



## Environment and Natural Resources Trust Fund

M.L. 2022 Approved Work Plan

### General Information

**ID Number:** 2022-302

**Staff Lead:** Michael Varien

**Date this document submitted to LCCMR:** August 11, 2022

**Project Title:** Replacing Failing Septic Systems to Protect Groundwater

**Project Budget:** \$2,000,000

### Project Manager Information

**Name:** Brandon Montgomery

**Organization:** Minnesota Pollution Control Agency

**Office Telephone:** (651) 757-2230

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**Web Address:** <https://www.pca.state.mn.us/>

### Project Reporting

**Date Work Plan Approved by LCCMR:** August 17, 2022

**Reporting Schedule:** March 1 / September 1 of each year.

**Project Completion:** June 30, 2025

**Final Report Due Date:** August 14, 2025

### Legal Information

**Legal Citation:** M.L. 2022, Chp. 94, Sec. 2, Subd. 10h

**Appropriation Language:** \$2,000,000 the second year is from the trust fund to the commissioner of the Pollution Control Agency to counties for grants to low-income landowners to address septic systems that pose an imminent threat to public health or safety or fail to protect groundwater. The issuance of a loan under Minnesota Statutes, section 17.117, for the purpose of replacing a failed septic system, shall not preclude a rural landowner from obtaining a grant under this paragraph or vice versa. This appropriation is available until June 30, 2025.

**Appropriation End Date:** June 30, 2025



## Narrative

**Project Summary:** MPCA distributes grants to county SSTS programs. County program locates low-income landowners, within the county jurisdiction, and distribute fix-up grants to landowners to address failing septic systems (ITPHS or FTPGW).

**Describe the opportunity or problem your proposal seeks to address. Include any relevant background information.**

Subsurface Sewage Treatment Systems (SSTS) have a finite life-span, generally around 30 years, depending on system sizing and usage. When an SSTS fails it creates an Imminent Threat to Public Health and Safety (ITPHS) or Fails to Protect Groundwater (FTPGW) (Minn. R. 7080.1500 subp. 4). Once the failure is identified the landowner must repair or replace the failing system. The ITPHS statutory repair timeline is 10 months and FTPGW repair timelines, set by the LGU, are 10 months to 3 years. Currently, the cost to replace an SSTS is \$7,000 to \$20,000. Low-income landowners are unable to afford these costs, and as such, the failing systems remain in place and continue to pose a risk to the landowner, the neighbors, and groundwater.

Currently, there are 620,000 SSTS in MN, of which an estimated 107,000 systems are failing; 26,000 of those failures belong to low-income landowners. The existing MPCA grant program (Clean Water Funds), annually averages: \$1.3 million in distributions, \$1.9 million in requests, and 155 replacements. Yearly, 45-55 counties apply for new funding. This project will provide an additional grant that LGUs can apply for and help reduce the current funding shortfall.

**What is your proposed solution to the problem or opportunity discussed above? Introduce us to the work you are seeking funding to do. You will be asked to expand on this proposed solution in Activities & Milestones.**

The most effective method of assisting low-income landowners to upgrade their failing SSTS is via a grant program. More specifically, grants distributed to counties (who are statutorily required to operate SSTS programs) who then re-grant the money to low-income landowners with failing SSTS within the county. This is the most efficient solution because of the non-centralized method of SSTS administration in MN. Funding upgrades this way allows the county SSTS programs to prioritize those landowners with the greatest monetary need as well as prioritize those SSTS that pose the largest threat to groundwater, drinking, water, and public safety within the jurisdiction.

Additionally, allowing county SSTS programs to distribute money ensures more projects are funded as counties have a greater sense of need within their jurisdiction and can more accurately determine who should receive full funding versus partial funding. This is an important distinction because within low-income there are multiple tiers of incomes and system costs can range significantly; giving counties input in the process stretches available funds to the optimal number of projects. Counties will be responsible for selecting low-income values based on existing low-income grant program thresholds.

**What are the specific project outcomes as they relate to the public purpose of protection, conservation, preservation, and enhancement of the state's natural resources?**

Repair, or replacement, of SSTS deemed Imminent Threats to Public Health and Safety or Failing to Protect Groundwater for low-income landowners. Specifically this will protect MN's water resources from pathogens, nutrients, and chemicals by reducing the amounts of untreated, or improperly treated, sewage introduced into groundwater or surface water. Additionally, abatement of Imminent Threats will reduce the risk of citizens of MN being exposed to sewage borne pathogenic organisms. Trackable outcomes are possible for Biochemical Oxygen Demand, Total Suspended Solids, Fecal Coliform, nitrogen, and phosphorus; however, there are many additional positive outcomes related to synthetic materials and forever chemicals.

## Project Location

**What is the best scale for describing where your work will take place?**

Statewide

**What is the best scale to describe the area impacted by your work?**

Statewide

**When will the work impact occur?**

During the Project and In the Future

## Activities and Milestones

### Activity 1: Grants Distributed to Counties

**Activity Budget:** \$2,000,000

**Activity Description:**

Grants are to be distributed to counties in a competitive manner. Counties will apply for funding from the MPCA to pass through to low-income landowners. To be eligible for funding counties must submit funding requests for amounts greater than \$100,000. Applications will be reviewed by the evaluation committee and priority ranked based on a number of criteria including: SSTS in Environmental Justice Areas, SSTS in watershed with identified E. Coli or nutrient surface water impairments, SSTS located in an SSTS Area or Community of Concern, SSTS in a cluster system, and total number of proposed SSTS fixes. Further priority will also be given to projects that are "shovel-ready."

No more than 20 grant applications will be selected to receive funding, and no awards less than \$100,000 will be made. Counties will be responsible for ensuring existing system failure status, landowner income verification, project cost review, and Certificate of Compliance issuance. Counties will also be responsible for reporting grant status to the MPCA at designated reporting timeframes and submitting appropriate documentation for each system repaired or replaced.

**Activity Milestones:**

| Description  | Approximate Completion Date |
|--|-----------------------------|
| Request for Proposal Completion                            | November 30, 2022           |
| Applications for funding due from counties                 | February 28, 2023           |
| Evaluation and Scoring of Applications Completed           | March 31, 2023              |
| Contracts Completed with Counties Receiving Grants         | May 31, 2023                |
| Calendar Year 2023 County Reporting due to Project Manager | February 28, 2024           |
| Calendar Year 2024 County Reporting Due to Project Manager | February 28, 2025           |
| Final Project County Reporting Due to Project Manager      | June 30, 2025               |

## Dissemination

**Describe your plans for dissemination, presentation, documentation, or sharing of data, results, samples, physical collections, and other products and how they will follow ENRTF Acknowledgement Requirements and Guidelines.**

Results of the project will be disseminated to MN LGU SSTS programs via presentations and documentation at our annual LGU talking tour meetings. Additionally, results will be shared with other funding sources to better align funding with needs. A final report will also be posted on the MPCA SSTS webpage. Application forms for LGUs as well as homeowners will display the ENRTF logo on the front page and will include an attribution statement. All presentations and documentation at LGU meetings will contain an ENRTF logo and attribution statement or attribution slide. The final report of result will contain an ENRTF logo and attribution statement.

## Long-Term Implementation and Funding

**Describe how the results will be implemented and how any ongoing effort will be funded. If not already addressed as part of the project, how will findings, results, and products developed be implemented after project completion? If additional work is needed, how will this work be funded?**

The long-term impact of this project is fewer failing SSTS in Minnesota. Specifically, those systems upgraded or replaced will provide adequate sewage treatment for low-income landowners for 30+ years. In addition, resolving failures with these funds will allow for other grant and loan monies to be directed to landowners that may not have received assistance. Also, this project will generate data related to cost of system upgrades as well as overall low-income needs across the state. This information will allow the MPCA to further prioritize funding for low-income landowners and will allow for more targeted funding requests.

## Budget Summary

| Category / Name                       | Subcategory or Type | Description   | Purpose | Gen. Ineligible | % Benefits | # FTE | Classified Staff? | \$ Amount          |
|---------------------------------------|---------------------|---|---------|-----------------|------------|-------|-------------------|--------------------|
| <b>Personnel</b>                      |                     |   |         |                 |            |       |                   |                    |
| SSTS Program Coordinator              |                     | Project Management and Grant Administration   |         |                 | 34%        | 0.75  | X                 | \$101,250          |
|                                       |                     |   |         |                 |            |       | <b>Sub Total</b>  | <b>\$101,250</b>   |
| <b>Contracts and Services</b>         |                     |   |         |                 |            |       |                   |                    |
| Up to 20 Applications                 | Sub award           | Selection of SSTS projects, review of low-income eligibility, SSTS design and permitting review, verification of project completion, issuance of certificates of compliance, reporting to MPCA. No administration costs allowed - Cost of work will be included in current county staff workload/funding. |         |                 |            | 0     |                   | \$1,898,750        |
|                                       |                     |   |         |                 |            |       | <b>Sub Total</b>  | <b>\$1,898,750</b> |
| <b>Equipment, Tools, and Supplies</b> |                     |   |         |                 |            |       |                   |                    |
|                                       |                     |   |         |                 |            |       | <b>Sub Total</b>  | -                  |
| <b>Capital Expenditures</b>           |                     |   |         |                 |            |       |                   |                    |
|                                       |                     |   |         |                 |            |       | <b>Sub Total</b>  | -                  |
| <b>Acquisitions and Stewardship</b>   |                     |   |         |                 |            |       |                   |                    |
|                                       |                     |   |         |                 |            |       | <b>Sub Total</b>  | -                  |
| <b>Travel In Minnesota</b>            |                     |   |         |                 |            |       |                   |                    |
|                                       |                     |   |         |                 |            |       | <b>Sub Total</b>  | -                  |
| <b>Travel Outside Minnesota</b>       |                     |   |         |                 |            |       |                   |                    |

|                                 |  |  |  |  |  |  |                    |             |
|---------------------------------|--|--|--|--|--|--|--------------------|-------------|
|                                 |  |  |  |  |  |  | <b>Sub Total</b>   | -           |
| <b>Printing and Publication</b> |  |  |  |  |  |  |                    |             |
|                                 |  |  |  |  |  |  | <b>Sub Total</b>   | -           |
| <b>Other Expenses</b>           |  |  |  |  |  |  |                    |             |
|                                 |  |  |  |  |  |  | <b>Sub Total</b>   | -           |
|                                 |  |  |  |  |  |  | <b>Grand Total</b> | \$2,000,000 |



## Classified Staff or Generally Ineligible Expenses

| Category/Name  | Subcategory or Type | Description  | Justification Ineligible Expense or Classified Staff Request  |
|--|---------------------|--|---|
| <p><b>Personnel - SSTS</b><br/>Program<br/>Coordinator</p> |                     | <p>Project Management and Grant Administration</p> | <p><b>Classified :</b> Request is to fund 0.25 FTE of the project managers salary for the 3 Fiscal years encompassed by the project. The projected workload for this project doesn't warrant a full-time staff member. The MPCA SSTS program will be reprioritizing existing workloads and removing tasks from the overall work completed by the Program Coordinator (classified position). At this time the MPCA will not complete 0.25 FTE of the classified staff persons existing workload and will not be backfilling 0.25 FTE of the position.</p> <p>The 0.25 FTE reduction in current funding (Environmental fund) will be shifted to operational support for the Municipal division at MPCA. This repurposing will be utilized as project monies, offset travel costs, and help maintain the operational fund balance.</p> |

Non ENRTF Funds

| Category         | Specific Source | Use   | Status                     | \$ Amount       |
|------------------|-----------------|---|----------------------------|-----------------|
| <b>State</b>     |                 |   |                            |                 |
| In-Kind          | General Fund    | MPCA Grant and Contract Staff Assistance for 0.10 FTE x 3 years | Secured                    | \$40,500        |
|                  |                 |   | <b>State Sub Total</b>     | <b>\$40,500</b> |
| <b>Non-State</b> |                 |   |                            |                 |
|                  |                 |   | <b>Non State Sub Total</b> | -               |
|                  |                 |   | <b>Funds Total</b>         | <b>\$40,500</b> |

## Attachments

### Required Attachments

#### *Visual Component*

File: [8da9d0a4-deb.pdf](#)

#### *Alternate Text for Visual Component*

This map depicts the amount of CWF low-income grant money distributed to counties from FY13 - FY22. This is a different program but it demonstrates that a need for funding of low-income landowners SSTS fixes exists and also shows which counties are likely to apply for this project....

### Optional Attachments

#### *Support Letter or Other*

| Title                               | File                             |
|-------------------------------------|----------------------------------|
| Background Check Certification Form | <a href="#">406817d0-9d8.pdf</a> |

### Difference between Proposal and Work Plan

#### *Describe changes from Proposal to Work Plan Stage*

Not Applicable

## Additional Acknowledgements and Conditions:

The following are acknowledgements and conditions beyond those already included in the above workplan:

**Do you understand and acknowledge the ENRTF repayment requirements if the use of capital equipment changes?**

N/A

**Do you agree travel expenses must follow the "Commissioner's Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan?**

N/A

**Does your project have potential for royalties, copyrights, patents, or sale of products and assets?**

No

**Do you understand and acknowledge IP and revenue-return and sharing requirements in 116P.10?**

N/A

**Do you wish to request reinvestment of any revenues into your project instead of returning revenue to the ENRTF?**

N/A

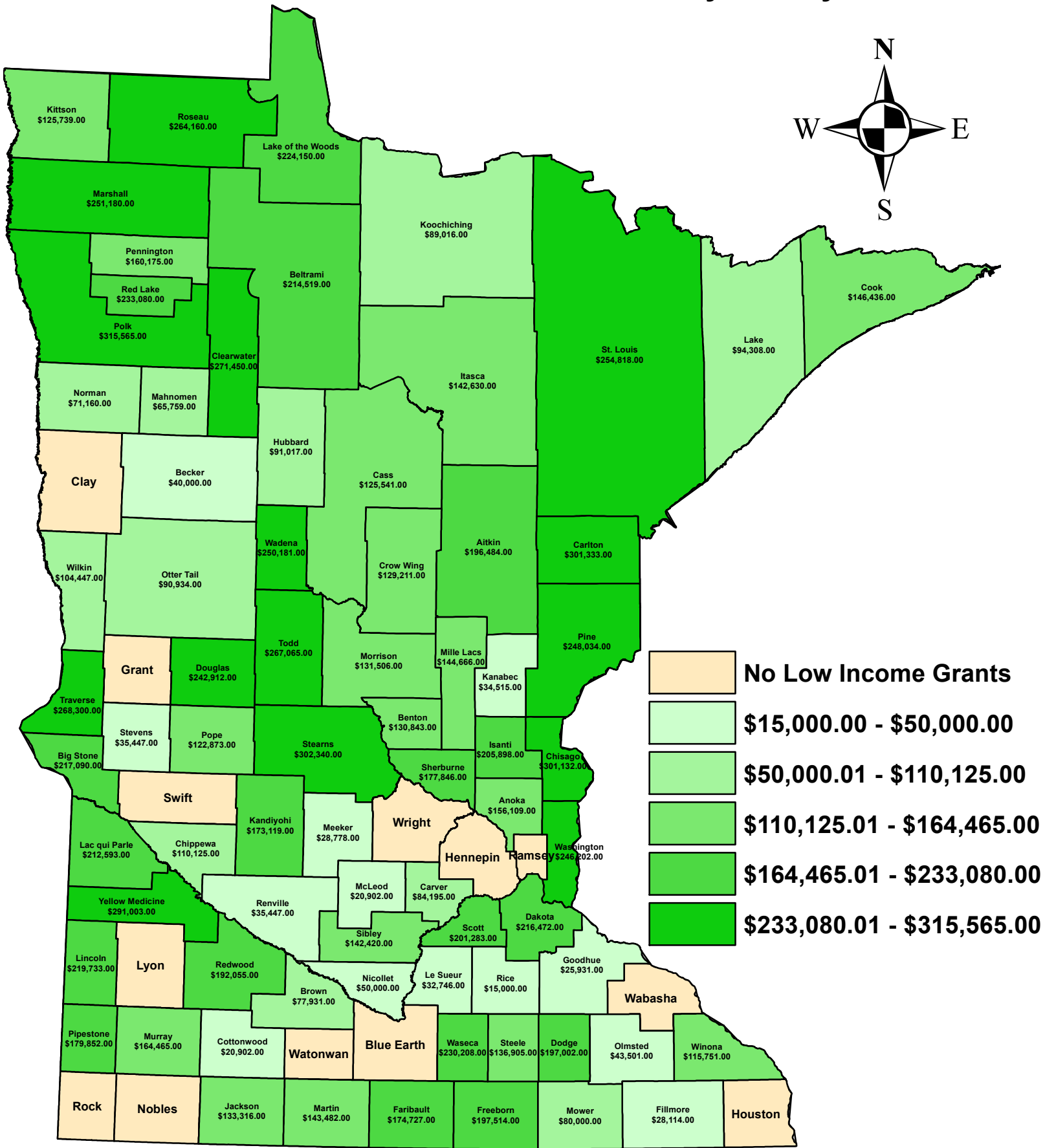
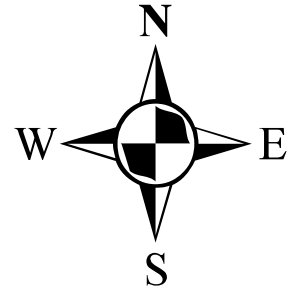
**Does your project include original, hypothesis-driven research?**

No

**Does the organization have a fiscal agent for this project?**

No

# Clean Water Fund Low Income Grant Totals by County FY13 - FY22



- No Low Income Grants
- \$15,000.00 - \$50,000.00
- \$50,000.01 - \$110,125.00
- \$110,125.01 - \$164,465.00
- \$164,465.01 - \$233,080.00
- \$233,080.01 - \$315,565.00

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