

Clean Water Partnership Loan Program

Request for proposals

This document describes the **Clean Water Partnership (CWP) Loan Program**, including information on eligible applicants and program funding priorities. Additionally, there are examples of activities eligible for funding, and other information for project planning and instructions to submit a complete proposal. **Proposals may be submitted on a continuous basis. Loan awards will be approved based upon available loan funding.**

The Minnesota Pollution Control Agency (MPCA) reserves the right to amend this Request for Proposals (RFP) at any time. Issuance of this RFP does not obligate the MPCA to make any loan awards.

Table of contents

Request for proposals	1
I. Program overview	2
II. Funding	2
III. Loan sponsor eligibility	2
IV. Eligible and ineligible project activities	3
V. Environmental justice	4
VI. Proposed workplan review and loan award process.....	4
VII. Project sponsor and loan sponsor responsibilities.....	5
VIII. Proposal instructions	5
IX. Submission instructions	6
X. General terms.....	6
Proposed workplan evaluation score sheet	8
SSTS - only criteria	9

I. Program overview

The MPCA is accepting proposals for water resource projects to be funded through the CWP Loan Program. Proposals will be accepted from local governmental units (LGUs) and tribal nations interested in leading a project for protection or improvement of groundwater or surface water bodies from nonpoint sources (NPS) activities that are identified in state-approved watershed plan or strategy report (e.g., Watershed Restoration and Protection Strategy (WRAPS), One Watershed, One Plan (1W1P), Nine Key Element (NKE) plans, etc.) Activities and BMPs will support priorities described the [Minnesota's Nonpoint Source Management Program Plan \(NSMPP\)](#). Proposed projects awarded loan funds may begin project work after the loan agreement is executed and the final project workplan is approved. No reimbursable costs may be incurred prior to execution of the loan agreement.

Statutory authority

Project funding comes from the Clean Water State Revolving Fund (CWSRF). In 1987, the CWP was established to protect and improve surface water and groundwater in Minnesota through financial and technical assistance to LGUs. The CWP Loan Program is established under the CWP Law, Minn. Stat. §§ 103F.701 to 103F.755 and Minn. R. ch. 7076.

II. Funding

Approximately \$3.5 million of loan funds are available for fiscal year (FY) 2023 awards. The maximum loan award for a project is \$750,000, with the potential to amend up to an additional \$500,000 after 75% of the original loan is disbursed. The current interest rate for loans to LGUs is 1.5%. Match is not required for this loan program. The MPCA will disburse loan funds to the loan sponsor on an incurred cost reimbursement basis.

III. Loan sponsor eligibility

The loan sponsor is the LGU who will be responsible for the administration and the repayment of the loan. LGUs include counties, municipalities (cities or townships), tribes, watershed districts, and watershed management organizations in Minnesota.

Only LGUs that meet the following criteria are eligible to be a loan sponsor and apply for loans.

- LGU has the ability to pledge its full faith and credit to ensure repayment of a project implementation loan over the 7-year term of the loan
- LGU has the authority to generate cash revenues for the repayment of a loan
- LGU has the authority to enter into a loan agreement with the MPCA

Loan sponsors must also be in compliance with the terms and conditions specified in current or recent (since 2010) MPCA grant or loan agreements.

Joint powers entities composed of the previously mentioned LGUs are also eligible to be a loan sponsor if at least one member meets the eligible criteria and submits a resolution stating that they will participate in the project as a loan sponsor.

Loan repayment will begin after the project is completed on a semi-annual basis following the requirements of the loan agreement.

Project sponsors

Soil and water conservation districts and other entities that are not eligible to serve as a loan sponsor may serve as a project sponsor with an eligible LGU serving as the loan sponsor. The project sponsor is the entity that will manage the project.

IV. Eligible and ineligible project activities

Eligible project activities

Eligible activities are projects, activities, or equipment that must provide a *new or improved benefit* to water quality such as installation of a new practice, an activity, or a piece of equipment that will directly relate to water quality improvement, upgrade of existing equipment to increase its efficacy to address pollutants, or the upgrade of subsurface sewage treatment systems (SSTS). Activities must be included in a state-approved watershed plan or strategy report (e.g., WRAPS, 1W1P, NKE plans, etc.), or supported by a state-approved watershed plan or strategy report (e.g., stormwater assessment, lake assessment, etc.) as part of a specific implementation plan or as part of a described practices (e.g., water storage practices) and/or reflect the priorities of the [NPSMPP](#). Eligible activities and priorities are described in Section 4 on page 43 and itemized in Table 8 on page 45. Demonstration projects will be subject to review for eligibility and must be part of a watershed plan or strategy report, and/or addressing the priorities described in the NSMPP.

Eligible project costs must be reasonable, necessary, allocable to the project, and consistent with the objectives outlined in this proposal. Eligible project costs and activities include actual technical and administrative expenses, outreach/public participation and engagement, equipment, and other activities necessary to advance project implementation of water quality practices consistent with the purposes of these funds.

Ineligible project activities

Ineligible project activities include:

- Operation and maintenance of Best Management Practices (BMPs)
- Projects constructed, installed, or purchased prior to obtaining loan funds
- Practices on Confined Animal Feeding Operations (CAFOs)
- Activities funded by state or federal grants or loans for publicly owned treatment works, including that portion of a green infrastructure project that conveys water through a pipe without treatment
- Regulated practices including:
 - Practices to control spills of pesticides, fertilizer, petroleum, and related materials from bulk storage facilities
 - Practices to manage toxic or hazardous materials
 - Activities regulated by the state NPDES wastewater permit program
 - Activities regulated by a condition of a state solid waste or hazardous waste permit, or solid waste rules, or hazardous waste rules
- Land use and land management activities directly related to commercial operations and industrial processes including plant yards, access roads, drainage ponds, refuse piles, storage piles, and material product loading areas, excluding farming operations occurring on the farm itself
- Mining activities
- Building and utility construction
- Highway and road construction
- Activities intended primarily for flood control
- Purchase or use of suspected endocrine disruptor pesticides
- Activities utilizing existing water bodies as water quality treatment devices, except for mitigated wetlands
- Activities that violate local, state, and federal statutes, rules, and regulations

V. Environmental justice

The MPCA is committed to making sure that pollution does not have a disproportionate impact on any group of people — the principle of environmental justice. This means that all people — regardless of their race, color, national origin or income — benefit from equal levels of environmental protection and have opportunities to participate in decisions that may affect their environment or health. Because pollution disproportionately affects certain groups of people, preference points will be awarded to address environmental justice concerns.

The MPCA staff is available to help address this component.

See the MPCA map at

<http://mpca.maps.arcgis.com/apps/MapSeries/index.html?appid=f5bf57c8dac24404b7f8ef1717f57d00>

The [Recovery Potential Screening \(RPS\) Tool](#) or the [EJScreen](#) created by the EPA can assist in determining areas of environmental concerns as well.

Additionally, projects that address water quality concerns and provide improvements within Tribal boundaries are strongly encouraged.

VI. Proposed workplan review and loan award process

Proposed workplans for SSTS only activities will be reviewed for eligibility and approved by the MPCA leadership.

Proposed workplans for any combination of activities (BMPs and SSTS or BMPs only) will be reviewed by a committee composed of MPCA staff.

All loans will be evaluated using the following three-phase process.

Step 1 – Eligibility review

MPCA staff will determine if eligibility requirements are met. Any proposal with an ineligible loan sponsor or proposed project found to be ineligible will be eliminated from further evaluation.

Pass/fail criteria:

- Loan sponsor is eligible
- Project is eligible

Step 2 – Proposed workplan scoring

Only those loan sponsors and projects meeting the eligibility criteria under Step 1 will be considered for scoring in Step 2.

Proposals for only SSTS or LSTS projects will be evaluated on a pass/fail basis by MPCA leadership. All other projects, including projects with elements of SSTS/LSTS activities in addition to non-SSTS/LSTS activities, will be evaluated by a scoring team.

No activity or comments from proposed workplans regarding this RFP shall be discussed with any of the evaluation committee members during the evaluation of the proposal. A loan sponsor/project sponsor who contacts an evaluation committee member may have its proposed loan project disqualified. The State may request clarification from a proposer. The clarification must be made in writing, as the State will only use what is in writing for evaluation purposes.

For scored projects, reviewers will evaluate project proposals using the proposed workplan evaluation score sheet (Attachment A). Loan sponsors must receive at least 20 of the possible 38 points to be considered for a loan award.

Step 3 – Approve loan request

Only those loan sponsors/project sponsors/loan projects that are found to be eligible under Steps 1 and 2 will be considered in Step 3. Loan awards shall be made to proposals/projects that meet the eligibility criteria identified in Sections III and IV of this RFP and as loan funds allow.

Final review and decisions based on the pass/fail or scoring will be made by MPCA leadership.

The MPCA may accept, modify, or reject the recommendation of staff. In addition to the ability to partially award projects, the MPCA reserves the right to refrain from awarding any loans.

Notification

From the date of accepting a loan project workplan as complete and eligible for MPCA team review, the loan sponsor/project sponsor will be notified within 30 days as to whether their project proposal has been approved or denied.

VII. Project sponsor and loan sponsor responsibilities

Loan agreement

Awarded applicants must execute a loan agreement within 90 days of award notification. No loan funds will be disbursed until:

- Loan sponsor has submitted a signed loan agreement from project sponsor and loan sponsor
- Loan sponsor has secured and submitted a general obligation promissory note; including copy of the note; certified copies of all resolutions; and an opinion from recognized bond counsel
- CWP project workplan and budget has been finalized and approved by MPCA project manager
- Completed Categorical Exclusion from Environmental Review checklist and evidence of public posting has been submitted (for SSTS replacement projects only)

Note: No exceptions to the language in the sample loan agreement will be accepted.

Reporting requirements

All project sponsors must submit semi-annual reports for the duration of the loan agreement period. Reports are due on August 1 for the period covering January 1 through June 30 each year, and on February 1 for the period covering July 1 through December 31 each year. The final report is due 30 days after the end date of the loan agreement. No payments will be made if required reports are outstanding or not approved.

Applicable activity information must be entered into eLINK by February 1 and monitoring/analytical data, as applicable, must be entered in Environmental Quality Information System (EQUIS) by November 1 annually. The MPCA has developed an EQUIS format for an Electronic Data Deliverable (EDD). This format is called the MPCA LAB_MN and is available here: <http://www.earthsoft.com/products/edp/edp-format-for-mnpca/>. For MPCA projects, the contractor must develop the capability to provide the analytical data in the MPCA LAB_MN format within the first year of the contract.

Information about eLINK and EQUIS reporting can be found here <https://bwsr.state.mn.us/elink> and <https://www.pca.state.mn.us/data/environmental-quality-information-system-equis>.

VIII. Proposal instructions

The proposal must include all required elements and be submitted according to the submittal instructions.

Proposed submittal checklist

A complete workplan will consist of the following three documents:

- Completed proposed workplan in an editable Microsoft Word format (PDF format is not acceptable)

- Proposed budget in an Excel format (PDF format is not acceptable)
- Signed Project Sponsor Proposal Resolution Form (PDF is acceptable)

IX. Submission instructions

The completed proposed workplan and budget documents, along with project Sponsor Proposal Resolution Form must be sent electronically to CWP.Loan.PCA@state.mn.us.

The State is not responsible for any errors or delays caused by technology-related issues, even if they are caused by the State.

X. General terms

State of Minnesota prevailing wage requirements

It is the responsibility of the loan recipient, and any contractors they hire, to pay prevailing wages on construction projects to which state prevailing wage laws apply. All laborers and mechanics employed by loan recipients and subcontractors funded in whole or in part with state funds included in this RFP shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality.

Under Minn. Stat. §§ 177.43, subd. 3, and 177.44, subd. 5, the wages of laborers, workers, and the mechanics on projects financed in whole or part by CWSRF should be comparable to wages paid for similar work in the community as a whole. Project includes erection, construction, remodeling, or repairing of a public building or other public work financed in whole or part by State funds.

Any work on real property which uses the skill sets of any trades covered by Labor Code and Class under prevailing wages is construction and requires prevailing wages. See <http://www.doli.state.mn.us/LS/PrevWage.asp> for a list of affected trades.

Minn. Stat. § 177.43, subd. 7 states this does not apply to a contract or work under a contract under which:

- A. The estimated total cost of completing the project is less than \$2,500 and only one trade or occupation is required to complete the work
- B. The estimated total cost of completing the project is less than \$25,000 and more than one trade or occupation is required to complete it

Choose from commercial, highway/heavy, or residential wage rates

The current prevailing wage rates requirements may be found at <https://www.dli.mn.gov/business/employment-practices/prevailing-wage-information>.

Prevailing wage payroll information:

Under Minn. Stat. § 177.30, subd. 4, and § 177.43, subd. 3, the Contractor and Subcontractor must furnish to the Contracting Authority and the Project Owner:

- All payrolls, of all workers on the project, a certified payroll report via email as attachments, a State of Minnesota Prevailing Wage Payroll Report as a Microsoft Excel file, and Statement of Compliance Form as a PDF file with each applicable completed CWP Loan Disbursement Request Form.

The state of Minnesota Prevailing Wage Payroll Report and Statement of Compliance Form are available on the Materials Management Division website at <http://www.mmd.admin.state.mn.us/mn02000.htm>. Submit the completed and signed state of Minnesota Prevailing Wage Payroll Report as a Microsoft Excel file and the Statement of Compliance Form as a PDF file, no other payroll forms will be accepted to meet this requirement.

The prevailing wage payroll information forms that are submitted shall be maintained by the contracting agency for a minimum of three years after final payment has been made on the project. All data provided on the Prevailing Wage Payroll Information Form will be public data, which is available to anyone upon request.

Refer vendor questions regarding the Prevailing Wage Laws to the Department of Labor and Industry at 651-284-5091 or visit the website for Labor Standards Section, Prevailing Wage <http://www.doli.state.mn.us/LS/PrevWage.asp>.

Public data

Responses to this RFP are private or nonpublic until opened. Once the responses are opened, the name and address of the applicant and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process. After the MPCA has completed the evaluation process, all remaining data in the response is public with the exception of trade secret data as defined and classified in Minn. Stat. § 13.37. A statement by the applicant that the response is copyrighted or otherwise protected does not prevent public access to the response (Minn. Stat. § 13.599, subd. 3).

Definitions

Best management practices (BMPs): Behavioral actions taken or structural practices installed to benefit water quality.

Construction project: For the purposes of projects receiving state funding, “construction” is defined as any work on real property that uses the skill sets of any trades covered by Labor Code and Class under prevailing wages, see prevailing wages for list of affected trades.

Loan sponsor: The LGU who will be responsible for the administration and the repayment of the loan.

Nonpoint source (NPS): Unregulated sources of pollution.

Project sponsor: The entity that will manage the project.

Proposal: The workplan describing the work intended to be completed using loan funds.

SSTS-only: A project that will involve only replacement or upgrades of SSTS. No other BMPs or activities will be included in this abbreviated loan proposal.

Treatment works: Any municipally owned device or system used in the storage, treatment, recycling and reclamation of municipal waste or industrial waste.

Proposed workplan evaluation score sheet

A 40-point scale will be used to evaluate eligible BMP and BMP/SSTS combination proposals. Scores will be used in developing final funding recommendations. Applicants are encouraged to be concise in their proposal and to use this score sheet to evaluate their own proposal before submittal. This step is not required but may help applicants ensure their proposal addresses the criteria by which evaluators will score proposals.

Category and point assignment	Proposal score
<p>Project plan information: The extent to which the project proposal clearly identifies water quality concerns</p> <ol style="list-style-type: none"> 1. Water plans or strategy report (e.g., TMDL, WRAPS, 1W1P, local water plan, wellhead protection plan) that address this planning area are identified. 2. The type, location, and problem are specifically defined in the proposal. 3. How the groundwater or water body concerns are addressed in local and/or basin water plans are explained. 4. The proposal identifies specific water quality concern that will be addressed by the project. 5. Prioritization of projects, based on water planning, is clearly stated. 	(Maximum score: 10 points)
<p>Statement of problems, opportunities, and existing conditions: The extent to which the proposed project activities will lead to protection, enhancement, or restoration of the water of concern.</p> <ol style="list-style-type: none"> 1. The proposed project is likely to result in improved water quality protection, enhancement, or restoration. 2. Water quality data is cited and water quality standards are referenced. 3. Described how the project fits into the priorities of watershed planning. 4. Water of concern and its watershed have physical, hydrological, or other characteristics that can be restored or protected to improve or maintain water quality. 	(Maximum score: 8 points)
<p>Goals, objectives, tasks, and subtasks: The extent to which the proposed project activities are technically feasible relative to the cost of the project.</p> <ol style="list-style-type: none"> 1. Goal is clearly defined. 2. Project activities are clear. 3. Scope of the project appears manageable. 4. Timeline is reasonable. 5. Roles and responsibilities are clearly identified. 	(Maximum score: 5 points)
<p>Participation: The extent to which the proposed project demonstrates a high potential for project success based on participation, coordination, and cooperation between local governmental units, public agencies, and other local stakeholders within the project area.</p> <ol style="list-style-type: none"> 1. The proposal demonstrates community and political support for the project. 2. Outreach and communication with potential participants. 3. Links to other priorities and resources are shown and results can be communicated. 	(Maximum score: 3 points)

<p>Environmental justice: The project has intentional elements to reach those disproportionately affected by pollution.</p> <ol style="list-style-type: none"> 1. The targeted project area is within an area identified as an area of concern 2. There is a clear direction of how areas of concern will be targeted and engaged with the project. 	(Maximum score: 5 points)	
<p>Measurable outcomes: The extent to which the success of the proposed project can be quantified through measurable objectives.</p> <ol style="list-style-type: none"> 1. There is a reasonable chance for successfully reducing loading through the actions. 2. There is a concrete goal for this project. 3. Expected reductions are clearly defined. 4. Reduction estimates are reasonable. 5. The outcomes further the goals for the water body. 	(Maximum score: 5 Points)	
<p>Budget:</p> <ol style="list-style-type: none"> 1. The budget is clearly stated. 2. The budget is reasonable for the proposed activities. 	(Maximum score: 4 points)	
Total score	40 Points maximum	

SSTS - only criteria

Category and point assignment	Proposal score		
Are there SSTS concerns within the project area?	Yes/no		
<p>Does the application explain the locally defined priority criteria? All nonconforming/failing SSTS are eligible; however, special attention, etc. should be given to those SSTS that may have a greater environmental impact. Prioritization is especially important if choosing between projects, should that situation arise. Preference should be given to the most critical area (e.g., Proximity to impaired by bacteria water bodies (list these), potential impact to drinking water, priorities cited in local water plans, priorities cited in local water plans, shoreland zoning, and other environmental criteria not listed here).</p>	Yes/no		
Are the measurable results, including pollution reductions, clearly stated?	Yes/no		
Are any SSTS in an identified area of environmental justice concern?	Yes/no		
Does the LGU have a plan to promote and administer the SSTS program?	Yes/no		
Application	Pass	Pass, with requested clarification and/or improvement	Fail