



RENEWABLE RESOURCE GRANT AND LOAN PROGRAM - (RRGL)

The Renewable Resource Grant and Loan Program is contained in two bills, HB 6 and HB 8, and in the 2023 biennium additional project funding is provided in HB 14. The actions for HB 6 and HB 8 will be provided individually. As seen in the figure below, the appropriations and funding from the various pieces of legislation is presented.

Program Comparison - Renewable Resource Grant & Loan Program - HB 6, HB 8, HB 14					Executive Budget Comparison		
Budget Item	Budget 2021 Biennium	Budget 2023 Biennium	Biennium Change	Biennium % Change	LRP Budget 2023 Biennium	Ex Change	Ex % Change
Number of Grants Funded	72	74	2	2.7%	59	(15)	-25.4%
	<u>Appropriated</u>	<u>Proposed</u>			<u>Proposed</u>		
Grants Cost	\$8,965,000	\$9,220,788	255,788	2.8%	\$7,420,001	(1,800,787)	-24.3%
Other Grants	2,375,000	1,800,000	(575,000)	-31.9%	1,800,000	0	0.0%
Loan Program	81,950,000	78,595,000	(3,355,000)	-4.3%	78,595,000	0	0.0%
Total Costs	\$93,290,000	\$89,615,788	(\$3,674,212)	-4.1%	\$87,815,001	(\$1,800,787)	-2.1%
State Special - HB 6	6,365,000	6,300,000	(65,000)	-1.0%	4,499,213	(1,800,787)	-40.0%
CST Bond Proceeds - HB 8	81,950,000	78,595,000	(3,355,000)	-4.3%	78,595,000	0	0.0%
GO Bond Proceeds - HB 14	4,975,000	4,720,788	(254,212)	-5.4%	4,720,788	0	0.0%
Total Funds	\$93,290,000	\$89,615,788	(\$3,674,212)	-4.1%	\$87,815,001	(\$1,800,787)	-2.1%

LONG-RANGE PLANNING RECOMMENDATION - HB 6 – DO PASS AS AMENDED

As seen in the figure above, the Long-Range Planning (LRP) Subcommittee recommended a reduction of \$1.8 million to the project appropriation in HB 6. The reduction in appropriation in HB 6 would reduce the total number of grants by 15. The reduction is recommended to correct an imbalance between anticipated revenues and appropriations in the natural resource projects account, which funds HB 6 and HB 7.

The LRP subcommittee also recommended the elimination of language stating that grants will be funded in priority order, and instead allows grant to receive funding once the recipient meets the program conditions as stated in HB 6. Note: The same change was made in HB 14.

A complete listing of the RRGL grant projects is seen in the figure starting on the following page.

Renewable Resource Grants (RRGL) - HB 6 and HB 14
Long-Range Planning Recommendation - 2023 Biennium

Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Recommended	Cumulative Total
<u>HB 6 Projects</u>					
1	Milk River Joint Board of Control St. Mary Diversion Dam & Headworks Design Completion	Irrigation	\$3,498,362	\$125,000	\$125,000
2	Gardiner Park County Water & Sewer Dist. Wastewater Improvements	Wastewater	4,166,900	125,000	250,000
3	Greenfields Irrigation Dist. Arnold Coulee Hydroelectric	Irrigation	5,368,360	125,000	375,000
4	Cooke City Water & Sewer Dist. Wastewater Collection and Treatment System	Wastewater	300,000	125,000	500,000
5	Fort Smith Water & Sewer Dist. Wastewater System Improvements	Wastewater	4,451,700	125,000	625,000
6	MT Department of Corrections Powell Dam Rehabilitation	Dam	1,143,030	125,000	750,000
7	Lewis and Clark Conservation Dist. Beaver Creek Restoration, Phase 2	Other	572,460	125,000	875,000
8	Lockwood Water and Sewer Dist. CS3-1 Collection System Improve., Phase 3	Wastewater	10,764,000	125,000	1,000,000
9	Manhattan, Town of Water Reclamation Facility Improvements, Phase 1	Wastewater	7,793,000	125,000	1,125,000
10	Helena Valley Irrigation Dist. Terminal Wasteway & Lateral Automation & Measurement	Irrigation	339,915	125,000	1,250,000
11	Total Potentially Unfunded HB 7 Projects Wastewater System Improvements, Phase 3	Wastewater	6,948,000	125,000	1,375,000
12	Butte-Silver Bow Government Basin Creek Dam #1 Rehabilitation	Dam	2,030,052	125,000	1,500,000
13	Deer Lodge, City of Wastewater Collection System Improvements	Wastewater	1,100,000	125,000	1,625,000
14	Pondera County Conservation Dist. Dupuyer Creek Diversion Automation	Irrigation	197,390	125,000	1,750,000
15	Teton Conservation Dist. Eureka Dam Safety Improvements	Dam	281,486	125,000	1,875,000
16	Darby, Town of Wastewater System Improvements	Wastewater	1,853,596	125,000	2,000,000
17	Libby, City of Wastewater System Improvements	Wastewater	1,039,000	125,000	2,125,000
18	DNRC-Water Resources Division Ackley Lake Outlet Canal Rehabilitation	Irrigation	160,047	125,000	2,250,000
19	Greenfields Irrigation Dist. SRS-71 Headworks & SRS Re-Regulation	Irrigation	3,557,585	125,000	2,375,000
20	Valier, Town of Wastewater System Improvements, Phase 3	Wastewater	2,015,000	125,000	2,500,000
21	Greenfields Irrigation Dist. Spring Coulee Headworks Replacement	Irrigation	256,474	125,000	2,625,000
22	Helena Valley Irrigation Dist. (partial) Lateral 11.9 Canal Conversion and Gate Rehabilitation	Irrigation	1,057,580	74,213	2,699,213
Funding Availability Line			\$58,893,937	\$2,699,213	
Grants below this line may not be funded in HB 6 if projects receive funding in the listed order					
22	Helena Valley Irrigation Dist. (partial) Lateral 11.9 Canal Conversion and Gate Rehabilitation	Irrigation		50,787	2,750,000
23	Big Mountain Sewer Dist. Wastewater Collection System Improvements	Wastewater	1,000,000	125,000	2,824,213
24	Lower Musselshell County Conservation Dist. DMWUA Main Canal Diversion Gates Automation	Irrigation	216,343	125,000	2,949,213

Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Recommended	Cumulative Total
25	Bitterroot Conservation Dist. Bitterroot River Irrigation Management Study	Irrigation	131,250	125,000	3,074,213
26	Wolf Point, City of Wastewater Collection System Improvements	Wastewater	5,050,000	125,000	3,199,213
27	Havre, City of Clear Creek Court Sanitary Sewer System Improvements	Wastewater	455,000	125,000	3,324,213
28	Missoula, City of-Parks and Recreation Dept. Rattlesnake Creek Wilderness Dams Improvements	Dam	315,245	125,000	3,449,213
29	Missoula County Buena Vista Wastewater System Improvements, Phase 2	Wastewater	1,267,000	125,000	3,574,213
30	Fort Belknap Indian Community Milk River Diversion Gate Automation	Irrigation	188,747	125,000	3,699,213
31	Shelby, City of Water System Infrastructure Improvements	Water	1,325,000	125,000	3,824,213
32	Fort Peck Tribes Frazer and Wiota Pump Automation and Monitoring	Irrigation	129,055	125,000	3,949,213
33	Lower Willow Creek Irrigation Dist. Reservoir Toe Drain Repair	Irrigation	589,000	125,000	4,074,213
34	Hill County Beaver Creek Dam Improvements	Dam	125,000	125,000	4,199,213
35	East Helena, City of Wastewater System Improvements	Wastewater	3,252,400	125,000	4,324,213
36	Bitter Root Irrigation Dist. Water Efficiency, Modernization, and Planning Study	Irrigation	131,250	125,000	4,449,213
Total Potentially Unfunded HB 6 Projects			\$14,175,290	\$1,800,787	
HB 14 Projects					
37	Beaverhead County Conservation Dist. Irrigation Efficiency and Water Measurement	Irrigation	231,232	125,000	4,574,213
38	Stillwater Conservation Dist. Mendenhall Ditch Intake and Drop Structure Rehabilitation	Irrigation	137,968	125,000	4,699,213
39	DNRC-Water Resources Division Deadman's Supply Canal Rehabilitation	Irrigation	160,051	125,000	4,824,213
40	Lower Yellowstone Irrigation Project Lateral V Check Structure & Lateral W Headgate Rehab.	Irrigation	164,080	125,000	4,949,213
41	DNRC-Water Resources Division Two Dot Canal Rehabilitation	Irrigation	170,047	125,000	5,074,213
42	Circle, Town of Water Improvements, Phase 3	Water	1,503,200	125,000	5,199,213
43	Roundup, City of Water Main Improvements, Phase 6	Water	1,770,000	125,000	5,324,213
44	Clinton Irrigation Dist. Schoolhouse Lateral Pipeline Conversion	Irrigation	134,194	125,000	5,449,213
45	Ten Mile/Pleasant Valley Sewer Dist. Wastewater Improvements	Wastewater	125,000	125,000	5,574,213
46	Carbon County Conservation Dist. Mutual Ditch Siphon Replacement	Irrigation	180,795	125,000	5,699,213
47	Ekalaka, Town of Water System Improvements	Water	1,372,000	125,000	5,824,213
48	Glen Lake Irrigation Dist. Rolling Hills Canal Rehabilitation	Irrigation	143,020	125,000	5,949,213
49	Buffalo Rapids Irrigation Project Dist. 1 Irrigation System Automation	Irrigation	370,704	125,000	6,074,213
50	Flaxville, Town of Water Improvements	Water	1,248,800	125,000	6,199,213

Rank	Applicant / Project Title	Project Type	Total Project Cost	Grant Recommended	Cumulative Total
51	North Valley County Water and Sewer Dist. Water Improvements, Phase 1	Water	1,500,000	125,000	6,324,213
52	Buffalo Rapids Irrigation Project Dist. 2 Lateral 1.6 Pipeline Conversion, Phase 2	Irrigation	144,297	125,000	6,449,213
53	Petroleum County Conservation Dist. Petrolia Dam Outlet Works Headgate Replacement	Irrigation	112,992	105,742	6,554,955
54	Harlowton, City of Water System Improvements, Phase 4	Water	1,914,000	125,000	6,679,955
55	Alfalfa Valley Irrigation Dist. East Flynn Canal Rehabilitation, Phase 2	Irrigation	162,050	125,000	6,804,955
56	Malta Irrigation Dist. Main Canal Lining-Wagner Reach	Irrigation	162,000	125,000	6,929,955
57	Glasgow Irrigation Dist. Spaniard Check Structure	Irrigation	134,460	125,000	7,054,955
58	Lewistown, City Of Water System Improvements	Wastewater	4,860,909	125,000	7,179,955
59	Glen Lake Irrigation Dist. Infrastructure Modernization Study	Irrigation	137,000	125,000	7,304,955
60	Big Timber, City of Water System Improvements	Water	1,505,000	125,000	7,429,955
61	Alberton, Town of Water Improvements	Water	1,901,480	125,000	7,554,955
62	Hysham Irrigation Dist. Intake Improvements	Irrigation	452,850	125,000	7,679,955
63	Three Forks, City of Water System Improvements	Water	3,142,000	125,000	7,804,955
64	Choteau, City of Water System Improvements	Water	4,160,000	125,000	7,929,955
65	Fairfield, Town of Water System Improvements	Water	2,423,000	125,000	8,054,955
66	Huntley Project Irrigation Dist. Yellowstone Riverbank Stabilization	Irrigation	1,248,688	125,000	8,179,955
67	Sweet Grass County Conservation Dist. Post-Kellogg Ditch Headworks Improvement	Irrigation	125,000	125,000	8,304,955
68	Lewistown, City Of Ditch Rehabilitation	Irrigation	132,371	125,000	8,429,955
69	Joliet, Town of Water System Improvements	Water	1,931,713	125,000	8,554,955
70	Richey, Town of Water System Improvements, Phase 1	Water	1,502,000	125,000	8,679,955
71	Fort Benton, City of Water System Improvements	Water	1,600,000	125,000	8,804,955
72	Big Sandy, Town of Stormwater Improvements	Other	969,342	125,000	8,929,955
73	Belgrade School Dist. Ridge View Elementary Solar	Other	126,233	115,046	9,045,001
74	Paradise Valley Irrigation Dist. Milk Riverbank Stabilization	Irrigation	285,281	125,000	9,170,001
Total HB 14 Projects			\$38,343,757	\$4,720,788	
Total RRGL Grants Recommended			\$97,237,694	\$7,420,001	

LONG-RANGE PLANNING RECOMMENDATION - HB 8 – DO PASS (NO AMENDMENTS)

The LRP Subcommittee did not recommend changes to HB 8. Note: HB 8 is funded with coal severance tax (CST) bonds. The bonds are guaranteed by the CST permanent trust, and at times CST deposited into the trust may be used to start the repayment of the bonds. Any funds used for this purpose are repaid to the trust once loan repayments begin. As a result, HB 8 requires a ¾ vote of both houses of the Legislature for passage.

The loan projects are seen in the following figure.

Renewable Resource Loans - HB 8 Long-Range Planning Recommendation - 2023 Biennium		
HB 8 Section/Sponsor/Project	Proposal	Cumulative Total
Sec. 1(2) Loans with interest rates of 3.0% or state bond rate, whichever is lower-20 years		
DNRC-Conservation and Resource Development Division (CARDD) Refinance Existing Debt or Rehabilitation of Water and Sewer Facilities	\$8,000,000	\$8,000,000
Sec. 1(3) Loans with interest rates of 3.0% or state bond rate, whichever is lower-20 years		
Central Montana Regional Water Authority Local Match	3,000,000	11,000,000
Dry Red Regional Water Authority Local Match	3,000,000	14,000,000
Sec. 1(4) Loans with interest rates of 3.0% or state bond rate, whichever is lower-30 years		
Lower Willow Creek Irrigation District Right Subdrain Repair Project	200,000	14,200,000
Sec. 2(2) Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years		
Dry Prairie Regional Water Authority Local Match	3,000,000	17,200,000
North Central Regional Water Authority Local Match	10,000,000	27,200,000
Sec. 3 Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years		
Huntley Irrigation District Tunnel 2 and Canal System	3,500,000	30,700,000
Lockwood Irrigation District Box Elder Siphon, Pump Station, and Pump 3	750,000	31,450,000
Sec. 4 Loan Reauthorization with interest rates of 3.0% or state bond rate, whichever is lower-30 years		
St Mary's Water Users Association St. Mary's Diversion Project Local Share ¹	40,000,000	71,450,000
Total Loan Authorizations:	\$71,450,000	
Loan Reserve:	<u>7,145,000</u>	
Total Bond Request	<u>\$78,595,000</u>	

¹The loan is contingent on the formation of and water users' association, must have the financial capacity to pay the annual loan repayment, and the federal government entering into an agreement with the state to share the total costs.