

Are you eligible for state financial assistance for your stormwater project?

If you are thinking about undertaking a stormwater treatment project for your municipality, you may be eligible to receive financial assistance in the form of grants or loans for the project through the Minnesota State Revolving Fund (SRF) or the Clean Water Legacy Fund (CWLF).

The Minnesota SRF funds stormwater projects with low-interest loans called Clean Water Revolving Fund (CWRF) loans. The funds for the SRF come from a combination of money from the U.S. Environmental Protection Agency and a required 20% match of that money from the state. In contrast, the CWLF funds stormwater projects with grants called Point Source Implementation Grants (PSIG). The funds for the CWLF come from the revenue of a sales tax imposed by the Clean Water, Land and Legacy amendment that Minnesota residents voted to establish in 2008 and appropriated through the legislature. Grants through the PSIG program may fund up to 80% of your project costs with a maximum of \$7 million.

You can find more detailed information on the State Revolving Fund here:

<https://www.pca.state.mn.us/water/clean-water-revolving-fund>

You can find more detailed information on the Clean Water Legacy Fund here:

<http://www.legacy.leg.mn/funds/clean-water-fund>

You may be eligible if your project meets the following requirements:

- The project addresses water quality needs (ponds for water quality may also include associated flood control benefits).
- The project consists of permanent stormwater treatment structures.
- The project is based on accepted engineering practices that result in water quality benefits. Determination as to acceptability will be based on reasonable assurance of providing water quality benefits.
- The applicant must be a local government such as a city, county, township, sanitary district, watershed district, or other governmental subdivision.

These eligibility requirements are from Minn. R. 7077.0115. You can find the rule here:

<https://www.revisor.mn.gov/rules?id=7077.0115>

If your project meets the above requirements, there are two different stormwater funding tracks for moving forward—grants through the PSIG program or low-interest loans through the CWRF program. You can apply to finance your program through just grants, just loans, or through a combination of both.

It is important to note that the process will be more complicated if you decide to apply for both grant money and loan money to help finance your project. The loan and grant programs both have separate deadlines to keep in mind and **all** deadlines apply to your project if you choose to use both. If you notice the same document is required by both programs and has two different deadlines, please note that the more stringent of the two applies. In this situation, it is recommended that you call 651-296-6300 or 800-657-3864 and ask for the Wastewater and Stormwater Financial Assistance programs administrator to get advice on how to get started and move forward on your project.

Clean Water Revolving Fund loans

Clean Water Revolving Fund loans are low-interest loans provided through the SRF to help finance water quality projects. The loan principal and interest payments that are paid back into the revolving fund are used to finance new loan projects. In order for to be eligible for a CWRF loan you must:

- Demonstrate the financial capacity to repay the loan and that complete financing of the project is in place.

There may be an opportunity for principal forgiveness of up to 25% of your loan with a maximum of \$1 million through the Green Project Reserve (GPR). In order to be eligible for GPR principal forgiveness, your project must:

- Address green infrastructure, water or energy efficiency, or other environmentally innovative activities.

Only the project costs associated with advancing these four categories will be eligible for 25% principal forgiveness. If you believe your project is eligible for a CWRF loan and/or GPR principal forgiveness and you are interested in the program, you can find additional information on the process and guidance documents here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-63.pdf>

You can find a step-by-step flowchart of the CWRF program with important dates for applicants here:

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

For more information on the financial aspects of the loan process, visit the Public Facilities Authority webpage for CWRF loans here:

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

Point Source Implementation Grant

Point Source Implementation Grants are grants provided to local governments through the CWLF that can cover up to 80% of your project costs with a maximum of \$7 million. In order to be eligible for a PSIG, your stormwater project must:

- Contribute towards meeting wasteload reductions prescribed under a total maximum daily load (TMDL) plan required by Section 303(d) of the federal Clean Water Act.

This requirement comes from Minn. Stat. 446A.073. You can find the statute here:

<https://www.revisor.mn.gov/statutes/?id=446A.073>

In order to have a required wasteload allocation under a TMDL, you must be a permitted Municipal Separate Storm Sewer System (MS4). Additionally, the project must be located within the bounds of the MS4. You can look at the boundaries of permitted MS4s with the MPCA mapper tool found here:

<http://pca-gis02.pca.state.mn.us/ms4/index.html>

If you believe your project is eligible for the PSIG track and you are interested in the program, you can find guidance documents and additional information on the process here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-62.pdf>

You can find a step-by-step flowchart of the PSIG Program with important dates for applicants here:

<https://www.pca.state.mn.us/sites/default/files/wq-wwtp2-60.pdf>

Please note: The final determination of eligibility is decided by the MPCA. If you have any questions or concerns, please contact the MPCA project engineer.