



Merrill W. Sherman  
Chair

William Sequino, Jr.  
Executive Director

July 27, 2015

Kevin Breene, Town Administrator  
Town of West Greenwich  
280 Victory Highway  
West Greenwich, RI 02817

Dear Mr. ~~Breene~~ <sup>Kevin</sup>,

The General Assembly recently passed a law effective in 2016 requiring the deactivation of a cesspool within 12 months of the sale of a property. The bill backed by Environmental groups was signed into law by Governor Gina Raimondo. Once deactivated a property must be tied into an available public sewer line or install a modern septic system.

The proposed legislation is important as cesspools don't treat sewage and seepage can enter groundwater and contaminate drinking water sources. It is estimated that there are 25,000 cesspools in Rhode Island built before 1968. The Rhode Island Clean Water Finance Agency operates two programs which may be of value to you.

The first program established in accordance to Title VI of the Federal Clean Water Act and Chapter 46-12.2 of the General Laws of Rhode Island. The Agency, in cooperation with the Department of Environmental Management (DEM) and Rhode Island Housing (RIH), successfully launched its Community Septic System Loan Program (CSSLP) as part of the Clean Water State Revolving Fund (CWSRF) in the spring of 1999. The Agency has engaged RIH to be the homeowner loan administrator for the CSSLP. The Agency uses federal dollars recycled from previous CWSRF loans to provide the source of funds for the CSSLP.

The CSSLP allows communities without wastewater treatment facilities to access low-interest cost SRF funds. Communities are able to access these funds after completing an On-Site Wastewater Management Plan approved by DEM. Once the plan appears on DEM's Project Priority List (PPL) and the Certificate of Approval (CA) is obtained, the community will negotiate a loan with the Agency. The amount requested should be sufficient to repair or replace failing, failed or sub-standard septic systems. Once the loan is negotiated, the community may then allow residents to access the funds. The borrowing cost for the homeowner will be a \$300 application fee and 1% interest. Any additional criteria applied by the local governmental unit cannot negate or otherwise overrule any federal and state laws and regulations which apply to the CSSLP. Recipients (the community) of loans must comply with all applicable state and federal laws and regulations. The Agency anticipates that future loans addressing non-point source pollution problems, when combined

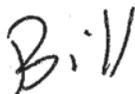
with other pollution abatement loans made by the Agency, will further assist the State of Rhode Island in meeting its long-term water quality improvement goals.

In addition to the CSSLP program, the Agency has implemented the Sewer Tie-In Loan Fund (STILF). Modeled after the CSSLP, the STILF will provide below market rate loans to homeowners to connect their residences into the local sewer system and abandon their individual septic systems. Loans up to \$150,000 will be made to the sewer system owner by the Agency at an interest rate of 0%. The system owner will then direct the STILF funds, through an intermediary, to individual homeowners at a 1% interest rate plus a \$300 application fee. The term of the individual loans will be up to five years. As with the CSSLP, Rhode Island Housing (RI Housing) has agreed to act as the financial intermediary. Upon notification by the sewer system owner that the individual building owner qualifies for the local tie-in program, RI Housing will process the loan applications, cut the checks to the vendors and process loan repayments. Loans will be made to borrowers based upon program requirements and available funds.

The maximum a homeowner can borrow from the STILF is \$10,000. Connections to the sewer by either gravity or low-pressure, including grinder pumps, are both STILF eligible. The cost to properly abandon the existing septic system (pumping out its content and filling with sand) is also STILF eligible. Since the average loan is expected to be around \$3,000, STILF loans will have up to a 5 year term.

If you have an interest in either or both programs please feel free to contact our Program Manager Ms. Robin Hedges for additional information. She can be reached at (401) 453-4453 x110. If there is any assistants I can provide please feel free to contact me directly at (401) 453-4430 x114.

Sincerely,



William Sequino, Jr.  
Executive Director

cc: Director, RIDEM  
Save the Bay