

NORTH DAKOTA  
NONPOINT SOURCE POLLUTION MANAGEMENT PROGRAM



Septic Renovation and Water Quality Initiative Guidelines

*v DRAFT May 2026*

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| Table of Contents  |    |
| Notice .....   | 2  |
| Introduction .....                                       | 2  |
| Funding Mechanism .....                                  | 3  |
| Regulatory Framework .....                               | 3  |
| Tribal Participation .....                               | 4  |
| Local Sponsors/Subrecipients .....                       | 4  |
| Grant Payments .....                                     | 5  |
| Project Match Requirement .....                          | 5  |
| Payment Request and Disbursement Procedures .....        | 6  |
| Project Boundary .....                                   | 8  |
| OSTS Renovation Focus Areas and Eligibility .....        | 9  |
| Prioritization .....                                     | 10 |
| System Requirements, Procurement, and Payment Caps ..... | 10 |
| Potential Effects to Cultural Resources .....            | 11 |
| Environmental Review .....                               | 12 |
| Local Public Health Unit Coordination .....              | 12 |
| Resources .....  | 14 |
| Appendix A OSTs Renovation Focus Areas .....             | 15 |
| Figure 1: North Dakota Waterbodies 1-mile Buffer .....   | 15 |
| Figure 2: North Dakota DRASTIC Ratings .....             | 16 |
| Appendix B Local Environmental Health Services .....     | 17 |

## Notice

The Septic Renovation and Water Quality Initiative is a newly established program. As the program is implemented and additional information becomes available, this guidance document may be revised to reflect updated policies, procedures, and program requirements. Users of this document should ensure they are referencing the most current version.

The most current version of this guidance will be available on the North Dakota Department of Environmental Quality (NDDEQ) website at:  
[https://deq.nd.gov/WQ/3\\_Watershed\\_Mgmt/1\\_NPS\\_Mgmt/NPS\\_Grant.aspx](https://deq.nd.gov/WQ/3_Watershed_Mgmt/1_NPS_Mgmt/NPS_Grant.aspx)

## Introduction

Sediments, nutrients, pesticides, and livestock waste are the most common Nonpoint Source (NPS) pollutants affecting the water quality of many North Dakota waterbodies. These pollutants are generally delivered to waterbodies by way of runoff, wind, percolation, or atmospheric deposition. To effectively reduce or eliminate the transport of these pollutants to surface and/or groundwater, various control measures must be implemented within the watersheds of the impaired waterbodies. Likewise, waterbodies that are not impaired can be protected by use of these control measures to preserve the high quality of water in the system.

The North Dakota Nonpoint Source Pollution Management Program (NPS Program) Plan identifies failing or inadequate onsite sewage treatment systems (OSTS), commonly referred to as “septic systems”, as a priority source of NPS pollution. Malfunctioning systems can impact both groundwater and surface water resources by releasing untreated or partially treated wastewater containing nutrients (such as nitrogen and phosphorus) and pathogens including bacteria such as *Escherichia coli* (*E. coli*). As identified in the NPS Management Plan, failing onsite wastewater systems represent a significant and addressable source of nutrient and pathogen loading to both surface water and groundwater.

The Septic Renovation and Water Quality Initiative is a targeted implementation component of the North Dakota Nonpoint Source Pollution Management Program. The Initiative operationalizes the goals, objectives, and strategies identified in the NPS Management Plan by addressing failing onsite sewage treatment systems as a source of

nonpoint source pollution. Renovation of these systems represents the implementation of best management practices (BMPs) designed to reduce pollutant loading and protect beneficial uses of surface water and groundwater.

This Initiative supports statewide efforts to restore impaired waters and protect high-quality waters by reducing nutrient and bacteria loading, particularly in areas where failing systems pose an elevated risk to water resources. Through the provision of technical and financial assistance to local sponsors, the program advances watershed-based implementation efforts and aligns with the NPS Program's broader strategy of targeted, incentive-based pollution reduction.

This guidance document provides information for local sponsors and partners on the administration and implementation of septic renovation projects supported through the Initiative.

## Funding Mechanism

The Septic Renovation and Water Quality Initiative technical and financial assistance is supported through federal funding provided by the Clean Water Act Section 319 Nonpoint Source Program and the Sewer Overflow and Stormwater Reuse Municipal Grants Program (OSG). In North Dakota, these federal funds are administered by NDDEQ which provides financial assistance to eligible local sponsors to implement septic system renovation and renovation projects in a specified local project area.

## Regulatory Framework

Participation in septic renovation projects supported through the NDDEQ NPS Program is voluntary and intended to provide financial and technical assistance to address water quality concerns associated with NPS pollution. However, malfunctioning septic systems may also be subject to regulatory requirements under state law or local public health ordinances if they create a public health nuisance or discharge untreated wastewater to the environment. The availability of assistance through this program does not alter or replace applicable regulatory requirements. Property owners remain responsible for complying with all applicable state and local laws governing onsite wastewater treatment systems. NDDEQ does not propose to limit or restrict participation in this Initiative if a property is the subject of local regulatory action, provided the project

otherwise meets program eligibility requirements and funding is available; however, local sponsors may adopt additional limitations.

Onsite sewage treatment systems (OSTS) are regulated in North Dakota through a combination of state law, administrative rules, and local public health programs. State authority for the regulation of onsite wastewater treatment systems is established in North Dakota Century Code (NDCC) Chapter 23.1-07.1 and provides NDDEQ with authority to adopt rules, codified in the North Dakota Administrative Code. Local Public Health Units (LPHUs) play an important role in the permitting, site review, and inspection of individual systems within their jurisdictions. Septic renovations under this Initiative must comply with applicable state laws, administrative rules, and local permitting requirements.

## Tribal Participation

Local sponsors whose project area include lands within the jurisdiction of federally recognized tribal nations located in North Dakota may participate in this Initiative. For projects receiving funding through this program, individual septic system renovations must be designed and installed in accordance with applicable North Dakota laws and administrative rules as well as any applicable local and Tribal permitting requirements.

## Local Sponsors/Subrecipients

Local sponsors are eligible non-federal entities such as local governments, joint powers boards, or nonprofit organizations. Sponsors must have a Unique Entity Identifier (UEI) issued through SAM.gov, must not be suspended or debarred from participation in federal programs, and must be able to comply with federal grant requirements.

The local sponsor serves as the subrecipient under the NDDEQ Septic Renovation and Water Quality Initiative and is responsible for implementing project activities at the local level and ensuring that grant-funded septic system renovations are carried out in accordance with program requirements. Acting as the primary point of contact within the project area, the local sponsor manages project outreach, assists property owners with application and eligibility verification, coordinates with qualified septic system professionals, and oversees project documentation and reporting.

In addition to administrative coordination, the local sponsor ensures that projects are implemented in a manner consistent with the water quality goals of the NPS program. This includes prioritizing projects in areas where failing or inadequate onsite systems pose a risk to surface water or groundwater quality, maintaining appropriate records of installations and expenditures, and submitting required documentation to NDDEQ for reimbursement and program tracking.

## Grant Payments

The local sponsor is responsible for administering septic system renovation projects in accordance with applicable NDDEQ grant guidelines and any associated federal requirements. Prior to project implementation, the local sponsor will enter into a written agreement with the participating property owner that outlines project responsibilities, eligibility requirements, cost-share provisions, and maintenance expectations. The local sponsor will coordinate the procurement and selection of a licensed septic system installer in accordance with NDDEQ procurement standards. To ensure appropriate use of grant funds and proper documentation of work performed, payment for the installation will be made directly to the licensed septic contractor by the local sponsor following verification that the system has been properly installed and all program requirements have been met.

## Project Match Requirement

Within North Dakota, the OSG program waives the local match requirement for septic system renovation projects statewide except in the counties of Dunn, McLean, Mercer, Renville, Sargent, and Traill, where a 20 percent non-federal match is required. For projects located within these counties, the local sponsor will work with NDDEQ prior to project initiation to identify eligible match sources and determine how the required match will be met and documented. Match contributions may include eligible cash contributions or other allowable non-federal resources which are reasonable and necessary for performance of the project. The approach to meeting match requirements will be documented as part of the project agreement and approved by NDDEQ before project implementation begins. Grant funds may not be used to meet the match requirement of other federally funded programs.

## Payment Request and Disbursement Procedures

Funds awarded to the local project sponsor will be held by NDDEQ and disbursed upon submittal and approval of complete and appropriate documentation. The procedure is as follows:

- 1) Septic contractors will provide a bill showing the entire cost of the septic system renovation and will bill the homeowner for the homeowner's share of the project costs. Once the homeowner's share has been paid, the local sponsor may submit a payment request to NDDEQ for the remaining eligible project costs and their applied percentage for Grant Management. The local project sponsor will pay the septic contractor for the remaining portion of the bill.
- 2) Payment requests must be based on completed septic system installations and must include sufficient documentation to demonstrate that:
  - a. the homeowner's required cost-share has been paid,
  - b. match requirement (if applicable) has been met,
  - c. the installation complies with all applicable program requirements, permits, and design specifications, and
  - d. the requested amount reflects only eligible costs under this program.
- 3) Local sponsors will be provided access to the NPS Database system to manage project information and submit payment requests. Local sponsors will receive access credentials and will be responsible for entering and maintaining project information, including individual septic renovation activities, as applicable. NDDEQ staff will provide training and support to local project sponsors in the use of the NPS Database System. A tutorial is available at <https://www.youtube.com/watch?v=rdDDomK2gcl>
- 4) Payment requests must be submitted through the NPS Database system. Sponsors will be required to enter project-specific information and upload supporting documentation for each septic system renovation in accordance with these Guidelines.
- 5) NDDEQ will review submitted information and documentation within the system to determine eligibility of costs and compliance with program requirements prior to disbursement of funds.
- 6) NDDEQ may request additional information or clarification as needed. Local sponsors are responsible for responding to such requests and ensuring that all submitted information is complete and accurate.

- 7) NDDEQ will review submitted payment requests for completeness and compliance with program requirements prior to disbursement of funds. Incomplete or insufficient documentation may result in delays or denial of payment.

Local sponsors are responsible for maintaining all supporting documentation for each funded renovation and must make records available to NDDEQ upon request for audit or program review purposes.

### Individual Project Eligibility

Financial assistance may be authorized for the renovation of an eligible septic system when all the following criteria are met:

- The septic system is over ten (10) years old;
- Failure of the system cannot be attributed to mismanagement, neglect, or accidental damage by the current property owner;
- The system is located within an approved project boundary and meets the program eligibility criteria, including proximity to a North Dakota named and classified waterbody or location above a designated sensitive aquifer, unless an exception has been approved by NDDEQ based on documented water quality concerns; AND
- The septic system serves a occupied private residence.

Upgrades or additions to existing, functional septic systems are **not eligible**.

Participation in the program is **not limited based on household income or other means-testing criteria**.

Program participation is intended to address failing or inadequate private residential septic systems that pose a risk to water quality; NDDEQ makes no eligibility judgement as to whether the property must serve as a primary residence, however a local sponsor may choose to.

Participation in the program requires the homeowner enter into a written agreement with the local sponsor outlining the terms of the project, including responsibilities related to system installation, documentation, and any required cost participation; NDDEQ has provided a sample contract. The contract will include the location of the septic renovation, homeowner/property owner information, and details of the septic

renovation costs. Property owners must also allow reasonable access to the property for project coordination activities, including site evaluation, system installation, inspection, and documentation as required by the local sponsor, NDDEQ, or the applicable Local Public Health Unit.

## Project Boundary

The local sponsor will identify and document the geographic boundary of their local project area as part of the project proposal. Project boundaries should be based on logical planning units such as watershed boundaries, hydrologic features, community service areas, or other defined geographic areas. Where practicable, project boundaries should align with watershed-scale planning areas or priority areas identified through the NPS Program prioritization framework to support targeted implementation of water quality improvements.

Under the NPS Program, waterbodies and watersheds are evaluated and prioritized using a statewide framework based on beneficial use status, available data, and the need for management action. For the purposes of this Initiative, prioritization is focused on Restoration and Protection outcomes, where septic system renovation can directly reduce pollutant loading or prevent water quality degradation.

**Restoration Areas** – Watersheds containing waterbodies with impaired or threatened beneficial uses where nutrients, bacteria, or other pollutants associated with nonpoint source pollution are contributing factors. These areas are typically identified through the Integrated Report (Sections 305(b) and 303(d)) and may have approved Total Maximum Daily Loads (TMDLs), watershed-based plans, or other restoration strategies. Septic system renovation in these areas is intended to reduce pollutant loading and support progress toward water quality restoration.

**Protection Areas** – Watersheds containing waterbodies that currently support their beneficial uses but may be vulnerable to degradation due to landscape conditions, groundwater sensitivity, or development pressure. Septic system renovation in these areas is intended to prevent future water quality impacts and maintain existing conditions.

In addition to these categories, prioritization for septic system renovation projects should consider factors that influence the likelihood that a failing or inadequate system is contributing, or has the potential to contribute, to water quality impacts. These factors include:

- Proximity to surface waterbodies, particularly those with documented impairments or recreational uses
- Location within watersheds with approved TMDLs, watershed-based plans, or identified water quality concerns related to nutrients or bacteria
- Groundwater vulnerability, including areas with high DRASTIC ratings, shallow aquifers, or wellhead protection areas
- Evidence of system failure or conditions that increase the likelihood of pollutant transport (e.g., poor soils, high water table, direct hydrologic connectivity)
- Density or clustering of septic systems where cumulative impacts may occur
- Occurrence of harmful algal blooms or other indicators of nutrient enrichment
- Local capacity, landowner participation, and readiness to implement projects

Local sponsors are encouraged to use this framework when defining project boundaries and prioritizing individual renovation projects to ensure that septic system renovation efforts are focused in areas where they are most likely to contribute to measurable water quality improvements or protection of high-quality waters.

## OSTS Renovation Focus Areas and Eligibility

Within any identified local project boundary, NDDEQ has established criteria to identify septic systems that pose the greatest potential risk to water resources. Eligible OSTs must be located adjacent to, or within one mile of, a North Dakota named and classified waterbody, or be located above a designated sensitive aquifer, as shown in Figure 1 and Figure 2 in Appendix A. A quick lookup mapping tool is available in the Septic Renovation Water Quality Initiative section of the NPS Grant website:

[https://deq.nd.gov/WQ/3 Watershed Mgmt/1 NPS Mgmt/NPS Grant.aspx](https://deq.nd.gov/WQ/3_Watershed_Mgmt/1_NPS_Mgmt/NPS_Grant.aspx). These criteria are intended to focus program resources in areas where failing or inadequate septic systems have a higher likelihood of contributing nutrients, pathogens, or other pollutants to surface water or groundwater. In limited circumstances, NDDEQ may approve exceptions to these proximity criteria if sufficient documentation demonstrates

that a septic system is directly impacting, or has a clear potential to impact, a nearby water resource even if it is located outside these thresholds.

## Prioritization

Once basic eligibility requirements have been met, the local sponsor will establish and implement a prioritization process to determine which applicant projects will receive funding. The prioritization approach may be tailored to local conditions and project goals, provided it remains consistent with program requirements and focuses on reducing risks to surface water and groundwater quality. The prioritization method must be applied in a consistent and transparent manner to all eligible applicants within the local project boundary. The local sponsor is responsible for maintaining documentation describing the prioritization criteria used and the basis for funding decisions.

## System Requirements, Procurement, and Payment Caps

The repair or renovation must be installed in accordance with the North Dakota Administrative Code and any applicable requirements administered by the Local Public Health Unit (LPHU) with jurisdiction over the project area. Permitting, system design approval, and final inspection requirements must be completed as required by the applicable LPHU prior to reimbursement. Installation must be performed by a licensed septic system installer, and documentation confirming compliance with applicable codes and permit requirements must be maintained by the local sponsor.

All septic system renovation activities funded through the program must also comply with NPS Management Program procurement guidelines (can be found by clicking the **NPS Procurement Guidelines** button on the NPS Grant webpage

[https://deq.nd.gov/WQ/3 Watershed Mgmt/1 NPS Mgmt/NPS Grant.aspx](https://deq.nd.gov/WQ/3_Watershed_Mgmt/1_NPS_Mgmt/NPS_Grant.aspx) ) and

applicable federal procurement requirements. The local sponsor is responsible for ensuring that procurement procedures are followed and properly documented.

Depending on the structure of the local project, the local sponsor may manage the contractor selection process directly, or the participating property owner may obtain bids from licensed installers, provided that procurement requirements and documentation standards are satisfied. The specific approach will be determined by the local sponsor in coordination with NDDEQ and documented prior to project implementation.

The most common septic system renovation configuration is expected to be a standard septic tank with gravity-fed drainfield system, installed in accordance with state and local plumbing code requirements. Because these systems represent the majority of anticipated installations, local sponsors may consider implementing a bulk procurement or pre-qualified contractor approach that establishes a list of approved septic installers and standardized installation component costs for common system types. Such an approach may improve administrative efficiency and reduce project costs while maintaining compliance with applicable procurement standards.

Local project sponsors are encouraged to establish a maximum payment cap per system for septic system renovation projects funded through the program. Establishing a consistent funding cap can help ensure that available program funds support the greatest number of eligible systems while maintaining equitable treatment of applicants. Under this approach, program funds would cover eligible project costs up to the established cap, with the participating property owner responsible for any remaining costs associated with the repair or renovation.

If a payment cap is established, the cap must be applied consistently to all participating properties within the project, unless the local sponsor has developed a clearly documented and defensible prioritization or funding scheme that justifies different funding levels. The payment cap or funding structure should be defined prior to project implementation and documented in the local sponsor's project administration procedures and homeowner agreements. NDDEQ may review the proposed funding structure to ensure it is transparent, equitable, and consistent with program requirements.

## Potential Effects to Cultural Resources

Projects funded with federal dollars are subject to Section 106 of the National Historic Preservation Act, which requires consideration of potential impacts to historic and cultural resources prior to project implementation. Consultation with the North Dakota State Historic Preservation Office (SHPO) is necessary to evaluate whether the proposed work may affect those resources.

The level and timing of SHPO consultation may vary depending on the scope and geographic scale of the local project area. For narrowly defined project areas with clearly identified locations, consultation may be completed in advance of implementation for

the full project area. In contrast, larger-scale or programmatic efforts with multiple or undefined project sites may require site-by-site consultation as specific locations are identified. NDDEQ will assist local project sponsors in coordinating with SHPO, determining the appropriate level of review, and ensuring that all required documentation and consultation steps are completed prior to project implementation.

## Environmental Review

Projects funded with federal dollars are subject to the National Environmental Policy Act (NEPA), which requires evaluation of potential environmental impacts prior to project implementation. NEPA ensures that environmental effects are considered in decision-making and that federally funded activities do not result in significant adverse impacts to the human environment. For septic system replacement projects, this review considers factors such as potential effects to water quality, soils, wetlands, floodplains, and other environmental resources, while recognizing the intended purpose of improving wastewater treatment and reducing pollutant loading.

Septic replacement projects funded under this program are anticipated to result in overall environmental benefits through the repair or replacement of failing systems. These improvements typically reduce the discharge of untreated or partially treated wastewater to surface waters and groundwater, resulting in decreased nutrient loading, pathogen reduction, and improved protection of public health and water resources. Given the small scale and localized nature of individual projects, and the consistent expectation of net environmental benefit, this program applies a programmatic approach rather than requiring individual project-level environmental review for each installation.

## Local Public Health Unit Coordination

Local Public Health Units (LPHUs) have primary authority in North Dakota for the permitting, plan review, and inspection of private septic systems. Local project sponsors must coordinate with the appropriate LPHU (see Appendix A) during project planning and implementation to ensure that all regulatory requirements are met. This coordination may include confirming permitting procedures, verifying allowable system designs for specific site conditions, and ensuring that required inspections are completed prior to system operation. In cases where the local sponsor is itself a Local

Public Health Unit, these responsibilities will be carried out by the sponsoring agency in accordance with its regulatory authority and established procedures.

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## Resources

Septic Renovation Water Quality Initiative Toolkit

[https://deq.nd.gov/WQ/3 Watershed Mgmt/1 NPS Mgmt/NPS Grant.aspx](https://deq.nd.gov/WQ/3_Watershed_Mgmt/1_NPS_Mgmt/NPS_Grant.aspx)

General information regarding NDDEQ NPS Grants as well as specific information for the Septic Renovation Water Quality Initiative.

Nonpoint Source Pollution Management Plan (2021-2025)

[https://deq.nd.gov/publications/WQ/3 WM/NPS/Program/Final NPSProgramMgmtPlan\\_2021-2025.pdf](https://deq.nd.gov/publications/WQ/3_WM/NPS/Program/Final_NPSProgramMgmtPlan_2021-2025.pdf)

NPS Database tutorial

<https://www.youtube.com/watch?v=rdDDomK2gcl>

EPA Sewer Overflow and Stormwater Reuse Municipal Grants Program -

<https://www.epa.gov/cwsrf/sewer-overflow-and-stormwater-reuse-municipal-grants-program>

NDDEQ On-Site Wastewater Treatment Systems - Provides information on installer licensing, regulatory oversight, and septic system program contacts.

[https://deq.nd.gov/WQ/2 NDPDES Permits/7 SepticSystems/Septic.aspx](https://deq.nd.gov/WQ/2_NDPDES_Permits/7_SepticSystems/Septic.aspx)

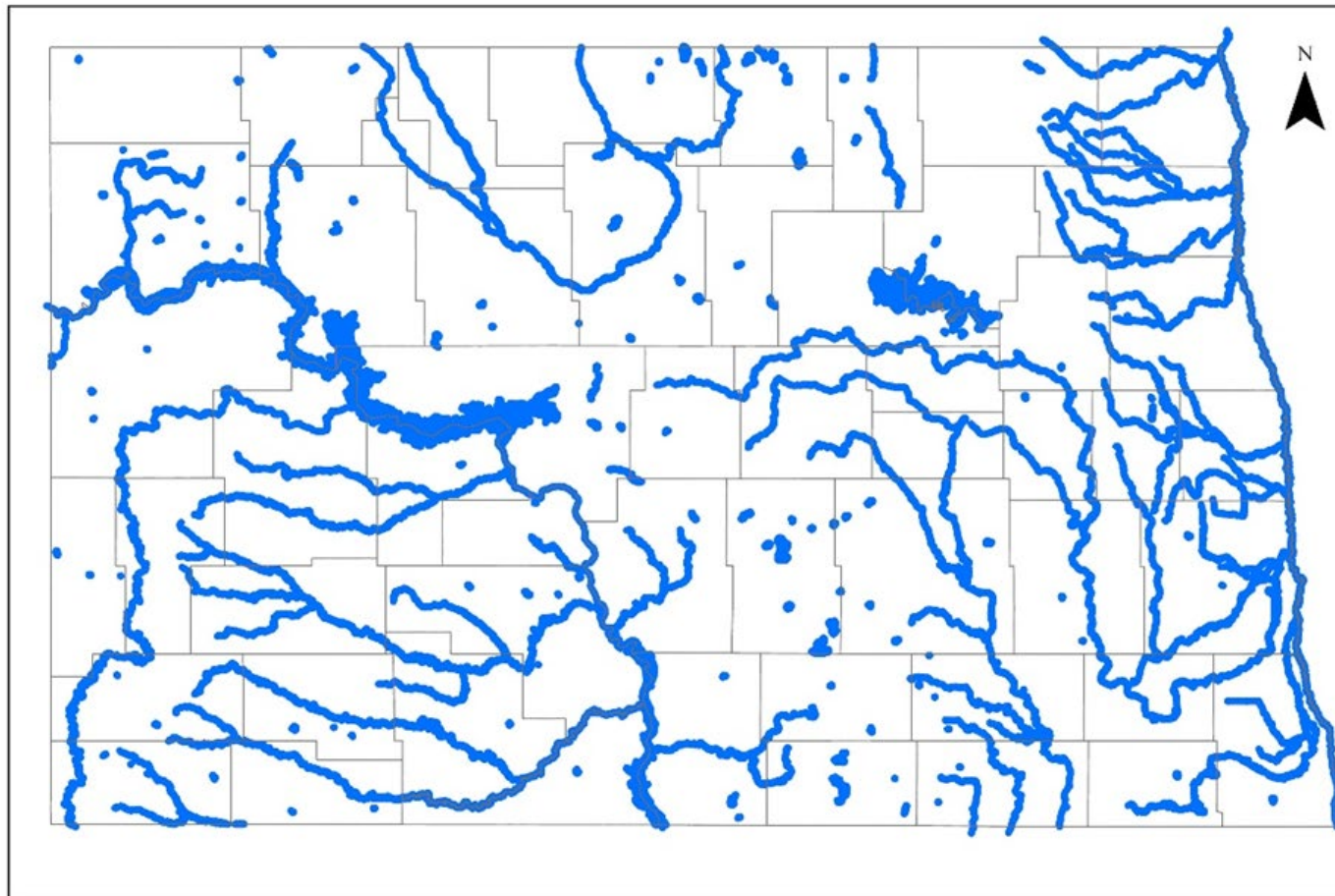
EPA Septic Systems HUB – good information for maintaining effective systems to protect public health and preserve valuable water resources.

<https://www.epa.gov/septic>

Links to ND Local Public Health Units - <https://www.hhs.nd.gov/local-public-healthsites>

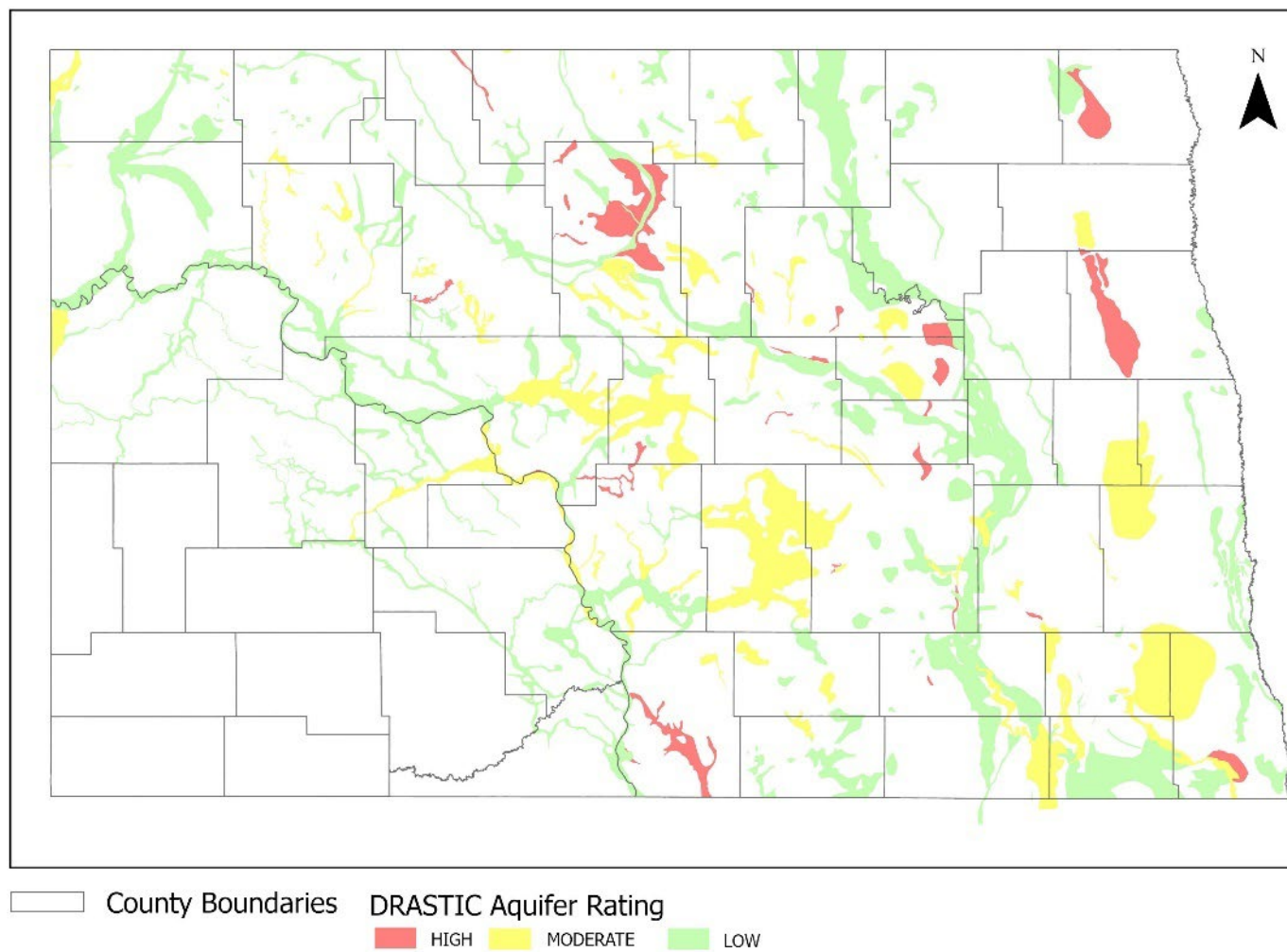
## Appendix A OSTS Renovation Focus Areas

Figure 1: North Dakota Waterbodies 1-mile Buffer



- County Boundaries
- Waterbodies 1-mile Buffer

Figure 2: North Dakota DRASTIC Ratings



## Appendix B Local Environmental Health Services

In North Dakota, Local Public Health Units (LPHUs) are responsible for administering environmental health programs, including permitting and oversight of onsite sewage treatment systems. While LPHUs are organized as individual county, city-county, or multi-county health districts, environmental health services are often provided across larger geographic areas through cooperative agreements between health units. Table 1 shows cross-jurisdictional agreements as of March, 2026:

Table 1 Environmental Health Services

| Environmental Health (Septic Systems) Services Provider | Counties Covered  |
|---|---|
| Bismarck-Burleigh Public Health                         | Burleigh  |
| Central Valley Health District                          | Barnes<br>Dickey<br>Foster<br>LaMoure<br>Logan<br>McIntosh<br>Stutsman<br>Wells |
| Fargo-Cass Public Health/Southeast PH Collaborative     | Cass<br>Richland<br>Ransom<br>Sargent<br>Steele<br>Traill                       |
| First District Health Unit                              | Bottineau<br>Burke<br>McHenry<br>McLean<br>Renville<br>Sheridan<br>Ward         |
| Grand Forks Public Health Department                    | Grand Forks<br>Walsh<br>Pembina<br>Griggs<br>Nelson                             |

|                                     |   |
|-------------------------------------|---|
| Lake Region District Health Unit    | Benson<br>Cavalier<br>Eddy<br>Pierce<br>Ramsey<br>Rolette<br>Towner                 |
| Southwestern District Health Unit   | Adams<br>Billings<br>Bowman<br>Dunn<br>Golden Valley<br>Hettinger<br>Slope<br>Stark |
| Upper Missouri District Health Unit | Divide<br>McKenzie<br>Mountrail<br>Williams   |
| Western Plains Public Health        | Emmons<br>Grant<br>Kidder<br>Mercer<br>Morton<br>Oliver<br>Sioux                    |

Tribal Environmental Health:

Spirit Lake Reservation

Spirit Lake Tribe Environmental Health Program

Standing Rock Reservation

Standing Rock Sioux Tribe Environmental/Environmental Protection Department

Fort Berthold (Three Affiliated Tribes)

Three Affiliated Tribes Environmental Division

Turtle Mountain Reservation

Turtle Mountain Band Environmental Program / Tribal Environmental Dept