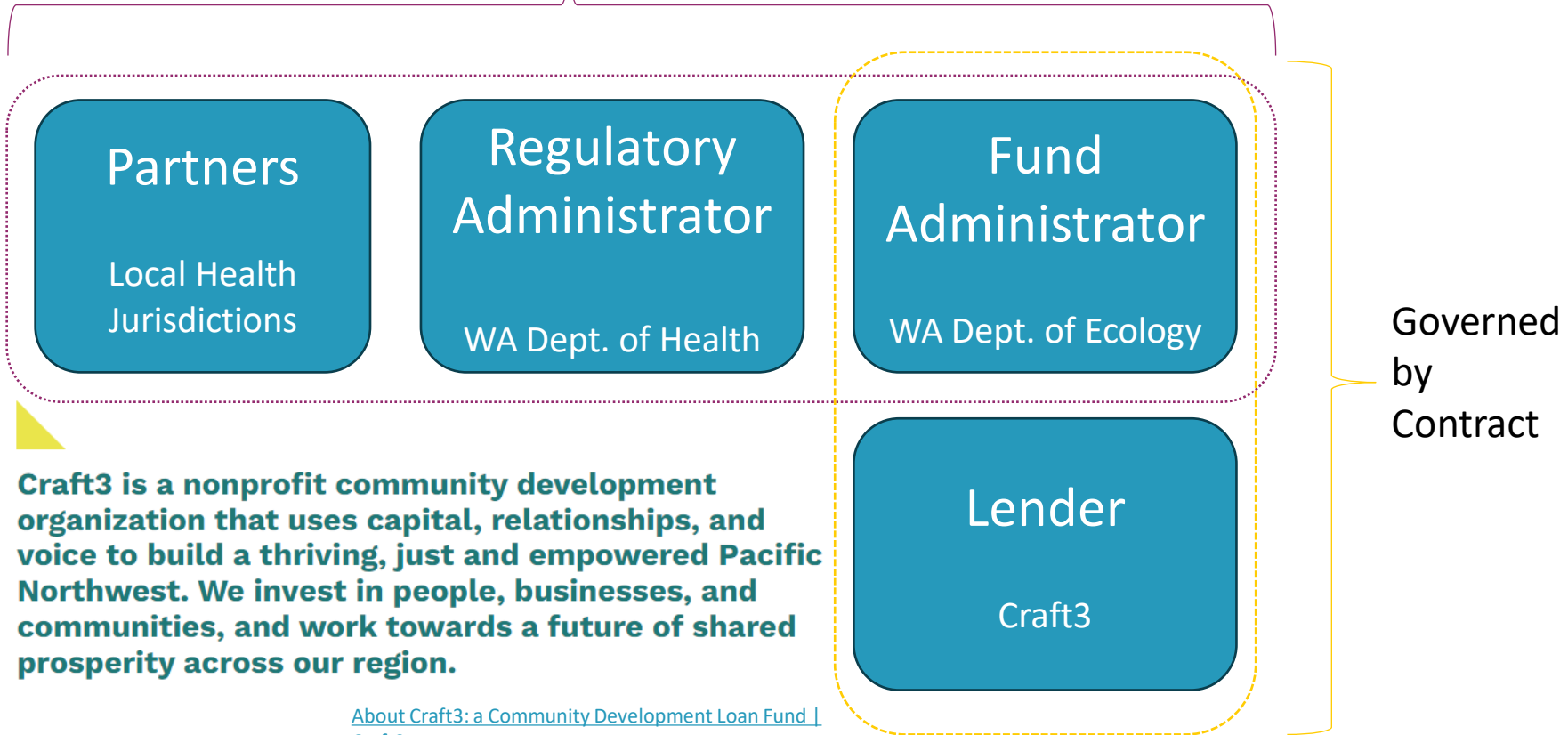
- Low-interest loans for septic repairs
- Public/private partnership

## Program Goals

- Inclusive
- Flexible
- Efficient

# Program Structure

Governed by MOU & Program Guidelines



# Eligibility

## Program Eligibility

One of these must apply:

- Septic is older than 25 years
- Septic in active failure
- Owner under order to fix septic from local health jurisdiction

**100% of funding must be for septic-related work**

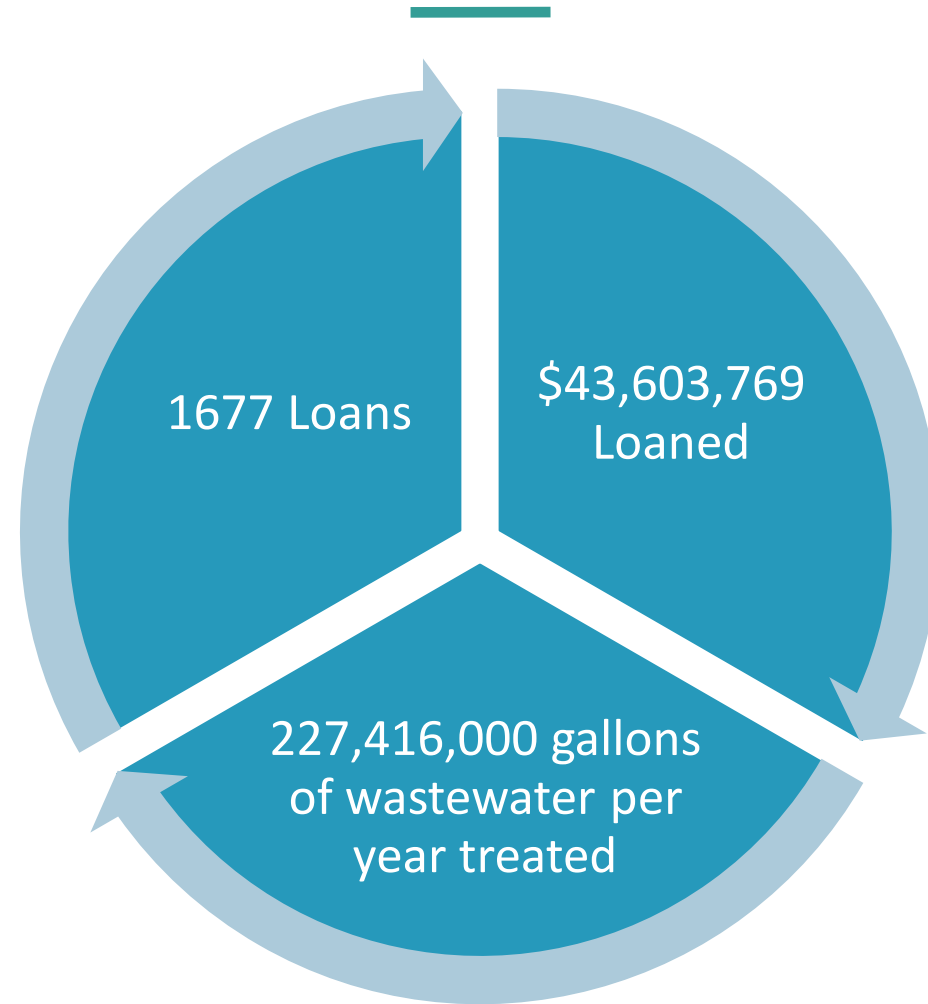
## Eligible

- Owner/non-owner occupied
- Up to 1 bedroom expansion
- Septic Repair
- Sewer connection
- Approved designer/installer
- Final local health department approval

## Ineligible

- Temporary fixes
- New construction
- Non-permitted projects
- Significant expansions

# Loans Closed, July 2016 - May 2023





To request this document in another format, call 1-800-525-0127. Deaf or hard of hearing customers, please call 711 (Washington Relay) or email [civil.rights@doh.wa.gov](mailto:civil.rights@doh.wa.gov).

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NOWRA 2023 Onsite Wastewater Mega Conference

# **Panel: Funding Septic System Repairs - Virginia's Septic and Well Assistance Program (SWAP)**

Monday, October 23, 2023

Nicole Sandberg, Wastewater Infrastructure Manager

Division of Water and Wastewater Services

Virginia Department of Health

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<https://www.vdh.virginia.gov/environmental-health/swap/>



# Recent History:

- Uncoordinated onsite septic funding
- 2021: Senate Bill 1396 passed, creating
  - § 62.1-223.1 “It is the policy of the Commonwealth to prioritize universal access to wastewater treatment that protects public health and the environment and supports local economic growth and stability”
    - Required the development of an interagency work group (Wastewater Infrastructure Work Group) tasks to discuss funding of onsite septic (among other topics)

# ARPA Funding For Septic and Well

- August 2021: HB7001 established Septic and Well Assistance Program (SWAP) and allocates \$11.5m ARPA for SWAP
  - *\$11.5 million to the Department of Health to provide improvement funds for well and septic systems for homeowners at or below 200 percent of the federal poverty guidelines.*
- First time Virginia has had funding for statewide onsite septic repair/replacement program.
- As of 2023 annual statewide Onsite Septic Repair costs estimated at over \$250million/year (2023-2042 need: **\$5,050,763,675**, source draft 2023 *Virginia Wastewater Infrastructure Needs Assessment*)

# VA Septic and Well Assistance Program (SWAP)

- **Established:** 2021
- **Initial funding:** \$11.5 million from ARPA
- **Total Funding** (to date): \$13.5 million
- **Purpose:** to provide funding assistance to homeowners (economically and socially disadvantaged) with documented failing onsite septic systems (or straight pipes) and inadequate private drinking water supplies (wells, springs, cisterns)

# Status of SWAP Projects (10/17/23)

- 270 Homeowner applications for 537 projects (includes 140 pumpouts) from Jan-September 2022
  - \$7.6 million requested (original allocation \$4.5 million)
- 10 agreements with local partners for \$2.4 million
- From Jan 2022-October 2023
  - **428 (90.1%) Direct projects in/thru the procurement**
  - **271 (57.5%) completed/installed (over \$4 million)**
  - 90 awarded and under construction (27%)
  - 43 in bid acquisition process

# Results

- Overwhelming onsite septic needs (90% of \$9.5m allocated in less than 9 months)
- Not enough licensed contractors
- No identified funding for operation/maintenance.
- Limited statewide funding coordination
- No consistent statewide funding source
- Most Funds not administered by Health agency

# Questions?

Nicole Sandberg, Wastewater Infrastructure Manager

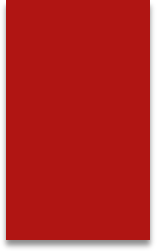
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# Discussion