

Clean Water Revolving Fund Loan Program

Guidance document

Please note: the Minnesota state Fiscal Year is from July 1 – June 30

This document is intended to expand upon the steps of the overview flowchart for the Clean Water Revolving Fund Program (CWRF). You can find the CWRF Program flowchart here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-59.pdf>

A word about deadlines:

It is important to note that the deadlines listed in this guidance document and on the overview flowchart for the CWRF program are the **last** dates to submit the materials required in that step. It is always an option—and is always encouraged by the Minnesota Pollution Control Agency (MPCA)—to submit the material to the MPCA **before** those deadlines.

Submitting the required material early gives the engineers at the MPCA more time to review your submittal and makes it more likely that they will have the chance to finish their review within the required timeframes. MPCA engineers review projects in the order that they are submitted. As such, in a program where stormwater improvement projects are competing for limited financial resources and financial assistance is in high demand, it is beneficial to you to submit your materials early.

Step one – Apply to the MPCA for placement on the Project Priority List for the coming Fiscal Year.

After determining that your project is eligible for a CWRF loan, the first step in the process is to submit a complete Project Priority List (PPL) application and scoring worksheet to the MPCA. The PPL is a list on which projects eligible for state financial assistance are ranked according to a score given to the project using the PPL Stormwater Projects Scoring Worksheet. The PPL Stormwater Projects Scoring Worksheet was created using the environmental criteria contained in Minn. R. ch. 7077. This ranking determines the priority order for projects to receive funding when the available CWRF funds are distributed each Fiscal Year (FY) by the Public Facilities Authority (PFA).

Minn. R. ch. 7077 can be found here: <https://www.revisor.mn.gov/rules/?id=7077>

It is important to note that placement on the PPL does not guarantee that your project will get funded in that FY. Getting a score on the PPL is just the first step that lets the PFA know who is looking for financial assistance that FY. There is great demand for financial assistance for clean water projects—as such, the PFA must set a fundable range for eligible projects each FY. The fundable range is not a set point value. There are a number of factors that affect where the cutoff line is drawn each year, including how much total funding is available for the PFA to distribute. The finalized PPL for the current FY is usually published by the MPCA in the month of September.

It is during this application process that you would also identify your project as Green Project Reserve (GPR) eligible if you think your project meets the criteria required. The GPR is intended to address:

- Green infrastructure
- Water efficiency improvements
- Energy efficiency improvements
- Other environmentally innovative activities

If you believe that your project addresses one of those four categories, additional subsidization of your project in the form of principal forgiveness of up to 25% of your loan with a maximum of \$1 million. This additional subsidization is awarded in priority order. The GPR is addressed in question 5 of the PPL Stormwater Application. Additional guidance on the GPR, including examples of projects that would be and would not be eligible in each of the four applicable categories, can be found here:

<https://www.pca.state.mn.us/sites/default/files/cw-grn-guidance.pdf>

What you need to do:

1. Fill out and submit to the MPCA a PPL Stormwater Application.

Deadline: First Friday in March

The application form can be found here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-33.doc>

2. Fill out and submit to the MPCA a PPL Scoring Worksheet – Stormwater.

Deadline: First Friday in March

The scoring worksheet can be found here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-36.doc>

For additional information and guidance when filling out the PPL Stormwater Projects Scoring Worksheet, please refer to the PPL Scoring Worksheet Guidance Document:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-61.pdf>

What does the MPCA do during Step one?

After you submit the PPL Stormwater Application and the PPL Scoring Worksheet – Stormwater to the MPCA, a stormwater engineer at the agency will review your submittal and assign your project a PPL score based on the information you submitted.

It is important to submit all of your application materials on time and to respond promptly to the MPCA if additional information is requested. This gives the MPCA engineer time to finalize your project's score by June 1 in order to get your project listed on the PPL for the coming FY. Having a score by June 1 also gives your project eligibility to apply to the PFA's Intended Use Plan (IUP) if your project is moving forward in the coming FY.

Step two – Submit a Stormwater Project Plan to the MPCA for preliminary approval to be eligible for placement on the Intended Use Plan if looking to start construction on your project within the coming Fiscal Year.

While you are submitting your PPL application and PPL Stormwater Scoring Worksheet to the MPCA, you should also be working on putting together a Stormwater Project Plan for your project if you are planning to proceed within the next year. Preliminary Project Plan approval from the MPCA is necessary before your project can be placed on the PFA's IUP (described in Step three), which is an important step for any project looking to start construction within the coming FY. Please keep in mind that the Minnesota state FY runs from July 1 to June 30.

Important note: The Stormwater Project Plan process requires both conducting an environmental review and obtaining a formal resolution by your local municipality's governing body adopting the Stormwater Project Plan. Both of these components of the Stormwater Project Plan can be time intensive. It is important to plan ahead for these aspects of your Stormwater Project Plan to ensure that you have enough time.

The environmental review process required in this step involves completing an Environmental Information Worksheet (EIW) and the MPCA putting a summary of that EIW out for public comment in a 30-day public notice period. The EIW must be completed in order for the MPCA to grant your project preliminary approval.

However, it is important to note that the public notice aspect of the environmental review process does **not** need to be completed in order for your Stormwater Project Plan to receive that preliminary approval. As such, you are still eligible for placement on the IUP without it.

The public notice period for your environmental review is completed by the MPCA at a later step in the process and must be completed for the MPCA to issue final approval for the Stormwater Project Plan. This public notice involves the MPCA releasing a summary of the EIW that you complete to a list of parties that may have an interest in this project for a public comment period of 30 days. The addresses of the interested parties are provided by you as part of the complete Stormwater Project Plan.

You can find the EIW form here: <https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-20.doc>

As a part of completing the EIW, your project will need to undergo a Section 106 review to consider the effects of the proposed project on historic properties listed in or eligible for listing in the National Register of Historic Places.

You can find guidance on completing the Section 106 Review here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-50.doc>

What you need to do:

1. Submit a completed Stormwater Project Plan to the MPCA for preliminary approval.

Deadline: First Friday in March

A checklist outlining what is needed in the Project Plan can be found here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-57.doc>

What does the MPCA do during Step two?

After you submit your Stormwater Project Plan for your project, a stormwater engineer from the MPCA will thoroughly review your submittal. They will be looking to make sure that all of the information requested in the Stormwater Project Plan checklist is included in the submittal and that there are no major red flags with the proposed stormwater treatment system.

If your submittal contains all the required items and follows accepted engineering practices, the MPCA engineer will give your Stormwater Project Plan preliminary approval. This preliminary approval does not lock your project in to that design as strictly as a final Project Plan approval will further along in the process, but you will need to notify your MPCA engineer if there are any major deviations from the submitted Stormwater Project Plan.

Step three – Apply to the Public Facilities Authority for placement on the IUP if looking to start construction on your project within the coming Fiscal Year.

After successfully submitting your Stormwater Project Plan for preliminary approval by the MPCA and getting scored on the PPL for the coming FY, you are now eligible to apply to the PFA for placement on their IUP for the coming FY. The IUP is a list assembled each FY by the PFA that identifies projects and activities that the PFA intends to fund from the CWRP during the state FY. As such, projects looking to be placed on the IUP should be projects that expect to close on a loan with the PFA within the coming FY.

It is important to note that placement on the IUP does not guarantee that your project will get funded in that FY. Placement on the IUP only indicates that your project is *eligible* to apply for and receive a CWRP loan. There is great demand for financial assistance for clean water projects. As such, the PFA must set a fundable range for projects on the IUP each FY. The fundable range is not a set point value—there are a number of factors that affect where the line is drawn each year.

What you need to do:

1. Submit to the PFA a written request signed by an official of the municipality that will be the borrower for the loan for your project.

Deadline: First Friday in June

The IUP application can be found on the PFA website under the IUP tab here:

<https://mn.gov/deed/pfa/funds-programs/cleanwaterrevolvingfund.jsp>

Both the IUP and the PPL for a given FY are released as drafts in July or August. After the draft lists are released, they will be open to public comment. This public comment period provides an opportunity for applicants to request that information on the IUP be updated or corrected before the lists are released in their final forms. The draft IUP and PPL are usually finalized by mid- to late-September.

Step four a. – Submit Plans and Specifications to the MPCA for approval and project certification.

Step four in the CWRF process involves two separate steps, one involving the PFA and the other involving the MPCA, that are happening at the same time. The portion of Step four that involves the MPCA is the submittal of full Plans and Specifications for your project. The Plans and Specifications that you will submit are intended to be final plans for your project that show the MPCA exactly what you intend to build. This level of detail is necessary for the MPCA to certify to the PFA that your project meets accepted engineering standards and is likely to function as stormwater treatment as intended.

An important component of the Plans and Specifications that you submit in this step in the process is the detailed cost estimate for the project, including operation and maintenance costs. Caution should be used when developing this best estimate so as not to underestimate the costs of the project—the loan amount awarded for your project will either be the as-bid construction costs for the project (submitted to the PFA during Step four b. in the process) **or** the engineer's best estimate that is submitted during this step, whichever is **less**.

Something to note—you will not be required to submit as-bid costs as part of the Plans and Specifications submittal in order to be certified by the MPCA. The administrative, bidding, and contract documents that you **do** need to submit as part of the Plans and Specifications include the documents that will be used to advertise the bid, an unsigned copy of a 100% performance bond document to be signed by the chosen contractor, and any contract documents required by the PFA.

For additional information, visit the PFA website (<https://mn.gov/deed/pfa/funds-programs/cleanwaterrevolvingfund.jsp>), or get in touch with your PFA loan officer.

What you need to do:

1. Submit a full set of Plans and Specifications for project certification.

Deadline: 6 months after the final approval of the IUP (usually at the end of March)

You can find a checklist outlining what is needed in the Plans and Specifications for your project here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-55.doc>

The contents of the Plans and Specifications checklist are taken from Minn. R. 7077.0279. If you would like to read the exact language, the rule can be found here:

<https://www.revisor.mn.gov/rules/?id=7077.0279>

What does the MPCA do during Step four a.?

After you submit your full Plans and Specifications for the project, a stormwater engineer from the MPCA will thoroughly review your submittal. They will be looking to make sure that all of the information requested in the Plans and Specifications Checklist is present and that the designs for your project's treatment system meet accepted engineering standards. The PFA needs assurance from the MPCA that your project is well-designed and is likely to function as intended so that state funds are not allocated to projects that will not have a positive impact on water quality.

Additionally, the MPCA engineer will be looking to make sure that the Plans and Specifications submitted did not change significantly from the preliminarily approved Stormwater Project Plan for the project. If significant design changes have occurred, the MPCA will ask the project proposer to amend their Project Plan to be consistent with the final Plans and Specifications. If the designs match up and the Plans and Specifications Checklist is complete, the MPCA engineer will grant final approval to the Stormwater Project Plan and the Plans and Specifications. This final approval locks the project in to the design presented in the Project Plan and Plans and Specifications documents.

After an MPCA engineer and the MPCA CWRP coordinator have completed their review and certified your project, you can expect to receive:

1. A copy of a certification form that the MPCA sends to the PFA to notify them that the project has been certified.
2. A letter from the MPCA officially notifying you that your project has been certified and that your Project Plan and Plans and Specifications have been given final approval

It is important to note that before the MPCA can grant final Project Plan approval the public notice period—a span of 30 days during which the public can submit comments and receive responses—for the required environmental review process must be completed. You do not have to worry about putting the environmental review out on public notice yourself. The MPCA will put a summary of the environmental review out on notice using the list of addresses provided by you as part of the Stormwater Project Plan.

Additionally, the MPCA must receive the signed formal resolution stating that the project has been approved by the governing body of your local municipality before final Stormwater Project Plan approval can be granted.

Step four b. – Submit a Clean Water Revolving Fund loan application to the PFA.

The second part of Step four involves you interacting directly with PFA rather than the MPCA. While you are assembling the Plans and Specifications for your project, you should also be working on a loan application for the PFA. The loan application deals with the administrative aspects of the funding process that need to be completed before you can receive your loan and begin construction.

You should be in contact with your PFA loan officer during this step in the process. A map specifying which loan officer you should contact for your region of the state can be found under the Regional Contacts tab here: <https://mn.gov/deed/pfa/contact/>

What you need to do:

1. Submit a completed loan application to the PFA.
Deadline: 6 months after the final approval of the IUP (usually at the end of March)

The loan application form can be found on the PFA website under the Forms tab here: <https://mn.gov/deed/pfa/funds-programs/cleanwaterrevolvingfund.jsp>

Note: You do not have to be certified by the MPCA to submit a loan application to the PFA. However, you **do** need to have both components of Step four complete before a loan can be received for your project.

What happens if you do not move forward with your project by the 6-month deadline following the release of the finalized IUP?

If your project has not advanced to the point where you are ready to submit Plans and Specifications and apply to the PFA by the 6-month deadline, you will not receive funding within that FY. In that scenario, you must wait until the next FY and reapply to the PFA for placement on the next IUP.

Step five – Begin construction of the project. Submit inspection reports to the MPCA.

Once you have completed the administrative aspects of receiving your loan with the PFA, you can begin the actual construction phase of the project.

Important note: If you need a Construction Stormwater (CSW) General Permit for your project through the MPCA, you must obtain permit coverage **before** you start any earth disturbing activities. Your project will need a CSW General Permit if your project is disturbing 1 or more acres of land during the construction of your treatment system. It is also important to note that your project will need to go through a more extensive review process (up to 30 days) to obtain permit coverage if your project disturbs greater than or equal to 50 acres and is located within one mile of and drains to a special or impaired water.

The CSW General Permit application can be found under the Permit and Forms tab here:

<https://www.pca.state.mn.us/water/construction-stormwater>

What you need to do:

1. Submit inspection reports to the MPCA throughout the duration of construction for the project.

Deadline: Monthly

The monthly inspection reports should be completed by the project's Resident Inspector and submitted to the MPCA engineer that has been working with you throughout the project. The Monthly Inspection Report Form can be found here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-53.doc>

2. Submit any change orders necessary for the project to the MPCA for approval.

Deadline: Before enacting the change

It is important to submit a change order any time that the project is significantly changed from the Plans and Specifications that were approved by the MPCA.

What does the MPCA do during Step five?

The MPCA will conduct at least one on-site visit during the construction of your project. The engineer that does the inspection is going to be looking for confirmation that the treatment system that is being constructed matches up with the planned treatment system that was approved by the MPCA during the CWRP application process. Additionally, the engineer is going to be looking to see that the appropriate sediment and erosion control measures are in place and functional on the construction site.

It is important that you communicate project timelines with the MPCA engineer throughout the life of the project. The ideal time for the on-site inspection during the construction process is while the actual stormwater treatment system is being built. This provides the most insight for the engineer conducting the inspection.

Step six – Notify the MPCA, in writing, of the completion of your project.

After you have completed construction of the designed stormwater treatment system, you must notify the MPCA of the completion. This written notification serves as the date of Initiation of Operation for stormwater projects and so serves as the start date for the yearlong Performance Period for the treatment system.

The Performance Period for the newly constructed stormwater treatment system is intended to show that the treatment system is still operating as designed and will continue to do so in the future. There can be some uncertainty involved in the long-term functionality of stormwater treatment systems that may not be readily apparent right after construction. For example, the vegetation incorporated into the treatment system may not survive the first year and may have to be replanted in order for the treatment system to continue functioning as it was designed. It is important to assess the performance of the treatment system during the performance period to catch issues that may not be apparent right after construction is completed.

What you need to do:

1. If a CSW General Permit was required for the project, submit an official Notice of Termination (NOT) to the MPCA.

Deadline: When the project meets the Final Stabilization requirements in the CSW General Permit

- Vegetative cover with a density of 70% of its expected final growth density
- Permanent stormwater management system is constructed and is operating as designed
- All temporary synthetic and structural best management practices have been removed
- Drainage ditches have been stabilized
- All conveyances and sedimentation basins have been cleaned out and returned to design capacity

If you would like to read the full language describing Final Stabilization, the CSW General Permit can be found here:

<https://www.pca.state.mn.us/sites/default/files/wq-strm2-80a.pdf>

The NOT terminates the CSW General Permit coverage for the construction project. The NOT must be submitted online through e-services. The link to e-services and NOT instructions can be found under the Permit and Forms tab here:

<https://www.pca.state.mn.us/water/construction-stormwater>

2. Notify the MPCA stormwater engineer in writing that construction has finished on the project.

Deadline: When the NOT is submitted or within 10 days after the completion of construction

You must notify the MPCA in writing that construction of the project has concluded whether or not a CSW General Permit was required for the project. The NOT does not serve as a substitute for the written notification. The written notification should be submitted directly to the engineer that you have been working with through the duration of the project.

If a CSW General Permit was required for the project, the written notification should be submitted to the MPCA when the NOT is submitted. If your project did not require a CSW General Permit, the written notification should be submitted to the MPCA within 10 days of the completion of construction of the project.

Step seven – Submit a performance certification of the stormwater treatment system to the MPCA.

The last step in the CWRP program process comes at the end of the Performance Period of your new stormwater treatment system, one year after the Initiation of Operation of the system. This step in the process serves as a verification to the MPCA that your treatment system is still operating as intended and meets the performance standards for the project.

What you need to do:

1. Submit a Performance Certification Report to the MPCA.

Deadline: One year after the submittal of written notification of completion of construction

The One-year Performance Certification Report checklist can be found here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-54.doc>

- Note any problems with the treatment system (if any) and corrective actions taken to resolve the problems.
Deadline: Within 30 days of the Performance Certification date or within 30 days of the commissioner's determination that the project does not meet the project's performance standards

If your treatment system is not operating as it was intended to, you must take corrective actions to rectify the problems and return the treatment system to working condition. The corrective actions necessary must be documented and submitted to the MPCA in a Corrective Action Report.

You can find the Corrective Action Report here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-52.doc>

What does the MPCA do during Step seven?

After you submit the one-year Performance Certification Report, the MPCA will complete one last on-site inspection to verify that your treatment system is still operating as intended.

After verifying that the constructed stormwater treatment system is operating as intended and meets the project's performance standards, the MPCA will send you written notice of the project's satisfactory performance.
