



Application Information for Septic System Loans

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.

“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 \$25.00 administrative fee, the HLWD staff will review the application and determine whether it will be denied or recommended for approval.

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. No funds will be disbursed until ALL contractor invoices are received from landowner and the HLWD Board approves disbursement.

Repayment of Loan:

Loan information is submitted to 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. The current terms for these loans are 3% interest for seven (7) years.



Application for Septic System Loan

Project implementation loans under the State Clean Water Partnership Financial Assistance Program

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:

- Individual Septic System Replacement
 Cluster System

Applicant Information

Last Name	First Name	Middle Initial

Mailing Address

Email	Home or Cell Phone	Work Phone

Description of Real Estate of Property Affected

Parcel ID Number <i>(as listed on tax statement)</i>	County	Township	Section	Range

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

IMPORTANT: Please attach a copy of a map or plat of the property affected



Project Information

For the following questions, please circle or record the appropriate answer:

The septic system is used:	Year Round		Seasonally		
Number of bedrooms the septic system serves:	1	2	3	4	5
Is the present lot size large enough to install a conforming system?	Yes			No	
Is the present large enough to provide room for a second system, if required, when the first system has reached its maximum life span?	Yes			No	
Has an inspection by the County Planning and Zoning Inspector (or related office) or MPCA been completed on the present system?	Yes			No	
	<i>Please attach a copy of the inspection form if available.</i>				
Have any soil tests, cost estimates, surveys, designs, or any other work been done or will be done in relation to this project?	Yes			No	
	<i>Please attach a copies of previously completed tests, estimates, surveys, designs, etc.</i>				

Financial Information

Length of time property has been owner by Applicant		
Property's current value		Appraisal Owner Estimate <i>Circle one</i>
Current liabilities against property		
Estimated loan amount for project		
Have all mortgages/lien holders against the property where the septic system will be installed been notified of the application of funds?	Yes	No
	<i>Please attach copies of all notices, see Enclosure 1</i>	
Other Information		



Understanding of Applicant

By executing this document, the applicant(s) affirm that each of them has read and understands the “Application for Septic System Loan” and the information contained in this application.

Please initial next to each statement.

<u>Statement</u>	<u>Initial</u>
The applicant understands that the HLWD staff will handle this application in whatever manner is determined appropriate.	
The applicant will inform their chosen contractor about their participation in the HLWD septic system replacement program. The applicant should inform their contractor that payment can take 1-2 months after submission of invoice(s) and documentation to the HLWD.	
The applicant understands that no construction may be commenced until the application is approved and all necessary permits have been secured and a licensed septic designer or engineer has provided detailed plans for the system. 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.	
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 HLWD.	
The applicant understands it is their responsibility for prompt submission of any and all invoice(s), a Certificate of Compliance, and system as-builts, to the HLWD once construction is complete. The applicant understands that it can take 1-2 months AFTER submission of these documents for contractor(s) to receive payment.	
The applicant understands that funds CANNOT be disbursed to them. Any funds must go directly to the contractor(s).	
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. 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 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 \$25.00 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, there will be no refund.	



Statement	Initial
<p>The applicant understands the following notice:</p> <p>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:</p> <p>“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:</p> <p>(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;</p> <p>(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;</p> <p>(3) That a violation of this section is a misdemeanor; and</p> <p>(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.”</p> <p>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.</p>	

Loan Applicant Owner's
Signature

Date

Co-applicant/Owner
Signature

Date

Please send a **\$25.00 application fee** with your completed loan application. Make checks payable to Heron Lake Watershed District.

HLWD Office Use Only	Received By	Date Received
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Enclosure 1: Notice to and Statement of Lien or Mortgage Holder

I, _____ have been contacted by County Planning and Zoning in regard to the need to upgrade the septic system on the following real estate:

Parcel ID Number <i>(as listed on tax statement)</i>	County	Township	Section	Range
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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's
Signature

Date

To be completed by the Lien or Mortgage Holder:

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

Bank or Entity
(if applicable)

Phone Number
