Minnesota Public Facility Authority (PFA)

- A multi-agency authority that provides infrastructure financing and manages revolving loan funds and grant programs for wastewater, drinking water and stormwater projects
  - Financing for publicly-owned facilities
  - Works in partnership with member agencies
    - Minnesota Pollution Control Agency (MPCA) – wastewater and stormwater treatment
    - Minnesota Department of Health (MDH) – drinking water
  - Coordinates with other state and federal agencies to fund projects
Roles & Responsibilities

• Partner Agency (MPCA/MDH)
  • Sets priorities
  • Ranks projects
  • Develop Project Priority Lists (PPLs)
  • Technical review (reviews plans/specifications)
  • Approve (certify) projects
  • Review, approve change orders

• Public Facilities Authority
  • Manage the funds
  • Review applications
  • Set interest rates, terms
  • Award financing, disburse funds
  • Collect payments
  • On-going monitoring, compliance, audit review
  • Prepares the Intended Use Plan (IUP) for the State Revolving Funds
All PFA programs follow MPCA and MDH Project Priority Lists (PPLs)

• State Revolving Funds
  • Clean Water Revolving Fund (CWRF)
  • Drinking Water Revolving Fund (DWRF)

• Water Infrastructure Funding (WIF)

• Point Source Implementation Grant

• Small Community Wastewater Treatment
Examples of projects/components

- Emergency generators, back-up wells, energy efficiency
- Inflow/Infiltration, replacing undersized pipes
- Regionalization & consolidation/connect to rural water systems, emergency interconnections (drinking water)
- Relocate treatment plants
- “Up-stream” work (non-point source loan programs – MPCA’s Clean Water Partnership, Agriculture’s Best Management Practices (AgBMP))

PFA has financed resiliency projects/components for many years

Eligibility determined by our partner agencies
State Revolving Funds (CWRF & DWRF)

- Low interest loans for clean & drinking water projects
- Secured by a general obligation revenue bond issued by borrower to PFA
  - Eligible applicants must be able to issue GO debt
- Terms – 20 years; up to 30 for high cost projects (not exceed useful life)
- Drawdown based on incurred costs
- Semi-annual debt service payments
State Revolving Funds (CWRF & DWRF)

- Can finance 100% of eligible project costs (as-bid, engineering, inspection)
- Federal/state requirements (bidding, prevailing wages, American Iron & Steel, Minority/Women Business Enterprises)
- Ongoing compliance for term of loan, independent audits, tax compliance certificates
State Revolving Funds (CWRF & DWRF)

- Schedule the same, year after year...
- Seek placement on the Project Priority List (Partner Agency)
- Seek placement on the Intended Use Plan (PFA)
- If in fundable range; submit loan application and plans/specs within 6 months of IUP approval
- Other funding agencies encourage use of the PPL (Small Cities, USDA RD)
Water Infrastructure Funding (WIF)

- State grants for high cost/high priority projects (DW & Wastewater)

- Two ways to access
  - Grants to match USDA Rural Development based on RD application process & funding criteria. If eligible for RD, must apply to RD
  - Grants combined with CWRF or DWRF when eligible system costs exceed 1.4% MHI; DW at 1.2% MHI

- Requires replacement fund ($0.50/1,000 gallons of flow) be set aside each year for future capital items
Point Source Implementation Grants (PSIG)

• Applications accepted in July

• 80% grants up to $7 M for the costs necessary to meet:
  • Total Daily Maximum Load (TMDL), phosphorus, other water quality-based effluent limits, total nitrogen limits
  • Check with PCA on project eligibility
Small Community Wastewater Program

- Funding to help communities replace non-complying septic systems and straight pipes with new cluster subsurface sewage treatment systems
- Publicly owned, operated and maintained
- Technical assistance grants up to $60,000 to evaluate options
- Construction loans and grants (affordability “WIF-like” formula)
## Case Studies

<table>
<thead>
<tr>
<th>City of Canby</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>882</td>
</tr>
<tr>
<td>Problem</td>
<td>Aging clay pipe with breaks and cracks that contributes to high inflow and infiltration</td>
</tr>
<tr>
<td>Funding Program(s)</td>
<td>Clean Water State Revolving Fund (CWSRF)</td>
</tr>
<tr>
<td></td>
<td>CWSRF - Loan (30 years at 1.0%)</td>
</tr>
<tr>
<td></td>
<td>CWSRF Principal Forgiveness</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>When Funded</td>
<td>Jul-18</td>
</tr>
<tr>
<td>Results/Status</td>
<td>Replacement and rehabilitation of sanitary collection system infrastructure (Phase 2 project). Project is under construction.</td>
</tr>
</tbody>
</table>
## City of Heron Lake

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>626</td>
</tr>
<tr>
<td>Problem</td>
<td>Potential public health due to lack of reliable water supply.</td>
</tr>
<tr>
<td>Funding Program(s)</td>
<td>Drinking Water State Revolving Fund (DWSRF)</td>
</tr>
<tr>
<td>DWSRF - Loan (30 years at 1.00%)</td>
<td>$ 450,962</td>
</tr>
<tr>
<td>WIF grant (PFA)</td>
<td>$ 1,264,615</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,715,577</td>
</tr>
<tr>
<td>When Funded</td>
<td>Aug-17</td>
</tr>
<tr>
<td>Results/Status</td>
<td>Connected to Red Rock Rural Water system and disconnected the existing water plant from the City's water system. Construction is complete.</td>
</tr>
</tbody>
</table>
### Cities of Kasson & Mantorville

<table>
<thead>
<tr>
<th>Population (combined)</th>
<th>7,332</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Mantorville's plant at end of useful life; Kasson's original plant not designed to handle excessive peak flows; issues with backups during rain events.</td>
</tr>
<tr>
<td>Funding Program(s)</td>
<td>PSIG (Kasson $489,494; Mantorville $1,875,338) $ 2,364,832</td>
</tr>
<tr>
<td></td>
<td>CWRF Loan (Kasson $2,875,500; Mantorville 468,834) $ 3,344,334</td>
</tr>
<tr>
<td></td>
<td>Total $ 5,709,166</td>
</tr>
<tr>
<td>When Funded</td>
<td>Nov-17</td>
</tr>
<tr>
<td>Results/Status</td>
<td>Upgrade to Kasson's plant, including work to address a more stringent phosphorus limit; Mantorville connect to Kasson thereby eliminating a discharge. Project is complete.</td>
</tr>
</tbody>
</table>
# Case Studies

## City of Waubun

<table>
<thead>
<tr>
<th>Population</th>
<th>400</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problem</strong></td>
<td>Potential public health problems due to aging watermains that have been subject to breaks, cracks and corrosion.</td>
</tr>
</tbody>
</table>
| **Funding Program(s)** | USDA Rural Development - Grant $1,289,000  
                       USDA Rural Development - Loan $1,284,000  
                       MN Small Cities Development Program grant (CDBG) $600,000  
                       WIF grant (PFA) $600,000 |
| **When Funded**  | Aug-18 |
| **Results/Status** | Project is beginning construction. |
| **Total**        | $3,773,000 |
Information & Resources

- [https://mn.gov/deed/pfa/](https://mn.gov/deed/pfa/)
- Becky Sabie PFA Program Coordinator 651-259-7470
- Bill Dunn, MPCA Program Coordinator 651-757-2324
- Chad Kolstad, MDH Program Coordinator 651-201-3972
Other Resiliency Projects

- Western Lake Superior Sanitary District, Metropolitan Council, Saint Cloud – energy related
- Faribault
- Le Sueur-Henderson
- St. Peter
- Minneapolis stormwater