

# Public Funding Support for Onsite Septic System Repair/Replacement

## Recent Funding Status Update

January 13<sup>th</sup>, 2022

House Interim Special Committee on Wildfire Recovery

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*and*

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State of Oregon  
**DEQ** Department of Environmental Quality

# Today's Briefing

- Septic system management challenges
- 2021 Legislative Session Outcomes
- Re-launch of Onsite Loan Program
- Establishment of new Onsite Septic System Financial Assistance Program



# Onsite Septic Systems in Oregon

- Many Oregonians rely on septic system wastewater treatment
- Roughly 10-20% of systems fail each year
- Maintenance, Repair and/or Replacement costs can be challenging for many homeowners



# Importance of properly functioning systems

- Protect Public Health and Safety
- Protect Groundwater
- Protect Surface Water and Downstream Beneficial Uses



# 2021 Legislative Session Outcomes:

- \$2 million General Fund to support septic system repair/replacement loan program established under ORS 454.770 (SB 5516)
- \$15 million ARPA funds for providing financial assistance for residential or other on-site septic systems (HB 5006)



# OR Septic System Loan Program (OLP)

- Established by 2016 Legislature (*ORS 454.779*)
  - Authority to pass-through grant funds to support development and administration of low-interest loans
- 2017-2020: \$1.7 million in GF grants to Craft3 resulted in \$3.6M in processed loans
- mid-2020: Program suspended due to lack of additional funding
- 2021: \$2 million GF appropriation (SB 5516)
  - Program re-launched in November 2021



# Onsite Septic System Financial Assistance Program (OSFAP)

## **HB 5006 (Section 114):**

- Up to \$15M ARPA funds may be transferred from DAS to DEQ
- “for providing financial assistance to public agencies or qualified institutions for the repair, replacement, upgrade or evaluation of residential or other on-site septic systems.”
  - Grants or loans
  - Statewide applicability
  - In addition to individual household systems, funds may also be granted for large on-site systems such as those that serve mobile home parks
  - Project types may include individual connections to municipal sewer system, but not community-wide extensions



# Onsite Septic System Financial Assistance Program (OSFAP)

## Initial/Recent Activities:

- Fall 2021: Extensive Outreach with stakeholders and potential local partners
- Fall/Winter 2021: Hiring two LD positions to support program development and implementation
- January 2022: Request For Information (RFI)
  - Solicitation open Jan 5th thru Feb 15th
  - Forms and guidance available at:  
[www.oregon.gov/deq/Residential/Pages/onsiteARPAfunds.aspx](http://www.oregon.gov/deq/Residential/Pages/onsiteARPAfunds.aspx)





# Onsite Septic System Financial Assistance Program (OSFAP)

## Anticipated Next Steps:

- Pending: DAS guidance and transfer of ARPA funds
- Spring 2022: Solicit Request for Proposals (RFP)
- Summer 2022: Proposal Review and Selection
- Aug/Sept 2022: Distribute Grant Awards
- Fall 2022 (and beyond): Evaluate, consider additional RFP rounds, and potential need for ongoing admin resources



# Closing Remarks



- Rising Costs
- Contractor Capacity
- Supply Chain and Materials Availability
- Reach of \$15M ARPA funds



# Questions?

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- Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email [deqinfo@deq.state.or.us](mailto:deqinfo@deq.state.or.us).