

Note to Applicant:

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

Duluth
DW_1690011-25_2026 IUP Part B
Other - System Wide Corrosion & Painting

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

APPLICATION FORMS AND INSTRUCTIONS

February 2025

Applicant: **Duluth**
System type: **DW**
IUP project ID: **1690011-25**
IUP status: **Part B**
IUP proj descr: **Other - System Wide Corrosion & Painting**

MPFA Loan Officer contact info: Peter Bradshaw
Peter.Bradshaw@state.mn.us
651.259.7689

Minnesota Public Facilities Authority

1st National Bank Building • 332 Minnesota St. • Suite W820 • Saint Paul, MN 55101-1378 • USA
651-259-7469 • 800-657-3858 TOLL FREE • MN Relay 711 • 651-296-8833 FAX

mn.gov/pfa

An equal opportunity employer and service provider

Table of Contents (sheets in this Excel workbook)

note: these TOC listings are hyperlinked; you can click on an item to go to it in this workbook

Hyperlink	Description
ReadMe	General Information and Application Process Deadlines
CheckList	Application Checklist
SampleRes	Sample Resolution of Application to the MPFA
Form01	Applicant Information
Form02	Project Information
Form03	System Users
Form04	System Costs: Annual Operations and Maintenance
Form05	Debt Service
Form06	Cash Flow Worksheet
Form07	Project Costs: Sources and Uses
Form08	Project Costs: Detail of Costs Incurred Prior to MPFA Award
Form09	Financial Condition and Sources of Revenue to be Pledged to Debt Service
Form10	Security Type
Form11	Infrastructure Asset Management
Cert01	Compliance Certification as to General Federal and State Laws, Rules, and Regulations
Cert02	Compliance Cert: Disadvantaged Business Enterprise, Required Procurement, Contract Conditions
Cert03	Compliance Certification as to No Conviction of Felony Financial Crime by a Principal

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 this MPFA website: [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:

N/A yet on the website; please contact your loan officer.


NOTE MPFA CHANGE RE TRAVEL RELATED COSTS:

Travel related costs including mileage, meals, and lodging. Travel related costs can be eligible project costs if they are necessary and directly related to the capital project, but these costs must be built into the contractor's base or employee hourly rates.

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:

2026 IUP Carryover projects (Part A) have previously met the loan application submittal deadlines and have submitted plans and specifications to the MDH and/or MPCA.

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 MPFA 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 Cert: Disadvantaged Business Enterprise, Required Procurement, Contract Conditions
- Cert 03: Compliance Certification as to No Conviction of Felony Financial Crime by a Principal

Items needed before application will be considered complete:

- 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).
- Proof of debarment review

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.
- Proof of posting of MNPFA funding notice

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	Alyssa Denham
Title	City Clerk
Email (unique to Name #1)	adenham@duluthmn.gov
2. Name	
Title	
Email (unique to Name #2)	

Public Utilities Commission:

Do you have a PUC: yes no

If yes:

Do they set rates? yes if yes, then - how often:

no if no, then - who does:

Can they sign contractor agreements? yes no

Form 01 Applicant Information

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:	Cari Peterson
Title	Interim Director of Public Works
Phone	218-730-5091
Email	cpedersen@duluthmn.gov
PO Box or bldg no. and street name	411 West 1st Street
City, state and 9-digit ZIP	Duluth, MN 55802-1102

Consultants and Advisors:

Consulting Engineer:	
Company Name	
Engineer's Name	
Phone	
Email	

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

Contract Term:	30-Jun-27
----------------	-----------

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	Mia Thibodeau
Phone	218-725-6873
Email	mthibodeau@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

Form 01 Applicant Information

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):

Persons responsible for compliance monitoring:

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

Company Name

Contact's Name

Phone

Email

City of Duluth
Aaron Soderlund
218-730-5083
asoderlund@duluthmn.gov

Prevailing Wage related requirements:

Company Name

Contact's Name

Phone

Email

City of Duluth
Angela Herbert
218-730-5081
aherbert@duluthmn.gov

MN Pollution Control Agency or MN Department of Health Engineer:

Name

Phone

Email

Jeff Udd
218-302-6637

Form 02 Project Information

System type

Project title (max 30 char):

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

An EPA Inspection of the city's water system in August of 2023 found several areas where corrosion needing to be addressed. Additionally, an engineering firm was hired to conduct external and internal inspections of the city's water towers. Recommendations were provided including a list and timeline for which towers should be prioritized. This project includes painting of the Highland, Proctor, Bayview, and Orphanage water towers.

Project service area (describe addresses, street names):

General description:

Highland Tower: 1710 N Basswood Ave Proctor Tower: 9115 Vinalnd St Bayview Standpipe: 7328 Earl St Orphanage Tower: 801 Minneapolis Ave

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

Jurisdiction 1
Who owns the distribution or collection system?
How is the billing handled?

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.

Form 02 Project Information

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

State Trunk Highway

County-owned road

Other

State-Aid road

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/DWRF Guidance for additional information.

NOTE: after MPFA 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 MPFA-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 stand alone project

Project Timing:

Estimated bid date:

Apr-2026

Estimated date that construction will start:

Jun-2026

Estimated date that construction will end:

Nov-2026

Estimated date project will begin operations:

Jun-2026

Project Sign and Project Funding Notice:

MPFA will provide a *Funding Notice* to all Recipients after the award of the CWRP/DWRF loan. MPFA requests posting the Funding Notice (or similar) on the Recipient's website or in other public locations. Additional information on the sign specifications will be provided in the Contract Guidance Packet on our website.

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	25,578	25,578	25,625
	ii)	ERUs (should equal connections)	25,578	25,578	25,625
	iii)	percentage of system use	89.05%	89.05%	84.46%
B. Other Residential: (multi-family, institutional)	i)	connections	1,142	1,142	2,415
	ii)	ERUs	1,142	1,142	2,415
	iii)	percentage of system use	3.98%	3.98%	7.96%
C. Nonresidential:	i)	connections	2,002	2,002	2,300
	ii)	ERUs	2,002	2,002	2,300
	iii)	percentage of system use	6.97%	6.97%	7.58%
Totals	i)	connections	28,722	28,722	30,340
	ii)	ERUs	28,722	28,722	30,340
	iii)	percentage of system use	100.00%	100.00%	100.00%

Form 04 System Costs: Annual Operations and Maintenance

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. 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	Current year	Estimated budget
	last year's audit report	budget	when project begins operations
year:	2025	2026	2026
Personnel Services (wages and salaries)	9,445,096	8,637,500	8,637,500
Professional Service Contracts (O&M)	417,990	290,300	290,300
Insurance	71,300	72,300	72,300
Professional Memberships/Training	39,663	63,600	63,600
Printing/Publishing/Postage	62,000	70,000	70,000
Electricity/Heating	1,660,628	1,869,200	1,869,200
Chemicals and Supplies	1,991,316	2,690,000	2,690,000
Testing	-	2,000	2,000
Other <input type="text" value="Other Services and Charges"/>	1,849,086	1,911,500	1,911,500
Other <input type="text"/>			
Other <input type="text"/>			
Equipment Replacement Reserve *		519,500	519,500
Total	15,537,079	16,125,900	16,125,900
Depreciation	1,878,303	2,268,400	2,268,400

* 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.

Form Completed by:
 Title:
 Date:

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: 06/10/26

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)	10/17/18	Water - 2018 GO Utilities Revenue Bonds	revenue		100.0%		4,050,000	2,405,000
(2)	11/29/11	MPFA-11-0074-R-FY12	improvement		100.0%		1,221,631	87,000
(3)	03/24/14	MPFA-14-0030-R-FY14	improvement		100.0%		4,778,806	1,293,000
(4)	02/01/22	MPFA-DWRF-L-024-FY22	improvement		100.0%		3,857,531	3,252,000
(5)	02/05/25	MPFA-DWRF-L-049-FY25	improvement		100.0%		8,116,359	6,520,072
(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
2026	-	87,000	318,000	176,000	349,000			930,000
2027	270,000		322,000	178,000	356,000			1,126,000
2028	275,000		325,000	180,000	363,000			1,143,000
2029	285,000		328,000	182,000	370,000			1,165,000
2030	295,000			184,000	377,000			856,000
2031	305,000			185,000	385,000			875,000
2032	315,000			187,000	393,000			895,000
2033	325,000			189,000	400,000			914,000
2034	335,000			191,000	408,000			934,000
2035				193,000	417,000			610,000
2036				195,000	425,000			620,000
2037				197,000	433,000			630,000
2038				199,000	442,000			641,000
2039				201,000	451,000			652,000
2040				203,000	460,000			663,000
2041				205,000	469,000			674,000
2042				207,000	22,072			229,072
2043								-
2044								-
2045								-
2046								-
2047								-
2048								-
2049								-
2050								-
2051								-
2052								-
2053								-
2054								-
2055								-
2056								-

Form 05 Debt Service

Notes:

[Yellow text box]

[Yellow text box]

[Yellow text box]

[Yellow text box]

[Yellow text box]

Form 06 Cash Flow Worksheet

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

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

Year	Expenses					Revenues (you can edit the 3 cells in blue font)							
	O,M & R	Existing Debt Service	New MPFA Debt Service (x 105%)	WIF System Repl Fund (0.50/1000 gallons flow)	Other	Total Expenses	User Charges *	Proposed percent annual increase applied	User Charges with increase applied	Assessments	Sewer/Water Access Charges (SAC/WAC)	Other Revenues	Total Revenues
2026	16,125,900	930,000		-	4,400,000	21,455,900	24,200,000	0	26,136,000				26,136,000
2027	16,125,900	1,126,000	233,979	-	9,000,000	26,485,879	26,136,000	0	28,226,880				28,226,880
2028	16,932,195	1,143,000	233,979	-	4,000,000	22,309,174	28,226,880	8%	30,485,030				30,485,030
2029	17,778,805	1,165,000	233,979	-	4,000,000	23,177,784	30,485,030	0	31,247,156				31,247,156
2030	18,667,745	856,000	233,979	-	4,000,000	23,757,724	31,247,156	0	32,028,335				32,028,335
2031	19,601,132	875,000	233,979	-	4,000,000	24,710,111	32,028,335	0	32,829,043				32,829,043
2032	20,581,189	895,000	233,979	-	4,000,000	25,710,168	32,829,043	0	33,649,769				33,649,769
2033	21,610,248	914,000	233,979	-	4,000,000	26,758,227	33,649,769	0	34,491,013				34,491,013
2034	22,690,760	934,000	233,979	-	4,000,000	27,858,739	34,491,013	0	34,835,923				34,835,923
2035	23,825,298	610,000	233,979	-	4,000,000	28,669,277	34,835,923	1%	35,184,282				35,184,282
2036	25,016,563	620,000	233,979	-	4,000,000	29,870,542	35,184,282	0	35,536,125				35,536,125
2037	26,267,391	630,000	233,979	-	4,000,000	31,131,370	35,536,125	0	35,891,486				35,891,486
2038	27,580,761	641,000	233,979	-	4,000,000	32,455,740	35,891,486	0	36,250,401				36,250,401
2039	28,959,799	652,000	233,979	-	4,000,000	33,845,778	36,250,401	0	37,156,661				37,156,661
2040	30,407,789	663,000	233,979	-	4,000,000	35,304,768	37,156,661	0	38,085,578				38,085,578
2041	31,928,178	674,000	233,979	-	4,000,000	36,836,157	38,085,578	0	39,037,717				39,037,717
2042	33,524,587	229,072	233,979	-	4,000,000	37,987,638	39,037,717	3%	40,013,660				40,013,660
2043	35,200,816	-	233,979	-	4,000,000	39,434,795	40,013,660	0	41,014,002				41,014,002
2044	36,960,857	-	233,979	-	4,000,000	41,194,836	41,014,002	0	42,039,352				42,039,352
2045	38,808,900	-	233,979	-	4,000,000	43,042,879	42,039,352	0	43,090,336				43,090,336
2046	40,749,345	-	233,979	-	4,000,000	44,983,324	43,090,336	0	44,167,594				44,167,594
2047	42,786,812	-	-	-	4,000,000	46,786,812	44,167,594	0	45,271,784				45,271,784
2048	44,926,153	-	-	-	4,000,000	48,926,153	45,271,784	0	46,403,579				46,403,579
2049	47,172,461	-	-	-	4,000,000	51,172,461	46,403,579	0	47,563,668				47,563,668
2050	49,531,084	-	-	-	4,000,000	53,531,084	47,563,668	0	48,752,760				48,752,760
2051	52,007,638	-	-	-	4,000,000	56,007,638	48,752,760	0	49,971,579				49,971,579
2052	54,608,020	-	-	-	4,000,000	58,608,020	49,971,579	0	51,220,868				51,220,868
2053	57,338,421	-	-	-	4,000,000	61,338,421	51,220,868	0	53,013,598				53,013,598
2054	60,205,342	-	-	-	4,000,000	64,205,342	53,013,598	0	54,869,074				54,869,074
2055	63,215,609	-	-	-	4,000,000	67,215,609	54,869,074	0	56,789,492				56,789,492
2056	66,376,389	-	-	-	4,000,000	70,376,389	56,789,492	0	58,777,124				58,777,124

* Applicants are encouraged to submit separate additional detail with their email submission of this application form.

** See the top of next page, please explain any deficits.

Form 06 **Cash Flow Worksheet**

please use the next page to explain assumptions

Form 06 **Cash Flow Worksheet**

Explanation for deficits / how do you plan to address these deficits

--

Assumptions:

Inflation factor for O&M costs:

5.00%

Estimated No. of new connections per year:

Other relevant information:

--

--

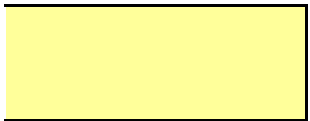
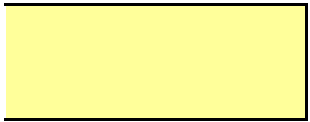
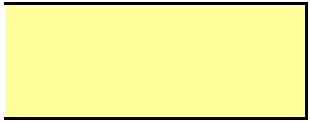
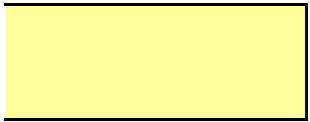
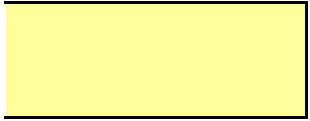
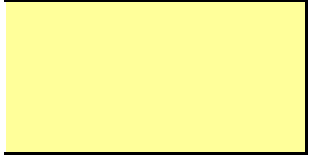
--

--

--

please contact your MPFA loan

Cash Reserves to be used	Surplus (Deficit) **
	4,680,100
6,500,000	8,241,001
	8,175,856
	8,069,372
	8,270,611
	8,118,932
	7,939,601
	7,732,786
	6,977,184
	6,515,005
	5,665,583
	4,760,116
	3,794,661
	3,310,883
	2,780,810
	2,201,560
	2,026,022
	1,579,207
	844,516
	47,457
	(815,730)
2,000,000	484,972
2,500,000	(22,574)
3,600,000	(8,793)
4,800,000	21,676
6,000,000	(36,059)
7,400,000	12,848
8,000,000	(324,823)
9,000,000	(336,268)
11,000,000	573,883
11,000,000	(599,265)



Form 07 Project Costs: Sources and Uses

Notes about funding sources:

Form 08 Project Costs: Detail of Costs Incurred Prior to MPFA Award

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
KLM Engineering, Inc.	11357	Design & Bidding	01/13/26	03/06/26	6,682.50
KLM Engineering, Inc.	11357.1	Design & Bidding	01/13/26	03/06/26	6,590.00
KLM Engineering, Inc.	11357.2	Design & Bidding	01/13/26	03/06/26	6,130.00
KLM Engineering, Inc.	11357.3	Design & Bidding	01/13/26	03/06/26	6,277.50
total:					25,680.00

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).

The Water Fund has been in good financial condition with no negative balances. Revenues have covered annual expenses for operations and debt service. The fund has maintained a positive fund reserve to ensure coverage of at least twenty-five percent of annual expenses in the event of emergency expenses or change in revenues. No significant changes in population and users have occurred or are anticipated in the near future.

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 Rate sheet

Describe any recent or planned rate increases.

The City implemented a Water Infrastructure Surcharge (WIS) in 2025 (attached in Rate Sheet). The purpose of this Water Infrastructure Surcharge is to cover the required debt service associated with completing approximately \$42M in Capital Improvements in 2026-2028. The surcharge is reviewed annually and adjusted to accommodate the debt service costs. The WIS is authorized for 20 years.

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

Water Connection- per foot of frontage; varies depending on lot size. \$90.00

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

Monthly user charges for this typical household use:

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).

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

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

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

Are tax levies anticipated to pay debt service?

yes no

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

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

Water Infrastructure Surcharge is specially dedicated to cover debt service obligations associated with this application.

Form 10 Security Type

This form relates to details of the security (Note) the applicant will issue to the MPFA to secure the loan. Some of this information may not be known at the time the application is submitted, but it is needed before MPFA can process a financing agreement.

Consult with your bond counsel to decide the type of bond to be issued to the MPFA.

General Obligation Revenue Note

Generally backed by net system revenues, and backed by the full faith and credit of the borrower.

General Obligation Improvement Note

When special assessments are expected to provide at least 20% of the revenue for pledged debt service. May also be backed by net system revenues, and are backed by the full faith and credit of the borrower.

Taxable Note vs. Tax-Exempt Note

The applicant may have a preference for taxable or tax-exempt. Consult with your bond counsel and financial advisor. Taxable notes may result in a higher interest rate on the MPFA loan.

Identify the statutory authority (ies) for issuing the debt (i.e. MN Statutes Chapters 115, 429, 444, 475). Please discuss with your bond counsel.

- [Sec. 115.46 MN Statutes](#)
- [Sec. 444.075 MN Statutes](#)
- [Ch. 475 MN Statutes](#)
- [Ch. 429 MN Statutes](#)
- Other
- Not yet determined

List the major industrial users:

Industry / Company Name	% of system use

Does the system have any significant wastewater contributors or significant water users (see definitions below)? yes no

Significant wastewater contributor:

A nonresidential user of a municipal wastewater treatment system whose current wastewater flow or projected wastewater flow causes the need for the construction of the project, or whose wastewater contribution, after project completion, will exceed 50% of the wastewater treatment system's capacity.

Significant water user:

A nonresidential user of a municipal drinking water system whose current water needs or projected water needs cause the need for construction of the project, or whose water intake after the project is completed will exceed 50% of the total gallons annually supplied by the water system.

Form 10 Security Type

Does the applicant have agreements (see definitions below) with the significant contributors or users? yes no

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 consult your bond counsel)

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

Form 11 Infrastructure Asset Management

This form relates to capital improvement plans and asset management.

Please list anticipated capital improvements:

Year	System type	Describe the project	Estim. Cost
		FOR CITY'S CIP PLEASE REFERENCE https://duluthmn.gov/finance/budget/	

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

The City does an annual review and update of a rolling three-year Capital Improvement Plan. For historical plans please reference the City of Duluth's site at <https://duluthmn.gov/finance/budget/>

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

The City uses a combination of funding sources as available including Current Revenues, MPFA loans, GO Revenue Bonds, State and Federal Grants. The City established a Water Infrastructure Surcharge in 2025 designed specifically to cover the cost of debt service associated with a planned \$42M Capital Improvements to the Water Treatment and Distribution System.

Does the applicant have an asset management program? yes no

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

The City's asset management program contains an inventory of all assets of the water system along with a maintenance plan. The program also identified High Priority assets and contains each assets expected useful life and estimated replacement cost for use in capital improvement planning.

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 Guidance Packet, applicable State of Minnesota Prevailing Wages and Federal Davis Bacon Prevailing Wages, Build America, Buy America (BABA)* 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).

*** Note on BABA: this is only required of SRF "Equivalency" projects. Contact your MPFA loan officer to ensure correct identification for each project as equivalency or not.**

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
- (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. See changes from Federal Executive Orders 14151 and 14173.
- (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)
- (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 is granted a waiver from the EPA.
Note on BABA: this is only required of SRF "Equivalency" projects. Contact your MPFA loan officer to ensure correct identification for each project as equivalency or not.
- (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. MPFA 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

(30) The Recipient will post a physical sign at the project site during the construction phase to inform the public that the project funding was made available by the State of Minnesota and the federal *Infrastructure Investment and Jobs Act*.

CERTIFICATION:

The applicant certifies that it has or will comply with the above requirements. Additionally, the applicant will include the MPFA Contract Guidance Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Guidance 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 either 1) print, sign, and return this form, or 2) 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@state.mn.us

copy into email subject line:

copy into body of email: RE: Duluth DW-Part B: 1690011-25 Other - System Wide Corrosion & Painting

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 Guidance Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Guidance Packet into all construction contracts.

NOTE - ALTERNATIVE TO THE ABOVE EMAIL CERTIFICATION PROCESS:

You may open this embedded pdf document, sign it, and return it to your loan officer:



Cert 02 [Compliance Cert: Disadvantaged Business Enterprise, Required Procurement, 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 Guidance Packet) must be physically included in all bidding and contract documents. Additional information is in the Contract Guidance Packet.

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

Cert 02 Compliance Cert: Disadvantaged Business Enterprise, Required Procurement, Contract Conditions

CERTIFICATION:

The applicant certifies that it has or will comply with the above requirements. Additionally, the applicant will include the MPFA Contract Guidance Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Guidance 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 either 1) print, sign, and return this form, or 2) 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@state.mn.us

copy into email subject line:

copy into body of email: RE: Duluth DW-Part B: 1690011-25 Other - System Wide Corrosion & Painting

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 Guidance Packet and applicable Davis-Bacon and Minnesota prevailing wages in bid solicitations and incorporate the MPFA Contract Guidance Packet into all construction contracts.

NOTE - ALTERNATIVE TO THE ABOVE EMAIL CERTIFICATION PROCESS:

You may open this embedded pdf document, sign it, and return it to your loan officer:



Cert 03 Compliance Certification as to No Conviction of Felony Financial Crime by a Principal

As a condition of receiving funding, Applicants must certify to the statement below.

Minnesota Statutes Section 16B.981 Subd. 2 (6) requires that no current principals of a recipient have been convicted of a felony financial crime in the last 10 years. A principal is defined as a public official, a board member, or staff (paid or volunteer) with the authority to access funds provided by this financial assistance opportunity or to determine how those funds are used.

CERTIFICATION:

The applicant certifies that no current principals have been convicted of a felony financial crime in the last 10 years. I have attached a list or chart of all principals.

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 either 1) print, sign, and return this form, or 2) 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@state.mn.us

copy into email subject line:

copy into body of email: RE: Duluth DW-Part B: 1690011-25 Other - System Wide Corrosion & Painting

By this email I hereby certify that no current principals of Duluth have been convicted of a felony financial crime in the last 10 years. Additionally, I have attached a list or chart of all principals.

NOTE - ALTERNATIVE TO THE ABOVE EMAIL CERTIFICATION PROCESS:

You may open this embedded pdf document, sign it, and return it to your loan officer:

