

# **Frequently Asked Questions**

## **Topics**

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## **What is the Small Community Grant Program?**

The Small Community Grant Program is a water pollution control program administered by the Department of Environmental Protection. The program may provide financial and technical assistance in solving wastewater disposal problems in unsewered areas. Grants for 25% to 100% of the replacement costs of a year-round residence, 25% to 50% of a business, and 25% to 50% of a seasonal or second home are available for qualifying systems. Property owners benefiting from the grants must have a taxable income of \$40,000 or less, although technical assistance is available to anyone. The maximum project size which can be funded in a single year is \$100,000. For municipal systems, which collect user fees the grant percentage is 90% (for further elaboration on total funding limits, see Maine Department of Environmental Protection Rules Chapter 592, Section 2). The goal of the Small Community Grant program is to improve water quality, protect public health, and open shellfishing areas which are affected by wastewater discharges.

## **Who Can Apply for a Small Community Grant?**

A Municipality (a city or town government) may apply for a grant on behalf of residents who own property within the municipal limits. A quasi-municipal organization, such as a sewer district, may also apply for a grant for problems within the district boundaries. For unorganized territories, the county commissioners may apply for a grant. Individual property owners are not eligible to receive a grant directly, although the funding may be used to construct individual septic systems.

## **What Wastewater Disposal Problems are Eligible for Grant Assistance?**

Discharges of untreated or partially treated sewage which flow into public drinking water supplies, shellfishing areas, or other waterbodies, or which cause a public health hazard, are eligible to receive assistance if the property owner(s) meet the income qualifications and other eligibility requirements.

## What Types of Problems are Not Eligible for Grant Funding?

The program may not be used to construct septic systems for new or replacement homes, homes that have been unoccupied for the previous 12 months, to replace non-malfunctioning septic systems, or for buildings constructed or placed on the site after July 1, 1974 which did not install a system in compliance with the Maine Subsurface Wastewater Disposal Rules. **The grant program cannot pay back the cost of work done before a project is determined to be fully eligible, the grant is awarded, and all necessary program approvals are in place.**

## What are the Income Limits for Inclusion in the Program?

The grant program may be used for privately owned septic systems, or small municipally owned and operated treatment facilities which collect user fees.

Privately owned systems: Annual Income and building usage determines the grant percentage:

- **Residential Properties:** this program defines Annual Income as the sum of federal taxable income of all owners. In cases where a Federal Income Tax form is not filed, the owner must complete the Statement of Non-Filing form to be reviewed by the Department.
- **Commercial or Rental Properties:** this program defines Annual Income as federal gross profit. Schools, Municipal buildings, or nonprofit organizations are funded as commercial.

Federal Taxable Income and Federal Gross Profit are both specific lines on the most current Federal Income Tax Return(s). The percentage of the eligible costs that the grant can pay is determined by the following charts:

ANNUAL INCOME* (FEDERAL TAXABLE INCOME)	SINGLE FAMILY DWELLING	SEASONAL DWELLING
\$0 TO \$5,000	100%	50%
\$5,001 TO \$20,000	90%	50%
\$20,001 TO \$30,000	50%	25%
\$30,001 TO \$40,000	25%	25%
\$40,001 OR MORE	0%	0%

ANNUAL INCOME (FEDERAL GROSS PROFIT)	COMMERCIAL ESTABLISHMENT
\$0 TO \$50,000	50%
\$50,001 TO \$100,000	25%
\$100,001 OR MORE	0%

Municipal systems which collect user fees: the grant percentage is 90%.

For structures with multiple uses, the funding percentages will be prorated based on the wastewater flows generated by each use, as shown on the wastewater disposal system design.

## **What Costs are Eligible for the Grant?**

The grant *will reimburse* a percentage, based on the income limitations, of the following costs:

1. Design
2. Construction of replacement systems to serve the existing use of the property
3. Administrative costs such as advertising for bids
4. External plumbing to connect to the system
5. External plumbing permits
6. Recording fee for recording program easement
7. Additional inspection fees beyond the minimum requirements of the plumbing code

## **What Costs are Not Eligible for the Grant?**

The grant *will not reimburse* for the following costs:

1. Construction expenses incurred by the owner prior to Department approval of an application for funding.
2. Internal plumbing.
3. Easement or land acquisition costs.
4. Excessive restoration or other costs beyond the minimum amount necessary to comply with the Maine Subsurface Wastewater Disposal Rules.

## **How Can I Apply for a Grant?**

Grants may not be made directly to individuals. The Municipal officials (or county commissioners in unorganized areas) apply for a grant on the individual's behalf. If the application is approved for funding, the bond issue funds for the program is approved, and funding is available, a grant will be available to the Municipality during the following construction season.

## **My System Needs to be Fixed Right Away. Can it be Funded Immediately?**

Emergency requests received from the Municipality will be considered if funding is available. To qualify as an emergency, a problem must be determined by Department to present a severe immediate threat to public health which can't wait for future funding. Funding is typically limited for this situation and may not be available.