



Puget Sound Septic Financing Assessment

Project Overview and Recommendations

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Contributors

Project Team	Organization	Role
Stuart Glasoe	Washington State Department of Health	<i>Project Manager</i>
Susan Gulick	Sound Resolutions	<i>Prime Contractor</i>
Allegra Calder	BERK Consulting	<i>Consulting Team</i>
Marc Daudon	Cascadia Consulting Group	<i>Consulting Team</i>
Kendra White	Cascadia Consulting Group	<i>Consulting Team</i>
Maryellen Hearn	Cascadia Consulting Group	<i>Consulting Team</i>
Eric Gertsman	Cascadia Consulting Group	<i>Consulting Team</i>
Terry Hull	Clean Water Consultant	<i>Consulting Team</i>
Hugh Spitzer	Foster Pepper	<i>Consulting Team</i>
Andy Brastad	Clallam County Health and Human Services	<i>Steering Committee</i>
Duane Fagergren	Puget Sound Partnership	<i>Steering Committee</i>
Melanie Tyler	Washington State Department of Ecology	<i>Steering Committee</i>
Art Starry	Thurston County Public Health and Social Services	<i>Steering Committee</i>

Advisory Committee	Organization
John Austin	Jefferson County Board of County Commissioners
Bill Dewey	Taylor Shellfish Farms
Keith Grellner	Kitsap Public Health District
Maryanne Guichard	Washington State Department of Health
Hansi Hals	Jamestown S'Klallam Tribe
Terri Jeffreys	Mason County Board of County Commissioners
Allan Martin	City of Port Orchard
Jeanette McKague	Washington Realtors
Ngozi Oleru	Public Health – Seattle and King County
John Thomas	Washington On-Site Sewage Association
Dennis Worsham	Washington State Department of Health
Stephen Wecker	Building Industry Association of Washington
Bruce Wishart	Washington Environmental Council
Jill Wood	Island County Public Health
Polly Zehm	Washington State Department of Ecology

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Introduction

All infrastructure requires ongoing care and investment. There are many examples—such as roads, schools, sewers, and power—where this is generally handled by government agencies, including municipal utilities. There is other infrastructure where the need is less obvious and may involve limited public ownership and oversight. One such example is the use and management of on-site sewage systems (OSS), commonly called septic systems.

Washington State is served by a vast array of privately owned and operated septic systems. Statewide, this decentralized wastewater infrastructure totals nearly one million septic systems, approximately 600,000 of which are located in the twelve-county Puget Sound region. These systems serve mainly rural, dispersed properties and infill suburban areas.

The management of privately owned septic systems has followed a very different path from publicly owned treatment facilities, such as sewer systems. Sewer systems have long been closely regulated, carefully operated, and financed with significant public investment. In contrast, septic systems have been “out of sight, out of mind.” They have received little public attention and funding, and many owners do not budget enough for needed maintenance.

Expectations have changed significantly in recent years as regulatory and education programs have evolved to embrace life-cycle management of septic systems, from design and installation to operation and maintenance. Many of today’s systems are technologically advanced and require proper use and care to ensure effective treatment and to avoid costly repairs. These systems often use devices to enhance aerobic treatment and may use filters to screen solids and pumps to pressurize and distribute the septic tank effluent more evenly over the drainfield to promote better soil treatment.

Unlike sewer system customers who are part of a public sewer utility, most septic system owners bear the responsibility and cost of independently operating and maintaining their systems and repairing or replacing the systems when they break down. Routine maintenance isn’t free, but it is essential and can prevent a homeowner from spending thousands of dollars on repairs or tens of thousands of dollars on a replacement. Simply put, people cannot afford to ignore their septic systems, and the public cannot afford the health risks and water quality impacts caused by problem systems.

It is well documented that sewage from broken or poorly functioning systems contaminates water resources. For the septic system industry, water quality data has helped inform program managers and encourage stronger septic system regulation and education of system owners. The list of benefits associated with proper maintenance is long and persuasive. System owners can benefit from higher property values, system performance, and system lifespan, while the public benefits from improved water quality, shellfish harvesting, and public health protection. Good sewage management is a basic household responsibility, and is critically important in high-risk areas that are more sensitive to potential impacts.

Puget Sound is a jewel of the Pacific Northwest—an economic engine and a cultural and environmental keepsake. Chief among these treasures are the Sound’s rich shellfish resources and the state’s prized position as the nation’s leading producer of farmed bivalve shellfish. Over the past twenty years, numerous studies and clean water programs have been carried out in the region documenting the

impact of malfunctioning septic systems on shellfish growing areas and other fresh and marine waters. The growing body of work also illustrates the fact that shoreline water quality can be restored for shellfish harvesting when efforts are made to identify and correct pollution sources, including septic systems that aren't functioning properly. Table 1 shows five shellfish areas that were recently upgraded after problem septic systems were repaired. Ongoing water quality monitoring throughout Puget Sound underscores the need for long-term management programs to sustain these gains and to keep areas open for recreational, commercial, and tribal shellfish harvesting.

Table 1: Shellfish Upgrades Resulting from Septic System Repairs

Growing Area	County	Year	Harvestable Acres Gained
Yukon Harbor	Kitsap	2008	935
Port Orchard Passage	Kitsap	2009	121
Similk Bay	Skagit	2010	80
Henderson Inlet	Thurston	2010	240
Lynch Cove	Mason	2012	280

Work on the 2012 Puget Sound Action Agenda coincided with a major initiative led by then Congressman Norm Dicks and the state's congressional delegation to significantly enhance federal investment in Puget Sound. The six-year initiative included funds administered by the Washington State Department of Health to prevent and reduce pathogen pollution across the region. Since 2011, this funding has provided approximately \$3.7 million to help implement local septic management programs and \$5.8 million to help develop and implement companion Pollution Identification and Correction (PIC) programs.

In fall 2011, the Department of Health met with the Puget Sound Local Health Jurisdictions (LHJs) to explore and rank priority regional septic program needs. The LHJs put sustainable funding at the top of the list and identified two specific needs:

- A dedicated regional finance mechanism to implement the local septic management programs.
- A unified regional low-interest loan program to help system owners repair and replace problem septic systems.

The Puget Sound Partnership captured these actions in the 2012 Action Agenda and included the work as priority actions in the document's shellfish strategic initiative.

Local Septic Management Programs

Adopted in 2005, the state on-site sewage regulation (chapter 246-272A WAC) reset standards and expectations to help strengthen the management and care of septic systems. The rule requires system owners to regularly evaluate and maintain their systems and directs Puget Sound LHJs to adopt comprehensive septic management plans to support this work. Companion legislation passed in 2006 requires the Puget Sound LHJs to designate Marine Recovery Areas (MRAs) and carry out enhanced programs in areas where septic systems are impacting marine water quality (chapter 70.118A RCW).

The Puget Sound LHJs adopted management plans in 2007-08 and subsequently designated many MRAs and other sensitive areas where they engage directly with homeowners to ensure the systems are inventoried, inspected, and properly maintained (see RCW 70.118A.050). The septic management plans are complicated and costly to implement. They share many common program elements, yet all are uniquely designed and implemented.

At all levels of government, funding for decentralized wastewater programs and infrastructure has been dramatically lower than public investment in centralized sewer systems. Local septic management program costs are typically covered by a combination of local revenue and state and federal grants, some of which are temporary. Local program funding is limited and uneven. A few counties have successfully established local dedicated funding to support at least partial program implementation, but most have not.

To help jump-start the Puget Sound septic management programs, the state legislature has allocated approximately \$6 million for these programs since 2005. The Department of Health administers this funding. However, the state funding was not intended to cover full program costs and was not intended to serve as a dedicated funding source or long-term financing mechanism for these programs. This pass-through state funding has diminished since the 2007-09 biennium.

Property Owner Septic Loan Program

Septic systems are often the most expensive appliance on a property. Repairing or replacing a system can be a stressful and costly venture. Many people can't readily afford such work and some can't qualify for a conventional bank loan due to poor credit scores. Over the past twenty years, many Puget Sound counties have established low-interest loan programs to help facilitate system repairs. Although the work has fixed hundreds of systems across the region, lending is not part of the core mission of the LHJs who would prefer to defer such responsibilities to financial institutions.

The counties have used creative partnerships, multiple funding sources, and various program structures to capitalize and sustain these loan programs. Like other elements of the local septic management programs, the loan programs are all uniquely designed. The region's piecemeal programs lack economies of scale, have limited geographic coverage, and are lightly capitalized and marketed. A unified, self-sustaining loan program operated across the Puget Sound basin would enhance access to low-cost financing, lower overall business costs, and help promote investment in septic systems to better safeguard public health and water quality.

1. Project Components

In June 2013, the Department of Health contracted with a consulting team led by Sound Resolutions to research the issues and funding needs, facilitate a stakeholder process, evaluate options, and develop recommendations to establish the two regional septic finance programs in Puget Sound. The project design included the following products:

- An assessment to determine the current annual local septic management program costs and funding needs.
- An assessment to determine the ten-year capitalization needs for a sustainable regional Puget Sound loan program.
- Analysis of potential financial mechanisms and related legal and policy considerations for each program.
- A summary report consolidating the results of the background analyses and recommendations of the project Advisory Committee to establish the two programs following completion of this project.

We captured stakeholder input through a Steering Committee, an Advisory Committee, and other general outreach on the project. The Steering Committee provided direction on the project's methods and overall implementation. The Advisory Committee provided direction on the project's key policy considerations and included broad representation from business, environmental, financial, realtor, local elected official, and shellfish interests along with local, tribal, and state agency representation.

The following is a brief overview of findings from the three background documents, which serve as supporting documents to this final report.

Local Septic Management Program Needs Assessment

To understand the funding needs of local septic management programs, the project team first gathered and reviewed data provided directly by LHJ staff about the funding needed to implement each LHJs management program. This revealed large variations among counties in the components of local septic management programs. Some of the variation has been in response to differing local needs and conditions, local program preferences, and available funding and staff. Due to the differences between county programs, the costs of implementing local programs varied significantly between counties. In the aggregate, this analysis of current services identified an annual need of approximately \$14.3 million, or roughly \$23 per septic system.

In response to the initial analysis, the Advisory Committee focused added attention on the requirements and outcomes that define the local programs. Ultimately, the Advisory Committee asked the project team to assess "What is an adequate program?" Defining minimum program requirements would help ensure that certain baseline services are provided across the region, and would provide a benchmark to measure the effectiveness of local programs when adequate funding is provided. It would also help determine the cost of providing consistent services across the region.

In response to this request, the project team convened a panel that included Puget Sound Environmental Health Directors, members of the Advisory Committee and Steering Committee, and agency staff. The panel helped the project team identify and describe “foundational” services for septic system management and estimate the cost of implementing those services. The foundational services included:

- Document septic systems
- Educate homeowners
- Manage inspection and repair requirements
- Monitor water quality to identify problem systems¹
- Update management plans and prioritize annually

The estimated cost to implement these services throughout the region is approximately \$24.4 million per year for the Puget Sound region, or nearly \$40 per septic system. Currently LHJs are spending about \$6.5 million (including grants), or 27% of the estimated total need. The project team believed that the estimated cost to implement the foundational services was more indicative of the true need, and that funding of \$24.4 million dollars per year should be identified for local septic management programs.

Property Owner Septic Loan Program Needs Assessment

With input from the Steering Committee, the project team developed a financial model to estimate the ten-year capitalization needs of the regional loan program. The project team first made preliminary decisions related to geography, type of system, and the type of work to frame basic eligibility criteria for the loan program and to scope the analysis. These initial sideboards focused the analysis and loan eligibility on the repair and replacement of individual, existing septic systems in the Puget Sound basin.

The project team then researched data sources to develop the assumptions used in the model. The model included such variables as the estimated total number of septic systems, system lifespan, annual rates of failure and major repairs, average cost of major repairs and replacements, percent systems identified needing repair or replacement, percent of owners requesting loan assistance, loan eligibility, and default rates.

The model analyzed two distinct loan program design scenarios based on potential policy choices: **(1) “Conservative” Scenario** – This program has stricter loan criteria to minimize risk and funding, resulting in an assumed loan acceptance rate of 75% and a default rate of 8%. **(2) “Inclusive” Scenario** – This program scenario has less strict loan criteria to maximize environmental benefits, resulting in an assumed loan acceptance rate of 95% and default rate of 10%.

For each of these two scenarios, the project team developed a range of high and low estimates for all variables and worked with the Steering Committee to develop “most likely” estimates. The project team

¹ A summary of PIC program components and costs, as detailed in the Regional Hood Canal PIC Sustainable Funding Strategy, is included as an appendix to the Local Septic Management Needs Assessment.

reviewed the results with the Advisory Committee and reran the model a number of times to arrive at the final estimated ten-year capitalization amount.

The project team's findings identified a funding level of \$22 million if a conservative loan program scenario is selected or \$29 million if an inclusive loan program scenario is adopted (which represent \$17 million and \$23 million, respectively, in present value terms²).

Septic Program Financing Analysis

This analysis built on the research from the two needs assessments and explored financing options for the septic loan program and the local septic management programs. The consulting team researched approaches used elsewhere in the country and assessed the mechanisms and funding sources best suited to the needs of the two Puget Sound septic finance programs. With input and direction from the Advisory Committee and Steering Committee, the consulting team assessed the pros and cons, including legal and institutional barriers, to identify preferred options. In some cases, options were dismissed immediately based on political, legal, or other concerns; in other cases, additional research surfaced other challenges on particular options.

Local Septic Management Programs

Puget Sound counties currently have authority to charge rates or charges to cover the costs of implementing their local septic management plans. The revenue can be collected by county treasurers via property tax statements. Whatcom and San Juan are the only two counties so far who have implemented the fee county-wide. Some counties are considering it while others lack political will to impose new fees on septic system owners.

The project team determined that establishing a minimum annual permit fee for all septic systems in the Puget Sound region was the preferred option. The amount of the fee should be adequate to cover the costs identified in the foundational services analysis. This fee is intended to support the overall program and should supplant current funding sources and fees that pay for foundational services. Because the money would be collected and spent locally, it would be important for the Department of Health to provide sufficient oversight of local septic programs to ensure that the desired public health and environmental outcomes are achieved.

Property Owner Septic Loan Program

The project team explored numerous revenue sources for the loan program. The Advisory Committee did not believe it was realistic to request a general fund appropriation or a new revenue source for this program given other fiscal priorities and challenges in the state. However, there are potential funds available for this program through a combination of Centennial Clean Water funds and the Washington Pollution Control State Revolving Fund (SRF). The Centennial Clean Water Grant Program is funded by the State through a variety of sources. The SRF is state funding capitalized by the U.S. Environmental Protection Agency (EPA) through their Clean Water Act money. In addition to the federal EPA funds, the State provides a required twenty percent match. Per state regulations, twenty percent of SRF funds are

² Present value (PV) describes a future amount of money that is represented in today's dollars, often for comparative purposes. A "discount rate" establishes how much future amounts are reduced. For equivalent amounts, years far into the future have less present value than years in the near future.

set aside annually for nonpoint source activities, including septic loan programs. However, a review of recent years' funding shows that total loan and grant requests for nonpoint source projects are far below this set aside.

There is enough money in the SRF without tapping into Centennial funds. However, SRF funds are loans that need to be paid back while Centennial funds can be used to cover administrative costs, loan losses, and grants or subsidies to low-income individuals. Funds from both sources would be provided through a competitive application process administered by Ecology.

The project team concluded that SRF and Centennial funds were the best options to serve as the primary source of capital. The project team also concluded that a state agency should serve as the lead entity to apply and administer the loan program for the region. The lead entity should select one or more lenders to contract with through a competitive process. The lead entity should work in close collaboration with Ecology given their expertise and experience with the existing local septic loan programs.

2. Advisory Committee Recommendations

The Puget Sound Septic Financing Advisory Committee included broad representation from business, environmental, financial, realtor, and shellfish interests along with local elected officials and representatives from local, tribal, and state agencies. The Advisory Committee received background presentations and briefings on issues and products to assist in developing recommendations for the two Puget Sound septic finance programs. This section includes each recommendation of the Advisory Committee and a brief discussion of the key issues and options considered in developing the recommendation.

Local Septic Management Programs

The Advisory Committee recommended creation of sustainable, long-term funding for local septic management programs. Specific recommendations included:

1 SEPTIC FEE LEGISLATION

Legislation should be enacted (amending RCW 70.05.190) to require Puget Sound counties to collect an annual fee from all septic system owners to implement the local septic management plans. The legislation should require implementation of foundational services, and assign the Department of Health oversight responsibilities to approve plans and ensure local accountability delivering the services. The legislation should emphasize the importance of state and local collaboration.

Discussion

The Advisory Committee explored many finance options and discussed the challenge in finding new revenue sources to fund local septic management programs. Many Advisory Committee members felt strongly that the cost of septic management programs should be borne by the owners of septic systems and not by the public at large. It was noted that sewer customers pay significant fees for proper management of their wastewater, and that it would not be equitable for them to also finance on-site wastewater services.

Recent legislation authorized counties to collect fees to implement septic management plans. The Advisory Committee recommended changing this to a mandatory fee.

Because the fee would be collected and spent locally, the Advisory Committee felt it was important to develop a common list of foundational or baseline services that needed to be provided. The Committee also felt it was important that the Department of Health have strong oversight responsibility to ensure that the services are implemented effectively.

RCW 70.05.190.

*“A local board of health in the twelve counties bordering Puget Sound implementing an on-site sewage program management plan **may**: (a) Impose and collect reasonable rates or charges in an amount sufficient to pay for the actual costs of administration and operation of the on-site sewage program management plan; and (b) Contract with the county treasurer to collect the rates or charges imposed under this section in accordance with RCW 84.56.035” (emphasis added)*

2 ANNUAL SEPTIC FEE

The annual fee should cover the cost of implementing foundational services, currently estimated to be \$39.80 per septic system.

Discussion

The Advisory Committee concurred with the project team recommendations that a minimum fee should be required in order to ensure adequate funding for the needed services. The Advisory Committee expressed some concern placing the amount in statute, preferring to allow flexibility to adjust the fee over time. The Advisory Committee supported a minimum fee that was sufficient to pay for the foundational services, estimated at nearly \$40 per septic system per year. The Advisory Committee supported the creation of a minimum fee to allow counties the flexibility to charge higher fees as needed to meet the specific needs of their county.

The Advisory Committee discussed that there are some details that will need to be considered as the fee is implemented. It will be important to work closely with counties who are already charging an annual fee to ensure a smooth transition to the new fee. Details regarding how to assess the fee on multi-owner septic systems or commercial systems will also need to be clarified.

3 FOUNDATIONAL SERVICES

Puget Sound local septic management plans should be updated at least once every five years to meet requirements and standards and to identify local priorities. Plans should be required to include the following foundational services:

- | | |
|----------------------------------|--|
| <i>Septic System Inventory</i> | ▪ Locate and have records for all septic systems. |
| <i>Septic System Inspections</i> | ▪ Educate homeowners on the proper use and care of systems and homeowner responsibilities.
▪ Oversee septic system owner inspection requirements and enforce compliance as appropriate. Provide oversight of inspections to ensure quality inspections are conducted. Provide technical assistance to assist homeowners in fixing problems.
▪ Track and verify that septic systems are current with inspection requirements at the time of property sale or transfer, and when local development permits are reviewed. |
| <i>Compliance Program</i> | ▪ Maintain an effective enforcement program to ensure that owners repair or replace problem septic systems. |
| <i>Water Quality Monitoring</i> | ▪ Conduct water quality monitoring ³ to proactively identify areas where septic systems may be impacting water quality. |

Discussion

The Advisory Committee believed that the new fee should be coupled with required services. The Advisory Committee asked the project team to define “what is an adequate program”. The project team identified foundational services which the Advisory Committee used to develop this recommendation.

³ “Water quality monitoring” is a broad term that includes various types of monitoring, including surveys, ambient monitoring, sampling, etc.

Septic system inventory

The Advisory Committee believed it was important that all septic systems be located and documented. This will assist LHJs in tracking inspections and identifying problem systems. The Advisory Committee recognized that this will be a significant amount of work in counties with a large number of unidentified systems. It was noted that many of these systems are identified when properties are sold or development permits are granted, particularly in counties that require proof of compliance with septic inspection requirements as part of the transaction.

Septic system inspections

The Advisory Committee discussed the importance of septic system owners' responsibilities to maintain and inspect their systems. Education is an important component of the inspection program because many system owners are not aware of their obligation to inspect septic systems on a regular basis. Technical assistance is also needed when problems are identified.

The Advisory Committee believed counties should have resources to encourage compliance with inspection requirements, and enforce those requirements when necessary. It was also noted that LHJs have a role in overseeing the quality of the inspections provided so that problems are not overlooked. Finally, the Advisory Committee recommended that each county have procedures to verify that inspections are current whenever property is sold or transferred, or when relevant development permits are reviewed.

Compliance program

The Advisory Committee strongly agreed that finding and fixing failing septic systems is a top priority. Some counties do not have effective compliance programs. This is primarily a result of inadequate funding, but in some instances there is also a lack of political will. The Advisory Committee agreed that a strong compliance program should be a foundational service that is implemented consistently throughout the Puget Sound region.

Water Quality Monitoring

The Advisory Committee discussed the need for water quality monitoring to identify water quality problems caused by failing septic systems. Some water quality programs—such as PIC—are expensive, but others are more affordable. Counties would have flexibility to design their program based on local needs and conditions but would be required to implement some type of water quality monitoring program.

4 PERFORMANCE STANDARDS

The Department of Health should work with the Puget Sound Local Health Jurisdictions and other stakeholders to develop benchmarks and performance standards for the foundational services and other program requirements to measure implementation outcomes and to standardize key aspects of the local septic management programs.

Discussion

The Advisory Committee discussed the importance of developing performance measures to ensure that local foundational services are implemented consistently and that funds are spent effectively. The

Department of Health could adopt these by rule or use another mechanism to establish the performance standards and benchmarks. It is important that these be developed in collaboration with LHJs and other stakeholders.

5 WATER QUALITY MONITORING / PIC PROGRAMS

Local Health Jurisdictions should use Pollution Identification and Correction (PIC) programs as their required water quality monitoring program, as funding allows.

Discussion

The Advisory Committee discussed the benefits of PIC programs throughout the Puget Sound region. Because PIC programs are fairly complex and costly, with its limited time and analysis the Advisory Committee stopped short of recommending PIC as a foundational service. However, if adequate funds are available, PIC programs are the preferred method to address water quality concerns from septic systems. The Advisory Committee discussed that in the early years of implementing foundational services, some counties will need to spend a lot of resources on inventorying all septic systems. However, once all systems are documented, funds could be reallocated to PIC programs.

6 FINANCING COORDINATION

The Department of Health, the Puget Sound Partnership, and other agencies should coordinate as appropriate on related legislative finance initiatives, including the integrated water package.

Discussion

The Advisory Committee discussed that there will likely be other funding needs related to Puget Sound water quality, and encouraged state agencies to coordinate on all funding requests to the legislature.

Property Owner Septic Loan Program

The Advisory Committee recommended creation of a regional loan program to provide loans to fix failing septic systems. Priority should be given to septic systems that pose a risk to public health or water quality. Specific recommendations included:

7 FUNDING SOURCES

The loan program should be capitalized with funds from the Water Pollution Control State Revolving Fund and Centennial Clean Water Grant program. The loan program should be designed to be flexible enough to add capital, through the existing competitive process and/or from other sources, if loan demand exceeds available capital or the loan program expands.

Discussion

The Advisory Committee discussed numerous options to fund a regional loan program. Given the concerns about finding new revenues or tapping into existing revenue sources that are facing high demand, the State Revolving Fund (SRF) and Centennial Clean Water Fund were clear choices. Neither of these funds are using their full set-aside for nonpoint source activities.

The Advisory Committee discussed that the amount needed to fund a loan program is uncertain; if the rate of septic inspections increases, more problem septic systems will likely be found, leading to increased demand for loans. The Advisory Committee emphasized the importance of developing a program flexible enough to meet changing needs.

8 LOAN PROGRAM ADMINISTRATION

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

Discussion

The Advisory Committee discussed multiple management structures and options for who should administer a regional loan program, including lenders, counties, and multiple state agencies. Ecology or The Department of Health emerged as the best options. There were concerns about Ecology serving as both the grantee of SRF and Centennial funds, and the recipient of these funds. In the end, the Advisory Committee recommended that the Department of Health be the primary administrator in coordination with Ecology and participating counties.

9 ELIGIBILITY CRITERIA

Septic system owners in participating jurisdictions should be eligible for loans to repair, replace, or connect existing septic systems without limitations based on income. The lead implementing agency or lender should determine the appropriate security for a loan. The implementing agency or lender should be authorized to establish a practical minimum loan amount, if necessary.

Discussion

The Advisory Committee discussed that eligibility requirements could reduce the amount of capital needed for the loan program, but could also reduce the number of completed septic repairs and replacements. An income threshold would allow only low-income septic system owners to apply for loans from the publicly supported loan program; other septic system owners would need to finance the repairs or replacements via other mechanisms. This would reduce the amount of capital needed for the loan program, but would also limit diversity of the loan pool which could make it less sustainable. In addition, high-income does not always correlate to good credit and some high income households may have difficulty securing loans through private financing. This could result in ongoing septic system failures and associated water quality problems. The Advisory Committee decided that there should not be any income restrictions for eligibility.

The Advisory Committee discussed the challenge with providing loans to persons who are at a high risk of default. When septic systems are failing and creating water quality problems it is important that they are fixed. However, the Advisory Committee was hesitant to support grants or loans with high risk of default unless the septic system owner had no other viable option to correct the problem. The Advisory Committee ultimately agreed that loans should be available to septic system owners with a high risk of default, but the implementing agency or the lender should determine the appropriate security for the loan. There was concern that very small loan applications could pose disproportionately high

administrative costs so the Advisory Committee recommended that the lender or implementing agency be allowed to establish a practical minimum loan amount.

10 **GEOGRAPHIC COVERAGE**

All marine counties should be invited to participate in the initial loan program. The lead implementing agency should be authorized to expand geographic coverage over time to include other counties.

Discussion

There is strong interest by Pacific County and Grays Harbor County to participate in the loan program because they each have shellfish areas that are threatened by failing septic systems. Even though these counties are not in Puget Sound, the Advisory Committee recognized the benefit of including these counties. The Advisory Committee recommended that all marine counties should be invited to participate in the initial program, and supported expanding the program beyond marine counties over time.

3. Next Steps

The implementing agencies will consider the Advisory Committee's recommendations when taking action to finance the local septic management programs and a regional loan program for septic system owners.

Local Septic Management Programs

The Department of Health will work with stakeholders to develop legislation that mandates collection of an annual fee from septic system owners. The revenue collected would be retained by counties to implement local management plans that include the required foundational services. Rules may need to be adopted to address the details of the foundational services and the fee requirements.

While the Department of Health explores options to advance a legislative proposal to require the annual septic fee regionally, LHJs should explore opportunities to update their management plans to incorporate the foundational services. Counties should consider adopting local septic fees to provide funding until a regional fee is established. The Department of Health and LHJs should coordinate these actions to help ensure complementary efforts and consistent messaging.

Property Owner Septic Loan Program

The Department of Health will work with Ecology and LHJs in developing a regional loan program that draws on SRF and Centennial grant funds. The Department of Health and Ecology will collaborate to determine their respective roles and responsibilities and work with the LHJs to develop the necessary agreements to ready applications for the two funding sources possibly as early as the state fiscal year 2016 application deadline. The Department of Health will engage the 14 marine counties to determine the initial list of participating counties and to initiate the transition to a unified, regional program.

Supporting Documents

1. Final Advisory Committee Recommendations
2. Local Septic Management Program Needs Assessment
3. Property Owner Loan Program Needs Assessment
4. Financing Analysis



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For people with disabilities, this document is available on request in other formats. To submit a request, please call 1-800-525-0127 (TDD/TTY call 711).