



## Joint Committee on the Chesapeake and Atlantic Coastal Bays Critical Area

### Briefing on the Bay Restoration Fund: Septic System Upgrades in the Critical Area

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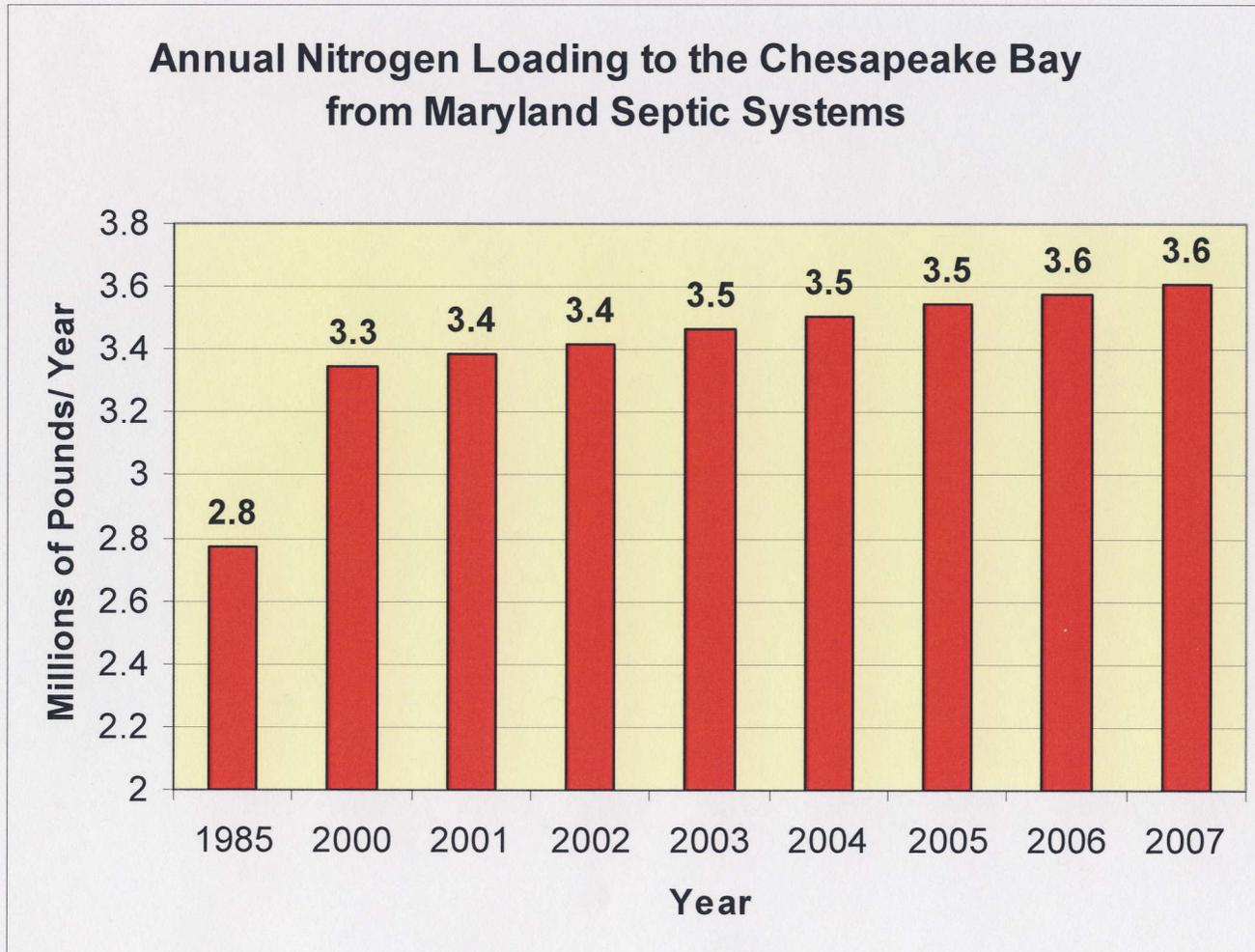
# Septic System Impacts

- ~420,000 septic systems statewide
- ~51,000 septic systems in the Critical Area
- ~2,000 new and ~2,000 replacements per year state-wide
- ~240 new and ~240 replacements per year in the Critical Area
- Estimated 12 pounds per year from each system reaches surface waters
- ~ 7% of the annual nitrogen load to the Bay from Maryland.
- BAT technology can remove up to half of the nitrogen from each septic system





# Annual Nitrogen Loadings from Septic Systems In Maryland are increasing

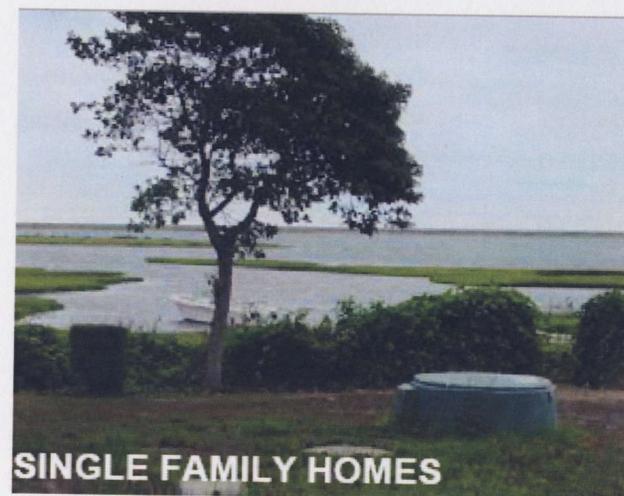
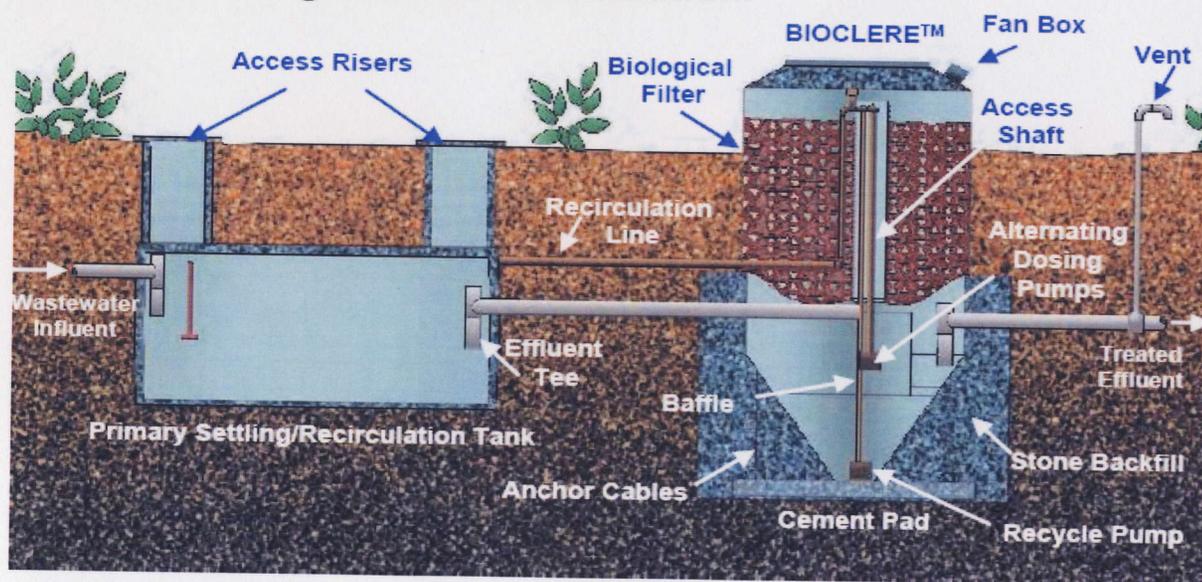




# BRF OSDS Program Overview

- Revenue stream: \$8 – \$9 M million per year
- Average installation cost: \$10,000-\$12,000/EDU
- Bay goal: Upgrade 100% of existing systems
- Awards grants to Counties and direct grants to citizens.
- Conducts technology assessments, approves BAT systems (14 currently)

*Standard Single Bioclere Installation:*





## Senate Bill 554

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- Any septic system for a newly constructed building or replacement system in the Critical Area must include Best Available Nitrogen Removal Technology (BAT)
- The Department shall adopt regulations to include management of BAT
- The Department shall provide assistance through the BRF, based on available funds
- Effective October 1, 2009



# Current Status

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- Significant increase in demand
  - Total systems installed through 9/30/08:  
375
  - Total systems installed through 9/31/09:  
1,778
- Continuing to provide grants for failing systems in the Critical Area
- 2,800 non-failing systems on the waiting list



# Future Funding Strategy

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- Applications and bid packages on the waiting list until July 1, 2010, when available funding will be allocated in priority order to:
  - 1) Failing systems in the Critical Area
  - 2) Other failing systems
  - 3) New or replacement systems in the Critical Area
  - 4) Other new or replacement systems
- Implement income-based grant criteria effective January 1, 2010
  - Owner-occupied primary residences - grants based on federal income tax brackets for 2008
  - Commercial, non-residential, rental, second residences - 25% grants



# Income-based funding criteria

Grants for upgrades to owner-occupied primary residences:

% grant	Tax rate	2008 taxable income Married couples filing jointly or Household Income	2008 taxable income Single filers
100	10% to 15%	Up to \$65,100	Up to \$32,550
75	25%	\$65,101 to \$131,450	\$32,551 to \$78,850
50	28%	\$131,451 to \$200,300	\$78,851 to \$164,550
25	33% to 35%	Over \$200,301	Over \$164,551