



High Island Creek Watershed & Rush River
Watersheds Implementation Project
P.O. Box 161 111 6th St.
Gaylord, MN 55334
Ph. (507) 237-5435 ext. 105 Fax (507) 237-5249

Septic System Low Interest Loan Application Instructions

1. Contact a licensed designer to complete a design plan for 2 sites (main and alternative). Our office has a list of licensed designers and installers.
2. Submit the design to Environmental Services for review and approval by the County Inspector. The application fee must be paid at this time. Application fee is \$400 for mounds and \$325 for drainfields.
3. Get two estimates from contractors (installer and electrician) for total cost of the system if you are in the High Island Watershed. Only one estimate is needed if you are in the Rush River Watershed. There are no monetary caps.
4. Complete the attached application form and cost estimates and bring to Sibley Soil and Water Conservation District (SWCD) office. In accordance to the availability of funds and date of application, a priority list is maintained. The Treasurer's office will certify that the property taxes stated are current and the value of the property is greater than the cost estimates for installing the septic system.
5. A letter will be sent to applicant by Sibley SWCD office stating the county has approved your loan and construction can begin.
6. After the final inspection of the septic system by the County Inspector, the Environmental Services office will issue a Certificate of Compliance.
7. Final bills from contractors should be submitted to Sibley SWCD by the applicant. An appointment is made with that office (507.237.5435 ext. 105) and the Sibley County Auditor, Lisa Pfarr. At that time, a tax lien document is created and notarized by the Auditor. A recorder's fee of \$46.00 is paid at the Recorder's office. In addition, a mortgage registry tax (amt. of loan x .0023) is paid to the Sibley County Treasurer.

Sibley SWCD and Auditors Office will process the bills for payment to the contractors

Other Helpful Information on Low Interest Septic Loans

1. The septic system must serve residential, non-commercial property located in High Island Creek Watershed or Rush River Watershed, in Sibley County. The applicant must be a property owner. There is no income requirement.
2. Property must have a non-conforming septic system. This would include:
 - a) Discharge to the surface
 - b) Tiled to drainage or road ditch
 - c) Discharge to cesspool, seepage pits or dry wells
 - d) Less than 2-foot separation to seasonally saturated soil
 - e) Lack of a system
 - f) Does not meet setback to existing well
3. Ineligibility would include:
 - a) Refinancing a previously installed system
 - b) Septic for new homes
 - c) Non-residential property
 - d) Project started before design and loan approval
 - e) Under court order to repair the system
 - f) Real estate taxes paid on the parcel must be up to date
4. Amount of loan is limited to total cost of installing a conforming system. Applicant may borrow less than the total cost of construction but may not request more than actual cost of construction.
5. Construction must occur within one year of the loan pre-approved date.
6. The septic design must meet minimum standards set forth in the MPCA Rule 7080 and the Sibley County Zoning Ordinance. Installers must be licensed by MPCA. Alternative systems that are accepted by MPCA may be included.
7. The annual interest rate is 3%. Interest will accrue beginning the date Sibley County pays the contractor bills.
8. Loans will be repaid within 10 years or less and in level principal amounts. Loans may be paid in full at any time. Liens filed after January 31 of any given year will be assessed on the following year's tax statement. At any time, you may pay the entire amount of any remaining balance with interest accrued to December 31 of the year such payment is made. Such payment must be made before November 14 of any year or interest will be charged through December 31 of the succeeding year.