Date: January 25, 2022

To: Public Wastewater, Stormwater, and Drinking Water Officials

Subject: Accepting Water Infrastructure Projects for 2023 Project Priority List and State Revolving Fund Loan (SRF) Intended Use Plans

Submissions are now being accepted to place public wastewater, stormwater, and drinking water infrastructure improvement projects on the 2023 Project Priority Lists (PPL) and Intended Use Plans (IUP) for the Clean Water and Drinking Water State Revolving Funds.

State funding programs for water infrastructure projects are administered by the Minnesota Public Facilities Authority (PFA), together with the Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Health (MDH). These include the State Revolving Funds, Water Infrastructure Fund (WIF) grants, Point Source Implementation Grants (PSIG) and the Small Community Wastewater Treatment Program. The PFA provides low interest loans and other funding to local governments for eligible projects based on priorities determined by the MPCA (for wastewater and stormwater projects) and the MDH (for drinking water projects).

The first step in the funding process is for a project to be listed on the appropriate PPL. The PPLs rank projects that will be ready for construction within the next five years. Projects are ranked in priority order based on the age and condition of existing infrastructure and environmental and public health criteria. All projects must be listed on the appropriate PPL to be eligible for any of the PFA funding programs.

For most projects, the second step in the funding process is to be listed on the appropriate State Revolving Fund IUP. The State Revolving Funds (SRFs) are the state’s largest funding programs and the majority of projects will receive at least a portion of funding through the SRFs. Cities and other system owners must request their projects to be placed on the appropriate 2023 IUP if they expect to be ready for construction and are seeking SRF financing in state fiscal year 2023 (July 1, 2022 to June 30, 2023).

The SRFs are supported by a combination of federal and state funding and revolving loan repayments. The recently adopted Federal Infrastructure Investment and Jobs Act (IIJA) will provide additional federal funding over the next five years through the State Revolving Funds. IIJA provides additional funds for SRF low interest loans and also for principal forgiveness grants based on WIF affordability criteria and for green infrastructure projects. IIJA also makes funding available for new SRF project categories to replace drinking water lead service lines and address emerging contaminants.
All funding will continue to follow the existing process, starting with projects requesting placement on the Project Priority Lists and Intended Use Plans. The funding process repeats each year. Projects that aren’t ready for the 2023 PPLs and IUPs can apply in a future year.

Deadlines are listed below for the PPLs and IUPs. Additional information and instructions are attached.

**Project Priority List – Clean Water Revolving Fund**
- Wastewater and stormwater projects
- Deadline: March 4, 2022 (on or before) to MPCA
  - PPL application and scoring worksheet
    - (Including supporting documentation, as required)
  - Wastewater facilities plans
  - Stormwater project plans
- See attachment

**Project Priority List – Drinking Water Revolving Fund**
- Drinking water projects
- Deadline: May 6, 2022 to Department of Health
- See attachment

**Intended Use Plans – Both Programs**
- Specify which program on submission
- Deadline: June 3, 2022 to Public Facilities Authority
- See attachment
Accepting Submissions from Wastewater or Stormwater Projects for the 2023 Clean Water Project Priority List

Proposals are being accepted to place wastewater or stormwater collection and treatment system projects on the Clean Water Project Priority List (PPL). **Projects must be on the PPL to be eligible to apply for low interest CWRF loans and other state grants and loans from the Minnesota Public Facilities Authority (PFA).** PFA financing is for municipal infrastructure investments which contribute to water quality benefits. Funding is not available for privately owned infrastructure.

**Please Note:** Projects on the 2022 PPL will automatically be re-listed on the 2023 PPL unless the project has received funding, requested removal or shown no progress in the past five (5) years. If necessary, please submit updated project costs, construction schedule, and PPL scoring parameters. It is to your advantage to keep all scoring information as current as possible.

**Green Project Reserve (GPR):** Projects believed to meet the GPR eligibility requirements as described in the PPL application forms should indicate their potential GPR eligibility in the PPL application and Intended Use Plan (IUP) request for placement.

**Procurement of Engineering Services:** A portion of projects funded by the CWRF must follow a Qualifications Based Selection (QBS) process for consulting engineering services. Applicants to the PPL are encouraged to follow a QBS process for engineering services.

Municipalities planning to start construction and receive CWRF financing before June 30, 2023, must also submit a request to the PFA to place the project on the 2023 IUP.

**IMPORTANT DEADLINES:**
- Wastewater Facilities Plans or Stormwater Project Plans are due to the MPCA (to ensure priority review) ..........................................................March 4, 2022 or before
- Request for Placement on 2023 PPL due to the MPCA ........................................March 4, 2022 or before
- Request for Placement on the 2023 IUP due to the PFA ........................................June 3, 2022 or before
- Wastewater Facilities Plans or Stormwater Project Plans preliminary approval by MPCA for 2023 IUP projects ........................................June 30, 2022 or before

To obtain necessary PPL instructions, application forms and general program information go to: [https://www.pca.state.mn.us/water/wastewater-and-stormwater-financial-assistance](https://www.pca.state.mn.us/water/wastewater-and-stormwater-financial-assistance)

For more information, to receive materials by postal mail or to ask questions, please contact:

Bill Dunn, Clean Water Revolving Fund Coordinator
Minnesota Pollution Control Agency
520 Lafayette Road North
Saint Paul, MN  55155-4194
651-757-2324 or bill.dunn@state.mn.us

✓ Submit all applications to: PPL.Submittals.PCA@state.mn.us
✓ Submit facilities plans and stormwater project plans to the MPCA assigned review engineer as well as PPL.Submittals.PCA@state.mn.us
Drinking Water Revolving Fund

Accepting Submissions for 2023 Project Priority List

The Minnesota Department of Health is soliciting requests to place new projects on the Drinking Water Revolving Fund (DWRF) Project Priority List (PPL). Projects must be on the list to be eligible for below-market rate DWRF loans and affordability grants to improve public drinking water systems. Typical projects include watermain, wells, water treatment plants and water towers. Funding is not for expansion of water systems to serve future growth or for fire suppression infrastructure.

- Submissions are easy to prepare. Go to https://www.health.state.mn.us/communities/environment/water/dwrf/ppl.html for instructions on what to submit, a general DWRF program overview and a simple example of a submission.

- Submissions are due at the Department of Health by Friday, May 6, 2022.

- Water system owners planning to start construction and receive DWRF financing before June 30, 2023, must also submit a request to the Public Facilities Authority (PFA) to place the project on the 2023 Intended Use Plan (IUP).

- For drinking water systems serving populations greater than 1,000, an up-to-date DNR Water Supply Plan (WSP) must be completed to be eligible for DWRF funding.

- **Note:** Currently, principal forgiveness grant funding is available for replacement of the privately-owned portion of lead service lines (LSL). Public water systems need to apply for the funding. The funding cannot be provided directly to the property owner. LSL replacement projects must be listed on the PPL and IUP in order to get funding. LSL projects can be tied of a watermain replacement project or can be funded as a stand-alone project.

- **Questions?** Contact Chad Kolstad at 651-201-3972 or chad.kolstad@state.mn.us
Clean Water Revolving Fund
Drinking Water Revolving Fund
Requests for Placement on the 2023 Intended Use Plans

The Minnesota Public Facilities Authority (PFA) is responsible for financial management of the Clean Water Revolving Fund (CWRF) and Drinking Water Revolving Fund (DWRF) programs and makes funding awards to eligible projects. Each year the PFA prepares an Intended Use Plan (IUP) for each program that lists the projects eligible to apply for loans. Wastewater and stormwater projects seeking CWRF loans must be listed on the Minnesota Pollution Control Agency’s (MPCA) Project Priority List to be eligible for placement on the IUP, and construction projects must have an approved facility plan. Drinking water projects seeking DWRF loans must be listed on the Minnesota Department of Health’s Project Priority List to be eligible for placement on the IUP.

The PFA is accepting requests through June 3, 2022 for placement on the 2023 IUPs. The 2023 IUPs will list projects that are expected to receive all necessary approvals and be ready to proceed in state fiscal year (FY) 2023 (July 1, 2022 to June 30, 2023).

The PFA will prepare the 2023 IUPs based on the requests received, the project priorities set by the MPCA and Department of Health, and the amount of loan funds available. There is no guarantee that all projects requesting placement on the 2023 IUPs will be placed in the fundable range and allowed to apply for loans.

The CWRF and DWRF are supported by a combination of federal and state funding and revolving loan repayments. In addition to regular funding, the 2023 IUPs will also include additional federal funding from the Infrastructure Investment and Jobs Act (IIJA) for low interest loans and principal forgiveness grants based on state affordability criteria and for green infrastructure. IIJA also makes funding available for new SRF project categories to replace drinking water lead service lines and address emerging contaminants. All funding will continue to follow the existing process, starting with projects requesting placement on the Project Priority Lists and Intended Use Plans.

A written request must be submitted to the PFA by June 3, 2022 to request placement on the 2023 CWRF or DWRF IUP. IUP requests should be sent to the appropriate PFA loan officer. See Regional Contacts (https://mn.gov/deed/pfa/contact/) for loan officer information. The request must be signed by a municipal official (mayor, clerk, administrator, etc.) of the municipality that will be issuing a general obligation bond to the PFA as security for the loan.
2023 Intended Use Plan Notice and Instructions (cont.)

For each separate project please provide the following information:

- The project name and description as it is (or will be) shown on the Project Priority List.
- The current project cost estimate and information about the status of any other sources of funds being sought or received (including any temporary financing).
- A project schedule showing the following estimated dates:
  - submittal of plans and specifications to the MPCA or Department of Health
  - bid advertising and bid opening dates
  - construction start
  - construction end

The PFA encourages clean water projects that improve water efficiency, energy efficiency, or mitigate stormwater runoff (Green Project Reserve – GPR). If applicable, the IUP request should provide the estimated cost of project components that address these issues as described in information provided by the MPCA.

General questions about the IUP process may be directed to Becky Sabie at 651-259-7470. Specific project financing questions should be directed to the appropriate PFA loan officer.