WP/TED/DEMO 9/21/84

STATE OF MINNESOTA

WASTE MANAGEMENT BOARD

In the Matter of the Proposed
Amendments to Rules of the
State Waste Management Board
Governing the Solid Waste Processing
Facilities Demonstration Program
9200.8100 - 9200.9200

STATEMENT OF NEED
AND REASONABLENESS

I. INTRODUCTION

The subject of this rulemaking proceeding is the amendment of the adopted rules governing the award of grants and loans for capital costs of solid waste processing facilities. The rules for the Waste Management Board (hereinafter "Board"), 9200.8100 - 9200.9200, were adopted to provide an orderly and predictable method to identify eligible projects and project costs; specify grant and loan application procedures; provide application deadlines; establish project review and evaluation criteria; set limitations on grant and loan awards; and specify the contents of grant and loan agreements.

The present rules were drafted to modify the adopted rules in order to simplify the Board's application review procedures based upon the Board's past experience with the program.

These rules will follow non-controversial rule-making procedures.

II. NEED FOR THE PROPOSED AMENDMENTS

The Board is required by Minnesota Statutes, Section 115A.49, to promulgate rules to govern its activities under the solid waste processing facilities demonstration program. These amendments are necessary to improve the adopted rules and make the Board's Solid Waste Processing Facilities Demonstration Program more efficient to administer and more accessable to applicants.

III. REASONABLENESS OF THE PROPOSED AMENDMENTS

9200.8100 DEFINITIONS

Subpart 8. This section defines "Funding round." It is proposed for deletion based upon suggested modifications in the rules eliminating the concept of funding rounds. Reasons for the elimination of funding rounds will be included later in this document.

Subpart 9. This section defines "institutional arrangements." In the definition, language defining one type of institutional arrangement as "joint efforts between political subdivisions" is being changed to "joint efforts by more than one local government unit." This change is being made to make the language in the rules consistent with language in the Waste Management Act.

9200.8600 GRANT AND LOAN APPLICATION PROCEDURES

Subparts 1-3. These sections describe the method by which the Board receives and reviews program applications for loans or loans with grants.

When the Board developed the original program rules, a decision to distribute the grant and loan funds over a series of four funding rounds was made based upon the rationale that not all of the eligible applicants would have had enough time to prepare the required documentation to be submitted with an application by the time the program started. To allow communities in different stages of developing resource recovery programs an adequate period of time to prepare the required documentation, the Board felt it was necessary to spread the distribution of available funds over several funding rounds.

The funding rounds were each six months long, and included a three month application period and a three month review period. The original rules were designed to assist the Board in considering numerous and varied applications for

funding assistance.

However, it has been the Board's experience that funding rounds were not necessary for the fair and efficient administration of the program. The Board is currently in the middle of the fourth and final planned funding round, and the numbers and types of funding applications originally anticipated have not materialized.

Because of this, the program rules are being revised to eliminate the concept of funding rounds and substitute an open funding application process where applicants are free to submit applications at any time. In this open application process, each application will be accepted and reviewed on a case-by-case basis, and each application will be reviewed according to an independent timetable.

9200.8700 INITIAL REVIEW

Subparts 1-3,6. These sections describe initial application review procedures. They are being revised to eliminate mention of funding rounds in accordance with revisions made to 9200.8600.

9200.8800 EVALUATION OF PROJECTS

This section (subparts 1-9) describes how the Board shall evaluate projects, and what factors shall be used in that evaluation.

Subpart 1. There are six technology types eligible for funding under the Board's demonstration program. The original program rules were developed anticipating multiple applications within each technology type during each funding round. To efficiently and fairly evaluate these applications, the original rules called for the Board to compare all applications received in a single funding round that utilized the same general technology type and select the top project in each category for further evaluation.

Because the number and variety of applications originally anticipated did not materialize, a procedure for comparing and evaluating projects within technology categories was not needed. It is anticipated that the proposed open funding process will be capable of evaluating all eligible applications without the need for ranking of projects.

Subpart 2. This section describes general factors used to evaluate all technologies. The number of general technology categories has been proposed for change from five to six to conform with 1983 amendments to the Waste Management Act.

Subpart 9. In designing the Board's demonstration program, the Legislature gave specific directions to the Board concerning how it should allocate priority in determining which projects should be funded. These legislative priorities have been moved from one location in the original rules to subpart 9 in the proposed rules. This was neessary because the section that originally contained the legislative priorities, 9200.8900, is proposed for deletion from the rules.

9200.8900. Evaluation of projects selected from each category. This entire section of the past rules has been deleted from the proposed rules. The proposed rules have eliminated the concept of evaluating projects by technology category.

9200.9000 AWARD OF GRANTS AND LOANS

Subpart 1. This section addresses the general procedures to be followed by the Board in awarding grants and loans. It has been revised to eliminate the concepts of funding rounds and project ranking. This change simplifies the application process.

Subpart 2. This section lists factors that the Board will use in making its

determination whether to award grants. It has been revised to remove references to loans to emphasize that these factors are specifically concerned with funding decisions regarding grants.

Subpart 3. The only revision in this section is a change in numbering.

9200.9100 GRANT AND LOAN AGREEMENT

Subpart 2. This section describes the rescission of grants and loans. It has been changed to clarify when grants and loans would have to be repaid in the event that funded projects are not completed .

9200.9200 APPORTIONMENT

Subpart 1. The only change in this section is a change in a reference to the number of subparts in 9200.9200 from five to three. This change reflects the fact that two subparts are being repealed.

Subpart 3. This section describes the period during which applications will be accepted. It is being changed to reflect the adoption of an open application process and the elimination of the concept of funding rounds.