

Note to Applicant:

**please choose the applicable project for this application,
from the dropdown list below:**

Duluth
DW
1690011-11
Other - Rehab Woodland Booster Station

**Clean Water State Revolving Fund
&
Drinking Water State Revolving Fund**

APPLICATION FORMS AND INSTRUCTIONS

April 2023

Applicant: **Duluth**

System type: **Drinking Water**

IUP project ID: **1690011-11**

IUP status: **Part B**

IUP project descr: **Other - Rehab Woodland Booster Station**

MPFA Loan Officer contact info: 3C
Peter Bradshaw
Peter.Bradshaw@state.mn.us

Minnesota Public Facilities Authority

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Cert02	Compliance Certification as to Disadvantaged Business Enterprise (DBE) Required Procurement and Contract Conditions

General Information and Application Process Deadlines

General information:

The applicant must be the entity that will issue the General Obligation Revenue note or General Obligation Improvement note to the MPFA as security for the loan.

Total financing of a project must be assured before the MPFA will issue a financing agreement.

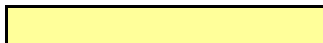
A Unique Entity Identifier (UEI) number is requested on Form 01. The UEI replaces the DUNS number. See:
[SAM.gov | Home](#)

For additional information on SRF program requirements and resources, refer to these MPFA websites:
[FY23 Clean Water and Drinking Water Revolving Fund Guidance and Information](#)

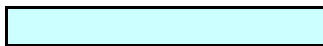
For documents to be included in bid specifications and construction contracts, refer to this MPFA website:
[FY 23 Contract Packet, BABA Adjustment Period Waiver](#)

Contact your MPFA loan officer with any questions. The Cover page to this Application Packet gives the loan officer contact information for this applicant. You may also refer to "Regional Contacts" at this MPFA website:
[MPFA staff contacts](#)

Note for use of enclosed application forms in this Excel workbook:



yellow highlighted cells are for free-form entry.



blue highlighted cells will have drop-down choices.

You may type more text into a cell than will display. The cells are a fixed size for display, but all the text will be usable by MPFA staff.

Application deadline:

2023 IUP Carryover projects (Part A) have previously met the loan applicaiton submittal deadlines and have submitted plans and specifications to the MDH and/or MPCA. The deadline to submit Lead Service Line Replacement Projects (see separate LSLR application forms) and Emerging Cotaminant Projets is June 1, 2023.

Application Checklist

This application consists of a sample *Resolution of Application*, multiple forms, and two certification documents concerning compliance. This checklist identifies which items are required by the application deadline, and which that must be submitted when they are available.

Items required by the application deadline:

Forms in this workbook to be completed by the applicant:

- ☐ Form 01: Applicant Information
- ☐ Form 02: Project Information
- ☐ Form 03: System Users
- ☐ Form 04: System Costs: Annual Operations and Maintenance
- ☐ Form 05: Debt Service
- ☐ Form 06: Cash Flow Worksheet
- ☐ Form 07: Project Costs: Sources and Uses
- ☐ Form 08: Project Costs: Detail of Costs Incurred Prior to MFPA Award
- ☐ Form 09: Financial Condition and Sources of Revenue to be Pledged to Debt Service
- ☐ Form 10: Security Type
- ☐ Form 11: Infrastructure Asset Management

Certifications in this workbook to be completed by the applicant:

- ☐ Cert 01: Compliance Certification as to General Federal and State Laws, Rules, and Regulations
- ☐ Cert 02: Compliance Certification as to Disadvantaged Business Enterprise (DBE) Required Procurement and Contract Conditions

Items that must be submitted when available:

- ☐ Resolution of Application (see example in this workbook): [SampleRes](#)
 - ☐ Last three years of audited annual financial reports
 - ☐ Current annual budget, including enterprise funds
 - ☐ Current drinking water, wastewater or stormwater rates as applicable
 - ☐ Drinking water, wastewater, or stormwater enacted ordinances and system service fee schedules as applicable
 - ☐ Existing amortization schedules for outstanding drinking water and/or wastewater debt
 - ☐ Management Contract and/or Private Operator Agreements: For applicants who have engaged a private contract operator to manage its drinking water or wastewater system.
 - ☐ Inter-municipal agreements (draft or enacted) if more than one municipality is involved in the project
 - ☐ Most recent Official Statement, if less than one year old
- Or, if not available, the following two items:
- ☐ Listing of the 10 largest employers
 - ☐ Certificate as to Taxes and Taxable Property including the 10 largest taxpayers, obtained from each applicable County Auditor.

Application Checklist

- ☐ Documentation of all non-MPFA funding sources for the project (commitment letters, grant agreements, bond sale resolution or Official Statement, etc.)
- ☐ Copy of appraisal(s) and evidence of sale for eligible land purchase, along with supporting documentation as may be required to demonstrate compliance with the Uniform Act.
- ☐ Legal description of the project site (water plant, wells, tower, lift station, etc.)
- ☐ Project map showing locations of water/sewer lines, project activities.

Items that must be submitted after bids are opened and accepted:

- ☐ Final split sheets based on as-bid costs for allocating costs, if the MPFA portion of the project is part of a larger infrastructure project done at the same time. The split sheet should break out the MPFA CW costs, MPFA DW costs and other items/costs outside the scope of the MPFA project. Submit split sheet to the MPFA, MPCA and Health Department. Consult with MPCA and Health engineers for additional information.
- ☐ As-bid costs and engineer's letter of recommendation accepting bids.
- ☐ Final, updated MPFA forms (Forms 03, 06, 07 and 08).

Items that must be submitted after MPFA contract award:

Recipients are responsible for submitting required forms during the construction phase of the project and for project closeout including but not limited to:

- ☐ Labor Standards Notice of Contract Award.
- ☐ List of labor standards activities that will be conducted by consultant, or excerpt from agreement.
- ☐ Real Property Declaration and/or Waiver Certification to Minnesota Management and Budget.

Additional information will be provided to the recipient after the contract award.

Sample Resolution of Application to the MPFA

RESOLUTION OF APPLICATION

BE IT RESOLVED that the _____ is hereby applying to the Minnesota Public Facilities Authority for a loan from the Clean Water Revolving Fund/Drinking Revolving Fund for improvements to its municipal wastewater treatment system/drinking water system as described in the loan application.

BE IT FURTHER RESOLVED that the _____ estimates the loan amount to be \$_____ or the as-bid cost of the project.

BE IT FURTHER RESOLVED that the _____ has the legal authority to apply for the loan, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life.

I CERTIFY THAT the above resolution was adopted by the _____ on _____ (month, day, and year).

Signed: _____
Name: _____
Title: _____

Witnessed: _____
Name: _____
Title: _____

Form 01 Applicant Information

Applicant ID:

Name	Duluth
Primary County	Saint Louis County
UEI Number (12 char/digits) (SAM.gov Home)	S3MZFK8JXGJ3
MN SWIFT Vendor ID No. (10 digits)	0000197681
MN SWIFT Vendor Suffix No. (3 digits) (determines where funds will be sent)	001

Mail Address:

PO Box or bldg no. and street name	411 West First St
City, state and 9-digit ZIP	Duluth, MN 55802-1102

Primary Municipal Contact:

Name	Aaron Soderlund
Title	Senior Engineer
Phone	218-730-5083
Email	asoderlund@duluthmn.gov
PO Box or bldg no. and street name	411 West 1st Street
City, state and 9-digit ZIP	Duluth, MN 55802-1102

Applicant officials authorized to sign legal documents:

1. Name	Ian Johnson
Title	City Clerk
Email (unique to Name #1)	ibjohnson@duluthmn.gov
2. Name	
Title	
Email (unique to Name #2)	

If a Public Utilities Commission (PUC) or other public entity is legally responsible for setting or adjusting user rates, and/or operation and maintenance of the project, this entity may also need to sign the MPFA financing agreement. If so, please identify:

Name of PUC or other Entity	Duluth Public Utilities Commision
Contact Name:	Jim Benning
Title	Director of Public Works
Phone	218-730-5200
Email	jbenning@duluthmn.gov
PO Box or bldg no. and street name	411 West 1st Street
City, state and 9-digit ZIP	Duluth, MN 55802-1102

Form 01 Applicant Information

Consultants and Advisors:

Consulting Engineer:

Company Name

MSA Professional Services, Inc.

Engineer's Name

Scott Chilson

Phone

608-355-8868

Email

schilson@msa-ps.com

For the consulting engineer contract, please identify the procurement process used:

Contract Term:

6/1/2024

Type of procurement process used:

- ☐ No formal process used
☒ Qualifications based selection process
☐ Other, please describe:

Bond Counsel:

Company Name

Fryberger, Buchanan, Smith & Frederic, P.A.

Attorney's Name

Bob Toftey

Phone

218-722-0861

Email

rtoftey@fryberger.com

Municipal (Financial) Advisor:

Company Name

Ehlers Public Finance Advisors

Advisor's Name

Jason Aarsvold

Phone

651-697-8512

Email

jaarsvold@ehlers-inc.com

Other Consultant:

Company Name

Contact's Name

Phone

Email

Is there a Private Operator agreement in place for management and/or operation of the water or sewer system?

- ☐ yes
☒ no

If yes, please identify:

Company Name

Current Contract Term (from / to):

Form 01 Applicant Information

Persons responsible for compliance monitoring:

American Iron and Steel (AIS), Build America Buy America (BABA):

Company Name

City of Duluth

Contact's Name

Aaron Soderlund

Phone

218-730-5083

Email

asoderlund@duluthmn.gov

Prevailing Wage related requirements:

Company Name

City of Duluth

Contact's Name

Angela Herbert

Phone

218-730-5081

Email

aherbert@duluthmn.gov

MN Pollution Control Agency or MN Department of Health Engineer:

Name

Jeff Udd

Phone

218-302-6637

Email

Form 02 Project Information

System type	Drinking Water
Project title (max 30 char):	Other - Rehab Woodland Booster Station

Project description (please discuss the problem/need and the proposed solution/project):

The Woodland Pump Station is over 100 years old and the pumps and motors have exceeded their servicable lifespan. The electrical panels have also aged and some parts and componets are no longer available. City staff have been able to keep them operational by adapting new parts into the panel and modifying them to keep their original operation modes. A predesign study concluded that replacement of the station would be less expensive than a retrofit of the existing station. Project will include a new building, all new pumps, controls, and electrical updgades to bring the station up to new standards.

Project service area (describe addresses, street names):

General description:

The Woodland Pump Station provides direct water to 2 main pressure zones within the City of Duluth, the Woodland pressure zone and the Orphanage pressure zone. The station also provides water to the City of Rice Lake.

Identify each local governmental jurisdiction (cities and townships) in the project service area (provide additonal sheets if needed):

Jurisdiction 1	Duluth
Who owns the distribution or collection system?	City of Duluth
How is the billing handled?	Users are charged based on usage by rates set by the City's Public Utilities Commision
Jurisdiction 2	
Who owns the distribution or collection system?	
How is the billing handled?	
Jurisdiction 3	
Who owns the distribution or collection system?	
How is the billing handled?	
Jurisdiction 4	
Who owns the distribution or collection system?	
How is the billing handled?	

Please use the space below to identify if other jurisdictions are included, and attach map of the service area.

Project site ownership / rights of way:

Identify existing/current ownership status of the project site(s):

- Do you own the project site(s)? ☒ yes ☐ no
- Do you have all permanent easements needed for the project? ☒ yes ☐ no

If no, please describe the ownership:

Identify the road type(s) for sewer collection and watermain projects:

- ☒ City owned road
- ☐ County-owned road
- ☐ State-Aid road
- ☐ State Trunk Highway
- ☐ Other

Do you have all permanent easements needed for the project? ☒ yes ☐ no

In order to be considered eligible for reimbursement, acquisition of property and permanent easements must follow the **Uniform Relocation and Real Property Acquisition Policies Act of 1970 (the Uniform Act)**. The Uniform Act governs the process and steps to acquire real property/permanent easements. In general, a detailed full narrative appraisal report is needed for all eligible land acquisitions (\$10,000 or more. Other options for uncomplicated low value acquisitions. Note: any land acquired for a drinking water project must be voluntary. See the CWRP/DWRP Guidance for additional information.

NOTE: after PFA financing is awarded a real property declaration will need to be filed with the county recorder's office unless a waiver is granted by Minnesota Management and Budget. An example declaration form and additional information is included in the Guidance packet.

Project scope:

Will the PFA-eligible project be done as part of a larger infrastructure project that will be included in the same bid, share road construction costs, etc.? If so, please describe how the projects are related.

No, this is a standalone project to replace the existing pump station.

Project Timing:

Estimated bid date:	02/01/24
Estimated year that construction will start:	2024
Estimated year that construction will end:	2025
Estimated date project will begin operations:	06/01/24

Project Sign and Project Funding Notice:

Form 02 Project Information

All recipients will be required to post a physical sign at the project site. Additional information on the sign specifications will be provided in the Contract Packet and Guidance Document.

MPFA will provide a funding notice to all Recipients after the award of the CWRF/DWRF loan. MPFA requests posting the Funding Notice on the Recipient's website or in other public locations.

Form 03 System Users

Please complete all items marked in yellow on the table below identifying the number of system users by type:

Residential and Non-Residential Users:

Complete all items marked in yellow to accurately reflect all system users and their proportional share of use and charges. If your system is based on a calculation of Equivalent Residential Connections (ERCs) or Equivalent Residential Units (ERUs) where one household equals one ERC/ERU, the residential percentage would be equal to the residential ERCs (households) divided by the total ERCs.

System User Types		Current	Estimated for when project begins operations	Estimated in 20 years
A. Residential Households: (billed individually)	i) connections	24,404	24,404	25,625
	ii) ERUs (should equal connections)	24,404	24,404	25,625
	iii) percentage of system use	84.62%	84.62%	84.46%
B. Other Residential: (multi-family, institutional)	i) connections	2,301	2,301	2,415
	ii) ERUs	2,301	2,301	2,415
	iii) percentage of system use	7.98%	7.98%	7.96%
C. Nonresidential:	i) connections	2,135	2,135	2,300
	ii) ERUs	2,135	2,135	2,300
	iii) percentage of system use	7.40%	7.40%	7.58%
Totals	i) connections	28,840	28,840	30,340
	ii) ERUs	28,840	28,840	30,340
	iii) percentage of system use	100.00%	100.00%	100.00%

Complete all items marked in yellow. Use actual expenditures from the last audit; the current year estimate based on the budget; and, estimated costs when the project begins operation post construction. Show annual operation, maintenance costs and the amount annually budgeted for equipment replacement (short-lived assets).

It is MPFA’s expectation that borrowers include short-term equipment replacement costs (also referred to as short-lived assets) for their water and sewer systems by budgeting for these costs, setting aside the budgeted funds annually and making expenditures for the repair/replacement of these items when needed. On the line titled “Equipment Replacement Reserve”, identify the amounts expended in the last audit, the current year budget and estimate when project begins operation for these short-lived assets.

Under Professional Services (contracts) do not include professional engineering costs for the submitted project.

Use the “Depreciation” entries to include non-cash depreciation.

	Expenditure from last year's audit report	Current year budget	Estimated budget when project begins operations
year:	2022	2024	2024
Personnel Services (wages and salaries)	5,342,658	6,892,200	6,892,200
Professional Service Contracts (O&M)	84,879	88,000	88,000
Insurance	76,000	71,300	71,300
Professional Memberships/Training	25,262	43,500	43,500
Printing/Publishing/Postage	54,316	62,300	62,300
Electricity/Heating	1,470,795	1,290,600	1,290,600
Chemicals and Supplies	1,150,987	1,388,200	1,388,200
Testing	817	-	-
Other	1,174,402	1,358,200	1,358,200
Other			
Other			
Equipment Replacement Reserve *		411,000	411,000
Total	9,380,116	11,605,300	11,605,300
Depreciation	1,820,159	2,017,000	2,017,000

* Annual amount budgeted for an equipment replacement reserve fund for repair/replacement of short-lived assets, such as pumps, motors, controls, sensors, etc.)

Explain significant cost increases or decreases between current year budget and when project begins operation.

Not Applicable

Form Completed by: Angie Hassett

Title: Financial Analyst

Date: 1/30/2024

Form 05 Debt Service

1st section below: Identify each outstanding series of bonds. Use the dropdown box to identify the bond type (revenue or improvement). If bonds were issued for multiple systems, identify the percentage issued for each applicable system (WW, DW, Storm).

2nd section: provide the annual debt service amounts for the system applicable to this application (WW, DW, Storm).

Provide copies of the amortization schedules for all outstanding system debt.

Date this information was updated:

Outstanding debt issues. (If more than 6, please contact your MPFA loan officer):

key	Dated	Issue name	Bond type	% CW	% DW	% Storm	Original par	Outstanding
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								

Scheduled debt service on these outstanding debt issues, for the system identified in this application

Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	Totals
2023								-
2024								-
2025								-
2026								-
2027								-
2028								-
2029								-
2030								-
2031								-
2032								-
2033								-
2034								-
2035								-
2036								-
2037								-
2038								-
2039								-
2040								-
2041								-
2042								-
2043								-
2044								-
2045								-
2046								-
2047								-
2048								-
2049								-
2050								-
2051								-
2052								-
2053								-

Notes:

See Attached SRF Form 05 Expanded

Form 06 Cash Flow Worksheet

This information enables the applicant to demonstrate that revenues are sufficient to cover all system costs (existing debt, new debt and the operation costs of the system). Please contact your MPFA loan officer if you wish to submit the information in an alternate form you or your financial advisor uses.

The MPFA may request, after reviewing the application, that the municipality conduct a rate study and provide a more detailed cash flow analysis.

Expenses						Revenues							
Year	O,M & R	Existing	New MPFA	WIF System	Other	Total	User	Assessments	Sewer/Water	Other	Total	Cash	Surplus
		Debt	Debt Service	Repl Fund					Access				
		Service	(x 105%)	(0.50/1000		Expenses	Charges		Charges	Revenues	Revenues	to be used	(Deficit)
				gallons flow)					(SAC/WAC)				
2023	11,605,300	-		-		11,605,300					-		(11,605,300)
2024	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2025	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2026	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2027	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2028	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2029	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2030	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2031	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2032	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2033	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2034	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2035	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2036	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2037	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2038	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2039	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2040	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2041	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2042	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2043	11,605,300	-	421,680	-		12,026,980					-		(12,026,980)
2044	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2045	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2046	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2047	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2048	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2049	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2050	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2051	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2052	11,605,300	-	-	-		11,605,300					-		(11,605,300)
2053	11,605,300	-	-	-		11,605,300					-		(11,605,300)

Form 06 Cash Flow Worksheet

please use the next page to explain assumptions

Assumptions:

Inflation factor for O&M costs:

--

Proposed percent annual increase for user rates:

--

Estimated No. of new connections per year:

--

Other relevant information:

See Excel Worksheet for Form 6 Cash Flow Information

Form 07 Project Costs: Sources and Uses

Whenever this form is updated, please complete the date and source.

A revised version must be submitted after as-bid costs are known.

Sources:

Requested MPFA Financing:

SRF Loan estimated rate: term (max 20 yrs unless MPFA ok):

WIF or Principal Forgiveness Grant avg annl gallons system use:

PSIG Grant

Special (Legislative) Appropriation

Local Contributions:

Debt Issuance (non-MPFA)

General Fund

Proprietary Fund

County - Community Dvlp Block Grant Program

Local-other

State (non-MPFA) financing:

Employment & Economic Dev-Small Cities Dvlp Program Grant

Employment & Economic Dev-Business Dev Public Infra. Grant

Iron Range Resources and Rehabilitation Board Grant

State-Other

Federal financing:

USDA-Office of Rural Development Grant

USDA-Office of Rural Development Loan

Federal-other

Total Project Cost Sources:

Date updated:

05/30/24

Source of Costs:

current estimate

Within the MPFA Project Scope (CW or DW)	Outside the MPFA Project Scope (streets, storm...)	Total Project
---	---	------------------

8,032,000		8,032,000
		-
		-
		-

		-
		-
		-
		-
		-

		-
		-
		-
		-

		-
		-
		-
8,032,000	-	8,032,000

Uses:

Non-Construction Costs:

Planning

Design

Inspection/Other Engineering

Develop Asset Mgmt Program

Attorney/Financing Related Fees

Land

Construction Costs:

Treatment Facilities

CW Sewer collection rehab

CW New Collector Sewers

CW New Interceptors

DW transmission/distribution

DW wells / water intake

DW storage

Service Connections (check with your MPFA loan officer regarding eligibility)

Storm Sewer rehab

Other

Contingencies (5% of construction):

Total Project Cost Uses:

Within the MPFA Project Scope (CW or DW)	Outside the MPFA Project Scope (streets, storm...)	Total Project
---	---	------------------

		-
618,000		618,000
500,000		500,000
		-
		-
		-

		-
		-
		-
		-
		-
		-
		-
		-
		-
6,584,762		6,584,762
329,238	-	329,238
8,032,000	-	8,032,000

Please provide an itemized list of project costs incurred prior to MPFA financing for which the applicant will be seeking reimbursement. MPFA may request an updated form prior to the financing award. There may be limitations placed on reimbursement. Please contact your MPFA loan officer for more information.

Vendor Name	Invoice Number	Description	Date Costs Incurred From	Date Costs Incurred To	Amount Requested
MSA Professional Services Inc.	R00616176.0-1	Predesign Study	04/05/22		\$7,493.75
MSA Professional Services Inc.	R00616176.0 - 2	Predesign Study	05/09/22		\$8,222.23
MSA Professional Services Inc.	R00616176.0 - 3	Predesign Study	06/09/22		\$1,224.80
MSA Professional Services Inc.	R00616176.0 - 4	Predesign Study	07/08/22		\$1,940.20
MSA Professional Services Inc.	R00616176.0 - 5	Predesign Study	09/07/22		\$8,821.50
MSA Professional Services Inc.	R00616176.0 - 6	Predesign Study	10/04/22		\$2,362.50
MSA Professional Services Inc.	R00616176.0 - 7	Predesign Study	11/04/22		\$2,730
MSA Professional Services Inc.	R00616176.0 - 8	Predesign Study	12/20/22		\$19,710.40
MSA Professional Services Inc.	R00616177.0 - 1	Design/Bidding	05/04/23		\$7,129.25
MSA Professional Services Inc.	R00616177.0 - 2	Design/Bidding	07/13/23		\$72,462.03
MSA Professional Services Inc.	R00616177.0 - 3	Design/Bidding	09/21/23		\$68,058.54
MSA Professional Services Inc.	R00616177.0 - 4	Design/Bidding	10/11/23		\$86,568.08
total:					286,723.28

Notes:

Form 09 Financial Condition and Sources of Revenue to be Pledged to Debt Service

Discuss the financial condition of the water/sewer fund over the last three years (revenues, negative balances, existing debt, type of debt, changes in population and users).

For the last three years 2020-2022 Water/Sewer Fund Revenues were \$34.3M,\$35.8M, and \$36.4M respectively. There were not any negative cash balances or fund balances in both Funds. Outstanding debt was \$18.7M,\$15M, and \$15.1M. This includes Revenues Bonds, PFA Notes, and a Purchase Agreement. The population and users has remained relatively steady at about 86,000 and 28,000 Meters in Service.

Describe the current drinking water/sewer rates, including details on the rate structure (base rate, how many gallons are included in the base rate, minimum charges, billing cycle, etc.).

See attached City of Duluth Water Rate sheet.

Describe any recent or planned rate increases.

The City of Duluth is considering an annual 9.25% increase on the Water Volume Rate for five years (2024-2028).

Identify current charges for new connections and any recent or planned WAC/SAC increases.

Identify the number of gallons per month used by a typical household:

4500

Will special assessments be pledged to debt service payments?

☐ yes ☒ no

If yes: What percent of project costs will be recovered thru assessments?

What is the status of special assessment notices and hearings? (per Minnesota Statutes Chapter 429).

Identify when special assessment revenue will be available for debt service payments. (NOTE: debt service payments begin within one year after approval of loan and are payable on February 20 and August 20).

Contact your MPFA loan officer for more information and for a copy of our special assessment guidance.

Are tax levies anticipated to pay debt service?

☐ yes ☒ no

If yes, what year will tax levy receipts be available for debt service?

Specify the other sources of receipts that will be pledged for debt service, including user charges, connection fees, etc.

Form 10 Security Type

Significant wastewater contributor agreement:

A written agreement between a borrower and a significant wastewater contributor that will protect the financial interest of the borrower in the event the wastewater contributor curtails or ceases its operation. The agreement must include a secured, written guarantee by the significant wastewater contributor for its proportional share of the debt payments for the term of the authority's loan with the borrower.

Significant water user agreement:

An agreement between a borrower and a significant water user that will protect the financial interest of the borrower in the event the water user curtails or ceases its operation. The agreement must include a secured, written guarantee by the significant water user for its proportional share of the debt payments for the term of the Authority's loan with the borrower.

Private Activity Considerations. If there are significant users there may be a private activity consideration with respect to the note issued by the borrower to the MPFA. Consult with your bond counsel about potential for private activity concerns.

Does the project involve any private activity considerations (please consult with bond counsel) ? ☐ yes ☐ no

If yes, please explain:

What type of Note will be issued to the Authority?

please select one and only one: ☐ Revenue Note
☐ Improvement Note
☐ Not yet known

please select one and only one: ☐ Taxable
☐ Tax-exempt
☐ Not yet known

This form relates to capital improvement plans and asset management.

Please list anticipated capital improvements:

Year	System type	Describe the project	Estim. Cost

Describe how potential capital projects are identified and prioritized (through asset management plans, capital improvement planning, other).

Describe how the applicant plans to pay for the capital projects (current system revenues, future PFA loans, other)?

Does the applicant have an asset management program? ☐ yes ☐ no

If yes, please describe, including how long the program has been in place.

Are you interested in using SRF loan funds to enhance an existing program or to develop a new asset management program?

☐ yes ☐ no

Comments:

Cert 01 **Compliance Certification as to General Federal and State Laws, Rules, and Regulations**

As a condition of receiving funding, recipients must comply with certain federal and state laws, rules and regulations, including but not limited to those identified in this certification which will be invoked as a condition of the MPFA loan in both the Bond Purchase and Project Loan Agreement and the General Obligation bond to be executed by the recipient.

Important: By signing this certification, applicant acknowledges that the MPFA Contract Packet, applicable State of Minnesota Prevailing Wages and Federal Davis Bacon Prevailing Wages, Build America, Buy America and American Iron and Steel contract language will be physically included in bid solicitations and incorporated into the contract(s) between the MPFA applicant and selected contractor(s).

Review the compliances and have the applicant's authorized representative sign and date this certification form.

- (1) Title VI of the Federal Water Pollution Control Act, more commonly known as the Clean Water Act, as amended (Clean Water Revolving Fund applicants).
- (2) Safe Drinking Water Act (P.L. 93-523) (Drinking Water Revolving Fund applicants).
- (3) National Environmental Policy Act (P.L. 91-190 (1970)); National Historic Preservation Act (P.L. 89-665 as amended, 80 Stat. 917 (1966)); Archeological and Historic Preservation Act (P.L. 93-291(1974)); Protection of Wetlands, Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997); Flood Plain Management, Executive Order No. 11988 (1977), as amended by Executive Order No. 12148 (1979); Farmland Protection Policy Act (P.L. No 97-98 (1981)); Coastal Zone Management Act (P.L. 92-583 (1972), as amended); Coastal Barriers Resources Act (P.L. 97-378, 96 Stat 1653 (1982)); Wild and Scenic Rivers Act (P.L. 90-542, 82 Stat. 913 (1968)); Endangered Species Act (P.L. 93-205 (1973), as amended); Essential Fish Habitat Consultation Process under the Magnuson-Stevens Fishery Conservation and Management Act (P.L. 94-265 (1976), as amended) and; Clean Air Act Conformity (P.L. 95-95 (1977), as amended).
- (4) Title VI of the Civil Rights Act of 1964 (P.L 88-352), Section 13 of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. Sec. 1251), Section 504 of the Rehabilitation Act of 1973 (P.L. 93-1123, 87 Stat. 355, 29 U.S.C. Sec. 794), The Age Discrimination Act of 1975 (P.L. 94-135 Sec. 303, 89 Stat. 713, 728, 42 U.S.C. Sec. 6102), and subsequent regulations, ensures access to facilities or programs regardless of race, color, national origin, sex, age or handicap.
- (5) Federal Executive Order 11246, as amended by Executive Orders 11375 and 12086 and subsequent regulations. Prohibits employment discrimination on the basis of race, color, religion, sex or national origin. Inclusion of the seven clauses in Section 202 of E. O. 11246 as amended by E. O. 11375 and 12086 are required in all project related contracts and subcontracts over \$10,000.
- (6) Federal Executive Orders 11625, 12138 and 12432; 40 CFR part 33 Participation by Disadvantaged Business Enterprises in Procurement under Environmental Protection Agency (EPA) Financial Assistance Agreements; Section 129 of P. L. 100-590 Small Businesses Reauthorization & Amendment Act of 1988; Public Law 102-389 (42 U.S.C. 437d); a 1993 appropriations act ; Public Law 101-549, Title X of the Clean Air Acts.
- (7) Amendments of 1990 (42 U.S.C. 7601 note). Encourages recipients to award construction, supply and professional service contracts to minority, women's business enterprises (MBE/WBE's) and small businesses and requires recipients to utilize affirmative steps in procurement.

Cert 01 **Compliance Certification as to General Federal and State Laws, Rules, and Regulations**

- (8) Federal Executive Orders 12549 and 12689, Subpart C of 2 CFR Part 180 and 2 CFR Part 1532 entitled “Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons).” Prohibits entering into contracts or sub-contracts with individuals or businesses that are debarred or suspended. Borrowers are required to check and keep a record of the status of all contractors (construction and professional services) and must require contractors to check and keep a record of the status of subcontractors for contracts expected to be equal to or over \$25,000 via this internet address below (or search the internet for System for Award Management):
[SAM.gov | Home](https://sam.gov)
- (9) Minnesota Statutes, Section 16C.285, responsible contractor requirement defined; subdivision 3 (6):
MPFA recipients must verify that contractors are not currently suspended or debarred by the federal government or the state of Minnesota or any of its departments, commissions, agencies, or political subdivisions that have authority to debar a contractor. See the website linked below:
[Suspended/Debarred Vendors / Minnesota Office of State Procurement \(mn.gov\)](https://mn.gov/suspended-debarred-vendors/)
- (10) 2 CFR part 200, Subpart F, which establishes audit requirements for state and local units of governments receiving federal funds.
- (11) 2 CFR part 200.216 which prohibits the use of certain telecommunications and video surveillances services or equipment.
- (12) Section 602 (b)(9) of the Clean Water Act, as amended, and 40 CFR Part 35, Subpart L, Section 35.3550(i) require Borrowers to maintain project accounts in accordance with generally accepted government accounting standards (GAAP), and to issue annual financial statements that include the reporting of infrastructure assets in accordance with GASB 34.
- (13) Section 504 of the Federal Rehabilitation Act of 1973, the Americans with Disabilities Act (ADA), Minn. Statutes 1990, Chapter 363 Minnesota Human Rights Act. Requires that all public spaces and programs be designed and constructed to be accessible to the physically handicapped.
- (14) Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and subsequent regulations found at 49 CFR Part 24. Identifies procedures for the acquisition of property and the relocation of persons and businesses.
- (15) Section 602(b)(6) of the Clean Water Act, as amended and section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)). Requires that all laborers and mechanics employed by contractors or subcontractors be paid wages at rates not less than those prevailing for the same type of work as determined by the U. S. Secretary of Labor in accordance with the federal Davis-Bacon Act (46 Stat. 1494; 40 U.S.C., sec. 276a through 276a-5). Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Davis-Bacon Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).
- (16) Minnesota Statutes, Section 181.59, Discrimination on account of race, creed, or color prohibited in contract.

Cert 01 **Compliance Certification as to General Federal and State Laws, Rules, and Regulations**

- (17) Section 608 of the Federal Clean Water Act, as amended and the Safe Drinking Water Act, as amended by America's Water Infrastructure Act of 2018 that requires all of the iron and steel products used in the CWSRF and DWSRF Projects are to be produced in the United States ("Use of American Iron and Steel Requirement"), unless (i) the Borrower has requested and obtained a waiver from the Environmental Protection Agency pertaining to the Project or (ii) the MPFA has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the project.
- (18) Federal Build America, Buy America (BABA): The Recipient is subject to the Buy America Sourcing requirements under the Build America, Buy America provisions of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58 §§70911-70917) unless the Project (1) is eligible for the Environmental Protection Agency (EPA) Adjustment Period Waiver of Section 70914(a) of IIJA for State Revolving Fund Projects that have initiated design planning prior to May 14, 2022 as detailed in the September 2, 2022 EPA Decision Memorandum; or (2) otherwise has been granted a waiver from the EPA.
- (19) Minnesota Statutes, Section 471.345, Uniform Municipal Contracting Law.
- (20) Minnesota Statutes, Section 16C.285, Responsible Contractor Requirements. Solicitation documents must include the specified language for all contracts advertised after January 1, 2015.
- (21) Minnesota Statutes, Section 574.26 to 574.32, the Public Contractors' Performance and Payment Bond Act, as applicable.
- (22) Minnesota Statutes sections 176.181 – 176.182. Requires recipients and subcontractors to have worker's compensation insurance coverage.
- (23) Minnesota Statutes, sections 177.41 – 177.43 (prevailing wage rate law). Requires that contractors pay laborers and mechanics prevailing wages established by the Minnesota Department of Labor and Industry for public works projects. Contractors or subcontractors failing to comply may face civil or criminal penalties.
- (24) Minnesota Statutes 290.9705. Requires that 8 percent of payments made to out-of-state contractors be withheld once cumulative payments made to the contractor for work done in Minnesota exceed \$50,000 in a calendar year, unless an exemption is granted by the Department of Revenue.
- (25) Minnesota Statutes, Chapter 13, the Minnesota Government Data Practices Act.
- (26) Minnesota Statutes Chapter 363A, the Minnesota Human Rights Act.
- (27) Minnesota Statutes Sec. 363A.36 Subd. 1a, Minnesota Department of Human Rights' (MDHR) affirmative action plan. PFA Recipients are encouraged to prepare and implement an affirmative action plan for the employment of people with disabilities, people of color, and women, and submit the plan to the commissioner of Human Rights.
- (28) Minnesota Statutes Sec. 363A.36, Minnesota Department of Human Rights' (MDHR) affirmative action plan requirements for contracts exceeding \$250,000. An affirmative action plan and a workforce certificate for affected contractors is required prior to bidding.
- (29) Minnesota Statutes Section 363.44, Equal Pay Certificate. Requirement for all contracts entered into by municipal governments for all contracts exceeding \$1,000,000.

Cert 01 **Compliance Certification as to General Federal and State Laws, Rules, and Regulations**

CERTIFICATION:

The applicant certifies that it has or will comply with the above requirements. Additionally, the applicant will include the MPFA Contract Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Packet into all construction contracts.

Applicant name:

Signer Name:

Signer Title:

Signed by authorized official:

Note: this form is not capable of digital signatures. To officially demonstrate approval of this certification, the official "signer" must send an email to the MPFA loan officer. Please copy-paste the subject line and body of the email from below:

loan officer email: Peter Bradshaw

copy into email subject line:

copy into body of email:

RE: Duluth DW-Part B: 1690011-11 Other - Rehab Woodland Booster Station

By this email I hereby certify that Duluth has or will comply with the requirements on MPFA's Cert 01-Compliance Certification as to General Federal and State Laws, Rules, and Regulations. Additionally, Duluth will include the MPFA Contract Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Packet into all construction contracts.

Cert 02 Compliance Certification as to Disadvantaged Business Enterprise (DBE) Required Procurement and Contract Conditions

As a condition of receiving funding, Recipients must comply with federal requirements concerning DBEs (i.e. Minority and Women's Business Enterprises (M/WBE) and Small Businesses in Rural Areas (SBRA)) with respect to procurement activities and contracts. The required contract conditions (see the Contract Packet) must be physically included in all bidding and contract documents. Additional information is in the Guidance Document.

GOOD FAITH EFFORTS:

MPFA recipients and their prime contractors must follow, document, and maintain documentation of their good faith efforts as listed below to ensure that Disadvantage Business Enterprises (DBEs) have the opportunity to participate in the project by increasing DBE awareness of procurement efforts and outreach. This applies to procurement for construction, equipment, supplies and services.

- (1) Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities; including placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
- (2) Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitation for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (3) Consider in the contracting process whether firms competing for large contracts could be subcontracted with DBEs. This will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
- (4) Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the U. S. Department of Commerce.
- (6) If the prime contractor awards subcontracts, require the prime contractor to take the steps in numbers 1 through 5 above.

see next page for the Certification

CERTIFICATION:

The applicant certifies that it has or will comply with the above requirements. Additionally, the applicant will include the MPFA Contract Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Packet into all construction contracts.

Applicant name:	Duluth
Signer Name:	
Signer Title:	
Signed by authorized official:	<i>Note: this form is not capable of digital signatures. To officially demonstrate approval of this certification, the official "signer" must send an email to the MPFA loan officer. Please copy-paste the subject line and body of the email from below:</i>

loan officer email: Peter Bradshaw

copy into email subject line:	MPFA SRF Application Forms, Certification 02
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copy into body of email:	<div>RE: Duluth DW-Part B: 1690011-11 Other - Rehab Woodland Booster Station</div> <div>By this email I hereby certify that Duluth has or will comply with the requirements on MPFA's Cert 02-Compliance Certification as to Disadvantaged Business Enterprise (DBE) Required Procurement and Contract Conditions. Additionally, Duluth will include the MPFA Contract Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Packet into all construction contracts.</div>
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