

**ORDINANCE NO. 49 - ST. LOUIS COUNTY
INDIVIDUAL SEWAGE TREATMENT
SYSTEMS LOAN ORDINANCE**

**AN ORDINANCE IMPLEMENTING A PUBLIC LOAN
PROGRAM TO ASSIST ST. LOUIS COUNTY PROPERTY
OWNERS WITH FINANCING SITE EVALUATION, DESIGN,
INSTALLATION, REPAIR, AND REPLACEMENT OF
INDIVIDUAL SEWAGE TREATMENT SYSTEMS.**

SECTION 1. INTRODUCTION

- 1.1 Authority. Pursuant to the authority granted in Chapter 115 of the Minnesota Statutes and all acts amendatory thereto, the County of St. Louis does ordain as follows:
- 1.2 Purpose and Intent. The purpose of this Ordinance is to create a public loan program that assists St. Louis County property owners with financing site evaluation, design, installation, repair and replacement of individual sewage treatment systems.
- 1.3 Title. This Ordinance shall be known as the St. Louis County Individual Sewage Treatment Systems Loan Ordinance. (“ISTS”).
- 1.4 Interpretation. In the interpretation and application of this Ordinance, its provisions shall be held to be minimum requirements and shall be construed so as to fully effect its purpose and shall not be deemed a limitation or repeal of any other power established by law or Ordinance except as specifically provided herein. In the event conflicting requirements are imposed by this Ordinance or by other Ordinances of St. Louis County, the more restrictive provisions shall apply. The Administrator shall rule on what is more restrictive.
- 1.5 Construction. Words used in the present tense include the past and future tense; the singular includes the plural, and the plural includes the singular; the word “shall” is mandatory, and the word “may” is permissive.

SECTION 2. DEFINITIONS

The definitions contained in Chapter 115 of the Minnesota Statutes, the rules and regulations of the Minnesota Pollution Control Agency, and any St. Louis County Ordinance governing individual sewage treatment systems are hereby adopted by reference and incorporated as part of this Ordinance, provided that the terms specifically defined herein shall also apply in the interpretation and enforcement of this Ordinance.

- 2.1 Administrator. The St. Louis County Health Department, or its designee, is the Administrator for Individual Sewage Treatment System Loans. The Administrator will assume responsibility for soliciting, collecting, and processing applications, developing loan specifications, determining financial ability of property owners, submitting all required information to the Septic Loan Committee for consideration and upon approval

by the Septic Loan Committee, monitor construction and approve disbursements of funds to contractors pursuant to this Ordinance and the Septic Loan Program Policy.

- 2.2 **ISTS Loan.** “ISTS Loan” or “Loan” means the commitment of funds on behalf of recipients for the purpose of making eligible improvements to eligible properties as described in this Ordinance. Loans will be installment--which requires repayment of the principle at an interest rate to be determined by the St. Louis County Board of Commissioners with a maximum 10-year term.
- 2.3 **Loan Package.** The “Loan Package” consists of an application and all other information required by the St. Louis County Department of Public Health and Long-Term Medical Care (hereinafter “Health Department”).
- 2.4 **Recipient.** “Recipient” means an individual or household meeting the requirements of this Ordinance who applies for and receives a Loan.
- 2.5 **Resident.** “Resident” means a person, other than a renter, living in the household for at least 9 months of the year.
- 2.6 **Septic Loan Committee.** The Septic Loan Committee shall be a seven member committee appointed by the St. Louis County Board of Commissioners for the purpose of reviewing and approving ISTS loan applications pursuant to the provisions set forth in this Ordinance and the Septic Loan Program Policy. The members of the Septic Loan Committee shall be representative of the disciplines set forth in the Septic Loan Program Policy.
- 2.7 **Septic Loan Program Policy.** The St. Louis County Board Policy utilized to establish interest rates, maximum loan amounts and other criteria in ongoing operations of the ISTS Loan Ordinance.

SECTION 3. ELIGIBILITY

- 3.1 **General Applicability.** A person may apply for a Loan pursuant to this Ordinance to finance site evaluation, design, installation, repair and replacement of individual sewage treatment systems. No member of the governing body, employee, or agent of St. Louis County or other agency which exercises policy, decision making or responsibilities in implementing the Individual Sewage Treatment System Program will be eligible for program benefits directly or indirectly.
- 3.2 **Property Ownership.** The Administrator must obtain the following information from the County Recorder regarding each property to be improved with Loan proceeds:
 - a. The full names of all owners of record, including first name, last name, middle name or initial and any additional names which may appear in the records, such as maiden names.

- b. A determination of the system under which the property is recorded--either Torrens or Abstract.

3.3 Eligible Applicants. Upon obtaining the information in section 3.2, the Administrator must determine that the applicants individually or in the aggregate have a qualifying interest in the property consisting of the least:

- a. a valid life estate. Such life estate must be recorded and must appear in the records of the County; or
- b. a 1/3 interest in the fee title. Such interest may be subject to mortgage; or
- c. a 1/3 interest as a purchaser in a contract of deed with respect to the structure being improved.

All individuals having an ownership interest in such structure must join in the Loan application.

Any Loan Recipient must be current in payment of St. Louis County property taxes and in payment of a mortgage, if any.

3.4 Eligible Property

To be eligible, the property to be improved:

- a. must conform to all applicable zoning ordinances and possess all appropriate use permits.
- b. may be residential or commercial.
- c. must be a permanent structure. Mobile homes and trailers are eligible only if they are located on a permanent foundation, have the wheels and axles removed and are taxed as real property.
- d. must lie outside areas that have a municipal sewer system.
- e. must be within St. Louis County, Minnesota.

3.5 Eligibility of Improvements

The following improvements may be financed with Loan proceeds:

- a. Replacement of an existing failing or non-conforming individual Sewage Treatment System and the necessary piping outside the dwelling unit.
- b. Design of new system (plans and specs)
- c. In-place abandonment of existing failed, non-conforming or substandard systems (contractor must be MPCA-certified specific system pumper).
- d. Construction costs of new system.
- e. Easements (for cluster systems).
- f. Land purchase for drain fields.

3.6 Ineligible Improvements

- a. ISTS for a new dwelling unit.
- b. Loans may not be used to facilitate new building construction. As used in this

subdivision, “facilitate new building construction” includes increasing capacity of an Individual Sewage Treatment System beyond what is reasonably required to serve existing buildings and lots in existing recorded plats.

3.7 Contractor Requirements

The contractor must be a Minnesota Pollution Control Agency (MPCA) licensed ISTS installer/evaluator.

3.8 Applicability of Codes

Any ISTS improvement must be made in compliance with the Minnesota Statutes, the rules and regulations of the MPCA, and St. Louis County Ordinances.

3.9 Refinancing

No improvements are eligible if begun before the issuance of a Proceed to Work Order by the Administrator, except that the fee for the site evaluation can be reimbursed to a Recipient who receives a Loan under this program. No Loan funds, in whole or in part, shall be used for the purposes of refinancing or paying off an existing indebtedness.

3.10 Sale

The Recipient shall notify the Administrator immediately upon the sale, transfer, or conveyance of the property. The loan shall become immediately due and payable.

SECTION 4. RESPONSIBILITIES OF ADMINISTRATOR

4.1 Outreach and Public Information

The Administrator will be primarily responsible for the promotion of the Loan program at the local level. The Administrator will exercise care in avoiding any advertising or outreach methods which may be deemed to systematically exclude potentially eligible applicants. Access to program materials may not be denied to any person for any reason.

4.2 Application Selection and Approval

The following factors will be considered in selection of Loan Recipients:

- a. Applications will be accepted throughout the entire length of the program or until funds are expended.
- b. No eligible applicant shall be selected or rejected on the basis of judgments as to personal character or life-style.
- c. The factors set forth as “Prioritization” in the Septic Loan Program Policy shall be applied in determining Recipients. The Administrator shall have sole discretion to determine the minimum number of points required for loan consideration based upon available funding and timing of the application.
- d. Letters of rejection will be issued to applications who are not selected stating the reason for rejection.

4.3 Inspection of Properties

The Administrator shall conduct a minimum of two inspections of each approved property. One inspection shall be accomplished during construction to assure that construction is being performed according to specifications and in a satisfactory manner. After all work is finished, the second inspection shall take place to determine that all work has been completed in a satisfactory manner and compliance with the Minnesota Statutes, the rules and regulations of the MPCA, and St. Louis County Ordinances.

4.4 Preparation of Individual Sewage Treatment System Site Evaluation

An ISTS site evaluation shall be completed before any Loan is made. The site evaluation must be completed by an MPCA licensed evaluator.

4.5 Preparation of Work Write-ups and Cost Estimates

The Administrator may require the submission of a specified number of bids for the authorized improvements by an applicant. At no time shall there be less than two bids per project.

4.6 Preparation of Loans

The Administrator shall be responsible for the thorough and accurate completion of all program documents. The Administrator will provide any necessary assistance to applicants in the preparation of any program forms which are necessary for packaging the Loans.

4.7 Fund Disbursement

Partial disbursement of funds may be authorized by the Administrator after:

- a. an interim inspection is conducted
- b. determines that the specific work for which payment is requested has been completed in a satisfactory manner
- c. appropriate lien waiver forms have been submitted
- d. any other required documentation has been signed

SECTION 5. CONTENTS FILE

The Administrator shall maintain, as necessary, the originals of the following items in the applicant's Loan file:

- a. Application for Loan
- b. Privacy Act Release Form
- c. Property Title Verification
- d. Site Evaluation and Work Write-up/Specifications
- e. Contractor General Requirements Letter
- f. Bid Results Form
- g. Contractor "Unsuccessful Bid" Letter
- h. Repayment Agreement, Note, Mortgage

- i. Contractor Notice to Proceed
- j. Change Orders
- k. Lien Waivers
- l. Any Other Loan or Closing Document

SECTION 6. LOAN TERMS

- a. An interest rate on the unpaid balance as determined by the St. Louis County Board of Commissioners and established in the Septic Loan Program Policy.
- b. Up to 10 years for repayment.
- c. Balance to be paid off if property ownership changes before end of term of Loan.
- d. Principal and interest payments will be collected by the Administrator. Unpaid installments may result in either foreclosure or certification as an unpaid special assessment to the St. Louis County Auditor for collection with the subsequent year's taxes.
- e. The Recipient is responsible for the first \$500 of any project. The Recipient may receive a loan up to the maximum amount set forth in the Septic Loan Program Policy. Any amount over the limit set forth in the Septic Loan Program Policy is the responsibility of the Recipient.

SECTION 7. GENERAL PROVISIONS

- 7.1 **Liability.** This Ordinance shall not relieve or lessen the responsibility or liability of any person owning, operating, controlling, or installing any sewage treatment system or disposing of septage for damage to persons or property or any other injury occasioned thereby. The Administrator assumes no responsibility for the proper, safe, and efficient functioning and performance of sewage treatment systems installed, renovated, or maintained pursuant to the requirements contained herein.
- 7.2 **Severability.** It is hereby declared to be the intention that the provisions of this Ordinance are severable. If any provision or the application thereof to any person or circumstances is held to be illegal or invalid, such invalidity or illegality shall not affect other provisions of this Ordinance or the application of said provisions to any other property, building, or structure not specifically included in said determination. To this end, the provisions of this Ordinance and the various applications thereof are declared to be severable.
- 7.3 **Abrogation and Greater Restriction.** It is not intended by this Ordinance to appeal, abrogate, annul, impair, or interfere with any existing easements, covenants, deeds, restrictions, agreements, Ordinances, rules, regulations, permits previously adopted, or issues pursuant to law. However, where this Ordinance imposes greater restrictions, the provisions of this Ordinance shall govern.

EFFECTUATION

The amended Ordinance No. 49 shall take effect and be in full force on the 1st day of July, 2003, and shall be published in the official newspaper(s) of St. Louis County as provided by Minnesota Statutes.

Amendments pertain to:
Section 1 - Introduction;
Section 2 - Definitions;
Section 3 - Eligibility;
Section 4 - Responsibilities of Administrator;
Section 6 - Loan; and
Section 7 - General Provisions.

Public hearings were held by the St. Louis County Board of Commissioners on June 3, 2003, and continued to June 10, 2003.

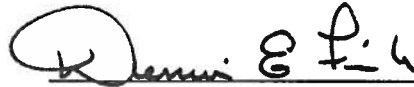
Amendments were recommended by the Health Department to the County Board for adoption on June 10, 2003.

Commissioner Sweeney moved the adoption of this amended Ordinance No. 49, and Commissioner Kron duly seconded the motion, and it was adopted on the following vote:

Yeas: Commissioners Fay, Kron, Forsman, Sweeney, and Chair Fink - 5

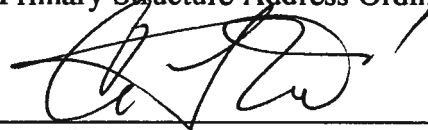
Nays: None

Absent: Commissioners Nelson and Raukar - 2



Chair, County Board

Certified as a complete and accurate copy of
Ordinance No. 49 - St. Louis County
Primary Structure Address Ordinance



Gordon C. McFaul, County Auditor

ATTEST:



Paul Tynjala, Deputy Auditor
Clerk of County Board