



Clean Water Revolving Fund & Drinking Water Revolving Fund

APPLICATION FORMS AND INSTRUCTIONS

October 2019

Minnesota Public Facilities Authority

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GENERAL INFORMATION AND DEADLINES

General Information

This document contains the fillable PDF Application forms for the Clean Water Revolving Fund and Drinking Water Revolving Fund. Instructions are also included. Forms 3 and 4 are included in this document as illustrations. Please use the Excel spreadsheets for Forms 3 and 4 that are on the PFA web page www.mn.gov/pfa under Infrastructure Funds and Programs (Clean Water or Drinking Water Revolving Fund) “forms” tab.

Save these files to your computer. The forms can be filled out electronically by using the TAB key to move from one field to the next. Send the completed and signed forms, including the completed Excel forms, along with all of the required documentation (identified on the Application Checklist), to your [PFA loan officer](#). All documents may be provided as pdf documents and sent via e-mail or sent as a hard copy through the mail.

The applicant must be the entity that will issue the General Obligation Revenue note or General Obligation Improvement note to the PFA as security for the PFA loan.

A DUNS number is requested on the forms. DUNS numbers can be found at <http://fedgov.dnb.com/webform>

NOTE: For additional information on the program requirements and resources, refer to the Supplemental Information Packet. For documents to be included in bid specifications and construction contracts, refer to the Contract Packet. Contact your [PFA loan officer](#) with any questions.

Deadlines for Projects on the 2020 Intended Use Plans

Item	Submitted to	Date Due
DWRF Loan Application	PFA	March 30, 2020
Drinking Water Project Plans and Specifications	Department of Health	March 30, 2020
CWRF Loan Application	PFA	March 30, 2020
Wastewater and Stormwater Project Plans and Specifications	Pollution Control Agency	March 30, 2020

APPLICATION CHECKLIST

The application consists of forms and supporting documents. This checklist identifies items required by the application deadline. The checklist also identifies other items that must be submitted when they are available.

Application items required by the application deadline

- Forms 1 through 6 and information as requested

- Resolution of Application: an example is included with the application packet

- Annual Financial Reports (Audits): The last three years of annual financial reports

- Budget: The current annual city budget, including enterprise funds

- Ordinances and Fee Schedules: Copy of water, wastewater, or stormwater ordinance (enacted) and service charge system, as appropriate

- Inter-municipal Agreement (draft or enacted) if more than one municipality is involved in the project

Application – additional items to be submitted if requested

- Management Contract/Private Operator Agreements: For applicants who have engaged a private contract operator to manage its drinking water or wastewater system, a copy of the management contract.

- A Cash Flow Projection (Form 3d): Cash Flow Projection or an alternative format in lieu of the PFA worksheet. A cash flow analysis should identify a plan for generating adequate revenues and assumptions used. Please submit amortization schedules for existing water and/or sewer debt.

- A listing of the number and value of building permits issued for the last five years

Application Items that must be submitted when available

Official Statement if applicant has issued bonds within the year NOTE: If a current Official Statement is not available, submit the following two items:

Certificate as to Taxes and Taxable Property, including 10 largest taxpayers. Obtain from the County Auditor. If the municipality is located in two counties, obtain a Certificate as to Taxes and Taxable Property from both counties.

Listing of the 10 largest employers

Documentation of other funding sources for the project (commitment letters, copy of grant agreement, etc.)

Copy of appraisal(s) and evidence of sale for eligible land purchase, along with supporting documentation as may be required to demonstrate compliance with the Uniform Act.

Split sheets for allocating costs, if the PFA eligible project is part of a larger infrastructure project done at the same time. The split sheet should break out the eligible CWRP and DWRP eligible costs and ineligible items. Submit split sheet to the PFA, MPCA and Health Department. Consult with MPCA and Health engineers for additional information.

As-bid costs and engineer's letter of recommendation accepting bids

Final Forms 3 and 4 based on as-bid costs

Final Cash Flow Projection (Form 3d): Submit updated/final projection or alternate documentation when project costs are finalized. The information should include the final plan and schedule for generating required revenues.

Post Loan Award Submittals

Recipients will be responsible for submitting required forms after the PFA financing award (Real Property Declaration and/or Waiver Certification to Minnesota Management and Budget, Notice of Contract Award, Jobs, Report, Final Federal Labor Standards report, American Iron and Steel De Minimus Report, etc.) during the construction phase of the project and for project closeout. Additional information will be provided to the borrower after loan award.

FORM 1 - GENERAL APPLICANT INFORMATION & CONTACTS

APPLICANT NAME _____

Primary Municipal Contact _____

Title _____

Phone _____

E-mail _____

Mailing Address (including 9 digit zip code) _____

County _____

DUNS Number _____

Applicant officials authorized to sign legal documents

#1 Name _____

#1 Title _____

#2 Name _____

#2 Title _____

Is a Public Utilities Commission (PUC) or other public entity legally responsible for setting or adjusting user rates, and/or operation and maintenance of the project? PUCs may also need to sign the PFA financing agreement. If so, please identify:

Name of PUC or Entity _____

Contact Person _____

Title _____

Address _____

Phone _____

E-mail _____

CONSULTANTS AND ADVISORS

Consulting Engineer Name _____

Engineering Firm _____

Phone _____

E-mail _____

Identify the date(s) when the consulting engineer was procured (hired for the project)

Briefly describe the procurement process used to select the consulting engineer

Bond Counsel (Attorney) Name _____

Firm _____

Phone _____

E-mail _____

Financial Advisor Name _____

Financial Advisor Firm _____

Phone _____

E-mail _____

Other Consultant Name _____

Other Firm _____

Phone _____

E-mail _____

Is there a Private Operator contract or agreement in place for management and/or operation of the water or sewer system?

Yes

No

If yes, please identify private operator name

Name of firm _____

Date of Contract _____

Term of Contract _____

Person responsible for American Iron and Steel compliance monitoring

Name _____

Firm _____

Phone _____

E-mail _____

Person responsible for prevailing wage compliance monitoring

Name _____

Firm _____

Phone _____

E-mail _____

MPCA / MDH ENGINEER

Name _____

Phone _____

FORM 2A – PROJECT INFORMATION

Prior to receiving PFA approval, applicants must identify and establish dedicated source(s) of revenue sufficient to repay the PFA financing and to cover operational, maintenance and equipment replacement (O, M & R) costs for the drinking water and or sewer system. Applicants proposing to levy special assessments for the project will need to provide additional information as a part of the application. Please contact your loan officer for the PFA's special assessment guidance.

1. Discuss the problem/need and the proposed project.

2. Briefly describe the area to be served. Identify each local governmental jurisdiction (cities and townships) in the project area. For each jurisdiction, indicate who owns the collection or distribution system and how the billing is handled. Provide a map, if it helps define the service area.

3. Identify other municipalities (cities and townships) or service areas to be served in project area.

4. Discuss ownership of collection or distribution system and how charges are billed for services. Provide a map of the project area to clarify if necessary.

5. Identify the proposed non-PFA sources of financing for the project

Source	Amount Requested	Contact Person	Contact Phone	Status

6. Additional information on other sources of project financing:

7. Will the PFA eligible project be done as part of a larger infrastructure project that will be included in the same bid, share road construction costs, etc.? If so, please describe how the projects are related.

8. Identify whether the project site(s) needed for the project are owned by the applicant, leased by the applicant or other status: *(NOTE: after PFA financing is awarded a real property declaration will need to be filed with the county recorder's office unless a waiver is granted by Minnesota Management and Budget. An example declaration form and additional information is included in the Supplemental Application Information packet.)*

9. Will any part of the project occur on the public right-of-way or existing utility or transit corridors?

10. Will any part of the project occur in a trunk highway right-of-way?

11. Will easements or land be purchased for the project?

12. Discuss the financial condition of the water/sewer fund over the last three years (revenues, negative balances, existing debt, type of debt, changes in population and users).

13. Explain any situations that have caused the water/sewer fund to operate at a loss.

14. Identify steps the applicant has taken to address the loss.

15. Specify the sources of revenue that will be pledged to repay the PFA loan, including user charges, special assessments, tax levy and connection charges. If requested, provide preliminary cash flow and list assumptions used (see Forms 3d and 3e). Cash flow must include all existing debt related to the water and/or sewer fund, such as revenue notes and improvement notes issued for the system which the City is paying out of a separate debt service fund).

16a. Describe the current drinking water/sewer rates, including details on the rate structure (base rate, how many gallons are included in the base rate, minimum charges, billing cycle (monthly, quarterly), etc.).

16b. Describe any recent or planned rate increases.

16c. Identify the monthly use for the average residential household (in gallons).

16d. Discuss current charges for new connections and any recent or planned WAC/SAC increases.

17. Identify if special assessments are proposed to pay debt service. *(NOTE: If special assessments are proposed, the applicant will be required to provide additional information. Contact your PFA loan officer for more information and for a copy of the PFA special assessment guidance.)*

18. Identify status of special assessment hearings and notices (required under Minnesota Statutes 429).

19. Identify when special assessment revenue will be available for debt service payments. *(NOTE: Debt service payments begin within one year after approval of loan and are payable on February 20 and August 20.)*

20. Identify if tax levies are proposed to pay debt service.

21. Identify the year when tax levy revenue will be available for debt service payments.

22. Does the community have an asset management program for the drinking water and/or wastewater systems?

23. If so, briefly describe the asset management program, including how long the program has been in place.

24. Are you interested in financial assistance to enhance an existing or develop a new asset management plan for the drinking water and/or wastewater systems?

All borrowers are required, at a minimum, to post a public notice about the project and funding. The PFA will provide basic information about the project funding to the borrower at the time of loan award. The Supplemental Information Packet identifies options beyond the minimum requirement (physical signs, press releases, posters, etc.).

25. Identify how the applicant will meet the public notice requirement:

Post a public notice (minimum required) or;

Other notice (describe)

FORM 2B – PLEDGED SECURITY

The following questions are related to the type of security the applicant will issue to the PFA to secure the loan. The type of security pledged to the PFA may have an impact on the interest rate on the transaction (i.e. whether the bond is tax-exempt or taxable). Some of this information may not be known at the time the application is submitted, but it is needed before PFA can process the financing agreement.

Consult with your bond counsel to specify the type of debt instrument (i.e. General Obligation Revenue Note; General Obligation Improvement Note; taxable or tax-exempt) the applicant expects to issue to the PFA. General Obligation Revenue notes are generally backed by user fees, connection fees and other net revenues of the system. General Obligation Improvement notes are generally backed by at least 20% special assessments.

1. Identify the statutory authority (ies) to be used to issue the PFA debt. *Applicant should discuss with their bond counsel the Minnesota statutory authority/authorities that the applicant will use to issue the debt to secure the PFA transaction (i.e. MN Statutes 115, 429, 444, 475).*

2. Identify the type of general obligation bond that will be issued (i.e. improvement or revenue):

3. Identify whether the project has any significant wastewater contributors or a significant water users per the definitions included below. Note: Projects involving a significant wastewater contributor or significant water user must have an executed agreement that meets PFA standards to protect the financial interests of the borrower in the event the significant contributor or user curtails or ceases its operation.

4. If there is a significant wastewater contributor or significant water user per the PFA definitions, does the applicant have a significant user agreement with the contributor/user?

5. Identify whether the project has any private activity considerations involving a major private user. Projects that benefit a private business above the level permitted in the Federal Internal Revenue Service Code may cause bonds issued for the project to be considered private activity bonds. Projects that have any possible private activity considerations must consult with their bond counsel.

Does the project raise any possible private activity considerations? If yes, explain.

6. Identify whether the bond will be taxable or tax-exempt:

Definitions

Significant wastewater contributor means a nonresidential user of a municipal wastewater treatment system whose current wastewater flow or projected wastewater flow causes the need for the construction of the project, or whose wastewater contribution, after project completion, will exceed 50% of the wastewater treatment system's capacity.

Significant wastewater contributor agreement means a written agreement between a borrower and a significant wastewater contributor that will protect the financial interest of the borrower in the event the wastewater contributor curtails or ceases its operation. The agreement must include a secured, written guarantee by the significant wastewater contributor for its proportional share of the debt payments for the term of the Authority's loan with the Borrower.

Significant water user means a nonresidential user of a municipal drinking water system whose current water needs or projected water needs cause the need for construction of the project, or whose water intake after the project is completed will exceed 50% of the total gallons annually supplied by the water system.

Significant water user agreement means an agreement between a borrower and a significant water user that will protect the financial interest of the borrower in the event the water user curtails or ceases its operation. The agreement must include a secured, written guarantee by the significant water user for its proportional share of the debt payments for the term of the Authority's loan with the borrower.

ILLUSTRATION OF FORMS 3, AND 4

Please use the excel forms that are located on www.mn.gov/pfa under Infrastructure Funds and Programs (Clean Water or Drinking Water Revolving Fund), Forms tab.

Form 3a Annual Operation & Maintenance Costs

Minnesota Public Facilities Authority CWRP/DWRF Application Form 3a - Annual Operation and Maintenance Costs			
<i>Instructions: Fill in all yellow highlighted cells.</i>			Date: <input type="text"/>
Applicant Name: <input type="text"/>			
Current and estimated O&M costs for the applicant's <input type="text"/> system			
	Expenditures As Reported in Last Audit	Current Year Budget	Estimated When Project Begins Operation
Enter Year: <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Salaries	<input type="text"/>	<input type="text"/>	<input type="text"/>
Fringe Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>
Contracts	<input type="text"/>	<input type="text"/>	<input type="text"/>
Professional Memberships	<input type="text"/>	<input type="text"/>	<input type="text"/>
Training	<input type="text"/>	<input type="text"/>	<input type="text"/>
Subscriptions	<input type="text"/>	<input type="text"/>	<input type="text"/>
Printing/Publishing/Postage	<input type="text"/>	<input type="text"/>	<input type="text"/>
Electricity/Heating	<input type="text"/>	<input type="text"/>	<input type="text"/>
Chemicals and Supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>
Testing	<input type="text"/>	<input type="text"/>	<input type="text"/>
Equipment Replacement Reserve *	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	\$ -	\$ -	\$ -
Name of Person Filling Out This Form: <input type="text"/>			
Title: <input type="text"/>			
Firm/Organization: <input type="text"/>			
Phone: <input type="text"/>			
E-mail address: <input type="text"/>			
Date: <input type="text"/>			
* Annual amount budgeted for an equipment replacement reserve fund for repair/replacement of short-lived assets, such as pumps, motors, controls, sensors, etc.)			

Form 3b Annual Debt Service Costs

Minnesota Public Facilities Authority CWRP/DWRP Application Form 3b - Existing Annual Debt Service							
<p><i>Instructions: Identify each outstanding series of bonds (original par amount, bond type, year issued) and annual debt service (principal + interest) for the applicable system (drinking water/wastewater/stormwater). If bonds were issued for a combined project, identify the percentage issued for the applicable system.</i></p>							
Applicant Name: _____ -						Date: _____	
Existing Debt Service For _____ - System							
Par Amount (\$):							Total
Bond Type:							
Interest Rate (%):							
% for applicable system:							
Year Issued:							Debt Service
Current Year (2020)							-
2021							-
2022							-
2023							-
2024							-
2025							-
2026							-
2027							-
2028							-
2029							-
2030							-
2031							-
2032							-

Form 3c System Costs

Minnesota Public Facilities Authority CWRP/DWRF Application Form 3c - System Costs			
<p><i>Instructions: Fill in all yellow highlighted cells. Other cells will auto-fill.</i></p>			
Applicant Name: _____		Date: _____	
Project Name: _____		Estimated Project Cost: _____	
Project System: _____			
	Current Year	Year When Project Begins Operation	
1. _____ System Costs (Annual)			
A. Operation and maintenance (see breakout on Form 3a, totals will auto-fill here)	\$ -	\$ -	
B. System debt:			
i) Existing annual debt service for current year and when project begins operation			
ii) New debt for this project (fill in data below)		fill in at left	
Estimated Loan amount: _____			
Estimated interest rate: _____			
Term (max:20 yrs): _____			
C. Total annual system costs	\$ -	#VALUE!	
	Current	Estimated When Project Begins Operation	Estimated in 20 Years
2. Residential and Nonresidential Users			
A. Residential HH (billed individually):			
i) connections			
ii) ERU's (should equal connections):			
iii) percentage of system use:			
B. Other residential (multi-family, institutional):			
i) connections			
ii) ERU's			
iii) percentage of system use:			
C. Nonresidential:			
i) connections			
ii) ERU's			
iii) percentage of system use:			
Total			
i) connections			
ii) ERU's			
iii) percentage of system use:			
3. Average System Cost per Household			
i) average cost per household - annual			
ii) average cost per household - monthly			

Form 3d Cash flow Projection

Minnesota Public Facilities Authority CWRF/DWRF Application 3d Cash Flow Projection											
Applicant Name: _____				Requested PFA Loan Amount: \$ _____							
Project System: _____				Estimated Interest Rate: 0.00%				Loan Term (yrs): _____			
Person Completing Worksheet: _____				Date: _____							
EXPENSES						REVENUES					
Year	O, M & R	Existing Debt Service	New PFA Debt Service (105%)	Other:	Total Expenses	User Charges	Assess-ments	SAC / WAC	Other Revenues	Total Revenues	Surplus / Deficit*
2020					-					-	-
2021					-					-	-
2022					-					-	-
2023					-					-	-
2024					-					-	-
2025					-					-	-
2026					-					-	-
2027					-					-	-
2028					-					-	-
2029					-					-	-
2030					-					-	-
2031					-					-	-
2032					-					-	-
2033					-					-	-
2034					-					-	-
2035					-					-	-
2036					-					-	-
2037					-					-	-
2038					-					-	-
2039					-					-	-
2040					-					-	-
2041					-					-	-
2042					-					-	-
Assumptions:											
Inflation factor for O&M costs: _____				- If municipality is working with a financial advisor to analyze cash flows and rates, please provide that information in lieu of Form 3d.							
Inflation factor for user rates: _____											
Estimated No. of new connections per year: _____											
Estimated avg gallons per HH/month: _____				- NOTE: The PFA may request, after reviewing the application information, that the municipality conduct a rate study and provide a more detailed cash flow analysis than is provided on form 3d.							
Attach additional sheets if necessary											

Form 3e Future Capital Improvements and Planning

Minnesota Public Facilities Authority CWRP/DWRF Application			
3e Future Capital Improvements and Planning to Wastewater or Drinking Water System			
			Date: _____
Anticipated future capital improvements			
Year: _____	System: _____	Type: _____	Estimated Cost: _____
Year: _____	System: _____	Type: _____	Estimated Cost: _____
Year: _____	System: _____	Type: _____	Estimated Cost: _____
<p>Describe how the recipient identifies and prioritizes potential capital projects (through asset management plans, capital improvement planning, other) for the wastewater or drinking water system?</p> <div style="background-color: #ffff00; height: 100px; width: 100%;"></div>			
<p>Describe how the recipient proposes to pay for the capital projects (current system revenues, future PFA loan, other)?</p> <div style="background-color: #ffff00; height: 100px; width: 100%;"></div>			

Form 4a Clean Water Project Budget

Minnesota Public Facilities Authority CWRP Application Form 4a - Clean Water Project Budget (Wastewater Projects)							
Applicant: _____		Project: _____		Costs based on: <u>Select from list</u>		Date: _____	
	Start Date*	End Date	Total Requested From PFA	Other Funding (name source)	Other Funding (name source)	Other Funding (name source)	Total Project Cost
1. Non-Construction Costs							
A. Planning							-
B. Design							-
C. Inspection/Other Engineering							-
E. Develop Asset Management Program							-
F. Attorney/Financing Related Fees							-
G. Land							-
Non-Construction Subtotal			\$ -	\$ -	\$ -	\$ -	\$ -
2. Construction Costs ⁽¹⁾							
A. Secondary Treatment (I)							-
B. Advanced Treatment (II)							-
C. Infiltration/Inflow Correction (IIIA)							-
D. Sewer System Rehabilitation (IIIB)							-
E. New Collector Sewers (IVA)							-
F. New Interceptors (IVB)							-
G. CSO Correction (V)							-
H. Storm Sewer (VI)							-
I. Service Connections ⁽²⁾							-
Construction Subtotal			\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies (up to 5% of construction subtotal)							
3. construction subtotal							
Total			\$ -	\$ -	\$ -	\$ -	\$ -

* Provide a list of prior incurred costs (Form 4c) if the applicant will be seeking PFA reimbursement for costs incurred prior to the PFA award date.

Notes:

- (1) After as-bid project costs are known, a revised Form 4 must be submitted
- (2) Check with PFA loan officer regarding eligibility of private service connections.

Form 4b Drinking Water Project Budget

Minnesota Public Facilities Authority DWRP Application Form 4b - Drinking Water Project Budget							
Applicant: _____		Project: _____		Costs based on: <u>Select from list</u>		Date: _____	
	Start Date*	End Date	Total Requested From PFA	Other Funding (name source)	Other Funding (name source)	Other Funding (name source)	Total Project Cost
1. Non-Construction Costs							
A. Planning							-
B. Design							-
C. Inspection/Other Engineering							-
E. Develop Asset Management Program							-
F. Attorney/Financing Related Fees							-
G. Land							-
Non-Construction Subtotal			\$ -	\$ -	\$ -	\$ -	\$ -
2. Construction Costs ⁽¹⁾							
A. Treatment Facilities							-
B. Transmission/Distribution							-
C. Wells/Water Intake							-
D. Storage							-
E. Other							-
F. Service Lines ⁽²⁾							-
Construction Subtotal			\$ -	\$ -	\$ -	\$ -	\$ -
Contingencies (up to 5% of construction subtotal)							
3. construction subtotal							
Project Total			\$ -	\$ -	\$ -	\$ -	\$ -

* Provide a list of prior incurred costs (Form 4c) if the applicant will be seeking PFA reimbursement for costs incurred prior to the PFA award date.

Notes:

- (1) After as-bid project costs are known, a revised Form 4 must be submitted
- (2) Check with PFA loan officer regarding eligibility of private service connections.

Form 3a, 3b, 3c, 3d, 3e 4a, 4b, 4c – Instructions

Note: PFA has developed these Excel forms to assist the applicant in providing important financial information about the project and the infrastructure system. If you believe an alternate format would work better to provide this information, please discuss it with your loan officer.

Forms 3a, 3b, 3c, 3d (Cash Flow Projection) 4a, 4b and 4c are Excel spreadsheets with built-in formulas. Information on the forms is requested only for the type of system (i.e. drinking water, wastewater, or stormwater) for which the applicant is requesting loan funds. Information on Form 3a and 3c should be based on the actual system costs for the drinking water or wastewater system. The Excel spreadsheets can be found on www.mn.gov/pfa under Infrastructure Funds and Programs (Clean Water or Drinking Water Revolving Fund) “forms” tab. Note on Forms 3 and 4:

Note for Wastewater Projects: The information provided on these forms must be consistent with the applicant’s Facilities Plan as approved by the Minnesota Pollution Control Agency (MPCA).

FORM 3a: ANNUAL OPERATION, MAINTENANCE AND EQUIPMENT REPLACEMENT COSTS (O, M & r)

Complete all items marked in yellow. Use the dropdown box to identify the System Type. The form requests information on actual expenditures from the last audit; the current year estimate based on the budget; and, estimated costs when the project begins operation post construction. Show annual operation, maintenance costs and the amount annually budgeted for equipment replacement (short-lived assets). Do not include non-cash depreciation.

It is PFA’s expectation that borrowers include short-term equipment replacement costs (also referred to as short-lived assets) for their water and sewer systems by budgeting for these costs, setting aside the budgeted funds annually and making expenditures for the repair/replacement of these items when needed. On the line titled “Equipment Replacement Reserve”, identify the amounts expended in the last audit, the current year budget and estimate when project begins operation for these short-lived assets.

Identify the name of the person filling out the form, their title, organization, contact information and date form completed.

FORM 3b – DEBT SERVICE

Insert information in items marked in yellow, if there is debt related to the drinking water, wastewater or stormwater fund. Use the drop-down box to identify the system debt (drinking water, wastewater or stormwater).

If the system has existing debt (Revenue or Improvement), complete Form 3b and attach amortization schedules as requested in the Application Checklist. Identify the portion (%) applicable to the requested financing, for issues that have multiple purposes (water, sewer or stormwater). If an applicant has an alternative format available, submit the information with the application.

Please provide copies of the amortization schedules for all outstanding system debt.

FORM 3c – SYSTEM COSTS

Complete all items marked in yellow: information on Current year (unless project area is currently unsewered) and Year When Project Begins Operation.

Section 1 – System Costs (Annual)

Operation and maintenance costs will automatically fill in from Form 3a

Annual system debt service

- i) Existing annual debt service – identify debt service for the current year and when project begins operation. Identify the year for both.
- ii) New debt for this project: Fill in the requested loan amount, estimated interest rate and expected term for the proposed project

Total annual system costs are calculated on the form.

Section 2 – Residential and Non-Residential Users

Complete all items marked in yellow to accurately reflect all system users and their proportional share of use and charges.. If your system is based on a calculation of Equivalent Residential Connections (ERCs) or Equivalent Residential Units (ERUs) where one household equals one ERC/ERU, the residential percentage would be equal to the residential ERCs (households) divided by the total ERCs.

Section 3 – Average System Cost per Household – these numbers are automatically calculated on the form.

FORM 3d CASH FLOW PROJECTION

Form 3d Cash Flow Projection enables the applicant to demonstrate that revenues are sufficient to cover all system costs (existing debt, new debt and the operation costs of the system). The applicant may submit the information in an alternate form in lieu of completing the PFA cash flow projection. If alternative formats have been completed, contact your PFA loan officer.

Describe or attach the assumptions used for the cash flow projections such as:

- Number of new residential and non-residential connections/year (including SAC/WAC fees); future anticipated or scheduled capital improvements; inflation factor estimated for increases to user rates, operation and maintenance costs and reserve fund. Do the assumptions include reasonable estimates for volume usage by residents and anticipate changes in volume of water or sewer use over time based on historical trends, aging population, or other factors
- If the municipality is working with a financial advisor to analyze cash flows and rates, please provide that information in lieu of Form 3d.
- The PFA may request, after reviewing the application information, that the municipality conduct a rate study and provide a more detailed cash flow analysis than is provided on form 3d.

FORM 3e FUTURE CAPITAL IMPROVEMENTS & PLANNING

Identify planned future capital projects for the water or sewer system.

Describe how the recipient identifies, prioritizes and implements capital projects (through asset management planning or capital improvement plans, other)

Describe the proposed method for paying for the future capital improvements.

FORM 4a and 4b – PROJECT BUDGET

Please note there is a Form 4 for each program. Use Form 4a for the Clean Water Project Budget and Form 4b for the Drinking Water Project Budget. Identify source and amount of other funding. Form 4 will calculate totals. The budget form has “other funding” columns. Use these columns to:

- identify other funding sources for the eligible PFA project; and
- identify non-PFA funding for items that are ineligible for the PFA project.

Projects that involve both eligible and ineligible items may need a split sheet (consult with MDH, PCA or your loan officer) to identify the PFA-eligible project components.

After final project costs (as-bid costs) are determined, please submit a revised Form 4 that updates project costs with actual start and end dates.

FORM 4c – PRIOR INCURRED COSTS

Form 4c requests information on prior incurred costs, based on invoices, for which applicants expect to request reimbursement through the CWRP or DWRP loan. An updated form may be requested prior to loan award. Contact your loan officer for more information

FORM 5 – COMPLIANCE WITH FEDERAL AND STATE LAWS, RULES, REGULATIONS

As a condition of receiving funding, a Borrower is required to comply with certain state and federal laws, rules and regulations and to ensure that their contractor(s) also comply with these regulations, laws and rules, including, but not limited to the items identified below which will be invoked as a condition of the PFA loan in both the loan agreement and general obligation bond to be executed by the Borrower.

1. Title VI of the Federal Water Pollution Control Act, more commonly known as the Clean Water Act, as amended (Clean Water Revolving Fund recipients).
2. Safe Drinking Water Act (P.L. 93-523) (Drinking Water Revolving Fund recipients)
3. National Environmental Policy Act (P.L. 91-190 (1970)); National Historic Preservation Act (P.L. 89-665 as amended, 80 Stat. 917 (1966)); Archeological and Historic Preservation Act (P.L. 93-291(1974)); Protection of Wetlands, Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997); Flood Plain Management, Executive Order No 11988 (1977), as amended by Executive Order No. 12148 (1979); Farmland Protection Policy Act (P.L. No 97-98 (1981)); Coastal Zone Management Act (P.L. 92-583 (1972), as amended); Coastal Barriers Resources Act (P.L. 97-378, 96 Stat 1653 (1982)); Wild and Scenic Rivers Act (P.L. 90-542, 82 Stat. 913 (1968)); Endangered Species Act (P.L. 93-205 (1973), as amended); Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act (P.L. 94-265 (1976), as amended) and; Clean Air Act Conformity (P.L. 95-95 (1977), as amended).
4. Title VI of the Civil Rights Act of 1964 (P.L 88-352), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. Sec. 1251), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-1123, 87 Stat. 355, 29 U.S.C. Sec. 794), The Age Discrimination Act of 1975 (P.L. 94-135 Sec. 303, 89 Stat. 713, 728, 42 U.S.C. Sec. 6102), and subsequent regulations, ensures access to facilities or programs regardless of race, color, national origin, sex, age or handicap.
5. Executive Orders 11246, as amended by Executive Orders 11375 and 12086 and subsequent regulations. Prohibits employment discrimination on the basis of race, color, religion, sex or national origin. Inclusion of the seven clauses in Section 202 of E. O. 11246 as amended by E. O. 11375 and 12086 are required in all project related contracts and subcontracts over \$10,000.
6. Executive Orders 11625, 12138 and 12432; 40 CFR part 33 Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency (EPA) Financial Assistance Agreements; Section 129 of P. L. 100-590 Small Businesses Reauthorization & Amendment Act of

1988; Public Law 102-389 (42 U.S.C. 437d); a 1993 appropriations act ; Public Law 101-549, Title X of the Clean Air Acts

7. Amendments of 1990 (42 U.S.C. 7601 note). Encourages recipients to award construction, supply and professional service contracts to minority, women's business enterprises (MBE/WBE's) and small businesses and requires recipients to utilize affirmative steps in procurement.
8. Executive Orders 12549 and 12689, Subpart C of 2 CFR Part 180 and 2 CFR Part 1532 entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons)." Prohibits entering into contracts or sub-contracts with individuals or businesses that are debarred or suspended. Borrowers are required to check and keep a record of the status of all contractors (construction and professional services) and must require contractors to check and keep a record of the status of subcontractors for contracts expected to be equal to or over \$25,000 via this Internet address (or search the internet for System for Award Management): <https://sam.gov/SAM/pages/public/index.jsf>
9. Executive Order 13502, use of Project Labor Agreements for Federal Construction Projects.
10. 2 CFR part 200, Subpart F, which establishes audit requirements for state and local governments receiving federal funds.
11. Section 602 (b)(9) of the Clean Water Act, as amended, and 40 CFR Part 35, Subpart L, Section 35.3550(i) require Borrowers to maintain project accounts in accordance with generally accepted government accounting standards (GAAP), and to issue annual financial statements that include the reporting of infrastructure assets in accordance with GASB 34.
12. Section 504 of the Federal Rehabilitation Act of 1973, the Americans with Disabilities Act (ADA), Minn. Statutes 1990, Chapter 363 Minnesota Human Rights Act. Requires that all public spaces and programs be designed and constructed to be accessible to the physically handicapped.
13. Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and subsequent regulations found at 49 CFR Part 24. Identifies procedures for the acquisition of property and the relocation of persons and businesses.
14. Section 602(b)(6) of the Clean Water Act, as amended and section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)). Requires that all laborers and mechanics employed by contractors or subcontractors be paid wages at rates not less than those prevailing for the same type of work as

determined by the U. S. Secretary of Labor in accordance with the federal Davis-Bacon Act (46 Stat. 1494; 40 U.S.C., sec. 276a through 276a-5). Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Davis-Bacon Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

15. Section 608 of the Federal Clean Water Act, as amended and the Safe Drinking Water Act, as amended by America's Water Infrastructure Act of 2018 that requires all of the iron and steel products used in the CWSRF and DWSRF Projects are to be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the PFA has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the project.
16. Minnesota Statutes, Section 471.345, Uniform Municipal Contracting Law.
17. Minnesota Statutes, Section 16C.285, Responsible Contractor Requirements. Solicitation documents must include the specified language for all contracts advertised after January 1, 2015.
18. Minnesota Statutes, Section 574.26 to 574.32, the Public Contractors' Performance and Payment Bond Act, as applicable.
19. Minnesota Statutes sections 176.181 – 176.182. Requires recipients and subcontractors to have worker's compensation insurance coverage.
20. Minnesota Statutes, sections 177.41 – 177.43 (prevailing wage rate law). Requires that contractors pay laborers and mechanics prevailing wages established by the Minnesota Department of Labor and Industry for public works projects. Contractors or subcontractors failing to comply with the prevailing wage law may result in civil or criminal penalties.
21. Minnesota Statutes 290.9705. Requires that 8 percent of payments made to out-of-state contractors be withheld once cumulative payments made to the contractor for work done in Minnesota exceed \$50,000 in a calendar year, unless an exemption is granted by the Department of Revenue.
22. Minnesota Statutes, Chapter 13, the Minnesota Government Data Practices Act.

23. Minnesota Statutes Chapter 363A, the Minnesota Human Rights Act.

24. Minnesota Statutes, Chapter 16A.633, Subdivision 4, Report on Jobs Created or Retained.

The _____ (Name of Borrower) certifies that it has or will comply with the above requirements. Additionally, _____ (Name of Borrower) will include the PFA Contract Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the PFA Contract Packet into all construction contracts.

(Signature of Authorized Official) _____ Date

Form 5 – Compliance with Federal and State Laws, Rules, Regulations – Instructions

As a condition of receiving funding, borrowers are required to comply with certain federal and state laws, rules and regulations, including but not limited to those identified in Form 5 which will be invoked as a condition of the PFA loan in both the Bond Purchase and Project Loan Agreement and General Obligation bond to be executed by the borrower.

Important: By signing Form 5, Borrowers acknowledge that the PFA Contract Packet, applicable State of Minnesota Prevailing Wages and Federal Davis Bacon Prevailing Wages, American Iron and Steel contract language and State Job Reporting Requirements will be physically included in bid solicitations and incorporated into the contract(s) between the borrower and the selected contractor(s).

Review the compliances and have the borrower's authorized representative sign and date the form.

FORM 6 – DISADVANTAGED BUSINESS ENTERPRISE (DBE) CERTIFICATION, REQUIRED DBE PROCUREMENT & CONTRACT CONDITIONS

Borrowers that receive CWRP or DWRP funding must comply with federal requirements concerning DBEs (i.e. Minority and Women’s Business Enterprises (M/WBE) and Small Businesses in Rural Areas (SBRA)) with respect to procurement activities and contracts. The required contract conditions (see the Contract Packet) must be physically included in all bidding and contract documents. Additional information is in the Supplemental Application Information packet.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) REQUIREMENTS - DBE requirements apply to the project and borrowers and their prime contractors have specific obligations to meet DBE requirements.

All borrowers shall:

- Follow the Six Good Faith Efforts in all procurement activities and maintain documentation on file
- Include the PFA Contract Packet in all procurement documents. The PFA contract packet contains Required Contract Conditions, along with the Six Good Faith Efforts
- Require bidders to provide the borrower with information to create a Bidder’s List
- Create and maintain the Bidders List
- Sign and submit Form 6 – Disadvantaged Business Enterprise (DBE) Certification with the PFA loan application.
- Submit annual reports, if required by PFA, on DBE contract activity

All contractors shall:

- Follow the Six Good Faith Efforts in all procurement activities
- Comply with required Good Faith Efforts contract language; Include specific language in sub-contracts (included in the PFA Contract Packet)
- Comply with the required Contract Conditions (included in the PFA Contract Packet):

SIX GOOD FAITH EFFORTS

Borrowers and Prime Contractors must follow and document their good faith efforts in both the procurement process and by complying with specific contract language. The Six Good Faith Efforts listed below are to ensure that DBEs have the opportunity to participate in procurements, by increasing DBE awareness of procurement efforts, and outreach. A PFA borrower is required to make and document the following good faith efforts whenever procuring construction, equipment, services or supplies:

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities; including placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that

encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitation for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

3. Consider in the contracting process whether firms competing for large contracts could be subcontracted with DBEs. This will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take the steps in numbers 1 through 5 above.

BIDDERS LIST

All CWRP and DWRP borrowers must maintain a Bidders List for their projects. The purpose of a bidders list is to provide the borrower with as accurate a database as possible about the universe of Minority Business Enterprise/Women Business Enterprise (MBE/WBE) and non-MBE/WBE prime and subcontractors. The list must include all firms that bid or quote on prime contracts, or bid or quote subcontracts. The Bidders List must be updated during the disbursement phase of the project. The Bidders List must be retained as part of the project records.

The Bidders List must contain the following information:

- Name of Contractor or Subcontractor
- Contact Name
- Telephone
- E-mail address
- Mailing Address
- Identify the procurement on which the contractor or subcontractor bid or quoted
- Identify the date of the procurement
- Identify whether the contractor or subcontractor is a:
 - Minority Business Enterprise (MBE)
 - Women Business Enterprise (WBE)
 - non MBE or WBE

Form 6 –Disadvantaged Business Enterprise (DBE) Certification

The _____(Borrower) agrees it will follow the Six Good Faith Efforts for DBE participation and will require its contractor(s) to follow these steps and provide documentation to the Borrower. The Borrower will retain all documentation and make it available for inspection.

The Borrower agrees it will include the Required Contract Conditions and Good Faith Efforts in procurement contracts.

The Borrower agrees it will establish and maintain a Bidders List with the information items identified on the Bidders List for the disbursement phase of the project.

The Borrower agrees to submit semi-annual reports, if required, on forms provided by the Authority, of total contracts awarded for the semi-annual period and the amounts awarded to Disadvantaged Business Enterprises.

Signature of Authorized Representative

Title

Date

EXAMPLE APPLICATION RESOLUTION

RESOLUTION OF APPLICATION

BE IT RESOLVED that the City of _____ is hereby applying to the Minnesota Public Facilities Authority for a loan from the Clean Water Revolving Fund/Drinking Revolving Fund for improvements to its drinking water system/municipal wastewater treatment system as described in the loan application.

BE IT FURTHER RESOLVED that the City of _____ estimates the loan amount to be \$_____ or the as-bid cost of the project.

BE IT FURTHER RESOLVED that the City of _____ has the legal authority to apply for the loan, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life.

Reimbursement provision (see note below*)

BE IT FURTHER RESOLVED that the City of _____ hereby expresses its official intent to use proceeds of this loan to reimburse construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.

I CERTIFY THAT the above resolution was adopted by the _____ City Council on _____ (month, day, and year).

SIGNED: _____

WITNESSED: _____

Name _____

Name _____

Title _____

Title _____

*The reimbursement provision above is not an application requirement and should be deleted from the resolution if it is not the municipality's intent to reimburse itself for construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.