

7380.0425 APPLICATIONS.

Subpart 1. **Timing.** Applicants whose projects are listed in the fundable range on the intended use plan as described in part 7380.0422 must submit the following within six months after the date the authority adopts the intended use plan or an amendment to the intended use plan:

- A. an application for financial assistance to the authority; and
- B. plans and specifications for construction projects to the Pollution Control Agency as provided in part 7077.0274.

Subp. 2. **Complete application.** An application must contain the required forms, data, exhibits, and documentation for the authority to determine that:

- A. the financing of the project is fully assured;
- B. the applicant has the financial capability to repay the loan based on the authority's analysis of user charges, special assessments, population trends, major employers, building permits, largest taxpayers, trends of estimated market values, property tax rates, property tax collection, net tax capacity, indebtedness, budget forecasts, planned capital expenditures, and other information requested by the authority to make an informed determination on the creditworthiness of the applicant;
- C. the applicant has provided the assurances, certifications, and resolutions necessary to comply with the various laws and regulations applicable to the fund; and
- D. adequate collateral is being provided by the applicant to secure the loan.

Subp. 3. **Evaluation of applications.** The executive director and staff shall evaluate applications for projects certified by the Pollution Control Agency to determine the applicant's capacity to comply with parts 7380.0400 to 7380.0480, the act, Minnesota Statutes, section 446A.07, the loan agreement, and the covenants of the debt security that will be issued. When the Pollution Control Agency's certification of an applicant's project and the as-bid costs have been received, the staff shall provide a signed recommendation to the authority, approved and countersigned by the executive director, recommending whether the loan should be approved, approved with special conditions, or rejected.

Subp. 4. **Rejection of application.** The authority or executive director on behalf of the authority shall reject an application for financial assistance for one or more of the following reasons:

- A. failure of the project to receive certification from the Pollution Control Agency under part 7077.0281;
- B. failure of the applicant to submit a complete application as provided in subpart 2;

C. failure of the applicant to develop and document dedicated sources of revenue sufficient to ensure debt service payment of the loan to the authority and adequate operation and maintenance of the facility;

D. failure of the applicant to demonstrate that it has the technical, managerial, and financial capability to construct the facility and adequately operate and maintain the wastewater system for the term of the loan;

E. failure of the applicant to demonstrate creditworthiness sufficient to repay the authority debt or adequately collateralize the loan;

F. failure of the applicant to demonstrate its capacity to comply with parts 7380.0400 to 7380.0480, the act, Minnesota Statutes, section 446A.07, the loan agreement, and the covenants of the debt security; or

G. failure of the applicant to correct a default condition on a prior loan with the authority.

Statutory Authority: *MS s 446A.07; 446A.081; 446A.11*

History: *32 SR 321*

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