# State Septic System Replacement Fund Program Summary

The Clean Water Infrastructure Act (CWIA) of 2017 (L. 2017, c. 57, Part T) established the Septic System Replacement Fund (the "Fund") to provide funding to counties to help homeowners replace cesspools and repair or replace septic systems. This grant program (the "Program") seeks to reduce the environmental and public-health impacts associated with the discharge of effluent from cesspools and septic systems to groundwater and surface water used as public drinking water, as well as stressed or impaired waterbodies where sewering is not an available option.

The state Department of Environmental Conservation ("DEC") and the state Department of Health ("DOH") have determined priority geographic areas where the Program will provide grants for eligible septic system projects. An area's designation as a priority is based on its vulnerability to contamination (e.g. the presence of a sole-source aquifer, or a known water-quality impairment), population density, soils, hydrogeology, climate, and reasonable ability for septic system projects to mitigate water quality impacts. Under the Program, counties in which priority geographic areas are located can access monies from the Fund to provide grants to reimburse property owners for up to 50% of the eligible costs (up to a maximum of $10,000) of their eligible septic system projects or 75% of the eligible costs (up to a maximum of $25,000) of their eligible enhanced septic system projects.

The Program provides grants for eligible "septic system projects" involving:

- the replacement of a cesspool with a septic system, or
- the installation, replacement or upgrade of a septic system or septic system components, or installation of an enhanced septic system, including an advanced nitrogen removal system.

DEC and DOH have identified priority geographic areas for the replacement of septic systems, and allocated funding to counties from the Fund. Counties that have priority areas within their boundaries, and choose to participate in this program, are called "Participating Counties."

Participating Counties notify owners of properties served by septic systems (including residences and small businesses) that they could be eligible for financial assistance from the Septic System Replacement Program. Once notified, property owners who undertake a septic system project may apply to the Participating County for a grant from the Program.

Participating Counties review and evaluate the applications and determine financial assistance awards based on the Program criteria and consideration of a property's location in relation to a waterbody, impacts to groundwater used as drinking water, and the condition of the property owner's current septic system. Participating Counties may set graduated incentive reimbursement rates for septic system projects to maximize pollution reduction outcomes.

After evaluating applications and making funding decisions, Participating Counties notify the property owners of their grant awards by sending them award letters that include the amount, and other terms and conditions, of the grant. Property owners must formally accept the grant award and its terms and conditions by signing and returning the letter to their participating counties, after which property owners may proceed and hire design professionals and contractors to complete the work on their septic system projects.

As the Program provides funding on a reimbursement basis, property owners are initially responsible for the total cost of their septic system projects. Property owners may also choose to have the reimbursement paid directly to their contractors, which could reduce their out-of-pocket costs.

To receive reimbursement, property owners submit a reimbursement request to the Participating County in which they are located upon completion of their septic system projects. Reimbursement requests must include:

i. the completed Reimbursement Request form;
ii. any applicable design approval for the septic system project;
iii. description of all work completed;
iv. cost documentation and invoice or invoices for eligible costs; and
v. if applicable, a written authorization for a septic system contractor directly to receive the property owner's reimbursement.

Participating Counties review the reimbursement requests, and approve, adjust or deny them, as appropriate. No more often than once a month, Participating Counties aggregate the reimbursement requests they've received, and certify that amount in a disbursement request to the Environmental Facilities Corporation ("EFC"), which administers the Fund. EFC reviews the disbursement requests and once it is confirmed that all necessary documentation has been received and verified, disburses monies from the Fund to the Participating Counties, which then issue reimbursement payments to property owners or their contractors for their completed septic system projects.