

1 Waste Management Board

2

3 Adopted Rules Governing the Solid Waste Processing Facilities

4 Demonstration Program

5

6 Rules as Adopted

7 6 MCAR S 8.401 Definitions.

8 A. Scope. For the purposes of 6 MCAR SS 8.401-8.412, the  
9 following terms have the meanings given them, unless the context  
10 requires otherwise.

11 B. Board. "Board" means the Minnesota Waste Management  
12 Board established in Minnesota Statutes, section 115A.04.

13 C. Chairperson. "Chairperson" means the chairperson and  
14 chief executive officer of the board.

15 D. Cities. "Cities" has the meaning given it in Minnesota  
16 Statutes, section 115A.03, subdivision 4.

17 E. Comprehensive solid waste management plan.  
18 "Comprehensive solid waste management plan" means a written plan  
19 conforming to the requirements of Minnesota Statutes, section  
20 115A.46.

21 F. Disposal. "Disposal" has the meaning given it in  
22 Minnesota Statutes, section 115A.03, subdivision 9.

23 G. Final engineering/architectural plans. "Final  
24 engineering/architectural plans" means those engineering  
25 drawings and specifications used to secure bids for construction  
26 or equipment.

27 H. Funding round. "Funding round" means a six-month period.

28 I. Institutional arrangements. "Institutional arrangements"  
29 means methods of financing, marketing, procurement, methods of  
30 securing the waste supply, or joint efforts between political  
31 subdivisions.

32 J. Mixed municipal solid waste. "Mixed municipal solid  
33 waste" has the meaning given it in Minnesota Statutes, section  
34 115A.03, subdivision 21.

35 K. On-site utilities. "On-site utilities" means gas,  
36 electrical, water, and sewer facilities within the geographic

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1 boundaries of the waste processing facility.

2 L. Preliminary engineering/architectural plans.

3 "Preliminary engineering/architectural plans" means conceptual  
4 plans adequate to obtain preconstruction permits and to meet the  
5 needs of an environmental assessment.

6 M. Processing. "Processing" has the meaning given it in  
7 Minnesota Statutes, section 115A.03, subdivision 25.

8 N. Recipient. "Recipient" means an applicant who has  
9 received a grant or loan under the solid waste processing  
10 facilities demonstration program.

11 O. Resource recovery. "Resource recovery" has the meaning  
12 given it in Minnesota Statutes, section 115A.03, subdivision 27.

13 P. Resource recovery facility. "Resource recovery facility"  
14 has the meaning given it in Minnesota Statutes, section 115A.03,  
15 subdivision 28.

16 Q. Solid waste. "Solid waste" has the meaning given it in  
17 Minnesota Statutes, section 116.06, subdivision 10.

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

26 S. Solid waste management district. "Solid waste management  
27 district" has the meaning given it in Minnesota Statutes,  
28 section 115A.03, subdivision 32.

29 T. Special waste stream. "Special waste stream" means  
30 materials which are normally found in the solid waste stream in  
31 sufficient quantity to be recovered for subsequent use, if  
32 separated from the solid waste stream and processed separately.  
33 Examples of special waste streams include used tires, wood  
34 wastes, and agricultural wastes.

35 U. Statewide application or significance. "Statewide  
36 application or significance" means that a project is capable of

1 demonstrating a feasible alternative to disposal to other  
2 communities in the state.

3 V. Transfer station. "Transfer station" has the meaning  
4 given it in Minnesota Statutes, section 115A.03, subdivision 33.

5 W. Waste processing equipment. "Waste processing equipment"  
6 means machinery or devices acquired and used as an integral  
7 component of a waste processing facility.

8 X. Waste processing facility. "Waste processing facility"  
9 means structures and equipment singly or in combination,  
10 designed, constructed, and used to separate, modify, convert,  
11 heat, prepare, or otherwise process solid waste so that  
12 materials ~~or~~, substances, or energy contained within the waste  
13 may be recovered for subsequent use.

14 6 MCAR S 8.402 Solid waste processing facilities demonstration  
15 program. Rules 6 MCAR SS 8.401-8.412 implement the solid waste  
16 processing facilities demonstration program created and  
17 described in Minnesota Statutes, sections 115A.49 to 115A.54, by  
18 establishing the substantive criteria and procedural conditions  
19 under which the board may award grants and loans for capital  
20 costs of projects which demonstrate the feasibility of waste  
21 processing technology or equipment or the feasibility of  
22 institutional arrangements in providing waste processing  
23 facilities.

24 6 MCAR S 8.403 Eligibility criteria. .

25 A. Eligible applicants. Eligible applicants are limited to  
26 cities, counties, and solid waste management districts  
27 established pursuant to Minnesota Statutes, sections 115A.62 to  
28 115A.72.

29 B. Eligible projects. Only projects which demonstrate  
30 feasible and prudent alternatives to disposal are eligible for  
31 loans and grants. To qualify as a demonstration project, a  
32 project must be conceptually and technically feasible but not  
33 now in operation in the state or not now in operation in a  
34 geographical area of the state with demonstrably different  
35 characteristics from those of the area where a facility is now

1 in operation. A conceptually and technically feasible project  
2 may also qualify as a demonstration project if it involves  
3 institutional arrangements not previously utilized in the state,  
4 or not previously utilized in a geographical area of the state  
5 with demonstrably different characteristics from those in the  
6 area where a facility is now in operation. Five types of  
7 projects are eligible for loans and grants: waste to energy;  
8 materials recovery; chemical, physical, or biological  
9 modifications; transfer stations; and special waste streams.

10 C. Eligible costs. Eligible costs under 6 MCAR SS  
11 8.401-8.412 shall be limited to the costs of waste processing  
12 equipment; structures necessary to house the waste processing  
13 equipment; appropriate and necessary on-site utilities;  
14 structures necessary to concentrate and temporarily store solid  
15 waste prior to transportation to a waste processing facility;  
16 and final design and engineering specifications.

17 D. Ineligible costs. Ineligible costs include any costs  
18 related to acquisition of land, solid waste disposal facilities  
19 and equipment, structures for housing and maintenance of rolling  
20 stock, or any costs related to resource recovery studies,  
21 feasibility analyses, or preliminary design and engineering.

22 6 MCAR S 8.404 Information required on the grant and loan  
23 application. Applications for grants and loans for waste  
24 processing facilities shall include the following information as  
25 required in the application forms supplied by the board:

26 1. the name of each applicant making the grant or loan  
27 application;

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

31 3. resolutions from each applicant which demonstrate that  
32 the applicant is committed to implementing the project;

33 providing necessary local financing; and accepting and

34 exercising the government powers necessary to the project;

35 4. the name, qualifications, and address of the project  
36 manager;

- 1 5. the name and qualifications of the facility operator,
- 2 if available;
- 3 6. the total capital cost of the project;
- 4 7. the total grant- or loan-eligible cost of the project;
- 5 8. the amount of grant or loan funding requested;
- 6 9. the amount and sources of all other funding
- 7 contributions, including the amount of funds to be contributed
- 8 by the applicant;
- 9 10. the type of assistance applied for (loan or grant and
- 10 loan together);
- 11 11. the type of waste processing facility for which a
- 12 grant or loan is being applied for: waste to energy; materials
- 13 recovery; chemical, physical, or biological modification;
- 14 transfer stations; or special waste stream.

15 6 MCAR S 8.405 Documentation required to be submitted with the  
16 grant and loan application. Applications for grants or loans  
17 for waste processing facilities shall include the following  
18 documentation:

19 A. a conceptual and technical feasibility report which  
20 includes at least the following analysis: description of  
21 alternative waste processing facilities, description of the  
22 institutional arrangements necessary for project implementation  
23 and operation, description of methods of procurement, and waste  
24 stream analysis;

25 B. a financial feasibility report including: an evaluation  
26 and analysis of all capital and operating costs of the proposed  
27 project, an evaluation and analysis of various financing  
28 mechanisms available to the applicant, an analysis of the  
29 ability of the community to continue operation of the facility  
30 over the life of the facility;

31 C. a comprehensive solid waste management plan conforming to  
32 Minnesota Statutes, section 115A.46, including consideration of  
33 solid waste management alternatives;

34 D. preliminary design and engineering plans or  
35 specifications of the proposed waste processing facility and  
36 equipment;

1 E. documentation that waste supplies are will be committed  
2 to the project and that the applicant has the authority and  
3 mechanism to commit such wastes;

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

7 G. a detailed estimate of annual operating and maintenance  
8 costs;

9 H. a report on the proposed project's potential for  
10 statewide application or significance;

11 I. a report on the status of required permits from  
12 permitting agencies;

13 J. a report on time frames of project development;

14 K. resolutions complying with the requirements of Minnesota  
15 Statutes, section 115A.54, subdivision 3;

16 L. if the applicant seeks to qualify a project as  
17 demonstrating a technology or institutional arrangements in a  
18 geographical area of the state rather than the entire state, a  
19 report on how the area is demonstrably different from the  
20 characteristics of the area where a facility is now in operation;

21 M. if the project application proposes a waste processing  
22 facility that demonstrates institutional arrangements, a report  
23 which describes the institutional arrangements;

24 N. if the applicant requests priority based on any of the  
25 following conditions, documentation of the existence of the  
26 condition:

27 1. the natural geologic and soil conditions which are  
28 claimed to be unsuitable for land disposal of solid waste;

29 2. the available capacity of existing solid waste  
30 disposal facilities are claimed to be less than five years; or

31 3. the claim that the proposed project would service an  
32 area outside the metropolitan area and would serve more than one  
33 local government unit;

34 O. if the applicant is seeking a grant, a report discussing  
35 the factor or factors in 6 MCAR S 8.410 B. upon which the  
36 applicant is basing the request for a grant.

1 6 MCAR S 8.406 Grant and loan application procedures.

2 A. Funding rounds. There shall be four funding rounds. The  
3 first funding round commences on January 1, 1983 and subsequent  
4 funding rounds commence every six months thereafter. Each  
5 funding round entails a six-month period and consists of two  
6 three-month segments, the first being the application segment  
7 and the second being the review segment.

8 B. Application segment. The application segment of each  
9 funding round consists of the first three months of each funding  
10 round and commences each January 1 and July 1 and terminate each  
11 March 31 and September 30, respectively, of years 1983 and 1984.  
12 During the application segment, the applicant shall prepare or  
13 accumulate all of the information and documentation set out in 6  
14 MCAR SS 8.404 and 8.405. The applicant is encouraged to contact  
15 the chairperson and request a preapplication review of the  
16 proposed project. The applicant then must submit the grant or  
17 loan application to the board no later than March 31 or  
18 September 30, whichever date is appropriate for consideration  
19 during that funding round. If the grant or loan application is  
20 postmarked received later than March 31 or September 30,  
21 whichever date is appropriate to the specific funding round, the  
22 applications shall be returned.

23 C. Review segment. The review segment of each funding round  
24 consists of the second three months of each funding round and  
25 commences each April 1 and October 1 and terminate each June 30  
26 and December 31, respectively, of years 1983 and 1984. During  
27 the review segment the chairperson or his designee shall conduct  
28 the initial review of all applications and the board shall  
29 evaluate and select projects and award the grants and loans.

30 6 MCAR S 8.407 Initial review.

31 A. Applications reviewed. The chairperson or his designee  
32 shall review all applications received during the application  
33 segment of each funding round. Applications received after the  
34 last day of each application segment shall be returned to the  
35 applicant.

1 B. Eligibility and completeness review. Upon receipt of a  
2 timely filed application, the chairperson or his designee shall  
3 determine the eligibility of the applicant, the eligibility of  
4 the costs specified in the application, the eligibility of the  
5 project specified in the application, and the completeness of  
6 the application.

7 C. Notice of determination. Within 14 days after receiving  
8 the application, the chairperson shall notify each applicant of  
9 the chairperson's determinations. If the chairperson determines  
10 that the applicant or the project is not eligible, the  
11 application shall not be further considered and the applicant  
12 shall be notified of the determination. If the chairperson  
13 determines that any of the costs or any part of the project is  
14 not eligible or that the application is otherwise not complete,  
15 the chairperson shall return the application together with a  
16 statement of the reasons for rejecting the application. The  
17 applicant shall have 14 days after receipt of the rejection of  
18 the application or until two weeks following the final day of  
19 the application segment, whichever is later, to correct any  
20 inadequacies identified in the application. Applications which  
21 are not resubmitted within the time period allowed shall not be  
22 further considered during the funding round.

23 D. Review of documentation. If the applicant, the costs,  
24 and the project are determined to be eligible and the  
25 application is complete, the chairperson shall, within 45 days  
26 after the receipt of the application, review the application to  
27 determine whether the supporting documentation is adequate. In  
28 determining whether the documentation is adequate, the  
29 chairperson shall consider whether the documentation  
30 demonstrates:

31 1. that the project is conceptually and technically  
32 feasible;

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



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

7           4. that the applicant has evaluated the feasible and  
8 prudent alternatives to disposal and has compared and evaluated  
9 the costs of the alternatives, including capital and operating  
10 costs, the effects of the alternatives on the cost to  
11 generators, and the effects of the alternatives on the solid  
12 waste management and recycling industry within the projects  
13 service area;

14           5. that the applicant has completed a comprehensive solid  
15 waste management plan conforming to the requirements of  
16 Minnesota Statutes, section 115A.46, including consideration of  
17 solid waste management alternatives; and

18           6. that the project demonstrates a technology that is of  
19 potential statewide application or significance.

20       E. Consultation with other agencies. In determining the  
21 adequacy of the documentation, the chairperson shall consider  
22 any recommendations provided by the Pollution Control Agency,  
23 the appropriate regional development commission, the State  
24 Planning Agency, and, if appropriate, the Metropolitan Council.

25       F. Determination of sufficient documentation. If the  
26 chairperson determines that the documentation in the application  
27 is adequate, the application shall be considered final and the  
28 applicant shall be so notified. The application shall then be  
29 referred to the board to be evaluated as provided in 6 MCAR S  
30 8.408. If the chairperson determines that the documentation in  
31 the application is inadequate, the chairperson shall return the  
32 application together with a statement of the reasons for  
33 rejecting the application. The applicant shall have 14 days  
34 after receipt of the rejection of the application or two weeks  
35 after the final day of the application segment, whichever time  
36 period is greater, to correct the inadequacies in the

1 documentation. Applications which are not resubmitted within  
2 the time periods allowed shall not be further considered during  
3 the funding round.

4 If the inadequacies in the documentation are corrected  
5 within the time allowed, the application shall be considered  
6 final and the applicant shall be so notified. The application  
7 shall then be referred to the board to be evaluated as provided  
8 in 6 MCAR S 8.408.

9 6 MCAR S 8.408 Project type evaluation.

10 A. Process of evaluation. Upon completion of the  
11 chairperson's initial review of the application as set out in 6  
12 MCAR S 8.407, the board shall compare projects of similar  
13 technology based on the factors set out in this section and  
14 select the top project in each category for further evaluation.

15 B. General factors. In evaluating all five types of  
16 projects the board shall, to the extent the factor is relevant  
17 to the project, consider:

18 1. operating capacity measured in tons of waste processed  
19 per day, percent of total waste stream to facility, area  
20 serviced, number of communities served, operating hours per day,  
21 and operating days per year;

22 2. market viability determined by the distance the market  
23 is from the facility, the existence of expressions of interest,  
24 or contracts or long-term contracts, and, the length of time the  
25 market has been in existence, and the likelihood the market will  
26 remain in existence;

27 3. percent of input that is residual waste;

28 4. whether the method of securing waste is in place or  
29 planned.

30 C. Waste-to-energy facility factors. For waste-to-energy  
31 facilities, the board will consider:

32 1. energy production effectiveness measured in Btu output  
33 per tons of waste input;

34 2. whether variations in energy demand are matched to  
35 variations in waste supply;

36 3. cost effectiveness measured in Btu's delivered to

1 customer per year per dollar capital cost, and Btu's delivered  
2 to customer per year per dollar annual cost;

3 4. revenue per million Btu's delivered, total annual  
4 revenue from energy sales, and revenue as percent of total  
5 annual cost.

6 D. Materials recovery factors. For materials recovery  
7 facilities, the board will consider:

8 1. recovery effectiveness determined by identifying types  
9 and quantity of product recovered;

10 2. cost effectiveness measured by the value of recovered  
11 materials per year per dollar of capital cost and the value of  
12 recovered materials per year per dollar of annual cost; and

13 3. revenue per unit weight of products, the total annual  
14 revenue from recovered products, and revenue as a percent of  
15 total annual cost.

16 E. Chemical, physical, or biological modification factors.  
17 For chemical, physical, or biological modification facilities,  
18 the board will consider:

19 1. product description, including quality and probable  
20 uses;

21 2. cost effectiveness measured by the value of the  
22 product per year per dollar capital cost and the value of  
23 product per dollar annual cost;

24 3. revenue per unit of product, total annual revenue from  
25 product sales, and revenue as a percent of total annual cost;

26 4. other materials required or used in process by  
27 describing and identifying sources, certainty of supply, and any  
28 benefits in consuming other materials.

29 F. Transfer stations factors. For transfer stations, the  
30 board will consider:

31 1. cost effectiveness measured by the total fuel cost  
32 savings per year per dollar capital cost and total waste hauling  
33 cost savings per year per dollar total annual cost; and

34 2. mileage and fuel savings measured by the total miles  
35 saved per year and gallons of fuel and total fuel cost savings  
36 per year.

1 G. Special waste stream factors. For special waste stream  
2 facilities, the board will consider:

- 3 1. product effectiveness measured by the product selling  
4 price and competitive product selling price;
- 5 2. operating factors measured by input waste stream  
6 quantity as a percent of total waste stream and resolution of  
7 problems encountered in landfilling the special waste;
- 8 3. cost effectiveness measured by the value of product  
9 per year per dollar capital cost and value of product per year  
10 per dollar annual cost; and
- 11 4. revenue per year from products or sales of processed  
12 waste and revenue as a percent of total annual cost.

13 6 MCAR S 8.409 Evaluation of projects selected from each  
14 category.

15 A. Evaluation process. Following the selection of the top  
16 project in each category, the board shall compare the projects  
17 on the basis of the priorities and factors listed in B. and C.  
18 The board shall then list the projects in order of preference  
19 based on the results of the comparison.

20 B. Legislative priorities. The board shall give priority to  
21 projects where:

- 22 1. the natural geologic and soil conditions are  
23 unsuitable for land disposal of solid waste;
- 24 2. the capacity of existing solid waste disposal  
25 facilities is less than five years; or
- 26 3. projects outside of the metropolitan area, the project  
27 serves more than one political subdivision.

28 C. General program factors. The board shall compare the  
29 projects in relation to the following factors:

- 30 1. the market for recovered resources, its location  
31 relative to the proposed facility, and any commitments which  
32 have been made to purchase the recovered resource;
- 33 2. the proportion of the total waste stream that will be  
34 processed by the facility and the extent that the facility will  
35 extend the life of existing landfills in the area;
- 36 3. the capital cost of the facility, the estimated cost

1 per ton of waste processed compared to the current cost per ton  
2 of waste disposed of in the area, the projected annual cost per  
3 unit of landfill capacity abated, and the projected annual cost  
4 per unit of material or energy recovered;

5 4. the projected revenue per ton of waste processed, the  
6 projected profitability of the facility throughout its operating  
7 life, the need for revenue sources in addition to operating  
8 revenue, and the availability of additional revenue sources.

9 5. the existence of other projects of the type proposed  
10 which have been funded by the board; and

11 6. the degree to which the technology or institutional  
12 arrangements demonstrated by the project are applicable to other  
13 cities, counties, or solid waste management districts in the  
14 state.

15 6 MCAR S 8.410 Award of grants and loans.

16 A. General procedure. The board shall award a loan, or a  
17 grant and loan if the board determines a grant should be awarded  
18 under B., to the project which receives the top rating under 6  
19 MCAR S 8.409. The board shall then award loans and grants, if  
20 applicable, to the extent funds remain available, to the other  
21 top-rated projects in order of preference. If all of the  
22 top-rated projects identified under 6 MCAR S 8.409 are funded,  
23 the board shall select the second highest rated project in each  
24 category identified under 6 MCAR 8.408 and shall further  
25 evaluate those projects as provided for in 6 MCAR S 8.409. The  
26 board shall then award grants or loans to the projects in the  
27 same manner and order as it did for the top-rated projects.

28 B. Factors in awarding grants. In making its determination  
29 on whether to award grants and loans, the board shall consider  
30 whether the project involves a significant risk to the local  
31 unit of government; whether the local unit of government has  
32 made a substantial commitment of its own funds to the project;  
33 and, in view of the applicant's financial capacity, whether a  
34 grant would affect the decision or ability to undertake the  
35 project.

36 C. Amount of awards. The board shall determine the amount

1 of the loans and grants it awards based on a review of the  
2 factors set out in 6 MCAR S 8.409 and the degree to which the  
3 project serves to demonstrate the uses of technology involved in  
4 Minnesota.

5 D. Maximum awards. The maximum loan award shall be 50  
6 percent of the eligible costs specified in the application or  
7 \$700,000, whichever is less. The maximum grant award shall be  
8 50 percent of the eligible costs specified in the application or  
9 \$300,000, whichever is less.

10 E. Limitations.

11 1. No funds shall be awarded for costs for which the  
12 applicant has applied for and received funds from another source.

13 2. No grant or loan shall be disbursed until the board  
14 has determined the total cost of the project and ascertained  
15 that financing of the cost is assured by funds provided by the  
16 state, by an agency of the federal government within the amount  
17 of funds then appropriated to that agency and allocated by it to  
18 projects within the state, by any person, or by the  
19 appropriation of proceeds of bonds or other funds of the  
20 recipient to a fund for the construction of the project.

21 3. Grants and loans shall be awarded to cover the  
22 eligible costs of only those tasks which are undertaken and  
23 completed during the grant and loan period established in the  
24 grant and loan agreement. Grants and loans shall not be awarded  
25 to cover any cost associated with tasks performed prior to the  
26 award of a grant and loan or after the expiration of the grant  
27 and loan agreement.

28 6 MCAR S 8.411 Grant and loan agreement.

29 A. The grant and loan agreements must:

30 1. contain the resolutions required under Minnesota  
31 Statutes, section 115A.54, subdivision 3;

32 2. incorporate by reference the final grant and loan  
33 application submitted to the board in accordance with 6 MCAR S  
34 8.406;

35 3. establish the term of the grant and loan. All grants  
36 awarded under this rule shall have a maximum term of two years.

1 All loans awarded under this rule shall have a loan life  
2 determined by considering facility type, expected life of  
3 equipment, capital cost of the project, and loan amount;

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

6 5. provide that the recipient shall be authorized to  
7 enter into contracts to complete the work specified in the  
8 agreement;

9 6. provide that any cost overruns incurred in the  
10 development of the proposed facility shall be the sole  
11 responsibility of the recipients;

12 7. provide that the board will not accept amendments  
13 requesting additional grant and loan funds; and

14 8. require that the recipient provide a report on the  
15 developmental and operational history of the project so that  
16 knowledge and experience gained from the project may be made  
17 available to other communities in the state.

18 B. ~~Cancellation~~ Rescission of grants and loans. Grants and  
19 loans not completed in accordance with the terms and conditions  
20 of the respective agreements, including time schedules, shall be  
21 ~~cancelled~~ rescinded unless the board determines that the  
22 variances from the respective agreements are due to factors  
23 outside the control of the grant or loan recipient.

24 C. Disbursement. The board shall disburse grants in  
25 accordance with the payment schedule set out in the grant  
26 agreement.

27 D. Interest payments. Interest payments on the loan shall  
28 be due annually and shall begin to accrue from the date the loan  
29 agreement is signed. The first repayment of the principal  
30 amount of the loan shall be due one year after the facility  
31 becomes operational or two years after the date the loan  
32 agreement is executed, whichever is earlier. The board shall  
33 consider the facility operational at the point where the  
34 facility meets all vendor guaranteed operating specifications.  
35 Subsequent repayments of principal and interest shall be due  
36 annually on the anniversary date of the first repayment.

1 E. Due and payable clause. The loan agreement shall  
2 stipulate that if the recipient ~~desires-to-sell~~ sells the  
3 facility to a private enterprise, all outstanding loan  
4 obligations to the board shall become due and payable upon the  
5 sale to the private enterprise.

6 F. Repayment of grant if facility is sold to a private  
7 enterprise within three years. The grant agreements shall  
8 require repayment of the grant if the facility is sold to a  
9 private enterprise within three years of the date the grant was  
10 made. Beginning on the third anniversary of the grant, the  
11 amount of the grant which must be repaid shall be reduced ten  
12 percent each year. The sale agreement between the recipient and  
13 the private enterprise shall transfer the responsibilities  
14 outlined in 6 MCAR S 8.411 A.8. to the private enterprise.

15 6 MCAR S 8.412 Apportionment.

16 A. In general. For grants and loans to be awarded over the  
17 life of this program, the board shall apportion funds allocated  
18 to it by the legislature for this program as set out in Article  
19 VI of the Waste Management Act, Minnesota Statutes, sections  
20 115A.49 to 115A.54, as follows in B.-E.

21 B. Percentage of loans and grants. Of the money  
22 appropriated for the purposes of the demonstration program, at  
23 least 70 percent shall be distributed as loans, and the  
24 remainder shall be distributed as grants.

25 C. Number of funding rounds. The board shall distribute the  
26 money appropriated for the purposes of the demonstration program  
27 during four funding rounds commencing on January 1, 1983. Each  
28 funding round entails a six-month period of time.

29 D. Amount distributed per round. During each funding round,  
30 the board shall distribute one-fourth of the money appropriated  
31 for the purposes of the demonstration program, and of the monies  
32 distributed each funding round, at least 70 percent shall be  
33 distributed as loans and the remainder shall be distributed as  
34 grants. In the event that projects awarded loans are not  
35 eligible for grants, during a specific funding round, the board  
36 may use the unobligated grant moneys to award additional loans



1 or may carry the unobligated grant monies forward for use in the  
2 next funding round.

3 E. Differences between application requests and available  
4 funds. If the board receives more applications which are  
5 eligible for grant or loan assistance in a specific funding  
6 round than the board has funds available, those eligible  
7 applicants not receiving funding may resubmit applications in  
8 future funding rounds. If the board does not receive enough  
9 eligible applications for grant and loan assistance in a  
10 specific funding round to fully obligate the funds available for  
11 that funding round, the balance shall carry forward and be  
12 available as additional funds in the following funding round.