

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION



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To: Infrastructure Advisory Commission

From: Autumn Coleman, Resource Development Bureau Chief, DNRC

Re: ARPA Water & Sewer Funds for Flooding Emergencies

Montana Disaster and Emergency Services

Flooding has resulted in extensive damage to state and county infrastructure (such as roadways and utilities) as well as extensive damage to private homes. The State of Montana, through Disaster and Emergency Services (DES) is collecting private property damages and contact information. Montana DES is the lead agency in coordinating state and federal financial assistance to communities dealing with the significant impacts from flooding.

FEMA announced (June 16, 2022) that federal disaster assistance has been made available to the state of Montana to supplement state and local recovery efforts in the areas affected by a severe storm and flooding from June 10, 2022 and continuing. The President's action makes federal funding available to state and eligible local governments and certain private nonprofit organizations on a cost-sharing basis for emergency work and the repair or replacement of facilities damaged by the severe storm and flooding in Carbon, Park and Stillwater counties. Federal funding is also available on a cost-sharing basis for hazard mitigation measures statewide.

Citizens, businesses and local governments are encouraged to work with DES to address flooding impacts (des.mt.gov).

ARPA Water & Sewer Project Eligibility

ARPA Water & Sewer funds can pay for eligible costs associated with drinking water and wastewater or stormwater planning/assessment or project costs. Drinking water projects include source, treatment, transmission and distribution, private residential well testing and remediation, and more. Sewer or wastewater projects include centralized wastewater treatment and collection systems, decentralized wastewater treatment (septic systems), stormwater management, other projects that would reduce pollution into surface and groundwater and planning and assessment. For questions, please contact an ARPA Grant Manager (contacts listed below).

ARPA Fund Availability

Local Fiscal Recovery Funds - Cities, towns, and counties should be receiving the second tranche of local fiscal recovery (LFR) funds June - July 2022. LFR funds have the same contingency for funding eligible water and sewer infrastructure as stated above; however, smaller counties have more flexibility that was afforded under Treasury's Final Rule to pay for basic government services ([US Treasury](https://www.usdoj.gov/oea/press-releases/2021/06/20210616-01)

[FAQ's Section 3. Revenue Loss](#)).

ARPA Minimum Allocation Grants – Cities, towns, and counties that still have not applied for Water & Sewer Minimum Allocation Grants (MAG) can apply at any time ([link](#)). The application deadline for MAG funds is November 1, 2022. For questions about remaining MAG funds, please direct local governments to use the Minimum Allocation Dashboard ([link](#)).

The Department of Commerce Technical Assistance Team can help local governments apply for ARPA funds. To request assistance, visit [ARPA.MT.GOV](https://www.arpa.mt.gov) -> Contact Us -> Call or email a request for “help applying for water & sewer grants”. DNRC staff is also available to help local governments apply for Minimum Allocation Grants; local governments can schedule time for a call with DNRC staff ([link](#)).

ARPA Water & Sewer Grant Awards – Local governments that have already received an ARPA Water & Sewer Grant award can contact their grant manager to adjust their project scope, schedule and budget to address flooding impacts to water and sewer infrastructure. Planning and assessment for water and sewer infrastructure is an eligible expense. Local governments can schedule time for a call with DNRC staff ([link](#)).

DNRC Emergency Grants & Loans - DNRC has an Emergency Grant and Loan Program to provide financial assistance to communities impacted by flooding:

- Emergency grant limits are set at \$30,000 and are available for local governments ([link](#)).
- DNRC has the authority to provide up to \$10 million in emergency loan financing for local governments ([link](#)). The amount of each loan is limited by the applicant's bonded debt capacity.
- DNRC has authority to issue up to \$20 million in loans for private water development projects. Private loans to individuals must be secured with real property. Loans are available up to \$3 million are available for organizations such as water user associations and ditch companies ([link](#)).

Montana Coal Endowment (MCEP) Emergency Grants – Department of Commerce has grant funds for local governments impacted by flooding ([link](#)).

ARPA Grant Managers:

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Other DNRC Contacts:

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