



Financing Lateral Sewers to Replace Home Sewage Systems

Ohio EPA's Water Pollution Control Loan Fund (WPCLF) offers a way for property owners to receive reduced interest rate loans to finance construction of lateral sewers to replace failing home systems and illegal wastewater connections to storm sewers. Lateral sewers are the pipes that extend from buildings and terminate at the edge of the rights-of-way, where they connect to adjacent collector sewers. This financing is available to connect existing buildings to existing central sewers, or to connect them during construction of central sanitary sewers.

Activities Considered for Funding

- Abandonment of existing septic tanks, leach fields, and any other facilities used for treatment and disposal of sanitary waste on the owner's property.
- Construction of a new lateral sewer from the building foundation to the public sanitary sewer.
- Fees to tap into the public sanitary sewer.

Activities Not Eligible for Funding

- Assessments or fees used to recoup the capital cost of the public sanitary sewer construction.
- Any work for buildings that are under construction or not yet in existence when the local linked deposit funding program is established.

How It Works

Ohio EPA makes arrangements for management of a linked deposit financing program through a local health department, the municipality that will own the wastewater treatment system, or both. The local program manager will identify qualifying property owners and notify them that financing is available. A property owner wishing to borrow funds under this program will first obtain a certificate of qualification from the health department or municipality which manages the program in their area. The property owner takes the certificate of qualification to a local bank which has an agreement with Ohio EPA to participate in the program. The local bank enters into a loan agreement with the property owner at special reduced interest rate. The property owner repays the loan to their bank.

Program Operation

The local program manager will file a quarterly progress report with Ohio EPA. The report includes the number and location of certificates of qualification which have been issued. Participating banks also report to Ohio EPA quarterly on the number of linked deposit loans and their status. Local program managers will approve plans and inspect installations to ensure the following conditions are met.

- Lateral sewers are constructed of acceptable materials. Materials used must at least equal what is used in the public sewer system. Specifications for materials and installation are identified in the agreement between Ohio EPA and the local program manager.
- Lateral sewers are installed properly, including the tie-in with the collector sewers. No part of any existing lateral or septic system can be re-used. If possible, leakage tests will be conducted prior to placing the lateral sewer into use.
- The home systems are properly abandoned. Septic tanks must be cleaned out and the contents disposed in accordance with state and federal regulations. Tanks must be perforated and filled with clean fill with permeability no greater than the surrounding natural soils.

More Information

For more details about the WPCLF, current interest rates, loan terms and activities eligible for funding, contact the Division of Environmental and Financial Assistance at (614) 644-2798 or visit epa.ohio.gov/defa.