

FINAL
Water Pollution Control
State Revolving Fund
Intended Use Plan and
Project Priority List

State Fiscal Year 2010

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**MONTANA
WATER POLLUTION CONTROL STATE REVOLVING FUND
SFY 2010 INTENDED USE PLAN**

I. INTRODUCTION

The State of Montana has adopted the following Intended Use Plan (IUP) for state fiscal year 2010 as required under Section 606 of the Clean Water Act. **This IUP does not include intended uses for the ARRA funds received by the program.**

The primary purpose of the IUP is to identify the proposed annual intended use of the federal and state funds available to the Montana Water Pollution Control State Revolving Fund (WPCSRF). Federal dollars appropriated in one year are available for use in the next year (i.e. the FFY 2009 appropriation is available in FFY 2010). The State match will be raised through the sale of general obligation bonds as the need for funds arises. The draft IUP will be reviewed by the public and the final version will reflect the results of this review.

The IUP includes the following:

- I. Introduction
- II. List of Projects
- III. Order of Funding
- IV. Uses of the Revolving Fund
- V. Goals and Objectives
- VI. Activities to be Supported
- VII. Assurances and Specific Proposals
- VIII. Criteria and Method for Distribution of Funds
- IX. Subsidies to Disadvantaged Communities
- X. Public Comment, Amending IUP, State Commitment of Funds

II. LIST OF PROJECTS

The WPCSRF program is intended to provide low interest loans for the planning, design and construction of water pollution control projects. A complete list of any and all eligible projects that are considered possible candidates for assistance from the WPCSRF program at this time can be found in **Attachment 1**, the Project Priority List (PPL).

Those projects with proposed binding commitment dates occurring within the next two upcoming state fiscal years are considered active and viable projects. A binding commitment will be in the form of a written agreement between the State of Montana and a borrower describing the project and indicating the amount of the loan and the time at which the funds will be made available. The binding commitment obligates the State to make the loan and the borrower to receive the proceeds and repay, as per specified terms.

III. ORDER OF FUNDING

WPCSRF funds will be administered on a first-come, first-served basis. As demand for the money increases, the following factors will be considered when the project is ranked by the State:

1. Need for and benefit to be derived by the project as determined by the annual project priority list. In FFY 1999 Montana developed and implemented a new watershed approach project priority list ranking system. In SFY 2002, Montana made a few modifications to the ranking system. Changes were made to the activity-specific category, and the available points in the readiness category were doubled. This will allow projects that are ready for construction to move higher on the list.

The ranking criteria were modified in SFY2006. The criteria and number of points assigned to a proposed project for its effectiveness in improving water quality have been changed to simplify the ranking process and to provide a level of consistency. Beneficial uses, for which water quality standards and TMDLs are based, are still considered in the

ranking process. Additional criteria were added to the 'Activity-Specific' section pertaining to non-point source projects in an effort to better break down the individual water quality benefits associated with the proposed project. In an effort to direct more SRF funds toward projects that effectively improve water quality, 25 additional priority points have been added to projects designed to meet watershed TMDLs. Also, points assigned toward refinancing existing long-term debt have been limited to 10 total points per project in an effort to direct more funds toward active projects that provide direct benefit to water quality.

2. Ability of the municipality or private concern to finance the project, with and without loan assistance (See Section IX).
3. Amount of financial assistance available from the revolving fund and the cumulative amount of funds requested by other applicants.

IV. USES OF THE WATER POLLUTION CONTROL STATE REVOLVING FUND

The WPCSRF may be used to:

1. Provide low interest loans to municipalities for wastewater treatment systems, new interceptors, collectors, and appurtenances, infiltration/inflow correction, sewer system rehabilitation, correction of combined sewer overflows, and construction of new storm sewers and detention basins. The low interest loans can be made for up to 100 percent of the total project cost. As of the beginning of FY09, approximately \$192.7 million in loans (this does not include nonpoint source or refinanced projects) have been made to communities in Montana. Each of these loans has had a total loan interest rate of 4% or less. Program interest rates will be evaluated and set annually;
2. Refinance qualifying debt obligations for water pollution control facilities if the debt was incurred and construction initiated after March 7, 1985. As of the May 29, 2009 approximately \$13.9 million of debt has been refinanced through this program.
3. Guarantee or purchase insurance for local debt obligations. As of the beginning of FY10, no loans have been made for this purpose;
4. Provide a source of revenue or security for general obligation bonds, the proceeds of which are deposited in the revolving fund. There is a 1% loan loss reserve surcharge included as part of the 3.75% interest rate for loans not qualifying for a hardship. The use of the surcharge is to pay principal and interest on state G.O. Bonds if the Debt Service Account is insufficient to make payments. This is to secure \$25.49 million in State General Obligation Bonds. The excess over the required reserve has periodically been transferred to the principal account to make loans. In FY10 it is anticipated that approximately \$1.2 million in excess loan loss reserve funds will be transferred to the principal account.
5. Provide loan guarantees for similar revolving funds established by municipalities. As of the beginning of FY10, no loans have been made for this purpose;
6. Finance non-point source pollution control (Section 319) implementation projects or programs. As of the beginning of FY10, approximately \$44.8 million has been loaned out for these types of projects;
7. Earn interest on program fund accounts. At the beginning of FY10, cash flow analysis demonstrates this program will continue to be a strong source of loan funds after the federal grants are terminated. Interest income to date has been used to pay off program G.O. Bond debt. The cumulative interest earned in the program on investments is \$8.4 million through the end of SFY09.
8. Pay reasonable administrative costs of the WPCSRF program not to exceed four (4) percent (or the maximum amount allowed under the federal act) of all federal grants

awarded to the fund. In addition to using WPCSRF funds for administration, each loan has a 0.75% administrative surcharge included in the 3.75% interest rate. These fees are not considered part of the loan principal. The reserve generated from this loan surcharge will be used for WPCSRF administration costs not covered by the EPA grants after capitalization grants cease and pay for administration of projects that use recycled funds. As of the beginning of FY10, there was approximately \$500,000 available for this purpose. Capitalization grants are approved by Congress every year and EPA is currently projecting WPCSRF funding through FFY11. However, if needed, these administrative funds could be transferred to the principal account and used to make loans. In SFY10, it is anticipated that approximately \$500,000 in administrative surcharge funds will be transferred to the principal account.

The special administrative fees collected through loan repayments can be broken down into two categories. If the fees are repaid from first-round funds during the grant period (i.e., from capitalization grants that are still open) the uses of these fee funds will be limited to either SRF program administration or transfers to the principal account, as indicated above. However, fees repaid from loans made from capitalization grants that have been closed or from recycled funds may be used for other purposes as long as those uses are consistent with the federal Clean Water Act, this Intended Use Plan, the Operating Agreement between DEQ and EPA, or the Trust Indenture and DEQ and DNRC rules and laws governing the WPCSRF program.

FFY07 and FFY08 grants (no loan funds have yet to be drawn from the FFY09 grant, therefore, there are not expected to be repayments from loans made from that grant in SFY10):

- Billings Briarwood project
- Manhattan WWTP project
- Whitefish WWTP project
- Lockwood Collection project
- Bigfork Headworks Project
- Upper/Lower River Rd II Collection Project
- Valier project
- Fort Benton Stormwater project
- Big Sky WWTP project
- Ronan UV project
- East Helena Collection project
- Livingston Collection project
- Bigfork Mayport Harbor project

The special administrative fee collected from these combined projects in SFY10 is expected to be approximately \$214,350. The total special administrative fees expected to be collected in SFY10 are approximately \$1.3 million. Therefore, approximately \$1,085,600 could be used for Clean Water Act-related purposes other than SRF administration. However, it is anticipated that about \$400,000 will be required for SRF administration, \$500,000 will be transferred to the principal account and \$250,000 will be used for Clean Water Act-related purposes as indicated below.

The WPCSRF program will be expanded in SFY10 to include the addition of another wastewater treatment operations specialist to assist communities and other public systems in optimizing treatment and bringing them into compliance with the Water Quality and Public Water Supply Acts. Additionally, some funds are expected to be set aside for advanced training for staff and operators to help promote optimization of wastewater treatment throughout Montana. These costs will be funded using special administration fee money generated by the current administrative fees charged for each loan. Special administration fees are also expected to be used for partial funding of a wetland specialist to provide outreach, technical assistance and education for conservation and protection of natural wetlands. In addition, approximately \$50,000 will be used to help finance a vertical flow constructed treatment wetlands in conjunction with Montana State University to explore and demonstrate the viability of this green infrastructure as a low-tech

approach to nutrient removal for small communities in cold weather climate. The total annual cost of the operations specialist, the training, the wetland specialist and the wetland pilot project is expected to be approximately \$250,000.

A determination of which projects are selected from the PPL, the amount of assistance, and the financing terms and conditions will be made by the Montana Department of Environmental Quality (DEQ) and the Montana Department of Natural Resources and Conservation (DNRC).

Due to recent significant population growth in Montana and the expansion of water and sewer services to accommodate that growth, both the WPCSRF and Drinking Water SRF programs have modified the existing growth policy to clarify the eligibility of certain types of projects directly associated with growth. Specifically, with regard to wastewater systems, new wastewater collection lines that serve areas that are not at least 50% occupied are not eligible for WPCSRF funding.

At the Governor's discretion, the state may transfer up to 33 percent of its Drinking Water SRF capitalization grant to the WPCSRF or an equal amount from the WPCSRF to the Drinking Water SRF. Transfers could not occur until at least one year after receipt of the first DWSRF capitalization grant, which was June 30, 1999. This transfer authority was effective thru fiscal year 2001. One-year extensions of this transfer authority were granted through the Appropriation Bill for fiscal years 2002 - 2008. Another one-year extension was granted with the FY09 appropriation bill. In addition to transferring grant funds, States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs.

Table 1 itemizes the amount of funds that have been transferred to and from the WPCSRF program. There is not expected to be a transfer of capitalization grant funds in SFY2010, however given the uncertainty of approximately 30 ARRA projects expected to begin construction in SFY09, DEQ reserves the right to make transfers between the DWSRF and WPCSRF programs.

TABLE 1 - AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND PROGRAMS

Year	Transaction Description	Banked Transfer Ceiling	Transferred from CWSRF to DWSRF	Transferred from DWSRF to CWSRF	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1996 & 1997	DW Grant Award	\$ 4,892,646			\$ 4,892,646	\$4,892,646
1998	DW Grant Award	7,242,675			7,242,675	7,242,675
1999	DW Grant Award	9,705,729			9,705,729	9,705,729
2000	DW Grant Award	12,265,539			12,265,539	12,265,539
2000	Transfer (2nd Rnd \$)	12,265,539	4,750,328		17,015,867	7,515,211
2001	DW Grant Award	14,835,942			19,586,270	10,085,614
2001	Transfer (2nd Rnd \$)	14,835,942	4,032,158		23,618,428	6,053,456
2002	DW Grant Award	17,493,267			26,275,753	8,710,781
2004	DW Grant Award (03)	20,134,608			28,917,094	11,352,122
2004	Transfer (2nd Rnd \$)	20,134,608		2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd \$)	20,134,608		2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd \$)	20,134,608		1,000,000	22,786,881	17,482,335
2005	DW Grant Awards (04 & 05)	25,608,821			28,261,094	22,956,548
2006	DW Grant Award (06)	28,324,490			30,976,763	25,672,217
2006	Transfer (1st Rnd \$)	28,324,490		5,000,000	25,976,763	30,672,217
2007	DW Grant Award (07)	31,040,060			28,692,323	33,387,787
2008	Transfer (2nd Rnd \$)		2,500,000		31,192,333	30,887,787
2008	DW Grant Award (08)	33,728,240			33,880,513	33,575,967
2009	Transfer (1st Rnd \$)			5,000,000	28,880,513	38,575,967
2009	DW Grant Award (09)	36,416,420			31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420			38,003,693	47,699,147
Totals			11,282,486	16,130,213		

V. GOALS AND OBJECTIVES

Long-Term Goal and Objectives

The long-term goal of the WPCSRF is to maintain, restore and enhance the chemical, physical and biological integrity of the State's waters for the benefit of the overall environment and the protection of public health.

Objectives:

1. Provide affordable financial assistance for eligible applicants concurrent with the objective of maintaining a long-term, self-sustaining State revolving fund program; and
2. Fulfill the requirements of pertinent federal, state and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision-making authority regarding such activities.

Short-Term Goal and Objectives

The short-term goals of the WPCSRF are to continue to preserve and improve the quality of the State's waters (surface and groundwater), to meet the wastewater treatment needs of the state, and to eliminate any public health hazards related to the discharge of inadequately treated wastewater. As an estimated measure of the environmental benefits attained through funding of water pollution control projects, the WPCSRF program will continue to complete an environmental benefits spreadsheet for each project during SFY10.

Objectives:

1. Maintain and promote the WPCSRF program, which provides low interest financing (up to 100 percent loans) for water pollution control projects; provide approximately 15 new loans in SFY10 (some projects may have more than one loan). This number does not include ARRA loans, of which there will be approximately 30;
2. Ensure the technical integrity of WPCSRF projects through the review of planning, design plans and specifications, construction activities and development of a sound operation and maintenance program;
3. Ensure compliance with all pertinent federal, state and local water pollution control laws and regulations;
4. Obtain optimum turnover of the funds for the State in the shortest reasonable time; fund eligible NPS projects;
5. Simplify the administrative and regulatory requirements of the program, without sacrificing project quality, to make the financial assistance readily accessible; coordinate on a regular basis with DNRC and financial consultants to consider ways to improve the program and optimize use of resources; and
6. Apply for all available appropriated federal funds contingent upon federal legislation.

VI. INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the WPCSRF is expected to be loans. The State plans on reserving an amount equal to four (4) percent of the federal capitalization grant for administrative expenses. On a more limited basis, the State may provide funds for refinancing existing debt, guarantee or buy insurance for local debt obligations, or leverage bond issues.

From the WPCSRF, these types of assistance will be provided to local communities, sanitary sewer districts, counties, eligible private persons, or other sub-governmental units recognized under Montana statutes for the construction of publicly-owned wastewater treatment facilities or non-point source water pollution control projects.

VII. ASSURANCES AND SPECIFIC PROPOSALS

The State will assure compliance with the following sections of the law in the State/EPA Operating Agreement, of which this document is a part. In addition, the State has developed specific proposals for implementation of those assurances in the rules promulgated by the Montana Department of Environmental Quality (DEQ) and the Montana Board of Natural Resources (DNRC).

- Section 602(a) - Environmental Reviews - The State of Montana certifies that it will conduct environmental reviews of each project receiving assistance from the WPCSRF. Montana will follow EPA approved, NEPA-like procedures in conjunction with such environmental reviews.
- Section 602(b)(3) - Binding Commitments - The State of Montana certifies that it will enter into binding commitments equal to at least 120 percent of each quarterly grant payment within one year after receipt.
- Section 602(b) (4) - Timely Expenditures - The State of Montana certifies that it will expend all funds in the WPCSRF in an expeditious and timely manner.
- Section 602(b)(6) - Compliance with Title II Requirements - The State of Montana certifies that the applicable Title II requirements listed under this section will be satisfied in the same manner as projects constructed under Title II of the Clean Water Act.

VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

WPCSRF funds will be distributed using the methods and criteria for eligible activities described in the WPCSRF program rules that have been adopted by the DEQ and DNRC. As previously described, WPCSRF funds will be allocated on a first-come, first-served basis until demand for funds exceeds available supply. At that time, funds will be distributed in accordance with the procedure developed in the DEQ Administrative Rules. This procedure considers ranking on the Priority List, readiness of the project to proceed, and impacts of the project to the WPCSRF. Loan terms and interest rates will be determined in accordance with the Administrative Rules adopted by the DNRC. The WPCSRF program may choose to limit the maximum amount of any loan if the demand for loan funds exceeds the availability of funds. Interest rates must be established to generate sufficient revenues to allow the State to make the principal and interest payments on general obligation bonds sold to generate the State match. Ability to repay the loan will also be considered when establishing loan terms. The types of financial assistance provided by the WPCSRF will initially be based on the applicant's request. It is anticipated that the majority of assistance will be provided in the form of direct loans.

IX. SUBSIDIES TO DISADVANTAGED COMMUNITIES

Communities seeking a WPCSRF loan that meet the disadvantaged criterion listed below may receive an additional subsidy on their WPCSRF loans, beyond the standard below-market rate financing. This includes communities that will meet the disadvantaged criterion based on projected rates as a result of the project.

A community is considered economically disadvantaged when its combined monthly water and wastewater system rates are greater than or equal to 2.3% of the community's Median Household Income (MHI). If the community has only a wastewater system, the percentage is 0.9% of the community's MHI. These percentages are consistent with affordability requirements of other state funding agencies in Montana. The water and sewer rates used for this calculation include new and existing debt service and required coverage, new and existing operation and maintenance charges, and depreciation and replacement of equipment.

To assist these economically disadvantaged communities, the WPCSRF loan program will provide to qualifying communities a 1.0% interest rate reduction. The total amount of reduced interest rate loans that the WPCSRF will issue under any single capitalization grant will be limited to 20% of

that capitalization grant beginning in FFY 1998. This measure is taken to ensure that the corpus of the WPCSRF fund will be maintained and the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. The maximum loan amount is \$500,000.

In an effort to provide additional assistance to disadvantaged communities, the WPCSRF program will offer extended finance terms to qualifying communities. The extended loan terms allow qualifying communities up to 30 years to repay the loan. Loan terms cannot extend past the useful life of the improvements to be funded, therefore, it is expected that eligible projects will be limited to new collection system piping and appurtenances. The WPCSRF program reserves the right to limit extended term financing at any time in order to ensure the perpetuity of the fund. An evaluation of the funding baseline for the program will be evaluated annually to ensure the historic annual baseline established to date (\$12,753,710), per EPA, is continually met.

X. PUBLIC COMMENT, AMENDING IUP, STATE FINANCIAL COMMITMENT

Public Review and Comment – One public hearing was held on Tuesday, June 23, 2010 in Helena to discuss the SFY 2010 PPL and to allow public comment on the draft IUP. Public notice concerning the PPL and IUP was available to the public.

Amending the IUP - A simple addition to the PPL and IUP will be allowed after notification has been provided to affected projects (if any) already on the list. If a project scheduled to receive loan assistance within the year is displaced by the addition of a new project, a formal public hearing will be held to allow comment on the modifications to the PPL and IUP.

State Financial Commitment - The 1989 Montana Legislature passed House Bill 601, entitled the Wastewater Treatment Revolving Fund Act, which was subsequently signed into law by the Governor. The Act created the new program, established administrative procedures and allowed for a sale of state general obligation bonds in an amount not to exceed ten million dollars. The 1995 Montana Legislature passed House Bill 493, which was subsequently signed into law by the Governor. Among the State Financial Commitments - The 1989 Montana Legislature passed House Bill 601 titled the Wastewater Treatment Revolving Fund Act, which was subsequently signed into law by the Governor. The Act created the new program, established administrative procedures and allowed for a sale of state general obligation bonds in an amount not to exceed ten million dollars. The 1995 Montana Legislature passed House Bill 493, which was subsequently signed into law by the Governor. Among other things, the Act allowed for the sale of state general obligation bonds in an amount not to exceed an additional five million dollars. The 1999 Montana Legislature passed House Bill 110, which gives the WPCSRF an additional fifteen million dollars in general obligation-bonding authority. The 2003 Montana legislature passed House bill 46, which gives the WPCSRF an additional ten million dollars in general obligation-bonding authority. The combined bonding authority provided by these four bills furnishes the WPCSRF with forty million dollars in state general obligation bond authority, which provides enough funds to match all federal appropriations (1989-2006) that have been awarded to the program to date, as well as excess bond authority for potential future federal appropriations. In 2005 with HB142, the Legislative session allowed the Bond authority to be up to \$40 million in outstanding bonds. The State held its first bond sale in 1991. In June of 1996 Montana held its second and third bond sales to provide State match funds for projects scheduled to proceed in FFY 1997. In March of 1998 a fourth bond sale was held to provide State match for projects scheduled to proceed in FFY 1998 and 1999. In March of 2000 a fifth bond sale was held to provide State match for projects scheduled to proceed in FFY 2000 and 2001. In June 2001 a sixth bond sale was held to provide match for projects scheduled to proceed in 2002 and 2003. In June of 2003 a sixth bond sale was held to provide match for projects projected to proceed in 2003. In April of 2004 a seventh bond sale was held to provide match for projects projected to proceed in 2004. An eighth bond sale was held in April of 2005 to provide state match for proposed projects to proceed in 2005. The bond authorization includes notes to be issued instead of Bonds. Note sales were held in October, 2007, for \$500,000, in April, 2008, for \$400,000, and in March, 2009, for \$2,000,000. There is expected to be a note sale in the fall of 2009.

MONTANA
Final WPCSRF Project Priority List
State Fiscal Year 2010

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount</i>	<i>Commit Date</i>
1	Kalispell WWTP07	C302211	II, I	365	\$14,470,000	12/1/2006
2	Bigfork WWTP (Phase I)	C301202	II	360	\$2,025,000	5/1/2007
3	Conrad WWTP	C301189	I	321	\$3,242,000	4/1/2009
4	East Helena, City of	C301178	IVA	320	\$500,000	9/1/2007
5	Bozeman WWTP	C303105	I	301	\$20,000,000	7/1/2008
6	Bigfork-Mayport Harbor Sewer Extension	C302205	IVA	292	\$460,000	1/1/2009
7	Hamilton WWTP (Ph I)	C301214	II	291	\$1,742,000	7/1/2009
8	Cascade Co. - Upper and Lower River Road (Ph II)	C302171	I, IV	290	\$115,000	1/1/2008
9	Dutton WWTF	C301224	I	290	\$1,230,000	10/1/2009
10	Gilford Co W&S Dist	C301227	I, III	290	\$420,000	11/1/2009
11	Butte WWTP - BNR	C301193	II	285	\$4,000,000	12/1/2010
12	Columbia Falls WWTP 2009	C301200	II	285	\$3,500,000	7/1/2009
13	Dodson, Town of	C304155	I, IV	284	\$240,000	2/1/2005
14	Manhattan WWTP	C301087	I, III	276	\$4,357,000	5/1/2007
15	MLEA WW Improvements	C301231	I	270	\$1,300,000	4/1/2009
16	Whitehall, Town of	C303190	I, III	270	\$1,800,000	12/1/2010
17	Jordan, Town of	C304143	I, III	266	\$492,000	12/1/2010
18	Big Sky WWTP Improvement Phase II	C301184	II, I	262	\$13,000,000	9/1/2002
19	Big Sandy WWTP	C303194	I, II	261	\$832,338	3/1/2012
20	Livingston (WWTP)	C303181	I, II	258	\$1,000,000	12/1/2010
21	Plains Forcemain	C303153	IIIB	252	\$776,000	8/1/2009
22	Lockwood Sewer System (Phase I)	C303110	IVA	250	\$5,100,000	7/1/2009
23	Bainville WWTP Upgrades	C301221	I, III	248	\$153,608	7/1/2012
24	Bozeman Digester	C301229	II	245	\$8,000,000	7/1/2010

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount</i>	<i>Commit Date</i>
25	Anaconda - West Valley	C302193	IVA	240	\$500,000	12/1/2012
26	Missoula Co - Wye	C302189	IVA	240	\$10,390,000	5/1/2008
27	Crow Agency Tribal Owner Utility	C304152	IIIB,	238	\$1,500,000	9/1/2012
28	Three Forks I&I Reduction	C304203	IIIA	233	\$1,300,000	12/1/2006
29	DNRC NPS Projects	C307175	VII	230	\$3,000,000	12/1/2009
30	Ekalaka Collection	C302206	IIIB	222	\$200,000	7/1/2011
31	Missoula - Rattlesnake Collectors	C302213	IVA	220	\$2,500,000	6/1/2009
32	Fort Benton Storm Sewer	C305173	VII	216	\$778,000	6/1/2007
33	Billings Collection 2009 Rehab	C302214	IIIB	215	\$6,137,000	5/1/2009
34	Bozeman Lab/Admin Bldg	C301230	II	215	\$2,675,000	7/1/2009
35	Winifred Collection System	C304209	IIIA	212	\$854,800	9/1/2009
36	Billings-Briarwood Sanitary Sewer Main Ext	C301206	IVA	210	\$4,800,000	1/1/2006
37	Glendive Dove Crk. Storm Sewer	C305170	VII	208	\$60,600	6/1/2009
38	Lolo WWTP (Phase II) Missoula County	C301215	I, II	207	\$1,500,000	7/1/2010
39	Ronan Lift Station Rehab	C304212	IIIB	205	\$854,000	8/1/2009
40	Deer Lodge Collection	C304206	IIIA	200	\$1,303,000	7/1/2009
41	Butte Headworks/UV	C301228	I	195	\$1,271,000	6/1/2009
42	Greater Woods Bay WW Collection	C302221	IVA	194	\$4,435,000	1/1/2010
43	Livingston Collection	C306121	IIIB	193	\$1,911,000	5/1/2005
44	Glasgow WWTF Upgrade	C304147	I, III	192	\$1,063,000	8/1/2005
45	Bigfork WWTP (Phase II)	C303196	II	190	\$5,900,000	7/1/2009
46	Seeley Lake Sewer	C303187	I, IV	190	\$1,800,000	6/1/2011
47	Saltese Water & Sewer District	C303189	I, IV	186	\$560,000	8/1/2012
48	Whitefish Lakeside Lift Station	C301235	IIIB	185	\$150,000	9/1/2009
49	Livingston Composting Upgrade	C301232	I	178	\$868,856	1/1/2010
50	Billings WWTF Disinfection	C301238	I	177	\$5,900,000	10/1/2009

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount</i>	<i>Commit Date</i>
51	Havre WWTP	C301053	I, II	176	\$2,000,000	12/1/2012
52	Laurel Headworks and LS	C303195	II	174	\$6,000,000	10/1/2009
53	Rudyard Collection	C304153	IIIB	174	\$43,000	7/1/2010
54	Southside Townhomes Sewer Project	C302212	IVA,	174	\$500,000	9/1/2012
55	Helena Collection	C304213	IIIB	172	\$1,125,000	7/1/2009
56	Wisdom Lagoon Abandonment	C303205	I	172	\$312,000	6/1/2009
57	Shelby WW System Improvements (I&I) PH1	C301225	IIIA	166	\$1,750,000	9/1/2010
58	Drummond	C304154	IIIA	165	\$240,000	8/1/2011
59	Philipsburg I/I Reduction	C304208	IIIA	164	\$270,200	7/1/2009
60	Whitefish WWTP (II)	C301217	II	161	\$848,000	10/1/2007
61	Lewis & Clark County WWTP/SCS (Helena Valley)	C302030	I, IV	160	\$500,000	12/1/2012
62	Missoula Co -Williams Addition Sewer	C303204	IVA,	160	\$176,500	9/1/2009
63	North Baker-Fallon Co. W&S District	C302024	IVA,	160	\$910,000	8/1/2011
64	Circle, Town of	C301196	I, III	157	\$1,200,000	5/1/2010
65	Lewistown Collection & Sludge Beds	C302220	IIIA,	156	\$379,900	7/1/2009
66	Eureka (Midvale) Collection	C303200	IVA	154	\$1,000,000	7/1/2010
67	Fairfield	C301127	IIIA	152	\$641,000	10/1/2009
68	Philipsburg, WWTP	C302207	I,II, I	146	\$3,000,000	12/1/2012
69	Ronan WW Improvements	C302218	I, II,	146	\$1,000,000	12/1/2012
70	Rossiter School on-site project	C301239	I	146	\$500,000	1/1/2010
71	Twin Bridges, Town of	C301204	IIIB	144	\$800,000	12/1/2011
72	Craig SCS	C303198	I, IV	142	\$1,000,000	6/1/2012
73	Meadowlark Water and Sewer District	C302178	IVA,	142	\$250,000	12/1/2012
74	Wolf Creek SCS	C303199	I IV	142	\$1,000,000	6/1/2010
75	Agricultural BMPs	C307174	VII	140	\$1,000,000	12/1/2012
76	Conservation Easement - General	C307178	VII	136	\$2,000,000	8/1/2012

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount</i>	<i>Commit Date</i>
77	Columbia Falls Collection	C302188	IVA	132	\$100,000	6/1/2012
78	Whitefish Interceptor and I/I	C302047	IIIA,	132	\$2,000,000	12/1/2011
79	Judith Gap	C301236	IIIB	131	\$105,600	1/1/2010
80	Dayton Sewer District	C303180	I, IV	130	\$500,000	12/1/2012
81	Flathead Co.-Bigfork Storm Water	C307189	VI	130	\$776,000	7/1/2010
82	Saco	C304205	I, III	129	\$710,000	4/1/2010
83	Gardiner-Park Co. W&W Dist WWSI Phase I	C301226	I, III	128	\$250,000	1/1/2010
84	Three Forks WWTP	C302217	I, II	128	\$1,000,000	12/1/2010
85	Cabinet Heights Sewer - Libby	C302190	IVA	122	\$2,348,000	5/1/2010
86	Helena NPS, City of	C307182	VIII	122	\$1,000,000	12/1/2012
87	Bridger Pines	C303183	I	120	\$2,000,000	8/1/2010
88	Hardin, City of (Phase II)	C303186	I, III	120	\$3,400,000	1/1/2010
89	Deer Lodge Treatment	C301209	I, II	118	\$2,500,000	7/1/2011
90	Joliet, Town of	C304151	I, III	118	\$500,000	7/1/2012
91	Lodge Grass	C301074	I	118	\$300,000	12/1/2011
92	Wibaux, Town of	C301201	I	118	\$500,000	3/1/2010
93	Boulder WW Improvements	C304204	I, II	116	\$2,000,000	8/1/2012
94	Stevensville WWTF Upgrade	C301106	IIA,	116	\$2,600,000	10/1/2010
95	Treasure State Acres Sewer District	C301158	I	114	\$650,000	8/1/2010
96	Winifred WWTP	C303193	I, III	114	\$150,000	6/1/2010
97	Sheridan	C301160	I, III	112	\$500,000	12/1/2009
98	Lakeside Lift Station Improvements	C301233	IIIB	111	\$1,157,820	9/1/2009
99	Libby, City of	C303151	I, IV	110	\$3,100,000	8/1/2012
100	Missoula - West Mullan Collectors	C302077	IVA	110	\$400,000	8/1/2011
101	Choteau I/I Reduction	C304160	IIIA	109	\$800,000	11/1/2010
102	Red Lodge Energy Reduction	C301237	II	109	\$518,450	10/1/2009

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount</i>	<i>Commit Date</i>
103	Choteau WWTP Upgrade	C303097	I	104	\$1,500,000	12/1/2011
104	Hebgen Lake Estates	C301220	I	104	\$1,283,000	6/1/2011
105	East Helena SS Separation	C302219	VII	102	\$830,000	7/1/2010
106	Polson Stormwater System Improvements	C306119	VII	102	\$500,000	12/1/2012
107	Fort Benton Collection	C304156	VI	100	\$200,000	8/1/2010
108	Missoula - NPS - Open Space, City of	C307180	VII	100	\$1,000,000	7/1/2012
109	Missoula Co - Spring Meadows RSID	C303203	IVA	100	\$2,000,000	2/1/2010
110	St. Regis WW Storage Bldg	C303197	I	99	\$103,100	9/1/2009
111	Culbertson, Town of	C301137	I, IV	98	\$500,000	12/1/2012
112	Helena -Harris Street Stormdrain	C307187	VII	96	\$1,394,500	12/1/2011
113	Townsend I/I Improvements	C304207	IIIA	96	\$1,000,000	7/1/2009
114	Billings Collection Rehab 2010	C304159	IIIB	95	\$3,500,000	5/1/2010
115	Harlowton WWTP Improvements (II)	C301213	I	91	\$100,000	7/1/2012
116	Colstrip, City of	C301216	I, III	88	\$100,000	12/1/2012
117	Black Eagle Water District - Collection	C302185	IIIB	87	\$200,000	12/1/2012
118	Ennis Collection	C304157	IIIA	86	\$200,000	8/1/2011
120	Laurel Storm Sewer	C305175	VII	84	\$1,000,000	10/1/2009
121	Lewis & Clark County NPS Project #1	C307176	VIII	82	\$500,000	12/1/2012
122	Polson Collection	C302200	IIIA,	79	\$1,500,000	9/1/2012
123	Fort Smith W&S Dist Upgrades	C301218	I	78	\$250,000	1/1/2012
124	Ramsay Water & Sewer District	C301207	I	78	\$200,000	8/1/2012
125	Yellowtail W&SD WWTF Upgrades	C301219	I	78	\$2,500,000	7/1/2012
126	Ennis Storm Sewer	C305174	VII	76	\$750,000	8/1/2011
127	White Sulphur Springs Lagoon	C302056	I	76	\$1,000,000	12/1/2012
128	Westshore-Lake Co Water and Sewer District	C302075	IVA	70	\$1,000,000	12/1/2012
129	Baker, City of	C302186	IVA	69	\$800,000	12/1/2012

<i>Rank</i>	<i>Name</i>	<i>EPAID</i>	<i>Project Description</i>	<i>Ranking Total</i>	<i>Amount</i>	<i>Commit Date</i>
130	Evergreen Co Water and Sewer District	C303185	I, IV	67	\$10,000,000	12/1/2012
131	Forsyth Collection	C304142	IIIB	67	\$800,000	7/1/2012
132	Crow Agency WW CS Improvements Ph 3	C303202	IIIB	63	\$3,000,000	12/1/2011
133	Martinsdale	C303046	I, IV	55	\$900,000	12/1/2012
134	Bainville I/I Correction	C304158	IIIA	10	\$296,000	7/1/2008
135	Four Corners W&S Dist Purchase	C303201	I, IV	10	\$20,000,000	6/1/2012
136	Hardin Landfill Refinance	C307190	VIIIJ	10	\$1,664,000	5/1/2009
137	Havre Hwy2 - W&S Improvements	C301223	IIIB,	10	\$3,211,000	4/1/2007
138	Lewis & Clark County NPS Project #2	C307181	VIII	10	\$800,000	10/1/2012

PROJECT DESCRIPTION CATEGORIES

I	Secondary Treatment	VIID	NPS Urban Runoff
II	Advanced Treatment	VIIE	NPS Ground Water
IIIA	Infiltration/Inflow Correction	VIIF	NPS Marinas
IIIB	Major Sewer System Rehabilitation	VIIIG	NPS Resource Extraction
IVA	New Collectors & Appurtenances	VIIH	NPS Brownfields
IVB	New Interceptors & Appurtenances	VII-I	NPS Storage Tanks
V	Correction of Combined Sewer Overflows	VIIJ	NPS Sanitary Landfills
VI	Stormwater Control	VIIK	NPS Hydromodification
VIIA	NPS Agric. (Cropland)	VIII	Confined Animals-Point Source
VIIIB	NPS Agric. (Animals)	IX	Mining-Point Source
VIIIC	NPS Silviculture		

**ATTACHMENT II
PROGRAM FUNDING STATUS
MONTANA WPCSRF PROGRAM**

FISCAL YEARS 1990 TO 2009

Capitalization Grants (not including ARRA)	\$130,158,665
State Match	\$ 26,031,733
Overmatch from RIT, C.O.I. fees, investments, LLS.	\$ 26,819,961
Program Administration Allowance	<u>(\$5,206,347)</u>
Available to Loan	\$177,804,012
Principal Repayments and Interest as of May 20, 2009	\$ 91,707,888
Transfers to DWSRF (principal repayments)	(\$ 5,152,273)
Transfers from DWSRF (direct capitalization grants)	<u>\$ 10,000,000</u>
Funds Available to Loan Through FY09	<u>\$ 96,555,615</u>

FISCAL YEAR 2010

Anticipated Capitalization Grants (FY10)	\$3,274,300
Anticipated State Match	
- Normal G.O. Bond match	\$ 654,860
- Additional G.O. Bond Match	\$ 00
- Estimated Loan Loss Surcharge (LLS)	\$1,214,000
Program Administration Allowance	(\$130,972)
Anticipated Principal Repayments and Interest (FY09)	\$10,000,000
Anticipated Overmatch (RIT or other)	\$ 0
Anticipated transfers from special administration Acct.	<u>\$ 500,000</u>
Available to Loan FY09	<u>\$ 15,512,188</u>

Total Funds Dedicated to Loan	\$289,871,815
Loans committed as of May 20, 2009 (not including ARRA)	(\$314,297,562)
Funds available for Loans in SFY10	\$ (24,425,747)
Amount of Estimated Loans Identified on Attachment 1 of Fiscal year 2010 Intended Use Plan	\$51,426,576*

*Includes those projects identified as potentially committing in state fiscal year 2010.