

Focus on: Septic System Funding Programs



More information

For details about the Water Quality Program funding cycle, visit our website at:

www.ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans/On-site-sewage-projects

Contact information

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Special accommodations

To request ADA accommodation including materials in a format for the visually impaired, call Ecology at 360-407-6600 or visit <https://ecology.wa.gov/accessibility>.

People with impaired hearing may call Washington Relay Service at 711. People with speech disability may call TTY at 877-833-6341.

The problem

Washington State has about one million on-site sewage systems (OSS), often referred to as a septic system. A properly functioning OSS treats household wastewater before it enters ground or surface water. However, failing systems do not fully treat household wastewater.

Untreated sewage can:

- Back up into the home.
- Puddle on the ground above the drain field.
- Enter ground or surface water.

Since untreated sewage can contain bacteria, viruses, protozoa, and parasites harmful to people, these failures pose hazards to public health and water quality. Repairing and replacing a failing system is expensive. Property owners might face a bill they cannot afford.

The local loan program solution

A local loan program can help property owners with problem OSS. Loan funds from Ecology enable local governments to offer low-interest loans to property owners. Grant funds from Ecology help off-set some of the operating costs and lending risks associated with local loan programs.

Counties, health districts, conservation districts, and cities can use Ecology funds to:

- Provide loans and grants to financially distressed property owners.
- Cover day-to-day costs for the program.
- Develop and implement outreach and education programs.
- Establish a loan loss reserve account to off-set risk in case a property owner defaults on a loan.



Figure 1. An example of an OSS failure. A pipe sends household wastewater directly into the ground without treatment.



Figure 2. An excavator works on onsite sewage system replacement project along the Puget Sound.



Figure 3. New septic tanks.

Setting up a local loan program

A successful local loan program depends on the following elements working well together:

Marketing

Most local loan programs rely on a wide network of contacts to get the word out. These include local health departments, OSS professionals, local banks and real estate professionals, and the general public.

Loan administration

To run a local loan program, the community needs to be able to:

- Establish lending criteria.
- Review and evaluate applications based on the criteria.
- Set up formal loan documents.
- Process loan repayments from the property owner.
- Set up and track a loan loss reserve account (optional).
- Repay Ecology loans.

Maintenance of OSS

Programs to encourage OSS maintenance may include classes, survey programs, and other public outreach efforts.

The organization leading the OSS local loan program can take on all these roles or partner with other public and private partners such as financial institutions, another public entity, or a community organization. For example, the Regional OSS Loan Program partners with Craft3, a nonprofit financial institution, to manage lending activities. (Please visit our website for more information.)

Ecology requires a dollar-for-dollar match for grants awarded to local governments. Communities usually meet the match through an Ecology loan awarded to the same program. Applicants often request more loan dollars than grant dollars.

How to apply for Local Loan Program funding

Ecology's Water Quality Program funds OSS repair and replacement programs through the Water Quality Combined Financial Assistance Program. Applications are accepted every fall.

Applications and guidelines are available on our website at www.ecology.wa.gov/About-us/How-we-operate/Grants-loans/Find-a-grant-or-loan/Water-Quality-grants-and-loans, or by contacting Water Quality Program staff.