

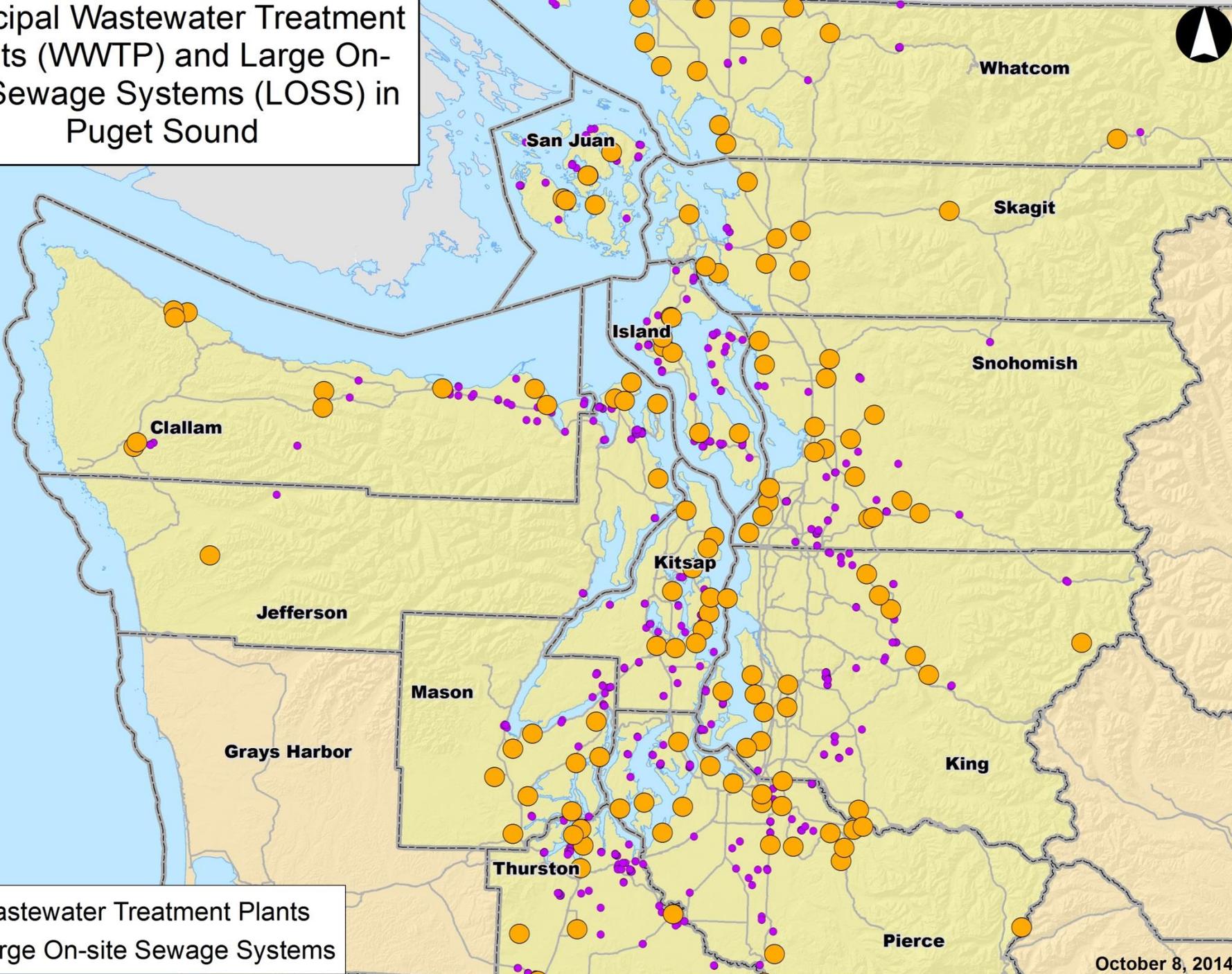
Puget Sound Septic Finance Project

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Puget Sound Wastewater Infrastructure

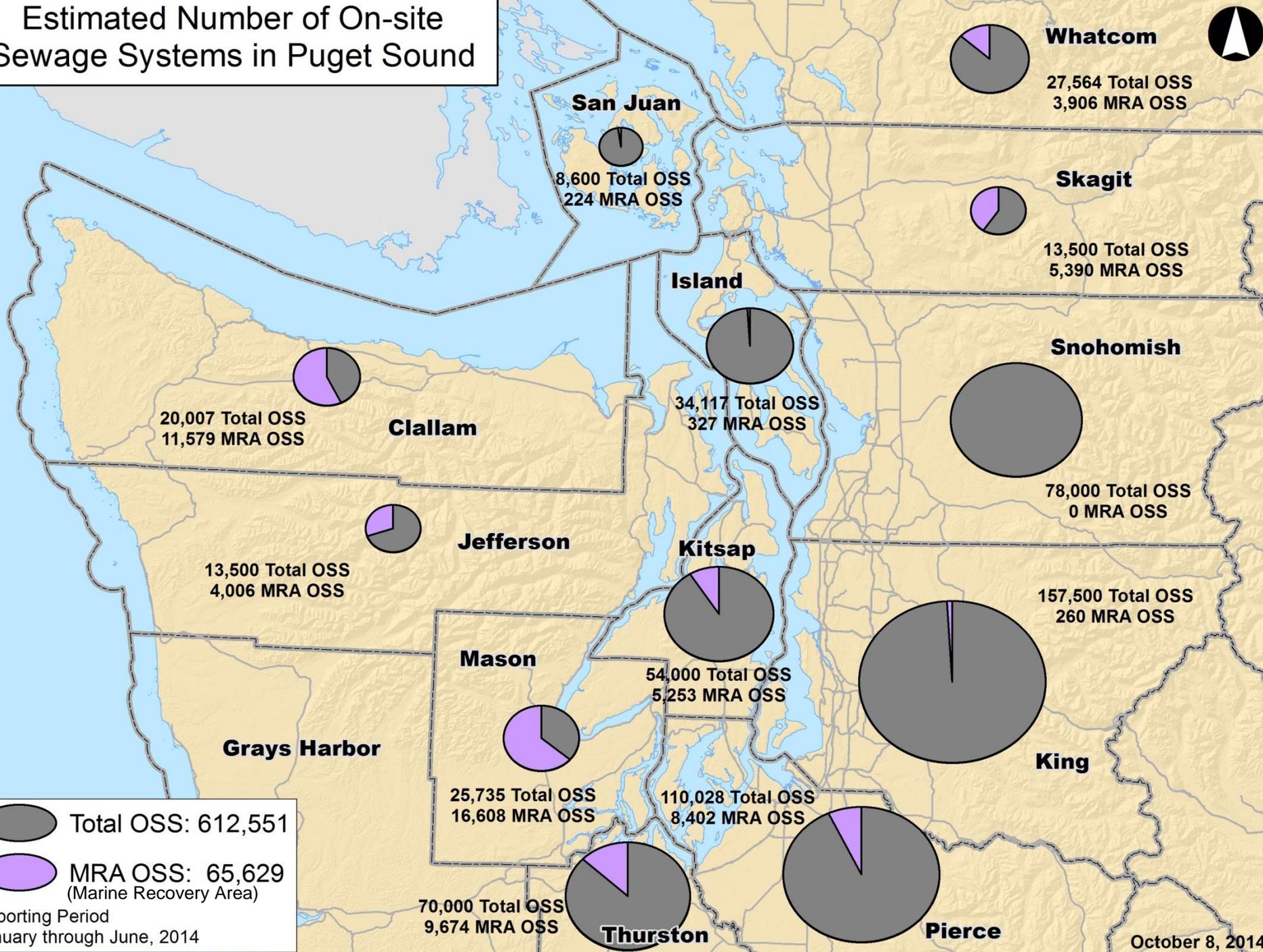
- Centralized Wastewater Treatment
 - 100 municipal wastewater treatment plants (WWTP)
 - Regulated by Department of Ecology
- Decentralized Wastewater Treatment
 - 290 large on-site sewage systems (LOSS)
 - Regulated by Department of Health
 - 600,000 on-site sewage systems (OSS)
 - Regulated by Local Health Jurisdictions (LHJs)

Municipal Wastewater Treatment Plants (WWTP) and Large On-site Sewage Systems (LOSS) in Puget Sound



- Wastewater Treatment Plants
- Large On-site Sewage Systems

Estimated Number of On-site Sewage Systems in Puget Sound



 Total OSS: 612,551
 MRA OSS: 65,629 (Marine Recovery Area)
 Reporting Period
 January through June, 2014

OSS Management Plans

- SBOH OSS Rule (2005), Marine Recovery Area statute (2006)
 - Require owners to inspect and maintain systems.
 - Require LHJs to adopt local management plans to help ensure good operation & maintenance.
 - Enhanced work in MRAs and other high-risk areas.
- Local Management Plans (adopted 2007-08)
 - Share common elements; all uniquely designed.
 - Funding uneven and limited; some local dedicated revenue.
 - Subsidized with DOH state funds and other grants.

Genesis of Septic Finance Project

- U.S. EPA National Estuary Program Funding (started 2010)
 - DOH lead for pathogen pollution grant funds.
 - Six-year work plan.
 - Local management programs key element.
- Puget Sound Environmental Health Directors Ranked Regional Priorities (2011)
 - #1 Dedicated funding for local management plans.
 - #2 Unified low-interest loan program.
- Puget Sound Action Agenda (2012)
 - Septic finance programs listed as priority actions.

Project Overview

- Project Objectives
 - Make recommendations for two sustainable finance programs.
- Design
 - Implemented as single project; one consulting team.
 - Stakeholder advisory committee for policy direction.
 - Inter-agency steering committee for technical direction.
- Elements
 - Needs assessment for each program.
 - Finance options analysis.
 - Summary report with policy recommendations.

Loan Program Analysis

- Approach and Findings

- Modeled many variables to estimate loan demand.
- Used high-low ranges with “most likely” midpoints.
- Ten-year capitalization estimated at \$22-29 million depending on rigor of loan criteria.

- Policy Recommendations

- Capitalize with Water Pollution State Revolving Fund and Centennial Clean Water Fund.
- DOH/Ecology administer funds; LHJs jointly apply; RFP issued for lender(s).
- Invite 14 marine counties initially.
- Few eligibility restrictions. No income threshold.

OSS Management Plan Analysis

- Approach and Findings

- Surveyed local programs. Expenditures and needs highly variable. Estimated total annual need of \$14+ million.
- Policy direction put added emphasis on select foundational services. Estimate rose to \$24+ million.
- Description of services and cost estimates give useful direction.

- Policy Recommendations

- Amend RCW 70.05.190 to require annual septic fee.
- Require LHJs to update management plans every five years and include foundational services.
- Develop benchmarks/standards to standardize key elements.
- Build in PIC programs as funding allows.

Next Steps

- Loan Program
 - DOH and Ecology beginning work with LHJs to determine initial participation, and ready agreements and applications.
- Legislative Septic Fee Proposal

Questions?