

HERON LAKE WATERSHED DISTRICT
P.O. Box 345
Heron Lake, Minnesota 56137
(507) 793-2462

**APPLICATION INFORMATION FOR PROJECT IMPLEMENTATION LOANS
UNDER THE STATE CLEAN WATER PARTNERSHIP FINANCIAL ASSISTANCE PROGRAM**

Background information. In its continuing effort to preserve the quality of both surface and ground waters within the Heron Lake Watershed District (HLWD), the board of managers has determined that it is in the best interests of the watershed district to promote: the replacement of noncompliant septic systems within the watershed district. To encourage these activities, the HLWD has obtained state revolving loan funds under the Minnesota Clean Water Partnership financial assistance program. Under this program, the HLWD is authorized to make low-interest project implementation loans to individuals, corporations, and others for on-site septic system replacement within the watershed district. Septic system replacement loans may cover up to 100% of the eligible costs of a project, but cannot exceed \$15,000.00.

“Eligible costs” for which state revolving funds may be utilized are defined as project costs which are *“reasonable, necessary, and allocable to the project”*. However, financial assistance is limited to design, layout, and installation of septic system replacement.

Method for selecting state revolving fund loan recipients. The decision as to whether any loan funds will be made available for a particular improvement project shall be made based upon landowner qualification. Upon receipt of a completed application for a septic system replacement loan, as well as the \$75.00 administrative fee, the HLWD staff will review the application and determine whether it will be denied or recommended for approval by the board of managers.

The HLWD shall provide financial assistance to those improvement projects approved by HLWD staff. Loan requests will be submitted to the board of managers for approval at regular monthly meetings as needed. Applicants whose applications are approved will be notified by the HLWD staff and the improvement project will be commenced as soon as practicable. An applicant whose request for state revolving funds is not approved may reapply to the HLWD in a subsequent application period.

Project Initiation, completion and fund disbursement. No construction may be commenced until all loan funds are in place and all necessary permits have been secured and a licensed septic designer or engineer has submitted detailed plans for the system to the HLWD, and said plans have been approved. Applicants and/or their agents or contractors must obtain authorization from the HLWD to commence construction. No loan funds may be released to the contractor until all construction has been completed, and the system has met all inspection requirements of the county planning and zoning inspector and the Minnesota Pollution Control Agency, and a certificate of inspection submitted to the HLWD.

Repayment of Loan, Drainage Lien. The loan issued to an applicant under this program shall be secured by a lien against the property upon which the improvement project is located. A tabular lien statement will be drafted and recorded in accordance with Minnesota Statutes, Chapter 103E, and filed with the Auditor of the County in which the property is located. Repayment of the loan will be part of the property taxes each year and can only be made at the county treasurer's office in the county in which the property is located.

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Application is hereby made to the Heron Lake Watershed District (HLWD) for state revolving loan funds for the replacement of a septic system consisting of the following (check applicable boxes):

Maximum loan amount: \$15,000.00

individual septic system replacement cluster system

Applicant general information:

1. Owner name(s) as they appear on the Real Estate Tax Statement for the property affected.

2. Mailing address: _____

3. Telephone Numbers: Home: _____ Work: _____

Cell phone: _____

4. Description of real estate upon which the improvement project will be constructed:

Parcel ID Number(s) as listed on tax statement

County _____ Township _____ Section _____ Range _____

Complete legal description according to deed or contract for deed. (May attach photocopy.)

Attach a copy of a map or plat of the property involved.

Complete the following information, all questions marked "septic" must be completed for septic improvements:

- 5. The septic system is used: seasonally; or year around.
- 6. Number of bedrooms the septic system serves: _____
- 7. Is the present lot size large enough to install a conforming system: Yes; No; and is large enough to provide room for a second system, if required, when the first system has reached its maximum life span? Yes; No.
- 8. Has an inspection by the County Planning and Zoning inspector or MPCA been done on the present system? Yes; No. (Attach a copy of the inspection form.)
- 9. What soil testing, cost estimates, surveys, designs, and any other work have been or will be done? (Attach copies of previously completed tests, estimates, surveys, designs, etc.)

Financial Information: All applicants must provide the following information;

- 10. Length of time property has been owned by Applicant: _____
- 11. Property's current value: appraisal; owner estimate \$ _____
- 12. Current liabilities against property: \$ _____
- 13. Estimated loan amount for improvement project: \$ _____
- 14. Have all mortgage/lien holders against the property where the septic system will be installed been notified of the application for funds? Yes; No. (Attach copies of all notices; see: Enclose 1)
- 15. Other Information. _____

Understanding of Applicant. By executing this document, the applicant(s) affirm that each of them has read and understands the "*Application Information for Project Implementation Loans under the State Clean Water Partnership Financial Assistance Program*"; and the information contained in this application.

The applicant understands that no construction may be commenced until all loan funds are in place and all necessary permits have been secured and a licensed septic designer or engineer has provided detailed plans for the system.

No loan funds may be released to the contractor until all construction has been completed, the system has met all inspection requirements of the county planning and zoning inspector and Minnesota Pollution Control Agency (MPCA), and a certificate of inspection submitted to the Administrator of the HLWD.

The applicant understands that the HLWD staff will handle this application in whatever manner is determined appropriate.

The applicant understands that if approval of a state revolving fund loan is granted, the HLWD staff will name and number the work to be done as a project of the HLWD. A tabular lien statement will be created in accordance with Minnesota law and filed with the auditor of the county in which the property is located. The applicant understands that repayment will be part of the property taxes each year and can only be made at the county treasurer's office in the county in which the property is located.

The applicant understands that applicants are required to obtain all necessary permits and approvals for the improvement project. All septic system designs must be approved by a designer licensed by the MPCA. Applications relating to cluster type septic systems require a separate petition signed by all of the affected property owners and submission of a bond, the amount of which depends upon the total cost of the project.

The applicant understands that all legal fees, recording fees, and other fees or expenses related to the improvement project are the sole responsibility of the applicant. Applicants may request that these fees be made a part of the loan, to the extent that the fees constitute eligible costs.

The applicant understands that a \$75.00 application fee is required, and must accompany the loan application when it is submitted for consideration to the HLWD staff, or the application will not be processed. If a loan is not granted, \$25.00 will be refunded to the applicant.

NOTICE: The HLWD, its agents and contractors, during the planning and construction of the improvement project, shall not engage in any discriminatory employment practices and shall in all respects comply with Minnesota Human Rights Act, as promulgated in Minnesota Statutes, Chapter 363. Further, pursuant to Minn. Stat. § 181.59, all applicants are duly notified that:

“Every contract for or on behalf of the state of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees:

(1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;

(2) That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color;

(3) That a violation of this section is a misdemeanor; and

(4) That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.”

Additionally, the HLWD and its agents, contractors, or material suppliers, in the septic system replacement project, shall not deny any person the full and equal enjoyment of its facilities and accommodations because of race, color, creed, religion, disability, national origin, or sex, and shall not engage in any unfair discriminatory practice prohibited by Minn.Stat. § 363.03, and shall comply in all other respects with the Minnesota Human Rights Act, as hereinafter amended, and all rules promulgated thereunder.

Loan Applicant Owners Signature _____

Social Security Number _____

Co-applicant/Owner Signature _____

Social Security Number _____

Date of Application _____

Received by _____

Date of receipt by HLWD _____

**Notice to and Statement of
Lien or Mortgage Holder**

I, _____, have been contacted by County Planning and Zoning in regard
(name of applicant for loan)
to the need to upgrade the septic system on the following real estate:

I understand that the money needed to upgrade the above system can be secured from the HLWD in the form of a low interest State Revolving Fund Loan. I also understand that this loan will be secured by a tabular lien statement, filed with the auditor of the county wherein the property is located in accordance with Minnesota law. The lien created by this process, by law, becomes the first and paramount lien against the property until it is fully repaid and discharged. Repayment of the lien will be made as part of the property taxes remitted each year to the county treasurer's office in the county in which the property is located. Notice of my application has been provided to all persons possessing an existing mortgage or lien against the above described property.

Loan Applicant/Owner Signature _____

I have been notified of the application for a project implementation loan by the above-named loan application and received a copy of this document.

Lien or Mortgage Holder Signature _____

Date _____