

CHAPTER 9210
OFFICE OF ENVIRONMENTAL ASSISTANCE
SOLID WASTE GRANT AND LOAN PROGRAMS

	SOLID WASTE PROCESSING FACILITY CAPITAL ASSISTANCE PROGRAM	9210.0330	INFORMATION REQUIRED ON APPLICATION.
9210.0100	DEFINITIONS.	9210.0340	SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH APPLICATION.
9210.0110	SOLID WASTE PROCESSING FACILITIES CAPITAL ASSISTANCE PROGRAM.	9210.0350	GRANT AND LOAN APPLICATION PROCEDURES.
9210.0120	GRANT APPLICATION PROCEDURES.	9210.0360	REVIEW AND EVALUATION OF APPLICATIONS.
9210.0130	ELIGIBILITY CRITERIA.	9210.0370	AWARD OF GRANTS AND LOANS.
9210.0131	PRELIMINARY GRANT APPLICATION.	9210.0380	GRANT, LOAN, OR GRANT AND LOAN AGREEMENT.
9210.0132	INVITATION TO SUBMIT FINAL GRANT APPLICATION.		
9210.0140	FINAL GRANT APPLICATION.		
9210.0150	SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH FINAL GRANT APPLICATION.		
			ENVIRONMENTAL ASSISTANCE GRANT AND LOAN PROGRAM
9210.0160	REVIEW AND EVALUATION OF FINAL GRANT APPLICATIONS.	9210.0800	SCOPE AND APPLICABILITY.
9210.0170	LIMITATIONS.	9210.0805	DEFINITIONS.
9210.0180	GRANT AGREEMENT.	9210.0810	REQUEST FOR PROPOSALS.
		9210.0815	ELIGIBILITY CRITERIA.
	ENVIRONMENTAL TESTING GRANTS	9210.0820	PRELIMINARY GRANT AND LOAN APPLICATION PROCEDURES.
9210.0190	DEFINITIONS.	9210.0825	FINAL GRANT AND LOAN APPLICATION PROCEDURES.
9210.0200	ENVIRONMENTAL TESTING GRANTS.	9210.0830	LIMITATIONS.
		9210.0835	FEDERAL MATCH GRANTS.
	SOLID WASTE PROCESSING FACILITY DEMONSTRATION PROGRAM	9210.0840	TIME-SENSITIVE GRANTS.
9210.0300	DEFINITIONS.	9210.0845	GRANT AGREEMENT.
9210.0310	SOLID WASTE PROCESSING FACILITIES DEMONSTRATION PROGRAM.	9210.0850	LOAN AGREEMENT.
9210.0320	ELIGIBILITY CRITERIA.	9210.0855	PARTICIPATION AGREEMENT.

SOLID WASTE PROCESSING FACILITY CAPITAL ASSISTANCE PROGRAM

9210.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 9210.0100 to 9210.0180 the following terms have the meaning given them, unless the context requires otherwise.

Subp. 2. [Repealed, 15 SR 839]

Subp. 3. [Repealed, 15 SR 839]

Subp. 4. **Cities.** "Cities" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 4.

Subp. 5. **Comprehensive solid waste management plan.** "Comprehensive solid waste management plan" means a written plan prepared under Minnesota Statutes, section 115A.46.

Subp. 5a. **Director.** "Director" means the director of the Office of Environmental Assistance.

Subp. 6. **Disposal.** "Disposal" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 9.

Subp. 7. **Final design and engineering/architectural plans.** "Final design and engineering/architectural plans" means those engineering drawings and specifications used to secure bids for construction or equipment.

Subp. 8. **Institutional arrangements.** "Institutional arrangements" means methods of financing, marketing, procurement, or securing the waste supply.

Subp. 9. **Mixed municipal solid waste.** "Mixed municipal solid waste" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 21.

Subp. 9a. **Office.** "Office" means the Office of Environmental Assistance established in Minnesota Statutes, section 115A.055.

Subp. 10. **On-site utilities.** "On-site utilities" means gas, electrical, water, and sewer facilities within the geographic boundaries of the waste processing facility site, that are used for facility operations, excluding transmission of energy to markets.

Subp. 11. **Preliminary design and engineering/architectural plans.** "Preliminary design and engineering/architectural plans" means conceptual plans adequate to obtain preconstruction permits and to meet the needs of an environmental assessment.

Subp. 12. **Processing.** "Processing" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25.

Subp. 13. **Project.** "Project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility.

Subp. 14. **Recyclable materials.** "Recyclable materials" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25a.

Subp. 15. **Recycling.** "Recycling" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25b.

Subp. 16. **Recipient.** "Recipient" means an applicant who has received a grant under the solid waste processing facilities capital assistance program.

Subp. 17. **Resource recovery.** "Resource recovery" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 27.

Subp. 18. **Resource recovery facility.** "Resource recovery facility" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 28.

Subp. 19. **Solid waste.** "Solid waste" has the meaning given it in Minnesota Statutes, section 116.06, subdivision 22.

Subp. 20. **Solid waste disposal facilities and equipment.** "Solid waste disposal facilities and equipment" means structures, machinery, or devices at a disposal site necessary for efficient land disposal of solid wastes, including machinery or devices designed to move earth during burial of wastes or to increase the density of wastes buried or to be buried, and facilities in which solid waste is temporarily stored and concentrated before transport to a disposal site.

Subp. 21. **Solid waste management district.** "Solid waste management district" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 32.

Subp. 22. **Special waste stream.** "Special waste stream" means materials normally found in the solid waste stream in sufficient quantity to be recovered for subsequent use, if separated from the solid waste stream and processed separately. Examples of special waste streams include waste tires, wood wastes, and agricultural wastes.

Subp. 23. **Transmission facilities.** "Transmission facilities" means any steam, water, or electrical lines that are used to transport energy to markets.

Subp. 24. **Transfer station.** "Transfer station" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 33.

Subp. 25. **Waste processing equipment.** "Waste processing equipment" means machinery or devices acquired and used as an integral component of a waste processing facility.

Subp. 26. **Waste processing facility.** "Waste processing facility" means structures and equipment, singly or in combination, that are designed, constructed, and used to separate, modify, convert, heat, prepare, or otherwise process solid waste so that materials, substances, or energy contained within the waste may be recovered for subsequent use.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 15 SR 839; L 1999 c 73 s 5*

MINNESOTA RULES 2001

879

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0130

9210.0110 SOLID WASTE PROCESSING FACILITIES CAPITAL ASSISTANCE PROGRAM.

Parts 9210.0100 to 9210.0180 implement the solid waste processing facilities capital assistance program created and described in Minnesota Statutes, sections 115A.49 to 115A.54, by establishing the substantive criteria and procedural conditions under which the director may award grants for capital costs of solid waste processing facilities.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 15 SR 839*

9210.0120 GRANT APPLICATION PROCEDURES.

Subpart 1. [Repealed, 15 SR 839]

Subp. 2. [Repealed, 15 SR 839]

Subp. 3. [Repealed, 15 SR 839]

Subp. 4. [Repealed, 15 SR 839]

Subp. 5. **Notification by director.** To initiate the process for awarding grants under the capital assistance program, the director shall publish a notice in the State Register. The notice shall advise eligible applicants of the availability of grant funds, inform eligible applicants of the procedure and projected schedule for the application process, and establish a date by which a preliminary grant application must be received by the director.

Subp. 6. **Preliminary grant applications.** Eligible applicants may submit to the director preliminary grant applications containing the information in part 9210.0131. Applications received by the director after the deadline in the State Register notice shall not be considered for funding and shall be returned to the applicants.

Subp. 7. **Invitation by director.** After the date established in the State Register notice, the director shall review the preliminary grant applications. Using the criteria in part 9210.0132, the director shall notify each applicant, in writing, as to whether it is invited to submit a final grant application. Only applicants so invited remain eligible for a grant. The director's invitation shall specify a date by which the final grant application must be received by the office.

Subp. 8. **Applications accepted.** Eligible applicants that have been invited to submit a final grant application may submit an application to the office. Final grant applications must contain the information in part 9210.0140. Final grant applications received by the office after the deadline in the director's invitation shall not be considered for funding and shall be returned to the applicant.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847; 15 SR 839*

9210.0130 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Eligible applicants are limited to cities, counties, and solid waste management districts established under Minnesota Statutes, sections 115A.62 to 115A.72, and sanitary districts as defined in Minnesota Statutes, section 115A.03, subdivision 28b.

Subp. 2. **Eligible project.** For purposes of parts 9210.0100 to 9210.0180, "eligible project" means a waste processing facility that includes resource recovery, together with transfer stations, transmission facilities, or other related and appurtenant facilities primarily serving the waste processing facility. A transfer station that will initially transfer waste to a landfill is an eligible project if the transfer station is part of a resource recovery project proposed in an approved comprehensive solid waste management plan. Examples of eligible projects include waste to energy; materials recovery; chemical, physical, or biological modifications; processing of special waste streams including household hazardous waste; and waste incineration with resource recovery. Eligible projects are limited to those in which the land, buildings, and equipment are publicly owned.

Subp. 3. **Eligible costs.** Eligible costs under parts 9210.0100 to 9210.0180 are limited to the costs of land; waste processing equipment; structures necessary to house the waste processing equipment; transmission facilities; appropriate and necessary on-site utilities; landscaping; on-site roads and parking; structures necessary to concentrate and temporarily store solid waste before transportation to a waste processing facility; trailers, containers, and rolloff boxes necessary to transport wastes from transfer stations to a processing facility, to transport processing facility products to market, or to transport residue from the processing facility to a solid waste land disposal facility; and final design and engineering/architectural plans.

Subp. 4. **Ineligible costs.** Ineligible costs include costs related to solid waste disposal facilities and equipment; structures for housing and maintenance of rolling stock; collection equipment including drop boxes not located on the waste processing facility site; costs related to resource recovery studies, feasibility analyses, or preliminary design and engineering/architectural plans; and costs of leasing equipment.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847; 15 SR 839*

9210.0131 PRELIMINARY GRANT APPLICATION.

Subpart 1. **Preliminary grant application.** A preliminary grant application must include the following information:

A. the name of each applicant and the name and qualifications of the project manager, a description of the proposed waste processing facility, a description of the institutional arrangements necessary for project implementation and operation, a description of the method of facility procurement, and a description of the waste stream for the facility;

B. the status of the comprehensive solid waste management plan for each county to be affected by the proposed project, and an explanation of how the proposed project is consistent with the goals established by those plans;

C. information demonstrating:

(1) whether and to what extent the natural geologic and soil conditions of the counties that would be affected by the proposed project are unsuitable for land disposal of solid waste;

(2) whether and to what extent the area to benefit from the project has existing solid waste disposal capacity of less than five years; and

(3) whether the project serves more than one local government unit and, for projects serving eligible jurisdictions in only a single county, the extent to which cooperation with jurisdictions in other counties is not feasible;

D. a preliminary financial plan that includes:

(1) estimated total capital costs and total grant eligible costs for the project;

(2) estimated annual operating and maintenance costs, including disposal costs of residuals and anticipated equipment replacement costs; and

(3) anticipated sources of funding for the project, including projected tipping fees and revenues from recovered materials and energy;

E. a resolution from each political subdivision participating in the project that demonstrates that, if a grant is awarded, it will implement the project, provide necessary local financing, and accept and exercise the governmental powers necessary to develop and operate the project;

F. a description of the type and quantity of materials to be recovered and the existing and potential markets for those materials; and

G. an implementation plan for the proposed project that specifies the anticipated completion dates for environmental review, Pollution Control Agency permitting, facility construction, and the anticipated date of operation.

MINNESOTA RULES 2001

881

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0140

Subp. 2. **Completeness.** Applicants shall be notified by the director if their preliminary grant applications are not complete and shall be given 30 days from the notification in which to complete their applications. Extensions shall be granted if requested in a timely manner and good cause exists for the extension. Applications that are not completed and received by the director within the time allowed shall be considered ineligible for funding.

Statutory Authority: *MS s 115A.06*

History: *15 SR 839*

9210.0132 INVITATION TO SUBMIT FINAL GRANT APPLICATION.

Subpart 1. **Criteria.** The director shall evaluate preliminary grant applications to determine which eligible projects will best assist the state in achieving its solid waste management goals. The director shall base this evaluation on the following factors:

A. the consistency of the proposed project with the comprehensive solid waste management plan of each affected county;

B. the consistency of the proposed project with the legislative priorities in Minnesota Statutes, sections 115A.02 and 115A.49;

C. the consistency of the proposed project with regional solid waste management needs;

D. the extent to which the applicant is prepared to implement the proposed project upon receipt of the grant award; and

E. for projects serving eligible jurisdictions in only a single county, the extent to which cooperation with jurisdictions in other counties to develop the proposed project is not feasible.

Subp. 2. **Invitation to submit final grant application.** The director shall invite the eligible applicants that the director determines best meet the criteria in subpart 1 to submit final grant applications. If the director determines that no application will provide sufficient assistance to the state in achieving its solid waste management goals, the director may decide not to award any grant. The director may then reinstate the process for awarding grants or loans by publishing a notice under part 9210.0120, subpart 5.

Statutory Authority: *MS s 115A.06*

History: *15 SR 839*

9210.0140 FINAL GRANT APPLICATION.

Subpart 1. **Final grant applications.** Final grant applications must include the following information as required in the application forms supplied by the director:

A. the name of each applicant making the grant application;

B. the name of each political subdivision affected by the project, located in the area studied in the project, or located in the area in which the project is intended to be implemented;

C. resolutions from each applicant in conformance with Minnesota Statutes, section 115A.54, subdivision 3;

D. the name, qualifications, and address of the project manager;

E. the name and qualifications of the facility operator, if available;

F. the total capital cost of the project;

G. the total grant-eligible cost of the project;

H. the amount of grant funding requested;

I. the amount and sources of all other funding contributions, including the amount of funds to be contributed by the applicant; and

J. the type of waste processing facility for which the grant application is being submitted: waste to energy; materials recovery; chemical, physical, or biological modifi-

cation; transfer stations; processing of special waste stream including household hazardous waste; or waste incineration with resource recovery.

Subp. 2. **Project changes.** Before submitting its final grant application, an eligible applicant may change the components of the proposed project as described in the preliminary grant application. If, however, those changes would result in a project that the director determines no longer best meets the criteria in part 9210.0132, subpart 1, the director shall remove the project from further consideration.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 15 SR 839*

9210.0150 SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH FINAL GRANT APPLICATION.

Applicants shall submit the following supporting documentation with their final grant application:

A. A copy of the original preliminary grant application submitted under part 9210.0131.

B. A financial plan that contains:

- (1) initial capital development costs and the method of financing those costs;
- (2) annual operating and maintenance costs, including disposal costs of residuals and anticipated equipment replacement costs;
- (3) projections of total facility costs and revenues over 20 years or for the term of the longest debt obligation, whichever is longer; and
- (4) total capital costs per ton of installed daily capacity.

C. A report demonstrating that the project is not financially prudent without state assistance, due to the applicant's financial capacity and the problems inherent in waste management in the area. The report shall include the following documentation:

- (1) capital financing alternatives and operational cost financing alternatives, both public and private, explored by the applicant for the project and reasons for selecting the proposed financing methods;
- (2) information on the applicant's financial situation including the applicant's current credit rating on general obligation bonds, the amount of general obligation bonds outstanding, general obligation debt divided by market valuation, and debt service levy divided by total levy. If the applicant has issued general obligation bonds in the past two years, the documentation must include the most recent general purpose financial statements, current year budgets, and official statement on bond issuance;
- (3) projected facility tipping fees, product revenues, and other project revenues, with and without office assistance;
- (4) impact of proposed project on existing solid waste commitments, obligations and expenditures, and total current solid waste management costs on a per capita and per ton basis;
- (5) general information pertinent to a determination of the applicant's financial capacity, including such factors as location, population characteristics, employment base, and other characteristics;
- (6) transportation distances and estimated costs, both in waste collection and to markets for recovered resources;
- (7) waste supply characteristics;
- (8) availability of markets for recovered resources; and
- (9) other characteristics of waste management in the area that render office assistance important to the financial feasibility of the project.

D. For each county affected by the project, a comprehensive solid waste management plan, developed under Minnesota Statutes, section 115A.46 and approved by the director.

E. Preliminary design and engineering/architectural plans and equipment specifications of the proposed waste processing facility, and a description of the management and staffing plans for the proposed project.

F. Documentation explaining how waste supplies will be committed to the project for the life of the project and that the applicant has mechanisms to commit the wastes.

G. A market analysis of recovered materials/energy, including documentation of market commitments such as letters of intent or contracts.

H. A report on the status of required permits from permitting agencies.

I. A report on time frames of project development.

J. Resolutions that comply with Minnesota Statutes, section 115A.54, subdivision 3.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847; 15 SR 839*

9210.0160 REVIEW AND EVALUATION OF FINAL GRANT APPLICATIONS.

Subpart 1. Determination of eligibility and completeness. Upon receipt of a final grant application, the director shall confirm the eligibility of the applicant and the eligibility of the project, and shall determine the eligibility of the costs identified in the final grant application and the completeness of the final grant application.

Subp. 2. Notice of determination of eligibility and completeness. After receiving the final grant application, the director shall notify the applicant of the director's determinations of eligibility and completeness. If the director determines that the applicant or the project is ineligible, the director shall reject the final grant application, return it to the applicant, and notify the applicant of the reasons for the rejection. If the director determines that any project costs are ineligible or that the final grant application is incomplete, the director shall notify the applicant of the ineligible costs or shall identify the portions of the final grant application that are incomplete. The applicant has 30 days after receiving the notice to correct any inadequacies identified by the director. If the inadequacies are corrected and the corrected application is received by the director within the time allowed, the final grant application will be further considered.

Subp. 3. [Repealed, 15 SR 839]

Subp. 4. Evaluation of final grant applications. If the director determines that the final grant application is eligible and complete, the director shall evaluate the final grant application to determine whether the final grant application demonstrates:

A. that the project is conceptually and technically feasible;

B. that affected political subdivisions are committed to implementing the project, providing necessary local financing, and accepting and exercising the governmental powers necessary for project implementation and operation;

C. that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

D. that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs of the alternatives, including capital and operating costs, the effects of the alternatives on the cost to generators, and the effects of the alternatives on the solid waste management and recycling industry within the project's service area;

E. that for projects serving eligible jurisdictions in only a single county, cooperation with jurisdictions in other counties to develop the project is not needed or not feasible; and

F. that the project is not financially prudent without office assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

Subp. 5. **Award of grants.** If the director determines that the final grant application satisfies the requirements of subpart 4, the director shall determine the amount of the grant award and the applicant shall be notified. If the director determines that the final grant application fails to satisfy the requirements of subpart 4, the director shall reject the final grant application and shall return the final grant application to the applicant, together with a statement of the reasons for the determination. An applicant that does not receive a grant award may resubmit a preliminary grant application upon future notice by the director under part 9210.0120, subpart 5.

Subp. 6. **Consultation with other agencies.** During the evaluation of the final grant application, the director shall consider any recommendations provided by the Pollution Control Agency, the State Planning Agency, and the appropriate regional development commission or the Metropolitan Council.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847; 15 SR 839*

9210.0170 LIMITATIONS.

Subpart 1. **Maximum grant award.** The maximum grant award is 25 percent of the eligible capital costs of the project or \$2,000,000, whichever is less, unless the project is a recycling project or a project to compost or cocompost waste. A recycling project or a project to compost or cocompost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

Subp. 1a. **Reduced grant award.** The director may award a grant for less than the maximum grant amount. The director shall ask an applicant to document the impacts of reduced grant assistance before reducing the amount of a grant award. The director shall only reduce the amount of a grant award under the following conditions:

A. program resources are insufficient to provide full assistance to all applicants that are awarded grants by the director;

B. the cost figures provided in the final grant application are significantly higher than the cost figures in the preliminary grant application without a change in the project scope approved by the director under part 9210.0140, subpart 2, to justify the higher cost; or

C. the director determines that the applicant has not adequately demonstrated financial need for the full grant amount.

Subp. 2. **Limitations on grant award.** The amount of the director's grant award shall be limited to an amount needed to complete the project considering all the sources of funding presently available to the applicant.

Grants shall not be awarded to cover any cost associated with tasks performed before the execution of the grant agreement or after the expiration of the grant agreement.

Subp. 3. **Limitations on disbursement of funds.** No grant funds shall be disbursed until the director has:

A. determined the total estimated cost of the project;

B. ascertained that financing of the project cost is assured by the recipient;

and

MINNESOTA RULES 2001

885

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0200

C. received commitments from the recipient to implement the project.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847; 15 SR 839*

9210.0180 GRANT AGREEMENT.

Subpart 1. **Requirements.** A grant agreement shall:

A. include as attachments the resolutions required under Minnesota Statutes, section 115A.54, subdivision 3;

B. incorporate by reference the final grant application submitted to the director under part 9210.0120;

C. allow the recipient to enter into contracts to complete the work specified in the agreement subject to any approval by the director that may be required in the agreement;

D. provide that any cost overruns incurred in the development of the proposed facility shall be the sole responsibility of the recipient;

E. provide that the director will not accept amendments requesting that additional funds be awarded to the recipient;

F. require that the recipient provide periodic written reports to the director on the developmental and operational history of the project so that knowledge and experience gained from the project may be made available to other communities in the state;

G. require total repayment of the grant if the facility is sold to a private enterprise within three years of the effective date of the grant agreement. Beginning on the third anniversary of the grant, the amount of the grant that must be repaid shall be reduced ten percent each year. The sales agreement between the recipient and the private enterprise shall transfer the responsibilities in subpart 1, item F to the private enterprise; and

H. require that the facility may only be sold to a private enterprise in accordance with the constitution of the state of Minnesota and any applicable Minnesota statutes and rules.

Subp. 2. **Rescission of grant.** If a project is not completed and operational according to the terms and conditions of the grant agreement, including time schedules, the grant shall be rescinded, and the entire amount of the grant shall be repaid unless the director determines that an amendment to the grant agreement is justified. The director shall agree to an amendment if it will allow the original objectives of the project to be accomplished.

Subp. 3. **Disbursement.** The director shall disburse grants according to the payment schedule in the grant agreement.

Statutory Authority: *MS s 115A.06; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847; 15 SR 839*

ENVIRONMENTAL TESTING GRANTS

9210.0190 DEFINITIONS.

The definitions in Minnesota Statutes, section 115A.03, and in chapters 9205 and 9210 apply to part 9210.0200 unless the context requires otherwise.

Statutory Authority: *MS s 115A.49 to 115A.54*

History: *12 SR 847*

9210.0200 ENVIRONMENTAL TESTING GRANTS.

Subpart 1. **Eligible applicants.** Eligible applicants are limited to those eligible under Minnesota Statutes, section 115A.50.

Subp. 2. **Eligible projects.** Eligible projects are limited to those eligible for funding under Minnesota Statutes, section 115A.54.

MINNESOTA RULES 2001

9210.0200 SOLID WASTE GRANT AND LOAN PROGRAMS

886

Subp. 3. **Eligible costs.** Eligible costs under this part are limited to the costs of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project. The cost of routine environmental monitoring is not eligible for funding under this part.

Subp. 4. **Information on grant application.** Applications for environmental testing grants shall include the following information as required in the application forms supplied by the office:

- A. the name of each applicant making the grant application;
- B. the name of each political subdivision affected by the project;
- C. the name, qualifications, and address of the project manager;
- D. the name, qualifications, and address of the facility operator;
- E. the total costs of testing eligible for funding under this part as documented by a proposal from a testing laboratory to perform the testing setting out the costs of the testing that will be performed;
- F. the amount of grant funding requested;
- G. the type of waste processing facility for which the application is being submitted, and the type of testing that is needed for the facility; and
- H. a work plan including a detailed description of the type of testing that will be performed, who will be performing the testing, and a time schedule for the testing. Applicants must contact the Pollution Control Agency before developing a work plan to receive assistance in determining the tests that are needed.

Subp. 5. **Review and approval of applications.** The director shall review each application for funding under this part for eligibility and completeness. When the director has determined that the applicant is eligible and that the application is complete, the director shall forward the application to the Pollution Control Agency, or other appropriate regulatory agencies, for review.

Subp. 6. **Office determination.** The office shall evaluate the application to determine if the proposed testing is necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project. In making this determination, the office shall consider the comments of the Pollution Control Agency or other regulatory agency that has reviewed the application. If the office determines that the proposed testing is necessary, the office shall determine the amount to be awarded and authorize the director to enter into an agreement with the applicant governing disbursement of funds.

Subp. 7. **Funding level.** The office shall fund 100 percent of the cost of testing under this part. The maximum grant award per project shall be limited to \$200,000. Grants shall not be awarded to cover any cost associated with tasks performed before the grant award or after the expiration of the grant agreement.

Subp. 8. **Grant agreement.** The grant agreement shall incorporate by reference the final grant application submitted to the office under this part; provide that any cost overruns incurred by the testing program shall be the sole responsibility of the recipient; provide that the office will not accept amendments requesting that additional funds be awarded to the recipient unless the office determines that additional testing is necessary; and require that the recipient make the information developed as a result of the testing available to the state and other persons who request the information.

Statutory Authority: *MS s 115A.49 to 115A.54*

History: *12 SR 847; L 1999 c 73 s 5*

SOLID WASTE PROCESSING FACILITY DEMONSTRATION PROGRAM

9210.0300 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 9210.0300 to 9210.0380, the following terms have the meanings given them, unless the context requires otherwise.

MINNESOTA RULES 2001

887

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0300

Subp. 2. **Office.** "Office" means the Office of Environmental Assistance established in Minnesota Statutes, section 115A.04.

Subp. 3. **Director.** "Director" means the director and chief executive officer of the office.

Subp. 4. **Cities.** "Cities" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 4.

Subp. 5. **Comprehensive solid waste management plan.** "Comprehensive solid waste management plan" means a written plan prepared under Minnesota Statutes, section 115A.46.

Subp. 6. **Disposal.** "Disposal" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 9.

Subp. 7. **Final design and engineering/architectural plans.** "Final design and engineering/architectural plans" means those engineering drawings and specifications used to secure bids for construction or equipment.

Subp. 8. **Institutional arrangements.** "Institutional arrangements" means methods of financing, marketing, procurement, securing the waste supply, or joint efforts by more than one local government unit.

Subp. 9. **Mixed municipal solid waste.** "Mixed municipal solid waste" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 21.

Subp. 10. **On-site utilities.** "On-site utilities" means gas, electrical, water, and sewer facilities within the geographic boundaries of the waste processing facility.

Subp. 11. **Preliminary design and engineering/architectural plans.** "Preliminary design and engineering/architectural plans" means conceptual plans adequate to obtain preconstruction permits and to meet the needs of an environmental assessment.

Subp. 12. **Processing.** "Processing" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25.

Subp. 13. **Project.** "Project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility.

Subp. 14. **Recipient.** "Recipient" means an applicant who has received a grant or loan under the solid waste processing facilities demonstration program.

Subp. 15. **Recyclable materials.** "Recyclable materials" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25a.

Subp. 16. **Recycling.** "Recycling" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25b.

Subp. 17. **Resource recovery.** "Resource recovery" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 27.

Subp. 18. **Resource recovery facility.** "Resource recovery facility" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 28.

Subp. 19. **Solid waste.** "Solid waste" has the meaning given it in Minnesota Statutes, section 116.06, subdivision 22.

Subp. 20. **Solid waste disposal facilities and equipment.** "Solid waste disposal facilities and equipment" means structures, machinery, or devices at a disposal site necessary for efficient land disposal of solid wastes, including machinery or devices designed to move earth during burial of wastes or to increase the density of wastes buried or to be buried, and facilities in which solid waste is temporarily stored and concentrated prior to transport to a disposal site.

Subp. 21. **Solid waste management district.** "Solid waste management district" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 32.

Subp. 22. **Special waste stream.** "Special waste stream" means materials that are normally found in the solid waste stream in sufficient quantity to be recovered for subsequent use, if separated from the solid waste stream and processed separately.

MINNESOTA RULES 2001

9210.0300 SOLID WASTE GRANT AND LOAN PROGRAMS

888

Examples of special waste streams include waste tires, wood wastes, and agricultural wastes.

Subp. 23. **Transfer station.** "Transfer station" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 33.

Subp. 24. **Waste processing equipment.** "Waste processing equipment" means machinery or devices acquired and used as an integral component of a waste processing facility.

Subp. 25. **Waste processing facility.** "Waste processing facility" means structures and equipment singly or in combination, designed, constructed, and used to separate, modify, convert, heat, prepare, or otherwise process solid waste so that materials, substances, or energy contained within the waste may be recovered for subsequent use.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *9 SR 1480; 11 SR 432; L 1999 c 73 s 5*

9210.0310 SOLID WASTE PROCESSING FACILITIES DEMONSTRATION PROGRAM.

Parts 9210.0300 to 9210.0380 implement the solid waste processing facilities demonstration program created and described in Minnesota Statutes, sections 115A.49 to 115A.54, by establishing the substantive criteria and procedural conditions under which the office may award grants and loans for capital costs of waste processing facilities.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *11 SR 432; L 1999 c 73 s 5*

9210.0320 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Eligible applicants are limited to cities, counties, and solid waste management districts established pursuant to Minnesota Statutes, sections 115A.62 to 115A.72.

Subp. 2. **Eligible projects.** Only projects that demonstrate feasible and prudent alternatives to disposal are eligible for loans and grants. Three types of projects are eligible for loans and grants: materials recovery; chemical, physical, or biological modifications; and special waste streams. Eligible projects are limited to those in which the land, buildings, and equipment are publicly owned.

Subp. 3. **Eligible costs.** Except as provided in part 9210.0200, eligible costs under parts 9210.0300 to 9210.0380 shall be limited to the costs of land, waste processing equipment, structures necessary to house the waste processing equipment, appropriate and necessary on-site utilities, landscaping; on-site roads and parking; trailers, containers, and rolloff boxes necessary to transport products to market, or to transport residue from the processing facility to a solid waste land disposal facility, and final design and engineering/architectural plans.

Subp. 4. **Ineligible costs.** Except as provided in part 9210.0200, ineligible costs include any costs related to solid waste disposal facilities and equipment, structures for housing and maintenance of rolling stock, or any costs related to resource recovery studies, feasibility analyses, or preliminary design and engineering/architectural plans.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *8 SR 1876; 11 SR 432; 12 SR 847*

9210.0330 INFORMATION REQUIRED ON APPLICATION.

Applications for grants, loans, or grants and loans for waste processing facilities shall include the following information as required in the application forms supplied by the office:

- A. the name of each applicant making the application;

MINNESOTA RULES 2001

889

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0340

B. the name of each political subdivision affected by the project, located in the area studied in the project, or located in the area in which the project is intended to be implemented;

C. the name, qualifications, and address of the project manager;

D. the name and qualifications of the facility operator, if available;

E. the total capital cost of the project;

F. the total grant- or loan-eligible cost of the project;

G. the amount of grant, loan, or grant and loan funding requested;

H. the amount and sources of all other funding contributions, including the amount of funds to be contributed by the applicant;

I. the type of assistance applied for (grant, loan, or grant and loan together);

J. the type of waste processing facility for which assistance is being requested: materials recovery; chemical, physical, or biological modification; or special waste stream.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *8 SR 1876; 11 SR 432; L 1999 c 73 s 5*

9210.0340 SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH APPLICATION.

Applications for grants or loans for waste processing facilities shall include the following supporting documentation:

A. a conceptual and technical feasibility report that includes at least the following: a detailed description of the proposed waste processing facility; a description of the institutional arrangements necessary for project implementation and operation; a description of the method of facility procurement; and an analysis of the waste stream for the facility;

B. a financial plan that contains:

(1) initial capital development costs and the method of financing those costs;

(2) annual operating and maintenance costs;

(3) projections of total facility costs and revenues over 20 years or for the term of the longest debt obligation, whichever is longer; and

(4) total capital costs per ton of installed daily capacity;

C. a comprehensive solid waste management plan;

D. preliminary design and engineering/architectural plans and equipment specifications of the proposed waste processing facility;

E. documentation that waste supplies will be committed to the project and that the applicant has the mechanism to commit the wastes;

F. a market analysis of recovered materials/energy, including documentation of market commitments such as letters of intent or contracts;

G. a report on the status of required permits from permitting agencies;

H. a report on time frames of project development;

I. resolutions that comply with Minnesota Statutes, section 115A.54, subdivision 3; and

J. if the applicant requests priority under Minnesota Statutes, section 115A.49, documentation:

(1) that the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;

(2) that the available capacity of existing solid waste disposal facilities is less than five years; or

(3) that the proposed project would serve more than one local government unit.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *11 SR 432; 12 SR 847*

9210.0350 GRANT AND LOAN APPLICATION PROCEDURES.

Subpart 1. **Applications.** An application may be submitted to the office when the applicant has met the information and documentation requirements in parts 9210.0330 and 9210.0340. The applicant is encouraged to contact the director and request a preapplication review of the proposed project.

Subp. 2. **Review of applications.** Upon receipt of an application, the director or a designee shall conduct an initial review of the application under part 9210.0360. The office shall evaluate projects and award grants and loans.

Subp. 3. **Applications accepted.** The office shall accept applications for funds under the solid waste processing facilities demonstration program until all funds for the program are awarded or until three months before the expiration of the office pursuant to law, whichever occurs first.

Subp. 4. **Legislative priorities.** The office shall give priority to projects located in cities, counties, or districts in which:

A. the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;

B. the capacity of existing solid waste disposal facilities is less than five years;
or

C. the project serves more than one local government unit.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *9 SR 1480; 11 SR 432; 12 SR 847; L 1999 c 73 s 5*

9210.0360 REVIEW AND EVALUATION OF APPLICATIONS.

Subpart 1. **Determination of eligibility and completeness.** Upon receipt of an application, the director or a designee shall determine the eligibility of the applicant, the eligibility of the costs specified in the application, the eligibility of the project specified in the application, and the completeness of the application.

Subp. 2. **Notice of determination of eligibility and completeness.** Within 14 days after receiving the application, the director shall notify the applicant of the director's determinations of eligibility and completeness. If the director determines that the applicant or the project is ineligible, the director shall reject the application, return it to the applicant, and notify the applicant of the reasons for the rejection. If the director determines that any part of the project costs is ineligible or that the application is incomplete, the director shall notify the applicant of the ineligible portion of the costs or of the deficiency. The applicant has 14 days after receiving the notice to correct inadequacies identified by the director. If the inadequacies are corrected within the time allowed, the application will be further considered.

Subp. 3. **Evaluation of applications.** If the applicant, the costs, and the project are determined to be eligible and the application is complete, the office shall evaluate the application to determine whether the documentation demonstrates:

A. that the project is conceptually and technically feasible;

B. that affected political subdivisions are committed to implementing the project, providing necessary local financing, and accepting and exercising the government powers necessary for project implementation and operation;

C. that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project; and

D. that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs of the alternatives, including capital and operating costs, the effects of the alternatives on the cost to generators, and the effects of the alternatives on the solid waste management and recycling industry within the project's service area.

Subp. 4. **Consultation with other agencies.** In its evaluation of the application, the office shall consider any recommendations provided by the Pollution Control Agency, the State Planning Agency, and the appropriate regional development commission or the Metropolitan Council.

Subp. 5. **Office determination.** If the office determines that the application satisfies the requirements of subpart 3, the office shall determine the amount of the grant, loan, or grant and loan award and the applicant shall be notified of the grant, loan, or grant and loan awarded. If the office determines that the application fails to satisfy the requirements of subpart 3, the office shall reject the application and the director shall return the application to the applicant, together with a statement of the reasons for rejection.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *9 SR 1480; 11 SR 432; L 1999 c 73 s 5*

9210.0370 AWARD OF GRANTS AND LOANS.

Subpart 1. **Maximum awards.** The maximum loan award shall be 50 percent of the eligible costs specified in the application or \$400,000, whichever is less. Except as provided in part 9210.0200, the maximum grant award shall be 50 percent of the eligible costs specified in the application or \$400,000, whichever is less. Except as provided in part 9210.0200, the maximum combined grant and loan award is \$400,000.

Subp. 2. **Limitations.** The amount of the office's grant, loan, or grant and loan award shall be limited to an amount needed to complete the project considering all sources of funding presently available to the applicant.

Grants and loans shall not be awarded to cover any cost associated with tasks performed before the award of a grant, loan, or grant and loan or after the expiration of the grant, loan, or grant and loan agreement.

Subp. 3. **Limitations on disbursement of funds.** No funds shall be disbursed until the office has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *9 SR 1480; 11 SR 432; 12 SR 847; L 1999 c 73 s 5*

9210.0380 GRANT, LOAN, OR GRANT AND LOAN AGREEMENT.

Subpart 1. **Requirements.** A grant, loan, or grant and loan agreement shall:

A. include as attachments the resolutions required under Minnesota Statutes, section 115A.54, subdivision 3;

B. incorporate by reference the final application submitted to the office in accordance with part 9210.0350;

C. establish the term of the grant, loan, or grant and loan. Grants awarded under parts 9210.0300 to 9210.0380 shall have a maximum term of two years. Loans awarded under parts 9210.0300 to 9210.0380 shall have a loan life determined by considering facility type, expected life of equipment, capital cost of the project, and loan amount;

D. in the case of a loan agreement, include schedules for the repayment of principal and interest;

MINNESOTA RULES 2001

9210.0380 SOLID WASTE GRANT AND LOAN PROGRAMS

892

E. allow the recipient to enter into contracts to complete the work specified in the agreement subject to any office approval that may be required in the agreement;

F. provide that any cost overruns incurred in the development of the proposed facility shall be the sole responsibility of the recipients;

G. provide that the office will not accept amendments requesting that additional funds be awarded to the recipient except as provided in part 9210.0200;

H. require that the recipient provide periodic reports to the office on the developmental and operational history of the project so that knowledge and experience gained from the project may be made available to other communities in the state;

I. provide that if the recipient sells the facility to a private enterprise, all outstanding loan obligations to the office shall become due and payable upon sale to the private enterprise;

J. require total repayment of the grant if the facility is sold to a private enterprise within three years of the effective date of the grant agreement. Beginning on the third anniversary of the grant, the amount of the grant that must be repaid shall be reduced ten percent each year. The sales agreement between the recipient and the private enterprise shall transfer the responsibilities outlined in item H to the private enterprise; and

K. require that the facility may only be sold to a private enterprise in accordance with the constitution of the state of Minnesota and any applicable Minnesota statutes and rules.

Subp. 2. Rescission of grants and loans. If projects are not completed and operational in accordance with the terms and conditions of the respective agreements, including time schedules, the grants and loans for those projects shall be rescinded, and the entire amount of grants and loans shall be repaid unless the office determines that variances from the respective agreements are justified and that the original objectives of the project will be accomplished.

Subp. 3. Disbursement. The office shall disburse grants in accordance with the payment schedule in the grant, loan, or grant and loan agreement.

Subp. 4. Interest payments. Interest payments on the loan shall be due annually and shall begin to accrue from the date the loan agreement is signed. The first repayment of the principal amount of the loan shall be due one year after the facility becomes operational or two years after the date the loan agreement is executed, whichever is earlier. The office shall consider the facility operational at the point where the facility meets all vendor guaranteed operating specifications. Subsequent repayments of principal and interest shall be due annually on the anniversary date of the first repayment.

Statutory Authority: *MS s 115A.06 subd 2; 115A.49 to 115A.54*

History: *9 SR 1480; 11 SR 432; 12 SR 847; L 1999 c 73 s 5*

9210.0400 [Repealed, 22 SR 23]

9210.0410 [Repealed, 22 SR 23]

9210.0420 Subpart 1. [Repealed, 22 SR 23]

Subp. 2. [Repealed, 22 SR 23]

Subp. 3. [Repealed, 22 SR 23]

Subp. 4. [Repealed, 15 SR 695]

Subp. 5. [Repealed, 15 SR 695]

Subp. 6. [Repealed, 22 SR 23]

Subp. 7. [Repealed, 22 SR 23]

9210.0425 [Repealed, 22 SR 23]

9210.0430 [Repealed, 15 SR 695]

MINNESOTA RULES 2001

893

SOLID WASTE GRANT AND LOAN PROGRAMS

- 9210.0435** [Repealed, 22 SR 23]
- 9210.0440** Subpart 1. [Repealed, 22 SR 23]
 - Subp. 2. [Repealed, 22 SR 23]
 - Subp. 3. [Repealed, 15 SR 695]
 - Subp. 3a. [Repealed, 22 SR 23]
 - Subp. 4. [Repealed, 15 SR 695]
 - Subp. 4a. [Repealed, 22 SR 23]
 - Subp. 5. [Repealed, 22 SR 23]
- 9210.0450** Subpart 1. [Repealed, 15 SR 695]
 - Subp. 2. [Repealed, 22 SR 23]
 - Subp. 2a. [Repealed, 22 SR 23]
 - Subp. 2b. [Repealed, 22 SR 23]
 - Subp. 3. [Repealed, 22 SR 23]
 - Subp. 4. [Repealed, 22 SR 23]
- 9210.0460** [Repealed, 22 SR 23]
- 9210.0500** [Repealed, 22 SR 23]
- 9210.0510** [Repealed, 22 SR 23]
- 9210.0520** [Repealed, 22 SR 23]
- 9210.0530** [Repealed, 22 SR 23]
- 9210.0540** [Repealed, 22 SR 23]
- 9210.0550** [Repealed, 22 SR 23]
- 9210.0560** [Repealed, 22 SR 23]
- 9210.0570** [Repealed, 22 SR 23]
- 9210.0600** [Repealed, 22 SR 23]
- 9210.0610** [Repealed, 22 SR 23]
- 9210.0615** [Repealed, 22 SR 23]
- 9210.0620** [Repealed, 22 SR 23]
- 9210.0625** [Repealed, 22 SR 23]
- 9210.0630** [Repealed, 22 SR 23]
- 9210.0635** [Repealed, 22 SR 23]
- 9210.0640** [Repealed, 22 SR 23]
- 9210.0645** [Repealed, 22 SR 23]
- 9210.0700** [Repealed, 22 SR 23]
- 9210.0710** Subpart 1. [Repealed, 22 SR 23]
 - Subp. 2. [Repealed, 22 SR 23]
 - Subp. 2a. [Repealed, 22 SR 23]
 - Subp. 3. [Repealed, 22 SR 23]

Subp. 4. [Repealed, 22 SR 23]

Subp. 5. [Repealed, 22 SR 23]

Subp. 6. [Repealed, 22 SR 23]

Subp. 7. [Repealed, 22 SR 23]

Subp. 8. [Repealed, 18 SR 394]

9210.0720 [Repealed, 22 SR 23]

9210.0730 [Repealed, 22 SR 23]

9210.0740 [Repealed, 22 SR 23]

9210.0750 [Repealed, 20 SR 2285]

9210.0760 [Repealed, 20 SR 2285]

9210.0770 [Repealed, 22 SR 23]

ENVIRONMENTAL ASSISTANCE GRANT AND LOAN PROGRAM

9210.0800 SCOPE AND APPLICABILITY.

Parts 9210.0800 to 9210.0855 implement the environmental assistance grant and loan programs created and described under Minnesota Statutes, section 115A.0716, for projects or practices related to the research, development, or implementation of waste collection, processing, recycling, and reuse; resource recovery; source reduction, and prevention of waste, hazardous substances, toxic pollutants, and problem materials; the development or implementation of pollution prevention projects or practices; the collection, recovery, processing, purchasing, or market development of recyclable materials or compost; resource conservation; and for environmental education. Parts 9210.0805 to 9210.0830 apply to grants and loans. Parts 9210.0835 to 9210.0845 apply to the award of grants. Parts 9210.0850 to 9210.0855 apply to the award of loans.

Statutory Authority: *MS s 115A.0716*

History: *22 SR 23*

9210.0805 DEFINITIONS.

Subpart 1. **Scope.** The terms defined in this part apply to parts 9210.0800 to 9210.0855. For terms not defined in this part, the definitions in Minnesota Statutes, sections 115A.03 and 115D.03 apply unless the context requires otherwise.

Subp. 2. **Capital costs.** "Capital costs" are:

A. acquisition of machinery and equipment, including freight and installation;

or

B. leasehold improvements related to item A.

Subp. 3. **Direct loan.** "Direct loan" means a loan made by the Office of Environmental Assistance without the contractual participation of a financial institution or other financial assistance provider.

Subp. 4. **Director.** "Director" means the director of the Office of Environmental Assistance.

Subp. 5. **Environmental assistance.** "Environmental assistance" means projects or practices related to collection, processing, recycling, reuse, resource recovery, source reduction, and prevention of waste, hazardous substances, toxic pollutants, and problem materials; pollution prevention projects or practices; the collection, recovery, processing, purchasing, or market development of recyclable materials or compost; resource conservation; and environmental education.

Subp. 6. **Financial institution.** "Financial institution" means a bank, trust company, mortgage company, credit union, mortgage banker, national banking association, savings bank, savings association, building and loan association, insurance company,

MINNESOTA RULES 2001

895

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0810

financial organization dealing in commercial credit or venture capital, or a lender certified by the secretary of Housing and Urban Development or by the secretary of Veterans Affairs, or approved or certified by the administrator of the Farmers Home Administration or any other financial lending institution, whether organized under federal law or the laws of any state of the United States, and whether located within or without this state.

Subp. 7. Office. "Office" means the Office of Environmental Assistance established in Minnesota Statutes, section 115A.055.

Subp. 8. Participation loan. "Participation loan" means a loan, made to an eligible applicant by a financial institution or other financial assistance provider, in which the OEA purchases a share of the financial institution or provider's loan to the eligible applicant by means of a participation agreement.

Subp. 9. Person. "Person" means any human being, any municipality or other governmental or political subdivision or other public agency, any public or private corporation, any partnership, firm, association, or other organization, any receiver, trustee, assignee, agent, or other legal representative of any of the foregoing, or any other legal entity, but does not include the Pollution Control Agency or the office.

Subp. 10. Provider. "Provider" means financial assistance providers other than financial institutions, such as governmental agencies and nonprofit organizations.

Subp. 11. Real property. "Real property" means fixed or stationary property, such as buildings or land.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0810 REQUEST FOR PROPOSALS.

Subpart 1. All requests for proposal. To initiate a process for awarding environmental assistance grants or loans, the director shall publish a notice in the State Register advising eligible applicants of the availability of environmental assistance grants and loans and of a request for proposals (RFP) that describes the process by which applicants may apply for a grant or a loan. In the RFP, the director shall:

A. describe the process for awarding grants and loans and shall establish a deadline by which applications must be submitted;

B. specify the maximum amount of funding to be awarded to a project;

C. establish the minimum percentage of total project funds that an applicant must contribute to the project, and restrictions, if any, on the applicant's use of other state funds for the applicant's contribution; and

D. for loans, specify the maximum interest rate and the maximum term of the loan.

Subp. 2. Additional limitations. If the director intends that a grant or loan round also be limited in any of the following ways, the condition shall be included in the RFP:

A. limits on certain eligible costs to a percentage of the total cost of the project;

B. limits on or prioritizing of the types of projects and, accordingly, the eligible applicants for which a grant or loan would be awarded in the funding round initiated by the RFP;

C. application information requirements, loan conditions, and evaluation criteria that relate to the grant or loan priorities or the funding round initiated by the RFP; or

D. a requirement that applicants submit preliminary applications as described in part 9210.0820, subpart 1.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0815 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Eligible applicants are persons as defined in part 9210.0805, subpart 9.

Subp. 2. **Eligible grant projects.** Eligible grant projects are projects that:

A. research, develop, and/or implement environmental assistance projects or practices in Minnesota;

B. enable persons to receive loans from financial institutions for environmental assistance projects or practices in Minnesota; or

C. reduce interest payments on loans made by financial institutions for environmental assistance projects or practices in Minnesota.

Subp. 3. **Eligible loan projects.** Eligible loan projects are projects that research, develop, and/or implement environmental assistance projects or practices in Minnesota.

Subp. 4. **Eligible grant costs.** Eligible grant costs are limited to the costs of researching, developing, or implementing environmental assistance projects or practices in Minnesota, or reducing the interest payable on loans under subpart 2, item C.

Subp. 5. **Eligible loan costs.** Eligible loan costs are limited to the capital costs of researching, developing, or implementing environmental assistance projects or practices in Minnesota.

Subp. 6. **Ineligible costs.** The following costs are ineligible for grant or loan funds:

A. costs incurred before or after the term of the grant or loan agreement, including the applicant's cost to prepare the grant or loan application; and

B. the purchase of real property.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0820 PRELIMINARY GRANT AND LOAN APPLICATION PROCEDURES.

Subpart 1. **Contents.** A preliminary application must include the following information:

A. the names, qualifications, and addresses of the applicant and other project participants;

B. a summary of the project;

C. anticipated project outcomes;

D. anticipated project costs; and

E. other information as established by the director in the RFP required by part 9210.0810, subpart 2, item C.

Subp. 2. **Evaluation of preliminary application.** The director shall evaluate each preliminary application to determine whether the project is eligible for funding. The director shall further evaluate those preliminary applications that are eligible using the following criteria:

A. consistency of the project with the goals in Minnesota Statutes, sections 115A.02 and 115D.02;

B. potential of the project to accomplish the priorities in the RFP required by part 9210.0810;

C. the likelihood that the project will achieve the expected project outcomes identified in the preliminary application; and

D. for direct loans, the likelihood that no sufficient source of financing other than a direct loan by the office can be obtained to conduct the project.

Subp. 3. **Invitation by director.** The director shall invite applicants whose preliminary applications best meet the criteria in subpart 2 to submit final applications. Only invited applicants remain eligible for grants or loans. For direct loans, applicants that are not invited to submit final applications for direct loans because they do not meet

the criteria in subpart 2, item D, but that best meet the other criteria in subpart 2, shall be invited to submit final applications for participation loans in lieu of direct loans.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0825 FINAL GRANT AND LOAN APPLICATION PROCEDURES.

Subpart 1. **Final applications.** Eligible applicants must submit an application to the office in the format specified by the director. Applications for a participation loan must be submitted in coordination with a financial institution or provider. Applications received by the director after the deadline in the RFP will not be considered for funding. Final applications must include the following information:

A. the names, addresses, and qualifications of the applicant and other project participants, and a brief summary of the organization's history;

B. a description of the opportunity, problem, issue, or need the project will address;

C. project information, including:

(1) a work plan that includes a list of each project activity or task, an implementation schedule with specific timelines, and persons involved;

(2) the anticipated project outcomes;

(3) if applicable, a discussion of the economic or social benefits to be achieved by the project; and

(4) a discussion of the technical and financial feasibility of the proposed project;

D. a project budget that:

(1) provides an itemized description of the project costs, including the total estimated cost, total eligible costs, and the amount of funding requested; and

(2) provides an itemized description of project financing, including applicant contributions, participant contributions, other government contributions, other private contributions, and, if applicable, any projected revenues from the project;

E. for all loans, financial information demonstrating creditworthiness and ability to repay the loan;

F. for participation loans, a copy of the financial institution's or provider's file on the applicant's loan and a letter containing the financial institution or provider's assessment of the risks associated with the loan and the creditworthiness of the applicant;

G. evidence that affected counties, regions, or districts have been notified of the proposed projects;

H. a statement of the current status of the project;

I. a description of how the project's impacts will be quantified and evaluated, including the criteria for a successful project; and

J. additional information as established by the director in the RFP required in part 9210.0810, subpart 2, item C.

Subp. 2. **Nonpublic data.** The office shall treat specific data in the application that meets the definition in Minnesota Statutes, section 13.37, subdivision 1, paragraph (b), or is sales information, as the data is required to be treated by Minnesota Statutes, section 115A.06, subdivision 13; however, the recipient of an environmental assistance grant or loan shall provide to the office, for public distribution, complete and thorough reports about the results of the project in a way that does not disclose proprietary information.

Subp. 3. **Evaluation of final proposal.** In order to determine which projects should receive environmental assistance funding, the director shall evaluate each application using the following criteria:

A. clarity and completeness of application;

B. qualifications of the individuals who will perform the work described in the project;

C. anticipated outcomes of the project;

D. cost-effectiveness of the proposed project;

E. for all loans, assets, and resources available to the applicant to repay the loan;

F. assets and resources available to the applicant to conduct the project;

G. project utilization of innovative technologies, methods, or techniques;

H. applicability of the proposed project and future dissemination of project results to other persons or organizations in the state;

I. consistency of the proposed project with the legislative goals and policies in Minnesota Statutes, sections 115A.02 and 115D.02; and

J. additional criteria specified in the RFP required by part 9210.0810, subpart 2, item C.

The director shall request additional information from the applicant during the evaluation process if needed to clarify the information provided pursuant to subpart 1.

Subp. 4. Consultation. In the director's evaluation of an application, the director may solicit and shall consider any recommendations provided by the Office of Environmental Assistance, advisory councils, task forces, citizen groups, other Minnesota state agencies, or any independent consultant hired by the director to assist in the review of applications.

Subp. 5. Award. The director shall award grants or loans to those projects that best meet the evaluation criteria in subpart 3. The director shall promptly notify all applicants as to whether they have been awarded a grant or loan. Awards are contingent upon the director and the grant recipient or borrower successfully entering into an agreement as specified respectively in part 9210.0845 or 9210.0850, and, if applicable, a contract and participation agreement as specified in part 9210.0855.

Subp. 6. No awards. If no proposed project has sufficient potential to implement environmental assistance in Minnesota, the director shall not award any grants or loans. The director may then reinstate the process for awarding either grants or loans by publishing the notice under part 9210.0810, subpart 1.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0830 LIMITATIONS.

Subpart 1. Reduced awards. The director shall ask an applicant to document the impacts of reduced financial assistance before finalizing an award for less than the eligible amount requested by an applicant or less than the maximum award established in the RFP under part 9210.0820. Reduced funds may be awarded where the director determines:

A. grant or loan programs resources are insufficient to provide full assistance to all applicants to which the director intends to make awards; or

B. the applicant could undertake the project at a reduced level and still achieve project objectives.

Subp. 2. Changes in work plan or budget. If the work plan and/or budget are not complete, the director shall request the applicant to modify them. If the applicant does not comply, the director shall exclude the application from further consideration.

Subp. 3. Limit on disbursement of grant funds. No grant funds shall be disbursed until the director has:

A. determined the total estimated cost of the project;

B. determined that the required matching funds are ensured by the recipient;

and

C. executed a written grant agreement with the recipient meeting the requirements in part 9210.0845.

Subp. 4. **Limit on disbursement of loan funds.** No loan funds shall be disbursed until the director has:

- A. determined the total estimated cost of the project;
- B. determined that the necessary financing for the project, including the required matching funds, is ensured by the borrower;
- C. for a direct loan, executed a written loan agreement with the borrower meeting the requirements in part 9210.0850;
- D. for a participation loan, executed a written participation agreement with the financial institution or provider meeting the requirements in part 9210.0855; and
- E. for a participation loan, executed a written loan agreement with the borrower meeting the requirements of part 9210.0850.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0835 FEDERAL MATCH GRANTS.

The director may award grants as a match to obtain federal grants without issuing an RFP under part 9210.0810 if the following conditions are met:

- A. the applicant is eligible under part 9210.0815, subpart 1;
- B. the project is eligible under part 9210.0815, subpart 2;
- C. a proposal is submitted to the director by the applicant containing all of the elements described in part 9210.0825, subpart 1;
- D. the proposed project meets the criteria in part 9210.0825, subpart 3;
- E. the project is consistent with the goals in Minnesota Statutes, sections 115A.02 and 115D.02; and
- F. the grant awarded under this part makes up no more than 25 percent of the total federal grant award.

A match grant will not be finalized until the applicant has notified the director in writing that the federal grant has been officially awarded. The notification must disclose the total dollar amount of the federal grant award and must include information verifying the existence of the federal grant award. Grant awards are contingent upon the director and the grant recipient successfully entering into a grant agreement as specified in part 9210.0845.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0840 TIME-SENSITIVE GRANTS.

Subpart 1. **Availability.** The director may award grants of less than \$10,000 for time-sensitive projects. The director will not issue an RFP for time-sensitive grants, but shall designate priority funding areas for which funds under this part will be available. Eligible applicants may apply for time-sensitive grant funds at any time during the year. The director shall at any time provide upon request:

- A. the total amount of funds budgeted for time-sensitive grants; and
- B. information on specific priority areas or projects for which a grant would be awarded.

Subp. 2. **Eligibility.** To be eligible, projects must meet the following criteria:

- A. the project is time sensitive in nature such that the applicant cannot reasonably apply during the process described in parts 9210.0810, 9210.0820, and 9210.0825;
- B. the applicant is eligible under part 9210.0815, subpart 1;
- C. the project is eligible under part 9210.0815, subpart 2;

- D. the project costs are eligible under 9210.0815, subpart 4;
- E. the grant request does not exceed 75 percent of total project costs;
- F. the total grant request is less than \$10,000; and
- G. in the previous 12 months, the applicant has not received funding under this part from the director.

Subp. 3. **Application requirements.** Eligible applicants must submit an application to the director, in the format specified by the director, containing the following information:

A. the names, qualifications, and addresses of the applicant and other project participants;

B. a summary of the project;

C. a project budget that:

(1) provides an itemized description of the project costs, including the total estimated cost, total grant-eligible costs, and the amount of grant funding requested;

(2) provides an itemized description of project financing, including applicant contributions, participant contributions, other government contributions, private contributions, and, if applicable, any projected revenues from the project;

D. a work plan that includes a list of each project activity or task, an implementation schedule with specific timelines, and persons involved;

E. a justification for the director's consideration of the project as a time-sensitive project;

F. anticipated project outcomes; and

G. any additional information that the director requests as necessary to clarify the application.

Subp. 4. **Submittal information.** Information and applications for funding under this part are available at the following address: Time-Sensitive Grant Program, Minnesota Office of Environmental Assistance, 520 Lafayette Road, Suite 200, St. Paul, MN 55155-4100, (651) 296-3417.

Subp. 5. **Evaluation and approval of applications.** The director shall evaluate eligible proposals using the criteria listed in part 9210.0825, subpart 3, items A to I. In addition, the director will consider the time sensitivity of a proposed project in deciding if the project warrants funding outside of the process described in parts 9210.0810, 9210.0820, and 9210.0825. Grant awards are contingent upon the director and the grant recipient successfully entering into a grant agreement as specified in part 9210.0845.

Statutory Authority: *MS s 115A.0716*

History: *22 SR 23*

9210.0845 GRANT AGREEMENT.

Subpart 1. **Contents.** A grant agreement shall:

A. incorporate a work plan and budget as approved by the director;

B. require that the recipient perform and complete project activities to meet anticipated project outcomes as defined in the work plan;

C. provide that any cost overruns incurred in the implementation of the proposed project shall be the sole responsibility of the recipient;

D. require that the recipient provide periodic written and/or oral reports to the director on the progress and results of the project, and an executive project summary, as part of a final report submitted at the conclusion of the project, in a format specified by the director;

E. authorize the director to rescind the grant and require the grant recipient to repay the grant if the project has not been conducted according to terms and conditions of the grant agreement;

MINNESOTA RULES 2001

901

SOLID WASTE GRANT AND LOAN PROGRAMS 9210.0850

F. require that a percentage of funds not be paid to the recipient until the director approves the recipient's final report;

G. require that the recipient maintain records of all expenditures related to the agreement for a minimum period of five years after the grant agreement is executed and give the office access to the records upon request; and

H. establish other conditions or terms needed to manage or implement the grant agreement.

Subp. 2. Grants of less than \$1,000.

A. Recipients of grants that are less than \$1,000 are exempt from the requirement in subpart 1 to enter into a grant agreement with the office if they prepare and submit, to the satisfaction of the director, the following:

(1) a work plan, budget, and anticipated project outcomes, in a format approved by the director; and

(2) a letter or resolution, as appropriate, signed by the appropriate authority, stating that the required matching funds are ensured by the recipient and committing the grant recipient to compliance with item B, subitems (1) to (8).

B. All recipients of grants that are less than \$1,000 and who are exempt from the requirement to enter into a grant agreement pursuant to item A must:

(1) perform and complete activities according to a work plan, budget, and anticipated outcomes, as approved by the director;

(2) assume sole responsibility for any cost overruns incurred in the implementation of the proposed project;

(3) ensure that sufficient financing is available to the project to ensure its satisfactory completion;

(4) use grant funds solely for eligible costs as defined in part 9210.0815, subpart 4;

(5) provide a final report in a format specified by the director, to the director, on the results of the project, within 45 days after completion of project tasks;

(6) maintain records of all expenditures related to the project for a period of five years after the grant agreement is executed, and give the office access to the records upon request;

(7) comply with the Minnesota Data Practices Act; and

(8) comply, if applicable, with the Americans with Disabilities Act of 1990, Public Law Number 100-336, as amended; Minnesota Statutes, chapter 363, the Minnesota Human Rights Act; Minnesota Statutes, section 181.59; and all applicable rules adopted under those laws.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0850 LOAN AGREEMENT.

A loan agreement shall:

A. incorporate a work plan and budget as approved by the director;

B. require that the borrower perform and complete project activities to meet anticipated project outcomes as defined in the work plan;

C. provide that any cost overruns incurred in the implementation of the proposed project shall be the sole responsibility of the borrower;

D. require that the borrower provide periodic written and/or oral reports to the director on the progress and results of the project in a format specified by the director;

E. require that the borrower maintain records of all expenditures related to the agreement for a minimum period of three years after the loan is repaid, and give the office access to the records upon request;

F. for direct loans, identify the interest rate and repayment obligations for the borrower;

G. for direct loans, identify the procedure for disbursing loan funds to the borrower;

H. for direct loans, authorize the director to determine that the borrower is in default and require that the borrower immediately repay the loan in full if the project has not been conducted according to the terms and conditions of the loan agreement;

I. for direct loans, identify the collateral which will secure the loan; and

J. establish other conditions or terms needed to manage or implement the loan agreement.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.0855 PARTICIPATION AGREEMENT.

Subpart 1. **Participation agreement.** In cases where a participation loan is awarded, a participation agreement shall be signed by the financial institution or provider and the office.

Subp. 2. **Security requirements.** All participation loans must be secured by collateral. The financial institution or provider and the office shall take interests in collateral acceptable to the financial institution or provider and the office.

Subp. 3. **Loan servicing.** The participation agreement shall also:

A. require that loan payments be made according to an amortization schedule, established by the financial institution or provider, that has first been reviewed and approved by the office;

B. require that the financial institution or provider collect payments according to the payment schedule outlined in the promissory note and remit to the state the office's pro rata share of a payment within 15 days of receipt or, if applicable, in accordance with Minnesota Statutes, section 16A.275. Prior to executing the participation agreement, the financial institution or provider shall negotiate with the office the amount or percentage of interest to be retained by the financial institution or provider after collection as payment for duties performed by it under the contract; and

C. require the financial institution or provider to notify the office within 30 days after a determination by the financial institution or provider of a default. The financial institution or provider must pursue all reasonable means to collect the defaulted loan from the borrower and must apply and exhaust the loan security as necessary to effect payment of the loan. The financial institution or provider must remit to the office its pro rata share of any amounts collected after subtracting reasonable costs to collect upon the defaulted loan. In lieu of foreclosure, either before or after declaring a default, the financial institution or provider and the office may agree to refinance or renegotiate the loan when doing so will enhance the possibility of recovery of the debt.

Statutory Authority: *MS s 115A.0716*

History: 22 SR 23

9210.1000 [Repealed, 22 SR 23]

9210.1010 [Repealed, 22 SR 23]

9210.1020 [Repealed, 22 SR 23]

9210.1030 [Repealed, 22 SR 23]

9210.1040 [Repealed, 22 SR 23]

9210.1050 [Repealed, 22 SR 23]

9210.1060 [Repealed, 22 SR 23]