

Public Facilities Authority

Projects Summary

(\$ in thousands)

Project Requests for State Funds						Gov's Rec	Gov's Planning Estimates	
Project Title	Rank	Fund	2018	2020	2022	2018	2020	2022
Water Infrastructure Initiative: State Match for Federal Grants to State Revolving Loan Programs	1	GO	25,000	25,000	25,000	25,000	25,000	25,000
Water Infrastructure Initiative: Water Infrastructure Funding Program	2	GO	80,000	80,000	80,000	80,000	80,000	80,000
Water Infrastructure Initiative: Point Source Implementation Grants Program	3	GO	62,000	62,000	62,000	62,000	62,000	62,000
		OT	0	18,000	18,000	0	0	0
Total Project Requests			167,000	185,000	185,000	167,000	167,000	167,000
General Obligation Bonds (GO) Total			167,000	167,000	167,000	167,000	167,000	167,000
Other Funding (OT) Total			0	18,000	18,000	0	0	0

AT A GLANCE

- PFA manages revolving loan funds and grant programs to help local governments statewide build wastewater, storm water, drinking water and transportation infrastructure.
- Since 1990, PFA has made 1,000 loans to local governments totaling \$4.0 billion. These below-market-rate loans have provided an estimated \$894 million in interest savings to local governments and their residents.
- Over the past ten years PFA has awarded \$346 million in grants to local governments based on affordability criteria and to address specific environmental goals and objectives.
- PFA has allocated \$89.6 million within its clean water revolving fund to nonpoint source loan programs administered by other agencies. These funds have generated a total of \$250 million in loans to implement 18,416 best management practices.

PURPOSE

The Minnesota Public Facilities Authority (PFA) is a multi-agency authority that provides financing and technical assistance to local governments for infrastructure projects that support a **thriving economy that encourages business growth and employment opportunities, and a clean, healthy environment with sustainable uses of natural resources.**

PFA priorities are to 1) manage capital assets (currently \$2.4 billion) to ensure a stable source of infrastructure financing in perpetuity; 2) provide financing programs to support water quality, public health, and other priorities identified by PFA member agencies; and 3) help local governments maintain and improve the condition of their water infrastructure assets while keeping costs affordable for their residents.

STRATEGIES

The PFA Board is composed of commissioners of the Departments of Employment and Economic Development, Minnesota Management and Budget, Health, Agriculture, and Transportation, and the Pollution Control Agency. PFA manages its infrastructure financing programs to maximize economic, environmental, and public health outcomes. PFA partner agencies are responsible for determining project priorities, conducting technical and environmental reviews, and certifying approved projects to the PFA for funding.

PFA staff is responsible for determining that full project financing is in place and that the applicant has established dedicated revenues to pay debt service and operation and maintenance costs. When an application is approved and construction bids are accepted by the applicant, PFA executes a project financing agreement, disburses funds as eligible project costs are incurred, and collects loan repayments. During project planning and design stages, PFA coordinates funding activities with other state and federal partners to leverage resources and minimize duplication, administrative costs, and confusion for the applicants.

M.S. 446A (<https://www.revisor.mn.gov/statutes/?id=446A>) provides the legal authority for PFA.

At A Glance

- The Minnesota Public Facilities Authority (PFA) is a multi-agency authority that provides financing and technical assistance to local governments for infrastructure projects that support a thriving economy and a clean, healthy environment.
- The PFA manages three revolving funds, several grant and loan programs, and has authority to issue \$2.0 billion in revenue bonds to raise capital to make loans.
- All major programs are managed in conjunction with PFA member agencies, which establish priorities and provide technical review of projects before funding is approved.

Strategic goals of the PFA are:

- To maintain the credit quality (AAA rated) and viability of the PFA's revolving funds to provide a permanent source of stable and reliable financing for high priority infrastructure projects.
- To target PFA grant and loan funds and coordinate with other funders to address infrastructure needs that address state environmental and public health priorities.
- To help local governments maintain and improve their water infrastructure assets while keeping costs affordable for their residents.

Factors Impacting Facilities or Capital Programs

Factors affecting the demand for infrastructure financing include aging municipal infrastructure that is at or beyond its useful life, improvements needed to restore impaired waters and protect threatened waterbodies, improvements to address chemical and other contamination threats to drinking water systems and new standards to protect public health and safety, a growing awareness of water quality impacts from stormwater runoff and failing septic systems in unsewered communities, and population and economic trends and their effect on municipal budgets. In addition there are the challenges of meeting these needs while being mindful of the importance of energy and water conservation, all in the context of a global economy that puts pressure on communities to keep costs of public services priced competitively.

The PFA manages its clean water loan and grant programs in conjunction with the Pollution Control Agency (PCA). Funding priorities for all PFA clean water programs follow the PCA's Project Priority List (PPL) that ranks wastewater and stormwater projects based on age and condition of existing infrastructure and environmental and public health factors. The 2018 clean water PPL lists 302 projects totaling \$1.5 billion that are seeking funding for construction over the next five years.

The PFA manages its drinking water loan and grant programs in conjunction with the Department of Health (MDH). Funding priorities follow the MDH Project Priority List (PPL) that lists drinking water projects based on age and condition of existing infrastructure and public health factors. The 2018 drinking water PPL lists 369 projects totaling \$607 million that are seeking funding for construction over the next five years.

Self-Assessment of Agency Facilities and Assets

The PFA does not own or operate any facilities.

Agency Process for Determining Capital Requests

Local government requests for water infrastructure funding exceeds \$300 million per year for wastewater projects and \$200 million per year for drinking water projects. The CWRP and DWRP loan programs are the state's primary source of financial assistance to help local governments meet their water infrastructure needs, but the annual lending capacity of these revolving loan funds is far less than demand. Even with low interest PFA loans, project costs are unaffordable for many communities and grant funds are needed to reduce the level of borrowing needed.

State Matching Funds for USEPA Capitalization Grants. The PFA's highest priority capital request is for state matching funds to federal capitalization grants for the Clean Water and Drinking Water Revolving Funds. The requested amount will provide the required 20% match for estimated 2019-2020 federal grants and help build future lending capacity. State match appropriations are directly used to make loans to eligible projects. However the impact of the state appropriations is much greater due to the leveraged nature of the revolving loan programs through which the state funds support all loans. Overall, since the beginning of the programs, each \$1 of state matching funds has generated over \$13 in project construction and more than \$3 in interest savings for local taxpayers.

Water Infrastructure Fund. The Water Infrastructure Funding Program (WIF) provides supplemental grants to communities for high cost wastewater and drinking water projects. WIF grants help communities implement high priority projects that would otherwise be unaffordable. WIF grants are awarded in conjunction with PFA revolving fund loans or as match to USDA Rural Development funding for small rural communities. The PFA WIF request is based on estimated grant needs for projects expected to be ready for construction over the next two years.

Point Source Implementation Grants Program. The PSIG program provides grants to help cities upgrade treatment facilities to meet more stringent treatment requirements established by the Pollution Control Agency. The PFA PSIG request is based on estimated grant needs for projects expected to be ready for construction over the next two years.

The PFA capital requests were reviewed by the PFA Board on June 13, 2017 and were approved for submission to Minnesota Management and Budget.

Major Capital Projects Authorized in 2016 and 2017

During the period of FY 2016-2017, the PFA made loans and grants from the CWRF, DWRF, WIF, and PSIG programs to the following 68 local governments for water infrastructure projects:

Afton	Freeborn	Maynard	Rockford
Aitkin	Grand Lake Township	Menahga	Sacred Heart
Annandale	Hallock	Metropolitan Council	Saint Cloud
Atwater	Harmony	Minneota	Saint Francis
Big Lake	Henning	Minnetrista	Saint Paul
Blackduck	Heron Lake	Monticello	Seaforth
Burnsville	Hitterdal	Moorehead	Sherburn
Carlos	Jackson	Moose Lake	Stockton
Central Iron Range SSD	Kabetogama Township	New York Mills	Two Harbors
Cologne	Lanesboro	Nicollet	Vernon Center
Comfrey	Lewiston	North Mankato	Wadena
Crosby	Lincoln Pipestone Rural Wa	Ogilvie	Walker
Cuyuna	Littlefork	Oronoco Township	Warren
Eagle Bend	Lowry	Osakis	Waterville
East Grand Forks	Madison	Pelican Rapids	Waverly
Elk River	Madison Lake	Perham	Western Lake Superior SD
Eveleth	Mankato	Pipestone	Willmar

(\$ in thousands)

Water Infrastructure Initiative: State Match for Federal Grants to State Revolving Loan Programs**AT A GLANCE****2018 Request Amount:** \$25,000**Priority Ranking:** 1

Project Summary: The Public Facilities Authority (PFA) is requesting \$25,000,000 to provide the required 20% state match for estimated federal FY 2019-20 capitalization grants for the Clean Water Revolving Fund (MS 446A.07) and the Drinking Water Revolving Fund (MS 446A.081) and to build lending capacity to meet demand. The state and federal funds will be used with loan repayments and PFA revenue bonds to provide low interest loans to local governments for clean water and drinking water infrastructure projects.

Project Description

The Clean Water Revolving Fund provides financing for municipal wastewater treatment facilities, sewer collection systems and interceptors, and also for infiltration basins, rain gardens, and other components for stormwater treatment. Demand for clean water loans is driven by cities' need to replace aging facilities, provide additional treatment capacity, and meet more stringent treatment requirements including stormwater requirements.

The Drinking Water Revolving Fund provides financing for municipal drinking water systems, including treatment plants, water towers, watermains, wells and pump houses. Demand for drinking water loans is driven by the need to replace aging facilities, provide additional treatment to meet required public health standards, and replace old watermains to minimize water loss and contamination problems.

Each year the PFA receives funding requests for more than 200 wastewater, stormwater, and drinking water infrastructure projects totaling over \$400 million, more than double the sustainable long-term annual lending capacity of the Clean Water and Drinking Water Revolving Funds. Additional federal and state support is needed to build future lending capacity in order to continue to meet high priority water infrastructure needs.

The PFA's Clean Water and Drinking Water Revolving Funds have a proven track record as effective and efficient programs to finance municipal water infrastructure projects. The AAA ratings of the PFA's clean water and drinking water revenue bonds from Standard and Poors, Fitch, and Moody's reflects the financial strength of the Funds, the credit quality of Minnesota communities, and the PFA's experienced staff and sound financial management.

Project Rationale

The PFA's clean water and drinking water revolving loan programs are important infrastructure financing tools to help communities throughout the state reduce borrowing costs, while providing essential infrastructure to serve their residents and businesses and meet public health and environmental requirements. Under federal and state law, PFA loans are made at below-market

interest rates. Through FY 2017, the PFA has made low interest loans from these two revolving funds in excess of \$3.7 billion, resulting in interest savings to local taxpayers of over \$841 million compared to market rate financing.

Through the PFA's revolving loan programs, the impact of the state match funds is leveraged by federal funds, loan repayments, and the PFA's AAA rated revenue bonds. Overall, each dollar of state matching funds to date has generated over \$16 in project construction. The interest savings for local taxpayers from PFA low-interest loans is more than \$3 for every \$1 of state matching funds.

Project Timeline

N/A

Other Considerations

Eligible projects are prioritized based on environmental and public health criteria and ranked by the Pollution Control Agency (for wastewater and stormwater projects) and the Health Department (for drinking water projects) on their annual project priority lists, ensuring that limited funds are targeted to the highest priority projects.

Impact on Agency Operating Budgets

Operating costs for the Clean Water and Drinking Water Revolving Funds are paid from fees collected on loan repayments. These fees are 2% of the loan repayments due, not an additional cost to the borrowers. The revolving funds' costs include administrative expenses for these programs incurred by the PFA, the Minnesota Pollution Control Agency (MPCA), and the Minnesota Department of Health (MDH).

Description of Previous Appropriations

Prior appropriations for state match to US EPA capitalization grants:

1987	\$ 3,200,000
1989	\$ 4,700,000
1990	\$15,600,000
1992	\$ 7,500,000
1993	\$ 4,000,000
1994	\$13,400,000
1996	\$ 4,000,000
1997	\$ 4,444,000
1998	\$24,000,000
1999	\$ 2,200,000
2000	\$14,893,000
2002	\$16,000,000
2005	\$14,380,000
2006	\$38,800,000
2008	\$30,000,000
2010	\$30,000,000
2012	\$ 8,500,000
2013	\$ 8,000,000
2014	\$12,000,000
2017	\$17,000,000

Project Contact Person

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Governor's Recommendation

The Governor recommends \$25 million in general obligation bonds for this request. Also included are budget estimates of \$25 million for each planning period for 2020 and 2022.

Public Facilities Authority

Project Detail

(\$ in thousands)

Water Infrastructure Initiative: State Match for Federal Grants to State Revolving Loan Programs

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000
Funds Already Committed				
General Obligation Bonds	\$ 45,500	\$ 0	\$ 0	\$ 0
Other Funding	\$ 859,675	\$ 0	\$ 0	\$ 0
Pending Contributions				
Other State Funds	\$ 0	\$ 375,000	\$ 375,000	\$ 375,000
TOTAL	\$ 905,175	\$ 400,000	\$ 400,000	\$ 400,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Pre-design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 905,175	\$ 400,000	\$ 400,000	\$ 400,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 905,175	\$ 400,000	\$ 400,000	\$ 400,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 25,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Water Infrastructure Initiative: Water Infrastructure Funding Program**AT A GLANCE****2018 Request Amount:** \$80,000**Priority Ranking:** 2

Project Summary: The Public Facilities Authority (PFA) is requesting \$80,000,000 for the Water Infrastructure Funding (WIF) program (MS 446A.072). \$50,000,000 is for projects in the fundable range on clean water revolving fund (CWRF) intended use plans, and \$30,000,000 is for projects in the fundable range on drinking water revolving fund (DWRF) intended use plans. WIF grants supplement low-interest loans from the PFA's CWRF or DWRF or match funding from the U.S. Department of Agriculture Rural Development.

Project Description

WIF grants are targeted to the highest priority projects based on environmental and public health criteria as determined by MPCA or MDH through their project priority lists. The WIF program helps communities address their existing water infrastructure needs while keeping costs affordable for their residents.

WIF grants are not awarded until projects are ready to start construction. Each year that WIF funds are available, funds are reserved for projects in priority order after design plans and specifications are submitted and MPCA or MDH certification is received, or after a funding commitment from USDA Rural Development is received.

The unique state/federal partnership with USDA Rural Development helps coordinate assistance for small rural communities, making it easier for them to access funding. Providing WIF grants to match USDA Rural Development funding helps the Minnesota Rural Development office fund more projects and obligate all of its allotted federal funds, making it eligible to go to the national pool for additional funds for Minnesota communities. The Minnesota Rural Development office has been very successful in getting additional federal funds from the national pool because of the leveraging they are able to show with the state WIF funds.

Project Rationale

WIF grants are needed when high priority water projects would otherwise not be affordable for local residents based on criteria established in M.S. 446A.072, Subd. 5a. Municipalities that receive Clean Water Revolving Fund loans are eligible for WIF grants if the average per household system cost exceeds 1.4% of median household income. Municipalities that receive Drinking Water Revolving Fund loans are eligible for WIF grants if the average per household system cost exceeds 1.2% of median household income. For USDA Rural Development projects, the WIF program provides up to 65 percent of the grant need as determined by USDA Rural Development based on their affordability criteria for small rural communities. WIF grants are capped at \$5,000,000 or \$20,000 per connection, whichever is less, unless specifically approved by law. WIF eligible project costs include only those costs necessary to meet existing needs, not to address future growth.

Project Timeline

N/A

Other Considerations

The MPCA and MDH will finalize their 2018 project priority lists in July 2017. Those lists will include more than 70 projects that will carry over from the previous lists with unfunded WIF needs over \$60 million, plus approximately 130 new projects many of which will also need WIF grant funds to make their projects affordable. In the fall of 2017 the PFA will survey projects on the 2018 project priority lists to more accurately determine estimated WIF needs and project schedules for the PFA's biennial WIF report to the Legislature in February 2018.

Impact on Agency Operating Budgets

The WIF program is administered in conjunction with the PFA Clean Water Revolving Fund and Drinking Water Revolving Fund programs and follows the same project prioritization and funding processes. Administrative costs for these projects are paid from fees collected on loan repayments.

These fees are 2% of the loan repayments due, not an additional cost to the borrowers. For projects receiving WIF grants to match funding from USDA Rural Development, the state/federal partnership is a cost effective strategy that has USDA field staff undertaking most of the field work involved in monitoring and reviewing the projects through construction.

Description of Previous Appropriations

Prior appropriations for the WIF program:

1987	\$	3,240,951
1989	\$	390,000
1990	\$	380,970
1996	\$	17,500,000
1997	\$	7,000,000
1998	\$	15,300,000
1999	\$	20,500,000
2000	\$	17,300,000
2003	\$	13,500,000
2005	\$	26,903,338
2006	\$	22,996,039
2008	\$	15,028,056
2010	\$	27,000,000
2011	\$	20,000,000
2012	\$	15,000,000
2014	\$	18,333,000
2015	\$	10,000,000
2017	\$	55,000,000

Project Contact Person

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Governor's Recommendation

The Governor recommends \$80 million in general obligation bonds for this request. Also included are budget estimates of \$80 million for each planning period for 2020 and 2022.

Public Facilities Authority

Project Detail

(\$ in thousands)

Water Infrastructure Initiative: Water Infrastructure Funding Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	\$ 98,333	\$ 80,000	\$ 80,000	\$ 80,000
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 98,333	\$ 80,000	\$ 80,000	\$ 80,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Pre-design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 98,333	\$ 80,000	\$ 80,000	\$ 80,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 98,333	\$ 80,000	\$ 80,000	\$ 80,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 80,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A

Water Infrastructure Initiative: Point Source Implementation Grants Program**AT A GLANCE****2018 Request Amount:** \$62,000**Priority Ranking:** 3**Project Summary:** The Public Facilities Authority (PFA) is requesting \$62 million for the Point Source Implementation Grants (PSIG) program under MS 446A.073 to provide grants to help cities pay for treatment plant upgrades to address water quality restoration and protection goals.**Project Description**

The PSIG program provides grants for infrastructure construction projects needed to meet more stringent permit requirements to address specific water quality goals. The Public Facilities Authority (PFA) administers the program in partnership with the Pollution Control Agency (PCA). Proposed projects must be ranked on the PCA's project priority list (PPL) and the PCA reviews and approves projects prior to grant award. PFA does not award a grant until full project funding is in place, which may include local funds and other PFA funds.

Project Rationale

Through Minnesota's interagency water management framework, specific water bodies are identified where pollutant reductions are needed to meet water quality standards, and watershed restoration and protection strategies are developed to guide point source and nonpoint source implementation activities. The PSIG program provides grants to help municipalities construct wastewater, stormwater, and drinking water treatment projects when the Pollution Control Agency determines that higher levels of treatment are necessary to meet water quality goals. These include projects to meet Total Maximum Daily Load (TMDL) requirements and water quality based effluent limits for phosphorus, chlorides, and other pollutants.

Project Timeline

N/A

Other Considerations

The PFA and PCA track project completions by watershed. Through its monitoring and enforcement activities, the PCA verifies that completed projects meet the required permit limits and conditions, and monitors progress toward overall water quality goals through its watershed monitoring program.

Impact on Agency Operating Budgets

Administrative costs are paid partially from PSIG grant application fees of 1/2 of 1%, collected under MS 446A.04 Subd. 5. The PSIG program is administered in conjunction with the PCA's Clean Water PPL, so a portion of the Clean Water Revolving Fund loan fees can and is used for PSIG administration.

Description of Previous Appropriations

Previous appropriations for the PSIG program, and its predecessor the TMDL grant program, from FY

2012-2017 are shown below.

Clean Water (Legacy) Fund 2302:

FY 2012: \$11,185,000

FY 2013: \$11,185,000 less \$304,115.50 cancelled

FY 2014: \$9,000,000

FY 2015: \$9,000,000

FY 2016: \$9,000,000

FY 2017: \$9,000,000

FY 2018: \$5,182,000

FY 2019: \$10,568,000

G.O. Bond Fund 3605:

FY 2017: \$33,737,000

Project Contact Person

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Governor's Recommendation

The Governor recommends \$62 million in general obligation bonds for this request. Also included are budget estimates of \$62 million for each planning period for 2020 and 2022.

Public Facilities Authority

Project Detail

(\$ in thousands)

Water Infrastructure Initiative: Point Source Implementation Grants Program

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2018	FY 2020	FY 2022
State Funds Requested				
General Obligation Bonds	\$ 33,737	\$ 62,000	\$ 62,000	\$ 62,000
Other Funding	\$ 0	\$ 0	\$ 18,000	\$ 18,000
Funds Already Committed				
Other State Funds	\$ 73,816	\$ 15,750	\$ 0	\$ 0
Pending Contributions				
TOTAL	\$ 107,553	\$ 77,750	\$ 80,000	\$ 80,000

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2018	FY 2020	FY 2022
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 107,553	\$ 77,750	\$ 80,000	\$ 80,000
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 107,553	\$ 77,750	\$ 80,000	\$ 80,000

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2018	FY 2020	FY 2022
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 62,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	Yes
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	N/A
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)?	N/A
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	Yes
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A