

# **FREQUENTLY ASKED QUESTIONS**

## **TOPICS:**

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## **WHAT IS AN OVERBOARD DISCHARGE?**

An Overboard Discharge (OBD) is a small mechanical wastewater treatment plant or sand filter, which purifies and disinfects sewage from homes, businesses, schools, and institutions and following disinfection, discharges the treated effluent to a surface waterbody. All discharges of wastewater are required to be treated and are regulated by the Maine Department of Environmental Protection (DEP). OBDs differ from other types of wastewater treatment plants such as municipal or industrial facilities because they are smaller and are not monitored as closely. OBDs can legally discharge wastewater to receiving water if they have a valid discharge license from the DEP. Untreated discharges are illegal and are not eligible to receive grant assistance under the OBD program, although they may qualify for DEP's Small Community Grant Program.

## **MY OVERBOARD DISCHARGE WORKS FINE. WHY DO I NEED TO REMOVE IT?**

OBDs were originally developed as an alternative for wastewater disposal on sites that did not have access to a public sewer and were not suitable for a subsurface disposal system. They were always considered to be a "last resort" but were allowed in areas that had enough water to dilute them. Although the treated wastewater was of high quality, it still contained traces of pollutants and disease causing microorganisms. Changes in national sanitation laws made during the 1980s caused large areas of the coast to be closed to shellfishing simply because the large number of OBD discharges represented a potential threat to health. New OBD discharges were banned by the State and the OBD Removal Grant Program was created in an attempt to open

shellfish areas and eliminate nuisance conditions. In 2003, the legislature amended the OBD laws and required their removal if a technologically proven alternative could be found. In 2010, the law was further amended to require removal of OBD systems, where feasible, upon transfer of ownership with funding provided only if the OBD property is the owner's primary residence. An upper limit on income eligibility for grant funding was also set. In addition, the 2010 revised law required that upon any "significant action"<sup>1</sup>, the OBD was required to be removed, if an alternative existed. This legislation, along with advances in subsurface wastewater disposal technology and increased public sewer availability, is anticipated to enable the removal of most, but not all OBDs.

## **WHO CAN APPLY FOR AN OVERBOARD DISCHARGE REMOVAL GRANT?**

A municipality (a city or town government) or a sanitary or sewer district may apply for and be awarded a grant to remove some or all of the overboard discharges within their jurisdiction. Individual owners of overboard discharges may also apply directly for a removal grant, although individuals can only be reimbursed after the work is complete and all bills paid. Grants can only be awarded if the project plans are approved by the Department of Environmental Protection before the project is constructed.

## **WHAT FUNDING IS AVAILABLE FOR OTHER TYPES OF WASTEWATER PROJECTS?**

The Maine DEP also administers the Small Community Grant Program; which can help replace malfunctioning septic systems, and the State Revolving Loan Program; which provides low interest loans to towns that want to upgrade wastewater treatment facilities. Except for the OBD removal grant program, the DEP can't provide grants or loans directly to privately owned OBD removal projects. The USDA 504 loan program and certain programs through the local Community Action Agency may provide funding directly to property owners if they are eligible. Maine State Housing Authority also offers a Septic Repair Loan program for eligible applicants.

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<sup>1</sup> A "significant action" is defined as a single construction project performed on a primary residence with an overboard discharge when the total material and labor cost of the construction project exceeds \$50,000. A significant action does not include construction that makes the residence accessible to a person with a disability who resides in or regularly uses the residence or reconstruction performed in response to an event beyond the control of the owner, such as a hurricane, flood, fire or the unanticipated physical destruction of the residence.

## HOW DO I APPLY FOR AN OBD GRANT?

Overboard discharge grant application packages are available by request through the DEP from the OBD Removal Grant Coordinator, Maine Department of Environmental Protection, Bureau of Water Quality, DWQM, 17 State House Station, Augusta, ME 04333-0017, (207) 287-6093; Email: [brandy.m.piers@maine.gov](mailto:brandy.m.piers@maine.gov) . The completed application consists of a one page application form accompanied by a copy of the deed showing the property owners and copies of tax forms showing the previous year's income of the owners. The application will be acknowledged by the Department with a letter of acceptance or denial. The acceptance letter will show the grant percentage that is approved for the project.

## HOW MUCH WILL THE GRANT PAY TO REMOVE MY OBD?

In 2010, the law changed the percentage that the grant program will pay. Previous laws specified a percentage based on the use of the property. Provided the property is the primary residence, the new law funds OBD removals based on income according to the following chart. Please note that OBD removals at non-primary residences are not eligible for grant funds.

ANNUAL TAXABLE INCOME	GRANT PERCENTAGE
LESS THAN \$25,000	100%
\$25,000 TO \$50,000	90%
\$50,001 TO \$75,000	50%
\$75,001 TO \$100,000	35%
\$100,001 TO \$125,000	25%
GREATER THAN \$125,000	0 %

For a publicly owned overboard discharge facility, 50% to a maximum of \$150,000.

**"Annual Taxable Income"** means the sum of all the property owners' federal taxable incomes for the previous year for residential property owners. For commercial establishments, this means taxable income or ordinary business income for the previous year plus any depreciation and other noncash expense that was previously deducted. Rental properties must be considered a commercial establishment or as contributing to annual income depending on how it is reported on the Owner's federal income tax return from the previous year. In cases where a Federal Income Tax form is not filed due to the owner earning no income, the owner must provide alternative documentation to be reviewed and approved by the Department.

The grant will only pay for the minimum work necessary to replace the OBD. Costs such as excessive landscaping, additional work or land purchase are not eligible and must be kept separate.

## **HOW DO I DETERMINE MY TAXABLE INCOME?**

The taxable income for residential property owners is the sum of the taxable incomes of each owner of the property if it is jointly owned as listed on the relevant federal income tax returns for the previous year. For a commercial establishment, this means taxable income or ordinary business income for the previous year as listed on the relevant federal income tax return plus any depreciation or other noncash expense that was deducted to compute taxable or ordinary business income on that return. A rental property must be considered a commercial establishment or as contributing to annual income depending on how it is reported on the overboard discharge owner's federal income tax return from the previous year. In cases where a Federal Income Tax form is not filed due to the owner earning no income, the owner must provide alternative documentation to be reviewed and approved by the Department.

## **WHAT ADDITIONAL STEPS DO I FOLLOW TO REMOVE MY OBD?**

The grant application contains a project checklist showing additional steps, in their usual order, which must be followed. The application also contains additional paperwork that must be completed, once approval is received from the department, in order to complete the removal process and be eligible for repayment.

## **WHEN WILL I RECEIVE MY GRANT PAYMENT?**

Projects that are administered through the town will require that the OBD owner pay their share of the costs upfront and the town will receive and pay the state share. Projects that are administered directly by property owners will not receive payment until the work is complete and the contractor certifies that he has been paid. The completed Contractor's Payment Certification Form must be received by the DEP prior to any grant fund disbursements.

## **WILL THE STATE GUARANTEE MY GRANT PAYMENT?**

Projects that are administered through the town will receive a grant commitment from the state prior to proceeding with the project. Once grant funding is committed, the payment is guaranteed as long as the proper procedures are followed. Projects not administered through the town may receive a grant commitment if funding is available. The DEP will provide an individual applicant a letter stating the availability of grant funds for their project. Projects are ranked based on priority (see following section). All lower priority projects will be put on a waiting list to receive reimbursement at a future date if funds are available once all high priority projects have been completed.

## WHAT PRIORITIES ARE USED FOR THE GRANT PROGRAM?

The grant program priorities, from highest to lowest, are:

**Priority 1: Shellfish or Water Quality** - The discharge will be removed from an area certified as a shellfish area by the Maine Department of Marine Resources or a Local Shellfish Committee, or because the OBD is causing a public nuisance as defined by the rules in Chapter 594.

**Priority 2: Property Transfer or Significant Action** – The discharge is being removed because a technologically proven alternative has been found during a property transfer or a significant action as required by 38 MRSA §413.

**Priority 3: Voluntary Removal** – The discharge is being voluntarily replaced with a cost effective alternative disposal method, in an area not included in Priority 1.

Priority 1 projects will receive a grant commitment prior to construction if funds are available.

Priority 2 and 3 projects will be reimbursed if additional funds become available after all Priority 1 projects have been completed.

Priority 2 projects are required by law to be completed regardless of the availability of grant funding.

If grants from the DEP are not available due to all funds being committed to other projects, all projects that the DEP has not yet committed funding to will be ranked by priority and contacted by the DEP when funding becomes available.