



Public Notice

Federal ARRA Funds for Clean Water and Drinking Water Infrastructure Projects

The State of Minnesota expects to receive approximately \$72 million for clean water infrastructure projects and \$35 million for drinking water infrastructure projects from the recently enacted American Recovery and Reinvestment Act (ARRA) of 2009. The Minnesota Public Facilities Authority (PFA) will award ARRA funds to eligible projects by following the general eligibility requirements and funding process for the Clean Water Revolving Fund (CWRF) and Drinking Water Revolving Fund (DWRF). The funds will be administered by the PFA in coordination with the Minnesota Pollution Control Agency (MPCA) for clean water projects and the Minnesota Department of Health (MDH) for drinking water projects.

Eligibility

To be eligible for ARRA funds, projects must be listed on the Project Priority List prepared by the MPCA (for clean water projects, i.e., wastewater or stormwater) or MDH (for drinking water projects), and must be listed in fundable range on the PFA's CWRF or DWRF Intended Use Plan. Applicants must be local units of government for publicly owned clean water or drinking water infrastructure projects, or public water suppliers for community or non-community drinking water projects.

Loans and Grants

Federal law provides for both loans and grants to be made from the ARRA funds. The PFA intends to provide small base grants to all eligible projects, with additional grant funds potentially available based on affordability criteria. For most projects, the majority of project financing will be in the form of low interest loans with discounts from market rates as provided in PFA rules.

Timing and Readiness to Proceed

The ARRA establishes a goal to have 50 percent of the funds awarded to projects under construction within 120 days of enactment, and all funds must be awarded no later than February 17, 2010. The PFA will award ARRA funds to eligible projects in the order that they are ready to proceed. Ready to proceed means the project has been certified by MDH or PCA and as-bid costs have been submitted to the PFA. When ARRA funds are no longer available, the PFA will continue to fund projects with regular CWRF and DWRF funds to the extent projects are eligible for those funds.

Additional Project Requirements

In addition to the standard requirements of the CWRP and DWRP, the ARRA establishes additional requirements, including federal prevailing wages (Davis-Bacon) and Buy American requirements for iron, steel, and manufactured goods.

Amendments to 2009 Intended Use Plans

Due to the availability of additional funds through the ARRA, the PFA intends to amend its 2009 CWRP and DWRP Intended Use Plans (IUPs) to add additional projects from the 2009 Project Priority Lists (PPLs). Projects requesting to be added to the amended 2009 IUPs must plan to start construction by summer 2009. Projects seeking to be added to the 2009 CWRP IUP must have a facility plan approved by the MPCA and must be ranked with 35 points or more on the 2009 Clean Water PPL. Projects seeking to be added to the 2009 DWRP IUP must be ranked with 5 points or more on the 2009 Drinking Water PPL.

Draft amendments to the 2009 IUPs are posted on the PFA website at www.positivelyminnesota.com/community/assistance/pfa.htm. Municipalities wishing to add additional projects to the 2009 IUP amendments must submit requests to the PFA by March 27, 2009.

2010 Project Priority Lists and Intended Use Plans

The MPCA and MDH are currently accepting proposals until May 1, 2009 to list new projects on the 2010 Clean Water and Drinking Water PPLs. Projects on the 2010 PPLs that intend to begin construction between July 1, 2009 and June 30, 2010 may request placement on the 2010 IUPs by submitting requests to the PFA by June 5, 2009.

Green Infrastructure Projects

In accordance with the ARRA, the PFA will set-aside 20% of the ARRA funds for projects that address green infrastructure, energy and water efficiency improvements, or other environmentally innovative activities. These projects must be listed on the Clean Water or Drinking Water PPLs and must meet all other program and ARRA requirements. Local units of government seeking ARRA funds for these types of projects must submit proposals to be listed on the 2010 PPLs to the MPCA or MDH by May 1, 2009. Contact the MPCA or MDH at the numbers listed below for additional information on possible green infrastructure projects.

For More Information

For more information about potentially eligible projects and placement on the 2010 PPLs, contact:

Clean Water Projects

Bill Dunn, MPCA

651-757-2324

www.pca.state.mn.us/water/wastewater-financial.html

www.health.state.mn.us/divs/eh/water/dwrf/index.html

Drinking Water Projects

John Schnickel, MDH

651-201-4658

For more information about project financing and placement on the IUPs, contact the PFA loan officer for your area as shown on the PFA website shown above or call 651-259-7469.