

1 Department of Trade and Economic Development

2

3 Adopted Permanent Rules Relating to Septic System Grants

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5 Rules as Adopted

6 4290.0010 DEFINITIONS.

7 Subpart 1. Scope. The following terms used in parts
8 4290.0010 to 4290.0050 have the meanings given them.

9 Subp. 2. Commissioner. "Commissioner" means the
10 commissioner of the Department of Trade and Economic Development
11 or persons delegated to act in the commissioner's behalf.

12 Subp. 3. Department. "Department" means the Department of
13 Trade and Economic Development.

14 Subp. 4. Eligible business. "Eligible business" means a
15 sole proprietorship, partnership, limited liability company,
16 corporation, or other person engaged in, and determined by the
17 department to constitute, a tourism-related business providing
18 overnight lodging. In making its determination, the department
19 shall use the state industrial classification codes of 7011 and
20 7033 in the Standard Industrial Classification Manual, prepared
21 by the Executive Office of the President, Office of Management
22 and Budget, United States Government, and published in 1987.
23 This manual is incorporated by reference. It is available at
24 the state law library and at the Department of Trade and
25 Economic Development library, 500 Metro Square, 121 Seventh
26 Place East, Saint Paul, Minnesota. A copy of the relevant
27 sections of the manual may be obtained at no charge from the
28 department. The document is not subject to frequent change.
29 The business must be located within 1,000 feet from the
30 ordinary high water level of a lake, pond, or flowage, or 300
31 feet from a river or stream, or the landward extent of a
32 floodplain designated by ordinance on a river or stream,
33 whichever is greater.

34 Subp. 5. Eligible cost. "Eligible cost" means design,
35 engineering, excavation, construction, installation, and

1 materials costs related to the replacement of existing septic
2 systems.

3 Subp. 6. Eligible project. "Eligible project" means a
4 project that proposes to replace a failing or nonconforming
5 septic system or systems with a new sewage treatment system or a
6 connection to a sewer system.

7 Subp. 7. Septic system grant. "Septic system grant" means
8 a specific sum of money made available through June 30, 1995, by
9 the state to an eligible business for the replacement of failing
10 or nonconforming septic systems.

11 4290.0020 APPLICATION PROCESS FOR SEPTIC SYSTEM GRANTS.

12 Subpart 1. Eligibility of applicant. An eligible business
13 may apply for a septic system grant. To receive a grant, an
14 eligible business must satisfy the requirements in parts
15 4290.0010 to 4290.0050. An eligible business may receive only
16 one grant through the septic system grant program for the period
17 ending June 30, 1995. The application must be submitted by the
18 eligible business.

19 Subp. 2. Eligibility of project. A grant must be to an
20 eligible business for an eligible cost. The maximum state grant
21 may not be for more than 50 percent of the total eligible cost
22 of the project, with a maximum grant of \$10,000 for any one
23 business. Project-related costs incurred before July 1, 1993,
24 are ineligible.

25 Subp. 3. Application content and requirements. The
26 department shall make the application documents and information
27 available to all eligible businesses upon request. The
28 application materials shall include instructions for completing
29 and submitting the application. The completed application must
30 be submitted in the format required and address all information
31 requested. The department may request additional information
32 from the applicant if it is necessary to clarify and evaluate
33 the application. A formal closing date for receipt of the
34 application shall be established by the department and included
35 in the application materials provided.

1 4290.0030 PROCEDURE FOR SEPTIC SYSTEM GRANT EVALUATION AND
2 APPROVAL.

3 Subpart 1. Evaluation of eligibility. Upon receipt of the
4 completed application, the department shall make a determination
5 whether the business, project, and costs are eligible. If it is
6 determined that the business, project, or costs are ineligible,
7 the application will not receive further evaluation and will not
8 be considered for funding. If it is determined that the
9 business, project, and costs are eligible, the department shall
10 evaluate the application according to the procedures and
11 criteria in subpart 2.

12 Subp. 2. Evaluation of completed application. Upon
13 receipt of the completed application and a determination of
14 eligibility, the department shall evaluate the application based
15 on the criteria in items A to C:

16 A. Qualifying criteria are:

17 (1) the ability of the eligible business to meet
18 the matching fund requirement and complete the project subject
19 to the reimbursement procedure of the program; and

20 (2) whether the proposed project could be
21 completed before July 1, 1995.

22 If the application does not adequately demonstrate that the
23 qualifying criteria can be satisfactorily met, the application
24 will not receive further evaluation and will not be considered
25 for funding. If the qualifying criteria are met, the department
26 shall proceed with the evaluation of the priority criteria in
27 items B and C. In completing its evaluation and ranking, the
28 department shall place greater emphasis on the priority one
29 criteria in item B.

30 B. Priority one criteria are:

31 (1) the degree to which the proposed project
32 would protect groundwater and surface water quality;

33 (2) the extent to which the proposed project
34 would correct existing health or safety problems related to
35 groundwater or surface water contamination;

1 (3) whether the system has been verified as a
2 failing system; and

3 (4) whether a written order has been issued by
4 local authorities to repair or replace the system.

5 C. Priority two criteria are:

6 (1) the extent to which the nonconforming status
7 of the existing system has impeded, or will likely impede, the
8 operation of the eligible business;

9 (2) the extent to which the proposed project
10 would contribute to the economic viability of the eligible
11 business;

12 (3) whether the proposed project represents a
13 different approach or technology for on-site treatment that
14 might have potential for adoption by other persons currently
15 using traditional individual septic systems and would be
16 permitted under state and local regulations;

17 (4) whether the proposed system would serve more
18 than one eligible business; and

19 (5) a determination of the reasonableness of the
20 estimated project costs.

21 Subp. 3. Competitive review, ranking, and allocation
22 process. A priority ranking shall be established, based on the
23 priority criteria for each application that meets the qualifying
24 criteria. Grants shall be allocated to eligible businesses in
25 descending order of priority, as determined by the ranking,
26 until all funds are exhausted.

27 Subp. 4. Notification. All applicants shall be notified
28 by the department about the disposition of their projects after
29 the competitive review, ranking, and allocation process has been
30 completed and a funding determination has been made.

31 4290.0040 PROJECT AGREEMENT.

32 Upon approval, the department shall execute a project
33 agreement with the applicant. The project agreement shall
34 specify the terms and conditions of the grant, including the
35 responsibilities of the grantor and the grantee.

1 4290.0050 DISBURSEMENT OF GRANT.

2 The applicant shall initially pay for the project costs as
3 specified in the project agreement. The applicant shall submit
4 to the department a payment request for reimbursement of costs
5 incurred in the completion of the project. Upon receipt of the
6 payment request containing the documentation required in the
7 project agreement, the department shall audit the payment
8 request documentation to determine the eligibility and propriety
9 of the costs incurred by the applicant. This documentation
10 shall include a letter or other written verification from the
11 local government official or officials responsible for
12 certifying and/or approving the installation of the system that
13 the project has been completed in accordance with all applicable
14 regulations and requirements. The project site shall be subject
15 to inspection by department personnel during the project period
16 and prior to final closeout of the grant to ensure that the
17 project has been completed in accordance with the project
18 agreement.