

1 Pollution Control Agency

2

3 Adopted Permanent Rules Relating to Clean Water Partnership
4 Grants

5

6 Rules as Adopted

7 7076.0110 DEFINITIONS.

8 Subpart 1. **Scope.** The terms used in parts 7076.0100 to
9 7076.0290 have the meanings given them in Minnesota Statutes,
10 chapter 116, and rules adopted under that chapter and the
11 meanings given them in this part. If terms defined in this part
12 conflict with the definitions in Minnesota Statutes, chapter 116
13 and the rules adopted under that chapter, the definitions in
14 this part govern.

15 [For text of subp 2, see M.R.]

16 Subp. 3. **Best management practices.** "Best management
17 practices" has the meaning given it in Minnesota Statutes,
18 section 103F.711, subdivision 3.

19 [For text of subp 4, see M.R.]

20 Subp. 5. [See repealer.]

21 [For text of subp 6, see M.R.]

22 Subp. 7. **Local unit of government.** "Local unit of
23 government" has the meaning given it in Minnesota Statutes,
24 section 103F.711, subdivision 5.

25 Subp. 8. **Local water plan.** "Local water plan" means a
26 comprehensive water plan authorized under Minnesota Statutes,
27 chapter 103B; a surface water management plan required under
28 Minnesota Statutes, section 103B.231; or an overall plan
29 required under Minnesota Statutes, chapter 103D, that has been
30 approved by the Board of Water and Soil Resources.

31 Subp. 9. **Nonpoint source.** "Nonpoint source" has the
32 meaning given it in Minnesota Statutes, section 103F.711,
33 subdivision 6.

34 Subp. 10. **Official controls.** "Official controls" has the
35 meaning given it in Minnesota Statutes, section 103F.711,

1 subdivision 7.

2 Subp. 11. [See repealer.]

3 Subp. 12. **Project.** "Project" has the meaning given it in
4 Minnesota Statutes, section 103F.711, subdivision 8.

5 Subp. 13. **Project area.** "Project area" means the area
6 identified as hydrologically contributing to the water of
7 concern for which the diagnostic study and implementation plan
8 are prepared and implemented.

9 Subp. 14. **Project continuation grant amendment.** "Project
10 continuation grant amendment" means an amendment to an existing
11 project implementation grant to provide funds to continue
12 implementation of activities identified in an approved
13 diagnostic study and implementation plan that were not funded or
14 partially funded in the initial project implementation grant.

15 Subp. 15. **Project coordination team.** "Project
16 coordination team" means the public interagency group
17 established in Minnesota Statutes, section 103F.761.

18 Subp. 16. [See repealer.]

19 Subp. 17. [See repealer.]

20 [For text of subps 18 to 20, see M.R.]

21 Subp. 20a. **Resource investigation.** "Resource
22 investigation" means the preparation of a diagnostic study and
23 implementation plan.

24 Subp. 20b. **Resource investigation grant.** "Resource
25 investigation grant" means a grant from the agency to the
26 project sponsor for the preparation of a diagnostic study and
27 implementation plan.

28 [For text of subps 21 to 23, see M.R.]

29 Subp. 24. **Work plan.** "Work plan" means a document
30 prepared by a project sponsor that describes in detail the work
31 activities to be undertaken by the sponsor to fulfill the
32 requirements of Minnesota Statutes, sections 103F.701 to
33 103F.761, and of parts 7076.0100 to 7076.0290. A work plan is
34 approved by the commissioner and includes the items required
35 under part 7076.0230.

1 7076.0120 AVAILABLE ASSISTANCE.

2 Subpart 1. **Financial assistance.** There are two types of
3 grants available for nonpoint source projects: (1) resource
4 investigation grants, and (2) project implementation grants.
5 The grants are for a maximum of 50 percent of the eligible cost
6 of the project. Grants must be awarded, within the limits of
7 available appropriations, to those applicants having the highest
8 priority.

9 [For text of subp 2, see M.R.]

10 7076.0130 ELIGIBILITY CRITERIA.

11 Subpart 1. **Eligible applicants.** Only local units of
12 government are eligible to apply for grants and receive
13 technical assistance. A local unit of government is eligible to
14 apply for state matching grants and request technical assistance
15 if it has the following:

16 A. the authority to coordinate and enter into
17 contracts with local, state, and federal agencies and private
18 organizations for the purpose of carrying out a project;

19 B. the authority to generate cash revenues and in
20 kind contributions for the local share of a project;

21 C. the authority to adopt, implement, and enforce
22 official controls; and

23 D. the water of concern is addressed in an approved
24 local water plan.

25 [For text of subp 2, see M.R.]

26 Subp. 3. **Ineligible costs.** Ineligible costs include any
27 costs that are not related to the activities in subpart 2.
28 Costs identified under subpart 2 are ineligible if the related
29 project activities are started before the grant contract has
30 been signed by the commissioner of finance. In addition, the
31 following costs are ineligible whether or not they relate to the
32 activities in subpart 2:

33 [For text of items A to N, see M.R.]

34 [For text of subp 4, see M.R.]

35 7076.0140 NOTICE OF GRANT AVAILABILITY.

1 Subpart 1. **Notice.** The agency will publish in the State
2 Register a notice that applications for resource investigation
3 grants and project implementation grants will be accepted
4 whenever the agency determines that funds are available to award
5 the grants. The notice will contain a deadline for application
6 submittal, which must be no less than 60 days from the date of
7 publication.

8 Subp. 2. **Notification list.** The agency shall maintain a
9 list of those local governmental bodies that wish to be notified
10 of grant application periods. Any local governmental body that
11 wishes to be placed on the list shall notify the agency by
12 writing to the director of the water quality division. Whenever
13 the agency publishes notice in the State Register, the agency
14 shall mail notice of the grant application period to those local
15 governmental bodies on the list.

16 [For text of subp 3, see M.R.]

17 7076.0150 GRANT APPLICATION.

18 [For text of subpart 1, see M.R.]

19 Subp. 2. **Resource investigation grant.** An applicant
20 submitting an application for a resource investigation grant
21 must submit the following information:

22 A. a resolution by the local unit of government that
23 will be the project sponsor, authorizing the filing of the
24 application and designating an official authorized to execute
25 the grant application;

26 B. written documentation that the project sponsor has
27 consulted with soil and water conservation districts and
28 watershed districts in the project area, in preparing the grant
29 application;

30 C. identification of local units of government,
31 agencies, and organizations that will be involved in resource
32 investigation;

33 D. letters of support from each participating local
34 unit of government, agency, and organization which identify
35 their role in resource investigation and their contribution to

1 the local share of resource investigation costs;

2 E. the amount of grant funding requested;

3 F. a list identifying the amount, type, and source of
4 the local share;

5 G. a preliminary work plan that contains the
6 following:

7 (1) project goals and objectives;

8 (2) a statement of existing water quality
9 conditions and problems;

10 (3) identification and summary of work plan
11 activities that the grant would make possible;

12 (4) a schedule of work plan activities;

13 (5) a preliminary monitoring plan; and

14 (6) a preliminary work plan budget; and

15 H. documents required by state or federal statutes,
16 rules, and regulations.

17 **Subp. 3. Project implementation grant.** An applicant
18 submitting an application for a project implementation grant
19 shall submit the following information:

20 A. a resolution by the local unit of government that
21 will be the project sponsor, authorizing the filing of the
22 application and designating an official authorized to execute
23 the grant application;

24 B. written documentation that the project sponsor has
25 consulted with soil and water conservation districts and
26 watershed districts in the project area, in preparing the grant
27 application;

28 C. a diagnostic study and implementation plan
29 approved under part 7076.0260, or an equivalent study and plan
30 that addresses the requirements of a diagnostic study and
31 implementation plan and that has been approved under part
32 7076.0260 and is part of a local water plan;

33 D. letters of support from each participating local
34 unit of government, agency, and organization that identify their
35 role in project implementation and their contribution to the
36 local share of project implementation costs;

1 E. a detailed preliminary work plan and schedule for
2 project implementation during the grant period;

3 F. a detailed budget for the grant period including
4 the identification of the amount requested in the grant;

5 G. a list identifying the amount, type, and source of
6 the local share; and

7 H. documents required by state or federal statutes,
8 rules, and regulations.

9 7076.0160 REJECTION OF GRANT APPLICATION.

10 Subpart 1. **Grounds.** An application for a resource
11 investigation grant or a project implementation grant shall be
12 rejected by the commissioner for the following reasons:

13 A. an ineligible applicant;

14 B. ineligible costs;

15 C. a late submittal; or

16 D. failure to comply with any requirement of statute
17 or rule.

18 [For text of subp 2, see M.R.]

19 Subp. 3. **Effect of rejection.** A grant applicant whose
20 application is rejected must reapply in a subsequent application
21 period to be considered for a grant.

22 7076.0170 PROJECT RANKING.

23 Subpart 1. **Process of ranking.** Upon completion of the
24 commissioner's review of the grant applications for
25 acceptability, the agency shall rank the acceptable grant
26 applications in order of priority. Each project for which an
27 acceptable grant application has been submitted must be awarded
28 the number of priority points the project is entitled to under
29 subparts 2 and 3. The project with the highest number of
30 priority points will be given the highest priority. All
31 projects will be given a ranking depending on the number of
32 points awarded. The resource investigation grant applications
33 must be ranked separately from the project implementation grant
34 applications.

35 Subp. 2. **Priority points for resource investigation grant**

1 applications. The agency and the project coordination team must
2 use the following criteria to determine the number of priority
3 points to be awarded in the evaluation of each resource
4 investigation grant application. Each project shall receive
5 either zero, two and one-half, five, seven and one-half, or ten
6 points under each of the following criteria, depending on how
7 well the project satisfies the criterion. The number of points
8 awarded under each of the five criterion assigned by the agency
9 and the project coordination team must be added together to
10 determine the project's total point value. This total number
11 must be used to determine the project's overall ranking and
12 priority.

13 A. The criteria for the agency are as follows:

14 (1) the extent to which the proposed project
15 demonstrates a high potential for project success based on the
16 level of definition of the preliminary work plan for project
17 goals and objectives, work activities, and project organization
18 and management structure;

19 (2) the extent to which the proposed project
20 demonstrates effective and efficient use of state financial
21 resources based on the proposed budget and work plan;

22 (3) the extent to which the water of concern is
23 identified as a priority water in the local water plan;

24 (4) the severity of water quality impairment or
25 threat as compared to expectations for the least impacted waters
26 in that ecoregion; and

27 (5) the extent the proposed project demonstrates
28 the likelihood of water quality protection or improvement.

29 B. The criteria for the project coordination team are
30 as follows:

31 (1) the extent to which the proposed project
32 demonstrates a high potential for project success based on
33 community support and involvement;

34 (2) the extent to which the proposed project
35 includes coordination and cooperation of federal, state, and
36 local agencies and units of government for water quality

1 protection or improvement;

2 (3) the extent to which the water of concern in
3 the proposed project is of state and regional significance and
4 priority;

5 (4) the extent to which the proposed project
6 complements the existing efforts of local, state, and federal
7 programs; and

8 (5) the likelihood that the proposed project will
9 serve as a demonstration for water quality protection or
10 improvement and provide useful information for the geographic
11 area.

12 Subp. 3. Priority points for project implementation grant
13 applications. The agency and the project coordination team must
14 use the following criteria to determine the number of priority
15 points to be awarded in the evaluation of each project
16 implementation grant application. Each project shall receive
17 either zero, two and one-half, five, seven and one-half, or ten
18 points under each of the following criteria, depending on how
19 well the project satisfies the criterion. The number of points
20 under each of the five criterion assigned by the agency and the
21 project coordination team must be added together to determine
22 the project's total point value. This total number must be used
23 to determine the project's overall ranking and priority.

24 A. The agency criteria are as follows:

25 (1) the extent to which the proposed project
26 demonstrates a high potential for project success based on the
27 level of definition of the work plan for project goals and
28 objectives, work activities, budget, and project organization
29 and management structure;

30 (2) the extent to which the proposed project
31 employs best management practices which provide a technically
32 feasible means to abate or prevent water pollution from nonpoint
33 sources;

34 (3) the extent to which the proposed project
35 implementation activities will result in water quality
36 protection or improvement;

1 (4) the extent to which the proposed project
2 maximizes water quality protection or improvement relative to
3 the cost of project implementation; and

4 (5) the extent to which the proposed project
5 demonstrates a high potential for project success based on the
6 local capability, organization, and authority to carry out the
7 identified activities.

8 B. The project coordination team criteria are as
9 follows:

10 (1) the extent to which the proposed project
11 demonstrates a high potential for project success based on
12 community support and involvement;

13 (2) the extent to which the proposed project
14 includes coordination and cooperation of federal, state, and
15 local agencies and units of government for water quality
16 protection or improvement;

17 (3) the extent to which the water of concern in
18 the proposed project is of state and regional significance and
19 priority;

20 (4) the extent to which the proposed project
21 indicates a commitment to official controls, programs, and
22 activities that are a long-term commitment to water quality
23 protection or improvement; and

24 (5) the likelihood that the proposed project will
25 serve as a demonstration of water quality protection or
26 improvement and provide useful information for the geographic
27 area.

28 Subp. 4. Project coordination team. The project
29 coordination team has 60 days from the close of the application
30 period to assign points to each project seeking a grant. In the
31 event that the project coordination team fails to assign points
32 to all projects with approved grant applications, the projects
33 must be ranked without considering any points under the category
34 for the project coordination team.

35 7076.0180 ALLOCATION OF FUNDING.

1 Subpart 1. Project continuation grant amendments. Each
2 year, the agency shall determine how much of the available funds
3 will be set aside to meet that year's anticipated requests for
4 project continuation grant amendments. If the agency
5 subsequently determines that the amount set aside for project
6 continuation grant amendments is more than is required for grant
7 amendments in that year, the agency may reallocate this money to
8 other resource investigation grants and project implementation
9 grants or carry over the money to another grant application
10 period.

11 Subp. 2. Grant fund allocation. Within 90 days of the
12 close of an application period, the agency shall determine how
13 much of the remaining funds, after setting aside funds for
14 project continuation grant amendments, will be made available
15 for resource investigation and project implementation grant
16 awards. In deciding how much money to make available for new
17 grant awards, the agency shall consider the necessity to have
18 money available for subsequent grant periods, the necessity to
19 have money available for anticipated project continuation grant
20 amendments in the next year, and other factors relating to the
21 agency's ability to ensure that money will be available for
22 upcoming projects.

23 Subp. 3. Resource investigation; project implementation
24 split. Within 90 days of the close of an application period,
25 the agency shall determine how much of the funds available for
26 new grants in that application period will be available for
27 resource investigation and project implementation grants. In
28 determining the allocation of funds between resource
29 investigation and project implementation grants, the agency
30 shall consider:

31 A. the availability and conditions for use of federal
32 funds; and

33 B. the phasing in and continuity of projects in the
34 program.

35 If the money intended for resource investigation or project
36 implementation grants, or both, is not awarded during a grant

1 period, the agency may reallocate the funds to the other kind of
2 grant or to a subsequent grant period.

3 7076.0190 SELECTION OF PROJECTS FOR GRANT AWARD.

4 Subpart 1. **Ranking.** The agency shall complete its ranking
5 of all projects for which an acceptable grant application has
6 been submitted within 90 days of the close of the application
7 period. The agency shall rank resource investigation separately
8 from implementation projects.

9 Subp. 2. **Projects funded.** The agency shall select those
10 projects that will be awarded grant funds by awarding grants to
11 the highest priority resource investigation and project
12 implementation applications within the limits of available funds
13 established under part 7076.0180, subpart 2. A project that
14 receives less than 50 points will not be considered for award of
15 grant funds.

16 [For text of subps 3 to 5, see M.R.]

17 7076.0200 PROJECT CONTINUATION GRANT AMENDMENT.

18 [For text of subpart 1, see M.R.]

19 Subp. 2. **Request.** A project sponsor who seeks a project
20 continuation grant amendment shall submit a request for the
21 grant amendment in June of the calendar year that the activities
22 funded through the initial project implementation grant will be
23 completed and additional funds will be required to continue
24 project implementation. The request must be submitted on a form
25 provided by the agency. A project sponsor who fails to submit a
26 request for a project continuation grant amendment in June of
27 the calendar year the funds are required forfeits the right to
28 an amendment. That project sponsor may apply in a subsequent
29 grant period to continue the project and compete with other
30 applicants for a project implementation grant.

31 Subp. 3. **Approval.** Subject to the availability of funds,
32 the agency shall approve the project sponsor's request for a
33 project continuation grant amendment if it meets the following
34 conditions:

35 A. the project sponsor has satisfied the terms and

1 conditions of the grant to date; and

2 B. the project sponsor has identified the source of
3 the local share of funds necessary for the project continuation
4 grant amendment.

5 7076.0210 GRANT CONDITIONS.

6 Subpart 1. **Amount.** A grant that is made must be for the
7 amount requested by the applicant, up to a maximum of 50 percent
8 of the eligible cost of resource investigation or project
9 implementation.

10 Subp. 2. **Grant period.** The grant period for a resource
11 investigation grant will be for up to three years. The grant
12 period for a project implementation grant will be for a period
13 of three years and may be extended up to an additional three
14 years with agency approval of a request for a project
15 continuation grant amendment according to part 7076.0200.

16 Subp. 3. **Grant contract.** The project sponsor must enter
17 into a grant contract with the agency to receive grant funds.
18 The grant contract must include the provisions in part 7076.0220.

19 Subp. 4. **Records.** The project sponsor shall maintain all
20 records relating to the receipt and expenditure of grant funds
21 for at least three years from the date of termination of the
22 grant contract. Records relating to the installation,
23 operation, and maintenance of best management practices shall be
24 maintained for three years beyond the design or useful life,
25 whichever is longer.

26 [For text of subps 5 and 6, see M.R.]

27 Subp. 7. **Quarterly update.** During each year the grant is
28 in effect, the project sponsor shall prepare for quarterly
29 submittal or presentation to the commissioner an update of
30 project activities and project expenditures.

31 Subp. 8. **Work plan.** The project sponsor shall prepare a
32 work plan according to part 7076.0230 and submit it to the
33 commissioner. The monitoring plan component of the work plan
34 must be reviewed and revised annually and submitted to the
35 commissioner by February 1 of each year during the project

1 period of the grant contract.

2 Subp. 9. **Diagnostic study and implementation plan.** The
3 project sponsor for a resource investigation grant shall submit
4 to the commissioner before the final grant payment is made a
5 diagnostic study and implementation plan that meets the
6 requirements of parts 7076.0240 and 7076.0250.

7 Subp. 10. **Eligible costs.** No grant funds shall be
8 provided to the project sponsor for grant eligible project
9 activities started before the grant contract period or after the
10 end of the contract period.

11 7076.0220 GRANT CONTRACT.

12 Subpart 1. **Contents.** The agency and the project sponsor
13 shall enter into a grant contract. The grant contract must:

14 A. establish the terms and conditions of the grant;

15 B. provide that the project sponsor may enter into
16 contracts, under terms and conditions specified by the agency,
17 to complete the work specified in the contract;

18 C. provide that cost overruns are the sole
19 responsibility of the project sponsor;

20 D. require that the project sponsor submit periodic
21 progress reports and a final report to the agency in a format
22 prescribed by the agency; and

23 E. incorporate terms and conditions required by
24 federal or state statutes, rules, and regulations.

25 Subp. 2. **Amendments.** A grant contract may be amended upon
26 agreement of the agency and the project sponsor. Grant increase
27 amendments shall be subject to the availability of funds.

28 Subp. 3. **Contract period.** Grant contracts for resource
29 investigation will be for up to three years. Grant contracts
30 for project implementation will be for up to six years. The
31 agency may allow a one year extension of either of these grant
32 contracts.

33 7076.0230 WORK PLAN.

34 Subpart 1. **Requirements.** The work plan required to be
35 submitted to the commissioner, in a format specified by the

1 commissioner, as a condition of the grant must include the
2 requirements in item A for resource investigation grants and the
3 requirements in item B for project implementation grants.

4 A. For resource investigation grants, the sponsor
5 shall prepare and submit a detailed work plan that includes the
6 following:

7 (1) a description of the water of concern, the
8 project area, and the existing and desired resource uses;

9 (2) a description of existing and suspected or
10 potential water quality problems;

11 (3) a description of specified goals for project
12 results, for water quality characterization and quantitative
13 analysis research and assessment, and for citizen education;

14 (4) an outline that identifies specific tasks to
15 be completed during the project, including the tasks needed to
16 fulfill the requirements under parts 7076.0240 and 7076.0250,
17 the individuals responsible for the tasks, and the dates for
18 task initiation and completion;

19 (5) a monitoring plan as described in subpart 1a;

20 (6) a list of predictive and diagnostic computer
21 or statistically based models that are to be used for the
22 project and a description and statistical definition of
23 predictive and diagnostic uncertainties;

24 (7) a quality assurance plan for data gathering
25 and analyzing;

26 (8) detailed budgets; and

27 (9) a resolution from each participating local
28 unit of government, agency, and organization that identifies
29 their role in the project and their contribution to the local
30 share of the project costs.

31 B. For project implementation grants, the sponsor
32 shall prepare and submit a detailed work plan that includes any
33 necessary revisions to the approved implementation plan and the
34 following:

35 (1) a revised activity schedule for
36 implementation activities;

- 1 (2) a revised implementation budget;
- 2 (3) a quality assurance plan for construction
3 activities;
- 4 (4) a best management practice operation and
5 maintenance plan;
- 6 (5) a monitoring plan as required in subpart 1a
7 that has been revised to evaluate the effectiveness of best
8 management practices and the improvement of water quality;
- 9 (6) a list of predictive and diagnostic computer
10 or statistically based models that are to be used for the
11 project and a description and statistical definition of
12 predictive and diagnostic uncertainties;
- 13 (7) permits and authorities for implementation
14 activities; and
- 15 (8) a resolution from each participating local
16 unit of government, agency, and organization that identifies
17 their role in the project and their contribution to the local
18 share of the project costs.

19 Subp. 1a. **Monitoring plan.** A monitoring plan is a
20 component of the work plan. For both resource investigation and
21 project implementation grants, the sponsor shall prepare a
22 monitoring plan that:

23 A. develops monitoring objectives based on project
24 goals;

25 B. defines the information needs for water quality
26 monitoring;

27 C. defines the statistical methods needed to address
28 the monitoring objectives;

29 D. sets the data requirements that are to be met for
30 meaningful statistical analysis to be completed;

31 E. delineates and provides rationale for the
32 selection of monitoring sites, frequency, parameters, and
33 sampling protocols;

34 F. identifies laboratories that will be doing
35 analyses for the project, explains their quality assurance and
36 quality control procedures, and provides the certification

1 number assigned by the Department of Health to prove the
2 laboratories are fulfilling the requirements under chapter 4740;
3 and

4 G. outlines a plan to analyze monitoring data and to
5 use the data to assess the project area, water and pollutant
6 loading, and alternative best management practices.

7 Subp. 2. **Review.** The commissioner will review the work
8 plan and approve it or identify deficiencies in writing within
9 45 days of its receipt.

10 Subp. 3. [See repealer.]

11 7076.0240 DIAGNOSTIC STUDY.

12 Subpart 1. **General requirements.** The diagnostic study
13 required to be submitted by a project sponsor under part
14 7076.0210, subpart 9, must include:

15 A. a detailed description of the water of concern;

16 B. a detailed description of the project area;

17 C. an analysis and assessment of the data and
18 information collected as a requirement of subparts 2 and 3; and

19 D. the identification and documentation of the
20 methods, procedures, predictive and diagnostic models, and other
21 tools used to prepare and complete the diagnostic study.

22 Subp. 1a. **Exemption.** Upon written request from the
23 project sponsor, the agency may allow an exemption from a
24 specific diagnostic study requirement that does not provide data
25 or information useful for diagnosis of the problem or solutions.

26 Subp. 2. **Description of water of concern.** The diagnostic
27 study must contain a detailed description of the water of
28 concern that includes:

29 [For text of items A and B, see M.R.]

30 C. current data or information for the following:

31 (1) if the water of concern is a lake, the
32 description shall include the following:

33 [For text of unit (a), see M.R.]

34 (b) measurement of dissolved oxygen, total
35 phosphorus, dissolved inorganic phosphorus, total Kjeldahl

1 nitrogen, total nitrogen, nitrite plus nitrate nitrogen, total
 2 suspended solids, total alkalinity, chloride concentrations,
 3 color, pH, and conductivity; determination of mass loadings of
 4 total phosphorus, total Kjeldahl nitrogen, and total suspended
 5 solids from major tributaries and completion of a nutrient
 6 budget for the lake;

7 [For text of units (c) and (d), see M.R.]

8 [For text of subitem (2), see M.R.]

9 (3) if the water of concern is an aquifer, the
 10 description shall include the following:

11 (a) identification or measurement of the
 12 aquifer physical type, size, temperature, porosity, saturated
 13 thickness, recharge sources, discharge sources transmissivity,
 14 hydraulic residence time, range of hydraulic gradients, and
 15 underlying lithology and stratigraphy;

16 [For text of units (b) to (d), see M.R.]

17 [For text of subitem (4), see M.R.]

18 **Subp. 3. Description of project area.** The diagnostic
 19 study must contain a detailed description of the project area
 20 that includes:

21 **A.** a map of the project area at a scale appropriate
 22 to the project;

23 [For text of items B to I, see M.R.]

24 **J.** land use:

25 [For text of subitems (1) to (13), see M.R.]

26 (14) wetlands identified under the National
 27 Wetlands Inventory, an inventory of drained wetlands, and a
 28 summary of applicable management plans;

29 [For text of subitems (15) to (21), see M.R.]

30 (22) population characteristics;

31 (23) a summary of recreational land uses;

32 (24) a list of bulk pesticide and fertilizer
 33 handling facilities;

34 (25) a list of commercial and industrial
 35 facilities with on-site hazardous materials or wastes;

36 (26) a list of transportation corridors such as

1 railroads, pipelines, and highways;

2 (27) a list of operating wells whose construction
3 or maintenance may cause them to serve as conduits for
4 contaminations to recharge groundwater; and

5 (28) a summary of other potential sources of
6 groundwater contamination;

7 [For text of item K, see M.R.]

8 L. hydrology:

9 [For text of subitems (1) to (4), see M.R.]

10 (5) a description of wells covered by state
11 appropriation permits including location, amounts of water
12 appropriated, type of use, aquifer source, and amount of water
13 used;

14 [For text of subitems (6) and (7), see M.R.]

15 [For text of subp 4, see M.R.]

16 Subp. 5. [See repealer.]

17 7076.0280 GRANT PAYMENTS.

18 Subpart 1. **Initial payment.** After the commissioner of
19 finance has signed the grant contract between the agency and the
20 project sponsor, the agency shall provide to the project sponsor
21 25 percent of the grant award provided in the grant contract.

22 Subp. 2. **Second payment.** Upon written approval by the
23 commissioner of the work plan required under part 7076.0210,
24 subpart 8, the agency shall provide to the project sponsor 35
25 percent of the grant award provided in the grant contract. The
26 cumulative assistance paid to the project sponsor shall equal 60
27 percent of the grant award.

28 Subp. 3. **Project review and budget adjustment.** Upon
29 expenditure of 50 percent of total eligible project costs by the
30 project sponsor, the project sponsor shall submit to the
31 commissioner for review and approval a detailed summary of
32 project expenditures and completed work activities. The
33 commissioner shall review the summary to verify cost eligibility
34 and acceptable completion of work plan activities and to compare
35 actual expenditures with the approved project work plan budget.

1 Subp. 4. **Third payment.** After the requirements of subpart
2 3 have been met, the agency shall provide to the project sponsor
3 up to 30 percent of the grant award. The payment shall be less
4 than 30 percent of the grant award to compensate for the final
5 payment withholding required under subpart 6.

6 Subp. 5. **Payment adjustment upon grant contract**
7 **amendment.** When the total grant assistance amount authorized
8 for a project is increased by a grant contract amendment, the
9 agency shall pay the project sponsor the additional amount of
10 grant assistance that the project sponsor is entitled to receive
11 under subparts 1 to 4.

12 Subp. 6. **Final payment.** The agency shall withhold a
13 minimum of ten percent of the grant award until the agency is
14 satisfied that the project has been completed according to the
15 terms of the grant contract and parts 7076.0100 to 7076.0290.
16 More than ten percent of the grant award shall be withheld if
17 the costs necessary to complete the project are less than those
18 identified in the grant contract. Ten percent of the grant
19 award shall be withheld if the costs necessary to complete the
20 project are equal to or exceed the costs identified in the grant
21 contract.

22 Subp. 7. **Payment option.** Project sponsors that received
23 grant awards before October 1, 1990, may have the grant payment
24 conditions specified under subparts 1 to 6 or have grant
25 payments made on a reimbursement basis. If reimbursements are
26 desired, a project sponsor shall submit a written request for
27 this option to the commissioner. Reimbursement payments shall
28 be made according to items A to C.

29 A. The project sponsor may submit a request for
30 reimbursement of expenditures for each of the standard calendar
31 quarters ending March 31, June 30, September 30, and December
32 31. The agency shall pay the reimbursement within 45 days of
33 the request if the grantee is in compliance with conditions of
34 the grant contract and requirements of parts 7076.0100 to
35 7076.0290.

36 B. The agency shall withhold reimbursement on the

1 final ten percent of the grant contract amount until the agency
2 is satisfied that the project has been completed according to
3 the terms of the grant contract and parts 7076.0100 to 7076.0290.

4 C. The agency shall withhold reimbursement if the
5 project sponsor has failed to comply with any requirements of
6 the grant contract or parts 7076.0100 to 7076.0290. The funds
7 may not be released until the agency determines that the project
8 sponsor has corrected the deficiencies causing noncompliance.

9 REPEALER. Minnesota Rules, parts 7076.0110, subparts 5, 11, 16,
10 and 17; 7076.0230, subpart 3; and 7076.0240, subpart 5, are
11 repealed.