

MINNESOTA DEPARTMENT OF HEALTH
Well Management Section, P.O. Box 64975, St. Paul, Minnesota 55164-0975
(651) 201-4700 or 1-800-383-9808

Financial Assistance Through Low Interest Loans and Grants Available for Well Construction, Repair, or Sealing in 2002

Financial assistance through low interest loans and grants are available for well construction, repair, or sealing from a variety of programs. These programs are offered through local lenders to homeowners depending on their income level and whether they live in rural or urban areas. The following is a list of loan and grant programs available for well sealing in 2002.

Rural Housing Home Improvement Loan and Grant Program: This program offers loans and grants for well construction, repair, or sealing. The Rural Development office of the U.S. Department of Agriculture administers this program. The program is for low income families who live in a rural area or a community with a population of 25,000 or less. The family income cannot exceed 50 percent of the median county income. Individuals who are 62 years of age or older may qualify for a grant or a combination of a loan and grant. The applicant must own a single family home in need of repair or improvements, which may include well(s) that need to be constructed, repaired, or sealed. The interest rate is 1 percent for a term up to 20 years. Applications are accepted at area offices of Rural Development. For more information and to find out the area office for a particular county, call (651) 602-7795.

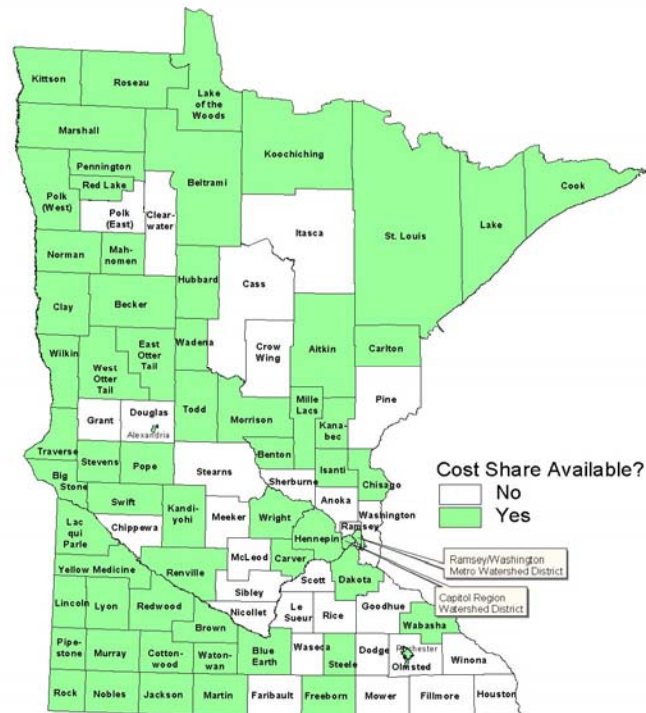
The Great Minnesota Fix-up Fund: This program also offers loans for well construction, repair, or sealing. The Minnesota Housing Finance Agency (MHFA) administers this program. The program is designed for homeowners with gross annual household incomes of \$75,000 or less in the Twin Cities Metro Area, \$72,000 in Olmsted County, and \$63,000 elsewhere in the state. There are no restrictions on location in this program. The interest rate is 7.5 percent. Homeowners with lower incomes pay a lower rate of interest. A qualifying homeowner may borrow up to \$25,000 and repay the loan with fixed monthly payments. The repayment term will be based on the loan amount and household budget. For more information call a participating local bank, savings and loan association, credit union, or public agency. For a list of participating lenders, call MHFA toll-free at 1-800-710-8871, or in the Twin Cities metropolitan area, call (651) 296-8215.

Agriculture Best Management Practices (AgBMP) Loan Program/Countywide Individual Sewage Treatment System (ISTS) Loan Program: These programs offer loans primarily for well sealing although in a couple counties loans are also available for well construction. The Minnesota Department of Agriculture (MDA) administers these programs. Construction of a new well to replace an existing well because of contamination from or distance to the individual sewage treatment system in addition to sealing the existing well are available for loans in the ISTS Loan Program if the county authorizes it. Well sealing is one of a number of practices that can receive a loan through a participating local lender in the AgBMP Loan Program. In some counties, the loan may be obtained directly from the county. The loan interest rate is 3 percent and each individual loan for well sealing must be paid back within two years. For the AgBMP program, the money can be loaned to farmers, individual rural landowners, and agribusinesses. For the Countywide ISTS program, any landowner may be eligible. There are no income limits in these programs. A number of counties have been authorized by the MDA to provide loan money through private lenders or the county for one or both of these programs. If you want to find out whether your county is one of these counties or you need additional information, please contact the county Soil and Water Conservation District or Dwight Wilcox of the MDA at (651) 215-1018.

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Year 2002 Well Sealing Cost Share Availability



Contact your local Soil and Water Conservation District (SWCD) to find out if there are any programs offered in your county. The Farm Services Agency of the U.S. Department of Agriculture will have a cost-share program in some counties this year as part of the Environmental Quality Incentives Program (EQIP). Contact the local office of the Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture in your county for details. Arrangements for cost share should be made before a well is sealed, because preapproval is required.

The following government agencies in the state currently offer cost-share programs for well sealing:

| <u>Agency</u> | <u>Contact Person</u> | <u>Phone Number</u> |
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| Aitkin County SWCD | Steve Hughes | (218) 927-6565 |
| Becker County SWCD | Ed Clem | (218) 847-9392 |
| Beltrami County SWCD | Chris Partham | (218) 755-4339 |
| Benton County NRCS (EQIP Program) | Pat Gehling | (320) 968-5300 ext. 3 |
| Big Stone County SWCD | Wanda Holker | (320) 839-6149 ext.3 |
| Blue Earth County, Delegated Well Program | Herb Wenkel | (507) 389-8381 |
| Brown County Planning and Zoning Dept. | Paul Davis | (507) 233-6641 |
| Carlton County SWCD | Brad Matlack, Kelly Smith | (218) 384-3903 |
| Carver County Zoning Administration | Paul Moline, Dave Drealan | (952) 361-1825, 1823 |
| Chisago County SWCD | Craig Mell | (651) 674-2333 |
| Clay County SWCD | Steve Hofstad, Karen Carlsrud | (218) 287-2255 |
| Cook County SWCD | Karen Evens | (218) 387-3000 |
| Cottonwood County Planning and Zoning Dept. | Marlene Smith | (507) 831-2060 |

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| Dakota County Environmental Mgmt. Dept. | Michael Rutten | (952) 891-7008 |
| Douglas County, City of Alexandria Power & Light | Al Crowser | (320) 763-6501 |
| Freeborn County Environmental Services | Dick Hoffman | (507) 377-5186 |
| Hennepin County Dept. Environmental Mgmt. | Greg Senst | (612) 348-4659 |
| Hubbard County Planning and Zoning | Any Staff Person | (218) 732-0121 |
| Isanti Cty SWCD (EQIP Program) | Hao Vo | (763) 689-3224 ext. 130 |
| Jackson County Planning and Zoning Dept. | Gordon Olson | (507) 847-2240 |
| Kanabec County SWCD | Kelly Osterdyk | (320) 679-3982 |
| Kandiyohi County Environmental Services | Jeff Bredberg | (320) 231- 6288 |
| Kittson County SWCD | Holly Anderson | (218) 843-2619 ext. 3 |
| Koochiching County SWCD | Tom Toratti, Richard Lehtinen | (218) 283-1174, 1155 |
| Lac Qui Parle County Water Plan Office | John Rebehn | (320) 568-2266 |
| Lake County NRCS (EQIP Program) | Paul Sandstrom | (218) 720-5209 ext. 3 |
| Lake of the Woods County SWCD | Les Lemm | (218) 634-1842 ext. 3 |
| Lincoln County SWCD | Pauline Moen | (507) 694-1630 ext. 3 |
| Lyon County Environmental Office | Paul Hendriksen | (507) 537-6733 |
| Mahnomen County SWCD | Aaron Neubert | (218) 935-2987 ext. 3 |
| Marshall County Water Planning | Jan Kaspari | (218) 745-4217 ext. 3 |
| Martin County NRCS (EQIP Program) | Steve Maurice | (507) 235-6680 |
| Mille Lacs County SWCD | Any Staff Person | (320) 983-2160 ext. 3 |
| Morrison County Planning and Zoning Dept. | Chuck Forss | (320) 632-0172 |
| Murray County Environmental Services | Chris Hansen | (507) 836-6148 ext. 156 |
| Nobles County Dept. of Environmental Services | Kathy Henderschiedt | (507) 372-8227 |
| Norman County SWCD | Vicki Miller | (218) 584-5169 |
| Olmsted County, Rochester Public Utilities | Todd Osweiler | (507) 280-1500 |
| Olmsted County, Rochester Public Works | Jim Loehr | (507) 281-6004 |
| East Otter Tail County SWCD | Shelley Becklund | (218) 346-4260 ext. 3 |
| West Otter Tail County SWCD | Brad Mergens | (218) 739-1308 |
| Pennington County SWCD | Maggie Leach | (218) 683-7075 |
| Pipestone County SWCD | Mavis Menning | (507) 825-4268 |
| West Polk County NRCS | Randy Huelskamp | (218) 281-1445 ext. 3 |
| Pope County Water Planning | Steve Lawrence | (320) 634-5715 |
| **Ramsey County, Capitol Region Watershed Dist. | Matt Swanson | (651) 488-1476 ext. 12 |
| *Ramsey/Washington Metro Watershed District | Carole Pastorius | (651) 704-2089 |
| Red Lake County SWCD | Tanya Hanson | (218) 253-2593 |
| Redwood County SWCD | Marilyn Bernhardson | (507) 637-2427 ext. 3 |
| Renville County SWCD | Joe Stangel | (320) 523-1559 |
| Rock County Land Management | Denise Severtson | (507) 283-8862 |
| Roseau County SWCD | Janine Lovold | (218) 463-1903 |
| St. Louis County NRCS (EQIP Program) | Paul Sandstrom | (218) 720-5209 ext. 3 |
| Steele County Environmental Services | Scott Golberg | (507) 444-7477 |
| Stevens County Environmental Services | Bill Kleindl | (320) 589-7420 |
| Swift County Environmental Services | Charlene Atchison, Scott Collins | (320) 843-2356 |
| Todd County SWCD | Greg Ostrowski, Sandy Rohr | (320) 732-2644 |
| Traverse County SWCD | Don Otto | (320) 563-8218 ext. 3 |
| Wabasha County Environmental Services | Darrin Thompson | (651) 565-3068 |
| Wadena County SWCD | Malinda Dexter, Heather Roforth | (218) 631-3195 |
| Watowan County SWCD | Dorothy Raney | (507) 375-3104 ext. 111 |
| Wilkin County Environmental Office | Bruce Popple | (218) 643-5815 |
| Wright County NRCS (EQIP Program) | Deron Ruesch | (763) 682-1970 |
| Yellow Medicine County Zoning Office | Jolene Johnson | (320) 669-7524 |

*Ramsey/Washington Metro Watershed District includes all or parts of Gem Lake, Landfall, Oakdale, Woodbury, Little Canada, Maplewood, North St. Paul, Vadnais Heights, White Bear Lake, and St. Paul.

**Ramsey County, Capitol Region Watershed District includes parts of Falcon Heights, Lauderdale, Maplewood, Roseville, and St. Paul.

Public Facilities Authority Drinking Water Revolving Fund

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| Program Purpose: | To enable borrowers to finance public drinking water storage, treatment and distribution systems that meet Safe Drinking Water Act standards. |
| How It Works: | The Authority provides below-market rate loans to borrowers for upgrading and constructing public drinking water systems. |
| Eligible Applicants: | Any county, city, town, township, regional entity or other governmental entity, or other entities having primary responsibility for providing public drinking water. |
| Minimum Requirements: | Projects must be included on the Minnesota Department of Health's (MDH) Project Priority List and on the Authority's Intended Use Plan (IUP). Projects must be certified by MDH before the Authority may consider approving a loan. An applicant must demonstrate it has the financial capability to repay the loan and that complete financing of the project is in place. Borrowers must issue a general obligation bond to the Authority as security for the loan. |
| Eligible Projects: | Allowable cost as defined in the Safe Drinking Water Act include site preparation; land acquisition costs; construction costs; engineering costs; costs of equipment and machinery; bond issuance costs; and certain fees and contingency costs. Projects that are primarily to serve growth are not eligible. |
| Interest Rates: | Rates are determined by a Quarterly Set Rate minus discounts based on demographic characteristics of the borrower; or borrowers may receive a discount from the Authority's bond rate. |
| Terms: | Loans are amortized up to a maximum of 20 years. |
| Application Accepted: | Within six months after the IUP is approved using the Authority's loan application forms. The IUP and PPL are compiled once a year but may be amended during the year. |
| Approval Authority: | Public Facilities Authority |
| Disbursement of Funds: | Loan funds are disbursed on a monthly basis as costs are incurred. |

USDA Rural Business—Cooperative Service Rural Business and Industry Guaranteed Loans

- Program Description:** These are guaranteed loans made by lenders to businesses which save or create jobs or improve the economic or environmental climate in rural areas (generally, populations of under 50,000). In Minnesota, rural areas include everywhere except: Minneapolis/St. Paul and approximately two rings of suburbs; Duluth (including Hermantown and Proctor); Rochester (including the Townships of Cascade, Marion, and Rochester); Moorhead (including Dilworth); and LaCrescent. Most business purposes are eligible, with some exceptions such as agricultural production, golf courses, gambling, charitable institutions, and lines of credit.
- Lenders and Borrowers:** Traditional lenders are eligible, as well as pre-approved non-traditional lenders with experience and expertise. Eligible borrowers are individuals, cooperatives, corporations, partnerships, non-profit corporations, Indian tribes and public bodies.
- Percent of Guarantees and Fees:** Percent of guarantee is negotiated with the Agency. The maximum is 80% for loans up to \$5 million; 70% for \$5 million to \$10 million; and 60% for \$10 million to \$25 million. The Agency charges a one-time, up-front fee of 2% of the guaranteed amount.
- Security and Repayment:** The lender will ensure that collateral is sufficient. All collateral must secure the entire loan. Repayment must be reasonably assured. Personal and corporate guarantees are required. Financial statements by the borrower must be provided at least annually and in accordance with GAAP. Rates and Terms are negotiated between lender and borrower.
- Equity:** A minimum of 20% tangible balance sheet equity is required on new business and 10% on an existing business.
- Contact:** Applications are made by the lender and business at the Rural Development State Office in St. Paul. Information about our business programs can also be found at: <http://www.rurdev.usda.gov/rbs/busp/bpdir.htm>. Contact address is: RD State Office, 410 AgriBank Building, 375 Jackson Street, St. Paul, MN 55101-1853. Phone: 651-602-7800 and Community Program Phone: 651-602-7810.