

# Minnesota community options for water infrastructure financing

Managing wastewater, stormwater and drinking water supplies is important for the health and safety of any community. It can also make a difference to a community’s growth potential and environmental value, in terms of attracting new businesses, new residents and additional visitors. Achieving solutions is a complicated journey, requiring several steps to reach the destination. This flyer addresses one of the major steps – financing. Following is an outline of financing options for public entities. Use this matrix as a guide for researching financial options. Examine the requirements for each program and see if your entity qualifies. If so, contacting the funding agency is the first step toward an affordable solution that protects health and safety while enhancing your community.

## Wastewater/Stormwater



Program	Objective	Applicant	Uses	Population	Terms/conditions
	<b>Minnesota Public Facilities Authority</b> Becky Sabie, PFA Program Coordinator 651-259-7470 <a href="mailto:Rebecca.Sabie@state.mn.us">Rebecca.Sabie@state.mn.us</a> <a href="http://www.mn.gov/pfa">www.mn.gov/pfa</a>				
	<b>Minnesota Pollution Control Agency</b> Bill Dunn CWRP Program Coordinator 651-757-2324 <a href="mailto:bill.dunn@state.mn.us">bill.dunn@state.mn.us</a> <a href="http://www.pca.state.mn.us/ppl">www.pca.state.mn.us/ppl</a>				
<b>Clean Water Revolving Fund (CWRP)</b> Minn. R. ch. 7077, Minn. Stat. § 446A.07 and 116.16	<b>Loans</b> for municipal wastewater and stormwater projects.	Cities, counties, townships, sanitary districts. Projects must be listed on the Minnesota Pollution Control Agency (MPCA) project priority list (PPL) and Public Facilities Authority (PFA) Intended Use Plan.	Build, repair and improve public wastewater collection and treatment systems. Build or improve public stormwater collection and treatment systems.	No cap or minimum.	Below market interest rates, repayment period is 20 years and, in some cases, 30 years. Green Project Reserve (GPR) may provide principal forgiveness for 25% up to \$1 million for energy efficiency or green infrastructure type projects.

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<b>Water Infrastructure Fund (WIF)</b> Minn. Stat. § 446A.072	<b>Grants</b> to package with CWRF <b>loans</b> or to match <b>USDA-RD</b> grants to provide gap financing for high cost projects.	Cities, counties, townships, sanitary districts. Must be listed on the MPCA PPL.	Build, repair and improve public wastewater collection and treatment systems.	No cap or minimum.	Provides up to \$20,000 per connection or \$5 million per project if average annual residential costs exceed 1.4% of MHI. Recipients must establish system replacement fund for \$0.50 per 1,000 gallons.
<b>Point Source Implementation Grant (PSIG)</b> Minn. Stat. § 446A.073	<b>Grant</b> funds for projects: <ol style="list-style-type: none"> <li>1. Required by a total maximum daily load (TMDL).</li> <li>2. To achieve 1 mg/L or less phosphorus discharge limit.</li> <li>3. Meet water quality based effluent limit.</li> <li>4. Achieve 10 mg/L or less nitrogen.</li> </ol>	Cities, counties, townships, sanitary districts. Must be listed on the MPCA PPL. Drinking water projects must also be on the Minnesota Department of Health (MDH) PPL. Applications due in July.	Build, repair and improve public water infrastructure to comply with objectives.	No cap or minimum.	Provides up to 80% of eligible PSIG costs up to \$7 million maximum.
<b>Small community – Technical assistance</b> Minn. Stat. § 446A.075	<b>Grant</b> funds to determine options and feasibility for non-complying Subsurface Sewage Treatment System (SSTS).	Cities, counties, townships, sanitary districts. Must be listed on the MPCA PPL.	Conduct site evaluations, and analyze feasibility of installing new individual or community soil based systems.	Intended for small communities but no cap or minimum.	Grant is \$20,000 plus \$1,000/household not to exceed \$60,000.
<b>Small community – Construction</b> Minn. Stat. § 446A.075	<b>Loan</b> and <b>grant</b> funds to build community soil- based treatment systems in unsewered areas where private fixes are not feasible.	Cities, counties, townships, sanitary districts. Must be listed on the MPCA PPL.	Build publicly owned individual and community SSTS to fix problems in unsewered areas.	Intended for small communities but no cap or minimum.	\$2,000,000 maximum assistance. One percent interest, maximum loan term is 20 years. Grant assistance is based on affordability.

**Additional loan resources for non-NPDES permit infrastructure projects**



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<p><b>Clean Water Partnership (CWP)</b> Minn. R. ch. 7076, Minn. Stat. § 103F.7</p>	<p><b>Loans</b> for addressing nonpoint source pollution.</p>	<p>Local government units authority to generate revenues in order to repay loan (cities, counties, townships, watershed districts, sanitary districts, etc.) and tribal governments.</p>	<p>Build, design, and install best management practices to address NPS pollution, including, SSTS replacements, testing and replacement of private service laterals and water softeners.</p>	<p>No cap or minimum.</p>	<p>Zero percent interest loans for a three-year implementation period (with potential fourth year extension) and 10-year semiannual repayment.</p>

## Drinking Water

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	<p><b>Minnesota Public Facilities Authority</b>                      Becky Sabie                      Program Coordinator                      651-259-7470  <a href="mailto:Rebecca.Sabie@state.mn.us">Rebecca.Sabie@state.mn.us</a>  <a href="http://mn.gov/deed/government/public-facilities/funds-programs/">http://mn.gov/deed/government/public-facilities/funds-programs/</a></p>				
	<p><b>Minnesota Department of Health</b>                      Chad Kolstad                      DWRF Program Coordinator                      651-201-3972  <a href="mailto:Chad.Kolstad@state.mn.us">Chad.Kolstad@state.mn.us</a>  <a href="https://www.health.state.mn.us/dwrf">https://www.health.state.mn.us/dwrf</a></p>				
<p><b>Drinking Water Revolving Fund (DWRF)</b>                      Minn. R. ch. 4720,                      Minn. Stat. § 446A.081</p>	<p><b>Loans</b> for community public drinking water infrastructure projects.</p>	<p>Cities, regional and rural water systems, and community public water supplies. Projects must be listed on the MDH PPL and PFA Intended Use Plan.</p>	<p>Build, repair and improve public drinking water infrastructure.</p>	<p>No cap or minimum.</p>	<p>Below market interest rates, repayment period is 20 years, in some cases, 30 years.</p>
<p><b>Water Infrastructure Fund (WIF)</b>                      Minn. Stat. § 446A.072</p>	<p><b>Grants</b> to package with DWRF <b>loans</b> or to match <b>USDA-RD</b> grants to provide gap financing for high cost projects.</p>	<p>Cities, counties, townships, sanitary districts. Must be listed on the MDH PPL.</p>	<p>Build, repair and improve public drinking water systems.</p>	<p>No cap or minimum.</p>	<p>Provides up to \$20,000 per connection or \$5 million per project if average annual residential costs exceed 1.2% of MHI. Recipients must establish system replacement fund for \$0.50 per 1,000 gallons.</p>

Program	Objective	Applicant	Uses	Population	Terms/conditions
<b>Point Source Implementation Grant</b> Minn. Stat. § 446A.073	<b>Grant</b> funds for projects: <ol style="list-style-type: none"> <li>1. Required by a TMDL.</li> <li>2. To achieve 1 mg/L or less phosphorus discharge limit.</li> <li>3. Meet water quality based effluent limit.</li> <li>4. Achieve 10 mg/L or less nitrogen.</li> </ol>	Cities, counties, townships, sanitary districts. Must be listed on the MPCA PPL and the MDH PPL. Applications due in July.	Build, repair and improve public water infrastructure to comply with objectives.	No cap or minimum.	Provides up to 80% of eligible PSIG costs up to \$7 million maximum.

## Wastewater, Stormwater and Drinking Water

Program	Objective	Applicant	Uses	Population	Terms/conditions
	<p><b>U.S. Department of Agriculture Rural Development (USDA RD)</b>                      Terry Louwagie                      Community Programs Director                      651-602-7810  <a href="mailto:Terry.Louwagie@mn.usda.gov">Terry.Louwagie@mn.usda.gov</a>                      Contact information for regional offices: <a href="https://www.rd.usda.gov/mn">https://www.rd.usda.gov/mn</a></p>				
<p><b>Water and waste disposal</b></p>	<p><b>Direct loan and grant:</b>                      Provides wastewater financing in rural areas to the most financially needy applicants, resulting in reasonable user rates.</p>	<p>Public entities, Indian tribes and non-profit corporations.                      Apply to Rural Development.</p>	<p>Build, repair and improve public wastewater collection and/or treatment systems.                      Also other related costs.</p>	<p>Rural areas, cities and towns with up to 10,000 population.</p>	<p>Interest rate is set quarterly based on an index of current market yields for municipal obligation. Repayment period is a maximum of 40 years. Grant funds may be available.</p>
	<p><b>Minnesota Department of Employment and Economic Development</b>                      Natasha Kukowski                      SCDP Unit Manager                      651-259-7461  <a href="mailto:natasha.kukowski@state.mn.us">natasha.kukowski@state.mn.us</a>                      Federal funding administered by state agency                      Contact information for regional offices: <a href="http://mn.gov/deed/government/financial-assistance/community-funding/">http://mn.gov/deed/government/financial-assistance/community-funding/</a></p>				
<p><b>Small Cities Development Grant Program</b></p>	<p>Grant that addresses public facility needs, principally benefiting low to moderate income households.</p>	<p>Cities, townships and counties.</p>	<p>Public facility improvements, such as water systems, sewer systems.</p>	<p>Cities with a population under 50,000, counties, and townships with an unincorporated population of fewer than 200,000.</p>	<p>Maximum grant is \$600,000. Must benefit low and moderate income persons or households.</p>