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**Drinking Water Revolving Fund (DWRF) Basics**

**Important Acronyms**

AIS – American Iron & Steel DBE – Disadvantaged Business Enterprise

DWRF – Drinking Water Revolving Fund ER – Environmental Review

IUP – Intended Use Plan MDH – Minnesota Department of Health

PFA – Public Facilities Authority PPL – Project Priority List

**What is DWRF?**

DWRF is a below market rate loan program with some potential for principal forgiveness based on set affordability criteria. Technical components (plan review, environmental review, operator certification, etc.) are managed by the Minnesota Department of Health (MDH). Financial components are handled by Public Facilities Authority (PFA).

**Who is Eligible?**

Community Public Water Supplies (typically municipalities with projects greater than $100,000)

**What types of projects are typically funded?**

Drinking Water Infrastructure which includes but is not limited to: Wells, Pumphouses, Treatment Plants, Storage Tanks, Watermain, Generators and Water Meters

**How to apply?**

Submit a proposal to be placed on the Project Priority List (PPL) by the **first Friday in May**. An example proposal can be found at: <http://www.health.state.mn.us/divs/eh/water/dwrf/ppl/index.html>

**What is the Project Priority List (PPL)?**

The PPL is a list of eligible projects ranked in priority order by MDH. Priority is given to projects in the following order:

1. Public Health Protection (ie. MCL violations)

2. Inadequate Water Supply

3. Financial Need (based on Median Household Income)

Projects primarily for growth or fire protection are not eligible. Projects will remain on the PPL for 5 years unless a project update is received.

**So my project is on the PPL, now what?**

Once your project is ready to proceed (during the following construction season), a request for placement on the Intended Use Plan (IUP) must be sent to the Public Facilities Authority (PFA) by the **first Friday in June**. Information about the PFA process can be found at: <http://mn.gov/deed/government/public-facilities/>

**What is the Intended Use Plan (IUP)?**

The IUP is a list of projects intending to move forward during the next construction season. Projects may be on the list but may not be in the funding range. The funding range is set on an annual basis. The IUP is maintained by PFA. Projects only remain on the IUP for one year but can reapply annually.

**So my project is on the IUP in the funding range, what do I need to do to get funding?**

Once the project is ready to move forward, it must be certified by MDH. The following items need to be completed:

1. Plans and specifications, which include Davis Bacon wage rates, DBE bidding requirements and AIS certification, must be approved. Plans must be submitted within 6 months of the date the IUP is approved. (Typically the plan review deadline is the end of March.)

2. Water system must have an appropriately licensed water operator.

3. Environmental Review must be completed.

4. Cities with a population > 1,000 must have an approved DNR Water Supply Plan.

PFA must also receive a completed loan application and as-bid costs. The loan application must also be submitted to PFA within 6 months of the date the IUP is approved. Applicants must show that total project funding and dedicated revenue source(s) are in place for payment of operation, maintenance, existing and new debt service. Typically user rate increases or special assessments are pledged for payment of debt service on the DWRF loan.

**So the project is funded and under construction, what next?**

Depending on the size and type of project MDH may do interim and final inspections. Once the project is complete, MDH will send a performance certification form to the city to sign verifying that the project is performing satisfactorily.

**Where can I get more information?**

Technical Questions

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Financial Questions

Minnesota Public Facilities Authority

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<http://mn.gov/deed/government/public-facilities/>