

1 Pollution Control Agency

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3 Adopted Permanent Rules Relating to Capital Cost Component Grant
4 Program

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6 Rules as Adopted

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CAPITAL COST COMPONENT GRANT PROGRAM

8 7075.1105 PURPOSE.

9 Parts 7075.1105 to 7075.1160 provide for the administration
10 of the capital cost component grant program which makes grants
11 available to municipalities for part of the capital cost
12 component of the service fee under a service contract with a
13 private vendor to construct and operate wastewater treatment
14 facilities.

15 7075.1110 DEFINITIONS.

16 Subpart 1. Scope. For the purpose of parts 7075.1105 to
17 7075.1160, the following terms have the meanings given them.

18 Subp. 2. Agency. "Agency" means the Minnesota Pollution
19 Control Agency.

20 Subp. 3. Authority. "Authority" means the Minnesota
21 Public Facilities Authority.

22 Subp. 4. Commissioner. "Commissioner" means the
23 commissioner of the Minnesota Pollution Control Agency.

24 Subp. 5. Initiation of construction. "Initiation of
25 construction" means issuance of a notice to proceed under a
26 construction contract for any segment of work on the project.

27 Subp. 6. Municipal needs list. "Municipal needs list"
28 means the priority list prepared by the commissioner under parts
29 7075.0402 to 7075.0408.

30 Subp. 7. Project. "Project" means the work for which a
31 grant or grant amendment is awarded under parts 7075.1105 to
32 7075.1160.

33 7075.1115 ELIGIBILITY.

34 To be eligible for a capital cost component grant, a



1 municipality must be listed on the municipal needs list.

2 7075.1120 GRANT APPLICATIONS.

3 Subpart 1. Notice of taking applications. The
4 commissioner shall request that the authority publish notice in
5 the State Register that capital cost component grant
6 applications will be accepted by the authority. The application
7 closing date must be established by the commissioner and must be
8 no less than 90 days after the publication date.

9 Subp. 2. Application requirements. The municipality shall
10 apply for a capital cost component grant on an application form
11 provided by the commissioner. The municipality shall submit the
12 following information with the application:

13 A. a copy of the municipality's request for proposals
14 for construction and operation of the wastewater treatment
15 facility;

16 B. an engineering report containing:

17 (1) a description of the geographic planning area
18 and the population to be served by the wastewater treatment
19 facility;

20 (2) the effluent limitations for which the
21 wastewater treatment facility is being designed;

22 (3) the municipality's existing wastewater flows
23 and loadings data; and

24 (4) the municipality's estimated future
25 wastewater flows and loadings data;

26 C. a copy of all proposals received in response to
27 the municipality's request for proposals; and

28 D. a design summary of the wastewater treatment
29 facility with all components listed and sized.

30 Subp. 3. Other information. After the application is
31 received, the applicant shall submit other information requested
32 by the commissioner necessary to clarify the application.

33 Subp. 4. Application closing date. The application must
34 be submitted to the authority or postmarked by the noticed
35 application closing date.

1 Subp. 5. Incomplete applications. Municipalities that
2 submit applications that do not include the information required
3 in subpart 2 or that are not submitted by the application
4 closing date are ineligible for funding. The municipalities may
5 reapply in a later application period.

6 7075.1125 SELECTION OF ELIGIBLE GRANTEES.

7 Subpart 1. Ranking of applicants. Within 30 days of the
8 close of the application period, the commissioner shall rank
9 those applicants who have submitted a complete and timely
10 application according to their priority ranking on the municipal
11 needs list.

12 Subp. 2. Determination of grantees. Within 90 days of the
13 close of the application period, the agency shall determine how
14 many of the eligible applicants will receive a capital cost
15 component grant. Grants must be awarded in priority order to as
16 many applicants as the available funding will allow.

17 7075.1130 AMOUNT OF GRANT AWARD.

18 Subpart 1. State and federal construction grants program
19 list. Each August the commissioner shall prepare a list of all
20 municipal wastewater treatment facilities that have accepted
21 bids under the state and federal construction grants program
22 during the three previous state fiscal years. The municipal
23 wastewater treatment facilities shall be listed in order of the
24 population of the service area.

25 Subp. 2. Grant amount. The grant applicant shall be
26 placed on the state and federal construction grants program list
27 described in subpart 1 based on the population of the grantee's
28 service area. The amount of the grant must be 50 percent of the
29 average total eligible costs of the ten municipalities the
30 closest in population to the grantee's service area.

31 Subp. 3. Grant restriction. No more than 50 percent of
32 the total funds available for the award of capital cost
33 component grants for any fiscal year shall be awarded to a
34 grantee. A grantee that receives only a part of the grant to
35 which it is entitled because of this restriction is entitled to

1 receive a grant amendment in the next year or years, if capital
2 cost component grant money is available, until the full amount
3 of the grant is awarded. The grantee is entitled to priority
4 over new grantees in the next year or years. The amount of the
5 grant must not be recalculated under subparts 1 and 2.

6 Subp. 4. Grant limitation. No grant shall exceed 100
7 percent of the actual costs of design and construction of the
8 wastewater treatment facility. The cost of acquiring an
9 existing facility must not be included as an eligible cost for
10 the purpose of determining actual costs.

11 7075.1135 CERTIFICATION OF AWARD.

12 The commissioner shall certify to the authority the list of
13 projects to be awarded grants and the amount of the grant to be
14 awarded based on the criteria in parts 7075.1125 and 7075.1130.

15 7075.1140 GRANT CONDITIONS.

16 Subpart 1. Statutory and regulatory requirements. The
17 grantee shall comply with applicable statutory and regulatory
18 requirements for capital cost component grants.

19 Subp. 2. General conditions. The grantee shall comply
20 with the conditions in items A to E during the course of
21 constructing the wastewater treatment facility.

22 A. Within 90 days after the grant award date, the
23 grantee shall submit to the commissioner for technical review
24 and approval complete plans and specifications for the
25 wastewater treatment facility. The commissioner shall approve
26 or deny approval of the plans and specifications within 90 days
27 after initial submittal. The grantee and the commissioner may
28 agree to one extension of up to an additional 90 days.

29 B. The grantee shall not initiate construction of the
30 project until:

31 (1) the environmental review process in chapter
32 4410 and Minnesota Statutes, chapter 116D has been completed;

33 (2) the grantee has obtained the required permits
34 for the project;

35 (3) the commissioner has approved the plans and

1 specifications for the project; and

2 (4) a copy of the executed service contract
3 between the grantee and the private vendor has been submitted to
4 the commissioner along with a certification from the grantee
5 that the service contract satisfies all statutory requirements
6 applicable to the contract.

7 C. The project must be constructed in accordance with
8 the approved plans and specifications and any approved change
9 orders.

10 D. A grantee proposing to make changes in the project
11 that alter the type, efficiency, or reliability of the treatment
12 process shall submit to the commissioner information as the
13 commissioner requires to determine the impact of the proposed
14 change on the environment. Changes to the project that alter
15 the type, efficiency, or reliability of the treatment process
16 must not be made without the prior approval of the
17 commissioner. The commissioner shall review a proposed change
18 in the same manner as the original project was reviewed for
19 compliance with applicable pollution control requirements.
20 Change orders for changes not requiring prior approval must be
21 submitted to the commissioner as soon as possible. A change in
22 the type, efficiency, or reliability of the treatment process
23 without prior approval from the commissioner shall constitute
24 grounds for the commissioner to request that the authority
25 terminate the grant of a grantee.

26 E. Before placing the wastewater treatment facility
27 into operation, the grantee shall submit to the commissioner an
28 operations and maintenance manual for the wastewater treatment
29 facility. The commissioner shall review the manual and provide
30 comments to the grantee.

31 7075.1145 INSPECTIONS.

32 The commissioner has the authority to conduct inspections
33 of the grantee's project under the authority of Minnesota
34 Statutes, section 115.03, subdivision 1, paragraph (f).

35 7075.1150 GRANT PAYMENT.

1 Subpart 1. Request for payment. A grantee seeking a grant
2 payment shall submit a payment request to the commissioner on a
3 form provided by the commissioner.

4 Subp. 2. Schedule of payment. Capital cost component
5 grants shall be paid in accordance with the following schedule:

6 A. 80 percent of the grant upon compliance by the
7 grantee with the following conditions:

8 (1) submission of a certification that the
9 wastewater treatment facility has been completed in accordance
10 with the approved plans and specifications and approved change
11 orders;

12 (2) submission of a certification of compliance
13 with all permit conditions for a period of two consecutive
14 calendar months following project completion;

15 (3) submission of a certification of compliance
16 with all grant conditions in part 7075.1140, subpart 2;

17 (4) submission of as-built plans and
18 specifications to the commissioner on microfiche; and

19 (5) submission of written documentation to the
20 commissioner of actual design and construction costs incurred
21 for the wastewater treatment facility.

22 B. The remaining 20 percent of the grant upon
23 compliance by the grantee with the following conditions:

24 (1) submission of a certification of compliance
25 with all permit conditions for a period of 12 consecutive
26 calendar months following project completion;

27 (2) submission of a certification that the
28 project is capable of accepting hydraulic and organic loadings
29 to the extent designed for in the approved plans and
30 specifications; and

31 (3) submission of a certification that the
32 project will have no overflows or bypasses under design
33 conditions.

34 Subp. 3. Verification of compliance. Before a grant
35 payment is made, the commissioner shall verify that the grantee
36 has complied with part 7075.1135 and with the grantee's permit

1 conditions.

2 Subp. 4. Certification of payment. Within ten days of
3 receipt of a payment request, the commissioner shall determine
4 whether the grantee qualifies for payment. If the commissioner
5 determines that payment is not appropriate, the commissioner
6 shall advise the grantee of the deficiencies in the request. If
7 the commissioner determines that payment is appropriate, the
8 commissioner shall certify to the authority that payment should
9 be made.

10 7075.1155 TERMINATION OF GRANT.

11 Failure of the grantee to comply with part 7075.1140 shall
12 constitute grounds for the commissioner to recommend that the
13 authority terminate the grant of a grantee.

14 7075.1160 RECOVERY OF FUNDS.

15 Violation of permit conditions by reason of improper
16 design, improper construction, or improper operation and
17 maintenance shall constitute grounds for the commissioner to
18 recommend that the authority seek to recover grant funds
19 tendered or disbursed to a grantee. In determining whether to
20 recommend such action to the authority, the commissioner shall
21 consider the steps the grantee has undertaken to correct the
22 problem that caused the violation of permit conditions. The
23 commissioner shall advise the agency whenever a recommendation
24 is made to the authority to seek recovery of grant funds.