

ORDINANCE NO.

COUNTY OF GOODHUE, STATE OF MINNESOTA

AN ORDINANCE ESTABLISHING AN INDIVIDUAL SEWAGE TREATMENT SYSTEM  
AND WELL LOAN PROGRAM.

An Ordinance authorizing Goodhue County to establish and administer a low interest public loan program that assists private landowners to finance site evaluation, installation, repair, and replacement of individual sewage treatment systems and to finance the sealing and replacement of wells on private property.

Be it ordained and enacted by the Commissioners of the County of Goodhue, Minnesota, as follows:

Article I - Purpose

This Ordinance is adopted to provide for the creation of a public loan program that assists private property owners in the financing of site evaluation, installation, repair, or replacement of individual sewage treatment systems and in the financing of the sealing and replacement of wells on private property. Such a loan program promotes the public health and welfare by preventing, reducing, and eliminating water pollution from individual sewage treatment systems or wells that have been poorly constructed or improperly located.

Article II - Authority

Goodhue County may establish an individual sewage treatment system and well loan program pursuant to the authority granted under Minnesota Statute Chapter 246, §6, Minnesota Statute Chapter 115, and Minnesota Rules 7080 and as amended that may pertain to sewage and wastewater treatment and enforcement standards for individual sewage treatment systems and wells.

Article III - Definitions

Unless the context specifically indicates otherwise, the terms used in this Article shall have the meaning hereby designated. Definitions shall also be adopted by reference from Minnesota Pollution Control Agency Rules 7080 and as amended as previously adopted by Goodhue County.

Sec. 1 "Activity" and "Project" means a site evaluation, design, installation, repair or replacement of an Individual Sewage Treatment System or well or sealing of an abandoned well.

- Sec 2 "Applicant" means a county or its designated representative that has been authorized by the county to apply or administer the Countywide ISTS Loan Program on behalf of the county.
- 3 "Borrower" means individual or multiple property owners applying for a low-interest loan.
- Sec. 4 "Commissioner" means the Commissioner of Agriculture or the designee of the Commissioner.
- 5 "Improvement" means the site evaluation, design, installation, repair, or replacement of an individual sewage treatment system or sealing or replacement of a well.
- 6 "Individual Sewage Treatment System or ISTS" means a sewage treatment system or parts thereof, using soil treatment and disposal to treat 5,000 gallons or less of waste water per day (Minn. Stat. §116.18, Subd. 3c) or uses an alternative discharging system treating 10,000 gallons per day using treatment methods and disposal other than subsurface soil treatment and disposal (Minn. Stat. §246, Subd. 2).
- Sec. 7 "Loan agreement" means an agreement entered into between the Commissioner, the Applicant and the Local Lender. The agreement will include, but need not be limited to, general loan provisions, loan management requirements, application of payments, loan term limits and allowable expenses.
- 8 "Local Lender" means a state or federally chartered bank, a savings and loan association, a state or federal credit union, a non profit economic development organization approved by the Commissioner, a Farm Credit Systems institution or the Applicant when designating itself as the Local Lender.
- Sec. 9 "Property Owner" means the owner or owners as recorded on the tax roll of the county where the real property on which the ISTS or well that is installed, repaired or replaced is located.
- 10 "Well" means a well as defined in §103I.005, Subd. 21:  
(a) that is required to be sealed under section 103I.301, subdivision 1; or  
(b) the relocation of which is necessary for compliance with applicable requirements as defined in section 115.55, subdivision 1.

#### Article IV - Administration

- 1 The Goodhue County Soil and Water Conservation District shall be responsible for administrating the Individual Sewage Treatment System and well loan program for Goodhue County.
  - 2 The Goodhue County Auditor and Treasurer's Office is designated as the local lender and is responsible for allocating loan funds. The local lender may contract with other lenders for the limited purpose of loan review, loan processing and servicing, and for determining the eligibility of property owners for individual loans.
  - 3 All repairs and improvements made to ISTS or wells under this Ordinance shall be performed by a licensed individual sewer treatment system professional and shall comply with the Minnesota Pollution Control Agency rules adopted pursuant to Minn. Stat. §115.55, subdivision 3, and other applicable requirements.
- Sec. 4 Loan funds shall be disbursed to eligible property owners in the order in which applications are approved. In considering loan requests, the loan administrator shall consider the age and depth of the ISTS or well, the proximity of the ISTS or well to contaminant sources, the pollution potential, and the risks to public health and safety.
- Sec. 5 Access to fund is voluntary and shall result in a lien on the benefitting property according to the terms set forth in Article VII of this Ordinance. The loan financing terms may be amended by the Goodhue County Board.
- Sec. 6 The property owner has the right to prepay the assessment.
- 7 The Office of the County Auditor and Treasurer shall be responsible for the administration of any liens against the benefitting property.

#### Article V - Application, Pre-Certification, and Certification Procedures

- Sec. 1 Property owner obtains permit for project from Goodhue/Wabasha Community Health Service and completes pre-certification application.
- 2 The Goodhue/Wabasha Community Health Service forwards the pre-certification application to loan program administrator for determination of eligibility.
- 3 Property owner obtains and completes local lender's financial application.

4 Work on the project shall begin promptly after property owner receives approval by both loan program administrator and local lender. If work is not started within three (3) months and completed within six (6) months, loan funds will not be reserved for borrower and reapplication will be required. All repairs and improvements made to ISTS or wells under this Ordinance shall be performed by a licensed individual sewer treatment system professional and shall comply with the agency rules adopted pursuant to Minn. Stat. §115.55, Subd. 3, and other applicable requirements.

Sec. 5 The Goodhue/Wabasha Community Health Service shall inspect the site and certify that site complies with all applicable requirements. Goodhue/Wabasha Community Health Service shall promptly forward copies of the certification to the local lender and to the loan program administrator.

Sec. 6 Upon receiving documentation of construction certification from the Goodhue/Wabasha Community Health Service, the local lender shall distribute the funds to the property owner.

7 County Auditor's Office sends property owner a notice that meets the notice requirements of Minnesota Statute §115.57, subd. 6 and which sets forth the amount of assessment against the property.

#### Article VI - Eligibility

##### Sec. 1 Eligible activities

(a) Repair or replacement of an existing Individual Sewage Treatment Systems (ISTS) that does not conform with provisions Minnesota Rules Chapter 7080.

(b) Relocation of ISTS out of environmentally sensitive areas.

(c) Replacement of ISTS that are failing or non-conforming with an expanded ISTS, provided that loan funds are not used to finance the expanded portion of the ISTS.

(d) Well Projects:

(1 Sealing abandoned wells or wells that do not conform to Minn. Stat. §§103I.005, Subd. 21, 103I.301, Subd. 1, or 115.55, Subd. 1.

(2) Replacement or relocation of wells that do not conform to Minn. Stat. §§103I.005, Subd. 21, 103I.301, Subd. 1, or 115.55, Subd. 1.

Sec. 2 Ineligible activities

Individual Sewage Treatment Systems (ISTS) in excess of flow rates as listed in Article III, section 2 of this Ordinance.

New connections or repairing old connections to collection systems or municipal waste treatment systems.

(c) Installation of ISTS for new construction.

Expansion or upgrading of a conforming ISTS due to construction of additional living quarters, new construction, or new or expanded use.

Costs that were incurred before the effective date or after the termination date of the loan agreement with the Applicant or before approval of the activity by the Applicant.

Well projects:

- (1) Installation of new wells for new construction.
- (2) Installation of new wells for increased yield or flow rate.

Article VII - Loan Financing Terms

Sec. 1 Loan Eligibility

- (a) The loan applicant must be a property owner
- (b) The activity or project must be conducted on property located in Goodhue County.

Sec. 2 Terms of the Loan

- (a) The amount of the loan is limited to no more than the total cost of designing and installing a conforming septic system or well project.
- (b) The total amount of the loan shall not exceed the assessed estimated market value of the property as shown in the County Assessors records.
- (c) The loan amount, including accruing interest, shall be a lien against the real property for which the improvement was made and shall be assessed against the property unless the amount is prepaid.

An Individual Sewage Treatment System and Well loan assessed against the property shall be a priority loan only against subsequent loans.

The interest rate on the loan is four (4) percent simple interest. Interest shall accrue beginning the date that the local lender distributes the funds to the property owner.

Loan terms may not exceed a maximum time period of five (5) years.

The local lender or other contracted lenders shall collect an \$100.00 administrative or origination processing fee.

The loan administrator shall receive a payment of one (1) percent of the total grant award.

Sec 3      Repayment

The Individual Sewage Treatment System and Well Loan Program shall be a revolving loan program.

- (b) Repayment of individual loans shall not extend beyond the life of the State Revolving Loan Fund loan, that being not more than fifteen (15) years from the date of the loan agreement.
  
- c Goodhue County shall pay the entire principal balance of the loan fifteen (15) years from the date of the loan agreement. After year ten (10) Goodhue County shall pay any principal received by the local lender from individual borrower repayments to the Commissioner on a schedule set forth in the loan agreement.

Article VIII -      Separability

If any part of this Ordinance shall be held invalid by a court of competent jurisdiction, it shall not invalidate any other section, provision, or part thereof.

Article IX              Effective Date and Dissolution

This Ordinance shall be in full force and effect from and after the date of its passage and publication according to law. Goodhue County may dissolve the individual sewer treatment system and well loan program by passing an Ordinance complying with the provisions of Minn. Stat. §115.57, subd. 8.

Dated: 6-24-98  
Richard Samuelson  
Richard Samuelson, Chairman  
Board of Commissioners

Dated: 6-24-98  
Stephen Bloom  
Stephen Bloom  
County Administrator