

**Guidelines for On-Site Sewage Facilities Assistance Program**

Texas Community Development Block Grant Program  
 Contract No. 712369

**I. INTRODUCTION**

Tom Green County, Texas has received Texas Community Development Block Grant (TxCDBG) funds administered by the Texas Department of Agriculture (TDA) to provide On-Site Sewage Facilities (OSSF) assistance to low- and moderate-income (LMI) applicant homeowners who reside in designated areas of the County as described in TxCDBG Contract 712369 - approximately twenty-nine (29) on-site septic systems in unincorporated areas of the County.

The primary objective of the County’s OSSF Assistance Program is to provide adequate, safe, and sanitary sewer services for LMI residents through the installation of approved residential OSSFs for single family, owner-occupied dwellings in compliance with rules of the Texas Commission for Environmental Quality (TCEQ). In these guidelines, “County” refers to officers or employees of Tom Green County assigned to work with the Program. Any action by the County that requires Commissioners’ Court approval is specifically noted; otherwise any action may be carried out by the appropriate officers or employees. “Grant Manager” refers to the general administration firm hired by the County to assist with the implementation of the Program. “Health Department” refers to the Tom Green County’s Environmental Health Department, the entity responsible for permitting OSSFs within unincorporated Tom Green County.

**II. APPLICANT ELIGIBILITY**

The following are threshold requirements which must be met for an applicant homeowner to be eligible for assistance. Eligibility does not guarantee funding, as there may be more eligible applicant homeowners than can be served with available funds.

- A. **Income Eligibility:** Eligibility for the OSSF Assistance Program is governed by the most recently available income limits established by HUD for the TxCDBG. Only families with incomes at or below 80% of the area median family income are eligible for assistance. Income from any and all sources must be included for every adult (age 16 or over) living in the residential unit.

Tom Green County, Texas 2013 Income Limits								
Residents in Unit:	1	2	3	4	5	6	7	8
80% Median Income	\$31,000	\$35,400	\$39,850	\$44,250	\$47,800	\$51,350	\$54,900	\$58,450

- 1. The gross income of households to be benefited must not exceed HUD's current 80% AMFI Income Limits listed above.
- 2. All income will be verified for all members of the household from independent source documentation such as an employer paycheck stub, letter from employer(s), benefit letter from the Social Security Administration, or valid income tax returns.
- B. **Proof of Ownership:** Applicant homeowners must be a person who owns, in whole or in part, or who has entered into a Contract for Deed agreement, and occupies a single-family residential unit. Ownership or evidence of a Contract for Deed agreement may be documented as follows:
  - 1. Valid deed of trust or mortgage deed which has been filed for record with the County Clerk's office and which includes reasonable rights of redemption and quiet and peaceful possession of the property;
  - 2. Life estate, which has been filed for record at the County Clerk's office;
  - 3. Heir property; if property is in an undivided "heir ownership" situation, the applicant homeowner must be one of the heirs. Clear title is not required but proof of control of the property is necessary and can include evidence that the applicant homeowner paid insurance and property taxes in the prior year;

4. 99-year leasehold interest in the property; or,
  5. Fee simple title to the property
  6. Tax receipt that indicates ownership of the property.
  7. Contract for deed for the property, also known as a land contract, conditional sales contract, or installment contract. Ownership of title may still belong to the Vendor.
- C. Proof of Occupancy: Applicant homeowner must furnish a utility bill from within the preceding three (3) months, or other proof of current occupancy of the housing unit to be assisted.
- D. Property Taxes: Applicant homeowner must furnish a valid current tax receipt showing that all property taxes assessed on the property proposed for assistance have been paid prior to the award of the assistance; or notice from the Tom Green County Tax Appraisal District Office that the property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Code; or that Applicant has entered into an installment plan with the Tax Appraisal District Office and is current in making payments.
- E. 911 Address: Applicant homeowner must furnish documentation showing the current 911-address for the property.
- F. Clean Record: Applicants must not have any outstanding complaints, financial balances, or otherwise unresolved matters with the Tom Green County Environmental Health Department.

### III. PROPERTY ELIGIBILITY

- A. Unit Characteristics: Only single-family owner-occupied units **with no access to a centralized sewer system** will be eligible for assistance. Single-family housing units must have their own kitchens; share no common walls with other housing units; and must not fit the Census definition of "group quarters" (housing units containing ten or more unrelated people or nine or more people unrelated to the head of household). Mobile homes and manufactured housing are considered single-family housing units.
- B. Location: Units must be located within unincorporated areas of the County.
- C. Inspection: The County will conduct an initial evaluation to verify location and determine whether the condition of the existing OSSF unit merits replacement.

### IV. PROGRAM PARTICIPATION REQUIREMENTS

- A. Relocation assistance will not be provided, as this is a voluntary participation program.
- B. All debris, abandoned vehicles, and derelict buildings that will interfere with the proposed improvements must be removed from the property prior to the start of construction. The applicant homeowner will be responsible for the removal.
- C. Self-help assistance in the form of the applicant homeowner providing the labor and the program providing material will not be permitted under this program.
- D. Applicant homeowners who provide false information regarding income or residency status may be disqualified by the Commissioners' Court at any time prior to the installation of the OSSF, and may be subject to criminal prosecution.

### V. TYPE OF ASSISTANCE

OSSF Assistance will be in the form of a grant from the County to the applicant homeowner for the express purpose of installing a new OSSF and related house connection on the applicant's single-family owner occupied property. The grant funds will be paid directly from the County to the OSSF contractor upon satisfactory completion of the installation.

### VI. CONFLICT OF INTEREST

- A. The conflict of interest regulations contained in the TxCDBG contract(s) between the County and TDA prohibit local elected officials, County employees, and Program or Grant Managers who exercise functions with respect to TxCDBG activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the TxCDBG activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.
- B. For purposes of this section only, the TxCDBG has defined "family" to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the TxCDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).

## **VII. SELECTION OF APPLICANTS**

### **A. Application Policies and Procedures:**

1. The Grant Manager and the County will host application in-take sessions at an accessible location(s) within the County. Following the first application intake session, the County will accept applications on a rolling basis at the Tom Green County **Environmental Health Department** office located at the Edd B. Keyes Building on 113 W. Beauregard Avenue in San Angelo, Texas.
2. The Grant Manager will advertise via the local newspaper and with public postings the availability of OSSF Assistance to potential program beneficiaries at the beginning of the application acceptance period.
3. Each complete application will be marked with the date and time of receipt. A complete application means that the application form and all documentation required in sections II and III of these guidelines have been provided to the Grant Manager. All applications will be placed on an applicant list based upon the order in which they were received.
4. Because applicants will be providing confidential information during application intake, the application and associated information shall be made available only to the County, the Grant Manager, and TDA.

### **B. Applicant Evaluation and Approval:**

1. The Grant Manager will review all applications for Applicant Eligibility (Section II).
2. The County will review all applications for Property Eligibility (Section III). Only applications that include all required documentation will be accepted as complete. Applicants will be notified of missing information and instructed to submit the missing items directly to the Grant Manager. Only when all missing items are submitted will the application be considered complete and eligible for placement on the applicant list.
3. Applicant homeowners who are eligible but are not offered assistance due to depletion of grant funds will be notified of this situation in writing.
4. Applicant homeowners who are not eligible for assistance will be removed from the applicant list and provided written notification of the reason for their ineligibility.
5. Funding will be offered to the applicant homeowners in applicant list order. If at any time complete application information is submitted simultaneously by different eligible homeowners the applicant with the lowest percentage of AMFI for his or her family size will be placed on the list first, followed by the applicant with the next lowest percentage, and so on until all applicants are listed. Complete applications submitted during the same applicant intake session are considered to be simultaneously submitted.
6. The Grant Manager will provide the homeowner applicant list to the Commissioners' Court for consideration of approval; once approved by Court the applicants will be invited to enter into Assistance Agreements with the County for OSSF assistance. The process of creating applicant lists may be completed several times during the grant contract period as new applications are received.

### **C. Assistance Agreements:**

After Court approval, the County will execute an Assistance Agreement-Right of Entry Form with each applicant selected to receive assistance. The Assistance Agreement will include the terms and conditions required to receive OSSF grant assistance from the County. A homeowner's refusal to sign the Assistance Agreement-Right of Entry Form disqualifies the homeowner from receiving assistance under this grant. The eligible applicant is referred to as an "assisted homeowner" after signing the Assistance Agreement. The assisted homeowner must occupy the property where the OSSF is located throughout the assistance period, which begins with the submittal of the application and ends with execution of the Certificate of Construction Completion.

## **VIII. PRELIMINARY INSPECTION, WORK ASSESSMENT AND CONTRACTING PROCESS**

- A. A required site evaluation and design will be conducted for each assisted homeowner by a third party site evaluator selected by the County. The contract for site evaluation and design services will be between the County and the lowest qualified bidder and will include all site evaluations to be carried out under this program.
- B. The successful site evaluation and design services bidder must be able to provide proof of vehicular and general liability insurance. Proof of insurance must be obtained within 30 days of notice of award.
- C. In addition to the OSSF evaluation, the site evaluator shall assess, to the best of his ability, the need to replace yard piping and house plumbing connections in order to convey all wastewater and gray-water from the house to the new OSSF. These items, where known, shall be included in the design for bidding.
- D. Once the site evaluation is complete it will be submitted to the Tom Green County **Environmental Health Department** for review and approval through the authority granted by TCEQ.
- E. Site evaluations and designs will be used as the basis when bidding for OSSF installations.

- F. The County will require that OSSF installation bidders obtain a 5% bid bond. A certified or cashier's check or U.S. Savings bond may be submitted in lieu of the bid bond
- G. The County and the Grant Manager will conduct the bid process and bid opening according to all required federal, state and local procurement procedures for OSSF installation on private property. Bids must include all work indicated by the site evaluator's design including OSSF replacement and any sewer yard line or house connection plumbing improvements, where indicated.
- H. Once bids are received, the Grant Manager will create a bid tabulation. The contract for OSSF installation will be between the County and the lowest qualified bidder. The construction contract will be executed on forms approved by the County and will include all TxCDBG program requirements and technical specifications.
- I. Regardless of the construction contract amount, the successful bidder must be able to obtain a performance bond equal to the amount of the construction contract. The performance bond must reference Tom Green County TxCDBG contract #712369 and be filed within 30 days of notice of award.
- J. The successful bidder must be able to provide proof of vehicular and general liability insurance. Proof of insurance must be obtained within 30 days of notice of award.
- K. For contracts in excess of \$25,000, the County will require the contractor to execute a payment bond in the amount of the contract before beginning the work.
- L. In order to be eligible to participate in the construction work financed under this OSSF Assistance Program, contractors must meet the following minimum requirements:
  - 1. The contractor must not be a debarred, suspended or ineligible contractor according to U.S. General Services Administration list of Parties Excluded from Federal Procurement and Non-Procurement Programs. Verification of contractor eligibility will be obtained from TDA prior to awarding any contract.
  - 2. The contractor will comply with relevant state and federal laws. The contractor must have a current and valid OSSF license issued by the State of Texas (TCEQ) appropriate to the type of OSSF being installed.

## **IX. CONSTRUCTION PHASE PROCEDURES**

- A. Changes to the OSSF replacement contract scope of work between the County and the contractor must be approved in writing by the County and the contractor via Change Order. All Change Orders require prior approval by the County and the Texas Department of Agriculture (TDA). Reasons for Change Orders may include but not be limited to adding days to a construction contract in order to account for inclement weather. All change orders will be reviewed on a case-by-case basis.
- B. Construction Inspections serve three purposes: 1) to evaluate the contractor's progress; 2) to confirm that OSSF installation codes or standards have been satisfactorily met and that any pre-existing septic systems replaced through this program have been mitigated in accordance with Title 30 Texas Administrative Code Chapter 285 Subchapter D rule 285.36(b) so that a permit may be issued; and 3) to confirm that all requirements of the contract have been met to all parties' satisfaction. The Health Department has established inspection procedures according to the type of OSSF and the Health Department will be responsible for OSSF permitting inspections through the authority granted to it by TCEQ. The Health Department's established OSSF procedures shall be followed for interim and final inspections with the following modifications:
  - 1. When work on each OSSF is nearing completion, the contractor will notify the Health Department inspector regarding the specific date when the job will be ready for a final inspection. The Health Department will schedule final inspections for each OSSF.
  - 2. Once the OSSF installation has been approved by the Health Department inspector and the permit issued, the assisted homeowner will be asked to confirm acceptance of the work in writing.
  - 3. Once Construction of all OSSFs within the construction contract are complete and permitted by the Health Department, a Certificate of Construction Completion (COCC) will be signed by Tom Green County, the Health Department and the contractor. The COCC and OSSF permits will constitute evidence that the work was completed in accordance with TCEQ standards and the site evaluator's designs.
- C. Warranties and Liens
  - 1. When the final inspection confirms that the work is completed in accordance with the contract, the Grant Manager will obtain from the OSSF contractor an "Affidavit of all bills paid" and the contractor's final request for payment.
  - 2. All work performed by the OSSF contractors will be guaranteed for a period of one (1) year. Once the COCC is fully executed the warranty will be transferred to the Grantee as specified in the Assistance Agreement-Right of Entry.

**D. Contractor Payment:**

1. The County may approve progress payments to the contractor and may set aside a retainage not to exceed five percent (5%) of the contract price.
2. Final payment of retainage will be approved after a Certificate of Construction Completion (COCC) and affidavit of all bills paid is executed by the relevant parties and the contractor's standard written warranty for OSSF installation is provided to each assisted household.
3. The County shall not execute the COCC until all OSSF systems are fully completed and the County has verified through its OSSF inspection process that the OSSF systems are in compliance with relevant TCEQ and County requirements.

**E. Contractor Performance**

1. Should the contractor fail to perform work in accordance with an OSSF contract, the County may serve written notice upon the Contractor of its intention to terminate the contract. The notice shall contain the reasons for such intention to terminate the contract, and unless such violation or delay shall cease and satisfactory arrangement of correction be made within ten days, the contract shall, upon the expiration of said ten (10) days, cease and terminate. In the event of any such termination, the County shall immediately serve notice thereof upon the Contractor. The County may then take over the work and complete the project by bid/contract or by force account at the expense of the Contractor. In such event the County may take possession of and utilize in completing the work, such materials, appliances, and plant as may be on the site of the work and necessary therefore.
2. Should the contractor fail to correct any warranty issues in accordance with an OSSF contract, the contractor shall be barred from bidding on future OSSF contracts and payment for any pending OSSFs under construction will be suspended until the warranty issues are addressed to the satisfaction of the County.
3. Contractors with open OSSF contracts that are out of compliance for any reason (construction not complete by contract deadline, installation does not meet TCEQ standards or project specifications, etc.) shall be barred from bidding on future OSSF contracts until the issues are resolved to the satisfaction of the County and the contract is back in compliance.

**X. COMPLAINTS AND DISPUTES**

The County and the Grant Manager will investigate all complaints, whether verbal or written, using the following procedures:

1. All complaints will be submitted in writing.
2. The Grant Manager will attempt to resolve the complaint. If they are unable to resolve the complaint to the satisfaction of the complainant, the complainant will have five (5) working days to appeal the Grant Manager's decision to the Head of the Tom Green County Environmental Health Department. If the Tom Green County Safety and Inspection Department Head is unable to resolve the complaint to the satisfaction of the complainant, the complainant will have five (5) working days to appeal the decision to TDA. The decision of TDA will be binding upon all parties involved.
3. Each step of the complaint resolution process will be documented and maintained in the program files.

**XI. FILES AND REPORTS**

The County will maintain accurate files and records on the program and on each applicant homeowner as required by TDA. Such files will be open for inspection as to qualifications, bids, and awards. The Grant Manager will ensure that the files are intact at the time the OSSF Assistance Program activities are completed and will ensure that the files are updated during the implementation period.

**XIII. CHANGES, WAIVERS, AND/OR CONFLICTS**

The Commissioner's Court will have the right to change, modify, or revoke all or any part of these guidelines by a majority vote of the Commissioner's Court. However, TDA must be informed of such changes and must grant permission for any changes that affect the County's fulfillment of its TxCDBG contract requirements.

Passed and approved this 26 day of Feb, 2013 by the Commissioner's Court of Tom Green County, Texas.

Approved:



County Judge

Attest:



County Clerk

