

**MONTANA**  
**DRINKING WATER STATE REVOLVING FUND**  
**ANNUAL REPORT**

**FOR STATE FISCAL YEAR 2021**  
**(JULY 1, 2020 THROUGH JUNE 30, 2021)**

**Prepared by**

**Montana Department of Environmental Quality**  
**and**  
**Montana Department of Natural Resources & Conservation**

**for**  
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## I. INTRODUCTION

This annual report adheres to the Operating Agreement negotiated between the State of Montana and the Environmental Protection Agency (EPA) concerning the administration of the Drinking Water State Revolving Fund (DWSRF). The annual report summarizes DWSRF activities for the state fiscal period beginning July 1, 2020 and ending June 30, 2021 (State Fiscal Year (SFY) 2021).

The DWSRF program was established as a result of the 1996 Amendments to the Federal Safe Drinking Water Act (SDWA), which provided the authority for EPA to make capitalization grants to states. The grants, in conjunction with state matching funds, are used to provide financial assistance for the construction of drinking water projects and support administration of the state program.

In anticipation of the 1996 Amendments to the Federal SDWA, the 1995 State Legislature, under Title 75, Chapter 6, Part 2, Montana Code Annotated, passed the enabling legislation, entitled the Safe Drinking Water Treatment Revolving Fund Act, giving authority to the Montana Department of Environmental Quality (DEQ) and Montana Department of Natural Resources & Conservation (DNRC) to adopt administrative rules to implement the program. Legislation also provided the ability to generate state matching funds through the sale of state General Obligation Bonds (GO Bond Authority). Amendments to the Drinking Water State Revolving Fund Act were passed in the 1997, 1999, 2001, 2003, 2005, and 2021 Legislative Sessions. The 1997 amendments changed the title of the Act from “Safe Drinking Water Treatment Revolving Fund Act” to “Drinking Water State Revolving Fund Act” and also made other changes consistent with the Federal Act. During the 1999 Legislative Session, the 1999 amendment clarified the transfer language between the DWSRF and Water Pollution Control State Revolving Fund (WPCSRF) programs and added GO Bond Authority. The 2001 amendment authorized the program to advance funds to projects funded, in part, by the federal government when federal funding was approved but not appropriated. This provides interim financing until those federal funds become available. The 2003 amendment increased GO Bonding Authority by \$10 million, and the 2021 amendment increased the GO Bonding Authority by \$20 million, raising the total to \$50 million. The 2005 amendment authorized the issuing of Revenue or Grant Anticipation Notes (GAN) as well as authorized limited principal forgiveness to disadvantaged communities.

## II. EXECUTIVE SUMMARY SFY21

During SFY21 Montana applied for the Federal Fiscal Year (FFY) 21 capitalization grant. This grant was awarded August 2, 2021.

Since the inception of the DWSRF, Montana has issued six GO Bonds, eight Bond Anticipation Notes (BAN), and four Revenue Anticipation Notes (RAN). These proceeds have been used as state match for loans, set asides, and program administration. Montana issued its first GO Bond in October 1998 (SFY99), its second GO Bond in April 2000 (SFY00), its third GO Bond in June 2001 (SFY01), its fourth GO Bond in June 2003 (SFY03), its fifth GO Bond in May 2005 (SFY05), and its sixth GO Bond in May 2010 (SFY10). The total amount of bonds, BANs, and RANs issued to date is \$42,895,000, with other state funds generated, match is \$53,510,117. A summary of these bond issues is provided in **Exhibit 1**.

**Exhibit 1**, Sources of DWSRF Funds through SFY21, provides a complete tabulation of capitalization grant awards received through June 30, 2021; projected state match; binding commitments for loan projects

through SFY21; and GO Bonds, BANs, and RANs, and other state match issued for total state match. The combination of capitalization grants and bond proceeds provided the needed funds for DWSRF projects, set asides, and program administration during SFY21. In addition, DNRC provided a portion of their program administration services as an in-kind contribution in the amount of \$-0- for SFY21.

During SFY21, the DWSRF program executed 27 project loan agreements totaling \$33,687,000 (not including Bond Anticipation Notes –BAN). For a detailed breakdown of all DWSRF loan agreements signed and key dates of project activity that occurred in SFY21, refer to **Exhibit 2: DWSRF Capitalized Grant Closed Loans for SFY21**, and **Exhibit 3: DWSRF Recycled Closed Loans for SFY21**.

Detailed information concerning use of DWSRF funds, accomplishments of the program, and adherence with the stated goals of the program is provided on the following pages.

### III. GOALS OF THE DWSRF

The following sections describe the goals of the DWSRF program as identified in the SFY21 Intended Use Plan (IUP) and discuss how these goals were achieved through the activities performed by DNRC and DEQ personnel throughout the course of SFY21.

#### LONG-TERM GOALS

1. *To continue building and maintaining a permanent, self-sustaining SRF program that will serve as a cost-effective, convenient source of financing for drinking water projects in Montana.*

Projects funded during SFY21 met all program requirements governing financial capability to assume debt. Seventeen of 27 loans received an interest rate of 2.50% on their loans (well below market rates), and 10 of the 27 received principal forgiveness. In addition, five communities received an interim loan at 1.75% to pay for engineering. These factors illustrate that the assistance is affordable. Refer to **Exhibits 2 and 3**. A copy of the cash flow with all the activity through SFY21 is included in this report as **Appendix A**.

2. *To provide a financing and technical assistance (TA) program to help public water supplies achieve and maintain compliance with federal and state drinking water laws and standards for the protection and enhancement of Montana’s public drinking water.*

To promote the availability of these DWSRF program services during SFY21, DWSRF staff typically present information at a variety of events. This normally includes an infrastructure workshop at the annual Montana Rural Water Systems Conference in Great Falls, and one-on-one meetings with community leaders. Due to Covid-19, these events were cancelled. Activities were limited to conference calls and other safe social distancing events.

Please also refer to the project descriptions and discussion of set-asides provided in **Section V: Details of DWSRF Activity**.

## SHORT-TERM GOALS

1. *To continue implementation and maintain the DWSRF program in Montana.*

Since the approval of its DWSRF loan program and first capitalization grant award, Montana has been awarded 23 more capitalization grants; issued matching GO Bonds, BANs, and RANs; utilized the provision to transfer funds between the WPCSRF and DWSRF; and generated other revenue from loan repayments and interest investments. The amount of closed loans through June 30, 2021, now totals \$398,385,597. Please see **Appendix D** project list and location map.

2. *To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection Byproducts (DBP), Long Term 2 Enhanced Surface Water Treatment, and Arsenic Rules, Montana anticipated funding at least nine projects to address water treatment in SFY18.*

The anticipated projects for water treatment listed in the SFY21 IUP were for the Town of Whitefish, the Town of Conrad, the Basin WSD, the Lockwood WSD, and the 10 Mile/Pleasant Valley WSD. Whitefish, Conrad, Lockwood WSD, Shelby, and the City of Glendive closed loans related to water treatment and their projects are at various stages of design or construction. The Basin Project has changed scope and no longer includes water treatment. The 10 Mile/Pleasant Valley WSD project is still pending.

3. *To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expected to fund four consolidation projects in SFY21.*

Two consolidation project loans were closed during SFY21; one for Dry Prairie Regional Water Authority and the other for Nine Mile WSD which is now part of the North Central Montana Regional Water System. Central Montana Regional Water Authority and another project for North Central Montana Regional Water System are expected to close additional DWSRF loans in SFY22.

4. *To fund projects that address replacement of aging infrastructure. Montana anticipated funding at least 17 projects of this type in SFY21.*

Ten new projects (16 loans) were funded in SFY21 to replace aging infrastructure. These projects were for Cascade, Circle, Columbia Falls, Dutton, Sidney, South Wind WSD, Thompson Falls, Vaughn WSD, and Winifred. The loans totaled \$8,912,400.

5. *To fund projects that develop system sustainability through financial capacity by refinancing existing debt. No refinancing loans were expected in SFY21.*

No loans were closed in SFY21 to refinance debt previously incurred.

6. *To ensure the technical integrity of DWSRF projects through the review of planning, design plans and specifications, and construction activities.*

DEQ's trained technical staff continues to use the DWSRF Handbook of Procedures and knowledge gained from many years of operating both SRF programs to ensure that this objective is met. The

Handbook of Procedures is used as a guide to ensure that all state and federal laws governing the technical aspects of each project are satisfied. Steps were taken to update the Handbook of Procedures and streamline checklists and processes. A final revised edition was submitted to EPA in September 2001. This effort was completed in early SFY02. It was again reviewed and updated during SFY06, with some minor revisions made in 2007 and 2008. Another review was completed in SFY16. It was crosschecked with the WPCSRF handbook for consistency and was submitted to EPA later in SFY17.

Staff typically attend training seminars and workshops to maintain and improve technical, financial, and programmatic knowledge. In SFY21, the Council of Infrastructure Financing Authorities (CIFA) National Workshop, the Montana Rural Water Systems Conference, Montana’s American Water Works Association (AWWA) Conference, and the CIFA Legislative Conference were all cancelled due to Covid-19.

7. *To provide outreach to communities and utilize the set-aside funding by:*

- providing TA to water suppliers who request help with their system operation and maintenance (O&M) procedures
- providing financial and managerial assistance as part of capacity development education to those water supplies who request this type of help
- assisting communities with the next phase of implementation of their Source Water/Wellhead Protection Plans
- emphasizing that Public Water Supply Program (PWSP) staff perform sanitary surveys; facilitate SDWA compliance of the Long Term 2 Enhanced Surface Water Treatment, Stage 2 Disinfectant/Disinfection By-Products, Groundwater, and Arsenic Rules
- ensuring that 95% or more of the state’s community and non-transient non-community water systems continue to have certified operators

Please see discussion of individual set-aside activities and accomplishments in **Section V**: Details of DWSRF Activity (F: Set-Asides).

8. *To ensure the financial integrity of the DWSRF program through the review of the financial impacts of the setasides and disadvantaged subsidies and individual loan applications and the ability for repayment.*

See **Appendix A**: Cash Flow Model SFY21.

9. *To ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations.*

To the best of our knowledge, the DWSRF program has ensured Public Water Supply Supervision (PWSS) compliance through the projects that have been funded and the various set-aside activities. Close coordination with the PWSS program has been essential in this effort.



## IV. FINANCIAL REPORTS

The Montana Legislative Audit Division (LAD) has completed their audit work for SFY20. Financial statements were presented to the Legislative Audit Committee (LAC). A qualified opinion was issued for the financial statements. A copy of the report was submitted to EPA Region VIII.

DEQ and DNRC engaged LAD to audit SRF financial activity beginning in SFY98. This decision was based on a new audit requirement conveyed in a directive from the Office of Water, Inspector General's Office, and the Office of Management and Budget.

The SFY21 unaudited financial statements for DWSRF, including footnotes, are included as **Appendix B**. DNRC is currently in the process of contracting with a private firm to conduct the SFY21 audit.

## V. DETAILS OF DRINKING WATER STATE REVOLVING FUND (DWSRF) ACTIVITY

### A. LOAN ASSISTANCE

It should be noted that for reporting purposes, beginning in SFY11, binding commitment dates and amounts are now identical to loan closing dates and amounts in an effort to simplify the reporting process.

During SFY21 the DWSRF program closed 27 loans. Seventeen new projects initiated construction, and 9 projects were completed. The rate of construction with respect to fund disbursements at fiscal year-end was approximately 93.4% (\$372.3 million in disbursements and \$398.4 million in loans). The overall fund utilization rate is approximately 87.0% (\$398.4 million in loans; \$460.0 million in available funds. Re. EPA).

### Project Bypass

If it is determined by DEQ that a project or projects are not ready to proceed or that the project sponsors have chosen not to use the DWSRF funds, other projects may be funded in an order different from that indicated on the priority list. If DEQ chooses to bypass higher-ranked projects, it should follow the bypass procedure.

Montana bypassed 124 projects on its priority list with the funding of the loan for the City of Sidney, ranked 141. Sixteen other communities (26 loans) closed loans. The higher-ranked projects were not ready to proceed at the time, or perhaps were being financed by other funding entities. They were bypassed to fund lower-ranked projects that were ready to proceed with construction or that had already been constructed and desired refinancing to improve financial capacity. Refer to **Exhibit 2**: DWSRF Capitalized Grant Closed Loans for SFY21, and **Exhibit 3**: DWSRF Recycled Closed Loans for SFY21. Notification of bypass describing proposed projects to be funded and assurance of available funds for all anticipated loan applications was sent to bypassed communities. No responses were received. No emergency projects were funded in SFY21. The status of the top twenty ranked projects on the priority list is discussed below.

1. *Town of Denton.* The system has negotiated a compliance schedule with DEQ, which included applying for other state grant funding in 2017. An application to USDA Rural Development has been submitted. A SRF loan was closed SFY18 for engineering services, and an interim financing loan for construction closed early in SFY 2020. Construction is nearly complete and most of the system improvements are operational. A continuous chorine analyzer is being added to the system, but the project can be removed from the priority list.
2. *Warden Ballantine WSD.* The system’s infiltration gallery has exceeded nitrate limits and is under the influence of surface water and needs to be replaced. The proposed project will install four new wells and improve the transmission and distribution system. An SRF loan was closed in August 2021 to provide interim financing for Rural Development with most of the work expected to be completed by December 2022.
3. *Town of Eureka.* Construction of a new membrane filtration plant is complete. The plant is on-line, treating water, and has completed first-year performance warrant period. This project can be removed from the priority list.
4. *City of Ronan.* An SRF loan to construct a treatment plant building addition and to install filtration equipment was closed in SFY17. Construction has been completed, the plant is operational, and the project has completed the one-year performance period. It can be removed from the project priority list.
5. *South Winds WSD.* An SRF loan to construct a water system improvements project was closed in SFY16, and construction was completed in SFY17. The next phase, consisting of water (and sewer) main replacement, is scheduled to begin in 2020. The district has closed another SRF loan in SFY 2021.
6. *Upper/Lower River Road WSD.* Phase V improvements of this project closed a Bond Anticipation Note early in SFY17, and construction was completed. A long term SRF loan was closed early in SFY18. Another loan was expected in SFY 2021 to construct the final phase of the project. The exact status of this phase is unknown.
7. *Wilsall WD.* SRF loans were closed in SFY 2017 to construct storage tank improvements and install service meter. The district is exploring source/treatment alternatives to address GWUDISW compliance. Another SRF loan is anticipated in the future to provide interim financing for Rural Development.
8. *City of Big Timber.* Construction of a new membrane filtration plant started in June 2018. The project was completed in 2019 and the plant is operational. The one-year performance period has been completed and the project can be removed from the priority list.
9. *Town of Pinesdale.* An SRF loan was closed in SFY17 and construction on a water treatment plant is complete. Performance certification has been received and the project has been closed out. It can be removed from the priority list.
10. *Town of Neihart.* A preliminary engineering report (PER) was received for the project, but the system acquired funding through other agencies and completed the project. The projected can be removed from the priority list.

11. *Yellowstone Boys and Girls Ranch WSD*. Engineering plans and specifications for this project were approved by DEQ, and an SRF loan was closed in SFY17. Delays were incurred due to contractor and engineer disagreements, but construction is complete. The system is operational and can be removed from the priority list.
12. *Town of Whitehall*. A PER has been submitted and notes that the system is under an enforcement order to address elevated uranium levels. The installation of ion exchange treatment, distribution and storage system improvements has been proposed. A future SRF loan is anticipated to provide interim financing for Rural Development.
13. *Town of Neihart*. See # 10.
14. *Town of Flaxville*. The town has been working with DEQ to resolve the system’s nitrate problems. A connection to the Dry Prairie Rural Water System, extensive distribution and storage improvements has been proposed to address the problems with funding through other agencies currently scheduled. Future system improvements may require a DWSRF loan.
15. *City of Libby*. The exact status of this project is unknown and needs to be identified.
16. *Dry-Redwater Regional Water Authority*. Construction has begun on an extensive distribution system using an interim water supply. An SRF Loan was closed in SFY 2018. An additional loan to fund a subsequent phase closed in 2019. Additional loan applications for future phases are expected.
17. *Central Montana Regional Water Authority*. The authority has received federal authorization and federal funding. A design report, plans, and specification have been submitted to DEQ for review and have been approved. An SRF loan is also anticipated in the future to provide Phase 1 interim financing for Rural Development.
18. *City of Laurel*. Treatment plant improvements including a new intake, have completed construction. An SRF Loan was closed in SFY17. An additional SRF Loan for the next phase closed in SFY19, to construct sedimentation basin improvements. This Project is operational, and the one-year performance period has been completed. It can be removed from the project priority list.
19. *Dry Prairie Regional Water System*. Construction continues for the extensive distribution system and additional SRF funding may be requested on subsequent phases. An SRF loan was closed early in SFY 2021 to construct a maintenance shop and office building on the west end of the system.
20. *North Central Montana Regional Water System. Rocky Boys/North Central Regional Water System*. Design is almost completed on the next phase of this project. Other sources of funding, along with SRF are expected to close in SFY21.

## Disadvantaged Communities

Communities seeking a DWSRF loan that meet the disadvantaged community criteria described in the IUP may receive an additional subsidy on their SRF loans beyond the standard below-market rate financing. This includes communities that will meet the disadvantaged criteria based on projected rates as a result of the project.

In SFY21, Montana closed 20 loans with 11 communities meeting the disadvantaged criteria. Some of the loans had a 2.50% interest rate. Some loans were forgiven. Five of the loans had an extended term of more than 20 years. The closed loans for disadvantaged communities totaled \$13,668,000 and some had 50%, or up to a maximum of \$500,000, in principal forgiveness for \$3,409,000. In SFY22, we will have several loans with communities that may qualify for disadvantaged assistance.

## Small Systems

**Table 1** shows the breakdown of the population served by DWSRF loans in SFY21. We had 27 loans with 17 communities for a total of \$33,687,000. All seventeen communities (27 loans) are small systems that serve a population of less than 10,000 people. Small systems represent 100% of the loans we made in SFY21.

**Table 1. Population Served by Drinking Water State Revolving Fund (DWSRF) Loans in SFY21**

Public Water Supply	Population	Loan Amount
Cascade A	650	\$495,000
Cascade B	650	\$495,000
Circle A	644	\$187,500
Circle B	644	\$187,500
Columbia Falls	5,600	\$675,000
Conrad A	2,500	\$324,000
Conrad B	2,500	\$324,000
Dry Prairie Rural Water Authority	3,005	\$638,000
Dutton A	338	\$140,000
Dutton B	338	\$140,000
Glendive	5,500	\$6,149,000
Lockwood WSD	7,437	\$5,750,000
Nine WSD A	90	\$500,000
Shelby A	3,970	\$500,000
Shelby B	3,970	\$535,000
Sidney	6,328	\$1,710,000
Somers WSD A	765	\$500,000
Somers WSD B	765	\$1,666,000
South Wind WSD A	200	\$48,500
South Wind WSD B	200	\$48,500
Thompson Falls A	1,950	\$500,000
Thompson Falls B	1,950	\$500,000
Vaughn WSD A	585	\$214,000
Vaughn WSD B	585	\$214,000
Whitefish A	7,870	\$6,000,000
Whitefish B	7,870	\$5,000,000
Winifred	163	\$246,000
<b>Total</b>		<b>\$33,687,000</b>

## Summary of Loan Assistance

In SFY21, the DWSRF maintained steady performance by executing 27 project loan agreements for a total of \$33,687,000. We project in SFY22 that we will execute in excess of \$56,547,000 in loan agreements. See **Exhibit 4**: DWSRF Projected Loan Agreements for SFY22.

### B. FIRST-ROUND FUNDED LOANS

First-round loans are financed with capitalization grants and state match. The DWSRF has financed the projects listed in **Exhibit 2**: DWSRF Capitalized Grant Closed Loans for SFY21.

### C. RECYCLED FUNDED LOANS

Recycled loans are financed with loan repayments from first round money and funds from transfers from the WPCSRF program. The DWSRF has financed the projects listed in **Exhibit 3**: DWSRF Recycled Closed Loans for SFY21. There were five loans made that used recycled funds in SFY21.

### D. SOURCE OF FUNDS

Two sources of funds are used to capitalize the DWSRF: (1) the Federal Capitalization Grant, which provides 80% of the DWSRF loan funds, and (2) the state match, funded through the sale of GO Bonds, RANs, and BANs which provides 20% of the DWSRF loan funds. State legislation originally authorized the sale of up to \$10 million in GO Bonds to match federal grant funds. In the 1999 and 2003 Legislative Sessions, an additional \$10 million of GO Bonds were authorized each time for state match, and 2021 Legislative Session authorized an additional \$20 million of GO Bonds for state match, bringing the total authorized to \$50 million. This amount is adequate to cover funds currently authorized for the program. GO Bonds, plus RANs and BANs, for a total of \$53,510,117 have been issued by the DWSRF program to use as state matching funds through SFY21. See **Exhibit 1**: Sources of DWSRF Funds through SFY21. In SFY21, in-kind services of \$0 have been provided to the DWSRF program by DNRC as match to federal grant funds and were used for program administration. Also, \$11,282,486 of funds, have been transferred from the WPCSRF to the DWSRF for loans to date. See **Exhibits 5** and **5A** for a history of transferred funds between the two SRF programs.

The State of Montana adds a Loan Loss Reserve and an Administrative surcharge to its interest rate. The Loan Loss Reserve funds are used to fund the required reserve for the DWSRF program bonds issued. Amounts over that required reserve are transferred to the principal account to be used for loans or to the debt service account to pay down the debt. The Administrative surcharge is used to fund administrative program costs not covered by the capitalization grants.

### SFY21

Loan Loss Reserve funds collected: \$372,917

Loan Loss Reserve funds transferred to Principal Account: \$0

Loan Loss Reserve funds transferred to Debt Service Account: \$190,000

Administrative funds collected: \$737,405

## **E. FEDERAL FUNDS DRAWN BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF) PROGRAM**

**Exhibit 6**, SFY21 summary of DWSRF Letter of Credit to Automated Standard Application for Payments (ASAP) Draws, shows project disbursement requests totaling \$6,865,365, Administrative Set-Aside disbursement requests totaling \$440,440, and Non-Administrative Set-Aside requests totaling \$1,264,630, Federal Draws for SFY21 totaled \$8,570,435.

## **F. SET-ASIDES**

**Exhibit 7**, DWSRF budget and draws by set-asides, displays the financial summary of non-project activities. DEQ is no longer required to provide a 1 to 1 match for the State Program Management set-asides, which fund Public Water Supply (PWS) Administration, Source Water Protection (SWP), Operator Certification, and Capacity Development. All of the set-aside activities for SFY21 are discussed below.

### **Drinking Water State Revolving Fund (DWSRF) Administration**

The DWSRF sets aside the maximum 4% from the capitalization grants for program administration. Administration activities that occurred in SFY21 include:

- DEQ-DNRC contractual activities
- review and assistance during planning, design, project bidding, and construction
- loan origination work, administering repayments
- preparation of bond issuance with state's bond counsel firm of Dorsey & Whitney
- financial modeling
- DWSRF program auditing
- legislatively appointed advisory committee activities
- public comment processes

### **Small Systems Technical Assistance**

Montana has set aside 2% (the maximum allowed) of its FFY97, FFY98, FFY99, and FFY03 DWSRF loan grants for small systems TA. In addition, DEQ has reserved authority for the 2% allocation from the FFY00 and FFY01 grants. No additional funds were set aside from the FFY02 grant and the FFY15 grant. An additional \$135,000 from the FFY04 grant, \$125,000 from the FFY05 grant, \$20,000 from the FFY06 grant, \$95,000 from the FFY07 grant, \$90,000 from the FFY08 grant, \$125,000 from the FFY09 grant, \$211,000 from the FFY10 grant, \$117,500 from the FFY11 grant, \$143,000 from the FFY12 and FFY13 grants, \$80,000 from the FFY14 grant was set aside, there were no additional funds added from the FFY15 grant, \$68,000 from the FFY17 grant, \$75,000 from the FFY18 grant, \$25,000 from the FFY19 grant, \$70,000 from the FFY20 grant, and \$80,000 from the FFY21 for a total of \$2,315,726.

This set-aside is used for contracted services and administration of contracts to meet Montana's goal of providing TA to water supplies with their system O&M procedures. A contract was awarded in 1999 to

Midwest Assistance Program (MAP) of Montana to provide O&M TA. The O&M TA contract was re-bid in 2005 and was again awarded to MAP. In April 2013, another request for proposals was issued and a new contractor, Rural and Tribal Environmental Solutions (RATES), was selected to perform TA services. The contract with RATES was renewed every year from 2013 to 2019. In July 2019, a new request for proposal (RFP) was issued and a new contract with MAP was finalized in February 2020. In addition to the O&M technical assistance work, this new contract now includes Financial and Managerial (FMA) technical assistance. Historically the FMA work was contracted separately with the FMA work documented in the Capacity Development section below. The FMA work will now be included in this section of the Annual Report. The new contract with MAP may be renewed, at the discretion of DEQ, for up to a total of 7 years. Since implementation, the contractor has made approximately 2,365 site visits to small public water supplies for a total cost of approximately \$1,940,110. Evaluations of this service, conducted annually by DEQ, indicate the program is successfully helping small public water suppliers to effectively maintain and operate their water systems. Contracted technicians help water system operators, managers, and owners develop or enhance technical, financial, and managerial capabilities that assist them with meeting the capacity development requirements of the 1996 Amendments to the Federal SDWA.

An evaluation of the contract by DEQ DWSRF staff in June 2021 determined that a TA contract should be continued and the contract with MAP was extended through June 30, 2022. The contracted services are provided to systems serving a population of 10,000 or less. Approximately 0.20 Full-Time Equivalent (FTE) is needed to provide contract oversight related to this set-aside in SFY22, with a SFY22 TA/FMA contract of \$165,000.

### **Public Water Supply Supervision (PWSS) Set-Aside: Administration**

This set-aside funded salaries, benefits, and operating expenses for 8.70 environmental science specialists and .75 administrative personnel (partial FTE of bureau chief, field section supervisor and fiscal) assigned to the Helena, Billings, and Kalispell Offices. The positions are funded through the set-aside grants SFY19, SFY20. The SFY2019 grant monies were split between local assistance-capacity development and PWS. The capacity development monies funded salaries, benefits and operation expenses for 2.00 environmental science specialists and 0.30 administrative personnel. The PWS monies funded salaries benefits and operating expenses for 6.70 environmental science specialists and .45 administrative personnel. The environmental science specialist positions assist in capacity development by providing TA to water suppliers, performing sanitary surveys, operator training, and attend critical board meetings. These positions also provided direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, Revised Total Coliform Rule, Consumer Confidence Report Rule, Long Term Enhanced Surface Water Treatment Rules, Filter Backwash Rule, Disinfection/Disinfection By-Products Rule, Radionuclide Rule, Long Term 2, Stage 2 DBP Rule, Groundwater Rule, and the State’s ground water chlorination rule. PWS staff conducted 542 sanitary surveys, 49 RTCR Level 2 Site Visits and participated in 711 Technical Assistance functions. These included site visits, phone discussions which included an activity report, inventory updates, and proctoring exams in field offices. The PWS set-aside also funded database development and maintenance expenses associated with implementation, and maintenance of SDWIS/state database, development of an electronic sanitary survey report, associated state-specific Oracle modules, and contracted sanitary surveys for public water supplies. Program staff are participating in the development of SDWIS Modernization. All of these activities help the PWSS Program achieve its over-all goal of facilitating SDWA compliance by public water systems.

## Local Assistance - Source Water Protection (SWP)

Section 1452(g)(2)(B) of the SDWA allows Montana to set aside a portion of the capitalization grant to “administer or provide technical assistance through source water assessment programs.” Further, section 1428 of the 1996 Amendments to the federal State Drinking Water Act (SDWA) requires primacy states to implement a program “to protect wellhead areas within their jurisdiction from contaminants which may have any adverse effects on the health of persons.” Set-aside funds in the amount of \$150,000 from the FFY 2020 grant were used in SFY 2021 to administer Montana’s Source Water Protection program and to provide technical assistance to local communities in support of source water protection activities. The source water delineation and assessment reports are the basis upon which local source water protection plans are developed. This set-aside helps provide the assistance needed to develop and utilize those technical reports. Staff will continue to work with the Public Water Supply Bureau to further refine understanding of the source water context and hazards posed by on-site wastewater discharges or other PCSs. The specific goals achieved that were established in the IUP and set-aside work plan in SFY21 were:

- Staff met with Montana Rural Water Systems staff to assist drafting and reviewing SWP plans. All of these community water system protection plans were produced by MWRS.
- SWP staff continued coordination with DEQ PWS Bureau in an effort to identify PWS water sources with significant vulnerability intended to result in targeted TA.
- SWP staff completed susceptibility analyses to assess potential for proposed open cut operations to impact PWS sources.
- Source Water Delineation and Assessment Reports continued to be accessible through DEQ’s Data Search Tools application until late SFY21. A mapping component allowed users to select a PWS location and download the source water report and mapping for that PWS to their personal computer. These reports and the mapping data are used by others seeking hydrogeologic and potential contaminant source information.
- Staff provided MEPA analysis assistance to both the Water Pollution Control State Revolving Fund and the Drinking Water State Revolving Fund programs by reviewing potential contaminant sources within wastewater and drinking water infrastructure improvement project areas. In SFY20, staff completed 19 site assessments for potential contaminants. This effort provides an opportunity for review and update of a community’s source water assessment report.
- Montana requires a preliminary source water assessment for agency review to be provided by the developer of proposed PWS sources. In SFY21, staff reviewed 49 preliminary source water assessments. These reviews help ensure wells are developed with low susceptibility to potential contaminant sources (passive protection) rather than needing long-term active SWP planning. Pre-development review remains the most cost-effective form of SWP.
- Staff continued to provide technical assistance to DEQ Engineering staff in review of requests for deviation from standards for new drinking water sources. SWP staff provided hydrogeologic / source water protection review of one aquifer confinement claim in SFY21.
- Staff developed 1 new source water delineation and assessment report in SFY21 for a PWS source that was found not to have one.



## Public Water Supply Supervision (PWSS) Capacity Development

DEQ set-aside \$150,000 from the FFY2020 capitalization grant for this activity. These dollars were used for personal services and operating expenses for staff in the Engineering Bureau, Public Water and Subdivision section. Set-aside funds are used to pay up to 10% of the salary and benefits for ten full-time staff positions and program operating expenses to conduct on-site inspections and provide technical assistance to Public Water systems that are struggling with monitoring compliance or other engineering related issues.

## Public Water Supply Supervision (PWSS) Operator Certification

This set-aside is used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time program staff positions, administrative staff (partial FTE of bureau chief, IT analyst, rules manager and financial specialist) and program operating expenses.

In the past year, the program had approximately 1,597 certified operators, including operators for approximately 750 community systems and 279 non-transient non-community systems. These water and wastewater operators hold 3,295 certifications. This program has conducted or been present at 3 operator certification trainings throughout the state. At these trainings and in the main office, they have proctored 278 exams. Certification program activities include public outreach, collection and processing of applications, collection and processing of exams and certification fees, training, administration of exams, monitoring of continuing education credits, compliance monitoring, and assistance with formal enforcement activities. Annual compliance for SFY21 for non-transient non-community systems ran on average for 12 months at 97.85% to 99.66% average for Community PWS systems in each category having correct certified operators. This achieves Montana's IUP goal of 95%. Compliance levels have increased in the past year and there was a slight drop in certified operators at the end of SFY21.

## VI. GRANT CONDITIONS AND CERTIFICATIONS

The State of Montana agreed to the following conditions outlined in the Operating Agreement. These conditions are discussed in more detail throughout the body of this report. To the best of our knowledge, DEQ and DNRC have abided by all requirements of state and federal law in the administration of the DWSRF program.

- (a) Assurance that the State has the authority to establish a Fund and operate the DWSRF program in accordance with SDWA.

*The State of Montana's authority was re-certified and included with our application for and award of the FFY21 capitalization grant.*

- (b) Assurance that the State will comply with State Statutes and regulations.
- (c) Assurance that the State has the technical capability to operate the program.

- (d) Assurance that the State will accept capitalization grant funds in accordance with a payment schedule.

*Please see **Exhibit 7: DWSRF Budget vs. Draw by Category SFY21.***

- (e) Assurance that the State will deposit all capitalization grant funds in the Fund or Set-Aside Account.
- (f) Assurance that the State will provide an amount equal to at least 20% of the capitalization grant (State match) in the Fund.
- (g) Assurance that the State will deposit net bond proceeds, interest earnings, and repayments into the Fund.
- (h) Assurance that the State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.
- (i) Assurance that the State will use Generally Accepted Accounting Principles.
- (j) Assurance that the State will have the Fund and set-aside account audited annually in accordance with Generally Accepted Government Auditing Standards.

*Please see **Appendix B.***

- (k) Assurance that the State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of privately owned system, demonstrate that there is adequate security).
- (l) Assurance that the State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.
- (m) Assurance that funds will be used in accordance with the IUP.

*Please see **Appendix C (DWSRF IUP and project priority list, SFY21).***

- (n) Assurance that the State will provide EPA with an Annual Report.

*The submission of this annual report will fulfill the State of Montana's responsibility to submit a report.*

- (o) Assurance the State will comply with all Federal crosscutting authorities.
- (p) The State agrees that it will conduct an environmental review and a determination will be executed and distributed using a state process consisting of the same level of environmental detail required under the State Environmental Review Process for the DWSRF program.

*All construction projects that received assistance during SFY21 were reviewed and approved using the Montana Environmental Policy Act (MEPA). It was determined that no Environmental*

*Impact Statements were necessary. A Categorical Exclusion was either granted or an Environmental Assessment was prepared and a Finding of No Significant Impact was issued for all projects.*

(q) The use of set-asides for Administrative Expenses, Small Systems Technical Assistance, State Program Management (PWSS, SWP, Capacity Development, and Operator Certification), Local Assistance and Other State Programs (Source Water Delineation) will be identified each year in the IUP and established in accordance with the DWSRF program guidelines.

(r) Specific Requirements under Title XIV

1. In accordance with Section 1420(a) of the SDWA, the State has the authority to ensure that all new community water systems and new non-transient non-community water systems commencing operation after October 1, 1999, can demonstrate technical, managerial, and financial capability with respect to each national primary drinking water regulation in effect.

EPA has reviewed and approved Montana’s capacity development authority and strategies. Administrative Rules that implement Montana’s strategies became effective on September 10, 1999.

2. The State currently has a water and wastewater treatment plant operator certification program within DEQ’s Permitting and Compliance Division.

In addition, the following conditions were given with the Capitalization Grant Award. To the best of our knowledge, DEQ and DNRC have abided by these requirements as well.

- The loan recipients agree to ensure that all space for conferences, meetings, conventions, or training funded in whole or in part with Federal funds complies with the Hotel and Motel Fire and Safety Act of 1990.
- Per EPA Order 1000.25 Recycled Paper, DEQ uses recycled paper for printing reports to be delivered to EPA.
- During SFY21 loan recipients comply with all Federal requirements concerning Disadvantaged Business Enterprises (DBE) Utilization either by project specification or submitting appropriate reports during construction (Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Utilization under Federal Grants).

The state’s fair share goal for DBE participation is 5% for SFY21 (2% MBE; 3% WBE). Refer to **Exhibit 8** for the summary of the DWSRF loans - MBE/WBE for contracts awarded during SFY21.

## VII. CURRENT STATUS AND FUTURE ACTIVITIES

The DWSRF continues to use US Bank as its trustee to manage funds and accounts established under the program. To date this arrangement has been very beneficial. DNRC has Internet access to US Bank accounts, which makes monthly reconciliation of WPCSRF and DWSRF accounts more timely. D.A.

Davidson and Co. and Piper Jaffray Inc. continue to act as the DWSRF bond underwriters and financial advisors. Dorsey & Whitney will continue to act as DWSRF bond counsel for the GO Bonds issued in future fiscal years.

DEQ has completed work on the DWSRF project database, which may ultimately include links with the WPCSRF program, the PWSS program, and fiscal services in both DEQ and DNRC. The databases again facilitated federal reporting during SFY21.

The following schedule (**Table 2**) indicates the key dates for continuation of the DWSRF loan program in SFY22.

**Table 2. Drinking Water State Revolving Fund (DWSRF) Loan Program Schedule for SFY22**

<b>SFY22 Key Dates</b>	<b>Activity</b>
July 2021	Held DWSRF Bi-Monthly Meeting
September 2021	Held DWSRF Bi-Monthly Meeting
October 2021	Attended Fall CIFA Conference – Salt Lake City, Utah
November 2021	Held DWSRF Bi-Monthly Meeting
Spring 2022	Hold infrastructure financing workshops to promote and market DWSRF program
January 2022	Hold DWSRF Bi-Monthly Meeting
March 2022	Hold DWSRF Bi-Monthly Meeting
May 2022	Hold DWSRF Bi-Monthly Meeting
May 2022	Attend Spring CIFA Conference

## VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS

<b>Acronym</b>	<b>Definition</b>
AC	Asbestos Cement
ARRA	American Recovery and Reinvestment Act (2009)
ASAP	Automated Standard Application for Payments
AWWA	American Water Works Association
BAN	Bond Anticipation Note
CIFA	Council of Infrastructure Financing Authorities
DBE	Disadvantaged Business Enterprises
DBP	Disinfection Byproducts
DEQ	Department of Environmental Quality (Montana)
DNRC	Department of Natural Resources & Conservation (Montana)
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency (U.S.)
FFY	Federal Fiscal Year (begins October 1 and ends September 30)
FTE	Full-Time Equivalent
FYE	Fiscal Year End
GAN	Grant Anticipation Note
GO	General Obligation
IT	Information Technology
IUP	Intended Use Plan
LAC	Legislative Audit Committee
LAD	Legislative Audit Division
MAP	Midwest Assistance Program
MBE	Minority Business Enterprises
MEPA	Montana Environmental Protection Act
MPDES	Montana Pollutant Discharge Elimination System
O&M	Operation and Maintenance
PER	Preliminary Engineering Report
PPG	Performance Partnership Grants
PWS	Public Water Supply
PWSP	Public Water Supply Program
PWSS	Public Water Supply Supervision
RAN	Revenue Anticipation Note
RATES	Rural and Tribal Environmental Solutions
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SFY	State Fiscal Year (begins July 1 and ends June 30)
SRF	State Revolving Fund
SWP	Source Water Protection
TA	Technical Assistance
WBE	Women Business Enterprises
WD	Water District
WPCSRF	Water Pollution Control State Revolving Fund
WSD	Water & Sewer District

## EXHIBIT 1: SOURCES OF DRINKING WATER STATE REVOLVING (DWSRF) FUNDS THROUGH SFY21

Grant Number, Award Date & Year Funds Appropriated	State Fiscal Year Activity	Cap. Grant Amount	Projected State Match	Project Commitments by Fiscal Year		Actual State Match GO Bond Issues	Other State Match
1) FS-998850-97 6/30/98; 1997	1998	\$ 14,826,200	\$ -	\$ -		\$ -	
No Grants awarded in SFY99	1999	\$ -	\$ 2,965,240	\$ 7,469,000	(1) *	\$ 3,065,000	
2) FS-998850-98 7/26/99; 1998	2000	\$ 7,121,300	\$ 1,424,260			\$ -	
3) FS-998850-99 9/14/99; 1999		\$ 7,463,800	\$ 1,492,760	\$ 24,240,998	(2)	\$ 2,990,000	
4) FS-998850-00 10/02/00; 2000	2001	\$ 7,757,000	\$ 1,551,400			\$ -	
5) FS-998850-01 05/21/01; 2001		\$ 7,789,100	\$ 1,557,820	\$ 11,292,701	(3)	\$ 3,190,000	\$ 26,986
6) FS-998850-02 02/21/02; 2002	2002	\$ 8,052,500	\$ 1,610,500	\$ 6,989,705		\$ -	\$ 145,660
No Grants awarded in SFY03	2003	\$ -		\$ 6,229,000	(4)	\$ 1,675,000	\$ 266,627
7) FS-998850-03 07/16/03 (set asides) & 6/28/04; 2003	2004	\$ 8,004,064	\$ 1,600,813	\$ 2,482,927		\$ -	\$ 331,226
8) FS-998850-05 08/16/04 (04 set asides), 6/16/05 (2004 & 2005 grants & 2005 set asides)	2005	\$ 16,588,524	\$ 3,317,705	\$ 5,519,622	(5)	\$ 3,875,000	\$ 421,554
8) FS-998850-05 8/5/05 Transfer to WPCSRF		\$ (5,000,000)					
9) FS-998850-06 5/17/06; 2006	2006	\$ 8,229,300	\$ 1,645,860	\$ 34,794,521		\$ -	\$ 1,095,911
10) FS-998850-07 6/5/07; 2007	2007	\$ 8,229,000	\$ 1,645,800	\$ 5,883,781		\$ -	\$ 552,917
11) FS-998850-08 6/5/07; 2008	2008	\$ 8,146,000	\$ 1,629,200	\$ 16,552,929	(6)	\$ 1,500,000	\$ 720,991
11) FS-998850-08 3/12/09 Transfer to WPCSRF		\$ (5,000,000)					
12) 2F-97879201 5/18/09; ARRA	2009	\$ 19,500,000	\$ -	\$ 10,325,761	(7)	\$ 3,000,000	\$ 761,882
13) FS-998850-09 1/25/10; 2009		\$ 8,146,000	\$ 1,629,200		(8)	\$ 5,400,000	
14) FS-998850-10 6/9/10; 2010	2010	\$ 13,573,000	\$ 2,714,600	\$ 31,540,465	(8)	\$ (4,100,000)	\$ 790,072
14) FS-998850-10 10/5/10; Transfer to WPCSRF		\$ (3,000,000)					
15) FS-998850-11 6/8/11; 2011	2011	\$ 9,268,000	\$ 1,853,600	\$ 11,941,055	(9)	\$ 1,000,000	\$ 1,493,009
15) FS-998850-11 Increase 2/7/12;		\$ 150,000	\$ 30,000				
16) FS-998850-12 5/8/12; 2012	2012	\$ 8,975,000	\$ 1,795,000	\$ 20,265,862	(10)	\$ 1,100,000	\$ 1,562,857
17) FS-998850-13 6/19/2013; 2013	2013	\$ 8,421,000	\$ 1,684,200	\$ 18,436,202	(11)	\$ 950,000	\$ 607,009
18) FS-998850-14 6/3/2014; 2014	2014	\$ 8,845,000	\$ 1,769,000	\$ 16,099,015	(12)	\$ 1,750,000	\$ -
19) FS-998850-15 4/15/2015, 2015	2015	\$ 8,787,000	\$ 1,757,400	\$ 19,320,534	(13)	\$ 2,500,000	\$ 132,149

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Grant Number, Award Date & Year Funds Appropriated	State Fiscal Year Activity	Cap. Grant Amount	Projected State Match	Project Commitments by Fiscal Year		Actual State Match GO Bond Issues	Other State Match
20) FS-998850-16 4/21/2016, 2016	2016	\$ 8,312,000	\$ 1,662,400	\$ 7,994,000	(14)	\$ 3,000,000	\$ 303,095
21) FS-998850-17 6/30/2017, 2017	2017	\$ -	\$ -	\$ 37,588,480		\$ -	\$ 289,723
22) FS-998850-17 8/7/2017, 2018	2018	\$ 8,241,000	\$ 1,648,200	\$ 26,878,203	(15)	\$ 2,500,000	\$ 634,545
23) FS-998850-18 7/24/18, 2019	2019	\$ 11,107,000	\$ 2,221,400	\$ -			
24) FS-998850-19 6/13/19, 2019	2019	\$ 11,004,000	\$ 2,200,800	\$ 25,088,455	(16)	\$ 2,900,000	\$ -
24) FS-998850-20 4/22/20, 2020	2020	\$ 11,011,000	\$ 2,202,200	\$ 20,382,648	(17)	\$ 3,400,000	\$ -
				\$ 37,448,000	(18)	\$ 3,200,000	\$ 478,904
<b>Total</b>		<b>\$ 224,546,788</b>	<b>\$ 43,609,358</b>	<b>\$ 321,844,761</b>		<b>\$ 42,895,000</b>	<b>\$ 10,615,117</b>

\*BAN issued 7-31-98 for \$1,000,000, paid off by GO Bond for \$3,065,000 issued 10-6-98

- 1) First General Obligation Bond Issued October 1, 1998 for \$3,065,000
- 2) Second General Obligation Bond Issued April 15, 2000 for \$2,990,000
- 3) Third General Obligation Bond Issued June 15, 2001 for \$3,190,000
- 4) Fourth General Obligation Bond Issued June 15, 2003 for \$1,675,000
- 5) Fifth General Obligation Bond Issued May 5, 2005 for \$3,875,000
- 6) BAN 8/10/07 \$500,000 and RAN 4/15/08 \$1,000,000
- 7) Revenue Anticipation Note (RAN) 4/3/09 \$3,000,000
- 8) Sixth General Obligation Bond Issued May 18, 2010 for 1,300,000 + refunded balances of 2000A & 2001G bonds. 2010 B Bond issued for \$5,400,000 and 2000A and 2001G Bonds were paid off with proceeds of 2010B.
- 9) RAN 3/4/11 \$1,000,000
- 10) RAN 10/21/11 \$1,100,000
- 11) BAN 12/2012 \$950,000
- 12) BAN 1/2014 \$1,750,000
- 13) BAN 9/2014 \$2,500,000
- 14) BAN 10/2015 \$3,000,000
- 15) BAN 1/2018 \$2,500,000
- 16) BAN 3/2019 \$2,900,000
- 17) BAN 12/2019 \$3,400,000
- 18) BAN 12/20 \$3,200,000

**EXHIBIT 2: DWSRF CAPITALIZED GRANT CLOSED LOANS FOR SFY 21**

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross Interest
Basin W&SD BAN	Revenue	1/7/2021	\$ 75,000	\$ 75,000	\$ 7,689	\$ 67,311	2/17/2021	1.75%
Bigfork WSD BAN	Revenue	5/11/2020	\$ 681,000	\$ 681,000	\$ 39,326	\$ 641,674	8/5/2020	1.75%
Cascade, Town of A	Revenue	9/17/2019	\$ 495,000	\$ 495,000	\$ 403,533	\$ 91,467	9/24/2020	0.00%
Cascade, Town of B	Revenue	9/17/2019	\$ 495,000	\$ 495,000	\$ 405,161	\$ 89,839	9/24/2020	2.5%
Circle, Town of A Loan	Revenue	12/17/2019	\$ 191,000	\$ 187,500	\$ 139,373	\$ 48,127	5/25/2021	0.00%
Circle, Town of B Loan	Revenue	12/17/2019	\$ 191,000	\$ 187,500	\$ 144,299	\$ 43,201	5/25/2021	2.5%
Columbia Falls	Revenue	8/5/2020	\$ 675,000	\$ 675,000	\$ 675,000	\$ -	10/14/2020	2.50%
Conrad, City of A Loan	Revenue	8/12/2019	\$ 324,000	\$ 324,000	\$ 149,435	\$ 174,565	4/28/2021	0.00%
Conrad, City of B Loan	Revenue	8/12/2019	\$ 324,000	\$ 324,000	\$ 180,499	\$ 143,501	4/28/2021	2.5%
Dry Prairie RWA	Revenue	1/29/2020	\$ 638,000	\$ 638,000	\$ 113,249	\$ 524,751	9/3/2020	2.50%
Dutton, Town of A	Revenue	8/3/2020	\$ 140,000	\$ 140,000	\$ 140,000	\$ -	9/30/2020	0.00%
Dutton, Town of B	Revenue	8/3/2020	\$ 140,000	\$ 140,000	\$ 140,000	\$ -	9/30/2020	2.50%
Hebgen Lake, WSD BAN #1	Revenue	5/27/2020	\$ 79,000	\$ 79,000	\$ 78,418	\$ 582	7/29/2020	1.75%
Hebgen Lake, WSD BAN #2	Revenue	5/27/2020	\$ 181,000	\$ 181,000	\$ 12,500	\$ 168,500	6/9/2021	1.75%
Nine Mile WSD A Loan	Revenue	7/16/2020	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	8/26/2020	0.00%
Nine Mile WSD BAN	Revenue	7/16/2020	\$ 2,745,000	\$ 2,745,000	\$ 701,898	\$ 2,043,102	3/18/2021	1.75%
Shelby, City of A Loan	Revenue	4/19/2021	\$ 500,000	\$ 500,000	\$ 91,942	\$ 408,058	6/16/2021	0.00%
Shelby, City of B Loan	Revenue	4/19/2021	\$ 535,000	\$ 535,000	\$ 33,451	\$ 501,549	6/16/2021	2.50%
Sidney, City of	Revenue	5/12/2020	\$ 1,710,000	\$ 1,710,000	\$ 1,326,498	\$ 383,502	7/14/2020	2.50%
Somers W&SD A Loan	Revenue	1/14/2021	\$ 500,000	\$ 500,000	\$ 460,760	\$ 39,240	4/21/2021	0.00%
South Wind W&SD A	Revenue	8/22/2018	\$ 51,500	\$ 48,500	\$ 48,500	\$ -	9/29/2020	0.00%
South Wind W&SD B	Revenue	8/22/2018	\$ 51,500	\$ 48,500	\$ 48,500	\$ -	9/29/2020	2.50%
Thompson Falls, City of A Loan	Revenue	11/23/2020	\$ 500,000	\$ 500,000	\$ 66,190	\$ 433,810	6/10/2021	0.00%
Thompson Falls, City of B Loan	Revenue	11/23/2020	\$ 500,000	\$ 500,000	\$ 60,350	\$ 439,650	6/10/2021	2.50%
Vaughn W&SD A Loan	Revenue	12/6/2019	\$ 362,500	\$ 214,000	\$ 117,605	\$ 96,395	3/24/2021	0.00%
Vaughn W&SD B Loan	Revenue	12/6/2019	\$ 362,500	\$ 214,000	\$ 122,074	\$ 91,926	3/24/2021	2.50%
Winifred, Town of	Revenue	10/29/2019	\$ 246,000	\$ 246,000	\$ 168,550	\$ 77,450	10/29/2020	2.50%
<b>Closed Loans</b>			<b>\$ 13,193,000</b>	<b>\$ 12,883,000</b>	<b>\$ 6,374,800</b>	<b>\$ 6,508,200</b>		





**Exhibit 4: DWSRF Projected Loan Agreements SFY 22**

<b>Public Entities</b>	<b>Estimated Date of Commitment</b>	<b>Estimated Loan Amounts</b>
Basin W&SD Loan A	Mar 21	\$ 200,000
Basin W&SD Loan B	Mar 21	\$ 200,000
Bigfork County W&SD	Oct 21	\$ 5,330,000
Big Timber, City of A	Oct 21	\$ 385,500
Big Timber, City of B	Oct 21	\$ 385,500
Bozeman, City of	Sep 21	\$ 7,287,000
Circle, Town of	May 21	\$ 304,000
Coram W&SD	Jun 21	\$ 607,000
Culbertson, Town of	Jun 21	\$ 267,000
Cut Bank, City of A	Mar 22	\$ 500,000
Cut Bank, City of B	Mar 22	\$ 770,000
Dillon, City of	Aug 21	\$ 3,776,000
East Helena, City of A	Oct 21	\$ 500,000
East Helena, City of B	Oct 21	\$ 812,000
Flaxville, Town of	Jun 21	\$ 500,000
Fort Benton, City of	Jun 21	\$ 850,000
Gore Hill W&SD	Oct 21	\$ 920,000
Harlowton, City of A	Oct 21	\$ 204,000
Harlowton, City of B	Oct 21	\$ 204,000
Hebgen Lake W&SD Loan A	Sep 21	\$ 375,000
Hebgen Lake W&SD Loan B	Sep 21	\$ 375,000
Hidden Lake W&SD A	Jul 21	\$ 316,000
Hidden Lake W&SD B	Jul 21	\$ 316,000
Lewiston, Town of	May 21	\$ 2,736,000
Miles City, City of	May 21	\$ 2,640,000
Missoula, City of Tanks	May 21	\$ 1,685,000
Missoula, City of Line Replacements	Oct 21	\$ 7,500,000
Missoula, City of Meter Replacements	Oct 21	\$ 4,150,000
Nine Mile Water & Sewer District Loan	Mar 21	\$ 2,245,000
North Valley W&SD	May 21	\$ 300,000
Plains, Town of A	Mar 21	\$ 121,500
Plains, Town of B	Mar 21	\$ 121,500
Power Teton W&SD	Apr 21	\$ 885,000
Red Lodge, City of A	Oct 21	\$ 500,000
Red Lodge, City of B	Oct 21	\$ 1,240,000
Richey, Town of	Mar 21	\$ 876,000
Sidney, City of	Aug 21	\$ 1,875,000
Three Forks, City of	May 21	\$ 2,392,000
Whitehall, Town of	Mar 21	\$ 900,000
White Sulphur Springs, City of A	Apr 21	\$ 98,000
White Sulphur Springs, City of B	Apr 21	\$ 98,000
Worden Ballantine W&SD	Sep 21	\$ 800,000
<b>Total</b>		<b>\$ 56,547,000</b>

## EXHIBIT 5. AMOUNTS AVAILABLE TO TRANSFER BETWEEN SRF PROGRAMS

Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
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	-0-	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	-0-	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd \$)	20,134,608	-0-	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd \$)	20,134,608	-0-	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd \$)	20,134,608	-0-	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd \$)		-0-	5,000,000	23,261,094	27,956,548
2006	DW Grant Award	28,324,490	-	-	25,976,763	30,672,217
2007	DW Grant Award	31,040,060	-	-	28,692,333	33,387,787
2008	Transfer (2nd Rnd \$)		2,500,000		31,192,333	30,887,787
2008	DW Grant Award	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	36,416,420			31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420			38,003,693	47,699,147
2010	DW Grant Award	47,330,510			42,482,783	52,178,237
2011	Transfer (1st Rnd \$)			3,000,000	39,482,783	55,178,237
2011	DW Grant Award	50,438,450			42,590,723	58,286,177
2012	DW Grant Award	53,400,200			45,552,473	61,247,927
2013	DW Grant Award	56,179,130			48,331,403	64,026,857
2014	DW Grant Award	59,097,980			51,250,253	66,945,707
2015	DW Grant Award	61,997,690			54,149,963	69,845,417
2016	DW Grant Award	64,740,650			56,892,923	72,588,377
2017	DW Grant Award	67,460,180			59,612,453	75,307,907
2018	DW Grant Award	71,208,650			63,360,923	79,056,377
2019	Transfer (2nd Rnd \$)			3,000,000	60,360,923	82,056,377
2019	DW Grant Award	74,839,970			63,992,243	85,617,697
2020	DW Grant Award	78,473,600			67,625,873	89,251,327
<b>Total</b>			<b>\$11,282,486</b>	<b>\$22,130,213</b>		

**Exhibit 5A: Transfer of Funds  
Between SRF and WRF**

<b>Authority to Transfer</b>					
Award of Water Grant	1996 & 97	\$	14,826,200	x33%	\$ 4,892,646
	1998		7,121,300	x33%	2,350,029
	1999		7,463,800	x33%	2,463,054
	2000		7,757,000	x33%	2,559,810
	2001		7,789,100	x33%	2,570,403
	2002		8,052,500	x33%	2,657,325
	2003		8,004,064	x33%	2,641,341
	2004 & 05		16,588,524	x33%	5,474,213
	2006		8,229,300	x33%	2,715,669
	2007		8,229,000	x33%	2,715,570
	2008		8,146,000	x33%	2,688,180
	ARRA		19,500,000	x33%	6,435,000
	2009		8,146,000	x33%	2,688,180
	2010		13,573,000	x33%	4,479,090
	2011		9,418,000	x33%	3,107,940
	2012		8,975,000	x33%	2,961,750
	2013		8,421,000	x33%	2,778,930
	2014		8,845,000	x33%	2,918,850
	2015		8,787,000	x33%	2,899,710
	2016		8,312,000	x33%	2,742,960
	2017			x33%	-
	2018		8,241,000	x33%	2,719,530
	2019		11,107,000	x33%	3,665,310
		\$	215,531,788		\$ 71,125,490

<b>Authority Used</b>					
Fiscal Year	Type of Funds		SRF to WRF		WRF to SRF
SFY 2000	Recycled		\$ 4,750,328		\$ -
SFY 2001	Recycled		4,032,158		-
SFY 2002			-		-
SFY 2003			-		-
SFY 2004	Recycled		-		2,559,810
SFY 2005	Recycled		-		3,570,403
SFY 2006	Grant		-		5,000,000
SFY 2007			-		-
SFY 2008	Recycled		2,500,000		-
SFY 2009	Grant		-		5,000,000
SFY 2010			-		-
SFY 2011	Grant		-		3,000,000
SFY 2012	Grant		-		-
SFY 2013			-		-
SFY 2014			-		-
SFY 2015			-		-
SRF 2015			-		-
SRF 2016					
SRF 2017					
SRF 2018					
SRF 2019	Recycled				3,000,000
			\$ 11,282,486		\$ 22,130,213
			<b>SRF</b>		<b>WRF</b>
Authority Available			\$ 71,125,490		\$ 71,125,490
Used Authority			\$ 11,282,486		\$ 22,130,213
Balance Available			\$ 59,843,004		\$ 48,995,277

**EXHIBIT 6: Drinking Water State Revolving Fund  
State Fiscal Year 2021  
Summary of Letter of Credit Draws**

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
<b>1st Quarter</b>							
07/06/20	7,692.00					7,692.00	974.00
07/10/20	252,681.00					252,681.00	63,170.00
07/16/20	10,168.00					10,168.00	679.00
07/21/20	277,831.00					277,831.00	69,458.00
07/27/20						-	27,589.00
07/28/20						-	7,454.00
07/29/20	13,633.00					13,633.00	1,545.00
08/03/20	27,776.00	28,092.00	177.00	91,073.00	48,548.00	195,666.00	39,326.00
08/05/20	262,108.00					262,108.00	65,527.00
08/11/20	231,131.00					231,131.00	57,782.00
08/14/20	49,731.00					49,731.00	
08/17/20		31,742.00	7,640.00	32,853.00	8,111.00	80,346.00	
08/21/20	23,462.00					23,462.00	
08/25/20						-	60,961.00
09/01/20	43,956.00	30,816.00	13,386.00	32,547.00	9,323.00	130,028.00	36,387.00
09/04/20	170,467.00					170,467.00	42,617.00
09/10/20		32,070.00		33,506.00	10,213.00	75,789.00	611,944.00
09/17/20	218,919.00					218,919.00	54,736.00
09/21/20	107,424.00					107,424.00	12,298.00
09/24/20		30,438.00	171.00	33,226.00	8,861.00	72,696.00	11,701.00
09/25/20	486,950.00					486,950.00	63,234.00
09/29/20						-	10,380.00
<b>1ST QTR Draws</b>	<b>2,183,929.00</b>	<b>153,158.00</b>	<b>21,374.00</b>	<b>223,205.00</b>	<b>85,056.00</b>	<b>2,666,722.00</b>	<b>1,237,762.00</b>

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Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
<b>2nd Quarter</b>							
10/02/20	494.00					494.00	
10/08/20		38,072.00	13,592.00	33,320.00	9,336.00	94,320.00	
10/13/20	34,156.00					34,156.00	13,907.00
10/14/20	3,460.00					3,460.00	618,264.00
10/21/20	203,027.00					203,027.00	50,757.00
10/22/20		31,720.00		33,391.00	10,446.00	75,557.00	
10/26/20	408,906.00					408,906.00	75,010.00
10/29/20	291,764.00					291,764.00	
11/06/20		35,816.00	12,441.00	33,840.00	8,857.00	90,954.00	
11/10/20	275,642.00					275,642.00	352,478.00
11/16/20	20,317.00					20,317.00	5,079.00
11/19/20	28,660.00	30,837.00		32,727.00	9,023.00	101,247.00	
12/01/20	1,320.00					1,320.00	330.00
12/02/20	133,009.00					133,009.00	17,477.00
12/04/20		28,520.00	10,881.00	34,360.00	10,055.00	83,816.00	
12/14/20	184,561.00					184,561.00	25,505.00
12/18/20		6,261.00	102.00	33,594.00	10,758.00	50,715.00	
<b>2nd QTR Draws</b>	<b>1,585,316.00</b>	<b>171,226.00</b>	<b>37,016.00</b>	<b>201,232.00</b>	<b>58,475.00</b>	<b>2,053,265.00</b>	<b>1,158,807.00</b>

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Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
<b>3rd Quarter</b>							
01/05/21		7,409.00	14,393.00	32,909.00	9,055.00	63,766.00	
01/06/21	72,826.00					72,826.00	
01/15/21		6,108.00	38.00	32,748.00	10,711.00	49,605.00	
01/26/21	178,953.00					178,953.00	66,360.00
02/01/21		13,183.00	10,343.00	34,794.00	10,201.00	68,521.00	
02/04/21	2,393.00					2,393.00	
02/08/21	5,665.00					5,665.00	561.00
02/10/21	97,493.00	7,049.00	222.00	43,710.30	9,267.00	157,741.30	24,986.00
02/18/21	166,381.00					166,381.00	31,656.00
02/19/21						-	14,302.00
02/23/21	15,616.00					15,616.00	3,021.00
02/25/21		18,076.00	8,440.00	33,715.00	9,122.00	69,353.00	
03/02/21						-	442,047.00
03/05/21						-	3,528.00
03/09/21	108,223.00					108,223.00	27,056.00
03/11/21		5,559.00	368.00	33,317.00	10,103.00	49,347.00	
03/16/21	500,000.00					500,000.00	
03/19/21	29,779.00					29,779.00	3,377.00
03/29/21	103,715.00	6,909.00	7,966.00	32,586.00	9,953.00	161,129.00	11,524.00
<b>3rd Qtr Draws</b>	<b>1,281,044.00</b>	<b>64,293.00</b>	<b>41,770.00</b>	<b>243,779.30</b>	<b>68,412.00</b>	<b>1,699,298.30</b>	<b>628,418.00</b>



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Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
<b>4th Quarter</b>							
04/09/21		6,765.00	304.00	32,978.00	9,153.00	49,200.00	
04/15/21	59,923.00					59,923.00	
04/23/21	281,547.00	17,227.00	10,323.00	32,086.00	9,075.00	350,258.00	34,706.00
04/27/21	101,202.00					101,202.00	14,859.00
04/29/21	8,894.00					8,894.00	2,223.00
05/07/21		8,172.00	526.00	32,155.00	8,957.00	49,810.00	
05/17/21	4,902.00					4,902.00	725.00
05/21/21	11,408.00	19,599.00	9,167.00	36,031.00	9,080.00	85,285.00	1,946.00
05/25/21						-	29,207.00
05/26/21	308,028.00					308,028.00	
06/01/21	12,287.00					12,287.00	1,394.00
06/04/21			911.00	34,425.00	9,077.00	44,413.00	46,422.00
06/07/21						-	12,550.00
06/08/21	114,470.00					114,470.00	12,070.00
06/09/21	443,075.00					443,075.00	98,115.00
06/11/21	350,637.00					350,637.00	32,813.00
06/14/21	118,703.00					118,703.00	6,690.00
06/22/21			7,560.00	31,908.00	9,077.00	48,545.00	
06/29/21			39.00	1,479.00		1,518.00	
<b>4th QTR Draws</b>	<b>1,815,076.00</b>	<b>51,763.00</b>	<b>28,830.00</b>	<b>201,062.00</b>	<b>54,419.00</b>	<b>2,151,150.00</b>	<b>293,720.00</b>
<b>Total FY20 Draws</b>	<b>6,865,365.00</b>	<b>440,440.00</b>	<b>128,990.00</b>	<b>869,278.30</b>	<b>266,362.00</b>	<b>8,570,435.30</b>	<b>3,318,707.00</b>
						Federal & Match	11,889,142.30

	Loans	Admin
Number of draws	103	22
	6,865,365.00	440,440.00

Non-Admin	Total Loans
76	201
1,264,630.30	8,570,435.30

**EXHIBIT 7: Drinking Water State Revolving Fund  
State Fiscal Year 2021  
Budget vs. Draw by Category**

<b>Program Name: FS998850 - 97</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	593,048	593,048	-	-
Technical Assistance	296,524	296,524	-	-
State Programs				
Public Water Supply Administration	120,000	120,000	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	55,000	55,000	-	-
<i>Subtotal</i>	<i>325,000</i>	<i>325,000</i>	-	-
Local Assistance	1,482,620	1,482,620	-	-
Loans	12,129,008	12,129,008	-	-
<b>Total</b>	<b>14,826,200</b>	<b>14,826,200</b>	-	-

<b>Program Name: FS998850 - 98</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	284,852	284,852	-	-
Technical Assistance	142,426	142,426	-	-
State Programs				
Public Water Supply Administration	155,470	155,470	-	-
Source Water Protection/Database	105,000	105,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
<i>Subtotal</i>	<i>340,470</i>	<i>340,470</i>	-	-
Loans	6,353,552	6,353,552	-	-
<b>Total</b>	<b>7,121,300</b>	<b>7,121,300</b>	-	-

<b>Program Name: FS998850 - 99</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	298,552	298,552	-	-
Technical Assistance	149,276	149,276	-	-
State Programs				
Public Water Supply Administration	154,800	154,800	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
<i>Subtotal</i>	<i>334,800</i>	<i>334,800</i>	-	-
Loans	6,681,172	6,681,172	-	-
<b>Total</b>	<b>7,463,800</b>	<b>7,463,800</b>	-	-

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<b>Program Name: FS998850 - 00</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	310,280	310,280	-	-
State Programs				
Public Water Supply Administration	155,000	155,000	-	-
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	70,000	70,000	-	-
<i>Subtotal</i>	<i>350,000</i>	<i>350,000</i>	-	-
Loans	7,096,720	7,096,720	-	-
<b>Total</b>	<b>7,757,000</b>	<b>7,757,000</b>	-	-

<b>Program Name: FS998850 - 01</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	311,564	311,564	-	-
State Programs				
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
<i>Subtotal</i>	<i>125,000</i>	<i>125,000</i>	-	-
Loans	7,352,536	7,352,536	-	-
<b>Total</b>	<b>7,789,100</b>	<b>7,789,100</b>	-	-

<b>Program Name: FS998850 - 02</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	322,100	322,100	-	-
State Programs				
Public Water Supply Administration	395,000	395,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	90,000	90,000	-	-
<i>Subtotal</i>	<i>535,000</i>	<i>535,000</i>	-	-
Loans	7,195,400	7,195,400	-	-
<b>Total</b>	<b>8,052,500</b>	<b>8,052,500</b>	-	-

<b>Program Name: FS998850 - 03</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	320,164	320,164	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Public Water Supply Administration	395,000	395,000	-	-
Operator Certification	90,000	90,000	-	-
<i>Subtotal</i>	<i>585,000</i>	<i>585,000</i>	-	-
Loans	6,973,900	6,973,900	-	-
<b>Total</b>	<b>8,004,064</b>	<b>8,004,064</b>	-	-

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<b>Program Name: FS998850 - 04</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	332,124	332,124	-	-
Technical Assistance	135,000	135,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	82,000	82,000	-	-
Public Water Supply Administration	160,000	160,000	-	-
Operator Certification	90,000	90,000	-	-
<i>Subtotal</i>	<i>432,000</i>	<i>432,000</i>	-	-
Local Assistance	40,000	40,000	-	-
<b>Total</b>	<b>939,124</b>	<b>939,124</b>	-	-

<b>Program Name: FS998850 - 05</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	331,420	331,420	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	75,000	75,000	-	-
Public Water Supply Administration	630,000	630,000	-	-
Operator Certification	160,000	160,000	-	-
<i>Subtotal</i>	<i>965,000</i>	<i>965,000</i>	-	-
Local Assistance	40,000	40,000	-	-
Loans	9,187,980	9,187,980	-	-
<b>Total</b>	<b>10,649,400</b>	<b>10,649,400</b>	-	-

<b>Program Name: FS998850 - 06</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	329,172	329,172	-	-
Technical Assistance	20,000	20,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	50,000	50,000	-	-
Public Water Supply Administration	550,000	550,000	-	-
Operator Certification	30,000	30,000	-	-
<i>Subtotal</i>	<i>730,000</i>	<i>730,000</i>	-	-
Local Assistance	50,000	50,000	-	-
Loans	7,100,128	7,100,128	-	-
<b>Total</b>	<b>8,229,300</b>	<b>8,229,300</b>	-	-

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<b>Program Name: FS998850 - 07</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	329,160	329,160		-
Technical Assistance	95,000	95,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	80,000	80,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	60,000	60,000		-
<i>Subtotal</i>	<i>790,000</i>	<i>790,000</i>	-	-
Local Assistance	90,000	90,000		-
Loans	6,924,840	6,924,840		-
<b>Total</b>	<b>8,229,000</b>	<b>8,229,000</b>	-	-

<b>Program Name: FS998850 - 08</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	325,840	325,840		-
Technical Assistance	90,000	90,000		-
State Programs				
Source Water Protection/Database	99,600	99,600		-
Capacity Development	75,000	75,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	90,000	90,000		-
<i>Subtotal</i>	<i>814,600</i>	<i>814,600</i>	-	-
Local Assistance	90,400	90,400		-
Loans	1,825,160	1,825,160		-
<b>Total</b>	<b>3,146,000</b>	<b>3,146,000</b>	-	-

<b>Program Name: FS998850 - 09</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	325,840	325,840	-	-
Technical Assistance	125,000	125,000	-	-
State Programs		-	-	
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	78,000	78,000	-	-
Public Water Supply Administration	665,000	665,000	-	-
Operator Certification	90,000	90,000	-	-
<i>Subtotal</i>	<i>933,000</i>	<i>933,000</i>	-	-
Local Assistance	90,000	90,000	-	-
Loans	6,672,160	6,672,160	-	-
<b>Total</b>	<b>8,146,000</b>	<b>8,146,000</b>	-	-

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<b>Program Name: FS998850 - 10</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	542,920	542,920	-	-
Technical Assistance	211,000	211,000	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	82,000	82,000	-	-
Public Water Supply Administration	700,000	700,000	-	-
Operator Certification	120,000	120,000	-	-
<i>Subtotal</i>	<i>1,042,000</i>	<i>1,042,000</i>	-	-
Local Assistance	130,000	130,000	-	-
Loans	8,647,080	8,647,080	-	-
<b>Total</b>	<b>10,573,000</b>	<b>10,573,000</b>	-	-

<b>Program Name: FS998850 - 11</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	376,720	376,720	-	-
Technical Assistance	117,500	117,500	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	85,000	85,000	-	-
Public Water Supply Administration	700,000	700,000	-	-
Operator Certification	120,000	120,000	-	-
<i>Subtotal</i>	<i>1,045,000</i>	<i>1,045,000</i>	-	-
Local Assistance	130,000	130,000	-	-
Loans	7,748,780	7,748,780	-	-
<b>Total</b>	<b>9,418,000</b>	<b>9,418,000</b>	-	-

<b>Program Name: FS998850 - 12</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	359,000	359,000	-	-
Technical Assistance	143,000	143,000	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	90,000	90,000	-	-
Public Water Supply Administration	700,000	700,000	-	-
Operator Certification	120,000	120,000	-	-
<i>Subtotal</i>	<i>1,050,000</i>	<i>1,050,000</i>	-	-
Local Assistance	130,000	130,000	-	-
Loans	7,293,000	7,293,000	-	-
<b>Total</b>	<b>8,975,000</b>	<b>8,975,000</b>	-	-

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<b>Program Name: FS998850 - 13</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	336,840	336,840	-	-
Technical Assistance	63,347	63,347	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	90,000	90,000	-	-
Public Water Supply Administration	492,100	492,100	-	-
Operator Certification	120,000	120,000	-	-
<i>Subtotal</i>	<i>842,100</i>	<i>842,100</i>	-	-
Local Assistance	487,900	487,900	-	-
Loans	6,690,813	6,690,813	-	-
<b>Total</b>	<b>8,421,000</b>	<b>8,421,000</b>	-	-

<b>Program Name: 2F978792-01 ARRA</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	680,000	680,000	-	-
Technical Assistance	-	-	-	-
State Programs				
Source Water Protection/Database	-	-	-	-
Capacity Development	-	-	-	-
Public Water Supply Administration	50,357	50,357	-	-
Operator Certification	-	-	-	-
<i>Subtotal</i>	<i>50,357</i>	<i>50,357</i>	-	-
Local Assistance	-	-	-	-
Loans	18,769,643	18,769,643	-	-
<b>Total</b>	<b>19,500,000</b>	<b>19,500,000</b>	-	-

<b>Program Name: FS998850 - 14</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	353,800	353,800	-	-
Technical Assistance	80,000	80,000	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	65,000	65,000	-	-
Public Water Supply Administration	559,500	559,500	-	-
Operator Certification	120,000	120,000	-	-
<i>Subtotal</i>	<i>884,500</i>	<i>884,500</i>	-	-
Local Assistance	420,500	420,500	-	-
Loans	7,106,200	7,106,200	-	-
<b>Total</b>	<b>8,845,000</b>	<b>8,845,000</b>	-	-

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<b>Program Name: FS998850 - 15</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	351,480	351,480	-	-
Technical Assistance	-		-	-
State Programs				
Source Water Protection/Database	104,304	104,304	-	-
Capacity Development	-		-	-
Public Water Supply Administration	655,150	655,150	-	-
Operator Certification	119,246	119,246	-	-
<i>Subtotal</i>	<i>878,700</i>	<i>878,700</i>	-	-
Local Assistance	288,000	288,000	-	-
Loans	7,268,820	7,268,820	-	-
<b>Total</b>	<b>8,787,000</b>	<b>8,787,000</b>	-	-

<b>Program Name: FS998850 - 16 - 03952</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	332,480	332,480	-	-
Technical Assistance	20,000	20,000	-	-
State Programs				
Source Water Protection/Database	40,000	40,000	-	-
Capacity Development	74,000	74,000	-	-
Public Water Supply Administration	617,200	617,200	-	-
Operator Certification	100,000	100,000	-	-
<i>Subtotal</i>	<i>831,200</i>	<i>831,200</i>	-	-
Local Assistance	375,300	375,300	-	-
Loans	6,753,020	6,753,020	-	-
<b>Total</b>	<b>8,312,000</b>	<b>8,312,000</b>	-	-

<b>Program Name: FS998850 - 17 - 03953</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration - DD	400,000	400,000	-	-
Technical Assistance - DE	68,000	7,259	60,741	-
State Programs - DF				
Source Water Protection/Database	45,607	45,607	-	-
Capacity Development	70,393	70,393	-	-
Public Water Supply Administration	608,954	608,954	-	-
Operator Certification	99,146	99,146	-	-
<i>Subtotal</i>	<i>824,100</i>	<i>824,100</i>	-	-
Local Assistance - DG	401,300	401,300	-	-
Loans - DA	6,547,600	6,517,248	30,352	-
<b>Total</b>	<b>8,241,000</b>	<b>8,149,907</b>	<b>91,093</b>	-



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<b>Program Name: FS998850 - 18 - 03812</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration - DD	444,280	444,280	-	-
Technical Assistance - DE	75,000		68,249	6,751
State Programs - DF				
Source Water Protection/Database	46,000	37,199	8,801	-
Capacity Development	79,000	77,687	1,313	-
Public Water Supply Administration	875,000	874,749	251	-
Operator Certification	100,000	99,994	6	-
<i>Subtotal</i>	<i>1,100,000</i>	<i>1,089,629</i>	<i>10,371</i>	<i>-</i>
Local Assistance - DG	190,000	190,000	-	-
Loans - DA	9,297,720	7,772,278	1,525,442.00	0
<b>Total</b>	<b>11,107,000</b>	<b>9,496,187</b>	<b>1,604,062</b>	<b>6,751</b>

<b>Program Name: FS998850 - 19 - 03813</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration - DD	440,160	440,160	-	-
Technical Assistance - DE	25,000		-	25,000
State Programs - DF				
Source Water Protection/Database	-		-	-
Capacity Development	-		-	-
Public Water Supply Administration	1,000,000	981,046	18,954	-
Operator Certification	100,000	71,057	28,943	-
<i>Subtotal</i>	<i>1,100,000</i>	<i>1,052,103</i>	<i>47,897</i>	<i>-</i>
Local Assistance - DG	250,000	13,078	196,912	40,010
Loans - DA	9,287,840	5,696,748	1,655,447.60	1,935,644
<b>Total</b>	<b>11,103,000</b>	<b>7,202,089</b>	<b>1,900,257</b>	<b>2,000,654</b>

<b>Program Name: FS998850 - 20 - 03815</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration - DD	440,440		440,440	-
Technical Assistance - DE	70,000		-	70,000
State Programs - DF				
Source Water Protection/Database	-		-	-
Capacity Development	150,000		1,246	148,754
Public Water Supply Administration	850,000		733,712	116,288
Operator Certification	100,000		76,052	23,948
<i>Subtotal</i>	<i>1,100,000</i>	<i>-</i>	<i>811,010</i>	<i>288,990</i>
Local Assistance - DG	400,000		69,450	330,550
Loans - DA	9,000,560		3,654,123	5,346,437
<b>Total</b>	<b>11,011,000</b>	<b>-</b>	<b>4,975,023</b>	<b>6,035,977</b>

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<b>Program Name: Total All Grants</b>	<b>Budget</b>	<b>Previous Draws</b>	<b>SFY 21 Draws</b>	<b>Balance 6/30/2021</b>
Administration	9,472,236	8,591,636	440,440	-
Technical Assistance	2,176,073	1,945,332	128,990	101,751
State Programs				
Source Water Protection/Database	2,090,511	2,081,710	8,801	-
Capacity Development	1,445,393	1,294,080	2,559	148,754
Public Water Supply Administration	12,288,531	10,438,280	752,917	116,288
Operator Certification	2,183,392	1,983,386	105,001	23,948
<b>Subtotal State Programs</b>	<b>18,007,827</b>	<b>15,797,456</b>	<b>869,278</b>	<b>288,990</b>
Local Assistance	5,086,020	4,436,020	266,362	370,560
<b>Subtotal all Set Aside Categories</b>	<b>34,742,156</b>	<b>30,770,444</b>	<b>1,705,070</b>	<b>761,301</b>
Loans	189,903,632	170,059,438	6,865,365	7,282,081
<b>Total</b>	<b>224,645,788</b>	<b>200,829,882</b>	<b>8,570,435</b>	<b>8,043,382</b>

**Exhibit 8: DWSRF Loans – MBE/WBE For Contracts Awarded During SFY21 (July 1, 2020 to June 30, 2021)**

Award Date	Borrower	Loan No.	Bid Amount	Loan Amount	DBE Type	DBE Amount	DBE Percent
	No MBE/WBE participation						
	In SFY21						
	<b>Total</b>						

## APPENDIX A

### SFY21 CASH FLOW MODEL

Use of Funds		
Pre 2000		
Loans	\$	12,492,837
Original Loans		172,360,345
2010-2021 grant forgiveness		26,853,235
	Sub Total:	211,706,417
Recycled		
Loans		171,475,027
	Total:	\$ 383,181,444
Balances		
Forgiven ARRA A Loans	\$	10,418,200
ARRA B loans		8,216,470
Total ARRA	\$	18,634,670
		\$ 401,816,114

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Committed - Original Proceeds

\$192,809,334

Payment Due	1.000%	0.750%	2.250%	Principal Payment	FY Interest	FY Total	DEFAULT RATE:	0.00%
	Loan Loss Reserve	Admin Exp. Surcharge	Interest Payment				Outstanding Balance	Loan Payment
07/15/20	94,738.64	218,097.64	763,571.53	3,694,566.00			88,141,211.00	4,770,257.04
01/15/21	96,506.68	212,305.25	779,174.73	4,151,871.00	1,542,746.26	10,010,831.45	104,025,986.00	5,239,857.66
07/15/21	95,571.10	203,303.07	847,960.09	7,615,731.00			80,367,643.00	8,762,565.26
01/15/22	92,150.60	191,758.72	746,304.76	3,623,500.00	1,594,264.85	13,416,279.34	76,744,143.00	4,653,714.08
07/15/22	88,030.80	180,978.93	715,262.68	3,560,500.00			73,183,643.00	4,544,772.41
01/15/23	83,937.05	170,540.80	685,092.68	3,663,000.00	1,400,355.36	9,147,342.95	69,520,643.00	4,602,570.54
07/15/23	79,781.43	160,033.30	691,742.94	4,380,500.00			65,140,143.00	5,312,057.67
01/15/24	75,590.18	149,425.18	623,165.18	3,284,000.00	1,314,908.12	9,444,238.21	61,856,143.00	4,132,180.54
07/15/24	71,757.05	140,117.68	603,958.88	3,493,500.00			58,362,643.00	4,309,333.61
01/15/25	67,892.05	130,739.55	565,468.93	3,302,500.00	1,169,427.81	8,375,934.15	55,060,143.00	4,066,600.54
07/15/25	64,039.55	121,423.93	536,407.68	3,343,500.00			51,716,643.00	4,065,371.16
01/15/26	60,135.80	111,984.55	506,988.93	2,676,500.00	1,043,396.61	7,420,980.45	49,040,143.00	3,355,609.29
07/15/26	57,199.55	105,083.93	481,781.43	2,679,500.00			46,360,643.00	3,323,564.91
01/15/27	54,259.55	98,185.80	456,428.93	2,701,500.00	938,210.36	6,633,939.20	43,659,143.00	3,310,374.29
07/15/27	51,293.30	91,238.93	430,822.68	2,731,500.00			40,927,643.00	3,304,854.91
01/15/28	48,298.30	84,224.55	404,886.43	2,649,500.00	835,709.11	6,491,764.20	38,278,143.00	3,186,909.29
07/15/28	45,410.18	77,551.43	379,338.93	2,664,000.00			35,614,143.00	3,166,300.54
01/15/29	42,507.68	70,853.93	353,538.93	2,530,500.00	732,877.86	6,163,701.08	33,083,643.00	2,997,400.54
07/15/29	39,754.55	64,700.80	329,076.43	2,440,500.00			30,643,143.00	2,874,031.79
01/15/30	37,093.93	58,907.68	305,500.18	2,138,500.00	634,576.61	5,414,033.58	28,504,643.00	2,540,001.79
07/15/30	34,570.80	53,815.80	284,483.93	2,130,500.00			26,374,143.00	2,503,370.54
01/15/31	32,016.43	48,718.93	263,435.18	1,938,500.00	547,919.11	4,786,041.08	24,435,643.00	2,282,670.54
07/15/31	29,662.05	44,254.55	244,106.43	1,942,500.00			22,493,143.00	2,260,523.04
01/15/32	27,307.68	39,808.93	224,743.93	1,904,500.00	468,850.36	4,456,883.58	20,588,643.00	2,196,360.54
07/15/32	24,992.05	35,524.55	205,730.18	1,850,500.00			18,738,143.00	2,116,746.79
01/15/33	22,746.43	31,482.68	187,256.43	1,662,500.00	392,986.61	4,020,732.33	17,075,643.00	1,903,985.54
07/15/33	20,735.80	28,185.80	170,662.68	1,659,500.00			15,416,143.00	1,879,084.29
01/15/34	18,730.18	24,937.68	154,098.93	1,674,500.00	324,761.61	3,751,351.08	13,741,643.00	1,872,266.79
07/15/34	16,707.05	21,668.30	137,385.18	1,679,393.00			12,062,250.00	1,855,153.54
01/15/35	14,681.56	18,420.31	120,622.50	1,220,500.00	258,007.68	3,229,377.91	10,841,750.00	1,374,224.38
07/15/35	13,210.94	16,394.69	108,417.50	1,116,500.00			9,725,250.00	1,254,523.13
01/15/36	11,872.81	14,489.06	97,252.50	1,099,500.00	205,670.00	2,477,637.50	8,625,750.00	1,223,114.38
07/15/36	10,537.19	12,627.19	86,257.50	1,097,500.00			7,528,250.00	1,206,921.88
01/15/37	9,222.81	10,772.81	75,282.50	1,029,500.00	161,540.00	2,331,700.00	6,498,750.00	1,124,778.13
07/15/37	7,979.69	9,053.44	64,987.50	1,038,250.00			5,460,500.00	1,120,270.63
01/15/38	6,728.13	8,379.10	57,465.00	905,000.00	122,452.50	2,097,842.85	4,841,500.00	978,013.75
07/15/38	6,034.38	6,899.38	48,415.00	718,000.00			4,123,500.00	779,348.75
01/15/39	5,139.38	5,926.88	41,235.00	442,000.00	89,650.00	1,273,650.00	3,681,500.00	494,301.25
07/15/39	4,590.63	5,294.38	36,815.00	446,000.00			3,235,500.00	492,700.00
01/15/40	4,035.63	4,659.38	32,355.00	390,500.00	69,170.00	924,250.00	2,845,000.00	431,550.00
07/15/40	3,551.25	4,091.25	28,450.00	329,000.00			2,516,000.00	365,092.50
01/15/41	3,145.00	3,597.50	25,160.00	205,000.00	53,610.00	601,995.00	2,311,000.00	236,902.50
07/15/41	2,888.75	3,266.25	23,110.00	177,000.00			2,134,000.00	206,265.00
01/15/42	2,667.50	2,970.00	21,340.00	162,500.00	44,450.00	395,742.50	1,971,500.00	189,477.50
07/15/42	2,464.38	2,689.38	19,715.00	164,000.00			1,807,500.00	188,868.75
01/15/43	2,259.38	2,406.88	18,075.00	162,500.00	37,790.00	374,110.00	1,645,000.00	185,241.25
07/15/43	2,056.25	2,131.25	16,450.00	165,000.00			1,480,000.00	185,637.50
01/15/44	1,850.00	1,850.00	14,800.00	136,000.00	31,250.00	340,137.50	1,344,000.00	154,500.00
07/15/44	1,680.00	1,680.00	13,440.00	137,000.00			1,207,000.00	153,800.00
01/15/45	1,508.75	1,508.75	12,070.00	141,000.00	25,510.00	309,887.50	1,066,000.00	156,087.50
07/15/45	1,332.50	1,332.50	10,660.00	126,000.00			940,000.00	139,325.00
01/15/46	1,175.00	1,175.00	9,400.00	128,000.00	20,060.00	279,075.00	812,000.00	139,750.00
07/15/46	1,015.00	1,015.00	8,120.00	128,000.00			684,000.00	138,150.00
01/15/47	855.00	855.00	6,840.00	120,000.00	14,960.00	266,700.00	564,000.00	128,550.00
07/15/47	705.00	705.00	5,640.00	121,000.00			443,000.00	128,050.00
01/15/48	553.75	553.75	4,430.00	120,000.00	10,070.00	253,587.50	323,000.00	125,537.50
07/15/48	403.75	403.75	3,230.00	121,000.00			202,000.00	125,037.50
01/15/49	252.50	252.50	2,020.00	107,000.00	5,250.00	234,562.50	95,000.00	109,525.00
07/15/49	118.75	118.75	950.00	63,000.00			32,000.00	64,187.50
01/15/50	40.00	40.00	320.00	14,000.00	1,270.00	78,587.50	18,000.00	14,400.00
07/15/50	22.50	22.50	180.00	15,000.00			3,000.00	15,225.00
01/15/51	3.75	3.75	30.00	3,000.00	210.00	18,262.50	-	3,037.50
Totals:	8,601,209.26	11,986,101.38	38,927,195.96	192,809,334.00	38,913,691.19	252,301,804.23		252,321,351.37

SFY 2021 Annual Report for EPA – Drinking Water

Transferred and Recycled Loans

\$171,444,549

Payment Due	1.000%	0.750%	2.250%	DEFAULT:		0.00%	Loan Payment	
	Loan Loss Reserve	Admin Exp. Surcharge	Interest Payment	Principal Payment	FY Interest	FY Total		Outstanding Balance
07/15/20	93,830.91	160,729.04	949,436.53	2,942,525.00			101,054,055.00	4,146,521.48
01/15/21	95,373.40	158,849.03	995,827.34	3,084,500.00	1,945,263.87	8,481,071.26	116,534,555.00	4,334,549.77
07/15/21	105,514.16	165,664.79	1,134,960.49	3,254,000.00			113,280,555.00	4,660,139.44
01/15/22	107,457.39	164,298.02	1,177,305.90	3,222,000.00	2,312,266.39	9,331,200.76	110,058,555.00	4,671,061.31
07/15/22	104,252.39	158,008.02	1,145,494.65	3,265,000.00			106,793,555.00	4,672,755.06
01/15/23	101,003.64	151,639.27	1,113,252.15	3,310,500.00	2,258,746.80	9,349,150.13	103,483,055.00	4,676,395.06
07/15/23	97,706.14	145,177.39	1,080,563.40	3,353,500.00			100,129,555.00	4,676,946.94
01/15/24	94,364.89	138,638.02	1,047,435.90	3,376,000.00	2,127,999.30	9,333,385.75	96,753,555.00	4,656,438.81
07/15/24	90,982.39	132,086.77	1,014,010.90	3,308,148.00			93,445,407.00	4,545,228.06
01/15/25	87,690.33	125,861.58	980,854.42	3,287,000.00	1,994,865.32	9,026,634.40	90,158,407.00	4,481,406.34
07/15/25	84,454.08	119,692.83	947,826.92	3,322,000.00			86,836,407.00	4,473,973.84
01/15/26	81,182.83	113,452.83	914,450.67	3,279,000.00	1,862,277.59	8,862,060.18	83,557,407.00	4,388,086.34
07/15/26	77,979.08	107,466.58	881,151.92	3,315,000.00			80,242,407.00	4,381,597.59
01/15/27	74,740.33	101,419.08	847,474.42	3,337,000.00	1,728,626.34	8,742,231.43	76,905,407.00	4,360,633.84
07/15/27	71,486.58	95,375.33	813,476.92	3,280,000.00			73,625,407.00	4,260,383.84
01/15/28	68,310.33	89,620.33	779,674.42	3,134,000.00	1,593,151.34	8,331,943.93	70,491,407.00	4,071,605.09
07/15/28	65,361.58	84,499.08	746,641.92	3,177,000.00			67,314,407.00	4,073,502.59
01/15/29	62,370.33	79,300.33	713,163.17	3,210,000.00	1,459,805.09	8,138,336.43	64,104,407.00	4,064,833.84
07/15/29	59,350.33	74,080.33	679,271.92	3,246,000.00			60,858,407.00	4,058,702.59
01/15/30	56,296.58	68,809.08	644,979.42	3,071,000.00	1,324,251.34	7,899,787.68	57,787,407.00	3,841,085.09
07/15/30	53,476.58	64,301.58	612,411.92	3,112,000.00			54,675,407.00	3,842,190.09
01/15/31	50,617.83	59,727.83	579,411.92	3,149,000.00	1,191,823.84	7,680,947.68	51,526,407.00	3,838,757.59
07/15/31	47,724.08	55,099.08	546,019.42	3,186,000.00			48,340,407.00	3,834,842.59
01/15/32	44,796.58	50,409.08	512,234.42	3,229,000.00	1,058,253.84	7,671,282.68	45,111,407.00	3,836,440.09
07/15/32	41,830.33	45,657.83	477,991.92	2,936,000.00			42,175,407.00	3,501,480.09
01/15/33	39,242.83	42,092.83	446,659.42	2,973,000.00	924,651.34	7,002,475.18	39,202,407.00	3,500,995.09
07/15/33	36,622.83	38,487.83	414,929.42	2,684,000.00			36,518,407.00	3,174,040.09
01/15/34	34,377.83	36,037.83	386,064.42	2,718,000.00	800,993.84	6,348,520.18	33,800,407.00	3,174,480.09
07/15/34	32,104.08	33,566.58	356,834.42	2,751,000.00			31,049,407.00	3,173,505.09
01/15/35	29,804.08	31,066.58	327,246.92	2,781,000.00	684,081.34	6,342,622.68	28,268,407.00	3,169,117.59
07/15/35	27,480.33	28,540.33	297,334.42	2,817,000.00			25,451,407.00	3,170,355.09
01/15/36	25,126.58	25,981.58	267,034.42	2,756,000.00	564,368.84	6,244,497.68	22,695,407.00	3,074,142.59
07/15/36	22,862.83	23,672.83	237,156.92	2,644,500.00			20,050,907.00	2,928,192.59
01/15/37	20,753.46	21,518.46	208,364.42	2,277,140.00	445,521.34	5,455,968.93	17,773,767.00	2,527,776.34
07/15/37	18,717.21	19,434.71	184,020.17	2,254,000.00			15,519,767.00	2,476,172.09
01/15/38	16,694.71	17,364.71	159,937.67	1,610,000.00	343,957.84	4,280,169.18	13,909,767.00	1,803,997.09
07/15/38	15,087.21	15,709.71	143,075.17	1,339,455.00			12,570,312.00	1,513,327.09
01/15/39	13,822.89	14,397.89	128,908.12	1,343,000.00	271,983.29	3,013,455.99	11,227,312.00	1,500,128.90
07/15/39	12,559.14	13,084.14	114,698.12	1,216,000.00			10,011,312.00	1,356,341.40
01/15/40	11,460.39	11,935.39	101,745.62	979,000.00	216,443.74	2,460,482.80	9,032,312.00	1,104,141.40
07/15/40	10,662.89	11,087.89	91,153.12	982,000.00			8,050,312.00	1,094,903.90
01/15/41	9,866.64	10,241.64	80,520.62	794,000.00	171,673.74	1,989,532.80	7,256,312.00	894,628.90
07/15/41	9,070.39	9,392.89	72,240.62	452,000.00			6,804,312.00	542,703.90
01/15/42	8,505.39	8,775.39	67,773.12	459,000.00	140,013.74	1,086,757.80	6,345,312.00	544,053.90
07/15/42	7,931.64	8,149.14	63,235.62	466,000.00			5,879,312.00	545,316.40
01/15/43	7,349.14	7,514.14	58,628.12	473,000.00	121,863.74	1,091,807.80	5,406,312.00	546,491.40
07/15/43	6,757.89	6,867.89	53,953.12	479,312.00			4,927,000.00	546,890.90
01/15/44	6,158.75	6,213.75	49,215.00	437,000.00	103,168.12	1,045,478.40	4,490,000.00	498,587.50
07/15/44	5,612.50	5,612.50	44,900.00	420,000.00			4,070,000.00	476,125.00
01/15/45	5,087.50	5,087.50	40,700.00	424,000.00	85,600.00	951,000.00	3,646,000.00	474,875.00
07/15/45	4,557.50	4,557.50	36,460.00	430,000.00			3,216,000.00	475,575.00
01/15/46	4,020.00	4,020.00	32,160.00	435,000.00	68,620.00	950,775.00	2,781,000.00	475,200.00
07/15/46	3,476.25	3,476.25	27,810.00	442,000.00			2,339,000.00	476,762.50
01/15/47	2,923.75	2,923.75	23,390.00	330,000.00	51,200.00	836,000.00	2,009,000.00	359,237.50
07/15/47	2,511.25	2,511.25	20,090.00	337,000.00			1,672,000.00	362,112.50
01/15/48	2,090.00	2,090.00	16,720.00	342,000.00	36,810.00	725,012.50	1,330,000.00	362,900.00
07/15/48	1,662.50	1,662.50	13,300.00	350,000.00			980,000.00	366,625.00
01/15/49	1,225.00	1,225.00	9,800.00	355,000.00	23,100.00	733,875.00	625,000.00	367,250.00
07/15/49	781.25	781.25	6,250.00	362,000.00			263,000.00	369,812.50
01/15/50	328.75	328.75	2,630.00	186,000.00	8,880.00	559,100.00	77,000.00	189,287.50
07/15/50	96.25	96.25	770.00	39,000.00			38,000.00	39,962.50
01/15/51	47.50	47.50	380.00	38,000.00	1,150.00	78,437.50	-	38,475.00
Totals:	5,063,620.65	6,854,828.78	37,579,943.59	171,444,549.27	37,579,943.59	220,942,942.29		220,942,942.29

SFY 2021 Annual Report for EPA – Drinking Water

**Total Committed, Transferred & Recycled Loans**

\$364,253,883

Payment Due	Loan Loss Reserve	Admin Exp. Surcharge	Interest Payment	Principal Payment	FY Interest	FY Total	Outstanding Balance	Loan Payment
07/15/20	188,569.55	378,826.67	1,713,008.06	6,637,091.00			189,195,266.00	8,916,778.52
01/15/21	191,880.08	371,154.28	1,775,002.07	7,236,371.00	3,488,010.13	18,491,902.71	220,560,541.00	9,574,407.43
07/15/21	201,085.27	368,967.86	1,982,920.58	10,869,731.00			193,648,198.00	13,422,704.70
01/15/22	199,607.99	356,056.74	1,923,610.66	6,845,500.00	3,906,531.24	22,747,480.09	186,802,698.00	9,324,775.40
07/15/22	192,283.20	338,986.95	1,860,757.33	6,825,500.00			179,977,198.00	9,217,527.48
01/15/23	184,940.70	322,180.07	1,798,344.83	6,973,500.00	3,659,102.16	18,496,493.08	173,003,698.00	9,278,965.60
07/15/23	177,487.57	305,210.70	1,772,306.34	7,734,000.00			165,269,698.00	9,989,004.61
01/15/24	169,955.07	288,063.20	1,670,601.08	6,660,000.00	3,442,907.42	18,777,623.96	158,609,698.00	8,788,619.35
07/15/24	162,739.45	272,204.45	1,617,969.78	6,801,648.00			151,808,050.00	8,854,561.68
01/15/25	155,582.39	256,601.14	1,546,323.35	6,589,500.00	3,164,293.13	17,402,568.55	145,218,550.00	8,548,006.88
07/15/25	148,493.64	241,116.76	1,484,234.60	6,665,500.00			138,553,050.00	8,539,345.00
01/15/26	141,318.64	225,437.39	1,421,439.60	5,955,500.00	2,905,674.20	16,283,040.63	132,597,550.00	7,743,695.63
07/15/26	135,178.64	212,550.51	1,362,933.35	5,994,500.00			126,603,050.00	7,705,162.50
01/15/27	128,999.89	199,604.89	1,303,903.35	6,038,500.00	2,666,836.70	15,376,170.63	120,564,550.00	7,671,008.13
07/15/27	122,779.89	186,614.26	1,244,299.60	6,011,500.00			114,553,050.00	7,565,193.75
01/15/28	116,608.64	173,844.89	1,184,560.85	5,783,500.00	2,428,860.45	14,823,708.13	108,769,550.00	7,258,514.38
07/15/28	110,771.76	162,050.51	1,125,980.85	5,841,000.00			102,928,550.00	7,239,803.13
01/15/29	104,878.01	150,154.26	1,066,702.10	5,740,500.00	2,192,682.95	14,302,037.50	97,188,050.00	7,062,234.38
07/15/29	99,104.89	138,781.14	1,008,348.35	5,686,500.00			91,501,550.00	6,932,734.38
01/15/30	93,390.51	127,716.76	950,479.60	5,209,500.00	1,958,827.95	13,313,821.25	86,292,050.00	6,381,086.88
07/15/30	88,047.39	118,117.39	896,895.85	5,242,500.00			81,049,550.00	6,345,560.63
01/15/31	82,634.26	108,446.76	842,847.10	5,087,500.00	1,739,742.95	12,466,988.75	75,962,050.00	6,121,428.13
07/15/31	77,386.14	99,353.64	790,125.85	5,128,500.00			70,833,550.00	6,095,365.63
01/15/32	72,104.26	90,218.01	736,978.35	5,133,500.00	1,527,104.20	12,128,166.25	65,700,050.00	6,032,800.63
07/15/32	66,822.39	81,182.39	683,722.10	4,786,500.00			60,913,550.00	5,618,226.88
01/15/33	61,989.26	73,575.51	633,915.85	4,635,500.00	1,317,637.95	11,023,207.50	56,278,050.00	5,404,980.63
07/15/33	57,358.64	66,673.64	585,592.10	4,343,500.00			51,934,550.00	5,053,124.38
01/15/34	53,108.01	60,975.51	540,163.35	4,392,500.00	1,125,755.45	10,099,871.25	47,542,050.00	5,046,746.88
07/15/34	48,811.14	55,234.89	494,219.60	4,430,393.00			43,111,657.00	5,028,658.63
01/15/35	44,485.65	49,486.90	447,869.42	4,001,500.00	942,089.02	9,572,000.59	39,110,157.00	4,543,341.96
07/15/35	40,691.27	44,935.02	405,751.92	3,933,500.00			35,176,657.00	4,424,878.21
01/15/36	36,999.40	40,470.65	364,286.92	3,855,500.00	770,038.84	8,722,135.18	31,321,157.00	4,297,256.96
07/15/36	33,400.02	36,300.02	323,414.42	3,742,000.00			27,579,157.00	4,135,114.46
01/15/37	29,976.27	32,291.27	283,646.92	3,306,640.00	607,061.34	7,787,668.93	24,272,517.00	3,652,554.46
07/15/37	26,696.90	28,488.15	249,007.67	3,292,250.00			20,980,267.00	3,596,442.71
01/15/38	23,422.83	25,743.81	217,402.67	2,515,000.00	466,410.34	6,378,012.03	18,751,267.00	2,782,010.84
07/15/38	21,121.58	22,609.08	191,490.17	2,057,455.00			16,693,812.00	2,292,675.84
01/15/39	18,962.27	20,324.77	170,143.12	1,785,000.00	361,633.29	4,287,105.99	14,908,812.00	1,994,430.15
07/15/39	17,149.77	18,378.52	151,513.12	1,662,000.00			13,246,812.00	1,849,041.40
01/15/40	15,496.02	16,594.77	134,100.62	1,369,500.00	285,613.74	3,384,732.80	11,877,312.00	1,535,691.40
07/15/40	14,214.14	15,179.14	119,603.12	1,311,000.00			10,566,312.00	1,459,996.40
01/15/41	13,011.64	13,839.14	105,680.62	999,000.00	225,283.74	2,591,527.80	9,567,312.00	1,131,531.40
07/15/41	11,959.14	12,659.14	95,350.62	629,000.00			8,938,312.00	748,968.90
01/15/42	11,172.89	11,745.39	89,113.12	621,500.00	184,463.74	1,482,500.30	8,316,812.00	733,531.40
07/15/42	10,396.02	10,838.52	82,950.62	630,000.00			7,686,812.00	734,185.15
01/15/43	9,608.52	9,921.02	76,703.12	635,500.00	159,653.74	1,465,917.80	7,051,312.00	731,732.65
07/15/43	8,814.14	8,999.14	70,403.12	644,312.00			6,407,000.00	732,528.40
01/15/44	8,008.75	8,063.75	64,015.00	573,000.00	134,418.12	1,385,615.90	5,834,000.00	653,087.50
07/15/44	7,292.50	7,292.50	58,340.00	557,000.00			5,277,000.00	629,925.00
01/15/45	6,596.25	6,596.25	52,770.00	565,000.00	111,110.00	1,260,887.50	4,712,000.00	630,962.50
07/15/45	5,890.00	5,890.00	47,120.00	556,000.00			4,156,000.00	614,900.00
01/15/46	5,195.00	5,195.00	41,560.00	563,000.00	88,680.00	1,229,850.00	3,593,000.00	614,950.00
07/15/46	4,491.25	4,491.25	35,930.00	570,000.00			3,023,000.00	614,912.50
01/15/47	3,778.75	3,778.75	30,230.00	450,000.00	66,160.00	1,102,700.00	2,573,000.00	487,787.50
07/15/47	3,216.25	3,216.25	25,730.00	458,000.00			2,115,000.00	490,162.50
01/15/48	2,643.75	2,643.75	21,150.00	462,000.00	46,880.00	978,600.00	1,653,000.00	488,437.50
07/15/48	2,066.25	2,066.25	16,530.00	471,000.00			1,182,000.00	491,662.50
01/15/49	1,477.50	1,477.50	11,820.00	462,000.00	28,350.00	968,437.50	720,000.00	476,775.00
07/15/49	900.00	900.00	7,200.00	425,000.00			295,000.00	434,000.00
01/15/50	368.75	368.75	2,950.00	200,000.00	10,150.00	637,687.50	95,000.00	203,687.50
07/15/50	118.75	118.75	950.00	54,000.00			41,000.00	55,187.50
01/15/51	51.25	51.25	410.00	41,000.00	1,360.00	96,700.00	-	41,512.50
<b>Totals:</b>	<b>13,628,036</b>	<b>18,804,136</b>	<b>76,212,790</b>	<b>358,976,883</b>	<b>61,507,158</b>	<b>473,248,746.52</b>		<b>467,619,356</b>

## **APPENDIX B**

# **SFY20 FINANCIAL STATEMENTS UNAUDITED WITH FOOTNOTES**

*Will be included upon completion*



**MONTANA WATER POLLUTION CONTROL AND DRINKING WATER  
STATE REVOLVING FUND PROGRAMS  
COMBINED BALANCE SHEET  
SPECIAL REVENUE AND DEBT SERVICE FUNDS  
JUNE 30, 2021**

	<b>WATER POLLUTION CONTROL</b>			<b>DRINKING WATER</b>			(MEMORANDUM ONLY) <b>TOTAL</b>
	<b>STATE SPECIAL REVENUE</b>	<b>FEDERAL SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>STATE SPECIAL REVENUE</b>	<b>FEDERAL SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 19,298,454		\$ 2,453,398	\$ 21,928,834		\$ 523,109	\$ 44,203,796
Interest Receivable on Loans	415,671		2,408,646	276,446		1,490,882	4,591,645
Due from Federal Government					67,282		67,282
Loans Receivable	\$ 317,675,088			\$ 182,779,059		\$ 4,691,021	
Less Allowance for Loan Forgiveness	-	\$ 6,600,436		-	182,779,059	(4,691,021)	500,454,147
Advances to Other Funds	1,599,294	(6,600,436)	\$ -				1,599,294
<b>Total Assets</b>	<b>\$ 338,988,507</b>	<b>\$ -</b>	<b>\$ 4,862,044</b>	<b>\$ 204,984,339</b>	<b>\$ 67,283</b>	<b>\$ 2,013,991</b>	<b>\$ 550,916,164</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 259						\$ 259
Loans Payable	35,350			\$ 27,000		\$ 44,323	106,673
Vouchers Payable	11			83		137	231
Payroll Payable	17,176			15,251		22,801	55,228
Due to Other BU or Fund						\$ 5,124	5,124
Unearned Revenue						22	22
Advance from BAN (Intercap) Payable						1,811,338	1,811,338
<b>Total Liabilities</b>	<b>\$ 52,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,334</b>	<b>\$ 67,283</b>	<b>\$ 1,816,462</b>	<b>\$ 1,978,875</b>
<b>Fund Balances:</b>							
Fund Balance-Restricted	\$ 338,935,711	\$ -	\$ 4,862,044	\$ 204,942,005	\$ -	\$ 197,529	\$ 548,937,289
<b>Total Liabilities and Fund Balances</b>	<b>\$ 338,988,507</b>	<b>\$ -</b>	<b>\$ 4,862,044</b>	<b>\$ 204,984,339</b>	<b>\$ 67,283</b>	<b>\$ 2,013,991</b>	<b>\$ 550,916,164</b>

The accompanying notes to the financial statements are an integral part of this statement.

**MONTANA WATER POLLUTION CONTROL AND DRINKING WATER  
STATE REVOLVING FUND PROGRAMS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE AND DEBT SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>WATER POLLUTION CONTROL</b>			<b>DRINKING WATER</b>			<b>(MEMORANDUM ONLY) TOTAL</b>
	<b>STATE SPECIAL REVENUE</b>	<b>FEDERAL SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>STATE SPECIAL REVENUE</b>	<b>FEDERAL SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	
<b>REVENUES:</b>							
Federal Capitalization Grant Revenue		\$ 5,438,572			\$ 8,554,798		\$ 13,993,370
Interest Income on Investments	\$ 2,646		\$ 110	\$ 45,849		\$ 14	48,619
Investment Gain/Losses	22		2	21			45
Investment Appr/Depr Income				(27,058)			(27,058)
Interest Income from Loans	1,213,354		6,929,132	717,645		3,863,943	12,724,074
Other Income					198		198
<b>Total Revenues</b>	<b>\$ 1,216,022</b>	<b>\$ 5,438,572</b>	<b>\$ 6,929,244</b>	<b>\$ 736,457</b>	<b>\$ 8,554,996</b>	<b>\$ 3,863,957</b>	<b>\$ 26,739,248</b>
<b>EXPENDITURES:</b>							
Program Administration/Set-Asides	\$ 816,281	\$ 333,320	\$ -	\$ 572,785	\$ 1,689,631	\$ -	\$ 3,412,017
<b>Total Expenditures</b>	<b>\$ 816,281</b>	<b>\$ 333,320</b>	<b>\$ -</b>	<b>\$ 572,785</b>	<b>\$ 1,689,631</b>	<b>\$ -</b>	<b>\$ 3,412,017</b>
<b>Excess Revenues Over/(Under) Expenditures</b>	<b>\$ 399,741</b>	<b>\$ 5,105,252</b>	<b>\$ 6,929,244</b>	<b>\$ 163,672</b>	<b>\$ 6,865,365</b>	<b>\$ 3,863,957</b>	<b>\$ 23,327,231</b>
<b>OTHER FINANCING SOURCES:</b>							
Bond Proceeds	\$ 5,040,000						\$ 5,040,000
Refunding Bond Proceeds	19,825,000						19,825,000
<b>Operating Transfers In:</b>							
BAN (Intercept) Transfers	2,900,000			\$ 3,762,500			6,662,500
Debt Service Sweeps	2,592,187			271,294			2,863,481
Loan Loss Reserve Sweeps	1,088,027			288,904			1,376,931
Federal Capitalization Grant Transfers	2,973,205			3,845,015			6,818,220
Investment Earnings Transfers	75		\$ 216	4		\$ 48	343
Investment Fund (Account) Transfer			2,003,000			603,000	2,606,000
<b>Total Other Financing Sources</b>	<b>\$ 34,418,494</b>	<b>\$ -</b>	<b>\$ 2,003,216</b>	<b>\$ 8,167,717</b>	<b>\$ -</b>	<b>\$ 603,048</b>	<b>\$ 45,192,475</b>
<b>OTHER FINANCING USES:</b>							
Refunding Bond Principal	\$ 19,666,150						\$ 19,666,150
Bond Principal			\$ 1,865,000				1,865,000
Bond/BAN (Intercept) Interest			629,837			\$ 15,412	645,249
Bond Costs of Issuance	191,973			\$ 12,500			204,473
Loan Forgiveness		\$ 2,132,047			\$ 3,020,350		5,152,397
<b>Operating Transfers Out:</b>							
BAN (Intercept) Transfer			2,900,000			3,762,500	6,662,500
Debt Service Sweeps			2,592,187			271,294	2,863,481
Loan Loss Reserve Sweeps			1,088,027			288,904	1,376,931
Federal Capitalization Grant Transfers		2,973,205			3,845,015		6,818,220
Investment Earnings Transfers	216		75	48		4	343
Investment Fund (Account) Transfer	2,003,000			603,000			2,606,000
<b>Total Other Financing Uses</b>	<b>\$ 21,861,339</b>	<b>\$ 5,105,252</b>	<b>\$ 9,075,126</b>	<b>\$ 615,548</b>	<b>\$ 6,865,365</b>	<b>\$ 4,338,114</b>	<b>\$ 47,860,744</b>
<b>Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$ 12,956,896</b>	<b>\$ -</b>	<b>\$ (142,666)</b>	<b>\$ 7,715,841</b>	<b>\$ -</b>	<b>\$ 128,891</b>	<b>\$ 20,658,962</b>
<b>FUND BALANCES JULY 1, 2020</b>	<b>\$ 325,978,815</b>	<b>\$ -</b>	<b>\$ 5,004,710</b>	<b>\$ 197,226,164</b>	<b>\$ -</b>	<b>\$ 68,638</b>	<b>\$ 528,278,327</b>
<b>PRIOR YEAR ADJUSTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES JUNE 30, 2021</b>	<b>\$ 338,935,711</b>	<b>\$ -</b>	<b>\$ 4,862,044</b>	<b>\$ 204,942,005</b>	<b>\$ -</b>	<b>\$ 197,529</b>	<b>\$ 548,937,289</b>

The accompanying notes to the financial statements are an integral part of this statement.

**MONTANA STATE WATER POLLUTION CONTROL AND  
DRINKING WATER STATE REVOLVING FUND PROGRAMS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**1. Organization of the Programs**

The State of Montana Water Pollution Control State Revolving Fund (WPCSRF) program was established pursuant to Title VI of the Federal Water Quality Act of 1987. This federal act established the WPCSRF program to replace the construction grants program. It provides a flexible financing source to loan money at reduced interest rates to finance the construction of publicly owned water pollution control facilities, non-point source pollution control projects, and estuary management plans. Instead of making grants to communities that pay for a portion of building wastewater treatment facilities, the WPCSRF provides for low interest rate loans to finance the entire cost of qualified projects or to refinance debt obligations on projects. The State of Montana first incurred expenditures in the WPCSRF program in state fiscal year (SFY) 1992.

The State of Montana Drinking Water State Revolving Fund (DWSRF) program was established pursuant to the 1996 Amendments to the Federal Safe Drinking Water Act. This federal act established the DWSRF program for states to make loans to community water systems and non-profit non-community water systems. Instead of making grants to communities that pay for a portion of building drinking water treatment facilities, the DWSRF provides for low interest rate loans to finance the entire cost of qualified projects or to refinance debt obligations on projects that began after July 1, 1993. The State of Montana first incurred expenditures in the DWSRF program in SFY 1997.

WPCSRF and DWSRF loan agreements allow up to 30 years for repayment. All repayments of interest and principal must remain in the revolving funds. Both programs are capitalized through Environmental Protection Agency (EPA) grants. States are required to provide at least 16.67 percent of the federal capitalization grant as matching funds for WPCSRF, and at least 20 percent for DWSRF, in order to receive a grant. The State of Montana issues General Obligation (GO) Bonds, Revenue Anticipation Notes (RANs), and Bond Anticipation Notes (BANs) to provide the required state matching funds. RANs and BANs are funded through INTERCAP Loans from the Montana Department of Commerce, Board of Investments.

The programs are jointly administered by the Engineering Bureau of the Department of Environmental Quality (DEQ) and the Conservation and Resource Development Division of the Department of Natural Resources and Conservation (DNRC). The State Revolving Fund (SRF) programs do not have any full-time employees. Both funds are charged for time spent on SRF activities by department employees. The charges include salaries and benefits of the employees, operating expenses and indirect costs.

## **2. Summary of Significant Accounting Policies**

### **A. SRF Program Fund Structure**

Both programs use Special Revenue and Debt Service funds, as appropriate, to report the financial position and the results of operations. A Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. A Debt Service Fund accounts for resources accumulated for payment of principal and interest on general long-term obligation debt, BANs and RANs. Montana maintains State Special Revenue and Federal Special Revenue Funds. The SRF program revenues and expenses include transactions from each Special Revenue Fund. Special Revenue and Debt Service Funds are considered governmental funds.

A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

The financial statements are intended to present the financial position and changes in financial position of only that portion of the financial reporting entity of the state of Montana that is attributed to the transactions of the program.

### **B. Basis of Accounting**

The accompanying financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Also exhibited are supplementary financial schedules prepared on a regulatory basis of presentation as requested by the EPA for the WPCSRF and DWSRF program. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. Current financial resources mean that, generally, only assets and current liabilities are included on the balance sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Governmental funds use the modified accrual basis of accounting. The modified accrual basis is the accrual basis adapted to the governmental fund-type measurement focus. Under the modified accrual basis of accounting, revenues are recorded when received in cash unless susceptible to accrual. Revenues are susceptible to accrual if they are measurable, available and earned within sixty days after the end of the fiscal year to finance expenditures of the fiscal year. Revenues are unearned if material and received before the normal time of receipt or if received for a particular activity and the expense for that activity has not been incurred prior to fiscal year-end. Expenditures are recognized when the related fund liability is incurred, with the following exceptions:

- 1) principal and interest on long-term debt are recognized when due;
- 2) prepayments are accounted for as expenditures in the period of acquisition;
- 3) inventory items are considered expenditures when purchased.

The Loans Receivable and Allowance for Loan Forgiveness balances reside in the Special Revenue funds for each program. The net of these balances represents the total amount considered collectible.

### **C. Valuation**

The book value of bonds is the “amortized” cost, which represents the original cost, adjusted for premium and discount amortizations where applicable. If bonds are purchased at more than the par value, the difference is called a premium. If they are purchased for less than par value, then the difference is called a discount. Premiums and discounts are amortized/accreted using the straight-line or scientific method to the call, average life, or maturity date of the securities. If the same investment has been purchased several times, the average of the purchase prices is the book value. All investment portfolios presented on the Combined Balance Sheet are recorded at fair value based on quoted market price.

### **3. Cash, Cash Equivalents and Investments**

#### **Cash and Cash Equivalent**

Cash and cash equivalents consist of funds deposited with US Bank National Association (US Bank) as trustee, and the State of Montana Treasury and include investments categorized as cash equivalents. Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents are reported at cost. Cash and cash equivalents, as identified in the Combined Balance Sheet, are as follows:

#### **Held by Trustee:**

First American Government Obligation	\$44,203,745
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#### **Investments**

An Indenture of Trust specifies the eligible investments meeting defined rating and risk criteria in which the state may invest. The state invests funds through its trustee bank, US Bank.

Eligible investments are limited, generally, to obligations of, or guaranteed as to principal and interest by the United States of America, or by any agency or instrumentality thereof. A primary investment objective is to purchase investments that mature, or are subject to redemption, on or prior to the date or dates that the department anticipates that money will be required to make funds available for loans or to make bond payments.

In accordance with the permitted investments as defined in the Indenture of Trust, the cash equivalent funds, invested at the direction of the issuer and held by US Bank, as trustee, are held in a Treasury Obligations Money Market Fund that invests exclusively in short-term U.S. Treasury obligations and repurchase agreements secured by U.S. Treasury obligations. The U.S. Treasury

obligations in which the fund invests include U.S. Treasury bonds, notes, and bills, and are backed by the full faith and credit of the United States government.

### **Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The SRF minimizes credit risk by limiting securities and types of investments to the Indenture of Trust. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality per GASB Statement No. 40.

### **Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The investment policy as defined in the Indenture of Trust, and contract with the trustee, does not require collateralization for cash and securities held by the trustee. Securities are registered with the Federal Reserve Bank under "U.S. Bank as trustee for the State of Montana Department of Natural Resources and Conservation."

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment definition for the programs, as specified in the Indenture of Trust, does not explicitly address interest rate risk. However, the investment definition implicitly limits interest rate risks by emphasizing liquidity, holding investments to maturity, and narrowly defining the eligible investments. In general, a shorter average maturity for fixed-income securities held in the money market funds means less sensitivity to interest rate changes.

## **4. Loans Receivable**

Montana operates both SRF programs as direct loan programs. Most loans made to communities through the WPCSRF program are funded 83.33 percent by federal EPA capitalization grants, and 16.67 percent by state match. The WPCSRF program also made recycled loans that were disbursed from loan repayment funds. Most loans made by the DWSRF program are funded 80 percent by federal EPA capitalization grants and 20 percent by state match. The DWSRF program also made recycled loans that were disbursed from loan repayment funds. Loan funds are disbursed to the local borrower agencies by the trustee bank as the local borrower agencies expend funds for the purposes of the loan and request reimbursement from the program. Interest is calculated from the date that funds are disbursed. Typically, after the final disbursement has been made, the payment schedule is certified in the loan agreement and adjusted for the actual amounts disbursed. No provision for uncollectible accounts has been made as all loans are current in terms of compliance with the repayment schedules, and management believes that all loans will be repaid according to the terms of the loan agreements.

The EPA federal funds for capitalization grant loans issued during SFY 2021 have a loan forgiveness component. If the community meets certain requirements, a portion of the loan is forgiven. The State of Montana recorded the forgivable loans in a federal special revenue fund as Loans Receivable with an offset to Allowance for Loan Forgiveness. When a community has met the requirements, the loan receivable and allowance balances are zeroed out. During SFY 2021, the program forgave \$2,093,000 in loans in the WPCSRF and \$1,847,156 in loans for the DWSRF programs.

The drawn and outstanding principal balance of all loans guaranteed by the WPCSRF program as of June 30, 2021, is \$325,874,818 with an allowance for loan forgiveness of \$6,600,436 resulting in a net loans outstanding balance of \$319,274,382 which includes \$1,599,294 presented as advances to other funds. The advances are inter-fund loans within DNRC used for the non-point source private loans program.

The drawn and outstanding principal balance of all loans guaranteed by the DWSRF program as of June 30, 2021, is \$187,470,080 with an allowance for loan forgiveness of \$4,691,021 resulting in a net loans receivable balance of \$182,779,059.

Loans mature at various intervals through January 1, 2051. The scheduled principal payments on loans and advances to other funds maturing in the years following SFY 2021 are as follows:

<b><u>SFY ending June 30:</u></b>	<b><u>WPCSRF Amount</u></b>	<b><u>DWSRF Amount</u></b>
2022	\$ 19,450,656	\$ 13,798,833
2023	21,654,791	13,476,211
2024	27,618,471	13,366,419
2025	19,494,400	12,822,747
2026	18,090,128	12,203,000
2027 and thereafter	<u>212,965,936</u>	<u>117,111,849</u>
<b>Total</b>	<b>\$ 319,274,382</b>	<b>\$ 182,779,059</b>

As of June 30, 2021, the WPCSRF and DWSRF programs had authorized loans to public entities of the State of Montana that in the aggregate exceeded \$725.0 and \$401.8 million, respectively. The outstanding balances of the largest loans in each portfolio are as follows:

<b><u>Water Pollution Control State Revolving Fund</u></b>		
<b><u>Local Agency</u></b>	<b><u>Authorized Loan Amount</u></b>	<b><u>Outstanding Balance</u></b>
City of Glendive	\$ 16,226,870	\$ 14,288,000
City of Kalispell	14,470,000	6,090,000
Four Corners WSD	11,300,000	10,912,000
City of Great Falls	11,295,267	668,000
City of Havre	10,437,710	8,056,000
Butte-Silver Bow County III	10,268,000	8,688,000

Butte-Silver Bow County I	10,000,000	8,135,000
City of Whitefish	10,000,000	9,410,000
Butte-Silver Bow County II	10,000,000	8,301,000
City of Whitefish*	9,575,000	5,513,656
<b>Total</b>	<b>\$ 113,572,847</b>	<b>\$ 80,061,656</b>

\* Still drawing funds.

**Drinking Water State Revolving Fund**

<b><u>Local Agency</u></b>	<b><u>Authorized Loan Amount</u></b>	<b><u>Outstanding Balance</u></b>
City of Billings II	\$ 17,300,000	\$ 4,797,000
City of Bozeman A	10,000,000	6,257,000
City of Great Falls A	10,000,000	8,191,000
City of Great Falls B	10,000,000	8,588,000
City of Bozeman B	9,552,000	6,411,000
City of Great Falls C	8,600,000	7,566,000
City of Havre II	8,401,000	1,385,000
City of Bozeman	7,573,000	6,505,000
City of Glendive B	7,000,000	6,727,000
City of Billings III	6,759,215	3,360,000
<b>TOTAL</b>	<b>\$ 95,185,215</b>	<b>\$ 59,787,000</b>

**5. Interest Receivable on Loans**

The interest receivable on loans represents interest owed by borrowers as of June 30, 2021, for the July 1, 2021, payment. It represents the six months of interest accrued from the previous loan payment date of January 1, 2021. Interest receivable balances in the WPCSRF include \$415,671 in the Special Administration fund and \$2,408,646 in the Debt Service and Loan Loss Reserve funds. Interest receivable in the DWSRF includes \$276,446 in the Special Administration fund and \$1,490,882 in the Debt Service and Loan Loss Reserve funds. Interest receivable does not include interest payments received through June 30, 2021, that were due July 1, 2021. Interest payments received through June 30, 2021, amounted to \$1,289,144 for the WPCSRF and \$559,326 for the DWSRF.

**6. Short-term Debt**

The state may issue notes in anticipation of a Bond issuance. During SFY 2021, one bond anticipation note (BAN) was issued. The proceeds of Drinking Water 2020N will be used to fund water improvements and rehabilitation.



The following schedule summarized the activity for the year ended June 30, 2021:

<b>BANS</b>	<b>Begin Bal</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Bal</b>
Drinking Water-2019A	\$ 600,000	\$ -	\$ 600,000	\$ -
Drinking Water-2019D	1,300,000	2,100,000	3,251,162	148,838
Wastewater-2020D	1,100,000	2,900,000	4,000,000	-
Drinking Water 2020N <sup>1</sup>	-	1,662,500	-	1,662,500
<b>Total</b>	<b>\$ 3,000,000</b>	<b>\$ 6,662,500</b>	<b>\$ 7,851,162</b>	<b>\$ 1,811,338</b>

<sup>1</sup> DW 2020N has not been fully drawn. Balance yet to draw \$ 1,537,500.

## 7. Bonds Payable

WPCSRF general obligation bonds payable at June 30, 2021, were as follows:

### Series 2020J

<b>Payable during the year ending June 30,</b>	<b>Interest Range (%)</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	0.2%-2.1%	\$ 1,620,000	\$ 331,431	\$ 1,951,431
2023		1,520,000	327,214	1,847,214
2024		1,525,000	321,038	1,846,038
2025		1,535,000	312,421	1,847,421
2026		1,540,000	301,965	1,841,965
2027-2031		7,965,000	1,238,931	9,203,931
2032-2036		7,710,000	562,875	8,272,875
2037-2041		1,450,000	90,749	1,540,749
<b>Total Cash Requirements</b>		<b>\$ 24,865,000</b>	<b>\$ 3,486,624</b>	<b>\$ 28,351,624</b>

WPCSRF GO 2015C was refunded early in FY 2021 by GO 2020J.

### Refunded Bonds

On October 20, 2020, the State of Montana issued revenue refunding bonds and new money in the amount of \$19,825,000 and \$5,040,000 respectively. These bonds are known as General Obligation Bonds (Water Pollution Control State Revolving Fund Program, Refunding and Match), Taxable Series 2020J. The current refunding of General Obligation Bonds (Water Pollution Control State Revolving Fund Program), Series 2015C, in the par amount of \$19,320,000 resulted in an economic gain of \$ 1,528,715 and the present value of savings from cash flows of \$4,768,553.

## 8. Fund Balance

All the fund balances in the WPCSRF and DWSRF programs are restricted. The classification of Fund Balance Restricted is used in the SRF program because the use of resources is restricted by parties outside the state, such as EPA and the bond holders.

## 9. Program Capitalization

The WPCSRF and DWSRF programs are capitalized by grants from the EPA and matching funds from the State of Montana. All grant funds drawn are recorded as revenue. As of June 30, 2021, the state match requirement in the WPCSRF program is approximately \$42,190,000 but the state has matched additional funds of approximately \$76,902,000. As of June 30, 2021, the state match requirement in the DWSRF program is approximately \$57,225,000, but the state has matched additional funds of approximately \$9,246,000.

## 10. Federal Capitalization Grant Revenue

Actual draws of federal funds can differ from the amount of federal capitalization grant revenue reported on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances. This occurs because state accounting policy requires federal special revenue funds reflect a zero-fund balance at fiscal year-end (except for "A" accruals). Consequently, at fiscal year-end, if a positive fund balance exists, unearned revenue is recorded and if a negative fund balance exists, an accounts receivable is established, and revenue is recorded to zero the fund balance.

The following is a reconciliation of federal revenues reported on the financial statements to federal cash actually drawn during the state fiscal year:

<b><u>WPCSRF</u></b>	
<b>Federal Revenue - Combined Statement</b>	<b>\$5,438,572</b>
Adjustment Due From Federal Govt SFY 2020	-
Other Adjustments	-
<b>Total Federal Draws</b>	<b>\$5,438,572</b>
<b><u>DWSRF</u></b>	
<b>Federal Revenue - Combined Statement</b>	<b>\$8,554,798</b>
Adjustment Due From Federal Govt SFY 2020	82,918
Adjustment Due From Federal Govt SFY 2021	(67,282)
Other Adjustments	-
<b>Total Federal Draws</b>	<b>\$8,570,434</b>

## 11. Interest Income on Investments

This revenue represents interest earnings on investments within the funds and amortized (premiums) and accreted discounts recognized monthly and at the disposal of government securities. All assets of the funds are fully invested by the trustee, to the degree possible, in investment vehicles. The investments range from U.S. Treasury obligation money market funds to long-term government securities. In some funds, interest income is earned in one fund but transferred to another fund in accordance with terms of the bond indenture.

## 12. Investment Gains/ (Losses)

This revenue represents amortized (premiums) and accreted discounts recognized monthly and at the disposal of government securities.

## 13. Investment Appreciation/(Depreciation) Income

This revenue represents the appreciation or depreciation of the investments reported from the Cash Value to the Market Value at June 30, 2021.

## 14. Interest Income from Loans

This revenue represents interest earnings from loan repayments made by borrowers. In SFY 2013, the SRF programs offered borrowers who issued revenue and general obligation bonds the chance to restructure their interest rates. Depending upon the term remaining to repay their loans, the new interest rates are between 1.25% and 3% as compared to current rates of 2.5%. Loans must be in compliance with the program and bond requirements. The total interest rate can be comprised of a percentage for loan interest rate, Loan Loss Reserve surcharge and Special Administration surcharge. For SFY 2021, the interest incomes for each of these components were as follows:

	<u>WPCSRF</u>	<u>DWSRF</u>
Loan Interest	\$ 6,191,321	\$ 3,488,159
Loan Loss Reserve	737,811	375,783
Special Administration	<u>1,213,354</u>	<u>717,645</u>
<b>Total Interest Income</b>	<b>\$ 8,142,486</b>	<b>\$ 4,581,587</b>

## 15. Program Administration and Set-Aside Funds

This expenditure represents costs incurred by DEQ and DNRC to administer the SRF programs. They are reflected in special revenue funds (both federal grant funds and state funds are used). Program Administration appears under the Resource/recreation/environment function in the State of Montana Annual Comprehensive Financial Report (ACFR).

The DWSRF program includes program administration as well as several “sub-programs”, called set-asides, which states can elect. The following details what percentage of capitalization grants a State may use for administration and set-asides:

- up to 4 percent of its grants to administer the DWSRF and provide technical assistance to public water systems;
- up to 2 percent of its grants to provide assistance to small public water systems;
- up to 10 percent of its grants for state program management activities, including administration of the state public water system supervision program, administration of the source water protection program, and development and implementation of the capacity development and operator certification programs;
- up to 15 percent of its grants to assist in the development and implementation of local drinking water protection initiatives and other State programs.

**DWSRF Program Administration/Set-Asides Detail:**

Administration - EPA Grants	\$ 440,638
Administration - State Funds	572,785
Technical Assistance	129,405
State Program Management	887,606
Local Assistance	<u>231,982</u>
<b>Total Administration and Set-Asides</b>	<b>\$2,262,416</b>

In the WPCSRF program, there are no set-aside funds available.

**WPCSRF Program Administration Detail:**

Administration - EPA Grants	\$ 333,320
Administration - State Funds	<u>816,281</u>
<b>Total Administration</b>	<b>\$1,149,601</b>

**16. Other Financing Sources and Uses**

The BAN (Intercap) Transfers represent the non-cash transfer from the BAN proceeds State Special Revenue account (fund) to the Debt Service account (fund). This transfer is required to move the BAN (Intercap) liability to the fund that will service the debt.

The Debt Service Sweep represents loan interest amounts received that exceeds the debt service requirements. The balances remaining in Debt Service accounts are transferred to the Investment accounts in State Special Revenue funds. Both funds are required by the SRF program. This occurs after payments are made to the bondholders on January 15 and July 15 of each year. In the Arbitrage Certificate, this activity is termed a Debt Service Sweep.

The Loan Loss Reserve Sweep represents cash in excess of the reserve requirement that is transferred from the Loan Loss Reserve accounts to the Principal or Debt Service accounts per the trust indentures. The Loan Loss Reserve funds are not required by the SRF program, but the state elected to have these funds to account for these transactions separately. These transfers are only visible on the Regulatory Basis Financial Statements. The entries are eliminated on the GAAP Basis Financial Statements.

The Special Administration Account Transfer represents the transfer of funds from the Special Administration accounts to the Principal accounts per the trust indenture. This transfer is only visible on the Regulatory Basis Financial Statements. The entries are eliminated on the GAAP Financial Statements.

The Federal Capitalization Grant Transfers represent the transfer of EPA grant funds from federal special revenue funds to the Loan Accounts in state special revenue funds to fund loans that will be repaid. These transfers are only visible on the GAAP Financial Statements. The entries are eliminated on the Regulatory Basis Financial Statements.

The Investment Earnings Transfers represent the transfers of the balances of earnings to various accounts within each SRF program per the trust indenture.

The Investment Fund (Account) Transfers represent the transfers of funds from the Investment accounts to the Principal and Debt Service accounts as needed within each SRF program per the trust indenture.

The Bond Cost of Issuance (COI) to Bond Proceeds Transfers represent the transfer of excess funds from the COI account to the proceeds account after all COI was paid.

### **17. Related Party Transaction**

Per Title 85, Chapter 1, part 6, MCA, Renewable Resource Grant and Loan Program, the department is eligible to issue GO bonds for the purpose of making private sale loans. DNRC has applied and received “recycled loan funds” from the SRF program for the non-point source private loan program. The loans are GO private sale bonds. The current loans in repayment have a balance of \$1,599,294, have interest rate 2.5% and are repaid over 15 years. These loans are presented as Advances to Other Funds on the balance sheets.

### **18. Subsequent Events**

On July 15 ,2021, DNRC paid off the Drinking Water 2019D BAN balance of \$148,838.

**MONTANA WATER POLLUTION CONTROL AND DRINKING WATER  
SCHEDULE OF REVOLVING AND NON-REVOLVING SRF PROGRAMS  
BALANCE SHEET  
SPECIAL REVENUE AND DEBT SERVICE FUNDS  
REGULATORY BASIS  
JUNE 30, 2021**

	WATER POLLUTION CONTROL SPECIAL REVENUE		WATER POLLUTION CONTROL DEBT SERVICE FUND		DRINKING WATER SPECIAL REVENUE		DRINKING WATER DEBT SERVICE FUND		(MEMORANDUM ONLY) TOTAL
	REVOLVING FUND	NON REVOLVING FUND	REVOLVING FUND	NON REVOLVING FUND	REVOLVING FUND	NON REVOLVING FUND	REVOLVING FUND	NON REVOLVING FUND	
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 17,322,363	\$ 1,976,091	\$ 1,357,479	\$ 1,095,919	\$ 19,776,703	\$ 2,152,133	\$ 462,324	\$ 60,784	\$ 44,203,796
Interest Receivable on Loans		415,671	2,165,201	243,445		276,446	1,355,883	135,000	4,591,646
Due from Federal Government					67,282				67,282
Loans Receivable	\$ 324,275,524				\$ 187,470,080				500,454,147
Less Allowance for Loan Forgiveness	(6,600,436)	317,675,088			(4,691,021)	182,779,059			1,599,294
Advances to Other Funds		1,599,294							
<b>Total Assets</b>	<b>\$ 336,596,745</b>	<b>\$ 2,391,762</b>	<b>\$ 3,522,680</b>	<b>\$ 1,339,364</b>	<b>\$ 202,623,044</b>	<b>\$ 2,428,579</b>	<b>\$ 1,818,207</b>	<b>\$ 195,784</b>	<b>\$ 550,916,165</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts Payable		\$ 259							\$ 259
Loans Payable		35,350			\$ 44,323	\$ 27,000			106,673
Vouchers Payable		11			137	83			231
Payroll Payable		17,176			22,801	15,252			55,229
Due to Other BU or Fund							\$ 5,124		5,124
Unearned Revenue					22				22
Advance from BAN (Intercept) Payable							1,811,338		1,811,338
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 52,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,283</b>	<b>\$ 42,335</b>	<b>\$ 1,816,462</b>	<b>\$ -</b>	<b>\$ 1,978,876</b>
<b>Fund Balances:</b>									
Fund Balance-Restricted	\$ 336,596,745	\$ 2,338,966	\$ 3,522,680	\$ 1,339,364	\$ 202,555,761	\$ 2,386,244	\$ 1,745	\$ 195,784	\$ 548,937,289
<b>Total Liabilities and Fund Balances</b>	<b>\$ 336,596,745</b>	<b>\$ 2,391,762</b>	<b>\$ 3,522,680</b>	<b>\$ 1,339,364</b>	<b>\$ 202,623,044</b>	<b>\$ 2,428,579</b>	<b>\$ 1,818,207</b>	<b>\$ 195,784</b>	<b>\$ 550,916,165</b>

This schedule is prepared on a regulatory basis of presentation, rather than a GAAP (1) basis, as requested by the Environmental Protection Agency (EPA) for the Water Pollution Control and Drinking Water State Revolving Fund (SRF) Programs. This presentation separates certain regulated Revolving Fund (within the Fund) and Non-Revolving Fund (outside the Fund) activity by fund type. All proceeds from the EPA Capitalization Grant, corresponding state matching funds, and loan principal and interest repayments must be deposited into the Revolving Fund under Title VI of the Clean Water Act and Title XIV of the Safe Drinking Water Act. Other proceeds, including Administration and Origination Fees and Loan Loss Reserves are deposited into the Non-Revolving Fund and may be used for other water quality purposes under the federal acts mentioned above.

(1) Generally Accepted Accounting Principles (GAAP).

**MONTANA WATER POLLUTION CONTROL AND DRINKING WATER  
SCHEDULE OF REVOLVING AND NON-REVOLVING SRF PROGRAM  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE AND DEBT SERVICE FUNDS  
REGULATORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	WATER POLLUTION CONTROL SPECIAL REVENUE		WATER POLLUTION CONTROL DEBT SERVICE FUND		DRINKING WATER SPECIAL REVENUE		DRINKING WATER DEBT SERVICE FUND		(MEMORANDUM ONLY) TOTAL
	REVOLVING FUND	NON REVOLVING FUND	REVOLVING FUND	NON REVOLVING FUND	REVOLVING FUND	NON REVOLVING FUND	REVOLVING FUND	NON REVOLVING FUND	
<b>REVENUES:</b>									
Federal Capitalization Grant Revenue	\$ 5,438,572				\$ 8,554,798				\$ 13,993,370
Interest Income on Investments	2,493	\$ 154	\$ 41	\$ 69	45,715	\$ 134	\$ 11	\$ 3	48,620
Investment Gain (Losses)	18	3	1	1	19	2			44
Investment Appr/Depr Inc					(27,058)				(27,058)
Interest Income from Loans		1,213,354	6,191,321	737,811		717,645	3,488,159	375,783	12,724,073
Other Income					198				198
<b>Total Revenues</b>	<b>\$ 5,441,083</b>	<b>\$ 1,213,511</b>	<b>\$ 6,191,363</b>	<b>\$ 737,881</b>	<b>\$ 8,573,672</b>	<b>\$ 717,781</b>	<b>\$ 3,488,170</b>	<b>\$ 375,786</b>	<b>\$ 26,739,247</b>
<b>EXPENDITURES:</b>									
Program Administration/Set-Asides	\$ 399,995	\$ 749,606	\$ -	\$ -	\$ 1,689,630	\$ 572,785	\$ -	\$ -	\$ 3,412,016
<b>Total Expenditures</b>	<b>\$ 399,995</b>	<b>\$ 749,606</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,689,630</b>	<b>\$ 572,785</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,412,016</b>
<b>Excess Revenues Over/(Under) Expenditures</b>	<b>\$ 5,041,088</b>	<b>\$ 463,905</b>	<b>\$ 6,191,363</b>	<b>\$ 737,881</b>	<b>\$ 6,884,042</b>	<b>\$ 144,996</b>	<b>\$ 3,488,170</b>	<b>\$ 375,786</b>	<b>\$ 23,327,231</b>
<b>OTHER FINANCING SOURCES:</b>									
Bond Proceeds	\$ 5,000,000	\$ 40,000							\$ 5,040,000
Refunding Bond Proceeds	19,666,150	158,850							19,825,000
<b>Operating Transfers In:</b>									
BAN (Intercap) Transfers	2,900,000				\$ 3,750,000	\$ 12,500			6,662,500
Debt Service Sweeps	2,592,187				271,294				2,863,481
Loan Loss Reserve Sweeps	1,088,027		\$ 339,699		288,904		\$ 190,000		1,906,630
Special Administration Account Transfer	1,000,000								1,000,000
Investment Earnings Transfers	75		216		4		48		343
Investment Fund (Account) Transfer			2,003,000				603,000		2,606,000
Bond COI to Bond Proceeds Transfer	6,877								6,877
<b>Total Other Financing Sources</b>	<b>\$ 32,253,316</b>	<b>\$ 198,850</b>	<b>\$ 2,342,915</b>	<b>\$ -</b>	<b>\$ 4,310,202</b>	<b>\$ 12,500</b>	<b>\$ 793,048</b>	<b>\$ -</b>	<b>\$ 15,045,831</b>
<b>OTHER FINANCING USES:</b>									
Refunding Bond Principal	\$ 19,666,150								\$ 19,666,150
Bond Principal			\$ 1,865,000						1,865,000
Bond/BAN (Intercap) Interest			629,837				\$ 15,412		645,249
Bond Costs of Issuance		\$ 191,973				\$ 12,500			204,473
Loan Forgiveness	2,132,047				\$ 3,020,350				5,152,397
<b>Operating Transfers Out:</b>									
BAN (Intercap) Transfer			2,900,000				3,762,500		6,662,500
Debt Service Sweeps			2,592,187				271,294		2,863,481
Loan Loss Reserve Sweeps				\$ 1,427,726			\$ 478,904		1,906,630
Special Administration Account Transfer		1,000,000							1,000,000
Investment Earnings Transfers	216		7	68	48		1	3	343
Investment Fund (Account) Transfer	2,003,000				603,000				2,606,000
Bond COI to Bond Proceeds Transfer	6,877								6,877
<b>Total Other Financing Uses</b>	<b>\$ 23,801,413</b>	<b>\$ 1,198,850</b>	<b>\$ 7,987,031</b>	<b>\$ 1,427,794</b>	<b>\$ 3,623,398</b>	<b>\$ 12,500</b>	<b>\$ 4,049,207</b>	<b>\$ 478,907</b>	<b>\$ 42,579,100</b>
<b>Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$ 13,492,991</b>	<b>\$ (536,095)</b>	<b>\$ 547,247</b>	<b>\$ (689,913)</b>	<b>\$ 7,570,846</b>	<b>\$ 144,996</b>	<b>\$ 232,011</b>	<b>\$ (103,121)</b>	<b>\$ 20,658,962</b>
FUND BALANCES JULY 1, 2020	\$ 323,103,754	\$ 2,875,061	\$ 2,975,433	\$ 2,029,277	\$ 194,984,915	\$ 2,241,248	\$ (230,266)	\$ 298,905	\$ 528,278,327
PRIOR YEAR ADJUSTMENTS	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES JUNE 30, 2021</b>	<b>\$ 323,103,754</b>	<b>\$ 2,875,061</b>	<b>\$ 2,975,433</b>	<b>\$ 2,029,277</b>	<b>\$ 194,984,915</b>	<b>\$ 2,241,248</b>	<b>\$ (230,266)</b>	<b>\$ 298,905</b>	<b>\$ 528,278,327</b>
	<b>\$ 336,596,745</b>	<b>\$ 2,338,966</b>	<b>\$ 3,522,680</b>	<b>\$ 1,339,364</b>	<b>\$ 202,555,761</b>	<b>\$ 2,386,244</b>	<b>\$ 1,745</b>	<b>\$ 195,784</b>	<b>\$ 548,937,289</b>

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(1) Generally Accepted Accounting Principles (GAAP).

## **APPENDIX C**

### **SFY2021 AMENDED INTENDED USE PLAN**



**DRINKING WATER STATE REVOLVING FUND  
INTENDED USE PLAN  
AND PROJECT PRIORITY LIST**

**STATE FISCAL YEAR 2021**

**~~JULY 29, 2020~~**

**Amended February 9, 2021**

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
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## 1.0 INTRODUCTION

The 1995 Montana Legislature created the drinking water revolving fund with the passage of HB493. In 1997, the Legislature amended the program with HB483 to make Montana law consistent with the reauthorization of the Safe Drinking Water Act (SDWA) passed in 1996. This legislation, now codified as Montana Code Annotated (MCA) 75-6-201, et seq., authorizes the Montana Department of Environmental Quality (DEQ) and the Montana Department of Natural Resources and Conservation (DNRC) to develop and implement the program, and it established the Drinking Water State Revolving Fund (DWSRF) Advisory Committee.

The Advisory Committee consists of one state representative, one state senator, one member representing the Montana League of Cities and Towns, one county commissioner representing the Montana Association of Counties, one representative from DNRC and one representative from DEQ. The Committee advises DEQ and DNRC on policy decisions that arise in developing and implementing the DWSRF, and it reviews the program's Intended Use Plan (IUP). The DWSRF is administered by DEQ and DNRC and is similar to the Water Pollution Control State Revolving Fund (WPCSRF).

The DWSRF program received U.S. Environmental Protection Agency (EPA) approval and was awarded its first (Federal Fiscal Year [FFY] 1997) capitalization grant on June 30, 1998. The FFY 1998 through 2020 capitalization grants have subsequently been awarded. DEQ will likely apply for at least portions of the FFY 2021 grant later in State Fiscal Year (SFY) 2021.

The program offers below-market loans for construction of public health-related infrastructure improvements as well as provides funding for other activities related to public health and compliance with the SDWA. These other activities, or set-asides, include administration of the DWSRF program, technical assistance to small communities, as well as financial and managerial assistance, source water protection (SWP) activities, operator certification and assistance with administration of activities in the Public Water Supply Program (PWSP).

As the primacy agency responsible for implementation of the SDWA, DEQ is also responsible for the oversight of the State Revolving Fund (SRF) program. This role consists primarily of providing technical expertise, while DNRC provides financial administration of project loans and oversees the sale of state General Obligation (GO) bonds. A portion of the funds for this program come to Montana in the form of capitalization grants through EPA. Montana provides the required 20% matching funds by issuing state GO bonds. Interest on the project loans is used to pay the GO bonds, thus using no state general funds to operate the program. The repaid principal on the project loans is used to rebuild the DWSRF loan fund and to fund additional projects in the future. The federal capitalization grants were only authorized through FFY 2004; however, Congress continues to appropriate funding for the program. Federal and state law requires the DWSRF to be operated in perpetuity.

The 1996 Amendments to SDWA include requirements for each state to prepare an annual IUP for each capitalization grant application. This is the central component of the capitalization grant application, and describes how the state will use the DWSRF to meet SDWA objectives and further the protection of public health. The IUP contains the following elements:

1. Short and long-term goals of the program.
2. Project priority list, including description and size of community.

- 
3. Criteria and method used for distribution of funds.
  4. Description of the financial status of the DWSRF program.
  5. Amounts of funds transferred between the DWSRF and the WPCSRF.
  6. Description of the set-aside activities and percentage of funds, that will be used from the DWSRF capitalization grant, including DWSRF administrative expenses allowance, PWSP support, technical assistance, etc.
  7. Description of how the program defines a disadvantaged system and the amount of DWSRF funds that will be used for this type of loan assistance.

As required, DEQ has prepared this IUP and is providing it to the public for review and comment prior to submitting it to EPA as part of its next capitalization grant application. Additionally, pursuant to state law, after public comment and review, DEQ will submit the IUP and a summary of public comments to the Advisory Committee for review, comment and recommendations.

## **2.0 LONG-TERM GOALS**

1. To maintain a permanent, self-sustaining SRF program that will serve as a cost-effective, convenient source of financing for drinking water projects to ensure SDWA compliance and sustainable infrastructure in Montana.
2. To provide a financing and technical assistance program to help public water supplies achieve and maintain compliance with federal and state drinking water laws and standards for the protection and enhancement of Montana's public drinking water.

## **3.0 SHORT-TERM GOALS**

1. To continue implementation and maintain the DWSRF program in Montana.
2. To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection By-Products, Long Term 2 Enhanced Surface Water Treatment, and Arsenic Rules. Montana anticipates funding at least 5 projects to address these rules in SFY 2021.
3. To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expects to fund 4 consolidation projects in SFY 2021.
4. To fund projects that address replacement of aging infrastructure. Montana anticipates funding at least 17 projects of this type in SFY 2021.
5. To fund projects that develop system sustainability through financial capacity by refinancing existing debt. No refinancing loans are expected in SFY 2021.
6. To ensure the technical integrity of DWSRF projects through the review of planning, design plans and specifications, and construction activities.
7. To provide outreach to communities and utilize the set-aside funding by:
  - a. providing technical assistance to water supplies who request help with their system operation and maintenance procedures.
  - b. providing financial and managerial assistance as part of capacity development education to those water supplies who request this type of help.
  - c. assisting communities with the next phases of implementation of their Source Water/ Wellhead Protection Plans.

- 
- d. emphasizing that PWSP staff perform sanitary surveys; facilitate SDWA compliance of the Long Term 2 Enhanced Surface Water Treatment, Stage 2 Disinfectant/Disinfection By-Products, Groundwater, and Arsenic Rules.
  - e. ensuring that 95% or more of the state's community and non-transient non-community water systems continue to have certified operators.
8. To ensure the financial integrity of the DWSRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.
  9. To ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations.

In SFY 2021, Montana expects to execute 26 new binding commitments, and close 26 loans totaling approximately \$34 million in drinking water infrastructure projects that will serve a total population of approximately 94,968. (Please see Anticipated Funding List, **Section 6.0**).

Through SFY 2020, Montana's DWSRF fund utilization rate (cumulative loan agreement dollars to the cumulative funds available for projects) was approximately 89.1% (\$364.9M in non-American Recovery and Reinvestment Act (ARRA) loans to \$409.7M available funds). In the coming SFY 2021, we anticipate our pace to be approximately 90.4% (\$398.9M in expected loans to approximately \$441.4M in funds available for projects.)

In SFY 2020, the rate at which DWSRF projects progressed as measured by disbursements as a percent of assistance provided was approximately 96.6% (\$352.5M in disbursements to \$364.9 in non-ARRA loans), above the national average of 85%. In SFY 2021, the DWSRF program intends to maintain this construction pace at or above 90%.

It is anticipated that approximately 100 small public water systems will again receive on-site Technical Assistance through providers under contract with DEQ. In addition, it is expected that approximately another 25 public water systems will receive on-site Capacity Development assistance with financial and managerial issues through providers also under contract with DEQ.

The PWSP will continue to develop, maintain, and utilize the Safe Drinking Water Information System (SDWIS)/State database for compliance reporting; develop, maintain, and implement requirements for primacy of all primary SDWA contaminants, and perform approximately 400 engineering design reviews for proposed water system improvement projects. The Operator Certification program is planning to hold, sponsor, or participate in approximately 15 training workshops and administer approximately 300 certification exams.

Finally, the SWP program has previously completed all Source Water Delineation and Assessments reports, and will continue SWP Plan implementation in SFY 2021.

## **4.0 PROJECT PRIORITY LIST**

To update its comprehensive project list, DEQ initially sent surveys to all community and non-profit non-community water systems in Montana. Approximately 870 public water supplies were originally contacted. DEQ and DNRC staff also confer with many of these systems on an on-going basis in an attempt to build as current of a comprehensive list as possible.

---

Systems that are in significant non-compliance with regulatory requirements must adopt a plan for returning to compliance as part of their DWSRF funding proposal (if the proposal does not intrinsically address this concern). Projects that primarily expand system capacity or enhance fire protection capabilities may not be eligible for funding unless public health or compliance issues also are addressed by the project.

**Appendix 2** contains a comprehensive list of public water systems in Montana that have expressed interest in the DWSRF, that are planning capital improvement projects, or that have been identified as serious public health risks by DEQ. It is not anticipated that all of the projects in **Appendix 2** will use SRF funds. Some systems do not have major projects planned; the remainders expect to be proceeding with projects in the near future or next several years. Cost information is not always available, as some systems may have not completed the financing plans for their projects at the time they are added to the project list.

## **4.1 ELIGIBLE SYSTEMS**

The SDWA allows DWSRF assistance to publicly and privately-owned community water systems and nonprofit non-community water systems, other than systems owned by Federal agencies. Federal Regulations also set forth certain circumstances under which systems that will become community water systems upon completion of a project may be eligible for assistance. The SDWA requires that loan recipients must demonstrate the technical, financial, and managerial capacity (TFM) to comply with the SDWA and not be in significant noncompliance with any requirement of a national primary drinking water standard or variance. The DEQ and DNRC will assess TFM and compliance in accordance with Chapter One of their Handbook of Procedures after loan applications have been received. Those systems lacking in TFM or compliance may still be eligible for a loan if the loan will address the non-compliance, or the system agrees to undertake feasible and appropriate changes in operations, which may include changes in ownership, management, accounting, rates, maintenance, consolidation, alternative water supply or other procedures as an enforceable term of the loan agreement or pursuant to an enforceable Administrative or Court Order. (Please also see discussion of Capacity Development, **Section 16.0**.)

Due to recent significant population growth in Montana and the expansion of water and sewer services to accommodate that growth, both the WPCSRF and DWSRF programs have modified and continue to implement growth policies which address the eligibility of certain types of projects to receive SRF funding.

## **4.2 LIMITATIONS ON INDIVIDUAL PROJECT FINANCING**

DEQ, DNRC and the DWSRF Advisory Committee have previously discussed at length whether to attempt to limit the total amount of loans available to any one project and if so, how. The Committee determined that should the actual demand for funds during the period of time covered by an IUP exceed the funds available for that same period, then the maximum amount of loan funds available to any one project could not exceed either \$5 million or 50% of the total capitalization grant amount for that period. Actual demand is not known until applications are received from those projects ready to proceed within the timeframe of a particular capitalization grant. At that point, DEQ and DNRC, in consultation with the Advisory Committee, determine whether the limit on individual projects should be applied in that round. To date, no limitations have been placed on the amount of the loan applications.



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## 5.0 SUBSIDIES TO DISADVANTAGED COMMUNITIES

Communities seeking a DWSRF loan that meet the disadvantaged community criterion listed below may receive an additional subsidy on their SRF loans, beyond the standard below-market rate financing, in the form of some principal forgiveness. This includes communities that will meet the disadvantaged criterion based on projected user rates as a result of the project.

A community is considered economically disadvantaged when its combined annual 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 water system, the percentage is 1.4% of the community's MHI. These percentages are consistent with affordability requirements for 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 normal depreciation and replacement expenses.

To assist these economically disadvantaged communities, the DWSRF loan program will provide to qualifying communities 50% principal forgiveness of the loan amount, up to a maximum of \$500,000. The regular interest rate will apply to the balance of the loan. Only one principal forgiveness subsidy, up to \$500,000 total, will be allowed per project. Projects with the highest user rates relative to MHI will be given priority status. Refinancing of existing debt is not eligible for principal forgiveness. SRF funding must be utilized to include actual project construction and not just for preliminary or design engineering only. A project must be ready to proceed to construction. That is defined to include having all required permits and approvals, complete project funding in place, and in a position to advertise for bids and make a contract award.

The total amount of principal forgiveness that the DWSRF may make under the FFY 2020 capitalization grant will be limited to 30% of that capitalization grant. This measure is taken to ensure that the corpus of the DWSRF fund will be maintained and thus that the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. If any capitalization grant funds are transferred to the WPCSRF program, the corresponding principal forgiveness amount (30%) will also be transferred. Qualifying disadvantaged communities also are eligible for extended loan terms of up to 30 years, provided the loan term does not exceed the design life of the project.

## 6.0 ANTICIPATED FUNDING LIST

DEQ became eligible to apply for the FFY 2020 federal capitalization grant on October 1, 2019, and this grant has subsequently been awarded. It is anticipated that we will apply for the FFY 2021 grant later in SFY 2021.

Montana matches its federal capitalization grant by 20% using state GO bonds, which would result in an 83/17 federal to state ratio in total. Since set-aside activities are funded entirely by federal grant funds, it leaves a lesser amount of federal funds, combined with all of the state match funds, to be used on projects. Montana also periodically deposits DWSRF fees into the fund to also be used for match.

During SFY 2021, the State of Montana will continue to issue state match bonds and sweep excess SRF fees, and deposit both sources of match into the SRF to be used for projects. These funds will be used to match future federal grants.

**Table 1** contains those projects that the DWSRF program anticipates will be funded with the FFY 2020 and previous capitalization grants, in conjunction with the 20% state match. This list represents those projects most likely to proceed, starting from the highest ranked projects on the comprehensive priority list (see discussion of ranking criteria in **Appendix 1**). Projects that qualify for potential principal forgiveness are indicated with a “P” beside the proposed project cost. It is possible that, if other projects are ready to proceed before those on this list, the actual projects that are ultimately funded may vary from those indicated on this list. This did occur during calendar years 1998 through 2019. It is expected to happen again due to the high variability in project schedules, needs, other funding sources, etc.

**Table 1. DWSRF Projects Anticipated to Receive Funding FFY 2020**

Priority Rank	Project	Project Information	SRF Cost
4	South Wind W&SD	Population: 200. Construct next phase of system improvements, including distribution replacement. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$103,000 P
16	Central Montana Regional Water	Population: 7000. Begin construction of Regional Water System expected. Loan Terms are 2.50% interest over a 30-year period. Funding for this project is expected to include federally assisted funds.	\$4,200,000
17	North Central Montana Regional Water System	Population: 16,652. Total project cost: approx.\$218,000,000; expected total SRF portion approx. \$7,720,000. Continue construction of extensive distribution system. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$252,000
19	Dry Prairie Regional WA	Population: 24,829 Construction of new office and shop building in Valley County. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$638,000
30	Deer Lodge	Population: 3056. Construct new well and well house. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$2,000,000 P
32	Hebgen Lake Estates WSD	Population: 380. Construct new well and install connection piping. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$475,000 P
45	Whitefish	Population: 6692. Install Additional treatment trains at surface water plant. Expected loan terms are 2.50% interest over a 20-year period. Funding for	\$10,000,000

**Table 1. DWSRF Projects Anticipated to Receive Funding FFY 2020**

Priority Rank	Project	Project Information	SRF Cost
		this project is expected to include federally assisted funds.	
50	East Helena	Population: 2194. Construct water system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$740,000 P
52	Hidden Lake WSD	Population: 2700. Construct water system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$325,000
54	Somers WSD	Population: 500. Construct new water storage tank. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$1,303,000 P
57	9 Mile WSD	Population: 100. Construct new distribution system to be served by Regional Water System. Expected loan terms are 2.5% interest over a 30-year period. Funding for this project is expected to include federally assisted funds.	\$2,100,000 P
59	Ten Mile/Pleasant Valley WSD	Population: 740. Install disinfectant system and construct other water system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$341,000 P
61	Columbia Falls	Population: 4688. Drill new well, construct pump-house and transmission main. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$615,000 P
66	Vaughn WSD	Population: 863. Drill new well. Construct storage tank and distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$716,000 P
72	Thompson Falls	Population: 1313. Replace transmission main and install meters. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$850,000 P
77	Cut Bank	Population: 3105. Construct distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$1,230,000 P
78	Basin WSD	Population: 227. Install disinfection treatment. Expected loan terms are 2.50% interest over a 20-	\$105,000 P

**Table 1. DWSRF Projects Anticipated to Receive Funding FFY 2020**

Priority Rank	Project	Project Information	SRF Cost
		year period. Funding for this project is expected to include federally assisted funds.	
89	White Sulphur Springs	Population: 999. Replace portions of transmission main. Terms 2.5/20 federal funds. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$350,000 P
90	Lockwood WSD	Population: 5900. Construct water treatment plant improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$1,430,000 P
98	Winifred	Population: 208. Construct new storage tank and pump station improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$215,500 P
100	Bigfork WSD	Population: 2550. Construct new storage tank and transmission main. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$3,116,000 P
105	Cascade	Population: 648. Construct new storage tank and distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$645,000 P
116	Circle 2	Population: 615. Construct distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$500,000 P
121	Conrad	Population: 2570. Install additional equipment at water treatment plant. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$376,000 P
132	Plains	Population: 1048. Construct distribution system improvements and install meters. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$420,000 P
135	Sidney	Population: 5191. Construct distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$1,000,000 P
	<b>TOTAL</b>		<b>\$34,045,500</b>

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## 7.0 CRITERIA AND METHOD USED FOR DISTRIBUTION OF FUNDS

The SDWA amendments of 1986 and 1996 imposed many new regulatory requirements upon public water suppliers. Public health and compliance problems related to these requirements, affordability, consolidation of two or more systems, and readiness to proceed all were considered in developing Montana's project ranking criteria.

DEQ initially proposed balancing these factors, with slightly more emphasis placed on health and compliance and less on affordability and readiness to proceed. In discussions with EPA and with our state's DWSRF Advisory Committee, it became clear that health risks and compliance issues needed to be given even more emphasis, and that readiness to proceed could be eliminated and handled through bypass procedures. (Please see **Appendix 1** for explanation of bypass procedures.)

Projects that address acute risks that are an immediate threat to public health, such as inadequately treated surface water, are given high scores. Proposals that would address lower risk public health threats, such as chemical contaminants present at low levels, are ranked slightly lower. Proposals that are intended to address existing or future regulatory requirements before noncompliance occurs also were given credit, and are ranked lower than projects with significant health risks.

The financial impact of the proposed project on the system users is considered as one of the ranking criteria. The communities most in need of low interest loans to fund the project are awarded points under the affordability criterion (see **Appendix 1**).

In addition to the limitations on financing for individual projects discussed earlier in this plan, DEQ is required annually to use at least 15% of all funds credited to DWSRF account to provide loan assistance to systems serving fewer than 10,000 people, to the extent there are a sufficient number of eligible projects to fund.

A summary of the ranking criteria and scoring is listed below. The complete set of scoring criteria is attached to this plan as **Appendix 1**.

## 8.0 SUMMARY OF RANKING CRITERIA FOR DWSRF PRIORITY LIST

1. Documented health risks
  - a. Acute health risks - 120 points maximum
  - b. Non-acute health risks - 60 points maximum
2. Proactive compliance measures - 50 points maximum
3. Potential health risks
  - a. Microbiological health risks - 25 points maximum
  - b. Nitrate or nitrite detects - 25 points
  - c. Chemical contaminant health risks - 20 points maximum

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4. Construction of a regional public water supply (PWS) that would serve two or more existing PWSs - 20 points

5. Affordability - 20 points maximum

## **9.0 FINANCIAL STATUS**

The discussion and table on the following pages summarize the DWSRF expenditures to date and outline financial projections and assumptions for the future. The narrative addresses the project loan fund and the table summarizes the set-aside or non-project activities. The individual capitalization grants and corresponding state match for each FFY are listed below (**Table 2**).

**Table 2. Federal Grants and State Matches by FFY**

FFY	Federal Grant	State Match
1997	\$14,826,200	\$2,965,240
1998	\$7,121,300	\$1,424,260
1999	\$7,463,800	\$1,492,760
2000	\$7,757,000	\$1,551,400
2001	\$7,789,100	\$1,557,820
2002	\$8,052,500	\$1,610,500
2003	\$8,004,064	\$1,600,820
2004	\$8,303,100	\$1,660,620
2005	\$8,285,500	\$1,657,100
2006	\$8,229,300	\$1,645,860
2007	\$8,229,000	\$1,645,800
2008	\$8,146,000	\$1,629,200
2009	\$8,146,000	\$1,629,200
2010	\$13,573,000	\$2,714,600
2011	\$9,418,000	\$1,883,600
2012	\$8,975,000	\$1,795,000
2013	\$8,421,000	\$1,684,200
2014	\$8,845,000	\$1,769,000
2015	\$8,787,000	\$1,757,000
2016	\$8,312,000	\$1,662,400
2017	\$8,241,000	\$1,648,200
2018	\$11,107,000	\$2,221,400
<b>2019</b>	<b>\$11,004,000</b>	<b>\$2,200,800</b>
<b>2020</b>	<b>\$11,011,000</b>	<b>\$2,202,200</b>
<b>TOTAL</b>	<b>\$217,866,864</b>	<b>\$43,608,780</b>

## 10.0 USES OF THE DRINKING WATER REVOLVING FUND

The DWSRF may be used to:

1. Provide low interest loans to communities for cost-effective drinking water treatment systems, source developments and improvements, finished water storage, and distribution system improvements. The low interest loans can be made for up to 100% of the total project cost. At the beginning of SFY 2021 approximately \$364.9 million in loans (non-ARRA) have been made to communities in Montana. All of these loans have had a total loan interest rate of 4% or less. Beginning July 1, 2003, interest costs decreased to a total loan interest rate of 3.75% or less. Beginning July 1, 2012, interest costs decreased to a total loan interest rate of 3.00% or less. Beginning July 1, 2014, interest costs decreased to a total loan interest rate of 2.50% or less.

Program interest rates are evaluated and set annually. To establish the program interest rate, several items are considered, including the costs of the state's match. The ability to provide a lowest possible cost is also a consideration in setting the interest rate. In SFY 2021, the program provides principal forgiveness for a portion of the loan to help some economically struggling communities. The financial advisor also provides information to help the program provide interest rates below the market rate.

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2. Refinance qualifying debt obligations for drinking water facilities if the debt was incurred and construction initiated after July 1, 1993. At the beginning of SFY 2021 approximately \$23,680,591 of debt has been refinanced through this program;
  3. Guarantee or purchase insurance for local debt obligations. At the beginning of SFY 2021 no loans have been made for this purpose;
  4. Provide a source of revenue or security for GO bonds and Bond Anticipation Notes (BANs), the proceeds of which are deposited in the revolving fund. At the beginning of SFY 2021 \$6,400,000 will be provided for this purpose. There is a 0.25% loan loss reserve surcharge included as part of the 2.5% interest rate. The use of the surcharge is to pay principal and interest on state GO Bonds if the Debt Service Account is insufficient to make payments. This is to secure \$4,000,000 in BANs. The excess over the required reserve was transferred to the principle account to make loans;
  5. Provide loan guarantees for similar revolving funds established by municipalities. At the beginning of SFY 2021 no loans have been made for this purpose;
  6. Earn interest on program fund accounts; at the beginning of SFY 2021 our cash flow demonstrates this program will continue to be a strong source of loan funds once the federal grants are terminated. Interest income to date can be used to pay off program GO Bond debt and RANs. The projected interest of approximately \$30,000 in SFY 2021 will be used to pay debt or make loans in the program;
  7. Pay reasonable administrative costs of the DWSRF program not to exceed 4% (or the maximum amount allowed under the federal act) of all federal grants awarded to the fund. In addition to using DWSRF funds for administration, each loan has an administrative surcharge included in the 2.5% interest rate charged to borrowers. The surcharge is 0.25%. The revenue generated from this fee and surcharge, will be used for DWSRF administration costs not covered by the EPA grants after capitalization grants cease and pay for administration of recycled projects. At the beginning of SFY 2021, there was approximately \$2,094,396 available for this purpose. Capitalization grants are approved by Congress every year and proposed reauthorizing legislation is currently projecting DWSRF funding through approximately FFY 2021. If needed, these administrative funds could be transferred to the principle account and used to make loans.

Any unused administrative funds will be banked, i.e., placed in an account and used for administration in future years, after federal capitalization grants are no longer available and the program must rely solely on revolving funds.

Currently, federal capitalization grants were only authorized through FFY 2004. However, as mentioned above, Congress has continued to appropriate funds each year and continues to propose draft legislation that would reauthorize funding in the future. When capitalization grants are no longer available, the program is expected to be capitalized and to operate on its own revenue.

One option available to states is to use the federal funds to leverage additional state bond funds. This makes available more money to meet high demands, but it increases the financing costs and thus the



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loan rate charged to communities and districts. DEQ and DNRC still do not recommend using the program in this manner at this time, and do not currently foresee changing to a leveraged approach. The two departments previously explained the leveraging option to the Advisory Committee and to the people attending the 1997 public hearings, along with their recommendation not to pursue leveraging. The advisory committee concurred, and general agreement with this recommendation was expressed at each hearing.

The impacts of funding decisions on the long term financial health of the DWSRF are evaluated frequently during the course of the fiscal year. Prior to the application for a capitalization grant, DEQ program staff review and establish the requested set-aside amounts. The total set-aside amounts for the year are then considered in evaluating the status and availability of loan funds (see **Table 3**). The state does both short and long-term cash flows. Each loan is evaluated, and security is required to ensure that loans will be repaid to the fund. The long-term cash flows extend over 20 years. This demonstrates there will be funding for future projects and that the fund will continue to grow.

DWSRF program funding status is shown in **Table 4**.

**Table 3. State DWSRF Set-Aside Activity**

Set-Aside		Through FFY 2019 Grant	FFY 2020 Set-Aside (for SFY 2021)	% of 2020 Grant	Total	Reserved Authority (year)	Reserved Authority Applied to Previous Grants	Total Remaining Authority Reserved
<b>4% Administration</b>		8,361,876	440,440	4.0%	8,802,316			0
<b>10% State Program</b>	Public Water Supply Supervision	11,388,174	850,000	7.7%	12,238,174	155,000 (2001) 92,930 (2006)	118,400 (2009) 95,000 (2011) 32,500 (2012)	2,030
	Source Water Protection	2,090,511	0	0%	2,090,511			0
	Capacity Development	1,295,393	150,000	1.4%	1,445,393	50,000 (2003)	50,000 (2012)	0
	Operator Certification	2,083,392	100,000	.9%	2,183,392	70,000 (2001)	70,000 (2012)	0
<i>Subtotal</i>		<i>16,857,470</i>	<i>1,100,000</i>	<i>10%</i>	<i>17,957,470</i>			
<b>2% Small System Technical Assistance</b>		2,185,726	70,000	0.6%	2,255,726	155,140 (2000) 155,782 (2001) 144,585 (2006)		455,507
<b>15% Local Assistance</b>	Loan Assistance for SWP							
	Capacity Development	1,732,500	250,000	2.3%	1,982,500			
	Source Water Assessment <sup>a</sup>	1,482,620	-	--	1,482,620			
	Wellhead Protection	1,471,400	150,000	1.4%	1,621,400			
<b>Total</b>		<b>\$32,091,592</b>	<b>\$2,010,440</b>	<b>18.3%</b>	<b>\$34,102,032</b>	<b>\$823,437</b>	<b>\$365,900</b>	<b>\$457,537</b>

<sup>a</sup> The SDWA only allowed funds for this activity to be set aside one time from the initial FFY 1997 capitalization grant. Montana elected to set aside the maximum allowable amount of \$1,482,620 (10%).

**Table 4. DWSRF Program Funding Status**

	Projected thru SFY 2020	Projected for SFY 2021	Total
<b>SOURCE OF FUNDS</b>			
Federal Capitalization Grants	\$217,866,864	\$11,000,000	
Set-Asides (Section 12.0)	(\$32,091,592)	(\$2,010,480)	
<b>Total to Loan Fund</b>	<b>\$185,775,272</b>	<b>\$8,989,520</b>	<b>\$194,764,792</b>
<i>State Match</i>			
Bond Proceeds	\$43,608,780	\$2,200,000	\$45,808,780
Loan Loss Reserve Sweeps	\$9,553,636	\$500,000	\$10,053,636
Loan Repayments	\$157,448,504	\$20,000,000	\$177,448,504
Interest on Fund Investments	\$2,051,560	\$30,000	\$2,081,560
Transfers from WPCSRF	\$11,282,486	\$0	\$11,282,486
<b>Total Source of Funds</b>			<b>\$441,439,758</b>
<b>USE OF FUNDS</b>			
<i>Loans Executed</i>			
Direct Loans	\$364,882,306		\$364,882,306
Transfer to WPCSRF	\$22,130,213	\$5,000,000	\$27,130,213
<b>Total Uses</b>			<b>\$392,012,579</b>
<b>Funds Available for Loan</b>			<b>\$49,427,239</b>
<i>Projected IUP Loans</i>			
Direct Loans (SFY 2021)		\$34,045,500	\$34,045,500
<b>Projected Balance Remaining</b>			<b>\$15,381,739</b>

## 11.0 TRANSFER OF FUNDS BETWEEN THE WPCSRF AND THE DWSRF

At the Governor's discretion, a state may transfer up to 33% of its DWSRF capitalization grant to the WPCSRF or an equal amount from the WPCSRF to the DWSRF. Transfers could not occur until at least 1 year after receipt of the first capitalization grant, which was June 30, 1999. This transfer authority was effective through FFY 2001. One-year extensions of this transfer authority were granted through Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriation Bill until the FFY 2006 appropriation bill, when the transfer provision was authorized indefinitely. In addition to transferring grant funds, States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs.

There is an expectation that approximately \$5 to \$10 million in recycled funds will be transferred to the WPCSRF from the DWSRF programs in the SFY 2021. In the last 22 years funds have been transferred back and forth between the two programs.

**Table 5** summarizes transfers to date, and funds still available for transfer.

**Table 5. Amounts Available to Transfer between SRF Programs**

Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
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	-0-	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	-0-	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd \$)	20,134,608	-0-	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd \$)	20,134,608	-0-	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd \$)	20,134,608	-0-	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd \$)		-0-	5,000,000	23,261,094	27,956,548
2006	DW Grant Award	28,324,490	-	-	25,976,763	30,672,217
2007	DW Grant Award	31,040,060	-	-	28,692,333	33,387,787
2008	Transfer (2nd Rnd \$)		2,500,000		31,192,333	30,887,787
2008	DW Grant Award	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	36,416,420			31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420			38,003,693	47,699,147
2010	DW Grant Award	47,330,510			42,482,783	52,178,237
2011	Transfer (1st Rnd \$)			3,000,000	39,482,783	55,178,237
2011	DW Grant Award	50,438,450			42,590,723	58,286,177
2012	DW Grant Award	53,400,200			45,552,473	61,247,927
2013	DW Grant Award	56,179,130			48,331,403	64,026,857
2014	DW Grant Award	59,097,980			51,250,253	66,945,707
2015	DW Grant Award	61,997,690			54,149,963	69,845,417
2016	DW Grant Award	64,740,650			56,892,923	72,588,377
2017	DW Grant Award	67,460,180			\$59,612,453	\$75,307,907
2018	DW Grant Award	71,208,650			\$63,360,923	\$79,056,377
2019	Transfer (2nd Rnd \$)			3,000,000	60,360,923	82,056,377
2019	DW Grant Award	74,839,970			\$63,992,243	85,617,697
2020	DW Grant Award	78,473,600			67,625,873	89,251,327
2021	Transfer (2 <sup>nd</sup> Rnd \$)			5,000,000	\$62,625,873	\$94,251,327
<b>Total</b>			<b>\$11,282,486</b>	<b>\$27,130,213</b>		

## 12.0 SET-ASIDES

The DWSRF also is charged with funding certain provisions of the federal SDWA, through the use of “set-aside” accounts. States are given flexibility to set aside specified amounts of the federal drinking water capitalization grant for specific purposes outlined in federal law; also outlined in state law in MCA 75-6-

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201, et seq. These set-asides each have different purposes and conditions, and some are mandatory. Montana is continuing to fund the following set-asides, each of which is described in more detail in the following sections:

- Administration
- technical assistance for small communities
- capacity development
- operator certification
- Public Water Supply Program
- source water assessment -- program implementation and field data collection
- source water assessment -- wellhead protection program

## **13.0 ADMINISTRATION**

DEQ could set aside 4% of the FFY 2020 capitalization grant (or \$400,000) for program administration. DEQ elected to set aside the higher amount of 4% or \$440,440, and is also planning to set aside that amount from the FFY 2021 grant. This will cover continued operation of the program, including development of the IUP, review of water system facilities plans, review of construction and bid documents, assistance and oversight during planning, design and construction, loan origination work, administering repayments, preparation of bond issuance, and costs associated with the advisory committee and the public comment process. This set-aside also will continue to fund one loan management position at DNRC, 4.5 engineering positions at DEQ, and one administrative support position at DEQ. These costs and new personnel were approved by the 1997 Montana Legislature.

Any funds that are set aside for administration but not actually spent will be “banked;” i.e., they will be placed in an account and used for administration in future years, after federal capitalization grants are no longer available and the program must rely solely on revolving funds. Spending such funds is subject to approval of the Montana Legislature, although federal and bond restrictions will limit use of these funds to purposes related to this program. In recent years, actual program expenses have exceeded the maximum cap grant funds for administration. Additional costs have been paid for with other DWSRF “state special administration” funds.

## **14.0 TECHNICAL ASSISTANCE FOR SMALL COMMUNITIES**

This provision allows states to provide technical assistance to public water systems serving populations of 10,000 or less. The DWSRF program will continue to provide outreach to small PWS systems through an integrated approach designed to reach: (1) communities whose systems have chronic violations that threaten public health, (2) communities requesting help to correct operation and maintenance problems or to develop needed water system improvement projects, and 3) communities due for routine site visits by DEQ, to assist them with proper operation and maintenance procedures. These routine visits will be conducted with close coordination with and at the specific direction of the DEQ PWSP. These activities help achieve SRF program short and long-term goals by providing technical expertise with system O&M and facilitating SDWA compliance.

Efforts focus on providing operation and maintenance (O&M) technical assistance to a large number of small systems throughout Montana. Services include help with source water problems, and systems for

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the treatment, pumping, storage, and distribution of safe drinking water. Technical assistance, including hands-on work as well as on-site training, can often correct difficulties and provide lasting benefits. Public health protection is enhanced through operator training and assistance and by providing immediate solutions to water system O&M problems. To augment long-term compliance and the continued delivery of safe drinking water, operators are given written information, including who can be contacted for help with specific issues. In addition, written reports provide documentation and follow-up of the technical assistance effort to the water system operators, owners, and DEQ.

Starting in SFY 2020 the Small System Technical Assistance grant funds are also being used to fund Financial and Managerial Assistance work that has historically been fund through Capacity Development grant funds. The format for financial and managerial assistance begins with telephone or written contact with the selected water system, followed by one or more on-site visits to evaluate the financial and managerial status of the system. Following the site visits, a written report is prepared and mailed to the system owner or manager, summarizing the observations and recommendations discussed during the evaluation. A copy of any written correspondence is also forwarded to DEQ.

The 1996 Amendments to the SDWA allow states to use SRF funds to establish authority to enforce capacity requirements and to implement a capacity development strategy. The purpose of this effort is to ensure that all new and existing community and non-transient non-community PWS systems have the necessary Technical, Financial and Managerial (TFM) capacity to comply with all the primary requirements of the SDWA. EPA also requires that systems demonstrate adequate capability in these areas as a condition of approval for DWSRF loans.

The State could have lost substantial portions of successive capitalization grants if it did not develop and implement strategies to assist existing water systems with capacity development. DEQ submitted its strategies to EPA in August 2000 to meet the October 1, 2000, deadline to avoid the withholding provisions. These strategies were then subsequently approved by EPA on October 10, 2000.

The strategies are a methodology used to identify and prioritize public water systems in need of improving TFM. A part of these strategies includes aiding those systems by use of the set-aside funding. The state of Montana has over 1,900 public water supplies. Given the large number of systems and a shortage of staff with the requisite technical financial and managerial experience, DEQ has chosen to provide this assistance through contracted services.

DEQ has contracted these services to a technical assistance provider within the state. Expenditures from this set aside cover contractor salaries, travel expenses and costs related to reporting and follow-up activities, and DEQ contract administration and other small system technical assistance. The original contract was awarded to Midwest Assistance Program (MAP) to provide these services from June 1999 through June 2005. In February 2005 a Request for Proposals (RFP) was issued to re-bid the contract and in July 2005 a new contract was again awarded to MAP with services provided through June 2012. In April 2012 a new RFP was issued to solicit another technical assistance contract. Based on the outcome of this RFP, Rural and Tribal Environmental Solutions (RATES) was selected as the new contractor and RATES provided contract services through June 2019. In July 2019 a new RFP was issued to solicit again for a technical assistance provider and in February 2020 MAP was awarded the contract to provide Technical, Financial and Managerial Assistance. Through SFY 2019 this contract work has performed over 2,200 technical operation and maintenance assistance (TA) visits and provided approximately 320 systems with in-depth financial and managerial Assistance (FMA). Through SFY 2019, this TFM contact

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work has cost approximately \$3,053,560. By June 30, 2020 MAP should complete an additional 20 TA site visits in addition to the FMA work provided.

Contract activities for SFY 2021 will be funded with set-aside balances from previous capitalization grants for technical assistance under this contract. An additional \$70,000 was set aside from the FFY2020 capitalization grant for technical, financial and managerial assistance work.

To determine the value and effectiveness of this set-aside, DEQ evaluates the program on a yearly basis. Evaluations are based on the contractor's written reports mentioned above and on a survey of water system personnel who have received technical assistance. These evaluations are used to identify positive results, or problems with the program, and to consider opportunities for improvement. The original contract with MAP was renewed annually from SFY 2000 to SFY 2005. The SFY 2006 contract with MAP was renewed annually from SFY 2007 to SFY 2012. The SFY 2013 contract with RATES was renewed in SFY 2014 to SFY 2019. The current SFY 2020 contract with MAP will be reviewed annually with the option of renewing the contract if appropriate. Any significant changes would be discussed in future IUPs.

## **15.0 STATE PROGRAM MANAGEMENT**

This group of set-asides consists of Capacity Development, Operator Certification, Public Water Supply Supervision (PWSS), and Source Water Protection (SWP). Montana set-aside \$1,100,000 for State Program Management from the FFY 2020 grant. A discussion of the individual set-aside activities follows.

## **16.0 CAPACITY DEVELOPMENT**

DEQ has a set-aside \$150,000 from the FFY2020 capitalization grant for this activity. These dollars will be used for personal services and operating expenses for staff in the Engineering Bureau, Public Water and Subdivision section. Set-aside funds are used to pay up to 10% of the salary and benefits for ten full-time staff positions and program operating expenses to conduct on-site inspections and provide technical assistance to Public Water systems that are struggling with monitoring compliance or other engineering related issues.

## **17.0 OPERATOR CERTIFICATION**

DEQ has a \$100,000 set-aside from the FFY 2020 capitalization grant for this activity. These dollars will be used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time staff positions and the program manager and program operating expenses including things such as; organizing and providing training for certified operators on water system operations, scheduling and proctoring certification exams, tracking operator CECs, reviewing proposed training for CECs, notifying communities of the need to have a certified operator, public outreach, compliance monitoring, and enforcement activities.

This program maintains the information for Montana certified water and wastewater operators, including operators for approximately 740 community systems, 273 non-transient non-community

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systems and 342 waste water systems. These water and wastewater operators hold 3362 certifications. There are 1604 certified operators in Montana. The program has incorporated fully Association of Boards Certification (ABC) exams as a part of the operator certification.

The Program is currently updating operator study materials; evaluating certification levels; and working on increasing electronic access including training, exams, and renewals.

## **18.0 PUBLIC WATER SUPPLY PROGRAM (PWSP)**

The PWS administrative set-aside is for \$1,100,000. This will fund salaries, benefits, and operating expenses for 1.62 administrative personnel (partial FTE [Full-Time Equivalent] of bureau chief, field section supervisor and fiscal) and 9.25 environmental science specialists assigned to the Helena, Billings, Missoula, and Kalispell Offices. The positions have been previously funded through the set-aside grants in SFY 2015, SFY 2016, SFY 2017, SFY 2018 and FY 2019. The Environmental Science Specialist positions assist in capacity development by providing technical assistance to water suppliers, performing sanitary surveys, conducting operator training, monitor compliance, and attending public meetings as requested to provide information and assistance. These positions also provide direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, Revised Total Coliform Rule, Consumer Confidence Report Rule, Long Term Enhanced Surface Water Treatment Rules, Filter Backwash Rule, Disinfection/Disinfection By-Products Rule, Radionuclide Rule, Long Term 1 and Long Term 2 Surface Water Treatment Rules, Stage 2 Disinfection By-Product Rule, Groundwater Rule, and the State's ground water chlorination rule. The set-aside will also be used to fund database development expenses associated with implementation, upgrading to SDWIS PRIME; maintenance of SDWIS and the state databases; conversion to CMDP; and supporting the Montana Environmental Training Center (METC) program through the Montana State University in Bozeman. All of these activities help the PWS Program achieve its overall goal of facilitating SDWA compliance by public water supplies.

## **19.0 SOURCE WATER ASSESSMENT PROGRAM**

Section 1452(g)(2)(B) of the SDWA allows Montana to set aside a portion of the capitalization grant to "administer or provide technical assistance through source water assessment programs." Further, section 1428 of the 1996 Amendments to the federal State Drinking Water Act (SDWA) requires primacy states to implement a program "to protect wellhead areas within their jurisdiction from contaminants which may have any adverse effects on the health of persons." Set-aside funds in the amount of \$150,000 from the FFY 2020 grant will be used in SFY 2021 to administer Montana's Source Water Protection program and to provide technical assistance to local communities in support of source water protection activities. The source water delineation and assessment reports are the basis upon which local source water protection plans are developed. This set-aside helps provide the assistance needed to develop and utilize those technical reports. Staff will continue to work with the Public Water Supply Bureau to further refine understanding of the source water context and hazards posed by on-site wastewater discharges or other PCSs.

The specific goals are to:

- Promote source water protection and management practices preventing degradation of state waters,



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- Develop, review, or update source water assessment reports for new or existing public drinking water sources, and,
  - Evaluate the efficiency and effectiveness of Montana’s Source Water Protection program in preventing contamination of public water supply sources and identify potential changes or improvements to the program’s approach.
  - Provide technical assistance to PWS Bureau staff in evaluating public water supply eligibility for monitoring waivers.
  - Provide technical assistance and training to PWS operators, managers, and local officials in using source water delineation and assessment reports to develop local source water protection plans, this may include small grants to communities to support development of source water protection plans, to update source water protection area potential contaminant source (PCS) inventories, to implement components of a source water protection plan, or to better characterize a source water-related potential contaminant source.
  - Provide technical support to non-profit technical assistance providers (for example, Montana Rural Water, RATES, Midwest Assistance, local water quality districts) relating to source water protection plan development or implementation.
  - Provide on-site groundwater and wastewater O&M workshops to citizens and others.
  - Maintain and enhance public access to spatial data essential to the local development of source water protection plans.
  - Continue to improve PWS feature locational data in SDWIS State database by reconciling against source water assessments and sanitary surveys,
  - Develop and publish educational materials to provide outreach to communities on source water protection.

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## APPENDIX 1: RANKING CRITERIA FOR DWSRF PRIORITY LIST

### 1. Documented health risks

#### a. Acute health risks - 120 points max.

Fecal coliform or other pathogens - two or more boil orders in any 12-month period. Risk must be documented as a reoccurring and unresolved problem that appears to be **beyond the direct control** of the water supplier.

Surface Water Treatment Rule (SWTR) treatment technique violation - source must have been developed as an unfiltered supply, an inadequately filtered supply, Ground Water Under the Influence of Surface Water, and/or without adequate contact time **prior to the development of EPA** SWTR regulations that would have mandated improved treatment.

Chemical contaminants (other than nitrate or nitrite) - risk must be documented as reoccurring and unresolved problem confirmed through quarterly sampling (or as determined by DEQ) that appears to be **beyond the direct control** of the water supplier. Contaminants must be present at levels exceeding Unreasonable Risk to Health (URTH) levels.

Nitrate or nitrite Maximum Contaminant Level (MCL) violations - MCL violation must be confirmed through routine and check sampling as required by DEQ.

**Guidance for ranking: For unfiltered surface water, use 70% of max. Points in this category unless there have also been documented problems with turbidity, fecal contamination or disease outbreaks. Award an additional 10% of max points for each of the following: boil order resulting from a turbidity violation, fecal MCL violation, documented disease outbreak. If disease outbreak has been documented, award maximum points.**

**For filtered surface water systems, a Contact Time violation without boil orders or fecal MCL violations, etc., should receive 50% of maximum points under this category. Award additional points for the additional violations.**

**Example: an unfiltered surface water system has had turbidity violations resulting in a boil order, as well as a fecal MCL violation. There have been no documented disease outbreaks. The system would get 70% + 10% + 10% = 90% of max points in this category.**

#### b. Non-acute health risks - 60 points max.

(Non-fecal) coliform bacteria - two or more Total Coliform Rule (TCR) (non-acute) MCL Significant Non-Compliances (SNCs) automatically qualify if the problem is documented as a regularly reoccurring and unresolved problem that is **beyond the direct control** of the water supplier.

Man-made chemical contaminants - problem must be documented as a reoccurring and unresolved problem that is **beyond the direct control** of the water supplier. Contaminants must be present at levels that are above the Practical Quantification Limit (PQL), and less than the

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URTH level. Contaminants must be detected at least twice during quarterly monitoring in any 12-month period. MCL violations may or may not occur.

Natural chemical contaminants - problem must be documented as a reoccurring and unresolved problem through quarterly sampling (or as otherwise determined by DEQ) that is **beyond the direct control** of the water supplier. Contaminant levels must be confirmed as an MCL violation, but the averaged value of the violation must be less than the URTH level.

**Guidance for ranking: Start with 50% of maximum points in this category for lead and copper or other chemical violations and go up or down in 10% increments depending on the severity of the problem.**

**2. Proactive compliance measures - 50 points max.**

Improvements in infrastructure, management or operations of a public water system that are proactive measures to remain in compliance with current regulatory requirements, to ensure compliance with future requirements, or to prevent future, potential SDWA violations.

**Guidance for ranking: If a system is reacting to an existing documented health violation under category 1a or 1b, it should receive no points under this category. Emphasis should be toward a deliberate proactive approach to potential health problems. A system with points awarded in this category typically will currently be in compliance with most or all SDWA regulations.**

**3. Potential health risks**

**a. Microbiological health risks - 25 points max.**

Occasional but reoccurring detects of coliform bacteria resulting in one or less TCR (non-acute) MCL violation in any 12-month period.

Reoccurring and unresolved problems with non-coliform growth that are beyond the direct control of the water supplier, and result in inconclusive coliform bacteria analyses.

Water distribution pressures that routinely fall below 35 psi at ground level in the mains, or 20 psi at ground level in customers' plumbing systems. Problems must be the result of circumstances beyond the direct control of the water supplier.

**b. Nitrate or nitrite detects - 25 points.**

Occasional but reoccurring detects of nitrate or nitrite at levels above the MCL that occur once or less in a 12-month period. MCL violations are not confirmed by check sampling.

**c. Chemical contaminant health risks - 20 points max.**

Occasional but reoccurring detects of man-made chemical contaminants that occur once or less in any 12-month period. Levels must be above the PQL, but below the URTH level. MCL violations do not occur because of the presence of the contaminant is not adequately documented through check-sampling.

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Occasional but reoccurring detects of natural chemical contaminants (other than nitrate or nitrite) at levels above the MCL that occur once or less in a 12-month period. MCL violations are not confirmed by check sampling.

**Guidance for ranking: No additional points should be given in this category for contaminants already addressed in categories 1 or 2. However, if a project scope includes remedies for different types of violations, it should receive points in each of the applicable categories.**

4. **Construction of a regional public water supply that would serve two or more existing public water supplies - 30 points.**

Regionalization would increase the technical, managerial and/or financial capacity of the overall system, would result in some improvement to public health, or bring a public water system into compliance with the SDWA.

5. **Affordability (Only one applicable - maximum 20 points).**

Expected average household combined water and sewer user rates, including debt retirement and O&M are:

greater than 3.5% of MHI - 20 pts  
between 2.5% and 3.5% (inclusive) of MHI - 15 pts  
between 1.0% and 2.5% (inclusive) of MHI - 10 pts  
1.0% or less of MHI - 5 pts

Expected average household user rates for water only, including debt retirement and O&M are:

greater than 2.6% of MHI - 20 pts  
between 1.6% and 2.6% (inclusive) of MHI - 15 pts  
between 0.1% and 1.6% (inclusive) of MHI - 10 pts  
0.1% or less of MHI - 5 pts

## **DWSRF PRIORITY LIST BYPASS PROCEDURES**

If it is determined by DEQ that a project or projects are not ready to proceed or that the project sponsors have chosen not to use the DWSRF funds, other projects may be funded in an order different from that indicated on the priority list. If DEQ chooses to bypass higher ranked projects, it should follow the bypass procedure.

The bypass procedure is as follows:

1. DEQ shall notify, in writing, all projects which are ranked higher than the proposed project on the DWSRF priority list, unless it is known that a higher project will not be using DWSRF funds.
2. The notified water systems shall have 15 calendar days to respond in writing with any objections they may have to the funding of the lower ranked project.
3. DEQ shall address, within a reasonable time period, any objections received.

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## **EMERGENCY BYPASS PROCEDURES**

If DEQ determines that immediate attention to an unanticipated failure is required to protect public health, a project may be funded with DWSRF funds whether or not the project is on the DWSRF priority list. DEQ will not be required to solicit comments from other projects on the priority list regarding the emergency funding.

## APPENDIX 2: DWSRF COMPREHENSIVE PROJECT LIST—SFY 2021

### *Numeric PPL Ranking Report*

<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
1	116	Denton	Water System Improvements	\$3,000,000	255
2	111	Worden Ballantine WSD	Water System Improvements	\$1,000,000	727
3	99	Eureka WTP	Filtration	\$175,000	1474
4	99	Ronan	WTP Improvements	\$1,000,000	1871
5	97.5	South Wind Water & Sewer District	Water System Improvements	\$750,000	225
6	95	Upper/Lower River Road Water and Sewer	Connect to Great Falls	\$2,103,038	1075
7	94	Wilsall WD	Filtration & Distribution Improvements	\$190,500	198
8	94	Big Timber WTP		\$4,758,000	1848
9	90	Pinesdale	Water Treatment Plant Improvements	\$2,475,000	827
10	87.5	Neihart	New Intake, Storage Tank, and Distribution Improvements	\$178,000	51
11	84	Yellowstone Boys & Girls Ranch WSD	Water System Improvements	\$820,500	350
12	80	Whitehall	New Well, Treatment	\$2,000,000	1038
13	80	Neihart	Water System Improvements	\$500,000	90
14	70	Flaxville	Nitrate Treatment Improvements	\$45,000	71
15	70	Libby	Water System Improvements	\$1,719,000	2784
16	70	Dry-Redwater Regional Water Authority	Distribution System Improvements	\$247,500	100
17	65	Central Montana Regional Water Authority	Construct Regional Water System	\$0	7000
18	65	Laurel	Water Treatment Plant and System Improvements	\$3,385,000	6718
19	65	Dry Prairie Regional Water System	Distribution Improvements	\$1,000,000	24829
20	65	North Central Montana Regional Water System	Regional Water System	\$252,000	45743
21	62	Harlem	Water Treatment Plant & Distribution System Improvements	\$3,830,000	822
22	60	Colstrip	Water Treatment Plant Improvements	\$751,000	2214
23	60	Lewistown	Disinfection & Distribution Improvements	\$2,740,000	5883
24	60	Glendive	Treatment Plant, Storage and Distribution Improvements	\$12,000,000	4729
25	60	Whitefish	Distribution Improvements	\$465,000	6357
26	57.5	Bynum-Teton Co. Water District	Water System Improvements	\$500,000	45
27	57.5	Alberion	Water System Improvements	\$878,500	420
28	56	Blue Cloud Subdivision	Arsenic Treatment	\$50,000	50
29	55	Flathead Co. Water & Sewer District #1 Evergreen	Distribution	\$132,513	4000
30	55	Buffalo Trail WD	Water System Improvements	\$334,000	58
31	55	Lewistown	Install Meters on Remaining	\$550,000	6500
32	55	Hobson	New Water System	\$150,000	230
33	54	Sheavers Creek Water District/Woods Bay	Water System Improvements	\$1,350,000	150
34	54	Lake Co. Transfer Station	Water System Improvements	\$131,750	62
35	52.5	Fort Smith Water & Sewer District	New Well, Storage and Distribution System Improvements	\$535,000	350
36	52	Deer Lodge New Well	New Well & Well house	\$2,000,000	3058
37	50	North Havre Water District	Distribution and Storage Improvements	\$450,000	90
38	50	Hebgen Lake Estates WSD	New Well	\$415,000	380
39	50	Loma Water District	Connect to regional water system.	\$228,000	300
40	47.5	Oilmont Co. Water District	Extend Distribution System	\$0	600

<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
41	47.5	Red Lodge	Treatment Plant Upgrades, Wells	\$500,000	2255
42	45	Tiber Co. Water District	Distribution, Telemetry, Controls	\$0	300
43	45	Great Falls	Treatment Plant Improvements	\$25,000,000	60000
44	45	Custer Co. Water & Sewer District	Community Water System	\$1,000,000	180
45	45	Gore Hill County WD	Water System Improvements	\$920,000	570
46	45	Bridger Pines Water & Sewer District	Water System Improvements	\$250,000	100
47	45	Melstone	New Well, Reverse Osmosis Treatment	\$0	136
48	45	White Sulphur Springs	New Storage Tank, Disinfection and Distribution Improvements	\$2,560,000	984
49	45	Firelight Meadows Subdivision	Corrosion Control and Disinfection	\$30,000	500
50	45	Forsyth	Treatment Plant Upgrades	\$27,192	2200
51	45	Eureka	Connect Midvale Water & Sewer District	\$532,000	1287
52	45	Power-Teton Co WSD	New wells & transmission mains	\$2,000,000	167
53	45	Dutton	New Well	\$535,000	447
54	42.5	Miles City	(2) Treatment Plant, Storage	\$1,950,000	8487
55	42	Hungry Horse Water District	Additional Storage and Distribution	\$0	1000
56	40	Hidden Lake WSD	Water system improvements	\$325,000	2700
57	40	Three Forks	Water System Improvement	\$2,392,000	1888
58	40	East Helena	Water System Improvements	\$740,000	2194
59	40	Scobey	New Pumps, Controls, CL2	\$140,000	1101
60	40	Glendive	Distribution/Storage Improvements	\$736,052	4802
61	37.5	Pleasant View Homesites	Storage and Distribution System	\$420,000	82
62	37.5	Sand Coulee Water District	Water System Improvements	\$577,000	161
63	37.5	Somers Co. Water & Sewer District	New Well, Additional Storage	\$530,000	500
64	35.5	Dillon	Storage Reservoir, Distribution	\$781,000	4050
65	35	North Valley Co WSD	Distribution improvements	\$1,500,000	819
66	35	Fromberg	Water System Improvements	\$147,000	486
67	35	Columbia Falls	New well, pumphouse, and transmission main	\$815,000	4688
68	35	Eastgate WUA	Distribution System Improvements. PWS MT0001784	\$986,000	1739
69	35	Nine Mile WSD	Construct Distribution System	\$2,100,000	100
70	35	Darby	Two Well Houses	\$100,000	850
71	35	Ten Mile/Pleasant Valley WSD	Water System Improvements	\$341,000	740
72	35	Laurel	Water Treatment Plant Improvements	\$950,000	6255
73	32.5	Libby Distribution System Imp	Distribution System Improvements	\$1,315,000	2903
74	32.5	Froid	New Storage Tank	\$422,500	185
75	32.5	Big Sandy	Distribution System Improvements	\$775,000	598
76	32.5	Clancy W&SD	New Central Water System	\$1,560,000	287
77	32.5	Vaughn WSD	New well, storage tank, and distribution system improvements	\$716,000	863
78	32.5	Judith Gap	Distribution System Improvements	\$224,400	139
79	32.5	Ramsay Water & Sewer District	Water System Improvements	\$165,000	100
80	32.5	Superior	Phase I Distribution System Improvements	\$1,217,000	865
81	32.5	Thompson Falls	Transmission Main Replacement & Meters	\$850,000	1313
82	32.5	Joliet Water System Improvements	Water System Improvements	\$2,200,000	600
83	30	Cooke City Water & Sewer District	Storage Tank and Distribution System Improvements	\$1,000,000	300
84	30	Wapiit Acres Water & Sewer District	New Well, Transmission Main, Storage Tank, S/L Meters	\$377,000	41

<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
85	30	North Helena Valley Water & Sewer District	Consolidation of Existing PWSs	\$0	5000
86	30	Ravalli Co.	Connection to Hamilton	\$100,000	50
87	30	Valier	Water System Improvements	\$900,000	469
88	30	Cut Bank	Distribution Improvements	\$1,230,000	3105
89	30	Sheridan	Storage & Distribution Improvements	\$618,000	685
90	30	North Baker Water & Sewer District	Distribution System Improvements	\$916,000	100
91	30	Malta	Distribution & Well House Improvements	\$6,100,000	2120
92	30	Bozeman	Sourdough Transmission Main	\$5,495,000	32000
93	30	Basin Co. WSD	Well no. 3 treatment	\$105,000	227
94	30	Dodson	Control Building Replacement	\$75,000	124
95	30	Lockwood	Water System Improvements	\$1,430,000	5900
96	30	Loma Co. Sewer and Water District	Settling Pond	\$100,000	495
97	30	White Sulphur Springs	Distribution Improvements	\$818,000	939
98	30	Fairview	Water System Improvements	\$5,000,000	840
99	30	Cascade	Distribution System Improvements	\$735,000	685
100	30	Ekalaka	Distribution Improvements	\$65,000	332
101	30	Loma Co. Sewer and Water District	Treatment Plant Upgrade	\$99,000	495
102	30	Bainville	Distribution System Improvements	\$1,500,000	208
103	27.5	Circle	Distribution Improvements	\$303,000	613
104	27.5	Fort Peck Co. Water District	Distribution Improvements	\$750,000	683
105	27.5	Fairfield	Distribution and Pump Control Improvements	\$350,000	659
106	27.5	Winifred	New Storage Tank & Distribution System Improvements	\$215,500	208
107	27.5	Red Lodge	Distribution System Improvements	\$1,628,000	2236
108	27.5	Cascade	New Storage Tank and Distribution System Improvements	\$645,000	648
109	27.5	Bigfork WSD	New Storage Tank and Transmission Main	\$3,116,000	2550
110	27.5	Emerald Heights WSD	New Well & Storage Tank	\$180,000	68
111	27.5	Absarokee W&SD	Distribution System Improvements	\$3,099,000	1100
112	27.5	Marlinsdale WUA (Water & Sewer District)	Water System Improvements	\$100,000	100
113	27.5	Pablo - Lake Co. Water & Sewer District	Distribution System Improvements	\$157,000	1814
114	27.5	Troy	Replacement of Water Systems	\$1,500,000	957
115	27.5	Opheim	Storage Tank Improvements	\$106,000	85
116	27.5	St. Ignatius	Water System Improvements	\$155,000	825
117	27.5	Stanford	Well and Distribution System Improvements	\$90,000	401
118	27.5	Stanford	New well, transmission main & pumphouse	\$971,600	401
119	25	Darby	Storage Tank, Additional Well	\$0	650
120	25	Culbertson	Refinance Existing Debt	\$207,535	716
121	25	Manhattan	Water System Improvements	\$1,802,000	1396
122	25	Nashua	Distribution System Improvements	\$150,000	296
123	25	Hot Springs	New Telemetry and SCADA	\$75,000	544
124	25	Helena	West Side Service	\$3,557,696	29000
125	25	Circle, Town of	Distribution System Improvements	\$500,000	615
126	25	Shelby	Distribution System Improvements	\$1,321,200	3419
127	25	Flathead Co. Water & Sewer District #8	Water System Improvements	\$1,194,000	480
128	25	Bozeman New Storage Tank		\$9,545,000	41680
129	25	Ennis	New Well and Pumphouse	\$200,000	1005



<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
130	25	Wilsall WSD	Storage Tank Improvements	\$326,600	250
131	22.5	Three Forks	New Wells	\$170,000	1845
132	22.5	Ryegate	Storage Tank Repairs	\$158,000	245
133	22.5	Billings	Logan Storage Tank	\$7,000,000	100000
134	22.5	Seeley Lake	Storage Tank Improvements	\$0	2000
135	22.5	Shakopee Heights WSD	New Storage Tank & Transmission main	\$380,000	62
136	22.5	Culbertson	Distribution System Improvements	\$215,000	795
137	22.5	Conrad	Distribution System Improvements	\$376,000	2570
138	22.5	Missoula	New storage tanks	\$1,685,500	69190
139	22.5	Missoula	New storage tanks	\$5,853,000	69190
140	22.5	Coram WSD	New Storage Tank	\$710,000	271
141	22.5	Sidney	Distribution Improvements	\$3,433,000	6246
142	22.5	Big Timber	Distribution Improvements	\$755,000	1517
143	22.5	Sun Prairie Village Co. Water & Sewer District	Transmission Main, Storage, and Meters	\$750,000	1483
144	22.5	Billings Heights Water District	Storage and Distribution System Improvements	\$1,038,000	11418
145	22.5	Richey	New Storage Reservoir	\$110,000	189
146	22.5	Columbus	New Well	\$320,000	1748
147	22.5	Lakeside Co. Water & Sewer District	New Storage Reservoir	\$500,000	500
148	22.5	Harlowton	Water System Improvements	\$750,000	899
149	20	Plains	Distribution Improvements and Service Meters	\$420,000	1048
150	20	Sidney	Storage and Distribution Improvements	\$4,675,000	5191
151	20	Seeley Lake Water District	Distribution	\$50,000	2000
152	20	Butte-Silverbow	Treatment Plant and Distribution Improvements	\$7,414,000	33892
153	20	Roundup	Distribution System Improvements	\$818,000	1880
154	20	Fort Benton	New Storage Tank	\$907,000	1484
155	20	Kalispell	Distribution System Improvements	\$3,936,000	19927
156	20	Helena	Transmission & Distribution Improvements	\$6,000,000	30000
157	20	Billings	Distribution System Improvements	\$800,000	89847
158	20	Belgrade	Distribution System Improvements	\$1,251,000	7323
159	17.5	Flathead Co. Water & Sewer District #8	Additional Well	\$85,000	490
160	17.5	Lewistown / Fergus Co. Fairgrounds	Distribution Improvements	\$1,118,368	11586
161	15	Broadview	Water System Improvements	\$175,000	150
162	12.5	Missoula County Fairgrounds	Distribution System Improvements - system is leaking about 3gpm	\$600,000	10000
163	10	Chinook	Refinance Existing Debt	\$330,000	1203
164	10	Ryegate	Refinance Existing Debt	\$0	288
165	10	Stanford	Refinance Existing Debt	\$0	454
166	10	Bainville	Refinance Existing Debt	\$326,000	153
167	10	Glasgow	Refinance Existing Debt	\$1,374,203	3235
168	10	Geysler-Judith Basin Co. Water & Sewer District	Refinance Existing Debt	\$0	299
169	10	Rexford	Refinance Existing Debt	\$236,000	105
170	10	Outlook Water & Sewer District	Refinance Existing Debt	\$0	123
171	10	Poplar	Refinance Existing Debt	\$650,000	911
172	10	Hysham	Refinance Existing Debt	\$200,000	330
173	10	Wolf Point	Refinance Existing Debt	\$0	2621

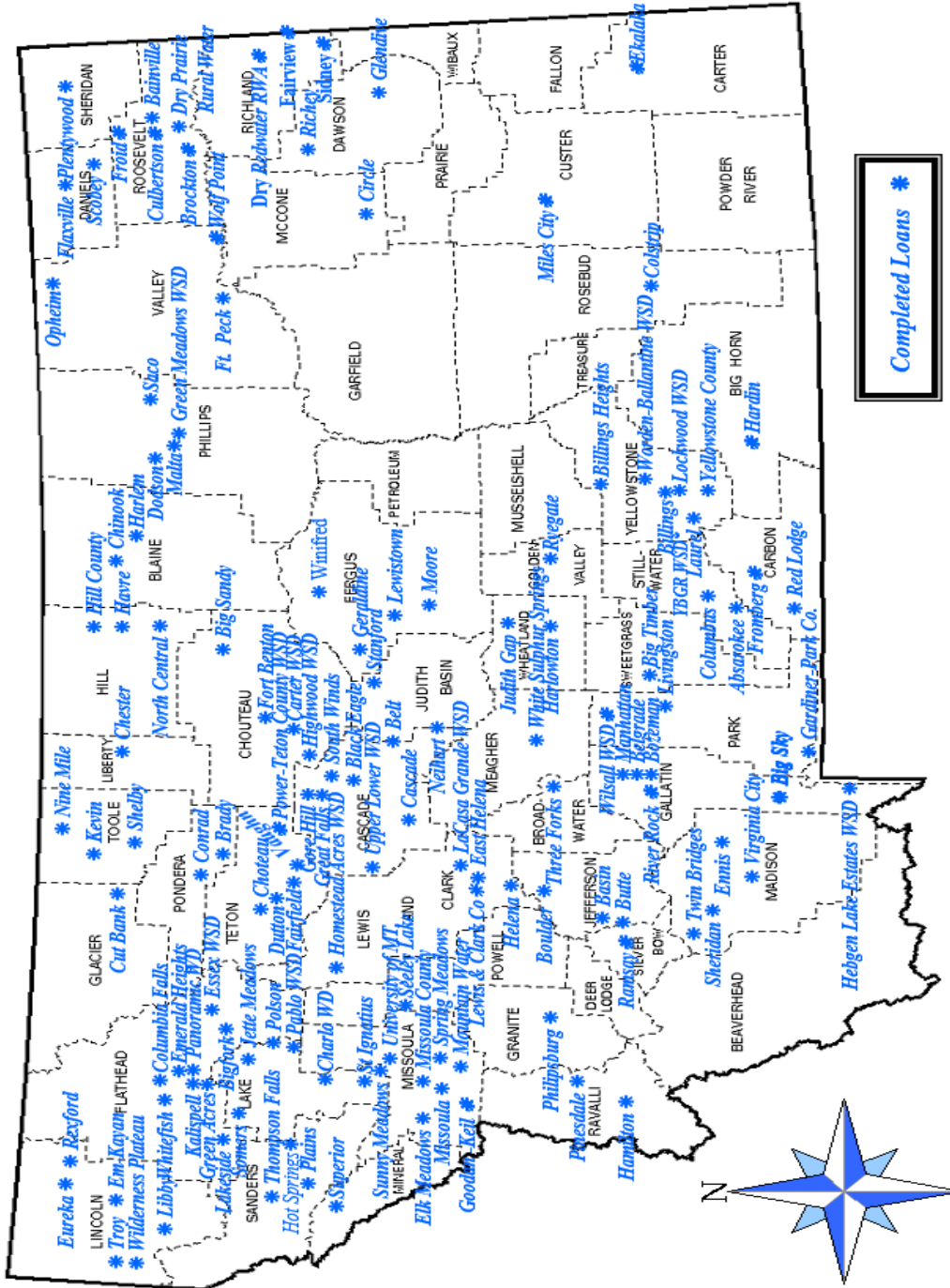
<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
174	10	Westby	Refinance Existing Debt	\$15,592	172
175	10	Brockton	Refinance Existing Debt	\$0	245
176	10	Medicine Lake	Refinance Existing Debt	\$360,000	289
177	10	Plentywood	Refinance Existing Debt	\$0	2061
178	10	Nashua	Refinance Existing Debt	\$60,000	325
179	10	Firelight Meadows Subdivision - Refinance	Refinance Existing Debt	\$635,000	500
180	10	Froid	Refinance Existing Debt	\$221,000	195
181	7.5	Alberton	Storage and Distribution System Improvements	\$250,000	374
<i>Total of All Amounts:</i>				\$226,813,235	

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## APPENDIX 3: GLOSSARY OF ACRONYMS AND INITIALIZATIONS

<b>Acronym</b>	<b>Definition</b>
ARRA	American Recovery and Reinvestment Act (2009)
DEQ	Department of Environmental Quality (Montana)
DNRC	Department of Natural Resources and Conservation (Montana)
DW	Drinking Water
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency (U.S.)
FFY	Federal Fiscal Year (begins October 1 and ends September 30)
FTE	Full-Time Equivalent
GO	General Obligation
IUP	Intended Use Plan
MAP	Midwest Assistance Program
MCA	Montana Code Annotated
MCL	Maximum Contaminant Level
MHI	Median Household Income
PCS	Potential Contaminant Source
PQL	Practical Quantification Limit
PWS	Public Water Supply
PWSP	Public Water Supply Program
PWSS	Public Water Supply Supervision
RAN	Revenue Anticipation Note
RATES	Rural and Tribal Environmental Solutions
RFP	Request for Proposals
SCADA	System Control and Data Acquisition
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SFY	State Fiscal Year (begins July 1 and ends June 30)
SRF	State Revolving Fund
SWP	Source Water Protection
SWTR	Surface Water Treatment Rule
TCR	Total Coliform Rule
TFM	Technical, Financial, and Managerial Capacity
URTH	Unreasonable Risk to Health
WPCSRF	Water Pollution Control State Revolving Fund

# Drinking Water Revolving Fund Loans



Completed Loans \*



April 30, 2021

Department of Natural Resources and Conservation  
Conservation and Resource Development Division

COMPLETED LOANS	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Absarokee WSD	\$ 3,057,000	2.50%	Cascade B	\$ 495,000	2.50%
Absarokee WSD	\$ 500,000	0.00%	Charlo WSD	\$ 85,000	3.75%-2%
Bainville Refinance	\$ 260,000	2.50%	Chester ARRA A	\$ 248,600	0.00%
Bainville Engineering	\$ 156,000	2.50%	Chester ARRA B	\$ 199,400	0.75%
Bainville A 2016	\$ 500,000	0.00%	Chinook Refinance	\$ 323,768	2.50%
Bainville B 2016	\$ 335,693	2.50%	Choteau	\$ 332,000	3%-2%
Basin BAN	\$ 75,000	1.75%	Circle A Refinance	\$ 671,098	0.00%
Belgrade ARRA A	\$ 416,300	0.00%	Circle B forgiven	\$ 221,125	0.00%
Belgrade ARRA B	\$ 333,700	0.75%	Circle C	\$ 221,125	2.50%
Belgrade A	\$ 500,000	0.00%	Circle A	\$ 246,000	0.00%
Belgrade B	\$ 2,718,000	3.75%-3%	Circle B	\$ 246,000	2.50%
Belgrade C	\$ 161,300	3.75%-2.25%	Circle A	\$ 187,500	0.00%
Belt A	\$ 315,000	0.00%	Circle B	\$ 187,500	2.50%
Belt B	\$ 315,000	3.00%	Colstrip I	\$ 563,000	4%-2%
Belt II-A	\$ 118,840	0.00%	Colstrip II	\$ 829,000	4%-2%
Belt II-B	\$ 122,000	2.50%	Columbia Falls I	\$ 907,000	4.00%
Big Sandy	\$ 349,377	2.75%-2.25%	Columbia Falls II	\$ 502,000	4.00%-2.25%
Big Sky I	\$ 534,000	4.00%	Columbia Falls	\$ 675,000	2.50%
Big Sky II	\$ 1,966,000	4.00%	Columbus	\$ 110,000	3.75%-2.25%
Big Sky III	\$ 5,000,000	3.75%	Columbus ARRA A	\$ 416,300	0.00%
Big Timber	\$ 4,606,000	2.50%	Columbus ARRA B	\$ 333,700	1.75%
Bigfork A	\$ 500,000	0.00%	Columbus II-A	\$ 500,000	0.00%
Bigfork B	\$ 661,703	2.50%	Columbus II-B	\$ 900,000	3.00%
Big Fork BAN	\$ 681,000	1.75%	Conrad I	\$ 650,000	4.00%-2.00%
Billings SID	\$ 818,000	4.00%	Conrad II	\$ 1,543,172	4.00%-2.00%
Billings	\$ 17,300,000	3.75%-2.25%	Conrad Refinance	\$ 473,583	2.50%
Billings ARRA A	\$ 416,300	0.00%	Conrad III	\$ 793,000	2.50%
Billings ARRA B	\$ 333,700	1.75%	Conrad WRF-18405	\$ 500,000	0.00%
Billings C	\$ 2,750,000	3.75%-2.25%	Conrad WRF-18406	\$ 500,819	2.50%
Billings III Zone 4 Tan	\$ 6,759,215	3.00%	Conrad A	\$ 324,000	0.00%
Billings IV-A	\$ 500,000	0.00%	Conrad B	\$ 324,000	2.50%
Billings IV-B	\$ 2,485,612	3.75%-3%	Culbertson A	\$ 186,000	0.00%
Billings V	\$ 2,927,621	3.75%-3%	Culbertson B	\$ 186,000	3.00%
Billings VI	\$ 6,100,000	3.00%	Cut Bank I	\$ 283,000	4%-2%
Billings VII	\$ 3,505,437	2.50%	Cut Bank II	\$ 576,000	4%-1.25%
Billings Heights A	\$ 500,000	0.00%	Cut Bank ARRA A	\$ 416,300	0.00%
Billings Heights B	\$ 538,000	3.75%-3%	Cut Bank ARRA B	\$ 333,700	0.75%
Billings Heights	\$ 2,987,000	2.50%	Cut Bank A	\$ 70,000	0.00%
Billings Heights	\$ 2,200,000	2.50%	Cut Bank B	\$ 70,000	3.75%
Black Eagle ARRA A	\$ 124,900	0.00%	Cut Bank Refi	\$ 866,312	2.50%
Black Eagle ARRA B	\$ 100,100	0.75%	Cut Bank A	\$ 500,000	0.00%
Boulder	\$ 1,294,000	4.00%	Cut Bank B	\$ 726,000	2.50%
Bozeman SID	\$ 94,000	3.75%	Denton	\$ 182,000	1.25%
Bozeman A	\$ 10,000,000	3.75%-3%	Denton	\$ 724,000	1.25%
Bozeman B	\$ 9,552,000	3.75%-3%	Dodson A	\$ 59,000	0.00%
Bozeman 2017	\$ 7,573,000	2.50%	Dodson B	\$ 59,000	2.50%
Brady BAN	\$ 257,000	1.25%	Dodson C	\$ 28,000	2.50%
Broadview	\$ 203,000	4.00%	Dry Prairie Rural Wtr Auth	\$ 313,000	2.75%-2.25%
Brockton	\$ 44,998	4.00%	Dry Prairie II	\$ 507,000	2.75%-2.25%
Butte ARRA A	\$ 416,300	0.00%	Dry Prairie III	\$ 368,000	2.75%-1.25%
Butte ARRA B	\$ 299,230	1.75%	Dry Prairie IV-A	\$ 500,000	0.00%
Butte A	\$ 500,000	0.00%	Dry Prairie IV-B	\$ 759,000	3.75%-3%
Butte B	\$ 2,296,387	3.75%-3%	Dry Prairie V-A	\$ 150,000	0.00%
Carter A	\$ 83,500	0.00%	Dry Prairie V-B	\$ 150,000	3.00%
Carter B	\$ 83,500	3.00%	Dry Prairie VI-A	\$ 500,000	0.00%
Carter Refinance	\$ 305,000	2.50%	Dry Prairie VI-B	\$ 1,233,638	3.00%
Carter II-A	\$ 58,628	0.00%	Dry Prairie VII	\$ 1,301,699	2.50%
Carter II-B	\$ 58,628	2.50%	Dry Prairie	\$ 638,000	2.50%
Cascade	\$ 129,998	3.00%	Dry Redwater WRF-18394	\$ 35,000	2.50%
Cascade A	\$ 385,000	0.00%	Dry Redwater WRF-19434	\$ 70,000	2.50%
Cascade B	\$ 385,000	2.50%	Dutton A	\$ 162,000	0.00%
Cascade A	\$ 495,000	0.00%	Dutton B	\$ 162,000	3.00%
			Dutton A	\$ 417,000	0.00%



COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Dutton B	\$ 417,000	2.50%	Gore Hill B	\$ 265,000	3.75%
Dutton A	\$ 140,000	0.00%	Great Falls	\$ 3,000,000	4%-2%
Dutton B	\$ 140,000	2.50%	Great Falls II	\$ 4,010,000	3.75%-3%
East Helena I	\$ 228,000	3.00%	Great Falls ARRA A	\$ 416,300	0.00%
East Helena II	\$ 3,234,000	3.00%	Great Falls ARRA B	\$ 333,700	1.75%
Ekalaka Refinace	\$ 290,800	2.75%	Great Falls III	\$ 2,700,893	2.50%
Ekalaka	\$ 232,747	2.75%	Great Falls WTP A	\$ 10,000,000	2.50%
Ekalaka II-A	\$ 28,663	0.00%	Great Falls WTP B	\$ 10,000,000	2.50%
Ekalaka II-B	\$ 28,663	3.00%	Great Falls WTP C	\$ 8,600,000	2.50%
Elk Meadows Ranchettes	\$ 200,000	4.00%	Greenacres A	\$ 208,000	0.00%
Elk Meadows ARRA A	\$ 416,300	0.00%	Greenacres B	\$ 208,000	3.75%-3%
Elk Meadows ARRA B	\$ 333,700	0.75%	Hamilton I	\$ 220,000	4.00%-2.25%
Elk Meadows BAN	\$ 68,013	1.25%	Hamilton II - A	\$ 500,000	2.75%-2.25%
Elk Meadows II-A	\$ 141,000	0.00%	Hamilton II - B	\$ 318,000	3.75%-2.25%
Elk Meadows II-B	\$ 141,000	3.00%	Hamilton II - C	\$ 380,000	3.75%-2.25%
Elk Meadows II-C	\$ 67,500	0.00%	Hamilton	\$ 170,000	3.75%-2.25%
Elk Meadows II-D	\$ 67,500	3.00%	Hardin	\$ 453,900	3.75%
Em-Kayan WSD	\$ 191,000	3.75%-3%	Hardin A	\$ 279,500	0.00%
Emerald Heights BAN	\$ 48,922	1.75%	Hardin B	\$ 235,411	3.00%
Emerald Heights A	\$ 91,078	0.00%	Harlem I-A	\$ 500,000	2.75%
Emerald Heights B	\$ 90,888	2.50%	Harlem I-B	\$ 579,638	3.75%-3%
Ennis I	\$ 59,701	4.00%	Harlowton A	\$ 437,000	0.00%
Ennis II	\$ 500,000	2.75%	Harlowton B	\$ 437,000	3.75%-3.00%
Essex WSD ARRA A	\$ 198,300	0.00%	Harlowton BAN	\$ 163,000	1.25%
Essex WSD ARRA B	\$ 158,946	0.75%	Harlowton BAN 2018	\$ 98,525	1.25%
Eureka	\$ 619,000	4%-2%	Harlowton A	\$ 412,500	0.00%
Eureka interim financing	\$ 937,491	2.75%	Harlowton B	\$ 412,500	3.00%
Eureka A 2017	\$ 100,600	0.00%	Harlowton BAN 2016	\$ 132,926	1.25%
Eureka B 2017	\$ 100,425	2.50%	Harlowton A 2017	\$ 392,500	0.00%
Eureka Midvale Acquisition	\$ 377,455	2.50%	Harlowton B 2017	\$ 392,500	2.50%
Fairfield A	\$ 248,637	0.00%	Harlowton A 2020	\$ 391,500	0.00%
Fairfield B	\$ 322,000	3.00%	Harlowton B 2020	\$ 391,500	2.50%
Fairview A	\$ 500,000	0.00%	Havre I	\$ 600,000	4.00%-2.00%
Fairview B	\$ 2,145,152	2.50%	Havre II	\$ 8,401,000	4.00%-2.25%
Flaxville A	\$ 90,000	0.00%	Havre III - A	\$ 500,000	2.75%-2.25%
Flaxville B	\$ 90,000	3.00%	Havre III - B	\$ 203,700	3.75%-2.25%
Fort Benton ARRA A	\$ 350,200	0.00%	Havre ARRA A	\$ 194,300	0.00%
Fort Benton ARRA B	\$ 279,819	1.75%	Havre ARRA B	\$ 155,700	0.75%
Fort Peck WSD	\$ 1,520,000	4%-3%	Hebgen Lake Estates BAN 1	\$ 79,000	1.75%
Fort Peck WSD II	\$ 662,000	2.50%	Hebgen Lake Estates BAN 2	\$ 181,000	1.75%
Froid B	\$ 159,087	0.00%	Helena I	\$ 1,250,000	4.00%
Froid C	\$ 159,087	2.50%	Helena II	\$ 2,850,000	3.75%-2.25%
Fromberg A	\$ 481,000	0.00%	Helena III	\$ 2,750,000	3.75%-2.25%
Fromberg B	\$ 163,785	0.00%	Helena ARRA A	\$ 416,300	0.00%
Fromberg C	\$ 163,633	2.50%	Helena ARRA B	\$ 333,700	1.75%
Gardiner-Park County WSD -	\$ 161,504	3%-2%	Helena	\$ 1,325,000	3.75%-2.25%
Gardiner Park County WSD -	\$ 330,000	3%-2%	Helena A 2016	\$ 500,000	0.00%
Gardiner Park County WSD -	\$ 267,000	4%-2%	Helena B 2016	\$ 660,666	2.50%
Gardiner-Park County WSD I.	\$ 463,784	2.75%-2.25%	Helena 2019	\$ 5,700,000	2.50%
Gardiner-Park County WSD I.	\$ 125,000	2.75%-2.25%	Highwood WSD	\$ 75,000	3.00%
Geraldine	\$ 129,000	3.00%	Hill County	\$ 723,998	3.75%
Glendive	\$ 1,565,000	4%-2.25%	Homestead Acres WSD ARRA	\$ 218,700	0.00%
Glendive ARRA A	\$ 198,100	0.00%	Homestead Acres WSD ARRA	\$ 175,297	3.75%
Glendive ARRA B	\$ 158,900	1.75%	Hot Springs	\$ 941,945	3.00%
Glendive A	\$ 150,000	0.00%	Jette Meadows WSD	\$ 44,477	2.75%
Glendive B	\$ 150,000	3.75%	Jette Meadows WSD	\$ 300,000	3.75%-2.25%
Glendive Meade Ave	\$ 444,193	2.50%	Jette Meadows WSD ARRA A	\$ 416,300	0.00%
Glendive WTP	\$ 500,000	0.00%	Jette Meadows WSD ARRA B	\$ 333,700	0.75%
Glendive WTP	\$ 7,000,000	2.50%	Jette Meadows WSD C	\$ 325,000	3.75%-3.00%
Glendive WTP	\$ 6,149,000	2.50%	Judith Gap	\$ 112,000	2.75%
Goodan Keil WD	\$ 474,999	2.75%	Kalispell	\$ 761,000	4.00%-2.00%
Gore Hill A	\$ 265,000	0.00%	Kalispell - refinance	\$ 1,283,159	3.75%-1.25%
			Kalispell 2017	\$ 2,662,000	2.50%
			Kalispell II	\$ 1,500,000	3.75%-2.25%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Kalispell Refinance	\$ 365,648	2.50%	Missoula County L&C ARRA A	\$ 317,700	0.00%
Kalispell	\$ 2,147,108	2.50%	Missoula County L&C ARRA B	\$ 165,000	0.75%
Kevin ARRA A	\$ 377,400	0.00%	Missoula County L&C ARRA C	\$ 4,979	0.75%
Kevin ARRA B	\$ 302,600	0.75%	Mountain Water Company ARR	\$ 416,300	0.00%
LaCasa Grande WSD I	\$ 150,000	4.00%	Mountain Water Company ARR	\$ 333,700	1.75%
LaCasa Grande WSD II	\$ 500,000	2.75%	Neihart	\$ 107,617	2.75%
Lakeside	\$ 400,000	3.00%	Nine Mile W&SD BAN	\$ 2,745,000	1.75%
Laurel I	\$ 5,250,000	4.00%-2.00%	Nine Mile W&SD A	\$ 500,000	0.00%
Laurel II	\$ 2,541,000	4.00%-2.25%	North Central	\$ 100,000	3.00%
Laurel III-A	\$ 500,000	2.75%	North Central II	\$ 100,000	3.00%
Laurel III-B	\$ 190,000	3.75%	North Central BAN	\$ 264,602	1.25%
Laurel IV-A	\$ 500,000	2.75%	North Central A	\$ 252,000	0.00%
Laurel IV-B	\$ 129,288	3.75%	North Central B	\$ 252,000	2.50%
Laurel Refinance	\$ 518,500	2.75%-1.25%	Opheim Refinance	\$ 247,861	2.50%
Laurel V-A	\$ 188,000	0.00%	Opheim A	\$ 87,500	0.00%
Laurel V-B	\$ 188,000	3.00%	Opheim B	\$ 87,500	2.50%
Laurel 2017	\$ 1,700,000	2.50%	Pablo ARRA A	\$ 416,300	0.00%
Laurel 2019	\$ 4,921,000	2.50%	Pablo ARRA B	\$ 333,700	0.75%
Lewis & Clark County - Woodlawn	\$ 319,516	2.75%	Pablo C	\$ 152,121	3.75%-3%
Lewis & Clark County - Senior AR	\$ 25,500	0.00%	Pablo BAN	\$ 75,000	1.25%
Lewis & Clark County - Senior AR	\$ 20,500	0.75%	Pablo BAN II	\$ 146,689	1.25%
Lewistown	\$ 3,549,000	3.75%-1.25%	Pablo A	\$ 500,000	0.00%
Libby	\$ 500,000	1.25%	Pablo B	\$ 500,000	3.00%
Libby Refinance	\$ 2,189,579	2.50%	Pablo II-A	\$ 500,000	0.00%
Livingston I	\$ 155,000	2.75%	Pablo II-B	\$ 620,000	2.50%
Livingston Rev	\$ 700,000	3.75%	Panoramic Mtn River Hgts WD	\$ 120,000	3.75%-2.25%
Livingston Rev	\$ 200,000	3.75%	Phillipsburg	\$ 238,322	3%-1.25%
Livingston TIF	\$ 676,472	3.75%	Phillipsburg A	\$ 212,000	0.00%
Livingston SID	\$ 322,088	3.75%	Phillipsburg B	\$ 212,000	2.50%
Lockwood WSD I	\$ 1,700,000	4.00%	Phillipsburg BAN	\$ 414,346	1.25%
Lockwood WSD II - A	\$ 500,000	2.75%-1.25%	Phillips Co Green Mdws WSD	\$ 63,727	2.75%
Lockwood WSD II - B	\$ 500,000	3.75%-1.25%	Phillips Co Green Mdws WSD (I	\$ 100,000	2.75%
Lockwood WSD III - A	\$ 500,000	2.75%-2.25%	Pinesdale Refinance	\$ 487,310	2.50%
Lockwood WSD III - B	\$ 600,000	3.75%-3%	Pinesdale A	\$ 457,932	0.00%
Lockwood WSD IV-A	\$ 436,500	0.00%	Pinesdale B	\$ 692,050	2.50%
Lockwood WSD IV-B	\$ 336,987	3.75%-2%	Plains	\$ 239,628	3.75%-2.25%
Lockwood WSI	\$ 2,000,000	2.50%	Plains BAN	\$ 22,994	1.25%
Lockwood	\$ 5,750,000	2.50%	Plains II-A	\$ 300,000	0.00%
Malta A	\$ 500,000	0.00%	Plains II-B	\$ 316,000	3.00%
Malta B	\$ 500,000	2.50%	Plentywood	\$ 577,000	4%-2%
Malta C	\$ 4,327,000	2.50%	Plentywood II	\$ 500,000	2.75%
Malta	\$ 680,015	2.50%	Plentywood II - B	\$ 500,000	3.75%-3%
Manhattan ARRA A	\$ 127,700	0.00%	Polson ARRA A	\$ 416,300	0.00%
Manhattan ARRA B	\$ 102,300	0.75%	Polson ARRA B	\$ 333,700	0.75%
Manhattan	\$ 108,205	2.75%-2.25%	Polson A	\$ 221,127	0.00%
Manhattan II-A	\$ 281,000	0.00%	Polson B	\$ 221,129	2.50%
Manhattan II-B	\$ 281,000	2.50%	Power-Teton WSD I	\$ 400,000	2.75%-2%
Miles City	\$ 1,007,697	2.75%	Power-Teton WSD II	\$ 375,000	2.75%-2.25%
Miles City - Carbon Hill	\$ 500,000	2.75%	Ramsay A	\$ 143,000	2.50%
Miles City - NE waterlines	\$ 500,000	2.75%	Ramsay B	\$ 59,750	0.00%
Miles City - Carbon Hill	\$ 2,125,268	3.75%-3%	Ramsay C	\$ 59,750	2.50%
Miles City - NE waterlines	\$ 2,200,000	3.75%-3%	Red Lodge A	\$ 500,000	0.00%
Miles City ARRA A	\$ 416,300	0.00%	Red Lodge B	\$ 944,466	2.50%
Miles City ARRA B	\$ 333,700	0.75%	Rexford Refinane	\$ 236,000	2.50%
Missoula County Fair	\$ 206,194	4.00%	Richey	\$ 45,000	2.75%
Missoula Cty Fairgds	\$ 705,000	2.50%	River Rock WSD	\$ 2,100,000	4.00%-2.00%
Missoula/Sunset West	\$ 291,000	4.00%	Ronan BAN	\$ 199,017	1.25%
Missoula County - Lorraine South	\$ 142,000	3.75%	Ronan A	\$ 500,000	2.50%
			Ronan B	\$ 650,000	2.50%
			Roundup	\$ 1,392,000	2.50%



COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Roundup A	\$ 120,000	0.00%	Three Forks III-B	\$ 681,000	2.50%
Roundup B	\$ 120,000	2.50%	Three Forks III C	\$ 94,716	2.50%
Roundup A 2020	\$ 350,078	0.00%	Troy Refinance	\$ 1,764,199	2.50%
Roundup B 2020	\$ 350,079	2.50%	Troy ARRA A	\$ 277,500	0.00%
Ryegate BAN	\$ 54,572	1.25%	Troy ARRA B	\$ 222,500	0.75%
Ryegate A	\$ 276,741	0.00%	Twin Bridges	\$ 286,515	4%-1.25%
Ryegate B	\$ 270,394	3.00%	University of Montana	\$ 416,300	0.00%
Ryegate Refinance	\$ 216,800	2.50%	University of Montana ARRA B	\$ 333,700	1.75%
Saco	\$ 335,005	2.75%	Upper Lower River Rd WSD	\$ 500,000	2.75%
Scobey A	\$ 162,000	0.00%	Upper/Lower River Rd WSD	\$ 195,000	3.75%
Scobey B	\$ 162,000	3.75%-3%	Upper/Lower River Rd WSD BAN	\$ 234,479	2.75%
Seeley Lake	\$ 1,340,000	3.00%	Upper/Lower River Rd WSD BAN II	\$ 606,536	2.75%
Seeley Lake ARRA A	\$ 416,300	0.00%	Upper/Lower River Rd WSD II	\$ 365,000	2.75%
Seeley Lake ARRA B	\$ 333,700	0.75%	Upper Lower River Rd WSD ARRA A	\$ 277,500	0.00%
Seeley Lake C	\$ 2,460,650	3.75%-3%	Upper Lower River Rd WSD ARRA B	\$ 222,500	0.75%
Shelby I	\$ 866,000	4.00%-2.00%	Upper/Lower River Rd WSD III-A	\$ 192,500	2.75%
Shelby II	\$ 677,000	4.00%-2.00%	Upper/Lower River Rd WSD III-B	\$ 193,084	3.00%
Shelby III	\$ 700,000	3.75%-2.25%	Upper/Lower River Rd WSD BAN III	\$ 260,933	2.75%
Shelby IV	\$ 709,000	3.75%-2.25%	Upper/Lower River Rd WSD BAN	\$ 278,377	1.25%
Shelby IV-A	\$ 500,000	2.75%	Upper/Lower River Rd WSD A	\$ 145,000	0.00%
Shelby IV-B	\$ 150,000	3.75%-3.00%	Upper/Lower River Rd WSD B	\$ 143,075	2.50%
Shelby ARRA-A	\$ 416,300	0.00%	Vaughn W&SD A	\$ 214,000	0.00%
Shelby ARRA-B	\$ 333,700	0.75%	Vaughn W&SD B	\$ 214,000	2.50%
Shelby C	\$ 1,247,000	3.75%-3.00%	Virginia City	\$ 66,000	4.00%
Shelby A	\$ 500,000	0.00%	Virginia City ARRA A	\$ 238,700	0.00%
Shelby B	\$ 535,000	2.50%	Virginia City ARRA B	\$ 187,049	0.75%
Sheridan	\$ 265,200	2.75%	Virginia City ARRA II-A	\$ 26,600	0.00%
Sheridan BAN	\$ 167,622	2.75%	Virginia City ARRA II-B	\$ 10,850	0.75%
Sheridan BAN	\$ 70,000	1.25%	White Sulphur Springs BAN	\$ 175,000	2.75%
Sheridan II	\$ 359,213	2.75%-2.25%	White Sulphur Springs BAN	\$ 320,005	2.75%
Sheridan A	\$ 500,000	0.00%	White Sulphur Springs A	\$ 500,000	0.00%
Sheridan B	\$ 601,000	2.50%	White Sulphur Springs B	\$ 1,267,375	3.00%
Sidney	\$ 1,710,000	2.50%	White Sulphur Springs II	\$ 105,264	3.00%
Somers A	\$ 500,000	0.00%	White Sulphur Springs III-A	\$ 199,664	0.00%
Somers B	\$ 1,666,000	2.50%	White Sulphur Springs III-B	\$ 199,664	2.50%
South Winds WSD	\$ 500,000	0.00%	Whitefish I	\$ 400,000	4.00%-2.00%
South Winds WSD	\$ 500,000	2.50%	Whitefish II	\$ 5,839,000	4.00%-2.00%
South Wind A	\$ 48,500	0.00%	Whitefish III	\$ 895,835	3.75%-2.25%
South Wind B	\$ 48,500	2.50%	Whitefish IV	\$ 900,000	3.75%-2.25%
Spring Meadows Co WD	\$ 309,000	2.75%-2.25%	Whitefish ARRA A	\$ 149,900	0.00%
Stanford Refi 2019	\$ 903,000	2.50%	Whitefish ARRA B	\$ 120,100	0.75%
Stanford A	\$ 500,000	0.00%	Whitefish IV	\$ 120,000	2.50%
Stanford B	\$ 1,822,000	2.50%	Whitefish A Loan	\$ 6,000,000	2.50%
St Ignatius A	\$ 76,000	0.00%	Whitefish B Loan	\$ 5,000,000	2.50%
St Ignatius B	\$ 76,000	3.00%	Wilderness Plateau WSD ARRA A	\$ 146,000	0.00%
Sunny Meadows	\$ 180,000	2.75%-2.25%	Wilderness Plateau WSD ARRA B	\$ 117,000	0.75%
Superior I	\$ 500,000	2.75%-2.25%	Wilsall WSD BAN	\$ 27,580	1.25%
Superior II	\$ 1,229,105	3.75%-2.25%	Wilsall A 2017	\$ 165,000	0.00%
Superior ARRA A	\$ 165,400	0.00%	Wilsall B 2017	\$ 165,000	2.50%
Superior ARRA B	\$ 132,600	0.75%	Winifred	\$ 246,000	2.50%
Thompson Falls I	\$ 500,000	2.75%-2.25%	Wolf Point	\$ 730,000	3.75%
Thompson Falls II	\$ 897,596	3.75%-2.25%	Worden-Ballantine WSD I	\$ 500,000	2.75%-2.25%
Thompson Falls	\$ 128,694	2.75%-2.25%	Worden-Ballantine WSD II	\$ 368,000	3.75%-2.25%
Thompson Falls	\$ 425,000	0.00%	Yellowstone Cnty Boys & Girls WSD	\$ 650,000	2.50%
Thompson Falls	\$ 425,000	2.50%	Yellowstone County RSID	\$ 373,000	3.75%
Thompson Falls 2019	\$ 238,000	2.50%			
Thompson Falls 2019	\$ 238,000	2.50%			
Thompson Falls A	\$ 500,000	0.00%			
Thompson Falls B	\$ 500,000	2.50%			
Three Forks ARRA A	\$ 94,400	0.00%			
Three Forks ARRA B	\$ 75,600	1.75%			
Three Forks	\$ 336,000	3.75%-2.00%			
Three Forks BAN	\$ 22,570	2.75%			
Three Forks II	\$ 268,000	3.75%-2.25%			
Three Forks BAN II	\$ 640,000	1.25%			
Three Forks III-A	\$ 500,000	0.00%			
			<b>Subtotal</b>	<b>\$401,816,114</b>	



<b>PROPOSED LOANS</b>	<b>LOAN AMOUNT</b>	<b>INTEREST RATE</b>
<i>Basin A</i>	\$ 200,000	0.00%
<i>Basin B</i>	\$ 200,000	2.50%
<i>Big Fork</i>	\$ 5,330,000	2.50%
<i>Big Timber</i>	\$ 771,000	2.50%
<i>Clancy</i>	\$ 1,600,000	2.50%
<i>Cut Bank A</i>	\$ 500,000	0.00%
<i>Cut Bank B</i>	\$ 770,000	2.50%
<i>Deer Lodge</i>	\$ 2,000,000	2.50%
<i>Dillon</i>	\$ 3,776,000	2.50%
<i>East Helena</i>	\$ 1,312,000	2.50%
<i>Harlowton</i>	\$ 725,000	2.50%
<i>Hebgen Lake W&amp;SD A</i>	\$ 375,000	0.00%
<i>Hebgen Lake W&amp;SD B</i>	\$ 375,000	2.50%
<i>Hidden Lake WD A</i>	\$ 316,000	0.00%
<i>Hidden Lake WD B</i>	\$ 316,000	2.50%
<i>Nine Mile W&amp;SD B</i>	\$ 2,245,000	2.50%
<i>Plains A</i>	\$ 121,500	0.00%
<i>Plains B</i>	\$ 121,500	2.50%
<i>Red Lodge A</i>	\$ 500,000	0.00%
<i>Red Lodge B</i>	\$ 1,240,000	2.50%
<i>Sidney</i>	\$ 1,875,000	2.50%
<i>Whitehall BAN</i>	\$ 900,000	1.75%
<i>White Sulphur Springs A</i>	\$ 100,000	0.00%
<i>White Sulphur Springs B</i>	\$ 100,000	2.50%
<b>Subtotal</b>	<b>\$ 25,769,000</b>	
<b>Grand Total</b>	<b>\$ 427,585,114</b>	