



Minnesota community options for water infrastructure financing


Managing wastewater, stormwater and drinking water 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 journey requiring several steps to reach the destination. The 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.

Clean Water (Wastewater/Under-sewered or Un-sewered/Stormwater)



Program	Objective	Applicant	Uses	Population	Terms/conditions
	Minnesota Public Facilities Authority Karin Berkholtz Deputy Director 651-274-1742 Karin.berkholtz@state.mn.us www.mn.gov/pfa				
	Minnesota Pollution Control Agency Pam Foster CWRF Program Administrator 218-302-6619 pamela.foster@state.mn.us www.pca.state.mn.us/ppl				
Clean Water Revolving Fund (CWRF) Minn. R. ch. 7077, Minn. Stat. §§ 446A.07 and 116.16	Loans 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 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 projects.

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Water Infrastructure Fund (WIF) Minn. Stat. § 446A.072	Grants to package with CWRP loans or to match USDA-RD 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.
Point Source Implementation Grant (PSIG) Minn. Stat. § 446A.073	Grant funds for projects: 1. Required by a total maximum daily load (TMDL). 2. To achieve 1 mg/L or less phosphorus discharge limit. 3. Meet water quality based effluent limit. 4. Achieve 10 mg/L or less total nitrogen.	Cities, counties, townships, sanitary districts. Must be listed on the MPCA PPL. Drinking water treatment plant 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.
Small community – Technical assistance Minn. Stat. § 446A.075	Grant 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.
Small community – Construction Minn. Stat. § 446A.075	Loan and grant 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 (National Pollutant Discharge Elimination System) permit infrastructure projects



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Clean Water Partnership (CWP) loan Minn. R. ch. 7076, Minn. Stat. § 103F.7	Loans for addressing nonpoint source (NPS) pollution.	Local government units authority to generate revenues in order to repay loan (cities, counties, townships, watershed districts, sanitary districts, etc.) and tribal governments.	Build, design, and install best management practices to address NPS pollution, including: SSTS replacements, testing and replacement of private service laterals and water softeners.	No cap or minimum.	1.5 percent interest loans for a three-year implementation period (with potential fourth year extension) and 7-year semiannual repayment.
<div>  <div> Minnesota Department of Agriculture AgBMP Loan Program 651-201-6618 AgBMP.Loans@state.mn.us www.mda.state.mn.us/agbmploan </div> </div>					
Agricultural Best Management Practices (BMP) loan	Loans for addressing nonpoint source pollution.	Rural citizens, farmers, rural landowners, and agriculture supply businesses	BMP's to prevent or reduce runoff from feedlots, farm fields, and other pollution problems identified by the county in local water plans. Replacement of failed Sub-surface sewerage Treatment Systems (SSTS)	No cap or minimum.	Local lenders participating in the Ag BMP program are responsible for setting terms and conditions. Typically, 10 year term.

Drinking Water

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	<p style="text-align: center;">Minnesota Public Facilities Authority Karin Berkholtz Deputy Director 651-274-1742 Karin.Berkholtz@state.mn.us http://mn.gov/deed/government/public-facilities/funds-programs/</p>				
	<p style="text-align: center;">Minnesota Department of Health Todd Johnson DWRP Program Coordinator 218-308-2110 Todd.Johnson@state.mn.us https://www.health.state.mn.us/dwrf</p>				
Drinking Water Revolving Fund (DWRP) Minn. R. ch. 4720, Minn. Stat. § 446A.081	Loans for community public drinking water infrastructure projects.	Cities, regional and rural water systems, and community public water supplies. Projects must be listed on the MDH PPL and PFA Intended Use Plan.	Build, repair and improve public drinking water infrastructure.	No cap or minimum.	Below market interest rates, repayment period is 20 years, in some cases, 30 years.
Water Infrastructure Fund (WIF) Minn. Stat. § 446A.072	Grants to package with DWRP loans or to match USDA-RD grants to provide gap financing for high cost projects.	Cities, counties, townships, sanitary districts. Must be listed on the MDH PPL.	Build, repair and improve public drinking water systems.	No cap or minimum.	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.

Program	Objective	Applicant	Uses	Population	Terms/conditions
Point Source Implementation Grant Minn. Stat. § 446A.073	Grant funds for projects: 1. Required by a TMDL. 2. To achieve 1 mg/L or less phosphorus discharge limit. 3. Meet water quality based effluent limit. 4. Achieve 10 mg/L or less total nitrogen.	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 a Wastewater NPDES permit limit.	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 style="text-align: center;">U.S. Department of Agriculture Rural Development (USDA-RD) Terry Louwagie Community Programs Director 651-602-7810 Terry.Louwagie@mn.usda.gov Contact information for regional offices: https://www.rd.usda.gov/mn</p>				
	Water and waste disposal Direct loan and grant: Provides wastewater financing in rural areas to the most financially needy applicants, resulting in reasonable user rates.	Public entities, Indian tribes and non-profit corporations. Apply to Rural Development.	Build, repair and improve public wastewater collection and/or treatment systems. Also other related costs.	Rural areas, cities and towns with up to 10,000 population.	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 style="text-align: center;">Minnesota Department of Employment and Economic Development Natasha Kukowski SCDP Unit Manager 651-259-7461 natasha.kukowski@state.mn.us Federal funding administered by state agency Contact information for regional offices: http://mn.gov/deed/government/financial-assistance/community-funding/</p>				
	Small Cities Development Grant Program Grant that addresses public facility needs, principally benefiting low to moderate income households.	Cities, townships and counties.	Public facility improvements, such as water systems, sewer systems.	Cities with a population under 50,000, counties, and townships with an unincorporated population of fewer than 200,000.	Maximum grant is \$600,000. Must benefit low and moderate income persons or households.