

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM  
&  
AMERICAN RESCUE PLAN ACT WATER & SEWER GRANTS



Montana Department of Natural Resources and Conservation  
Water Policy Interim Committee  
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## EXECUTIVE SUMMARY

This report summarizes the status of the Montana Department of Natural Resources and Conservation (DNRC) Renewable Resource Grant and Loan (RRGL) and American Rescue Plan Act (ARPA) Water & Sewer Grant programs as of September 1, 2022. The information in this report captures program progress authorized in the 2021 Legislature.



*Figure 1 - Beaver Creek Restoration Lewis and Clark Conservation District*

ARPA became law in March of 2021 during the Montana State Legislative session. House Bill 632 appropriated the ARPA funds that were to be distributed to the state, including the State Fiscal Recovery (“SFR”) Funds, and both laws set forth a framework for their use.

House Bill 632 established advisory commissions consisting of legislators from both chambers and political parties, as well as members appointed by the Governor. It further provided that for nearly all SFR funds, executive branch departments will recommend programs and projects to the Advisory Commissions, the Advisory Commissions will make recommendations to the Governor, and the Governor will approve final uses.

HB 632 appropriated those SFR Funds and linked them to an Advisory Commissions. Necessary investments in water and sewer investments were linked to the Infrastructure Advisory Commission:

1. \$462,689,925 for water and sewer infrastructure projects (Infrastructure), including:
  - a. \$150,000,000 for minimum allocation grants to towns, cities, and counties.
  - b. \$249,072,662 for competitive grants to local governments, including Tribal Governments.
  - c. \$10,000,000 to regional water authorities.
  - d. \$42,231,698 for other eligible water and sewer projects at the local and state level
    - i. \$10,923,258 for Renewable Resource Grants (House Bill 6 and House Bill 14) and Reclamation Development Grants (House Bill 7),
    - ii. \$24,577,698 for Montana Coal Endowment Program Grants (House Bill 11),
    - iii. \$5,000,000 for Regional Water Authority Grants (House Bill 11),
    - iv. \$2,050,000 for Long Range Building Projects (House Bill 5) and
  - e. the balance for administrative costs including technical assistance to local communities,

The ARPA Water & Sewer Grant Program publishes a monthly report for the Infrastructure Advisory Commission. The monthly reports summarize projects recommended for funding to the members of the Infrastructure Advisory Commission and the Governor. The ARPA Water & Sewer Grant Programs are summarized in TABLE 1. ARPA.MT.GOV summarizes funds distributed to date which tracks appropriations, awards, and expenditures.

The RRGL Program publishes a biennial report in Volume 6 of the Governor's Executive Budget Fiscal Years 2022-2023. The biennial report includes summaries of all projects recommended for funding to the 2021 Legislature and a comprehensive description of RRGL program policies and procedures. The RRGL program is composed of six grant programs described in this document and summarized in TABLE 2. The RRGL loan programs are summarized in TABLE 3.

TABLE 1 HOUSE BILL 632 WATER & SEWER APPROPRIATIONS – INFRASTRUCTURE ADVISORY COMMISSION

<b>Program</b>	<b>Agency</b>	<b>Total Appropriation</b>
HB 632 - Minimum Allocation Water & Sewer Grants	DNRC	\$150,000,000
HB 632 - Competitive Allocation Water & Sewer Grants	DNRC	\$248,572,662
HB 632 - Regional Water Systems	DNRC	\$10,000,000
HB 5 - Long Range Building Projects	Department of Administration	\$2,050,000
HB 6 - Renewable Resource Grant Program	DNRC	\$6,550,000
HB 7 – Reclamation Development Grant Program	DNRC	\$429,000
HB 11 – Montana Coal Endowment Program	Department of Commerce	\$10,869,800
HB 11 - Regional Water Systems	DNRC	\$5,000,000
HB 14 - Montana Coal Endowment Program	Department of Commerce	\$13,707,898
HB 14 - Renewable Resource Grant Program	DNRC	\$4,720,788
HB 632 - Technical Assistance	Department of Commerce	\$750,000

TABLE 2 PROJECT FUNDING LIMITS & LEGISLATIVE APPROPRIATIONS FOR THE 2023 BIENNIUM RENEWABLE RESOURCE GRANT PROGRAM

<b>Funding Program</b>	<b>Funding Limit</b>	<b>Eligible Applicants or Recipients</b>	<b>Total Appropriation</b>
<b>Grant Programs</b>			
Project Grants HB 6	\$125,000	Public Entities	\$4,500,000
<i>Project Grants HB 14</i>	<i>\$125,000</i>	<i>Public Entities</i>	<i>\$4,720,788</i>
Planning Grants HB 6	\$15,000	Public Entities	\$1,000,000
Emergency Grants HB 6	\$30,000	Public Entities	\$100,000
Irrigation Development Grants HB 6	\$20,000	Public and Private	\$300,000
Watershed Grants HB 6	\$20,000	Public Entities & Watershed Groups	\$300,000
Private Grants HB 6	\$5,000	Private Entities	\$100,000
Savage Elementary School Water System Repairs Emergency Grant	\$250,000	Public Entity	\$250,000
<b>Total House Bill 6</b>			<b>\$6,550,000</b>
<i>Total House Bill 14</i>			<i>\$4,720,788</i>

TABLE 3 PROJECT FUNDING LIMITS & LEGISLATIVE APPROPRIATIONS FOR THE 2023 BIENNIUM RENEWABLE RESOURCE LOAN PROGRAM

Funding Program	Funding Limit	Eligible Applicants or Recipients	Total Appropriation
<b>Loan Programs</b>			
Renewable Resource Public Loans HB 8 Coal Severance Tax Bonds	Ability to Repay	Public Entities	\$92,450,000
Renewable Resource Loans to Private Entities Renewable Resource Loan Proceeds Account	Private Entities up to \$400,000 or 80% of fair market value Associations up to \$3,000,000	Associations/ Individuals	Up to \$20,000,000
Renewable Resource Emergency Loans HB 8 Renewable Resource Loan Proceeds Account	Ability to repay	Government Entities	\$10,000,000

## RENEWABLE RESOURCE PROGRAM

### RRGL Program Purpose

The purpose of the RRGL program is to further the state's policies, set forth in Section 85-1-101, MCA, regarding the conservation, preservation, and beneficial use of renewable resources. The goal of the program is to invest in renewable natural resource projects that preserve economic and other benefits of the state's natural heritage for the citizens of Montana.



*Figure 2 - St. Mary Diversion Pipeline and Drop Structure that provides water to the Milk River. The Milk River provides drinking water, irrigation water and recreation to hundreds of thousands of Montanans living along Montana's Hi-Line.*

### Revenue Sources for Renewable Resource Grants

The 2021 Legislature, through House Bill 632 funded the Renewable Resource Grants in House Bill 6 and House Bill 14 with Coronavirus State Fiscal Recovery Funds, a part of the American Rescue Plan Act (ARPA). The State of Montana State Fiscal Recovery Funds (SFRF) were allocated to the allowable uses in ARPA with most of those funds going to “necessary investments in water and sewer infrastructure”.

The 2007 Legislature established two Natural Resources State Special Revenue Accounts (SSRA): the Natural Resources Projects SSRA and the Natural Resources Operations SSRA. The Natural Resources Projects SSRA receives revenue to be used exclusively for grants. Funds from this account are shared by the RRGL and the Reclamation and Development Grants Program. The Natural Resources Operations SSRA funds expenses incurred in the administration of these two natural resource grant programs.

### Funding Authority for the 2023 Biennium

The 2021 Legislature appropriated \$6,550,000 in House Bill 632 Section 36, which incorporates House Bill 6 by reference funded both the programs and projects for renewable resource grants. Of that amount, \$4,500,000

funded 36 projects for the 2023 biennium. House Bill 632 also appropriated \$1,000,000 for Planning Grants, \$300,000 for Irrigation Development Grants, \$100,000 for Emergency Grants, \$300,000 for Watershed Grants, and \$90,000 for Private Grants. House Bill 632 Section 39 appropriated \$4,720,788 for renewable resource projects in House Bill 14.

The 2021 Legislature appropriated funding to DNRC for loans under the RRGL Program authorizing the issuance of Coal Severance Tax Bonds, creating state debt and appropriating coal severance taxes for debt service to make loans to state and local governments for renewable resource projects.

### Project Eligibility for Renewable Resource Grants and Loans

Grants and loans are available for projects that conserve, protect and beneficially use the state's water, land, vegetation, fish, recreation, and other renewable resources. Most projects funded under this program are water resource projects; but forestry, soil conservation, renewable energy, and solid waste projects are also eligible. Project funding is available for construction, research, design, demonstration, and planning. Watershed projects that preserve and improve water quality and projects that help plan for future management and protection of water sources (such as groundwater assessment studies) have also received funding.

### RENEWABLE RESOURCE PROJECT GRANTS

The DNRC Resource Development Bureau accepts applications for public grants that are submitted or postmarked by May 15 of each even-numbered year. In June 2020 DNRC received 76 total RRGL Project Applications for \$9.47 Million, see TABLE 4 and MAP 1.

In May 2022 DNRC received 70 total RRGL Project applications for \$8.75 Million. DNRC is currently reviewing and ranking those applications in preparation for the 2023 Legislature, see TABLE 5.

Under the RRGL program, a public entity is registered with the Secretary of State and is typically a city, town, county, school district, irrigation district, water and/or sewer district, state agency, university, or conservation district. Certain grants and loans within the RRGL Program 85-1-606, MCA can go to private persons.

### Project Grants

DNRC solicits a wide variety of project applications to maintain the competitive nature of the program. Those projects that most closely meet statutory priorities rank the highest and are most likely to rank above the cut-off point for available funding. Projects that do not rank competitively and fall below the projected funding line are less likely to receive legislative approval. However, in 2021 the Legislature passed House Bill 632 which funded all the projects even those below the funding line in House Bill 6.





*Figure 3 Ackley Lake Reservoir Cofferdam*

### Application Review and Ranking

DNRC contracts with engineering and natural resource specialists throughout Montana to review applications for technical and financial feasibility. In addition to a primary reviewer, most applications receive an evaluation from secondary reviewers for specific portions of the application. The secondary reviewer can be someone from another state agency (Department of Environmental Quality, for example, may be asked to comment on an application asserting benefits to wetlands). DNRC also solicits views of local governments and other affected parties to verify public benefit. DNRC provides guidelines specifically for application review to ensure a consistent basis for reviewing applications.

DNRC's scoring and ranking system is used to determine the relative merit of every proposal submitted for grant funding. Each project is scored based on technical and financial feasibility, project management ability, and the degree to which a project will benefit, develop or better manage a renewable resource. This information is summarized for the DNRC Director, who in turns presents the DNRC recommended ranked list of projects to the Governor.

DNRC's recommendation of project rank is not binding. Either the Governor or the Legislature may adjust the recommendations to reflect their assessment of natural resource and other policy priorities. An appropriations bill containing project ranking recommendations (typically House Bill 6) is drafted and introduced to the

Legislature. Actual funding decisions are made by the Legislature.

DNRC is currently ranking the 2022 RRGL Project applications for presentation to the 2023 Legislature. TABLE 5 summarizes the applications received in 2022.

### DNRC's Project Management and Oversight

Procedures for monitoring projects are governed by a grant agreement between DNRC and the project sponsor. Currently the RRGL program consists of 4.5 full-time staff responsible for overseeing about 300 active public grants and loans at any given time.

In addition to expense documentation, DNRC requires regular progress reports. Program staff document decisions and conversations that affect ongoing projects, make notes to the file, and document important conversations with correspondence. Amendments to grant agreements are prepared and issued in response to any problems that require changes to the timeline or budget. DNRC attempts to make site inspection visits to all projects during the construction phase. Site visits are made to spot check for problems or to respond to a request for assistance from the project sponsor. Budget and staffing constraints preclude DNRC site involvement at every project site.

Upon project completion, DNRC requires submission of a final project report to document project history and the quantifiable results of the expenditure of grant dollars. This report summarizes grant expenditures, documents the work accomplished, and compares project objectives as presented to the Legislature with final projects results. Evaluation through a final project report enables DNRC to measure how well the project implemented the program goals of conserving, developing, managing, and preserving Montana's renewable resources. Projects are considered successful if they complete the scope of work outlined in the grant agreement and meet claims for resource benefits.

TABLE 4 2020 RENEWABLE RESOURCE PROJECT GRANT APPLICATIONS IN RANKED ORDER

HOUSE BILL	RANKED ORDER	PROJECT SPONSOR/PROJECT NAME	RECOMMENDED GRANT FUNDING	CUMULATIVE RECOMMENDED	RECOMMENDED RRG LOAN FUNDING
6	1	<b>Milk River Joint Board of Control</b> St. Mary Diversion Dam and Headworks Design Completion	\$125,000	\$125,000	
6	2	<b>Gardiner Park County Water and Sewer District</b> Wastewater System Improvements	\$125,000	\$250,000	
6	3	<b>Greenfields Irrigation District</b> Arnold Coulee Hydroelectric Project	\$125,000	\$375,000	
6	4	<b>Cooke City Water and Sewer District</b> Wastewater Collection and Treatment System Project	\$125,000	\$500,000	
6	5	<b>Fort Smith Water and Sewer District</b> Wastewater System Improvements	\$125,000	\$625,000	
6	6	<b>Montana Department of Corrections</b> Powell Dam Rehabilitation	\$125,000	\$750,000	
6	7	<b>Lewis and Clark Conservation District</b> Beaver Creek Restoration, Phase 2	\$125,000	\$875,000	
6	8	<b>Lockwood Water and Sewer District</b> CS3-1 Collection System Improvements, Phase 3	\$125,000	\$1,000,000	
6	9	<b>Manhattan, Town of</b> Water Reclamation Facility Improvements, Phase 1	\$125,000	\$1,125,000	
6	10	<b>Helena Valley Irrigation District</b> Terminal Wasteway and Lateral Automation and Measurement	\$125,000	\$1,250,000	
6	11	<b>Thompson Falls, City of</b> Wastewater System Improvements, Phase 3	\$125,000	\$1,375,000	
6	12	<b>Butte-Silver Bow Government</b> Basin Creek Dam #1 Rehabilitation	\$125,000	\$1,500,000	
6	13	<b>Deer Lodge, City of</b> Wastewater Collection System Improvement	\$125,000	\$1,625,000	
6	14	<b>Pondera County Conservation District</b> Dupuyer Creek Diversion Automation	\$125,000	\$1,750,000	
6	15	<b>Teton Conservation District</b> Eureka Dam Safety Improvements	\$125,000	\$1,875,000	
6	16	<b>Darby, Town of</b> Wastewater System Improvements	\$125,000	\$2,000,000	
6	17	<b>Libby, City of</b> Wastewater System Improvements	\$125,000	\$2,125,000	
6	18	<b>Montana Department of Natural Resources and Conservation – Water Resources Division</b> Ackley Lake Outlet Canal Rehabilitation	\$125,000	\$2,250,000	
6	19	<b>Greenfields Irrigation District</b>	\$125,000	\$2,375,000	

HOUSE BILL	RANKED ORDER	PROJECT SPONSOR/PROJECT NAME	RECOMMENDED GRANT FUNDING	CUMULATIVE RECOMMENDED	RECOMMENDED RRG LOAN FUNDING
		SRS-71 Headworks and SRS Re-Regulation			
6	20	<b>Valier, Town of</b> Wastewater System Improvements, Phase 3	\$125,000	\$2,500,000	
6	21	<b>Greenfields Irrigation District</b> Spring Coulee Headworks Replacement	\$125,000	\$2,625,000	
6	22	<b>Helena Valley Irrigation District</b> Lateral 11.9 Canal Conversion and Gate Rehabilitation	\$125,000	\$2,750,000	
6	23	<b>Big Mountain County Sewer District</b> Wastewater Collection System Improvements	\$125,000	\$2,875,000	
6	24	<b>Lower Musselshell County Conservation District</b> DMWUA Main Canal Diversion Gate Automation	\$125,000	\$3,000,000	
6	25	<b>Bitterroot Conservation District</b> Bitterroot River Irrigation Management Study	\$125,000	\$3,125,000	
6	26	<b>Wolf Point, City of</b> Wastewater Collection System Improvements	\$125,000	\$3,250,000	
6	27	<b>Havre, City of</b> Clear Creek Court-Sanitary Sewer System Improvements	\$125,000	\$3,375,000	
6	28	<b>Missoula, City of</b> Rattlesnake Creek Wilderness Dams Project	\$125,000	\$3,500,000	
6	29	<b>Missoula County</b> Buena Vista Wastewater System Improvements, Phase 2	\$125,000	\$3,625,000	
6	30	<b>Fort Belknap Indian Community</b> Milk River Diversion Gate Automation	\$125,000	\$3,750,000	
6	31	<b>Shelby, City of</b> Water Infrastructure System Improvements	\$125,000	\$3,875,000	
6	32	<b>Fort Peck Tribes</b> Frazer and Wiota Pump Automation and Monitoring	\$125,000	\$4,000,000	
6	33	<b>Lower Willow Creek Irrigation District</b> Lower Willow Creek Reservoir Toe Drain Repair	\$125,000	\$4,125,000	\$153,000
6	34	<b>Hill County</b> Beaver Creek Dam Improvements	\$125,000	\$4,250,000	
6	35	<b>East Helena, City of</b> Wastewater System Improvements	\$125,000	\$4,375,000	
6	36	<b>Bitter Root Irrigation District</b> Water Efficiency, Modernization and Planning Study	\$125,000	\$4,500,000	
14	37	<b>Beaverhead Conservation District</b> Irrigation Efficiency and Water Measurement	\$125,000	\$4,625,000	

HOUSE BILL	RANKED ORDER	PROJECT SPONSOR/PROJECT NAME	RECOMMENDED GRANT FUNDING	CUMULATIVE RECOMMENDED	RECOMMENDED RRG LOAN FUNDING
14	38	<b>Stillwater Conservation District</b> Mendenhall Ditch Intake and Drop Structure Rehabilitation	\$125,000	\$4,750,000	
14	39	<b>Montana Department of Natural Resources and Conservation – Water Resources Division</b> Deadman’s Supply Canal Rehabilitation, Phase 2	\$125,000	\$4,875,000	
14	40	<b>Lower Yellowstone Irrigation Project</b> Later V Check Structure and Lateral W Headgate Rehabilitation	\$125,000	\$5,000,000	
14	41	<b>Montana Department of Natural Resources and Conservation – Water Resources Division</b> Two Dot Canal Rehabilitation	\$125,000	\$5,125,000	
14	42	<b>Circle, Town of</b> Water System Improvements, Phase 3	\$125,000	\$5,250,000	
14	43	<b>Roundup, City of</b> Water Main Improvements, Phase 6	\$125,000	\$5,375,000	
14	44	<b>Clinton Irrigation District</b> Schoolhouse Lateral Pipeline Conversion	\$125,000	\$5,500,000	
14	45	<b>Tenmile Creek Estates/Pleasant Valley Water and Sewer District</b> Wastewater System Improvements	\$125,000	\$5,625,000	
14	46	<b>Carbon County Conservation District</b> Mutual Ditch Siphon Replacement	\$125,000	\$5,750,000	
14	47	<b>Ekalaka, Town of</b> Water System Improvements	\$125,000	\$5,875,000	
14	48	<b>Glen Lake Irrigation District</b> Rolling Hills Canal Rehabilitation	\$125,000	\$6,000,000	
14	49	<b>Buffalo Rapids Irrigation Project District 1</b> BRIPD1 Irrigation System Automation	\$125,000	6,125,000	
14	50	<b>Flaxville, Town of</b> Water System Improvements	\$125,000	6,250,000	
14	51	<b>North Valley County Water and Sewer District</b> Water System Improvements, Phase 1	\$125,000	6,375,000	
14	52	<b>Buffalo Rapids Irrigation Project District 2</b> BRIPD2 Lateral 1.6 Pipeline Conversion, Phase 2	\$125,000	6,500,000	
14	53	<b>Petroleum County Conservation District</b> Petrolia Dam Outlet Works Headgate Replacement	\$105,742	6,605,742	
14	54	<b>Harlowton, City of</b> Water System Improvements, Phase 5	\$125,000	\$6,730,742	
14	55	<b>Alfalfa Valley Irrigation District</b> East Flynn Canal Rehabilitation, Phase 2	\$125,000	\$6,855,742	

HOUSE BILL	RANKED ORDER	PROJECT SPONSOR/PROJECT NAME	RECOMMENDED GRANT FUNDING	CUMULATIVE RECOMMENDED	RECOMMENDED RRG LOAN FUNDING
14	56	Malta Irrigation District Main Canal Lining – Wagner Ranch	\$125,000	\$6,980,742	
14	57	Glasgow Irrigation District Spaniard Check Structure	\$125,000	\$7,105,742	
14	58	Lewistown, City of Water System Improvements	\$125,000	\$7,230,742	
14	59	Glen Lake Irrigation District Infrastructure Modernization Study	\$125,000	\$7,355,742	
14	60	Big Timber, City of Water System Improvements	\$125,000	\$7,480,742	
14	61	Alberton, Town of Water System Improvements	\$125,000	\$7,605,742	
14	62	Hysham Irrigation District Intake Improvements	\$125,000	\$7,730,742	
14	63	Three Forks, City of Water System Improvements	\$125,000	\$7,855,742	
14	64	Choteau, City of Water System Improvements	\$125,000	\$7,980,742	
14	65	Fairfield, Town of Water System Improvements	\$125,000	\$8,105,742	
14	66	Huntley Project Irrigation District Yellowstone River Bank Stabilization	\$125,000	\$8,230,742	
14	67	Sweet Grass County Conservation District Post-Kellogg Ditch Headworks Improvement	\$125,000	\$8,355,742	
14	68	Lewistown, City of Ditch Rehabilitation	\$125,000	\$8,480,742	
14	69	Joliet, Town of Water System Improvements	\$125,000	\$8,605,742	
14	70	Richey, Town of Water System Improvements, Phase 1	\$125,000	\$8,730,742	
14	71	Fort Benton, City of Water System Improvements	\$125,000	\$8,855,742	
14	72	Big Sandy, Town of Stormwater System Improvements	\$125,000	\$8,980,742	
14	73	Belgrade School District Ridge View Elementary Solar Project	\$115,046	\$9,095,788	
14	74	Paradise Valley Irrigation District Milk River Bank Stabilization	\$125,000	\$9,220,788	
		<b>The projects listed below were not recommended for funding.</b>			
	75	Phillips County Buffalo Trail Water System Construction	\$0	\$9,220,788	

HOUSE BILL	RANKED ORDER	PROJECT SPONSOR/PROJECT NAME	RECOMMENDED GRANT FUNDING	CUMULATIVE RECOMMENDED	RECOMMENDED RRG LOAN FUNDING
	76	Sunburst, Town of Water Supply, Storage, and Distribution System Improvements	\$0	\$9,220,788	

# 2020 Renewable Resource Grant and Loans Grants Program Applications

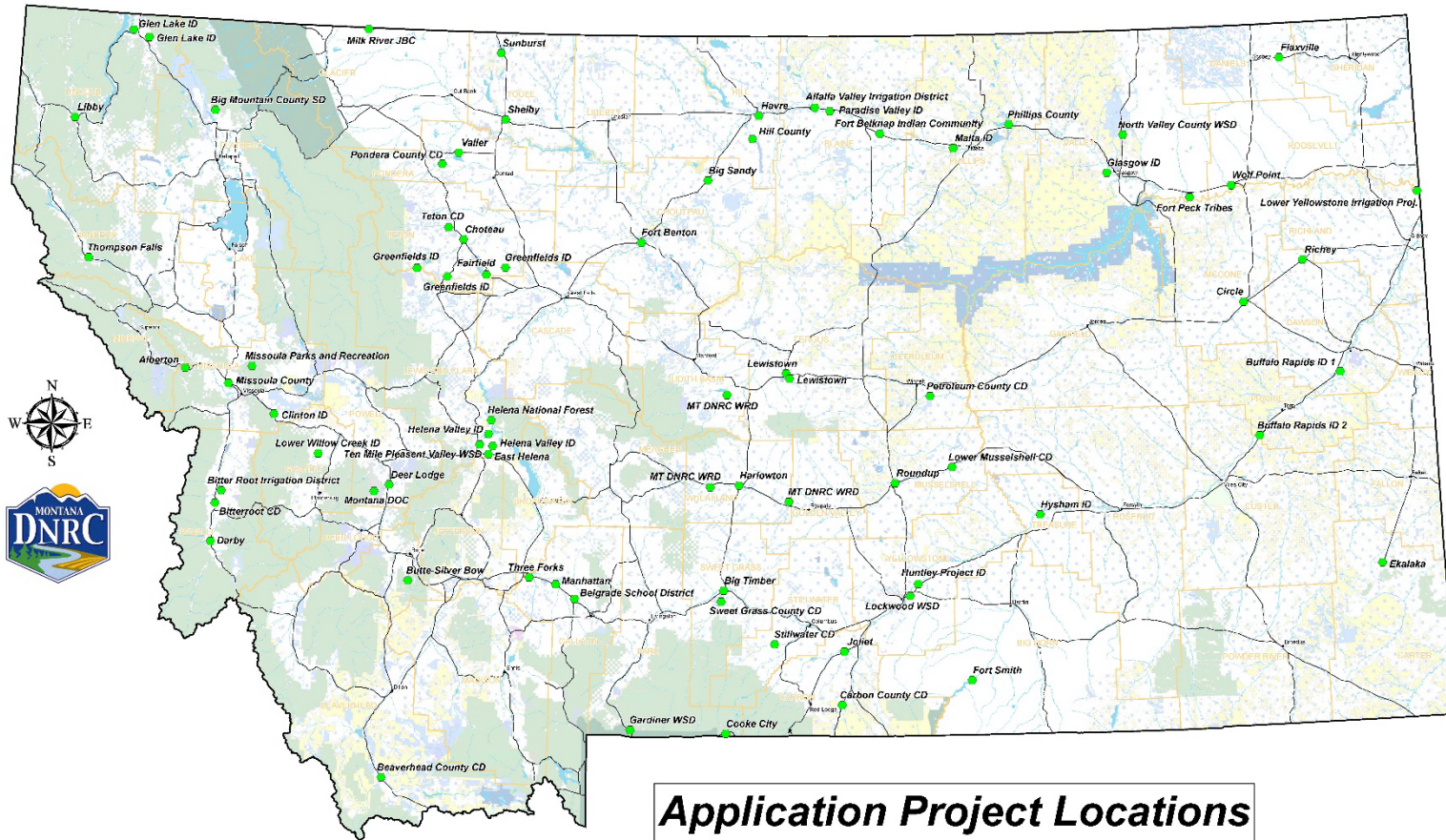


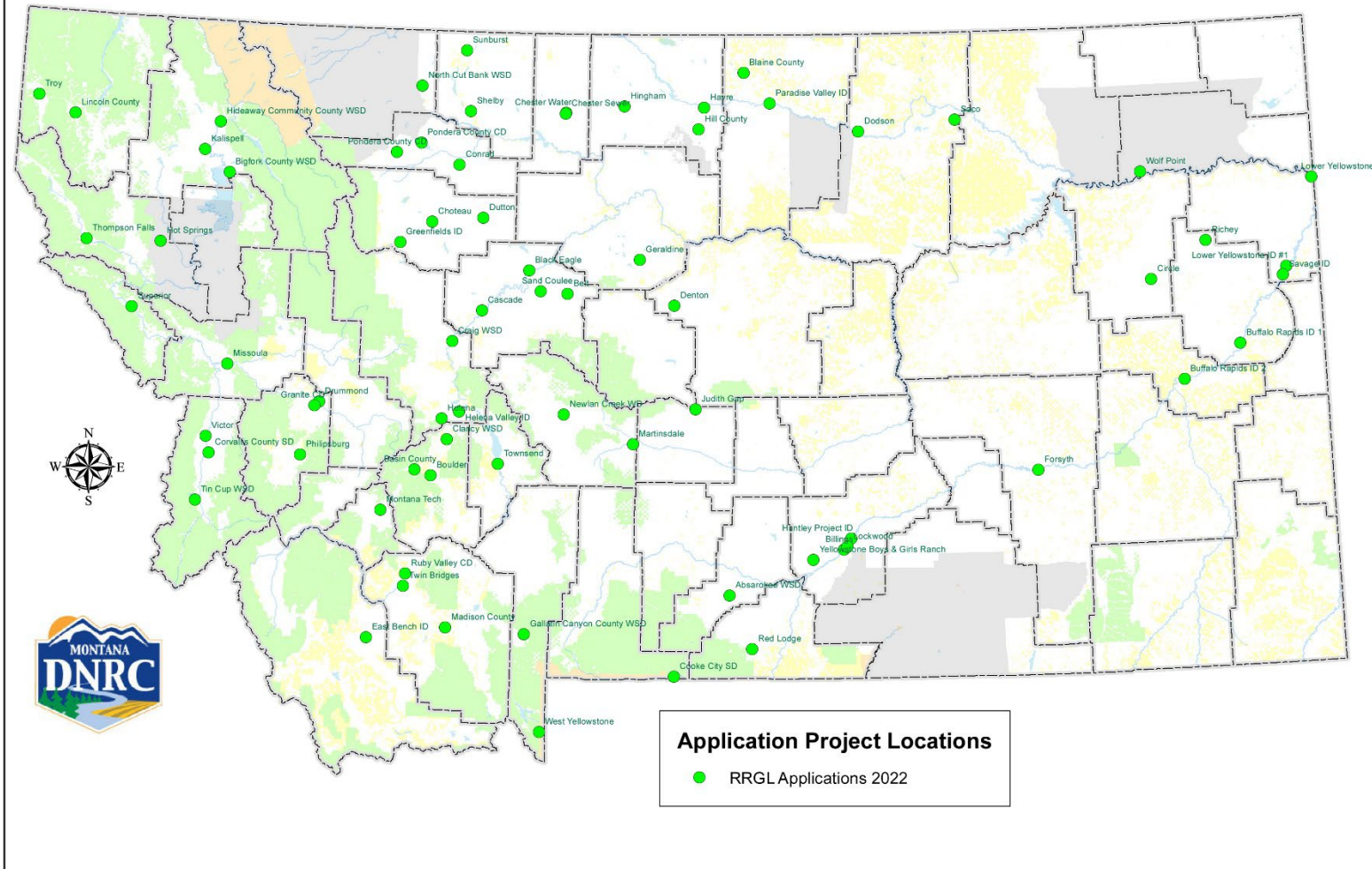


TABLE 5 2022 RENEWABLE RESOURCE GRANT APPLICATIONS - CURRENTLY UNDER REVIEW

APPLICANT	PROJECT TITLE	RRGL REQUESTED AMOUNT
Absarokee Water & Sewer District	Water System Improvements	\$125,000
Basin County Water & Sewer District	Water System Improvements	\$125,000
Belt	Water System Improvements	\$125,000
Bigfork County Water & Sewer District	Wastewater System Improvements	\$125,000
Billings	BBWA Rim Tunnel Rehabilitation	\$125,000
Blaine County	North Chinook Dam	\$125,000
Boulder	Water System Improvements	\$125,000
Buffalo Rapids Irrigation Project 1	Irrigation System Improvements	\$125,000
Buffalo Rapids Irrigation Project 2	Irrigation System Improvements	\$125,000
Cascade	Wastewater System Improvements	\$125,000
Chester	Water System Improvements	\$125,000
Chester	Wastewater System Improvements	\$125,000
Choteau	Water System Improvements	\$125,000
Circle	Water System Improvements	\$125,000
Clancy Water & Sewer District	Water System Improvements	\$125,000
Conrad	Stormwater System Improvements	\$125,000
Cooke City Sewer District	Wastewater System Improvements	\$125,000
Corvallis County Sewer District	Wastewater System Improvements	\$125,000
Craig Water & Sewer District	Wastewater System Improvements	\$125,000
Denton	Wastewater System Improvements	\$125,000
Dodson	Water System Improvements	\$125,000
Drummond	Wastewater System Improvements	\$125,000
Dutton	Water System Improvements	\$125,000
East Bench Irrigation District	Irrigation System Improvements	\$125,000
Forsyth	Water System Improvements	\$125,000
Gallatin Canyon County Water & Sewer District	Wastewater System Improvements	\$125,000
Geraldine	Water System Improvements	\$125,000
Granite Conservation District	Irrigation System Improvements	\$125,000
Greenfields Irrigation District	Hydroelectric Project	\$125,000
Havre	Water System Improvements	\$125,000
Helena	Irrigation System Improvements	\$125,000
Helena Valley Irrigation District	Water System Improvements	\$125,000
Hideaway Court Community Sewer Project	Wastewater System Improvements	\$125,000
Hill County	Beaver Creek Dam Improvements	\$125,000
Hingham	Wastewater System Improvements	\$125,000
Hot Springs	Wastewater System Improvements	\$125,000
Huntley Project Irrigation District	Irrigation System Improvements	\$125,000
Judith Gap	Water System Improvements	\$125,000

APPLICANT	PROJECT TITLE	RRGL REQUESTED AMOUNT
Kalispell	Water/Wastewater System Improvements	\$125,000
Lincoln County	Water System Improvements	\$125,000
Lockwood Water & Sewer District	Water System Improvements	\$125,000
Lower Yellowstone Irrigation District #1	Irrigation System Improvements	\$125,000
Lower Yellowstone Irrigation Project	Irrigation System Improvements	\$125,000
Madison County	Irrigation System Improvements	\$125,000
Martinsdale Water & Sewer District	Water System Improvements	\$125,000
Missoula	Stormwater System Improvements	\$125,000
Newlan Creek Water District	Dam Safety Improvements	\$125,000
North Cut Bank Water & Sewer District	Wastewater System Improvements	\$125,000
Paradise Valley Irrigation District	Milk River Bank Stabilization	\$125,000
Philipsburg	Water System Improvements	\$125,000
Pondera County Conservation District	Irrigation System Improvements	\$125,000
Pondera County Conservation District	Irrigation System Improvements	\$125,000
Red Lodge	Wastewater System Improvements	\$125,000
Richey	Water System Improvements	\$125,000
Ruby Valley Conservation District	Irrigation System Improvements	\$125,000
Saco	Water System Improvements	\$125,000
Sand Coulee Water & Sewer District	Wastewater System Improvements	\$125,000
Savage Irrigation District	Irrigation System Improvements	\$125,000
Shelby	Wastewater System Improvements	\$125,000
Sunburst	Wastewater System Improvements	\$125,000
Superior	Wastewater System Improvements	\$125,000
Thompson Falls	Water System Improvements	\$125,000
Tin Cup Water & Sewer District	Irrigation System Improvements	\$125,000
Townsend	Water System Improvements	\$125,000
Troy	Water System Improvements	\$125,000
Twin Bridges	Water System Improvements	\$125,000
Victor Water & Sewer District	Wastewater System Improvements	\$125,000
West Yellowstone	Wastewater System Improvements	\$125,000
Wolf Point	Wastewater System Improvements	\$125,000
Yellowstone Boys & Girls Ranch	Wastewater System Improvements	\$125,000

## 2022 Renewable Resource Grant and Loan Applications



## Federal Fund Eligibility Determination

ARPA funding for RRGL grants required additional reviews and grant management duties required for federal pass-through grants. DNRC staff verify eligibility of ARPA Water & Sewer funds for each RRGL. Project types include drinking water source, storage, transmission and distribution improvement projects, wastewater treatment and collection as well as various non-point source projects eligible under ARPA. For projects that were not eligible for ARPA Water & Wastewater funds, ARPA Revenue Replacement funds were assigned. In some cases, RRGL grants funded from the State Special Revenue account were necessary, as some RRGL grant recipients needed non-federal match to meet the requirements of other federal funding sources that make up the project funding package. As DNRC reviews grants, the appropriate fund was assigned. TABLE 6 details the fund eligibility for the 74 eligible RRGL Project Grants.

*TABLE 6 RENEWABLE RESOURCE PROJECT FUND ELIGIBILITY*

<b>House Bill 6</b>	<b>\$4,500,000</b>
ARPA Water & Sewer 602d	\$2,625,000
ARPA Revenue Replacement	\$1,000,000
State Special Revenue Account	\$875,000
<b>House Bill 14</b>	<b>\$4,720,788</b>
ARPA Water & Sewer 602d	\$4,000,000
ARPA Revenue Replacement	\$490,046
State Special Revenue Account	\$230,742

## RENEWABLE RESOURCE PROJECT PLANNING GRANTS

The Renewable Resource Project Planning Grant program provides funds to plan projects that will measurably conserve, develop, manage, or protect Montana renewable resources. The 2021 Legislature authorized \$1,000,000 for project planning grants. No match funding is required.

DNRC has awarded 66 grants for \$934,000 to public entities for planning projects to date in the 2023 biennium (TABLE 7). The Renewable Resource Planning Grant program helps local governments understand and describe their project needs. Planning grants are typically for amounts between \$8,000 and \$15,000 and used to subsidize a planning effort such as a feasibility study, alternatives analysis, or preparation of a preliminary engineering report for infrastructure projects.

DNRC reviewed applications for ARPA Water & Sewer eligibility and assigned the appropriate fund. \$648,000 were eligible for ARPA Water & Sewer, \$271,000 were eligible for ARPA Revenue Replacement and \$15,000 were funded with State Special Revenue because the applicant required non-federal match for federal funding source.



TABLE 7 RENEWABLE RESOURCE PLANNING GRANTS AWARDED TO DATE IN THE 2023 BIENNIUM

PROJECT SPONSOR	PROJECT TITLE	PLANNING GRANT AWARD
Apsaalooke Water and Wastewater Auth.	Wastewater PER for Pryor Census Designated Place	\$15,000
Black Eagle -County W&SD	Water System PER	\$15,000
Blaine County	North Chinook Irrigation Assoc. Infrastructure Evaluation	\$15,000
Broadview, Town of	Wastewater System PER	\$15,000
Butte-Silver Bow	Basin Creek Dam #2 Hydrology Study	\$15,000
Butte-Silver Bow City and County	Moulton WTP Filter Replacement Alternative Analysis	\$15,000
Cascade, Town of	Sewer System Improvements	\$15,000
Choteau, City of	City of Choteau Water System PER Update	\$8,000
Columbia Falls, City of	Biosolids Management Plant	\$15,000
Conrad, City of	Conrad Stormwater PER Update	\$8,000
Corvallis County Sewer District	Wastewater Preliminary Engineering Report	\$15,000
Custer County CD	KIC Muster Creek Syphon PER for Rehabilitation	\$15,000
Custer County CD	Tongue & Yellowstone ID Sam Leo & Kircher Laterals PER	\$15,000
Denton, Town of	Wastewater Preliminary Engineering Report	\$15,000
Dodson, Town of	Town of Dodson Water PER	\$15,000
Drummond, Town of	Drummond Wastewater System PER	\$15,000
Dutton, Town of	Town of Dutton Water System PER	\$15,000
East Bench Irrigation District	Carter Creek Lining & Headgate Automation Project	\$15,000
Fort Benton, Town of	Town of Fort Benton Wastewater PER	\$15,000
Gardiner Park Co W&SD	Wastewater System Improvements PER Update	\$8,000
Garfield County Conservation District	Garfield County CD Hell Creek Jordan PER	\$15,000
Geraldine, Town of	Town of Geraldine - Water System PER	\$15,000
Granite CD	Ranch Creek Water Use Efficiency and Natural Storage	\$15,000
Granite County	Flint Creek Dam Structural Assessment & Tech Narrative	\$15,000

<b>PROJECT SPONSOR</b>	<b>PROJECT TITLE</b>	<b>PLANNING GRANT AWARD</b>
Greater Woods Bay Sewer District	Greater Woods Bay Sewer District PER Update	\$8,000
Greenfields Irrigation District	Greenfields ID Pishkun Inlet Hydroelectric Project	\$15,000
Havre, City of	Havre Water System Preliminary Engineering Report	\$15,000
Helena Valley Irrigation District	Regulating Reservoir Preservation & Bypass Project	\$15,000
Helena, City of	Chessman Dam Seepage Investigation Project	\$15,000
Hill County	Hill County Beaver Creek Dam Spillway Tailwater Project	\$15,000
Hill County Conservation District	Bear Paw Ski Bowl Spring Development Project	\$15,000
Hingham, Town of	Hingham Wastewater System PER	\$15,000
Hobson, Town of	Hobson Water Distribution System PER	\$15,000
Huntley Yellowstone County W&S District	Water System Preliminary Engineering Report	\$15,000
Judith Gap, Town of	Water and Wastewater system PER	\$15,000
Libby, City of	PER for the Water System	\$15,000
Lincoln County	Libby Creek Water & Wastewater System Evaluation	\$15,000
Livingston, City of	View Vista Community Water and Sewer PER	\$15,000
Lower Yellowstone Irrigation District #1	LYID #1 Thomas Point Pump Station Rehabilitation	\$15,000
Malta Irrigation District	Malta Irrigation District System Improvement PER	\$15,000
Manhattan, Town of	Water Main Rehabilitation Phase I	\$15,000
Martinsdale Water & Sewer District	Martinsdale Water & Sewer District PER	\$15,000
Missoula, City of	Watershed-Based Stormwater Facility Plan	\$8,000
Newlan Creek Water District	Newlan Creek Dam Safety Improvements	\$15,000
Paradise Valley Irrigation District	Hillside Ditch Phase 2 Pipeline Conversion	\$15,000
Philipsburg, Town of	Drinking Water Distribution System and Storage	\$15,000
Pondera County Conservation District	PCCRC C Canal Headworks Automation Project	\$15,000
Pondera County Conservation District	PCCRC Birch Creek Diversion	\$15,000

<b>PROJECT SPONSOR</b>	<b>PROJECT TITLE</b>	<b>PLANNING GRANT AWARD</b>
	Automation PER	
Powell County	Capital Improvements Plan	\$8,000
RAE Water and Sewer	RAE Water PER	\$15,000
Rosebud Water & Sewer District	Rosebud Water & Sewer District PER	\$15,000
Roundup, City of	Wastewater PER	\$15,000
Shelby, City of	Wastewater PER	\$15,000
South Wind County WSD	Phase 4 Water and Sewer Improvements PER	\$15,000
Stillwater County	Park City Stormwater Preliminary Engineering Report	\$15,000
Sunburst, Town of	Wastewater System Upgrades	\$15,000
Superior, Town of	Wastewater PER	\$15,000
Sweet Grass County	Capital Improvements Plan	\$8,000
Twin Bridges, Town of	Water System PER	\$15,000
Victor Sewer District	Wastewater Preliminary Engineering Report	\$15,000
West Yellowstone, Town of	West Yellowstone Collections Engineering Report	\$15,000
Westby, Town of	Town of Westby Water System PER	\$15,000
Wheatland County	Deadman's Basin Water PER	\$15,000
White Sulphur Spring, City of	Water System PER	\$8,000
Yellowstone Conservation District	BBWA Five Mile Crossing Rehabilitation Plan	\$15,000
Yellowstone Irrigation District	Yellowstone Irrigation District RRGL Engineering Report	\$15,000



## RENEWABLE RESOURCE EMERGENCY GRANTS AND LOANS

In addition to the regular funding available during each RRGL funding cycle, limited funds are available for immediate projects to address qualified emergencies. These funds are reserved to help finance emergency projects which otherwise would be eligible for grant or loan funding, and, if delayed until legislative approval during the next funding cycle, would result in substantial damages or legal liability for the project sponsor.

DNRC accepts applications for emergency grants and loans from public entities when an emergency occurs. No application fee is required.

To request funds, applicants are required to submit a letter containing:

- A description of the problem;
- A statement of when the problem occurred;
- The proposed solution;
- Cost estimates, with documentation; and,
- Documentation of the community’s financial condition and ability to pay.

As with funding for other renewable resource projects, emergency funds must be used for projects that manage renewable resources in the state through conservation, management, development or preservation; for assessing feasibility or planning; for implementing renewable resource projects; or for similar purposes approved by the Legislature. Requests for emergency funds are reviewed by DNRC staff.

The 2021 Legislature authorized \$100,000 in House Bill 6 to fund emergency grants for this biennium. Typically, a grant for an individual emergency project is limited to a maximum of \$30,000. The limited total amount of funding available each biennium dictates close management of funding limits for each emergency project. The amount available for emergency loans is \$10,000,000 per biennium. The amount available per loan is based on the applicant’s ability to repay the loan. As of September 1, 2022, five emergency grants have been awarded. TABLE 8 shows emergency grants awarded to date in the 2023 biennium.

*TABLE 8 RENEWABLE RESOURCE EMERGENCY GRANTS 2023 BIENNIUM*

PROJECT SPONSOR	PROJECT TITLE	EMERGENCY GRANT AWARD
Gallatin County CD	High Line Canal Breach - emergency repair	\$ 10,000
Pondera County CD	Lake Francis Reservoir - Gate Repairs	\$ 10,000
Park County CD	Bear Creek Irrigation Ditch Washout	\$ 10,000
Hysham, Town of	Water Tank Valve Replacement	\$ 10,000
Beaverhead County	Beaverhead Jackson W&SD Emergency Pump Repair	\$ 10,000

## IRRIGATION DEVELOPMENT GRANTS

The Irrigation Development Grants (IDG) program was initiated by the 1999 Legislature to foster development of new irrigation projects and production of high-value crops. Program staff provides financial and technical assistance to government and private entities in the development and the sustainment of irrigation infrastructure issues throughout the state. Grants from this program range from \$5,000 to \$20,000 per project.

Project examples include sponsoring grant-writing workshops; purchasing water measurement equipment; funding feasibility studies for irrigation system improvements; developing capital improvement plans; developing new irrigation projects and Geographic Information System projects; topographic surveys; and funding agriculture tours to inform producers on new technology. The IDG program is now in its 20th year. The program has assisted producers and irrigators throughout the state in development of new irrigation and has played a prominent role in improving the management and conservation of water for sustainable irrigation.



*Figure 5 Blackfoot Challenge Irrigation Efficiency Study*

The 2021 Legislature appropriated \$300,000 in House Bill 6 for the IDG program. Project Solicitation and Review Applicants are required to submit an online application during the funding cycle. The application must describe the proposed project or activity, identify the sources and uses of funding, and discuss the implementation schedule for completion of the project tasks or phases. Applications are evaluated for completeness and compliance with the intended purposes of the Renewable Resource Grant and Loan program. Requests for irrigation development funds are reviewed by Department of Natural Resources and Conservation staff and funded on a competitively ranked basis. A list of IDG grants awarded to date in the 2023 biennium are presented in TABLE 9.

TABLE 9 IRRIGATION DEVELOPMENT GRANTS AWARDED TO DATE IN THE 2023 BIENNIUM

PROJECT SPONSOR	PROJECT TITLE	IRRIGATION DEVELOPMENT GRANT AWARD
Blackfoot Challenge	Irrigation Efficiency Program	\$10,300
Brovold Community Orchard	Brovold Community Orchard Drip Irrigation	\$1,339
Compass Hospitality, LLC	3780 Eames Lane Irrigation Project	\$20,000
Eric Casazza	Casazza Irrigation Improvement Project	\$15,000
Garfield County Conservation District	Ditch Rehab to Increase Flow and Acres	\$15,000
Green Mountain Conservation District	Harlow Ranch Irrigation System Design	\$20,000
Jonald Jorgensen	Pivot Irrigation Development	\$20,000
Mill Creek Farm, Inc	Mill Creek Farm Pivot Updates	\$12,955
North Chinook Irrigation Association	NCIA East Dam Erosion Repair Project	\$20,000
Pat Haughian	Haughian's Power Unit replacement Project	\$20,000
Scott Davies	Davies Pipeline Project	\$15,000

### WATERSHED MANAGEMENT GRANTS

The 2019 Legislature authorized \$300,000 for the Renewable Resource Watershed Management Grant program. The intent of the program is to fund activities which conserve, manage, develop, and preserve Montana's renewable resources through watershed related planning and management activities.

Watershed Management Grants serve as a component of the RRGL program by supporting partnerships among businesses, local leadership, the state and other stakeholders working on strengthening local watersheds. The Department of Natural Resources and Conservation (DNRC) accept applications for Watershed Management Grants from public entities, watershed groups, conservation districts, and private applicants. Grants are available up to \$20,000 for a watershed management activity. No application fee is required.

The availability of Watershed Management Grants is advertised on the DNRC website, mass e-mails, DNRC informational brochures, presentations to user groups such as conservation districts, watershed groups, conferences, and regular watershed group meetings. Applicants are required to submit an application that describes the project, identifies the sources and uses of funding, and discusses the activity that developed the organization's management strategy to prioritize and implement projects.



*Figure 6 Centennial Valley Association Drought Awareness Program*

Watershed Management Grant funds are used for activities that enhance renewable resources through conservation, development, management, or preservation; for development of staff or board leadership, financial management, fundraising, assessments of resource issues, development of self-sustaining education or outreach, use of technology, or for similar purposes approved by the Legislature. DNRC evaluated all applications for completeness and compliance with program purposes. DNRC staff reviews requests for watershed management grant funds and evaluates the scope of the proposed activity to determine funding eligibility under the RRGL program. The proposed budget is analyzed to assure that proposed costs were feasible.

The 2021 Legislature authorized \$300,000 for Watershed Management Grants. To date in the 2023 biennium, DNRC awarded 14 Watershed Management Grants for a total of \$300,000 (TABLE 10).

TABLE 10 WATERSHED MANAGEMENT GRANTS AWARDED TO DATE IN THE 2023 BIENNIUM

PROJECT SPONSOR	PROJECT TITLE	WATERSHED MANAGEMENT GRANT AWARD
Blackfoot Challenge	Planning for Climate Resilience: Blackfoot Watershed Drought Planning	\$10,000
Carbon County CD	Clarks Fork Yellowstone Watershed Group Development and Project Prioritization	\$23,774
Centennial Valley Association	Expanding and Sustaining the Centennial Valley’s Water and Drought Awareness Program During Times of Prolonged Drought	\$13,390
Clark Fork Coalition	Restoring Grant Creek	\$35,000
Flathead Conservation District	Trumbull Creek Restoration and Aquifer Protection Project	\$25,000
Flathead Conservation District	Flathead River Erosion Prevention and Mitigation Study	\$32,500
Lewis & Clark CD	Improving Structure and Capacity Development for Conservation District Support	\$20,778
Madison Conservation District	Watershed Restoration Plan	\$16,119
MT Watershed Coordination Council	Building Capacity & Improving Funding Access for Watershed Conservation	\$13,417
Richland County Conservation District	Best Management Practices for Ground Water Irrigation in the West Crane Aquifer	\$28,000
Sacajawea Audubon Society	Urban Wetlands and Communities: Bridging Ecological and Social Values	\$9,335
Sun River Watershed Group	Building Capacity to Expand the Sun River Watershed Group	\$24,157
Trout Unlimited	East Gallatin Low-Cost Process-Based Restoration Planning	\$22,000
Trout Unlimited	North Burnt Fork Creek Restoration Planning on Lee Metcalf National Wildlife Refuge	\$26,530

## RENEWABLE RESOURCE GRANTS TO PRIVATE ENTITIES

Applications for water-related projects from any individual, association, for-profit corporation, or not-for-profit corporation, may be considered for funding. Only water-related projects may be funded. Projects must have quantifiable benefits that will exceed costs. Projects must also provide public benefits in addition to any private benefits.



All applications are evaluated and ranked according to the extent each application presents a project that is critically needed, will protect public health, provides opportunities for resource conservation, and improves the environment. Any potable water system project must be approved by the Montana Department of Environmental Quality to ensure that it meets State standards.

According to the Montana Constitution, the Legislature may not appropriate funds to private individuals. However, State entities have the authority to distribute public funds to private individuals. To provide for private grants, the 2021 Legislature appropriated \$100,000 to DNRC to fund grants for private entities.

DNRC reviews and screens grant requests to determine whether the proposed projects are technically feasible. By law, grant funding for any project may not exceed 25% of the total estimated cost of the project. DNRC has received and approve one application for a private grant during the 2023 biennium for a total of \$3,401.

## COAL SEVERANCE TAX LOANS TO PUBLIC ENTITIES

### Application Administration and Project Review Procedures

Applications for public loans are accepted by the Department of Natural Resource and Conservation's (DNRC) Resource Development Bureau usually until May 15 of each even-numbered year at the same time other applications are due from public applicants under this program. These loans are provided with proceeds from the sale of Coal Severance Tax (CST) -secured bonds and can be offered at a subsidized interest rate. The subsidy is paid with coal tax revenues.

### Project Solicitation

Applications for public loans are solicited through the same process DNRC uses to solicit public grant applications. The availability of low-interest loan funds is widely advertised online and during promotional workshops conducted jointly by DNRC, Montana Department of Commerce, and Montana Department of Environmental Quality (DEQ) at the local level. The same application form can be used for both grant and loan applications.

### Application Review

All public loan applications received by the deadline are evaluated for completeness. Those missing documentation, application fees, or other basic requirements are notified and allowed time to submit additional material. After applications are reviewed for completeness and any additional information needed has been obtained from the sponsor, completed applications are given to the team of key reviewers for review and evaluation. Loan applications are reviewed to determine financial, environmental, and technical feasibility as well as renewable resource and citizen benefits.

### Funding Recommendations

All feasible public loan applications eligible for funding receive a favorable funding recommendation if the applicant demonstrates the ability to repay the loan. DNRC's recommendation includes the amount of financing needed to meet project and financing expenses and the interest rate suggested. There is no maximum allowable funding level. Public loans are limited to the amount an applicant has the ability to repay under standard repayment terms and by DNRC's bonding capacity. Loans can be reauthorized from prior sessions.

### Availability of Loan Funds

In 1981, the Legislature adopted Senate Bill 409 to provide up to \$250 million in Montana CST bonds. CST bonds are issued for financing projects and activities in the state specifically authorized by the Legislature. Statutes dictate that loans made from CST bond proceeds are to be administered by DNRC, and that DNRC is to review each project to determine its technical and financial feasibility.

Although the legislation was adopted in 1981, CST loans were not issued for the first few years because the constitutionality of the state's bonding authority under this program was initially challenged. In February 1984, the Montana Supreme Court ruled in the state's favor in *Grossman v. State of Montana*, and the first Montana CST bond was sold to finance loans during that same year.

In September 1985 the board of examiners adopted a general resolution pursuant to which all subsequent CST bonds have been issued. A copy of this resolution may be obtained from DNRC. The general resolution requires that the bonds issued be secured on a parity basis. This means that all subsequent CST bond issues have the same rights on proceeds flowing into the trust fund to pay bondholders. However, to assure bondholders there will always be enough CST revenue to meet debt service payments, the general resolution restricts the cumulative amount of bonds that can be issued. This restriction is more constraining than the \$250 million statutory limit. The general resolution does not allow any additional CST bonds to be issued if annual debt payments exceed 50 percent of the CST revenue allocated to the trust, plus 50% of the loan repayments received from local government borrowers.

### Loan Repayment

CST revenue is used to pay the difference between payments received from local government borrowers and the state CST bond payments. Thus, CST bonds are paid with revenue from payments from local government borrowers along with CST proceeds.

To implement these repayment provisions, the statute established a fund structure within the permanent coal tax trust fund. Fifty percent of CST proceeds flowing to the permanent trust fund are first deposited in the CST bond fund. A portion of the proceeds deposited in the bond fund is transferred to the debt service account to pay for the interest rate subsidies. An amount equal to a year's debt service payment on all CST bonds is held in reserve in the bond fund.

The interest earnings are transferred to the CST income fund. These interest earnings are then transferred to the general fund. DNRC currently has 43 CST Loans that are currently outstanding as of September 1, 2020. The total amount outstanding is \$14,414,579.

*TABLE 11 COAL SEVERANCE TAX LOANS / PUBLIC LOAN BALANCES (as of September 1, 2022)*

APPLICANT	BALANCE DUE		APPLICANT	BALANCE DUE
Belt, Town of	\$401,440		Lewistown, Town of	\$38,578
Bigfork Co WSD	\$754,526		Libby, City of	\$157,602
Brady County Water and Sewer District	\$82,675		Libby, City of	\$516,987
Bridger Pines Water and Sewer District	\$694,902		Lima, Town of	\$320,412
Bridger, Town of	\$51,689		Lockwood Water & Sewer District	\$508,495
DNRC-Ackley Lake Dam Rehab	\$70,117		Lockwood Water & Sewer District	\$229,872
DNRC-Cottonwood, Middle Ck WU	\$550,456		Malta Irrigation District	\$121,706



APPLICANT	BALANCE DUE		APPLICANT	BALANCE DUE
DNRC-Deadmans Basin WUA	\$11,538		Manhattan, Town of	\$637,596
DNRC-Deadmans Basin WUA	\$181,003		Medicine Lake, Town of	\$237,988
DNRC-Deadmans Basin WUA	\$367,425		Mill Creek Irrigation District	\$216,643
DNRC-East Fork Siphon	\$130,530		Moore, Town of	\$117,594
DNRC-N Fork of the Smith WUA	\$89,411		Riverside Co WSD	\$296,820
DNRC-Nevada Creek Dam	\$30,221		Ronan, Town of	\$439,536
DNRC-Ruby Dam	\$1,061,791		Sunburst, Town of	\$10,036
DNRC-Ruby River WUA	\$1,014,283		Sunburst, Town of	\$92,475
DNRC-Ruby River WUA	\$1,023,866		Ten Mile Creek Estates Pleasant Valley	\$171,686
Froid, Town of	\$125,062		Ten Mile Creek Estates Pleasant Valley	\$148,514
Harlowton, City of	\$722,061		Thompson Falls, City of	\$134,630
Highwood County WSD	\$104,590		Troy, City of	\$1,346,893
Hysham, Town of	\$345,253		Upper Musselshell Water Users Association	\$30,329
Lewis and Clark, East Clark Street Water & Sewer District	\$166,144		Vaughn Cascade Co WSD	\$39,659
			Yellowstone Boys & Girls Ranch WSD	\$621,546
			<b>Total</b>	<b>\$14,414,579</b>

### RENEWABLE RESOURCE LOANS TO PRIVATE INDIVIDUALS AND GROUPS

Loan funding became available in 1981 when the Legislature earmarked \$350,000 under the former Renewable Resource Development program to finance loans to private individuals. At the same time, DNRC was given the authority to issue general obligation bonds to finance private loans. Loans to private individuals must promote and advance the beneficial use of water and allow Montana citizens to fully use State waters.

Projects must be technically and economically feasible, and must pay for themselves over the life of the installation through water savings, increased crop production, or other measurable benefits.

Applications that meet feasibility and eligibility criteria are funded if the applicant demonstrates the ability to repay the loan.

The maximum loan amount allowable for private individuals under the RRGL is \$400,000. Water user

associations may borrow up to \$3,000,000 based on ability to pay. Loans are for a term not longer than either 30 years or the estimated useful life of the equipment purchased or materials installed. For new irrigation equipment, the allowable term is 15 years; for used irrigation equipment, the term usually is 10 years or shorter.

### Loan Project Management

Borrowers must acquire all property rights necessary for the project, including rights-of-way and interest in land needed for the construction, operation, and maintenance of the project. Title insurance, a title opinion or other documents showing the ownership of the land, mortgages, encumbrances, or other liens must be provided to DNRC. Loans must be secured with real property valued higher than the loan amount requested.

### Private Loan Projects Funded

As of September 1, 2022, 568 private loans had been approved under the Renewable Resource Loan program. DNRC approved 10 private loans in FY 2021 and FY 2022 (TABLE 12). Loans have been used to finance new and refurbished irrigation systems, and for irrigation wells to individuals in these locations.

*TABLE 12 PRIVATE LOANS FUNDED TO DATE IN THE 2023 BIENNIUM*

CITY	COUNTY	LOAN AMOUNT
Power	Teton	\$86,300
Townsend	Broadwater	\$147,919
Miles City	Custer	\$254,835
Savage	Richland	\$253,569
Harrison	Madison	\$230,000
Two Dot	Wheatland	\$205,249
Billings	Yellowstone	\$400,000
Richland	Valley	\$242,328
Choteau	Teton	\$400,000
Power	Teton	\$277,000
	<b>Total</b>	<b>\$2,497,200</b>

### Interest Rates

Loans may be provided at a rate less than the rate at which the state bond is sold for all or part of the term. During the financial review of each loan application, DNRC prepares a funding recommendation that includes a recommended interest rate. Recommendations are developed to be consistent with past direction provided by the Long-Range Planning Subcommittee of the Legislature.

The basic interest rate on CST loans is determined by the bond market at the time CST bonds are sold. The rate of interest on most loans from the program will vary in accordance with the rate on the state CST bonds. The basic rate of interest for each public loan financed from the proceeds of a single bond issue is the same. Subsidies vary, depending on legislative authorization. The rate of interest on the State's general obligation bond determines the interest rate for private loans. The basic rate for private loans has typically varied from 3.30% to 9.5 %.

## Project Management

DNRC reviews each public loan application to determine whether the project is technically and financially feasible. A project is considered financially feasible if sufficient funds can be made available to complete the project and if sufficient revenue can be obtained to repay the loan and to operate, maintain, and replace the project. After a public loan is authorized by the Legislature and the project sponsor is ready to secure financing, DNRC performs a more thorough review of the applicant's ability to repay the loan. At this time DNRC may require access to the applicant's most recent financial statement, budget documents, and other documentation in order to assess whether the proposed project is truly financially feasible.

If the borrower provides documentation of the ability to repay a loan and all legal requirements to incur debt are met, a loan agreement is prepared and executed to make specific requirements and covenants with respect to the project being financed. Borrowers must acquire all property rights necessary for the project including easements needed for a project's construction, operation, and maintenance. As appropriate, these and other stipulations also are contained in a bond resolution. Unless otherwise authorized, each loan, including principal and interest, shall be payable over a term approved by DNRC not to exceed the term authorized by the Legislature.

Each borrower must agree not to sell, transfer, lease, or otherwise encumber the project, any portion of the project, or interest in the project without DNRC's prior written consent. Further, the borrower must notify DNRC of any changes or modifications in a project both before and during construction. Borrowers are required to acquire and maintain, with respect to the project, property, casualty, and liability insurance. Insurance policies must name DNRC as a certificate holder for notification purposes.

For local government revenue bonds, borrowers must establish a system fund to segregate the revenue of the system or district. Within the system or district fund, the following accounts are generally established: construction account, operating account, revenue bond account, bond reserve account, replacement and reserve account, and surplus account. These accounts ensure that the system's revenue and other funds are properly applied in a manner reasonably satisfactory to DNRC.

Loans are disbursed by the state treasurer in accordance with the provisions of this rule and the bond resolution. No disbursement of any loan funds shall be made unless DNRC has received from the borrower: 1) a duly adopted and executed bond resolution in a form acceptable to DNRC; 2) an

executed bond in a principal amount equal to the loan amount, also in a form acceptable to DNRC; 3) a certificate from an official of the governmental unit stating that no litigation is threatened or pending that would challenge the governmental unit's authority to undertake the project, to incur the loan, to issue the bonds, and to collect revenue; 4) an opinion from the bond counsel that the bond is a valid and binding obligation of the borrower payable in accordance with its terms; and 5) any other closing certificates or documents that DNRC or the bond counsel may require.

### Project Monitoring

Borrowers must maintain proper and adequate records of accounts that show the complete and correct entries of all receipts, disbursements and other transactions related to the project and, if applicable, the monthly gross revenue derived from the project's operation. Any segregation and application of the gross revenue resolution must also be shown in such reasonable detail as determined by the borrower to be in accordance with generally accepted accounting practices and principles. Projects are closely monitored during construction for compliance with approval contract documents and the loan agreement. The loan agreement requires an annual financial report for the life of the loan.

## **WATER & SEWER MINIMUM ALLOCATION GRANTS**

HB 632 directed that \$150 million of the coronavirus state fiscal recovery funds be used to provide minimum allocation grants to local governments for water and sewer infrastructure projects eligible for funding under ARPA. The amount a local government is eligible to receive in water and sewer infrastructure grants is in the same proportion and using the same ratios provided for in §§ 15-70-101(2)(b), (2)(c), and (3), MCA.

Grant funds not applied for and awarded or in a pending status by January 1, 2023, are transferred to the competitive grant program.

House Bill 632 § 4 The local government shall pledge the lesser of:

one-to-one matching funds;

or

25% of the amount that the local government received in coronavirus local fiscal recovery funds provided for in ARPA § 603. A local government may use coronavirus local fiscal recovery funds as matching funds.

DNRC reviewed grant applications as they were received and issued a list of recommended projects to the Infrastructure Advisory Commission (“IAC”) by the dates established by the commission. DNRC certifies that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the Governor. The IAC certified that each project submitted was a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

Montana’s Governor considered the recommendations of the advisory commission and reviewed the projects to ensure compliance with the American Rescue Plan Act and all applicable guidance before making awards.

Applicants certify that each project submitted is a necessary investment in water or sewer infrastructure as defined in ARPA and all applicable guidance. A recipient may use funds to make investments in: Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments (SRFs).

“Necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. . . Necessary investments are designed to provide an adequate minimum level of service [that] are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change[.]”

“States may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and

storage systems, including replacement of lead service lines.”

Grant program guidelines and application materials are published online: <https://arpa-mtdnrc.hub.arcgis.com/pages/minimum-allocation-grant-program>

To date, the Governor has awarded minimum allocation grants to 184 projects for \$ \$70.3 million dollars in 50 out of Montana’s 56 counties. DNRC is currently working with those local governments to execute subrecipient agreements.



*Figure 7 - Dillon Public Water Supply Main*

DNRC compiles a monthly ARPA Water & Sewer Grant Book that describes the project applications in detail including project goals and objectives, estimated costs, and community demographics.

Website: [arpa.mt.gov](http://arpa.mt.gov) -> ARPA Water & Sewer Grants (<https://arpa-mtdnrc.hub.arcgis.com/>)

TABLE 13 ARPA MINIMUM ALLOCATION GRANT AWARDS

PROJECT SPONSOR	PROJECT NAME	MINIMUM ALLOCATON GRANT AWARD
Alberton, Town of	Town of Alberton Water System Improvements Project	\$88,369
Anaconda-Deer Lodge, City-County of	Anaconda-Deer Lodge Water Distribution System Improvements	\$450,991
Bearcreek, Town of	Bearcreek Water Preliminary Engineering Report	\$32,376
Beaverhead County	Beaverhead County Detention Center Water and Sewer Replacement Project	\$33,638
Belt, Town of	Belt Water System Improvements	\$113,344
Big Sandy, Town of	Big Sandy Stormwater Project	\$182,739
Blaine County	Blaine County Harlem Flood Mitigation Feasibility Study	\$50,000
Boulder, Town of	Boulder Water System Improvements	\$281,644
Bozeman, City of	Bozeman Sourdough Water Transmission Main - Phase 2	\$2,280,781
Bozeman, City of	Bozeman Water Reclamation Facility Solids Dewatering Building Expansions and Headworks Improvements Project	\$274,114
Broadview, Town of	Broadview Phase 2 Water System Improvements	\$21,446
Broadwater County	Broadwater County Fairgrounds Sanitary Sewer Improvements	\$105,000
Butte-Silver Bow, City-County of	Butte-Silver Bow Basin Creek Dam #1 Rehabilitation	\$510,567
Butte-Silver Bow, City-County of	Butte-Silver Bow Moulton Dam #1 Spillway and Embankment Improvements	\$462,000
Butte-Silver Bow, City-County of	Butte-Silver Bow Metro Wastewater Solids Handling	\$1,987,000
Butte-Silver Bow, City-County of	Butte-Silver Bow Metro Wastewater Effluent Management	\$899,977
Butte-Silver Bow, City-County of	Butte-Silver Bow Moulton Water Treatment Plant Filter Replacement	\$1,000,000
Carbon County	Carbon County - Roberts Water & Sewer District Force Main Project	\$90,000
Carbon County	Carbon County - Joliet Wastewater System Improvements	\$300,000
Carter County	Carter County - Town of Ekalaka Water System Improvements	\$539,699
Cascade County	Cascade County Sun River Ditch Company Sun River Avulsion Prevention and Repair Project	\$135,906
Cascade, Town of	Cascade Sewer System Improvements	\$165,266
Chester, Town of	Chester Wastewater System Improvements Project	\$110,398
Chinook, City of	Chinook Wastewater System Improvements & River Bank Stabilization	\$285,847
Choteau, City of	Choteau Water Distribution, Supply, and Storage Improvements	\$447,500
Chouteau County	Chouteau County Loma Water District Water System Improvements	\$227,900
Chouteau County	Geraldine Water Line Project	\$250,000
Chouteau County	City of Fort Benton Water System Improvements	\$150,000

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>MINIMUM ALLOCATON GRANT AWARD</b>
Chouteau County	Big Sandy Stormwater Project	\$175,000
Chouteau County	Chouteau County Carter Chouteau County Water District Upgrades	\$104,000
Chouteau County	Chouteau County Highwood Water Tank Rehabilitation	\$72,500
Circle, Town of	Circle Water System Improvements	\$188,046
Columbia Falls, City of	Columbia Falls Wastewater System Upgrades	\$877,186
Columbus, City of	Columbus - Water Source Replacement Well Development	\$425,641
Conrad, City of	Conrad Storm Water and Sewer Lift Stations Improvements	\$502,084
Culbertson, Town of	Culbertson Highway 2 Water Main Replacement	\$195,428
Custer County	Tongue and Yellowstone Irrigation District - Kircher Flume Replacement	\$343,091
Custer County	Custer County MCC Sewer Line Replacement & Grease Interceptor Installation	\$102,050
Daniels County	Daniels County Town of Flaxville Water System Improvements	\$250,000
Darby, Town of	Darby Wastewater System Improvements	\$141,728
Dawson County West Glendive	Dawson County West Glendive Phase 1 and 2 Collection System Rehabilitation	\$746,961
Deer Lodge County	Anaconda Water Distribution System Improvements	\$170,773
Deer Lodge County	Anaconda Wastewater Collection System Improvements	\$170,773
Denton, Town of	Denton Wastewater System Upgrades	\$93,671
Dillon, City of	City of Dillon Main Waterline Transmission and Distribution Replacement	\$723,832
Dodson, Town of	Town of Dodson Water System Improvements	\$32,500
Dodson, Town of	Dodson Phase 1 Water System Improvements	\$19,081
Drummond, Town of	Drummond Wastewater Treatment Facility Upgrade	\$70,090
Dutton, Town of	Dutton Water System Improvements	\$103,602
East Helena, City of	East Helena Wastewater System Improvements Project	\$210,886
East Helena, City of	East Helena Pacific Street Reconstruction 2021	\$210,886
Ekalaka, Town Of	Town of Ekalaka - Water System Improvements	\$129,781
Eureka, Town of	Eureka AC Water Main Replacement	\$247,056
Fairfield, Town of	Fairfield Water System Improvements	\$141,000
Fairview, Town of	Fairview Water Tank Replacement	\$227,256
Fergus County	Fergus County - Winifred Water Storage and Distribution Upgrades	\$475,000
Fergus County	Fergus County - Winifred Wastewater Treatment and Discharge	\$181,165
Fergus County	Fergus County Roy Water and Sewer District Wastewater System Improvements	\$500,000
Flathead County	Flathead County-FCWD #1 Water Storage Tank Renovation, Safety, Access Improvements	\$918,558
Flathead County	Flathead County Big Mountain Sewer District Inflow & Infiltration Mitigation Project	\$208,822



PROJECT SPONSOR	PROJECT NAME	MINIMUM ALLOCATON GRANT AWARD
Flathead County	Flathead County Coram Water and Sewer District Water Storage Tank Project	\$72,450
Flathead County	Flathead County Hungry Horse County Water and/or Sewer District SCADA/Telemetry Replacement & Pump House Insulation Upgrade	\$23,277
Flathead County	Flathead/Lakeside County Water and Sewer District Wastewater System Improvements Project	\$655,933
Flathead County	Flathead County/Somers Water System Improvements	\$158,242
Flathead County	Flathead County Flathead County Water District #1 Evergreen Water Well Relocation and Monitoring Well Installation	\$1,004,230
Forsyth, City of	Forsyth Water Intake Improvements	\$420,652
Fort Benton, City of	Fort Benton Water System Improvements	\$95,000
Fort Peck, Town of	Fort Peck Wastewater Irrigation Improvements	\$20,000
Fromberg, Town of	Fromberg Water System Improvements	\$96,370
Gallatin County	Gallatin County on behalf of Town of Manhattan Water Resource Recovery Facility	\$500,000
Gallatin County	Gallatin County on behalf of West Yellowstone Wastewater Treatment Plant Project	\$500,000
Gallatin County	Gallatin County on behalf of Gallatin Canyon Canyon Sewer Project - Phase 1	\$500,000
Gallatin County	Gallatin County on behalf of Three Forks Water Supply and Distribution Improvements	\$500,000
Garfield County	Garfield County - Town of Jordan Wastewater System	\$792,933
Geraldine, Town of	Geraldine Phase 1 Water Distribution Improvements and Spring Source Evaluation	\$103,000
Glasgow, City of	Glasgow Transmission Main Replacement Project	\$591,794
Glendive, City of	Glendive Yellowstone River and BNSF Water Main Boring	\$440,000
Glendive, City of	Glendive Water Tank Repair and Main Replacement	\$423,866
Granite County	Granite County Philipsburg Drinking Water System Improvements	\$259,411
Granite County	Granite County Drummond Wastewater Facility Upgrade	\$230,411
Grass Range, Town of	Grass Range Water Storage Tank Replacement	\$43,717
Hamilton, City of	Hamilton Wastewater Treatment Plant Upgrades	\$398,375
Harlem, City of	Harlem Water System Improvements Project	\$174,762
Havre, City of	City of Havre Water System Upgrades Planning	\$50,000
Havre, City of	Havre Water System Improvements	\$947,412
Helena, City of	City of Helena Water System Improvements Project	\$5,193,903
Hill County	Hill County - Box Elder Water & Sewer District Wastewater PER & Sewer Collection Main CCTV	\$45,000
Hill County	Hill County Lift Station Upgrades	\$157,500
Hill County	Hill County Rural Special Improvement District 21 Lift Station Improvements	\$95,000

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>MINIMUM ALLOCATON GRANT AWARD</b>
Hill County	Hingham Wastewater System Improvements Project	\$150,000
Hobson, Town of	Hobson Wastewater System Rehabilitation	\$84,971
Hot Springs, Town of	Hot Springs Wastewater System Preliminary Engineering Report	\$22,500
Jefferson County	Jefferson County Clancy Water and Sewer District Water System Improvements	\$250,000
Jefferson County	Jefferson County - Saddle Mountain Services Corporation - Water System Evaluation	\$30,000
Joliet, Town of	Joliet Wastewater System Improvements	\$109,301
Jordan, Town of	Jordan Wastewater System Upgrades	\$123,728
Judith Basin County	Judith Basin County Geyser Judith Basin County Water and Sewer District Water System Upgrades	\$207,701
Kalispell, City of	Kalispell Replacement of Original 1920's Era Water and Sewer Mains in Downtown Kalispell	\$3,554,001
Lake County	Lake County/Mission Mountain Water Pump and Line Replacement	\$23,100
Lake County	Lake County Jette Meadows Water Meters	\$73,300
Lake County	Lake County/Mission Valley Shelter Septic Replacement	\$11,325
Lake County	Lake County Ponderilla Hills Water System Improvements	\$264,000
Lake County	Lake County/Round Butte Water Improvements	\$197,000
Lake County	Lake County/Pablo W&S Headworks Project	\$495,350
Lake County	Lake County Solid Waste Engineering	\$85,600
Lake County	Lake County Ronan Fairgrounds Infrastructure Improvements	\$275,992
Lavina, Town of	Lavina Water System Preliminary Engineering Report	\$25,000
Lewis And Clark County	Lewis and Clark County, Eastgate Water System Improvements Project	\$750,000
Lewis and Clark County	Lewis and Clark County, LaCasa Grande Well Replacement	\$88,500
Lewis And Clark County	Lewis and Clark County, Ten Mile Creek/Pleasant Valley Wastewater Improvement Project	\$125,000
Lewis and Clark County	Lewis and Clark County Craig County Water and Sewer District Wastewater PER	\$15,000
Lewis and Clark County	Lewis and Clark County Trinity School District #4 Water-Septic System Expansion Project	\$85,000
Lewis and Clark County	Lewis and Clark County Craig County Water Sewer District Wastewater Treatment Upgrades	\$178,550
Lewis and Clark County	Lewis and Clark County - Elk Creek Colony Water System Upgrades	\$60,000
Lewistown, City of	Lewistown Wastewater System Improvements Project	\$1,135,907
Liberty County	Liberty County on behalf of Chester Wastewater System Improvements Phase 1	\$150,000
Liberty County	Liberty County Joplin Wastewater System Improvements	\$375,281
Lincoln County	Lincoln County Solid Waste Groundwater Protection and Closure Cap System	\$1,000,000

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>MINIMUM ALLOCATON GRANT AWARD</b>
Lodge Grass, Town of	Lodge Grass Phase 2 Wastewater Treatment Facility Improvements	\$100,138
Madison County	Madison County/Twin Bridges Storm Water System Improvements Project	\$125,000
Madison County	Madison County - Sheridan Water System Infrastructure Improvement Project	\$105,000
Malta, City of	Malta Trafton Lift Station Improvements	\$150,000
Manhattan, Town of	Town of Manhattan Water Resource Recovery Facility	\$400,714
Miles City, City of	Miles City Internal Drainage and Stormwater Safety Improvements	\$1,531,935
Missoula County	Missoula County Sunset West Water System Improvements	\$96,500
Missoula County Lolo Water and Sewer District	Missoula County, Lolo Sewer (Rural Special Improvements District (RSID) #8901 Wastewater System Improvements	\$1,930,000
Missoula, City of	Missoula Caras Park Storm Water Upgrades	\$359,013
Missoula, City of	City of Missoula Water Main Replacement Project	\$3,446,407
Musselshell County	Musselshell County Mesa Roundup Water System Preliminary Engineering Report	\$24,750
Park County	Wilsall Water District Water System Improvements Project	\$200,000
Park County	Park County Cooke City Wastewater Collection and Treatment Project	\$200,000
Park County	Park County Cooke City Loop Water System Project	\$153,305
Park County	Park County Fairgrounds Infrastructure Improvements	\$275,517
Philipsburg, Town of	Town of Philipsburg Sewer Lagoons Wastewater Treatment System and Capacity Increase	\$60,579
Philipsburg, Town of	Philipsburg Drinking Water System Improvements	\$181,739
Plains, Town of	Plains Water Source Replacement	\$213,436
Plentywood, City of	Plentywood Laurel Avenue Water Project	\$360,282
Polson, City of	Polson 2022 Water System Improvements	\$489,764
Polson, City of	Polson 2022 Wastewater Collection System Improvements	\$430,000
Poplar, City of	Poplar Phase I Sewer Collection	\$159,548
Red Lodge, City of	Red Lodge Stormwater Improvements	\$529,811
Richey, Town of	Richey Water System Improvements	\$74,237
Richland County	Richland County: Dry-Redwater Culbertson-Lambert-Fairview Regional Water	\$781,422
Ronan, City of	Ronan Water System Improvement	\$372,955
Roosevelt County	Roosevelt County Culbertson Highway 2 Water Main Replacement	\$13,581
Rosebud County	Rosebud County Water and Sewer District Wastewater PER	\$30,000
Rosebud County	Rosebud County Hammond Irrigation District - Big Porcupine Siphon Replacement	\$139,731
Rosebud County	Rosebud County Yellowstone Irrigation District Canal Lining addressing Canal Slumping and Seepage	\$143,376

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>MINIMUM ALLOCATON GRANT AWARD</b>
Roundup, City of	City of Roundup Phase 6 Water System Improvements	\$447,329
Saco, Town of	Town of Saco Wastewater System Improvements	\$84,703
Sanders County	Sanders County/ Trout Creek Water System Improvements	\$577,000
Scobey, City of	Scobey Water Improvement Project - Phase 2	\$273,783
Shelby, City of	Shelby Stormwater System Improvements and Wastewater Sludge Dewatering	\$790,045
Sheridan County	Sheridan County-Westby Water System Preliminary Engineering Report	\$30,000
Sheridan, Town of	Sheridan Redundant Well Water Development	\$145,051
St. Ignatius, Town of	St Ignatius Sewer System Improvements	\$157,859
Stanford, Town of	Stanford Water System Improvements	\$129,476
Stevensville, Town of	Stevensville Water Leak Repairs and System Improvements	\$327,806
Stillwater County	Stillwater County Absarokee Water and Sewer District Water System Preliminary Engineering Report	\$25,000
Superior, Town of	Superior Wastewater System Improvements Project	\$197,163
Sweetgrass County	Sweet Grass County - Big Timber Phase 2 Water System Improvements	\$434,934
Terry, Town of	Town of Terry Wastewater Treatment Upgrades	\$255,544
Teton County	Teton County Choteau Water System Improvements	\$370,782
Teton County	Teton County Dutton Water System Improvements Project	\$147,674
Teton County	Teton County Fairfield Water System Improvements	\$219,421
Teton County	Teton County Power-Teton County Water and Sewer System Improvements	\$127,858
Three Forks, City of	Three Forks Water Supply and Distribution Improvements	\$436,023
Toole County	Toole County Shelby Water System Improvements	\$435,000
Treasure County	Treasure County Yellowstone Irrigation District Canal Lining, addressing Canal Seepage and Slumping	\$75,000
Treasure County	Treasure County Hysham Irrigation District Intake Improvements Project	\$75,000
Troy, City of	Troy Wastewater System Improvements	\$93,558
Twin Bridges, Town of	Twin Bridges Wastewater Preliminary Engineering Report	\$25,000
Valier, Town of	Town of Valier Wastewater System Improvement Project	\$224,916
Valley County	North Valley County St. Marie Water System Improvements	\$250,000
Virginia City, Town of	Virginia City Water System Improvements	\$123,938
West Yellowstone, Town of	West Yellowstone Wastewater Treatment Plant	\$262,483
White Sulphur Springs, City of	White Sulphur Springs Water System Backup Generator Replacement	\$118,000
Whitefish, City of	Whitefish Spokane Avenue Cast Iron Watermain Replacement and Lead Reduction Project	\$1,454,142
Whitehall, Town of	Whitehall Wastewater System Mapping and Extension	\$220,439
Wibaux County	Wibaux County - Wibaux Water Main Replacement	\$259,307

PROJECT SPONSOR	PROJECT NAME	MINIMUM ALLOCATON GRANT AWARD
Wibaux, Town of	Wibaux Water Main Replacement	\$169,915
Winifred, Town of	Winifred Wastewater Treatment and Discharge	\$76,296
Wolf Point, City of	Wolf Point Wastewater System Improvements	\$478,789
Yellowstone County	Worden-Ballantine Yellowstone County Water and Sewer District Water Project	\$2,837,191

### WATER & SEWER COMPETITIVE GRANTS

HB 632 directs that \$249 million of the coronavirus state fiscal recovery funds (ARPA § 602) must be used to provide competitive grants to local governments for water and sewer infrastructure projects eligible for funding under ARPA. The Competitive Grant Program is open to state and local governments as defined by HB 632 § 2(3) and applications will be ranked and recommended to the Commission and Governor for approval. “Local government” means any city, county, consolidated city-county, school district, or other political subdivision or local government body of the state, including an authority as defined in 75-6-304, water district, sewer district, irrigation district, water users’ association\*, conservation district, or tribal government. HB 632 § 2.

ARPA allows for State, local, and Tribal governments to make necessary investments in water and sewer infrastructure by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency’s (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF). 86 FR 26786 Section II.D.1. The U.S. Department of the Treasury issued the Final Rule (Final Rule) for the State and Local Fiscal Recovery Funds (SLFRF) program, enacted as a part of the American Rescue Plan Act (87 FR 4338).

For local government water and sewer infrastructure grants, preference may also be given to projects that provide a higher committed match rate. HB 632 § 3.

CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health standards. In administering these programs (CWSRF and DWSRF), states prioritize projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to state affordability criteria. 86 FR 26786 Section II.D.1

DNRC reviewed and ranked grant applications during two competitive rounds of applications and issued lists of recommended projects to the advisory commission. DNRC certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

ARPA Project Ranking for Necessary Water and Sewer Infrastructure Projects aligns with the federal guidance by using the two established ranking systems in the Montana SRF programs which prioritize health-based standards, readiness to proceed and address affordability. Depending on the project type, choose either Drinking Water SRF OR Water Pollution Control SRF Priority Ranking Criteria below. ARPA guidance states “Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health- based standards, taking into account resilience to climate change.” In addition to the health-based standards, the ranking considers affordability, water and energy conservation and preference for match.

*PROJECT SCORE (600) = DWSRF (420) + READINESS TO PROCEED (80) + AFFORDABILITY (50) +MATCH (50)*

OR

*PROJECT SCORE (600) = CWSRF (420) + READINESS TO PROCEED (80) + AFFORDABILITY (50) + MATCH (50)*

The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the governor. The advisory commission certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

Montana’s Governor considered the recommendations of the advisory commission and reviewed the projects to ensure compliance with the American Rescue Plan Act and all applicable guidance before making awards.

Applicants certified that each project submitted is a necessary investment in water or sewer infrastructure as defined in ARPA and all applicable guidance. Recipients may use funds to make investments in: Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments (SRFs).

“Necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. . . Necessary investments are designed to provide an adequate minimum level of service [that] are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change[.]”

“States may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines.”

Grant program guidelines, ranking criteria and application materials are published online: <http://dnrc.mt.gov/divisions/caridd/docs/arpa/arpa-grant-application-guidance-v5-2-27-22.pdf>

To date, the Governor has awarded competitive grants to 59 projects for \$243 million in 48 of Montana’s 56 counties. Awards are published online [https://arpa- mtdnrc.hub.arcgis.com/pages/project-applications](https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications). DNRC is currently working with those local governments to execute subrecipient agreements.

DNRC compiled two ARPA Water & Sewer Grant Books that described the project applications in detail including project goals and objectives, estimated costs and community demographics. ARPA Water & Sewer Infrastructure Grant Books [Volume 1 & 2](#) and [Volume 9](#). Awards are displayed geographically on the Dashboard featured on [https://arpa- mtdnrc.hub.arcgis.com/pages/project-applications](https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications).

TABLE 14 ARPA COMPETITIVE GRANT AWARDS

PROJECT SPONSOR	PROJECT NAME	COMPETITIVE GRANT AWARD
Alberton, Town of	Alberton Water System Improvements	\$1,417,650
Anaconda-Deer Lodge, City-County of	Anaconda-Deer Lodge Water Distribution System Improvements	\$659,764
Apsalooke Water and Wastewater Authority	Apsalooke Water and Wastewater Authority Phase 3C Sewer Project	\$1,157,138
Baker, City of	Baker Well Waterline Upgrade	\$485,000
Belgrade, City of	City of Belgrade Waste Water Treatment Plant Upgrade and Expansion	\$2,000,000
Belt, Town of	Belt Water System Improvements	\$1,434,372
Big Sandy, Town of	Big Sandy Drinking Water System Upgrades	\$85,790
Big Sky County Water and Sewer District No.363	Big Sky Water Resource Recovery Facility Improvements Phase 1	\$2,000,000
Billings, City of	Billings Influent Lift Station	\$2,000,000
Billings, City of	Billings West End Plant and Raw Water Delivery	\$2,000,000
Billings, City of	Billings 2021 Water Main Replacements	\$2,000,000
Billings, City of	Billings 2022 Water Main Replacements	\$2,000,000
Billings, City of	Billings 2023 Water Main Replacements	\$50,000
Blackfeet Tribe	Browning Wastewater Improvements	\$2,000,000
Boulder, Town of	Boulder Water System Improvements	\$523,074
Broadview, Town of	Broadview Phase 2 Water System Improvements	\$1,115,529
Butte-Silver Bow, City-County of	Rocker Sanitary Sewer System Lift Station and Connection to Metro Wastewater Treatment Plant	\$937,476
Butte-Silver Bow, City-County of	Butte-Silver Bow Basin Creek Dam #1 Rehabilitation	\$1,204,299
Butte-Silver Bow, City-County of	Butte-Silver Bow Moulton Dam #1 Spillway and Embankment Improvements	\$1,387,119
Butte-Silver Bow, City-County of	Butte-Silver Bow Metro Wastewater Solids Handling	\$2,000,000

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>COMPETITIVE GRANT AWARD</b>
Butte-Silver Bow, City-County of	Butte-Silver Bow Metro Wastewater Effluent Management	\$1,550,000
Butte-Silver Bow, City-County of	Butte-Silver Bow Moulton Water Treatment Plant Filter Replacement	\$2,000,000
Cascade, Town of	Cascade Sewer System Improvements	\$983,000
Central Montana Regional Water Authority	Central Montana Regional Water Authority - Musselshell Judith Rural Water - Phase 2 Project	\$2,000,000
Chester, Town of	Chester Wastewater System Improvements Project	\$2,000,000
Chinook, City of	Chinook Wastewater System Improvements & River Bank Stabilization	\$2,000,000
Chippewa Cree Tribe of Rocky Boy	Chippewa Cree Tribe- Lower Dry Fork Wastewater Treatment Facility	\$1,661,764
Chippewa Cree Tribe of Rocky Boy	Chippewa Cree Tribe- Newtown Sewer Main Extension	\$396,875
Chippewa Cree Tribe of Rocky Boy	Chippewa Cree Tribe Middle Dry Fork Wastewater Treatment Facility Improvements	\$358,043
Chippewa Cree Tribe of Rocky Boy	Chippewa Cree Tribe Middle Dry Fork Lagoon Expansion	\$1,422,775
Choteau, City of	Choteau Water Distribution, Supply, and Storage Improvements	\$2,000,000
Circle, Town of	Circle Water System Improvements	\$1,387,472
Clancy Water and Sewer District	Clancy Water and Sewer District Water System Improvements	\$2,000,000
Columbia Falls, City of	Columbia Falls Wastewater System Upgrades	\$2,000,000
Columbia Falls, City of	Columbia Falls Water System Improvements	\$143,000
Columbus, Town of	Columbus - Water Main Replacement Projects	\$2,000,000
Columbus, Town of	Columbus UV Sewer Treatment System Replacement	\$675,000
Conrad, City of	Conrad Storm Water and Sewer Lift Stations Improvements	\$2,000,000
Cooke Pass, Cooke City, Silver Gate County Sewer District	Cooke Pass, Cooke City, Silver Gate County Sewer District Wastewater Collection and Treatment System Improvements	\$2,000,000
Corvallis County Sewer District	Corvallis County Sewer District Wastewater Treatment Improvements	\$1,581,000
County Water District of Billings Heights	County Water District of Billings Heights Chlorination System Installation	\$520,182
Crystal Springs Water and Sewer District	Crystal Springs Water System Improvements	\$146,000
Cut Bank, City of	Cut Bank Phase 4 Water System Improvements	\$2,000,000
Darby, Town of	Darby Wastewater System Improvements	\$1,896,514
Dawson County	Dawson County Forest Park Water Tank Construction	\$1,999,444
Dawson County West Glendive	Dawson County West Glendive Phase 1 and 2 Collection System Rehabilitation	\$2,000,000



PROJECT SPONSOR	PROJECT NAME	COMPETITIVE GRANT AWARD
Deer Lodge, City of	Deer Lodge Wastewater Collection System Inflow and Infiltration Reduction	\$618,000
Denton, Town of	Denton Wastewater System Upgrades	\$2,000,000
Denton, Town of	Denton Water Contact Tank Construction	\$539,000
Dillon, City of	City of Dillon Main Waterline Transmission and Distribution Replacement	\$1,179,589
Dodson, Town of	Dodson Phase 1 Water System Improvements	\$2,000,000
Drummond, Town of	Drummond Wastewater Treatment Facility Upgrade	\$2,000,000
Dry Prairie Rural Water Authority	Dry Prairie Rural Water Authority Opheim Mainline Construction	\$2,000,000
Dutton, Town of	Dutton Water System Improvements	\$2,000,000
East Helena, City of	East Helena Wastewater System Improvements Project	\$1,738,695
East Helena, City of	East Helena Water System Improvements Phase 1	\$2,000,000
Fairfield, Town of	Fairfield Water System Improvements	\$1,676,079
Fairview, Town of	Fairview Water Tank Replacement	\$955,000
Flathead County	Flathead County Septage Treatment and Biosolids Composting Facility	\$2,000,000
Flathead County Water District #1 - Evergreen	Flathead County Water District #1 - Evergreen Sanitary Sewer Infiltration and Inflow Reduction	\$492,444
Flathead County Water District #1 - Evergreen	Flathead County Water District #1 - Evergreen Lift Station 19 Renovation	\$2,000,000
Flathead County Water District #1 - Evergreen	Flathead County Water District #1 - Evergreen Lift Stations 2 & 15 Renovations	\$421,302
Forsyth, City of	Forsyth-Yellowstone Right Bank Levee Flood Mitigation	\$1,980,000
Forsyth, City of	Forsyth Water Intake Improvements	\$2,000,000
Fort Peck, Town of	Fort Peck Wastewater Irrigation Improvements	\$10,000
Fort Smith Water and Sewer District	Fort Smith Wastewater System Improvements Project	\$2,000,000
Fromberg, Town of	Fromberg Water System Improvements	\$677,999
Gallatin Canyon County Water and Sewer District	Gallatin Canyon Sewer	\$2,000,000
Gardiner Park County Water and Sewer District	Gardiner Water and Sewer District Wastewater Improvements	\$2,000,000
Geraldine, Town of	Geraldine Phase 1 Water Distribution Improvements and Spring Source Evaluation	\$2,000,000
Glendive, City of	Glendive Yellowstone River and BNSF Water Main Boring	\$812,750
Glendive, City of	Glendive Sewer Main Rehabilitation	\$469,002
Glendive, City of	Glendive Water Tank Repair and Main Replacement	\$934,897
Grass Range, Town of	Grass Range Water Storage Tank Replacement	\$145,578
Great Falls, City of	City of Great Falls Lift Station No. 1 Facility Improvements and Supplemental Forcemain	\$2,000,000

PROJECT SPONSOR	PROJECT NAME	COMPETITIVE GRANT AWARD
Great Falls, City of	Great Falls Central Avenue/3rd Street Drainage Improvements	\$1,864,600
Hamilton, City of	Hamilton Wastewater Treatment Plant Upgrades	\$1,701,754
Harlem, City of	Harlem Water System Improvements Project	\$2,000,000
Harlowton, City of	Harlowton Wastewater System Improvements Project	\$1,436,300
Harlowton, City of	Harlowton Phase 5 and 6 Water System Improvements	\$2,000,000
Havre, City of	Havre Water System Improvements	\$2,000,000
Helena, City of	City of Helena Water System Improvements Project	\$2,000,000
Hill County	Hill County Lift Station Upgrades	\$315,000
Hobson, Town of	Hobson Wastewater System Rehabilitation	\$2,000,000
Joliet, Town of	Joliet Wastewater System Improvements	\$2,000,000
Joliet, Town of	Joliet Water System Improvements	\$1,452,000
Jordan, Town of	Jordan Wastewater System Upgrades	\$1,798,900
Kalispell School District Number 5	Kalispell Public School District Number 5 Lead Mitigation	\$1,325,737
Kalispell, City of	Kalispell Replacement of Original 1920's Era Water and Sewer Mains in Downtown Kalispell	\$2,000,000
Kalispell, City of	Kalispell Stormwater Quality Treatment Facility- Main and Wyoming Street Outfall to the Stillwater River	\$377,766
Kalispell, City of	Kalispell Stormwater Treatment Facilities -Priority Ashley Creek Drainage Basins from TMDL Action Plan	\$528,264
Kalispell, City of	Kalispell Wastewater Treatment Plant Fermenter Rehabilitation	\$1,000,000
Kalispell, City of	Kalispell Wastewater Treatment Plant Influent Pipe and Diversion Structure Reconstruction	\$347,957
Kalispell, City of	Kalispell Sewer Replacement	\$694,000
Kalispell, City of	Kalispell Noffsinger Spring Water Source Replacement	\$1,000,000
Lakeside Water and Sewer District	Lakeside Water and Sewer District Wastewater System Improvements Project	\$2,000,000
Lewis and Clark County	Lewis and Clark County - Elk Creek Colony Water System Upgrades	\$60,000
Lewistown, City of	Lewistown Wastewater System Improvements Project	\$947,889
Lewistown, City of	Lewistown Water System Improvements Project	\$2,000,000
Liberty County	Liberty County Joplin Wastewater System Improvements	\$2,000,000
Lincoln County	Lincoln County Solid Waste Groundwater Protection and Closure Cap System Excavation	\$2,000,000
Lincoln County	Lincoln County Libby Creek Community Water and Wastewater Improvements	\$1,363,000
Livingston, City of	Livingston Sewer Connection	\$2,000,000
Lockwood Water and Sewer District	Lockwood Water and Sewer District Phase 3 Collection System Improvements	\$2,000,000

PROJECT SPONSOR	PROJECT NAME	COMPETITIVE GRANT AWARD
Lockwood Water and Sewer District	Lockwood Water and Sewer District Water Treatment Facility Improvements	\$2,000,000
Lodge Grass, Town of	Lodge Grass Phase 2 Wastewater Treatment Facility Improvements	\$1,437,984
Malta, City of	Malta Trafton Lift Station Improvements	\$600,000
Manhattan, Town of	Town of Manhattan Water Resource Recovery Facility	\$2,000,000
Miles City, City of	Miles City North 7th St./MT 59 Water, Sanitary Sewer, and Storm Sewer Reconstruction Project	\$2,000,000
Miles City, City of	Miles City Internal Drainage and Stormwater Safety Improvements	\$1,913,938
Miles Community College	Miles Community College Sewer Line Replacement & Grease Interceptor Installation	\$102,050
Missoula County	Missoula County - Buena Vista Community Wastewater Improvement Project	\$300,000
Missoula County	Missoula County Sunset West Water System Improvements	\$190,925
Missoula County Lolo Water and Sewer District	Missoula County, Lolo Sewer (Rural Special Improvements District (RSID) #8901 Wastewater System Improvements	\$1,930,000
Missoula, City of	Missoula Department of Public Works and Mobility - Grant Creek Realignment	\$910,296
Missoula, City of	Missoula South Hills Storm Water System Upgrades	\$2,000,000
Missoula, City of	Missoula Phase II Compost Surface Construction	\$2,000,000
Missoula, City of	Missoula Water Main Replacement	\$2,000,000
Montana City School District #27	Montana City School New Well Pump and Treatment	\$235,350
Montana Department of Corrections	Montana Department of Corrections of Public Water System Upgrades	\$2,000,000
Neihart, Town of	Neihart Water Distribution System Improvements	\$110,000
North Valley County Water and Sewer District	North Valley County Water and Sewer District Water System Improvements	\$1,450,000
Park City School District 5	Park City School District 5 New Public Water Supply	\$271,417
Park City Water and Sewer District Stillwater County	Park City Water and Sewer District Stillwater County Headworks Installation	\$541,300
Philipsburg, Town of	Town of Philipsburg Sewer Lagoons Wastewater Treatment System and Capacity Increase	\$2,000,000
Philipsburg, Town of	Philipsburg Drinking Water System Improvements	\$2,000,000
Plains, Town of	Plains Water Source Replacement	\$1,807,619
Plains, Town of	Plains Wastewater Lagoon Relocation	\$2,000,000
Plentywood, City of	City of Plentywood Phase 2 Sewer Project	\$2,000,000
Polson, City of	Polson 2022 Water System Improvements	\$1,453,336
Polson, City of	Polson 2022 Wastewater Collection System Improvements	\$860,000
Power-Teton County Water and Sewer District	Power Sewer Collection System Improvements	\$1,977,000

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>COMPETITIVE GRANT AWARD</b>
Power-Teton County Water and Sewer District	Power Water System Improvements - Phase 4	\$2,000,000
Ravalli County	Ravalli County Targeted Economic Development District Sewer Main Construction	\$1,753,282
Red Lodge, City of	Red Lodge Stormwater Improvements	\$2,000,000
Richey, Town of	Richey Water System Improvements	\$2,000,000
Ronan, City of	Ronan Water System Improvement	\$2,000,000
Roundup, City of	City of Roundup Phase 6 Water System Improvements	\$2,000,000
Saco, Town of	Town of Saco Wastewater System Improvements	\$1,490,530
Shelby, City of	Shelby Stormwater System Improvements and Wastewater Sludge Dewatering	\$1,871,969
Shelby, City of	Shelby Water System Improvements	\$2,000,000
Sidney, City of	Sidney Anderson Subdivision Storm Water Improvements	\$155,526
Sidney, City of	Sidney Phase III Water Improvements - Transmission, Distribution and Lead Service Line Replacements	\$1,462,300
Simms County Sewer District	Simms Phase II Wastewater System Improvements - Wastewater Treatment and Disposal	\$1,400,660
St. Ignatius, Town of	St Ignatius Sewer System Improvements	\$50,000
Stanford, Town of	Stanford Water System Improvements	\$2,000,000
Stevensville, Town of	Stevensville Water Leak Repairs and System Improvements	\$759,367
Sun Prairie Village County Water and Sewer District	Sun Prairie Village County Water and Sewer District Wastewater System Improvement Project	\$1,286,000
Sunny Meadows Missoula County Water and Sewer District	Sunny Meadows Missoula County Water and Sewer District Water System Improvements	\$598,000
Superior, Town of	Superior Wastewater System Improvements Project	\$2,000,000
Terry, Town of	Town of Terry Wastewater Treatment Upgrades	\$1,300,000
Thompson Falls, City of	Thompson Falls Wastewater Improvements Projects	\$2,000,000
Three Forks, City of	Three Forks Water Supply and Distribution Improvements	\$2,000,000
Troy, City of	Troy Wastewater System Improvements	\$2,000,000
University of Montana	University of Montana Clark Fork River Stormwater Outfalls Removal	\$800,000
Valier, Town of	Town of Valier Wastewater System Improvement Project	\$1,312,500
Victor Water and Sewer District	Victor Wastewater System Improvements	\$1,431,500
Virginia City, Town of	Virginia City Water System Improvements	\$549,704
West Yellowstone, Town of	West Yellowstone Wastewater Treatment Plant	\$2,000,000
Whitehall, Town of	Whitehall Treatment Facility	\$2,000,000
Whitehall, Town of	Whitehall Lift Station Improvements and Extensions	\$754,329
Wibaux, Town of	Wibaux Water Main Replacement	\$543,481
Wilsall Water District	Wilsall Water System Improvements	\$2,000,000

PROJECT SPONSOR	PROJECT NAME	COMPETITIVE GRANT AWARD
Winifred, Town of	Winifred Wastewater Treatment and Discharge	\$2,000,000
Winnett, Town of	Winnett Wastewater System Retrofit	\$1,000,000
Wolf Point, City of	Wolf Point Wastewater System Improvements	\$2,000,000
Woodside Park Water & Sewer District	Woodside Park Water and Sewer District Water System Improvements	\$1,258,000
Worden-Ballantine Yellowstone County Water and Sewer District	Worden-Ballantine Yellowstone County Water and Sewer District Water Project	\$2,000,000
University of Montana (Department of Administration)	University of Montana Clark Fork River Stormwater Outfalls Removal	\$800,000
Montana Department of Corrections (Administration)	Montana Department of Corrections of Public Water System Upgrades	\$2,000,000

### WATER & SEWER COMPETITIVE IRRIGATION GRANTS

Recognizing that agriculture is an important part of Montana’s economy and has its own infrastructure needs, the Infrastructure Advisory Commission recommended that \$10 million of Competitive Grants (described above) fund agricultural irrigation projects. This ARPA program will help improve Montana’s irrigation infrastructure while providing water quality benefits.

Agricultural irrigation the conveyance of water specifically for agricultural cropland including pasture, hay, and grass. Agricultural irrigation projects must provide a water quality benefit in order to be eligible uses of ARPA funds.

Improvements include work that is to be done on existing irrigation infrastructure that includes the following AND provide a water quality benefit. Eligible projects are those that:

- Repair, replacement, or reconstruction of existing structures, such as a structure designed to divert surface water, that will benefit temperature or sediment water quality.

- Provide upgrades to a system, such as adding an impermeable liner to an unlined irrigation canal and structures, vegetation, or managerial controls designed to prevent sediment, nutrient, or temperature pollution from irrigation tailwater; or

- Convert a system to a more efficient irrigation system to reduce or conserve for the benefit of nitrogen, phosphorus, sediment, temperature, or salinity.

DNRC reviewed and ranked grant applications during two rounds of applications and issued lists of recommended projects to the advisory commission. DNRC certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.

Projects were ranked according to the Water Pollution Control SRF scores as established in the Competitive Grant Program above.

The Infrastructure Advisory Commission reviewed the lists of recommended water and sewer infrastructure projects and issued a list of recommended projects to the governor. The advisory commission certified that each project submitted is a necessary investment in water and sewer infrastructure as defined in the American Rescue Plan Act and all applicable guidance.



Figure 8 Sidney Water Users Association

Montana’s Governor considered the recommendations of the advisory commission and reviewed the projects to ensure compliance with the American Rescue Plan Act and all applicable guidance before making awards.

To date, the Governor has awarded Irrigation Grants to 34 projects for \$8.8 million in 21 of Montana’s 56 counties. Awards are published online [https://arpa- mtdnrc.hub.arcgis.com/pages/project-applications](https://arpa-mtdnrc.hub.arcgis.com/pages/project-applications). DNRC is currently working with those local governments to execute subrecipient agreements.

TABLE 15 ARPA IRRIGATION GRANT AWARDS

PROJECT SPONSOR	PROJECT NAME	IRRIGATION GRANT AWARD
Beaverhead Conservation District	Beaverhead Conservation District Smith 6-S Irrigation Pivot Installation	\$151,319
Big Hole Watershed Committee	Big Hole Watershed Committee Irrigation Upgrades	\$50,000
Board of Control - Lower Yellowstone Project	Board of Control - Lower Yellowstone Project Irrigation Infrastructure Rehabilitation	\$480,231
Buffalo Rapids Irrigation District 1	Buffalo Rapids Irrigation District 1 Irrigation System Automation	\$283,704
Buffalo Rapids Irrigation District 2	Buffalo Rapids Irrigation District 2 Pipeline Conversion	\$500,000
Cove Irrigation District	Cove Irrigation District Flume Improvement	\$23,000
Flint Creek Water Users Association	Flint Creek Water Users Association Main Canal Improvements	\$272,319
Gallatin Conservation District	Gallatin Conservation District Dry Creek Irrigation Canal Improvement	\$225,141

<b>PROJECT SPONSOR</b>	<b>PROJECT NAME</b>	<b>IRRIGATION GRANT AWARD</b>
Gallatin Conservation District	Gallatin Conservation District Highline Canal Improvement	\$205,274
Gallatin Conservation District	Gallatin Conservation District Godfrey Canyon Siphon and Blowoff Installation	\$340,372
Gallatin Conservation District	Gallatin Conservation District South Cottonwood Creek Headgate Rehabilitation	\$184,000
Glen Lake Irrigation District	Glen Lake Irrigation District Canal Improvements	\$500,000
Granite Conservation District	Granite Conservation District Allendale Ditch Improvements	\$125,000
Greenfields Irrigation District	Greenfields Irrigation District Tunnel No. 3 Pishkun Supply Canal Rehabilitation	\$500,000
Hammond Irrigation District	Hammond Irrigation District Big Porcupine Siphon Replacement	\$150,000
Helena Valley Irrigation District	Helena Valley Irrigation District Terminal Wasteway and Lateral Rehabilitation	\$195,462
Huntley Project Irrigation District	Huntley Project Irrigation District Intake Bank Stabilization	\$500,000
Hysham Irrigation District	Hysham Irrigation District Intake Improvements	\$233,558
Jefferson Valley Conservation District	Jefferson Valley Conservation District Lower Boulder Irrigation Infrastructure Improvement	\$125,000
Judith Basin Conservation District	Judith Basin Conservation District Ackely Lake Canal Rehabilitation	\$325,600
Lockwood Irrigation District	Lockwood Irrigation District Intake Canal Spillway Replacement	\$33,500
Lower Musselshell Conservation District	Lower Musselshell Conservation District Delpha-Melstone Water Users Association Irrigation Efficiency Upgrades	\$191,555
Lower Yellowstone #1 Irrigation District	Lower Yellowstone #1 Irrigation District Thomas Point Pumping Plant Rehabilitation	\$459,315
Missoula, City of	Missoula Flynn-Lowney Ditch Acquisition and Irrigation Well Installation	\$30,000
Paradise Valley Irrigation District	Paradise Valley Irrigation District Sprinkler Lateral Protection	\$227,938
Rock Creek Clear Creek Ditch Company	Rock Creek Clear Creek Company Ditch Enclosure	\$50,000
Ruby Valley Conservation District	Ruby Valley Conservation District Gideon-Root Ditch Infrastructure Improvement	\$201,325
Savage Irrigation District	Savage Irrigation District Pumping Plant Rehabilitation	\$324,800
Sidney Water Users Irrigation District	Sidney Water Users Irrigation District Pipeline Conversion Phases 2 and 3	\$374,503
Tin Cup County Water and Sewer District	Tin Cup Water and Sewer District Tin Cup and Mill Ditch Improvements	\$185,000

PROJECT SPONSOR	PROJECT NAME	IRRIGATION GRANT AWARD
Toston Irrigation District	Toston Irrigation District Crow Creek Pumping Plant Rehabilitation	\$500,000
Treasure County Conservation District	Treasure County Conservation District East Hysham Irrigation Salinity Investigation	\$56,237
Yellowstone County	Yellowstone County Billings Bench Water Association Main Canal Rehabilitation	\$500,000
Yellowstone Irrigation District	Yellowstone Irrigation District Canal Lining	\$295,000

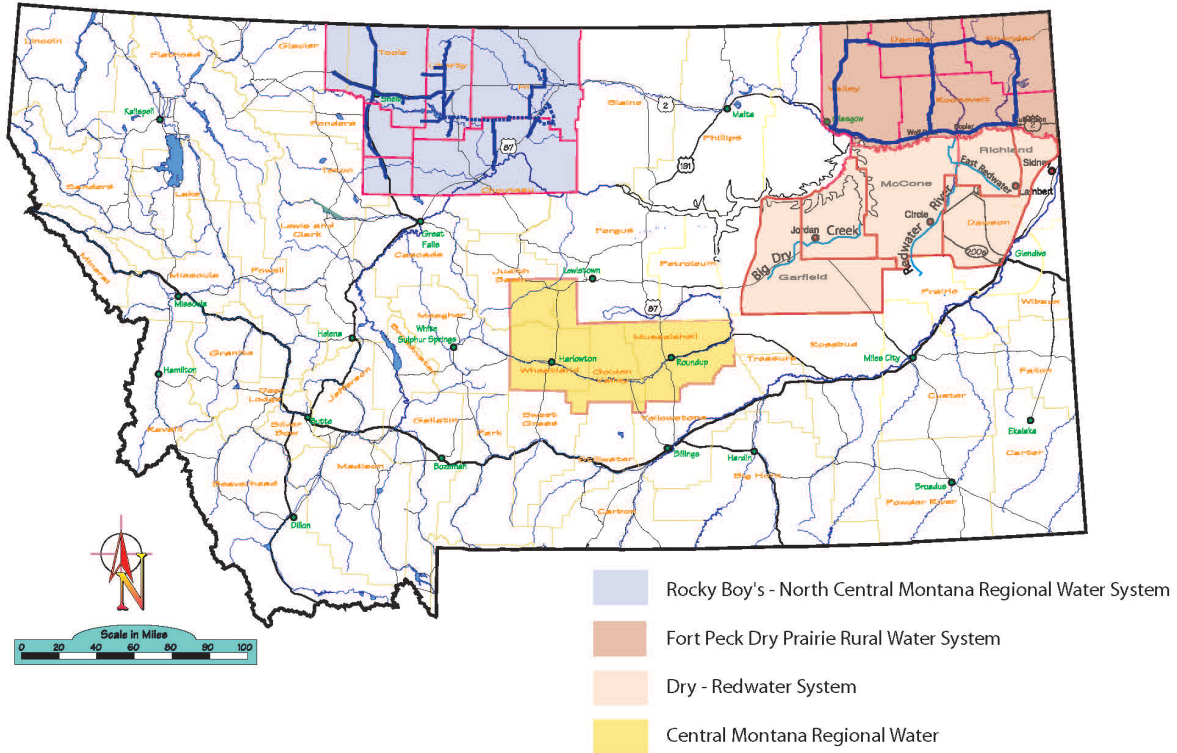
#### REGIONAL WATER AUTHORITY GRANTS

HB 632 authorized \$10 million in grants to the four Regional Water Authorities (Rural Water Authorities) within Montana for necessary investments in drinking water infrastructure. HB 632 also authorized \$5 million in Regional Water Authority funds under House Bill

11. <http://dnrc.mt.gov/divisions/caridd/regional-water-systems>



## AREAS TO BE SERVED BY REGIONAL WATER SYSTEMS



The Fort Peck-Dry Prairie Regional Water System is in the northeastern-most portion of the state. This system is the result of a successful joint venture between the Assiniboine and Sioux Tribes of the Fort Peck Reservation and nontribal individuals and communities adjacent to the reservation. The Assiniboine and Sioux Rural Water Supply Company partnered with the Dry Prairie Rural Water System to build a regional water system that is actively improving the quality of life for residents of northeast Montana.

Rocky Boy's North Central Montana Regional Water System was authorized by Congress in November 2002. The system will serve an estimated population of 28,000, both on the Rocky Boy's Reservation and in numerous non-Reservation systems located in six north central Montana counties.

The Central Montana Regional Water Authority was established in September 2005, with a board of directors representing each community to be served. The Authority was organized to help towns and rural residents in Central Montana that have been plagued for decades by poor water quality and quantity. Communities along the Musselshell River drainage have long had

difficulty in obtaining drinking water from reliable sources.

The Dry-Redwater Regional Water Authority was formed in 2005 to own and operate a regional water system that would provide household and livestock water to the proposed service area. The project was established due to interest from local officials and residents of the counties of Garfield, McCone, Richland, north Dawson and a portion of Prairie in Montana and McKenzie County in North Dakota. The System as planned would serve over 15,000 residents, primarily utilizing water from Fort Peck Reservoir on the Missouri River.

TABLE 16 ARPA REGIONAL WATER GRANTS

PROJECT SPONSOR	TOTAL COMPETITIVE GRANT AWARD	TOTAL REGIONAL WATER AUTHORITY GRANT AWARD	TOTAL HB 11 REGIONAL WATER AUTHORITY GRANT AWARD
Central Montana Regional Water Authority	\$ 2,000,000*	\$ 2,500,000	\$2,802,000
Dry Prairie Rural Water Authority	\$ 2,000,000*	\$ 2,500,000	
North Central Montana Regional Water System		\$ 2,500,000	

\*Also accounted for in the Competitive Grant table above

## PROGRAM CONTACTS

### Renewable Resource Project and Planning Grants

#### Renewable Resource Loans

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### Irrigation Development Grants

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### Renewable Resource Private Loans

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### Emergency Grants

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### Regional Water Systems, State Revolving Fund Loans

#### Deputy Administrator

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