

PFA Overview

- The Public Facilities Authority (PFA) is a multi-agency authority that provides financing and technical assistance to local governments for wastewater, storm water and drinking water infrastructure projects throughout the state. The PFA is governed by a board of six state commissioners (departments of Employment and Econ. Development, Management and Budget, Health, Agriculture, Transportation, and the Pollution Control Agency), with the DEED commissioner serving as chair.
- The PFA manages the investments and transactions of several revolving loan funds and administers loan and grant programs in conjunction with PFA member agencies.
 - The Pollution Control Agency (wastewater and storm water) and the Health Department (drinking water) develop project priority lists, conduct technical and environmental reviews, and certify approved projects to PFA for funding.
 - PFA staff conduct credit reviews, set loan terms and conditions, service loans, coordinate other funding sources, and provide overall fund management and program administration.
 - PFA staff also assist local governments to understand the funding process, program requirements, and local responsibilities.
- Eligible projects include rehabilitation, replacement and upgrade of wastewater and drinking water treatment facilities, sanitary sewer collection systems, watermain distribution systems, wells, water towers, etc.
 - PCA and MDH Project Priority Lists (PPLs) rank on projects based on age and condition of existing infrastructure and water quality and public health criteria.
- The PFA's largest programs are the Clean Water and Drinking Water Revolving (loan) Funds, which combine annual federal capitalization grants and state matching funds with loan repayments and PFA revenue bond proceeds to provide a permanent source of low cost capital to help local governments finance wastewater, storm water and drinking water infrastructure projects.
 - PFA has statutory authority to sell up to \$2 billion in tax-exempt revenue bonds
 - PFA clean water and drinking water bonds are rated AAA by all three rating agencies
 - Bonds are repaid from loan repayments and investment earnings (no state backing)
 - PFA total assets = \$2.3 billion
- PFA has allocated \$90 million of CWRP funds to capitalize nonpoint source loan programs administered by the Department of Agriculture and Pollution Control Agency, which have generated over \$266 million in loans to local governments and rural landowners for best management practices.
- PFA receives no state general funds for program administration. Administrative funds come from project financing fees. PFA has 10 staff, with some support functions provided by DEED through an interagency agreement. Also through interagency agreements, the PFA funds positions at the Pollution Control Agency (12 FTE's) and Health Department (4.5 FTE's) for their technical responsibilities to administer PFA's clean water and drinking water programs.

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Water Infrastructure Financing Programs

Clean Water and Drinking Water Revolving Funds (CWRF/DWRF)

- Low interest loans for municipal wastewater, storm water treatment, and drinking water projects. Loan repayments revolve back to make new loans, providing a permanent source of capital to help cities finance water infrastructure construction projects.
 - Clean water (wastewater and storm water) loans, 1990 to date: 565 loans for \$3.1 billion
 - Current average annual lending capacity: \$95 million/year
 - Drinking water loans, 1999 to date: 440 loans for \$919 million
 - Current average annual lending capacity: \$40 million/year
 - Total interest savings to local governments and their taxpayers: \$882 million
- Each year PFA approves an Intended Use Plan (IUP) for each Fund that identifies projects eligible to apply for loans based on each program's project priority list (PPL) and lending capacity.
 - 2019 CWRF IUP fundable range (40 pts on CW PPL): 86 projects, \$293 million
 - 2019 DWRF IUP fundable range (7 pts on DW PPL): 93 projects, \$202 million

Water Infrastructure Fund (WIF) Program

- Supplemental grants up to \$5 million based on affordability criteria for high cost projects.
- WIF grants are packaged with CWRF/DWRF loans, or provided as a match to USDA Rural Development funding for small rural communities.
 - Projects receiving CWRF or DWRF loans are eligible for WIF grants up to 80% if the system costs (O&M and debt service) per household exceed affordability criteria
 - Wastewater – 1.4% of MHI
 - Drinking Water – 1.2% of MHI
 - Projects receiving USDA-RD funding can receive a WIF matching grant for up to 65% of the grant need based on USDA-RD affordability criteria.

Point Source Implementation Grant (PSIG) Program

- Grants to help cities upgrade treatment facilities to reduce discharge of specific pollutants to meet regulatory requirements.
 - 80% of eligible costs, up to \$7 million maximum grant
- PSIG applications accepted each July. Projects must be certified by MPCA and submit as-bid costs to receive a PSIG grant.

Small Community Wastewater Treatment Program

- Technical assistance grants and construction loans and grants to help small unsewered communities replace failing septic systems with community subsurface systems.

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Exhibit A

Recipient	Clean Water Programs						Drinking Water Programs			Special Appropriations	Total PFA Funding	Project description
	Clean Water Revolving Fund		Pt Source Impl Grant	Small Community Program		Water Infrastr Fund-WW (WIF-WW) Grant	Water Infrastr Fund-DW (WIF-DW) Grant	Drinking Water Revolving Fund				
	Loan	PF Grant		Loan	Grant			Loan	PF Grant			
Bird Island							355,200	189,169			544,369	SE Watermain looping
Blue Earth	7,691,210										7,691,210	Wastewater treatment plant improvements
Breckenridge							1,000,000	3,983,588	4,000,000		8,983,588	New drinking water treatment plant - lime softening
Browerville	1,385,546										1,385,546	Rehab collection system
Browerville								891,971			891,971	Watermain-TH 71 replacement/Gillis Ave.
Clarissa						600,000					600,000	Rehab collection system
Clear Lake-Clearwater Sewer Authority										1,200,000	1,200,000	Wastewater treatment plant improvements (2 contracts)
Dalton						387,000					387,000	Wastewater treatment improvements, rehab collection system
Detroit Lakes	16,336,065	2,236,900	11,532,914			3,270,291					33,376,170	Rehabitate wastewater treatment plant, advanced treatment for phosphorus
Eagle Bend	495,843					884,686					1,380,529	Rehab collection system-Phase 2
Eagle Bend							1,256,842	314,210			1,571,052	Watermain replacement Phases 2 and 3
East Grand Forks										5,300,000	5,300,000	Phase 2 - Decommission ponds
Echo						1,365,000					1,365,000	Rehab collection system
Echo							350,000				350,000	Distribution system improvements

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	Loan	PF Grant		Loan	Grant			Loan	PF Grant			
Frazee	120,262					334,805					455,067	Rehab sewer system
Frazee							541,368	272,778			814,146	Replace watermain, southwest area/Main Ave improvements
Glyndon								115,035	428,000		543,035	2018 Watermain looping project
Greenbush								128,434	472,723		601,157	Watermain improvements
Grove City			380,485			3,129,515					3,510,000	New pond system and forcemain.
Heron Lake							1,264,615	450,692			1,715,307	Connect to Red Rock Rural Water System
Inver Grove Heights			247,335								247,335	Stormwater management basin, 78th and Concord
Kasson	2,843,535		489,494								3,333,029	Wastewater treatment plant improvements
Kelliher						109,000					109,000	Sewer collection rehabilitation.
Kelliher							421,000				421,000	Water tower and watermain replacement
Koochiching County										9,817,000	9,817,000	Voyaguers Park - Island View
Lewis and Clark JPB										7,410,727	7,410,727	Lewis & Clark JPB, Minnesota Phase 3
Lilydale										275,000	275,000	Storm water conveyance and improvements
Mantorville	468,834		1,875,338								2,344,172	Sewer lift station and forcemain

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	Loan	PF Grant	Impl Grant	Loan	Grant			Loan	PF Grant				
Minneapolis								28,900,000			28,900,000	Plant rehab & recarb improvements	
Morris			7,000,000				5,000,000	6,381,820			18,381,820	New drinking water treatment plant - lime softening	
New London								145,000	472,000		617,000	Watermain improvements, 1st Avenue SE, NW & Oak St	
Nobles County					11,700						11,700	Update Community Assessment Report, soil borings	
Northrop								342,204			342,204	Rehab water tower	
Oronoco										300,000	300,000	Evaluate regional wastewater alternatives	
Oronoco Township					36,000						36,000	Evaluate wastewater alternatives for Sunset Bay	
Osakis	653,961										653,961	Rehab collection system	
Osakis								475,604			475,604	Watermain replacement, various blocks	
Oslo							1,700,000				1,700,000	Watermain replacement	
Ostrander						284,000					284,000	Rehabilitate collection system	
Ostrander							750,000				750,000	New well, rehab well, replace mains	
Pipestone			7,000,000					8,373,350			15,373,350	New drinking water treatment plant - lime softening	
Randall							599,612	776,658			1,376,270	Drinking water treatment - nitrate	

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	Loan	PF Grant		Loan	Grant			Loan	PF Grant			
Randolph					60,000						60,000	Evaluate wastewater alternatives for Sunset Bay
Saint Cloud	16,712,029		6,642,539								23,354,568	Wastewater treatment, NR2 biosolids improvements
Sherburn								160,000			160,000	Water treatment and storage improvements
Welcome								789,200			789,200	Water tower construction
Wheaton								1,035,849			1,035,849	Rehab drinking water treatment plant
Winsted			4,214,853								4,214,853	Upgrade wastewater treatment facility for phosphorus
Winsted								677,045			677,045	Rehab water storage tank
Zumbro Township					60,000						60,000	Evaluate wastewater alternatives for Ryan's Bay
fiscal year totals by program:	\$ 46,707,285	\$ 2,236,900	\$ 39,382,958	\$ -	\$ 167,700	\$ 10,364,297	\$ 13,238,637	\$ 54,402,607	\$ 5,372,723	\$ 24,302,727	\$ 196,175,834	