

Virginia DEQ Septic Local Partner Program (SLPP) Design Template

Replace YELLOW-highlighted information with local information (or keep as is); Information highlighted in BLUE are just instructions.

Insert Logo, address or other Header Information

Insert Organization Name Program Design for Septic Local Partners Program for Name of service area

Name of Grantee	Name of Grantee	Effective Date	7/1/20xx
Contact Name	Name of Contact Person	Date of DEQ Approval	8/xx/20xx
Contact Information	phone number and email address		
Service Area:	List geographic areas eligible for assistance		

Overview

The *Program Design for Septic Local Partner Program* ("Program Design"), administered by Name of Grantee through a grant from the Department of Environmental Quality is intended to provide the processes and procedures by which Name of Grantee will administer septic assistance for the above listed geographic areas utilizing American Rescue Plan Act (ARPA) funds. The Program Design, administered by Name of Grantee, outlines the application and review process, selection criteria, and administrative procedures for providing cost-share assistance to property owners for septic projects.

I. Eligibility

- A. **Geographical Area of Program:** The program will be available to property located in the list the neighborhood/localities/counties, VA.
- B. **Applicants:** The following definition of applicants may be targeted to a specific sub-set of applicants: Property owners of homes or structures with straight pipes, pit privies, or currently malfunctioning septic systems requiring adequate wastewater treatment, such as connection to an existing sewer line or installation or repair of a septic system (conventional or alternative).
- C. **Time Frame:** Applications for cost-share will be accepted with the following time restrictions:
 - i. On a continual, rolling basis until all cost-share funds are exhausted or until the DEQ ARPA Septic grant ends on xx/xx/20xx.

II. Income Guidelines and Cost-share Rates/Caps

- A. **Cost-share Rate:** the cost-share rate of 50% or 100% is applied to the total eligible cost.
 - i. Applicants whose household income exceeds the area median income for the locality in which the property is located are eligible for 50% cost share.
 - ii. Applicants whose household income is at or below area median income for the current fiscal year are eligible for 100% cost share.
- B. **Cost-share Minimum and Maximum:** Cost-share must meet a minimum payment of \$250 per project. Applicants approved for 100% cost-share are limited to a maximum payment amount of \$40,000 per project. Applicants approved for 50% cost-share are limited to a maximum payment amount of \$20,000 per project. Projects that exceed that cost require further review and approval by DEQ.
- C. **Income Verification:** Name of Grantee will verify income for those participants requesting more than 50% cost-share. Income will be verified using the following documentation provided by the Applicant: W-9 and a copy of the applicant(s) most recent tax filing (1099, etc.) or statement that

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they did not earn enough income to file taxes (statement should include the minimum funding amount needed to require to file taxes).

III. Scope of Work

A. Septic projects eligible for cost-share assistance:

- i. connection of failed or failing systems or other non-complying discharges (i.e., straight pipes, pit privies, gray water) to public sewer;
- ii. repair and/or replacement of failing onsite sewage systems; and,
- iii. installation of both conventional and alternative onsite sewage systems (AOSS), including alternative discharging systems for residential homes.
 1. AOSS are often needed for homes that have a non-conforming discharge (straight pipe) or a failing conventional septic system where there is not enough area for setback requirements or suitable soils for replacing with a conventional septic system. There is a suite of different types of systems that are approved by VDH and thus are eligible for cost-share funding. These include but are not limited to: septic tank – soil absorption, aerobic treatment units, low pressure distribution systems, drip distribution systems, sand filters, elevated sand mounds, constructed wetlands, peat filters, vault privies, incinerator toilets, disinfection systems, raw or treated wastewater pump stations, composting toilets, and AOSS aerobic treatment units.

B. Eligible expenses: Cost-share amounts will be limited to costs associated with services, labor, and materials necessary to complete the septic project. Reimbursement of funds will be made as the cost of implementation or construction is incurred. The following expenses may also be included when determining the allowable amount of cost share:

- i. Costs associated with an onsite system evaluation by an appropriate licensed professional, including, but not limited to pumpouts;
- ii. Costs associated with professional services for any planning, design, permitting or construction services needed to implement the approved project;
- iii. Contractor invoices for payments due or payments which are due to contractor(s) as specified in a binding contract relating to the approved project, which may include site stabilization and/or tank abandonment costs if necessary;
- iv. Invoiced cost of materials stored on site/incorporated into the work;
- v. Invoiced cost for labor used to install the project;
- vi. Other related costs incurred as necessary and as approved by the Grantee and DEQ.

C. VDH approved work: Any repair or replacement approved by the Virginia Department of Health and not prohibited by any local ordinance is eligible for cost-share assistance.

D. Solicitation of participants: Applications will be sought through the following means:

- i. Health Department Referrals – The Virginia Department of Health, through the local Health Department, issues Notices of Alleged Violations (NOAV) to property owners whose sewage systems are in violation of health and environmental regulations. Property owners under NOAV may contact the **Name of Grantee** for application.
- ii. Referrals from Local Governments, Other Agencies – Homeowners often contact the locality when they have a malfunctioning sewage system. Localities and other local, state, and federal agencies serving the area will be notified of the Program and will be able to refer clients to the Program.
- iii. Educational Activities – News releases, fliers at public locations, mailings to watershed property owners, social media outreach, workshops, public meetings, etc.

E. Grantee Obligations for Maintenance: Applicant(s) receiving grant assistance is responsible for maintaining the septic system for the lifespan of the system, unless the ownership/leasehold changes

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and the seller (present participant) and buyer (new participant) have transferred responsibility in writing and submitted documentation to **Name of Grantee**.

- F. Indoor Plumbing:** The **Name of Grantee** recognizes that in addressing homes with failing or failed septic systems, issues regarding inadequate indoor plumbing may occasionally be encountered. Older homes often have antiquated plumbing that creates challenges in dealing with non-complying discharges (i.e., straight pipes, gray water). Costs of upgrading or modernizing indoor plumbing **are not eligible** for cost-share.
- G. Addressing multiple systems:** **Name of Grantee** recognizes that historically not all septic systems were designed and installed the same. **Name of Grantee** will consult DEQ on a case-by-case basis for eligibility for any non-typical situations.
- H. Tree removal and land clearing:** Under certain circumstances, septic projects will require tree removal and/or land clearing due to restrictions at the site. **Name of Grantee** can approve the cost-sharing of these activities with the approval of the BMPs listed above as long as the following is provided/followed:
 - i. To qualify, the site must be reviewed and evaluated by an appropriately licensed professional who determines that the only viable site on the property for the proposed septic work would require the removal of trees or clearing of land.
 - ii. The proposed activity must adhere to all local, state, and federal laws or ordinances applicable at the time of design and installation. This includes adhering to the Chesapeake Bay Preservation Act, which may limit or prohibit land clearing in a Resource Protection Area (RPA).

IV. Cost-Share Application and Review

A. Application Process:

- i. Sign-Up: Applications will be accepted on a continual basis until grant funds are exhausted.
- ii. Application Materials: Applications must include:
 - 1. An Application Form;
 - 2. A copy of the notice of deficiency or violation from the local health department to verify that the septic system is in need of deficiency correction; and,
 - 3. A completed W-9 form and a copy of the applicant(s) most recent tax filing (1099, etc.), if applying for a cost-share rate above 50%.
- iii. Place and Time of Application: Application Forms will be available online at **URL** and in-person at the **Name of Grantee** office at **Address of Grantee, City, State and Zip code** between the hours of **list hours, e.g., 7:30 a.m. – 4:30 p.m., Monday thru Friday**.
- iv. Cost-share Eligibility: expenses incurred or work completed prior to submission of an application are not eligible for cost-share unless **Name of Grantee** has deemed the work necessary to address an emergency situation, such as sewage backing up into the residence and/or sewage backing up and/or ponding on the surface of the ground, or another situation which fully prevents the use of the septic system.

B. Review Guidelines:

- i. Staff Review – The **Name of Grantee** staff will review each application for completeness and eligibility. Staff may conduct a site visit.
- ii. Selection Committee – The **Name of Grantee** will designate a committee to review and approve completed applications. The Committee will recommend the applicants to receive cost-share assistance to the **designated entity of the Grantee, e.g. Grantee Board of Directors** for approval. The Committee shall consider the following in determining cost-share funding priorities when the number of applicants and requested cost-share exceed available funding:

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1. Applicant's income in relation to the project cost
2. Cost of correcting septic deficiency;
3. Correction of septic deficiency on water quality; and,
4. Method of correcting septic deficiency and the probability of a successfully functioning system including ease of maintenance.

Optional: **Name of designated entity of the Grantee** may authorize the Executive Director to complete all cost-share agreements pursuant to approved applications.

C. Reimbursement of project costs:

- i. Cost-share payment is issued by **Name of Grantee** after the participant and the technical representative have certified installation in writing and all back-up financial documentation has been provided by the participant to the Grantee.
- ii. Cost-share funds are disbursed on a reimbursement basis, after costs have been incurred. For applicable approved projects, receipt of an operational permit from VDH is also required. **Name of Grantee** will disburse cost-share reimbursements. When cost-share recipients have incurred expenses which are eligible for payment from cost-share funds, it is necessary for them to submit a request for disbursement of grant funds. Copies of eligible invoices or contracts must accompany the disbursement request form. Upon receipt of the applicant's request for disbursement, **Name of Grantee** will review the request and may contact the cost-share recipient to arrange a visit to the project site. Once **Name of Grantee** has completed their review of the request and supporting documentation (including any additional information requested of the cost-share recipient) and conducted a site visit (as deemed appropriate by **Name of Grantee**), the **Name of Grantee** will then distribute the eligible amount of grant funding to the applicant.

V. Administrative Procedures

- A. Contractor Selection:** Applicants are encouraged to solicit multiple bids when possible to ensure competition and competitive pricing.
- B. Permits:** The **Name of Grantee** will ensure participants (homeowner or their agent) shall obtain a Department of Health (VDH) permit for the repair of an existing onsite sewage system or the installation of an onsite sewage system or an alternative sewage system. Also, the owner or agent is responsible for obtaining any other permit as required for construction of the sewage system or for the construction for connecting to public sewer. The property owner shall obtain and comply with any engineered designs as required in the VDH permit.
- C. Inspections and Sign-Off:** A final inspection of the repair or replacement shall be conducted by the local Health Department, appropriately licensed onsite Soil Evaluator, or Virginia licensed Professional Engineer. A copy of the repair or replacement permit will be retained in the participant file.
- D. Variance Requests:** The **Name of Grantee** staff can potentially provide more than the cost cap amount of \$40,000. To submit a variance request, the applicant must be eligible for more than 50% cost-share and provide income verification. All requests should be submitted to the **Name of Grantee**. The **Name of Grantee** will review all requests and forward all appropriate requests to DEQ for approval. The **Name of Grantee** minimally requires the following information to review a variance request:
 - i. Location of project;
 - ii. Project description;
 - iii. Authorized cost-share percentage (50% or 100%);
 - iv. Estimated cost-share amount if variance were approved;

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- v. An explanation that details why the cost exceeds the cost cap;
- vi. An itemized cost estimate for the entire project;

DEQ may request additional information if needed but will review the variance request and respond within 30 days of the recipient of the request.

- E. Assignment of Residential Cost-Share Funds:** **Name of Grantee** can make the cost-share payment for septic work to a third-party contractor/installer upon request by the participant. In order for this payment to be made, the contractor must provide a completed Form W-9, Page 42 Request for Taxpayer Tax Identification and Certification to the (Grantee). If over \$600, the Grantee must send a 1099-M to the recipient of grant funds, in this case the contractor.
- F. Tax Advice:** Neither the **Name of Grantee** nor the Virginia Department of Environmental Quality (DEQ) provides tax advice; the program participant may wish to consult with an independent tax advisor regarding potential tax consequences.
- G. Process for Assuring Appropriate Licensure:** Appropriate licensure for each project is determined under state code by VDH. The [Department of Professional and Occupational Regulation](#) (DPOR) issues all licensure for [Onsite Sewage System Professionals](#) under state regulations **18 VAC 160-40: Onsite Sewage System Professionals Licensing Regulations**.