

1 Minnesota Pollution Control Agency  
 2 Water Quality Division  
 3  
 4 Adopted Rules Relating to Wastewater Treatment  
 5  
 6 Rules as Adopted

7 7075.0100 PURPOSE.

8 This chapter provides for the administration of the federal  
 9 construction grant program, the independent state construction  
 10 grant program, the state matching construction grant program,  
 11 the state loan program for the construction of municipal  
 12 disposal systems, and the state financial assistance program for  
 13 combined sewer overflow abatement.

14 7075.0400 TYPES OF PROGRAMS.

15 Under this chapter and Minnesota Statutes, section 116.16  
 16 et seq., the agency may disburse funds from the pollution  
 17 control fund for the following:

- 18 A. and B. [Unchanged.]
- 19 C. independent state grants for planning and  
 20 construction of municipal disposal systems;
- 21 D. loans for the construction of municipal disposal  
 22 systems; and
- 23 E. financial assistance for the abatement of combined  
 24 sewer overflow.

25 7075.0401 SUMMARY OF CONSTRUCTION GRANTS PROGRAMS.

26 The following provisions apply to the municipal  
 27 construction grant programs:

- 28 A. to G. [Unchanged.]
- 29 H. State financial assistance is available for design  
 30 and construction of combined sewer overflow abatement projects.  
 31 This assistance is awarded on a pro rata basis to qualifying  
 32 municipalities separately from the priority ranking process for  
 33 other construction grants.

34 7075.0409 MUNICIPAL PROJECT LIST.

THE  
STATUTES

*DSN*

1 Subpart 1. Adoption of municipal project list. The agency  
2 shall adopt a municipal project list each fiscal year which  
3 shall list in order of priority projects for which federal grant  
4 funds will be requested from current allotments and for which  
5 state grants will be awarded from current appropriations. The  
6 municipal project list shall also contain those projects for  
7 which state financial assistance will be available for combined  
8 sewer overflow abatement projects. The municipal project list  
9 shall also list any nonproject uses of the state's allotment of  
10 federal grant funds and of the appropriation of state grant  
11 funds, including but not limited to, training grants and costs  
12 of administration.

13 Subp. 2. Requirements for placement on list. A  
14 municipality that requests project placement on the municipal  
15 project list shall meet the following requirements:

16 A. to E. [Unchanged.]

17 F. A municipality seeking a Step 3 federal grant for  
18 combined sewer overflow abatement projects or state financial  
19 assistance for combined sewer overflow abatement projects shall  
20 not be subject to the conditions contained in items C and D.  
21 The municipality shall submit by June 1 prior to the beginning  
22 of the fiscal year for which the grant or financial assistance  
23 is sought, a list and schedule of construction projects to be  
24 initiated in the following fiscal year. If the municipality's  
25 NPDES/SDS permit provides a different date for submission of the  
26 list and schedule, the date in the permit shall take precedence.

27 Subp. 3. Preparation of proposed municipal project list.  
28 The agency shall prepare a municipal project list that lists in  
29 order of priority the municipalities that are eligible to apply  
30 for construction grants for their projects from funds allotted  
31 to the state for the current fiscal year by the federal  
32 government or appropriated into the fund for the current fiscal  
33 year.

34 In drafting the proposed municipal project list, the agency  
35 shall consider the following factors in the order given:

36 A. and B. [Unchanged.]

1 C. restrictions on obligations mandated by these  
2 parts and applicable state and federal statutes, including but  
3 not limited to set asides for administration of certain types of  
4 projects, and the percentage of the cost of construction that  
5 will be paid by state and federal grants;

6 D. the municipalities' preference for funding  
7 sources; and

8 E. the amount of state financial assistance available  
9 for combined sewer overflow abatement projects.

10 Subp. 4. **Procedures for drafting list.** In drafting the  
11 proposed municipal project list, the agency shall list projects  
12 on the proposed list according to the following procedures:

13 A. to C. [Unchanged.]

14 D. The agency shall then list combined sewer overflow  
15 abatement projects for which state financial assistance will be  
16 awarded in the fiscal year from funds available for those kinds  
17 of projects.

18 E. The agency may list projects which will receive  
19 Step 1 and 2 grants and advances of allowance in such a manner  
20 as to permit funding to proceed in an orderly fashion to fully  
21 utilize all allocated and appropriated funds.

22 Subp. 5. **Reimbursement project list.** The agency shall  
23 prepare a reimbursement project list that lists those  
24 municipalities that are willing to proceed with projects and are  
25 willing to be reimbursed in a subsequent year conditioned upon  
26 appropriation of sufficient money for that year. No  
27 municipality may be listed on the reimbursement project list  
28 unless the municipality has requested placement on the list and  
29 has received approval of the documents listed in subpart 2, item  
30 C. The total cost of these reimbursement projects may not  
31 exceed the amount newly appropriated to the independent state  
32 grant program. Reimbursement projects must be listed in the  
33 same order of priority as they appear on the municipal needs  
34 list. A reimbursement project may appear on both the  
35 reimbursement project list and the reserve project list.

1 7075.0411 PROJECT ELIGIBILITY.

2 Subpart 1. **Steps eligible.** Federal grants and state  
3 matching grants shall be awarded only for Step 2+3 and Step 3  
4 projects. Advances of allowance for Step 1 and 2 projects may  
5 also be provided from federal funds. Independent state grants  
6 may be awarded for Step 1, Step 2, Step 2+3, and Step 3 projects.  
7 Financial assistance for combined sewer overflow abatement shall  
8 be awarded only for design and construction work.

9 Subp. 2. **General eligibility.** No project is eligible for  
10 a federal grant or a state matching grant unless it is eligible  
11 for funding under the act and applicable federal regulations. No  
12 project is eligible for an independent state grant unless it is  
13 eligible under this chapter and applicable state statutes. No  
14 municipality is eligible for state financial assistance for  
15 combined sewer overflow abatement projects unless the  
16 municipality complies with the conditions of Minnesota Statutes,  
17 section 116.162, subdivision 7.

18 Subp. 3. **Initiation of construction.** A municipality is  
19 not eligible for a federal grant or a state matching grant if  
20 construction on the project has been initiated prior to the  
21 award of the grant.

22 A municipality may be eligible for an independent state  
23 grant after initiation of construction, provided that:

24 A. the municipality was listed on a reimbursement  
25 project list when construction began;

26 B. the municipality submitted a complete grant  
27 application to the agency within 90 days after adoption or  
28 revision of the reimbursement project list; and

29 C. [Unchanged.]

30 Subp. 4. [Unchanged.]

31 Subp. 5. **Eligible costs.** The following provisions govern  
32 eligible costs:

33 A. The eligible cost of any project for which a grant  
34 or state financial assistance will be awarded shall be  
35 determined by the application of applicable state and federal  
36 statutes and rules.

1           B. In addition to other eligible costs established by  
2 state law for combined sewer overflow abatement projects, storm  
3 water conveyance facilities that are part of the most cost  
4 effective alternative for combined sewer overflow abatement  
5 shall be eligible for state financial assistance. Such  
6 facilities shall include those structures, pipes, and  
7 appurtenances from the point of entry at the catch basin to the  
8 outlet structure which are necessary to convey up to the  
9 five-year storm.

10 7075.0414 GRANT APPLICATIONS.

11           Subpart 1. [Unchanged.]

12           Subp. 2. **Timing and form of application.** The following  
13 provisions govern the timing and form of grant applications:

14           A. A municipality on the final municipal project list  
15 for other than a combined sewer overflow project shall submit a  
16 completed construction grant application to the agency within 90  
17 days after the date on which the agency adopts that fiscal  
18 year's municipal project list.

19           B. A municipality on the final municipal project list  
20 for a combined sewer overflow abatement project shall submit a  
21 completed construction grant application, or a completed  
22 application for state financial assistance, whichever is being  
23 applied for, by December 1 following agency adoption of that  
24 fiscal year's municipal project list, unless a different date is  
25 provided in the municipality's NPDES/SDS permit, in which case  
26 the deadline in the permit shall take precedence.

27           C. The application for federal grant funds shall be  
28 on EPA's form 5700-32, as provided by the agency.

29           D. The application for state grant funds shall be on  
30 the form as provided by the agency.

31           E. The application for state financial assistance for  
32 combined sewer overflow abatement projects shall be on the form  
33 as provided by the agency.

34           Subp. 3. to 5. [Unchanged.]

35           Subp. 6. **Additional information for Step 3 grant.** A

1 municipality that applies for a Step 3 grant shall, in addition  
2 to submitting the completed application form, submit the  
3 following information for agency review and approval:

4 A. to M. [Unchanged.]

5 N. For municipalities applying for Step 3 federal  
6 grants for combined sewer overflow abatement projects, the  
7 following information shall also be submitted:

8 (1) the scope of work outlined in the list and  
9 schedule submitted the previous June 1, or in accordance with  
10 the NPDES/SDS permit;

11 (2) such additional scope of work that the  
12 municipality could proceed with if any additional funds become  
13 available; and

14 (3) the items listed in part 7075.0409, subpart  
15 2, item C. The plans and specifications shall be for the scope  
16 of work described in subitems (1) and (2).

17 Subp. 6a. **Additional information for state financial  
18 assistance for combined sewer overflow abatement. A**

19 municipality that applies for state financial assistance for a  
20 combined sewer overflow abatement project shall submit the  
21 following information for agency review and approval:

22 A. the scope of work contained in the list and  
23 schedule submitted the previous June 1, or in accordance with  
24 the NPDES/SDS permit, plus such additional scope of work as may  
25 be necessary to utilize any additional funds that may become  
26 available;

27 B. that information required for a Step 3 grant under  
28 subpart 6, items A, F, G, I, and L; and

29 C. plans and specifications for the scope of work  
30 described in item A.

31 Subp. 7. and 8. [Unchanged.]

32 7075.0419 ADVANCES OF ALLOWANCE.

33 Subpart 1. to 3. [Unchanged.]

34 Subp. 3a. **Submittal and approval of facilities plan. In**  
35 order to receive a Step 2 advance, a municipality shall submit



1 the documents listed in part 7075.0409, subpart 2, item B. The  
2 facilities plan must be approved before the advance will be  
3 awarded.

4 Subp. 4. to 7. [Unchanged.]

5 7075.0428 GRANT AMOUNTS.

6 Subpart 1. **State matching grants.** For projects tendered  
7 on or after October 1, 1984, a federal grant at 55 percent or  
8 more of the eligible cost for construction of a treatment works,  
9 the agency shall award a state matching grant for up to an  
10 additional 30 percent of the eligible cost if construction of  
11 the treatment works would otherwise impose a significant  
12 financial hardship on the municipality.

13 Subp. 2. **Independent state grants.** The agency may award  
14 independent state grants as follows:

15 A. [Unchanged.]

16 B. The agency may award Step 2+3 and Step 3  
17 independent state grants to municipalities to pay for 50 percent  
18 of the eligible cost of construction, or, if the agency requires  
19 and the municipality is constructing advanced treatment, 65  
20 percent of the eligible cost of construction. If construction  
21 of a treatment works would otherwise impose a significant  
22 financial hardship on a municipality, the agency may award an  
23 independent state grant to pay for up to an additional 30  
24 percent of the eligible cost of construction, or if the agency  
25 requires and the municipality is constructing advanced  
26 treatment, an additional 25 percent of the eligible cost of  
27 construction.

28 Subp. 2a. **State financial assistance for combined sewer  
29 overflow abatement projects.** The agency may award state  
30 financial assistance for combined sewer overflow abatement  
31 projects as follows:

32 A. The agency may award state financial assistance  
33 for design of combined sewer overflow abatement projects to  
34 municipalities in an amount determined according to the same  
35 procedures for calculating an allowance under Code of Federal

1 Regulations, title 40, part 35, appendix B.

2 B. Each fiscal year, municipalities eligible for  
3 financial assistance for combined sewer overflow abatement  
4 projects shall be awarded a proportionate share of the  
5 appropriation available for such projects in that fiscal year.  
6 The proportionate share for each eligible municipality is as  
7 follows:

8 (1) Minneapolis, 24.2 percent;

9 (2) Saint Paul, 71.6 percent;

10 (3) South Saint Paul, 4.2 percent.

11 C. By no later than March 31 each year, beginning in 1987,  
12 the agency shall determine whether or not each municipality that  
13 is eligible for financial assistance under this program has  
14 submitted a complete financial assistance application and either  
15 ~~entered-into-construction-contracts-for-the-work~~ the city  
16 council has adopted final orders for construction if the work is  
17 to be contracted out, or issued work proceed orders if the  
18 municipality will do the work with its own employees, for enough  
19 work to allow the municipality to utilize its total pro rata  
20 share for the present fiscal year. If the agency determines  
21 that a municipality has not submitted a complete financial  
22 assistance application and ~~entered-into-construction-contracts~~  
23 ~~or~~ the city council has not adopted final orders for  
24 construction or the city has not issued work proceed orders, the  
25 agency shall distribute such unuseable funds to other eligible  
26 municipalities that have submitted complete financial assistance  
27 applications to utilize such additional funds. For any  
28 municipality that is awarded additional funds ~~shall-enter-into~~  
29 ~~construction-contracts-or,~~ the city council shall adopt final  
30 orders for construction or the city shall issue work proceed  
31 orders to utilize such funds by May 31 of the present fiscal  
32 year in order to retain the funds.

33 Each fiscal year, beginning in 1988, allocations to a  
34 municipality that has received additional funds shall be reduced  
35 by one-third of the total amount of additional funds that have  
36 been awarded to the municipality in earlier years. These funds



1 shall be awarded to the municipality that was initially entitled  
2 to them. In the event that, for the municipality entitled to  
3 the repayment funds, the city council still has not ~~made-firm~~  
4 ~~commitments~~ adopted final orders for construction or the city  
5 has not issued work proceed orders to utilize the funds in that  
6 fiscal year, the municipality awarded the additional funds is  
7 not required to make the repayment. The repayment procedure set  
8 forth in this item shall continue until the municipality has  
9 repaid all additional funds that it has been awarded or until  
10 the municipality has completed its combined sewer overflow  
11 abatement projects in their entirety.

12 Subp. 3. Local share. Except as provided in part  
13 7075.0425, in no event may a municipality that obtains a state  
14 matching grant or independent state grant be responsible for  
15 less than ten percent of the eligible cost of the project.

16 Subp. 4. [Unchanged.]

17 7075.0433 PAYMENT OF STATE FINANCIAL ASSISTANCE FOR COMBINED  
18 SEWER OVERFLOW ABATEMENT.

19 The municipality may request in writing periodic payments  
20 as work on the project progresses up to 80 percent of the total  
21 amount of the financial assistance. After final inspection, the  
22 agency shall pay the remaining 20 percent after the municipality  
23 has complied with part 7075.0430, subpart 5, item C, subitems  
24 (1), (4), and (9).

25

26 REPEALER. Minnesota Rules, part 7075.0418, is repealed.