

WARRANT ARTICLE 3.4 for BOARD of HEALTH INITIATIVE: THE COMMUNITY SEPTIC MANAGEMENT BETTERMENT LOAN PROGRAM

Goal:

For the Town of Hamilton to adopt the state-sponsored Community Septic Management Betterment Loan Program at the November 2023 Special Town Meeting.

Why:

Hamilton does not have any public sewers. All of the approximately 2800 homes are on septic systems. In general, about 10 to 20 of these systems fail townwide each year. The repair or replacement of a septic system can be upwards of \$30,000 to even \$50,000 each. This is a very heavy burden on the average homeowner and this program is geared to provide relief with easily-accessible low-interest loans. Acceptance of this program would be a win for our residents and our environment. Residents could access funding for replacements or repairs – specifically, seniors wanting to stay in town, or families that want to stay in town but need to upgrade for family size, etc. Much of our housing stock is aging and systems will need to be replaced or repaired. Homeowners can access these funds only if the Town adopts the program. Replacement or repair of failing septic systems is a green initiative as it keeps contaminants out of the groundwater.

Background:

This program is sponsored by the Commonwealth and administered by the Department of Environmental Protection as part of the Clean Water Trust program. Several of the surrounding towns including Essex, Ipswich, Rowley and Manchester have had this program in place for many years. None of these towns, except for the central part of Ipswich and downtown Manchester, has a public sewer system and wastewater treatment plant; all are similar in population to Hamilton.

The Hamilton program would be administered through the Board of Health, but will require support of other town officials, namely, the Finance Director and Treasurer already in place, so no new staffing is needed or requested. Initially there will be a learning curve but, based on and taking advantage of other towns' experiences, this will be easily managed once the program is set up.

Steps:

We have met to explain this program with all relevant Town government staff and organizations including the Town Manager, Select Board, Finance Director, Treasurer, FinCom, Town Counsel, and Council on Aging. Everyone agrees that this is a great program and we should adopt it.

We are asking that you approve this Warrant Article with a request for the state to set aside \$500,000 from the state Clean Water Trust for Hamilton's program.

There are operational decisions to be made and details to be worked out for applications, loan amounts, fee amounts, and processing, but all within the purview of the current Town staff.

FAQs - FREQUENTLY ASKED QUESTIONS:

1. **What is the *Community Septic Management Betterment Loan Program*?** It is a loan program for Hamilton residents to access if they need to repair or replace their failed septic system.

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2. **Will this program increase our taxes?** NO.
3. **Will this program cost the Town extra expenses above the current or future budgets?** NO.
Administration of the program will be done with the current Finance, Treasurer, and Health Department staff. To startup this Program, a modest short-term effort will be required; to run this Program, a low level of effort will be required falling well within their current budgeted hours.
4. **Where does the loan money for this program come from?** The Massachusetts Clean Water Trust.
5. **Is this a new program?** No. Hamilton had a previous program in place in the 1990s through 2000s and many Town residents successfully used it to pay for repair/replacement of failed septic systems. It is not clear why Hamilton did not reauthorize (originally under 310 CMR 14) but it appears the regulatory framework changed and the new program (now 310 CMR 15) was not picked up.
6. **Do other nearby Towns have this loan program in place now?** Yes, namely, Ipswich, Essex, Manchester, Rowley, Gloucester, and many others.
7. **How do these other Towns feel about this program?** Every Town with this program feels it has been very successful and are happy they have it. Some Towns such as Rowley and Essex have seen many residents take advantage of it and those residents are very happy to be able to repair or replace their septic system without having to refinance their homes.
8. **How does the Town access this Trust money?**
 - a. The Town must pass by a 2/3 vote a warrant article at Town Meeting authorizing the Town to apply for and operate the program; and
 - b. Then submit a grant application to the state Department of Environmental Protection to access the Clean Water Trust.
9. **Is this program a “gift” or is it a loan which residents must repay?** It’s a loan which must be repaid by the resident; the Town is not responsible for loan payback. No Hamilton tax dollars are involved in the loans.
10. **Who or what will benefit from this program?** The beneficiaries of this Program are: (1) residents of Hamilton whose septic systems have failed to meet Title V requirements and must be repaired or replaced; and (2) our environment into which failed septic systems discharge.
11. **Which Hamilton residents are eligible for a loan?** Any resident whose septic system has failed may request an application from the Board of Health and apply. It is entirely up to the Town to decide on eligibility requirements; those will be decided by Town management once the program is approved. For example, some Towns have chosen to exclude residents who are selling their property.
12. **Do you know how many Hamilton homeowners might want or need to take advantage of this Program?** Yes, we do. We know that every year some 10 to 20 Hamilton septic systems fail to pass Title V requirements and must be repaired or replaced. The typical cost for replacing an average septic system in Hamilton is \$30,000 to \$40,000. Over the past year, two homeowners have approached The Hamilton Foundation and two other homeowners have approached the Health Department for financial assistance in paying for the replacement of their failed septic systems.
13. **How many homeowners in other Towns with this program defaulted on their loans?** NONE.
14. **What protects the Town in the event of a default or failure to pay back the loan?** Once the loan is approved, the Town goes to the Essex Registry of Deeds office and places a lien on the property. That lien gives the Town the legal right when the title to the property changes hands to recover all of the loan amount from the proceeds of sale of the property.