



Town of Shelter Island

Water Quality Improvement Rebate

FUNDING POLICY AND RESTRICTIONS

NOTE: Please carefully review the list of regulations and explanation of application requirements

Table of Contents

- A. Introduction
- B. Categories and Amount of Rebate Grants
 - B.1. Rebate Categories
 - B.2. Base Innovative Advanced OWTS (*Onsite wastewater treatment system*) Grant
 - B.3. Additional Incentives
 - B.4. Pressurized Shallow Drainfield Grant
 - B.5. Suffolk County Mandated Private Well Relocation Grant
- C. Expenses Eligible or Not Eligible for Rebate
 - C.1 Appropriate Expenses for rebate
 - C.2 Unacceptable Expenses for rebate
- D. Restrictions On I/A Capacity, Mandated Upgrades and Time Limit on Future Home Improvements
 - D.1 I/A System Capacity Limitation
 - D.2 Homeowner Initiated and SCDHS or Town building code mandated system upgrades
 - D.3 Reserved
 - D.4 Time Limit on Future Home Improvements
 - D.5 Voiding of Rebate Conditional Agreement and Extraordinary Exceptions

*** NOTE: I/A = Innovative/Alternative
- E. Definitions

A. INTRODUCTION

The objective of the Shelter Island Innovative/Advanced On-Site Wastewater Treatment System Rebate Program is to provide financial assistance to homeowners to voluntarily replace a cesspool or conventional septic system for the installation of advanced waste reduction systems. Innovative and Alternative Onsite Wastewater Treatment Systems (I/A OWTS) and Pressurized Shallow Drainfields (PSDs) reduce Nitrate contamination in our aquifer by converting it into harmless Nitrogen gas. PSDs also enhance the biologic decomposition of pharmaceuticals, emerging contaminants of concern, and other organic compounds.

The program is administered by the Water Quality Improvement Advisory Board (WQIAB) and the Town Building Department. Funding support must be authorized by the Town Board.

B. CATEGORIES OF REBATE GRANTS

B.1. Rebate Categories

Eligible costs that have not been reimbursed by the State and Suffolk County will be reimbursed up to the Shelter Island Base and Incentive rebate grants allocated to the installation by the Town Board. The three categories for septic improvement installations are 1) the basic I/A system and 2) the installation of a PSD system, and 3) well relocation if mandated by the SCDHS. Authorized rebate grants will be merged as a single sum to represent the maximum reimbursement when calculating the amount that can be authorized for rebate payment.

B.2. Base Innovative Advanced OWTS Grant

The maximum Base Grant that can be allocated to a project is \$12,000. Approval of the Base Grant is based on an evaluation of the benefit (Nitrate reduction) to be provided to the aquifer. The evaluation includes:

1. Location Sensitivity
2. Nitrate Reduction Scoring (Kilograms per year)
3. Type and/or condition of Existing System

B.3. Additional Incentives

To support I/A installation the WQI AB has the discretion to recommend to the Town Board additional incentives, with the goal of encouraging installations in environmentally sensitive areas of the island and/or reimburse unique or unanticipated installation costs.

B.4. Pressurized Shallow Drainfield Grant

Homeowners who install a Pressurized Shallow Drainfield system (rather than installing new or use an existing less effective leaching pool) are eligible for an additional grant. The PSD provides additional reduction of Nitrate contamination and reduces contamination of pharmaceutical and other compounds from the aquifer. This rebate may only be granted in conjunction with an I/A system installation.

To support installations of this system, a \$5,000 grant for the system will be awarded. Per section B.1. above, this amount will be in addition to the Base and Well Relocation grants when establishing the maximum rebate for the project.

B.5. Suffolk County Mandated Private Well Relocation grant. A \$4,000 rebate will be provided if the Suffolk County Department Health Services (SCDHS) *mandates* relocation of the homeowner's private well to install an I/A system. Payment status of this grant will be determined based on SCDHS and Contractor document evidence to be provided in the "Septic Rebate Release of Funds (Form #2)" at the close of the project. This rebate may only be granted in conjunction with an I/A system installation. Per section B.1. above, this amount will be in addition to the Base and PSD grants when establishing the maximum rebate for the project.

C) EXPENSES ELIGIBLE or NOT ELIGIBLE FOR REBATE

C.1 Appropriate Expenses

Financial support covers many but not all the costs associated with the replacement of a current ineffective waste system with an I/A OWTS. Covered expenses include equipment, labor, materials, and excavation causally related to the removal of the current sanitary system and installation of the I/A OWTS. Only the expenses deemed to be appropriate and necessary for the replacement of the system on the specific property are covered. In determining whether a cost is appropriate and/or necessary, the WQI AB will consider the usual and customary costs of certain equipment, materials, and labor, as well as any characteristics of the property that may aid or hinder the replacement. No expenditure shall be reimbursed, unless sanctioned by law and authorized by the Town Board. The homeowner must provide a full accounting of such costs for the project to the WQI AB and the Town Board.

Examples of expenses appropriate for rebate:

- Engineering inspection and design
- Survey maps
- Equipment
- Labor
- Materials
- Excavation or soil sampling required by SCDHS
- Relocation of private well if *mandated* by the SCDHS because of the I/A OWTS installation
- Costs for installation of a Pumped Shallow Drainfield system
- Requirements *mandated* by the SCDHS to meet their system design criteria
- Electrical and Plumbing installation directly associated with the I/A installation
- Salt brine redirection from a water treatment system to a dry well separate from the I/A
- Leveling/grading and seeding after installation
- Abandonment of obsolete septic or leaching pool

C.2 Expenses unsuitable for rebate

- An I/A OWTS installation mandated by Town Code or the SCDHS.
- Rehabilitation of landscaping other than leveling and seeding of lawn areas (e.g., installation of trees, shrubs, garden areas, etc.)
- Projects which have as their primary purpose the accommodation of new growth as opposed to remediation of water quality.
- Ordinary maintenance or repair of existing facilities
- New construction, including replacement of tear-down buildings.

D. RESTRICTIONS ON I/A OWTS CAPACITY, MANDATED UPGRADES and TIME LIMIT ON FUTURE HOME IMPROVEMENTS

D.1 I/A System Capacity Limitation

Rebates shall cover only those expenses associated with installation of a Nitrate reducing septic system which is the lowest capacity system recommended by the manufacturer for the current legally existing structure, as determined by the SCDHS (General Guidance Memorandum #19, dated April 12, 2005, subject to change). An applicant may install a higher capacity system using the applicant’s own funds to make up the difference in cost for purchase and installation between the lower and higher capacity system.

D.2 Homeowner Initiated and SCDHS or Town building code mandated system upgrades

WQI rebate eligibility may be authorized when the homeowner/applicant *voluntarily initiates* the process for removal of a Cesspool or a Conventional Septic System and upgrades to an I/A OWTS for the purpose of decreasing Nitrate contamination waste effluent. The SCDHS or the requirements of the SI Town Code may initiate a regulatory mandate to upgrade a Cesspool or a Conventional Septic System to an I/A OWTS as part of a review of home construction or other regulated change to the property. WQI policy bars providing rebates for an I/A OWTS when upgrading to an I/A OWTS is mandated by SCDHS or Section 43-10.4, Code of Shelter Island.

By WQI policy, I/A OWTS installation due to Catastrophic Cesspool failure, as defined by the SCDHS, is eligible for rebate support, regardless of the project’s benefit scoring in part B.2. See section D.4 regarding Time Limit on Future Home Improvements.

By WQI policy, replacement of a home after a “tear down-demolition” of an existing home as defined by section 43.8 Demolition Permits in the Shelter Island Code is considered new construction and is not eligible for rebate support.

D.3 Reserved

D.4 Time Limit on Future Home Improvements

The Conditional Rebate Agreement between the Owner and the Town limits expansion of the property for a three-year time period. This time period is based on the date the “Red Stamp” system design has been issued by the SCDHS. Violation of this agreement may subject the owner to the following penalty.

Three-year Expansion Restrictions		
Expansion without increase in design flow (as determined by SCDHS) (Example #1)	Expansion with increase in Design Flow (as determined by SCDHS) (Example #2)	Any expansion >1500 sq. ft. regardless of Design Flow (Example #3)
OK – rebate agreement remains fulfilled, return not required	Expansion not allowed, rebate must be returned to the Town	Expansion not allowed, rebate must be returned to the Town

Example #1 - Rebate return to SI is not necessary when owner installs a deck, garage, uninhabitable accessory structure, swimming pool, that the SCDHS determines does not change the existing Design Sewage Flow. Addition must be less than 1500 sq. ft. and may be for an I/A appropriately sized or larger than required.

Example #2 - Expansion where owner installs or wishes to install additional space in the structure that the SCDHS determines will INCREASE the Design Sewage Flow of the property. Funding support is not allowed. The rebate must be returned to the Town since the 3-year limitation from the date of the Red Stamp approval by SCDHS is in effect. Examples of disallowed expansion include addition of bedrooms, a change in floor plan that results in the reclassification of non-bedroom rooms causing an increase in the design flow of a home, and accessory structures.

Example #3 - Expansion where owner installs or wishes to install additional space with an expansion greater than 1500 square feet. By Town Code any expansion over 1500 sq. ft. is categorized as “New Construction” and not eligible for a rebate. The rebate must be returned to the Town since the 3-year limitation is in effect.

D.5 Voiding of Rebate Conditional Agreement and Extraordinary Exceptions

If improvements in section D.4 violate restrictions, the prior rebate approval becomes void. The applicant is not eligible for any portion of the rebates, and any payments made to the applicant pursuant to this grant must be returned to the Town. Should the applicant fail to return the funds when requested, the applicant agrees to pay the Town’s legal fees in connection with the Town's recouping of the funds.

EXCEPTION: If an expansion is for the purpose of creating Affordable Housing the Town Board may rescind the three-year limitation on improvement plans as a variance to this policy. Homeowners must register with the Community Housing Board for this variance to be considered.

EXCEPTION: In the event of a change in ownership, after the WQI rebate has been paid to the prior owner, the three-year limitations on property improvements in section D.4 are canceled. The new owner is not subject to the limits in section D.4.

E. DEFINITIONS

Block, Brick, or Metal Cesspool as categorized by SCDHS definition – An existing cesspool that is fabricated from metal, individual concrete block, brick or material other than precast concrete is considered failed by the SCDHS regulations. Septic system upgrades are eligible for WQI rebates *regardless of the eligibility scoring criteria*, provided the emergency replacement is not associated with expansion of the house or other land use actions that would cause the upgrade to be mandated by SI Town Code Section 43-10.4.

Catastrophic Emergency Cesspool Failure – A determination from the SCDHS that an existing cesspool or conventional septic requires accelerated emergency replacement to maintain safety. Emergency cesspool system replacements are eligible for WQI rebates *regardless of the eligibility scoring criteria*, provided the emergency replacement is not associated with expansion of the house or other actions that would cause it to be mandated by SI Town Code Section 43-10.4. Limitations on future home expansion or other timing limits are determined by the Design notice from the SCDHS Wastewater Management (“**Red Stamp**” engineering plans are not generated for Catastrophic Emergency Cesspool replacements).

Contractor - Operation and Maintenance (O&M) provider – A private entity hired by a homeowner to provide tasks required by the SCDHS and/or the manufacturer of the I/A OWTS including, but not limited to, cleaning, inspection, and adjustment of control settings to ensure proper operation of the I/A OWTS and related components.

Design Professional – An Engineer or Architect licensed or registered in the State of New York and authorized by the State Education Law to design the installation of an I/A OWTS and Pressurized Shallow Drainfield.

Homeowner Initiated I/A OWTS Upgrade – An I/A OWTS upgrade voluntarily initiated by a homeowner for the purpose of decreasing Nitrates and other contaminants from their waste effluent, except for mandatory upgrade pursuant to Section 43-10.4 of the Shelter Island Town Code.

I/A OWTS Registration - The approval process by which a Homeowner/Installation Contractor/Design Engineer completes and submits documentation required by the SCDHS to certify ownership and use of an I/A OWTS in accordance with Suffolk County Sanitary Code Section 760-1905 (I/A OWTS Registration Requirements). This includes arrangements for periodic maintenance by the Operation and Maintenance (O&M) provider.

Leaching Structure, Innovative (“Pressurized Shallow Drainfield” = PSD) – A structure placed just below grade which distributes I/A OWTS effluent to a piping system to allow soil organisms to convert Nitrates and other contaminants into less harmful compounds.

Leaching Structure, Traditional (“Leaching Pool”) – A concrete or other structure placed significantly below grade which distributes conventional septic tank or I/A OWTS effluent to allow it to infiltrate the surrounding subsoil. Provides poor conversion of Nitrates due to depth of distribution into subsoil.

Onsite Wastewater Treatment System – Cesspool or Cesspit – Any “single stage” buried chamber, including, but not limited to a perforated metal tank, perforated concrete or block vault or hollow excavation. A Cesspool receives direct discharge of wastewater for the purpose of collecting solids and releases effluent liquid directly into the surrounding subsoil without the aid of a leaching structure.

Onsite Wastewater Treatment System – Conventional Septic System – A “two stage” onsite sanitary system consisting of 1) a watertight chamber “septic tank” used for the settling, stabilizing and anaerobic decomposition of sewage that does not have any active aeration or mechanical means of treatment or any supplemental filtration components and 2) any associated interconnecting piping, leaching structure(s) and any associated interconnecting piping.

Onsite Wastewater Treatment System – “Design Sewage Flow” or “Capacity” – Gallons of waste a septic system such as an I/A OWTS must be capable of treating is determined by the SCDHS based on the structure and floor plan of the building. Frequently mis-interpreted simply as the number of bedrooms, the floor layout of other rooms may impact the SCDHS count. Determined by the SCDHS per “General Guidance Memorandum #19 Procedures of the Office of Wastewater Management for Classifying Bedrooms within Dwellings”, currently dated April 12, 2005, subject to change.

Onsite Wastewater Treatment System – Innovative and Alternative Onsite Wastewater Treatment System(s) (I/A OWTS) – An advanced onsite “two stage” wastewater treatment system that is designed to reduce total Nitrate in treated effluent to no more than 19 mg/l. The system consists of 1) the primary tank that operates through aeration and mechanical means to reduce Nitrate contamination with other supplemental filtration components and 2) any associated interconnecting piping, leaching structure(s) and any associated interconnecting piping.

SCDHS or SI Town Initiated I/A OWTS Upgrade – An upgrade from a Cesspool or Conventional Septic that is mandated as a result of building permit review of the owner’s planned construction for an addition, accessory building, waste system relocation due to the installation of a swimming pool, driveway, deck, shed, patio, or other land use action. SCDHS or SI Town Initiated mandated I/A system upgrades are not eligible for WQI rebate funding.