

MONTANA
DRINKING WATER STATE REVOLVING FUND
ANNUAL REPORT

FOR STATE FISCAL YEAR 2024
(JULY 1, 2023 THROUGH JUNE 30, 2024)

Prepared by

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

for
U.S. Environmental Protection Agency Region VIII
November 2024



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Table of Contents

Tables.....	ii
Exhibits	ii
Appendices	ii
I. INTRODUCTION	1
II. EXECUTIVE SUMMARY SFY24.....	1
III. GOALS OF THE DWSRF	2
Long-Term Goals – Base and Supplemental Grants	2
Long-Term Goals – EC Grant.....	3
Short-Term Goals – Base and Supplemental Grants	3
Short-Term Goals – EC Grant.....	5
IV. FINANCIAL REPORTS	5
V. DETAILS OF DWSRF ACTIVITY.....	6
A. Loan Assistance	6
Project Bypass	6
Disadvantaged Communities.....	9
Small Systems	9
Summary of Loan Assistance	10
B. First-Round Funded Loans.....	10
C. Recycled Funded Loans	10
D. Source of Funds.....	11
SFY24	11
E. Federal Funds Drawn by the DWSRF Program	11
F. Set-Asides	12
DWSRF Administration	12
Public Water Supply Supervision (PWSS) Set-Aside: Administration.....	12
PWSS Operator Certification	13
PWSS Capacity Development	14
Small Systems Technical Assistance	14
Local Assistance – Capacity Development.....	15
Local Assistance – Wellhead Protection Program	15
VI. GRANT CONDITIONS AND CERTIFICATIONS.....	16
VII. CURRENT STATUS AND FUTURE ACTIVITIES	19
VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS	19

TABLES

Table 1. Population Served by Drinking Water State Revolving Fund (DWSRF) Loans in SFY24	10
Table 2. RTCR Assessments for SFY24 and Calendar Year 2023	13
Table 3. Summary of Capacity Development Assessment.....	13
Table 4. Drinking Water State Revolving Fund (DWSRF) Loan Program Schedule for SFY25	19

EXHIBITS

EXHIBIT 1. Sources of Drinking Water State Revolving Funds Through SFY24	21
EXHIBIT 2. DWSRF Capitalized Grant Closed Loans for SFY24	23
EXHIBIT 3. DWSRF Recycled Closed Loans for SFY24.....	24
EXHIBIT 4. DWSRF Projected Loan Agreements for SFY25 for the Base and BIL Supplemental Grants	25
EXHIBIT 4A. DWSRF Projected Loan Agreements for SFY25 for the BIL EC Grant	26
EXHIBIT 5. Amounts Available for Transfer Between SRF Programs for the Base Grant.....	27
EXHIBIT 5A. Amounts Available for Transfer Between SRF Programs for the BIL Supplemental Grant	28
EXHIBIT 5B. Amounts Available for Transfer Between SRF Programs for the BIL EC Grant	28
EXHIBIT 6. Drinking Water State Revolving Fund SFY24 Summary of Letter of Credit Draws.....	29
EXHIBIT 7. Drinking Water State Revolving Fund SFY 2024 Budget vs. Draw by Category.....	33
EXHIBIT 8. DWSRF Loans – MBE/WBE For Contracts Awarded During SFY24	44

APPENDICES

APPENDIX A: SFY23 Cash Flow Model.....	45
APPENDIX B: Financial Statements Unaudited With Footnotes	47
APPENDIX C: SFY23 Intended Use Plan.....	59
APPENDIX D: Map of Projects and List.....	60

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, 2023 and ending June 30, 2024 (State Fiscal Year (SFY) 2024).

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 SFY24

During SFY24, Montana applied for the Federal Fiscal Year (FFY) 2024 Base Capitalization Grant, the FFY 2024 Bipartisan Infrastructure Law (BIL) Supplemental Capitalization Grant, and the FFY 2023 and FFY 2024 BIL Emerging Contaminant (EC) Capitalization Grants. The BIL EC Grants were both awarded on June 25, 2024, the BIL Supplemental Grant was awarded on June 28, 2024, and the Base Grant was awarded on July 2, 2024.

Since the inception of the DWSRF, Montana has issued six GO Bonds, fourteen 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 \$56,125,000, with other state funds generated, match is \$68,641,164. A summary of these bond issues is provided in **Exhibit 1**.

Exhibit 1 also provides a complete tabulation of capitalization grant awards received through June 30, 2024; projected state match; binding commitments for loan projects through SFY24; 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 SFY24. In addition, DNRC provided a portion of their program administration services as an in-kind contribution in the amount of \$-0- for SFY24.

During SFY24, the DWSRF program executed 34 loan agreements (22 projects) totaling \$44,317,000 (not including Bond Anticipation Notes (BANs)) for 16 borrowers. For a detailed breakdown of all DWSRF loan agreements signed and key dates of project activity that occurred in SFY24, refer to **Exhibit 2: DWSRF Capitalized Grant Closed Loans for SFY24**, and **Exhibit 3: DWSRF Recycled Closed Loans for SFY24**.¹

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 SFY24 Intended Use Plan (IUP) for the Base and Supplemental Grants and the SFY23 IUP for the EC grant and discusses how these goals were achieved through the activities performed by DNRC and DEQ personnel throughout the course of SFY24.

LONG-TERM GOALS – BASE AND SUPPLEMENTAL GRANTS

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 SFY24 met all program requirements governing financial capability to assume debt. Twenty of the 33 loans issued received an interest rate of 2.50% on their loans (well below market rates), and thirteen of the 33 loans received principal forgiveness. We did not provide interim financing during SFY24 and, therefore, no communities received an interest rate of 1.75% under the interim financing criteria. Three communities received an interim loan (a BAN) at 1.75% to pay for engineering. These factors illustrate that the assistance is affordable. Refer to **Exhibits 2 and 3**. The cash flow model with all activity through SFY24 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 SFY24, DWSRF staff typically present information at a variety of events. This normally includes an infrastructure workshop at the

¹ Loan close totals shown in Exhibit 2 (\$42,279,000) and loan close totals excluding BANs shown in Exhibit 3 (\$2,038,000) total \$44,317,000.

annual Montana Rural Water Systems Conference in Great Falls, Montana, and one-on-one meetings with community leaders.

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

LONG-TERM GOALS – EC GRANT

1. *To provide a convenient source of funding for drinking water projects that address ECs that have or could impact the water quality for communities in Montana.*

Montana provided EC funding at 100% principal forgiveness (as required by the Grant) without requiring the project to include other SRF funding (i.e., base or supplemental funds). In other words, EC-funded projects will be funded exclusively from the EC Grant and the loan will be completely forgiven as long as all federal and state requirements are met. Since these funds are 100% forgiven, several communities expressed interest in addressing EC's in their system in SFY24 making this a convenient funding source for systems with EC issues. Refer to **Exhibit 2** for information regarding the EC project funded in SFY24. The cash flow model with all activity through SFY24 is included in this report as **Appendix A**.

SHORT-TERM GOALS – BASE AND SUPPLEMENTAL GRANTS

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 35 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, 2024, now totals \$495,977,167. Please see **Appendix D** which includes a project list and a map to show where projects that have utilized DWSRF loan funds are located.

2. *To fund projects that address specific and immediate requirements of the SDWA, for example the Disinfectant/Disinfection By-Products Rule, the Surface Water Treatment Rule, the Long Term 2 Enhanced Surface Water Treatment Rule, the Revised Total Coliform Rule, and the Radionuclides Rule, Montana anticipated funding at least seven projects to address water treatment in SFY24.*

The anticipated projects for water treatment listed in the SFY24 IUP were for the Town of Whitehall, the Town of Harlem, the City of Lewistown, the Town of Philipsburg, the Town of Chester, the Power-Teton Water and Sewer District, and the Town of Wilsall. The City of Lewistown closed a loan related to water treatment at the end of SFY23 and the project is currently in construction. The Town of Whitehall's Ion Exchange Treatment Plant is in construction and will close on a loan in SFY25. The projects for Harlem, Philipsburg, Chester, and Power-Teton Water and Sewer District are still pending with some expected to close in SFY25. Wilsall will likely not use SRF funding.

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 one consolidation project in SFY24.*

While Montana did not close loans for regional projects in SFY24, two BANs were closed in SFY24 for Phase 2B and 2C of the Central Montana Regional Water System with a DWSRF loan to pay off the BANs expected to close in SFY25.

4. *To fund projects that address replacement of aging infrastructure. Montana anticipated funding at least 24 projects of this type in SFY24.*

19 new projects were funded (30 loans) in SFY24 to replace aging infrastructure. These projects were for Basin, Broadview, Choteau, Coram Water and Sewer District, Cut Bank, Fairview, Forest Park Dawson County Water and Sewer District, Fort Benton, Glendive, Grass Range, Harlowton, Missoula (5 separate projects), Ponderilla Hills, and Sidney. The loans totaled \$23,886,000.

5. *To fund projects that develop system sustainability through financial capacity by refinancing existing debt. No refinancing loans were expected in SFY24.*

No loans were closed in SFY24 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 continue 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 attend training seminars and workshops to maintain and improve technical, financial, and programmatic knowledge. In SFY24, Anna Miller, Cid Sivils, and Sandie Koenig attended the Council of Infrastructure Financing Authorities (CIFA) National Workshop in Oklahoma City, Oklahoma; Anna Miller, Cid Sivils, Robert Ashton, Denver Fraser, Jake Goettle, Wade Salyards, and Sandie Koenig attended the Montana Rural Water Systems Conference. Robert Ashton, Denver Fraser, Jake Goettle, Wade Salyards, and Sandie Koenig attended Montana's American Water Works Association (AWWA) Conference; and Anna Miller and Jake Goettle attended the CIFA Legislative Conference in Washington D.C.

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 set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.*

See **Appendix A: Cash Flow Model SFY24**.

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.

SHORT-TERM GOALS – EC GRANT

1. *To fund drinking water infrastructure projects that address any contaminant listed in the EPA’s CCLs (i.e., CCLs 1-5). Montana anticipates funding at least 2 projects to address these contaminants.*

Montana funded one project in SFY24 to address high sulfates (> 500 mg/L). This was an accomplishment considering EC funding is relatively new and projects typically are in the project pipeline for several years before a loan is closed.

2. *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 1 consolidation project.*

No EC loans were closed in SFY24 for consolidation projects.

IV. FINANCIAL REPORTS

DEQ and DNRC engaged Montana Legislative Audit Division (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, the Inspector General’s Office, and the Office of Management and Budget.

The LAD has completed their audit work for SFY23. Financial statements were presented to the Legislative Audit Committee (LAC). A qualified opinion was issued for the financial statements of the Agency. A copy of the report was submitted to EPA Region VIII. The SFY24 unaudited financial statements for DWSRF, including footnotes, will be included in the Annual Report as soon as they are complete (**Appendix B**). They are scheduled to be completed November 30, 2024.

V. DETAILS OF 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 SFY24, the DWSRF program closed 34 loans (22 projects) for 16 borrowers. Construction was initiated on 23 new projects and 18 projects were completed. The rate of construction with respect to fund disbursements at fiscal year-end was approximately 94.0% (\$465.3 million in disbursements and \$496.0 million in loans). The overall fund utilization rate is approximately 82.3% (\$496.0 million in loans; \$602.6 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.

For the Base and Supplemental Grant Project Priority List, Montana bypassed 60 projects with the funding of two loans for the town of Broadview, ranked number 82. Fourteen other communities closed a total of 31 loans. For the EC Grant Project Priority List, Montana bypassed five projects with the funding of the loan for the Elder Grove School, ranked number 6. For both priority lists, 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 SFY24** and **Exhibit 3: DWSRF Recycled Closed Loans for SFY24** for a list of closed loans in SFY24. 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 SFY24. The status of the top twenty ranked projects on the Base and Supplemental Grant Project Priority List is discussed below.

1. *Wilsall WD*. The District is exploring source/treatment alternatives to address ground water under the direct influence of surface water (GWUDISW) compliance and a nitrate MCL exceedance. Plans and specifications were approved in SFY23. Construction is substantially complete but there are issues with water rights. It is believed that this project will no longer need an SRF loan as the loan amount primarily addressed contingency which was not used.

2. *Town of Whitehall.* The Town is under an enforcement order to address elevated uranium levels. Construction has begun on the ion exchange treatment plant as well as distribution system improvements. Two SRF loans, one for the SRF program and one for interim financing for Rural Development, are expected to close in SFY25.
3. *Dry-Redwater Regional Water Authority.* Construction has begun on an extensive distribution system using an interim water supply. An SRF Loan was closed in SFY18. An additional loan to fund a subsequent phase closed in 2019. Additional loan applications for future phases are expected.
4. *Town of Libby.* The exact status of this project is unknown and needs to be identified.
5. *North Central Montana Regional Water System. Rocky Boys/North Central Regional Water System.* Construction continues for the extensive distribution system and additional SRF funding may be requested on subsequent phases.
6. *Central Montana Regional Water Authority (CMRWA).* The Authority has received federal authorization and federal funding. Phase 1 is complete. Phase 2, which includes subphases 2A, 2B, and 2C, is nearing substantial completion and Wells #4 and #5 are expected to be complete in the Spring of SFY25. An SRF BAN was issued for Phases 2B and 2C in SFY24. It is anticipated that an SRF loan for Phase 2A and the Wells #4 and #5 project will close in SFY25.
7. *Town of Absarokee.* The Town needs additional source capacity for its current customers and is seeking an SRF loan to provide surface water treatment in the form of cartridge filters to allow for the use of an existing infiltration gallery as a source of supply. Plans and specifications are expected in the winter of SFY25 with construction beginning in SFY25 or SFY26.
8. *Libby Creek Community.* This private system has old, deteriorated water mains and is proposing to connect to the Town of Libby. To date, an SRF loan application has not been received and the exact status of the project is unknown.
9. *Town of Harlem.* The Town is under an enforcement order to address exceedances of the maximum contaminant level for both total trihalomethanes (TTHMs) and haloacetic acids (HAA5s). Construction is scheduled for SFY25 for the installation of a treatment system to address elevated TTHM and HAA5 levels, as well as rehabilitation of the clearwell and replacement of old, deteriorated distribution mains. It is anticipated that an SRF loan will close in the spring of SFY25 to provide interim financing for Rural Development.
10. *City of Lewistown.* The City is under an enforcement order to provide disinfection for their spring source. Plans and specifications were reviewed and approved in SFY23. Construction began in the spring of SFY23 and an SRF loan was closed in June of SFY23. Construction is expected to be substantially complete in the fall of SFY25.
11. *Town of Alberton.* The Town is seeking an SRF loan to replace old, undersized mains, add new mains for looping, and rehabilitate their spring source. Plans and specifications were submitted to DEQ in the summer of SFY24. Construction is expected to commence in the fall of SFY25. It is anticipated that an SRF loan will close in the spring of SFY25.
12. *Town of Philipsburg.* The Town is approaching an exceedance of the Disinfection By-Products Rule. It is currently under a filtration avoidance waiver. To address the disinfection by-products

and the likelihood of no longer having the waiver, they are planning to install membrane filtration. The project is on hold to address other issues within the system.

13. *City of Lewistown*. See #10.
14. *City of Laurel*. The City is proposing the installation of a new storage tank and booster pump station to address low system pressures. They also need to replace old and deteriorated transmission and distribution mains. To date, an SRF loan application has not been received and the exact status of the project is unknown.
15. *Town of Boulder*. The Town is seeking an SRF loan to replace a GWUDISW well and install treatment for the new well and existing wells. Plans and specifications were approved in SFY24 and construction is expected to begin in SFY25. It is anticipated an SRF loan will close in SFY25.
16. *Town of Deer Lodge*. The Town is seeking an SRF loan to install a transmission main to connect their new well to the system. Plans and specifications are expected in SFY25. It is anticipated an SRF loan will close in SFY25.
17. *Morning Star Community*. The community's aging water supply system needs to be replaced and the preferred alternative is to connect to the City of Kalispell. The project is on hold awaiting final funding decisions.
18. *Town of Chester*. The Town of Chester is seeking an SRF loan for critical pump and electrical upgrades for their existing surface water treatment plant; additionally, the project will include new generators and a new flocculator in the plant. Plans and specifications are expected in SFY25. It is anticipated an SRF loan will close in SFY25.
19. *Seeley Lake Water District*. The community has a section of shallow water main that can freeze and the pipe needs to be replaced at a greater depth. The project is on hold awaiting funding decisions.
20. *Town of Fromberg*. The Town received an SRF loan to replace aging and leaking water mains and to install a new crossing under Highway 310 to increase system resiliency. The work was completed in October 2024.

The status of the seven ranked projects on the EC Grant Project Priority List is discussed below.

1. *City of Roundup*. The City's wells contain high levels of manganese. The City was planning to pay for one of the wells that will be part of the CMRWA system for which Roundup will become a consecutive connection to and, as such, disconnect their high manganese wells. Since the Bureau of Reclamation is the other funder for the CMRWA system and both funds (EC Grant and BOR Grant) are federal funds, this violated CMRWA's state match requirements and, therefore, this project was not pursued.
2. *Town of Hysham*. The Town has high manganese in their source water. They need instrumentation to better regulate their manganese removal treatment system. Their transmission main is also coated with manganese which gets released into the distribution system whenever they flush the system. It is anticipated this project will move forward in SFY25 with an anticipated loan closing in SFY25 or SFY26.
3. *Town of Circle*. The Town is seeking an EC loan to address the high volume of reject water containing sodium that is overwhelming their wastewater lagoons. They will install a second

pass reverse osmosis treatment train to reduce the waste volume produced and install dedicated lagoons to store the reject water. Plans and specifications are expected in SFY25. It is anticipated an SRF loan will close in SFY25.

4. *Shawmut Deadman's Basin Water District*. The District has private wells that contain high sulfates. They are seeking an EC loan to install distribution mains and service lines in the District to allow them to connect to the CMRWA system. Plans and specifications are expected in SFY25. It is anticipated an SRF loan will close in SFY25.
5. *Huntley Yellowstone County Water and Sewer District*. The Town is seeking an EC loan to address manganese in their sources and distribution system. A project scope is still being developed based on additional sampling.
6. *Elder Grove School*. The school's well contains high sulfates. The school is seeking an EC loan to install cisterns which will be filled with treated water from the City of Billings. They will disconnect their existing well from the system. An EC loan was closed in SFY24 and construction was completed in July 2024.
7. *Town of Ryegate*. The Town's existing water system is an infiltration gallery with high manganese. They are seeking an EC loan to connect to the CMRWA system and abandon their existing source. Plans and specifications are expected in SFY25. It is anticipated an EC engineering only loan will close in SFY25 with a construction loan closing in SFY26.

Disadvantaged Communities

Communities seeking a DWSRF loan that meet the disadvantaged community criteria described in the SFY24 Base and Supplemental 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 user rates as a result of the project.

In SFY24, Montana closed 26 loans with 14 communities meeting the disadvantaged criteria. Some of the loans had a 2.50% interest rate. Some loans were forgiven. One of the loans had an extended term of more than 20 years. The closed loans for disadvantaged communities totaled \$34,566,000 and of that, \$8,280,500 was forgiven. In SFY25, we will have several loans with communities that may qualify for disadvantaged assistance.

Small Systems

Montana had 34 loans (22 projects) with 16 systems for a total of \$44,317,000 (not including BANs). Thirteen of those systems (25 loans) are considered small systems because they serve a population of less than 10,000 people. **Table 1** shows the breakdown of the population served by DWSRF loans in SFY24. Small systems represent 41% of the loans closed in SFY24.

Table 1. Population Served by DWSRF Loans in SFY24

Public Water Supply	Population	Loan Amount
Basin WSD A	227	\$724,500
Basin WSD B	227	\$241,500
Broadview A	200	\$750,000
Broadview B	200	\$773,000
Choteau A	1,691	\$660,000
Choteau B	1,691	\$220,000
Coram WSD A	450	\$750,000
Coram WSD B	450	\$795,000
Cut Bank A	3,105	\$750,000
Cut Bank B	3,105	\$540,000
Elder Grove School (EC)	600	\$577,000
Fairview A	1,000	\$750,000
Fairview B	1,000	\$675,000
Forest Park Dawson County	1,200	\$1,210,000
Fort Benton A	1,500	\$750,000
Fort Benton B	1,500	\$1,918,000
Glendive Bore A	5,500	\$750,000
Glendive Bore B	5,500	\$745,000
Glendive Distribution A	5,500	\$750,000
Glendive Distribution B	5,500	\$1,112,000
Grass Range A	102	\$226,000
Grass Range B	102	\$75,000
Harlowton A	1,050	\$337,000
Harlowton B	1,050	\$337,000
Ponderilla Hills C	35	\$83,000
Sidney	5,000	\$2,180,000
Total		\$18,102,000

Summary of Loan Assistance

In SFY24, the DWSRF maintained a steady performance by executing 34 loan agreements (22 projects) for a total of \$44,317,000. In SFY25, it is anticipated that in excess of \$71,777,568 will be executed in loan agreements using funds from the Base and/or Supplemental Grants and \$55,491,547 will be executed using funds from the EC Grant. See **Exhibit 4: DWSRF Projected Loan Agreements for SFY25 with Base and Supplemental Grant Funds** and **Exhibit 4A: DWSRF Projected Loan Agreements for SFY25 with EC Grant Funds**.

B. FIRST-ROUND FUNDED LOANS

First-round loans are financed with capitalization grants and, for the Base and Supplemental Grants, state match. The DWSRF has financed the projects listed in **Exhibit 2: DWSRF Capitalized Grant Closed Loans for SFY24**.

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 SFY24. There were five loans closed (including two BANs) that used recycled funds in SFY24.

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. Note, the EC Grant does not have a state match requirement. 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 the 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 \$68,641,164 have been issued by the DWSRF program to use as state matching funds through SFY24. See **Exhibit 1: Sources of DWSRF Funds through SFY24**. In SFY24, 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, for the Base grant, \$11,282,486 of funds have been transferred from the WPCSRF to the DWSRF for loans to date, for the Supplemental grant, \$0 funds have been transferred to date, and for the EC grant, \$459,000 of the funds have been transferred to date. See **Exhibits 5, 5A, and 5B** for a history of transferred funds between the two SRF programs for the Base, Supplemental, and EC Grants.

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.

SFY24

Loan Loss Reserve funds collected: \$379,639

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

Loan Loss Reserve funds transferred to Debt Service Account: \$0

Administrative funds collected: \$640,447

E. FEDERAL FUNDS DRAWN BY THE DWSRF PROGRAM

The SFY24 summary of DWSRF Letter of Credit to Automated Standard Application for Payments (ASAP) Draws is provided in **Exhibit 6** and shows project disbursement requests totaling \$25,732,683, Administrative Set-Aside disbursement requests totaling \$868,233, and Non-Administrative Set-Aside requests totaling \$1,630,164. As such, Federal Draws for SFY24 totaled \$28,231,080.

F. SET-ASIDES

Exhibit 7 shows the budgets and draws by category for set-asides activities as well as loans for each grant. The SFY24 set-aside activities are discussed below.²

DWSRF Administration

The DWSRF sets aside the maximum 4% or \$400,000 whichever is greater from the capitalization grants for program administration. For SFY24, \$197,520 (4%) was set aside from the FFY2023 Base Grant, \$842,200 (4%) was set aside from the FFY2023 Supplemental Grant, respectively, and \$1,134,000 (4%) was set aside from the Lead Service Line (LSL) Grant. Administration activities that occurred in SFY24 included:

- 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

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

For SFY24, funds from the Supplemental Grant and the LSL Grant were set aside for activities related to PWSS Administration. The LSL Grant set-aside funded activities specific to LSLs including staff time for implementing an LSL inventory database and assisting systems with completing their LSL inventories.

The Supplemental Grant set-aside funded salaries, benefits, and operating expenses for administrative personnel (partial FTE of bureau chief, field section supervisor, and financial specialist) and environmental scientist positions assigned to the Helena, Billings, and Kalispell Offices for technical assistance and implementation of the National Primary Drinking Water Regulations (NPDWR). The environmental science specialist positions assisted in capacity development by providing technical assistance to water suppliers, performing sanitary surveys, conducting operator training, and attending critical board meetings. These positions also provided direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, the Revised Total Coliform Rule (RTCR), the Consumer Confidence Report Rule, the Long Term Enhanced Surface Water Treatment Rules, the Filter Backwash Rule, the Disinfection/Disinfection By-Products Rule, the Radionuclide Rule, the Long Term 2 Rule, the Stage 2 DBP Rule, the Groundwater Rule, and the State’s ground water chlorination rule. PWS staff conducted approximately 512 sanitary surveys and participated in 1062 Technical

² No funds were set aside for the EC grant. However, Montana reserved the authority to utilize all unused set-asides from the FFY22 EC Grant in future years if needed.

Assistance functions. These included site visits, phone discussions which included an activity report, inventory updates, and proctoring exams in field offices. Staff also conducted RTCR Assessments. Table 2 shows the breakdown for Level 1 (LVL1) and Level 2 (LVL2) assessments for SFY24 and Calendar Year 2023.

Table 2. RTCR Assessments for SFY24 and Calendar Year 2023

RTCR Assessments	LVL1	LVL2	Total
SFY 2024 (July 1, 2023 - June 30, 2024)	114	57	171
Calendar Year 2023	116	70	186

The PWS set-aside also funded database development and maintenance expenses associated with implementation and maintenance of the Safe Drinking Water Information System (SDWIS)/state database and associated state-specific Oracle modules. Program staff are participating in the development of SDWIS Drinking Water State-Federal-Tribal Information Exchange System (DW-SFTIES). All of these activities help the PWSS Program achieve its overall goal of facilitating SDWA compliance by public water systems.

Regarding capacity development efforts for DWSRF loans closed in SFY24, a technical, managerial, and financial assessment was conducted for the 15 community water systems (CWSs) and one non-transient noncommunity water system (NTNCWS) prior to loan commitment. The results of these assessments, including a breakdown by population, are summarized in Table 3. All systems passed the assessment.

Table 3. Summary of Capacity Development Assessment

Statewide Capacity Reviews		Totals	System type		System size (population served)		
			CWS	NTNC	<1000	1000-3300	>3300
Passed		16	15	1	9	3	4
Failed		0	0	0	0	0	0
Failed – requiring restructuring		0	0	0	0	0	0
Systems with ETT ≥ 11 requesting assistance	Funded	0	0	0	0	0	0
	Not funded	0	0	0	0	0	0

PWSS Operator Certification

This set-aside is used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds were 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 1,564 certified operators, including operators for approximately 758 community systems and 281 non-transient non-community systems. These water and wastewater operators hold 3,086 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 330 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. Montana’s goal, as listed in the IUP, is to have at least 95% of the operators operating public water supplies be certified operators. This goal was achieved in SFY24 as 99.5% of the operators for both CWSs and NTNCWSs were certified at the level required by the type of system they are operating. Compliance levels have increased in the past year and there was a slight drop in certified operators at the end of SFY24.

PWSS Capacity Development

For SFY24, funds from the Base Grant and the LSL Grant were set aside for activities related to capacity development. In addition to capacity development activities discussed in PWSS Administration, DEQ also set aside \$75,000 from the Base Grant to be used for personal services and operating expenses for staff in the Engineering Bureau, Public Water and Subdivision section. Set-aside funds were 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.

Funds from the LSL Grant were set aside to create and manage a technical assistance program for assisting water system in completing their LSL inventories and/or completing planning documents for LSL replacement projects. DEQ contracted these services to technical assistance providers through a Memorandum of Understanding (MOU) agreement with the Department of Commerce. To date, 143 LSL inventories were completed through this contract. No funds were used to complete planning documents for replacing LSLs in SFY24 as the primary focus was to complete LSL inventories by the October 16, 2024 deadline.

Small Systems Technical Assistance

For SFY24, funds from the Base Grant and the LSL Grant were set aside for activities related to Small Systems Technical Assistance. As described above, funds from the LSL Grant were set aside to fund contracted services for assisting systems in completing their LSL inventories. Funds used under this set-aside were strictly for systems serving less than 10,000 people. Refer to the PWSS Capacity Development Section for more details.

Montana set aside 2% (the maximum allowed) of its FFY97, FFY98, FFY99, and FFY03 DWSRF loan grants for small system technical assistance (TA) from the Base Grant funds. No additional funds were set aside from the FFY02 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, and \$80,000 from the FFY14 grant were set aside. There were no additional funds added from the FFY15 grant. An additional \$68,000 from the FFY17 grant, \$75,000 from the FFY18 grant, \$25,000 from the FFY19 grant, \$70,000 from the FFY20 grant, \$80,000 from the FFY21, \$108,000 from the FFY22 grant, and \$98,760 from the FFY23 grant plus \$21,240 from reserve funds from the FFY00 grant for a total of \$120,000 were set aside. The total small system TA set aside amount since program inception is \$2,563,726. In previous years, the MDEQ has reserved authority for the 2% allocation from the FY00, FY01, and FY06 grants, for a reserved amount of \$455,507. By taking reserves for SFY24 (\$21,240), the new reserve amount is \$434,267.

This set-aside from the Base Grant 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 TA 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. In SFY24, the contractor provided 1,375 hours of technical assistance to small public water systems. The SFY24 TA work cost \$118,250 for a total cumulative cost since program inception of approximately \$2,161,596. 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 2024 determined that a TA contract should be continued and the contract with MAP was extended through August 31, 2025. The contracted services are provided to systems serving a population of 10,000 or less. Approximately 0.10 Full-Time Equivalent (FTE) is needed to provide contract oversight related to this set-aside in SFY25, with a SFY25 TA/FMA contract of \$140,000. Oversight of the SFY25 TA contract has transitioned from the DWSRF Program to Montana’s Public Water Supply Supervision Program.

Local Assistance – Capacity Development

Funds from the LSL Grant were applied to this set-aside to fund contracted services for assisting systems in completing their LSL inventories. Refer to the Public Water Supply Supervision (PWSS) Capacity Development Section for more details.

In addition to funding the contracted services, funds from this set-aside were also used to create and manage an LSL inventory reimbursement program for small systems serving less than 10,000 people. Systems that took advantage of this program completed or contracted out the inventory work and submitted their inventories to DEQ. The program allowed for reimbursement of up to \$5,000 per system for labor and/or materials incurred. To date, a few systems have requested and received up to \$5,000 in reimbursement for their completed inventories.

Local Assistance – Wellhead Protection 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 \$293,500 from the FFY 2023 Base Grant were used in SFY 2024 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 and Engineering Bureaus to further refine understanding of the source water context and hazards posed by on-site wastewater discharges or other potential contaminant sources. The accomplishments relate to specific goals established in the SFY24 IUP and set-aside work plan. These are:

- 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 to identify PWS water sources with significant vulnerability intended to result in targeted technical assistance.
- Staff continued ongoing work to quality check, refine, and share spatial data to promote source water protection and management practices.
- Staff provided Montana Environmental Policy Act (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 SFY24, staff completed 31 assessments for potential contaminants for infrastructure projects, a similar amount to that of SFY23. This effort also 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 SFY24, staff reviewed 83 preliminary source water assessments, a decline of 34.6% from the unusually high number seen in SFY23. These reviews help ensure wells are developed with low susceptibility to potential contaminant sources (passive protection) rather than needing long-term active SWP planning or extensive treatment. Pre-development review remains the most cost-effective form of SWP.
- Staff did not receive any monitoring waiver requests during this time period.
- Staff provided over 2,000 copies of educational materials to HOAs, Water Districts, and private citizens.
- Staff continued to promote source water protection practices and assistance to system operators.
- Staff continued to provide technical assistance to DEQ Engineering staff in review of requests for deviation from standards for new drinking water sources.

VI. GRANT CONDITIONS AND CERTIFICATIONS

The State of Montana agreed to the following conditions outlined in the Operating Agreement with EPA. 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 FFY24 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 SFY24 Budget vs. Draw by Category.***

- (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 Base Capitalization Grant and at least 10% of the Supplemental 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 systems, 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, SFY24).***

- (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 SFY24 were reviewed and approved using the 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, and Local Assistance 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 Water Quality Division.

In addition, the following conditions were given with the Capitalization Grant Awards. 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 SFY24, 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 SFY24 (2% MBE; 3% WBE). Refer to **Exhibit 8** for the summary of the DWSRF loans and MBE/WBE for contracts awarded during SFY24.

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 SFY24.

The following schedule (Table 4) indicates the key dates for continuation of the DWSRF loan program in SFY25.

Table 4. Drinking Water State Revolving Fund (DWSRF) Loan Program Schedule for SFY25

SFY24 Key Dates	Activity
August 2024	Held DWSRF Bi-Monthly Meeting
October 2024	Held DWSRF Bi-Monthly Meeting
November 2024	Attend Fall CIFA Conference – Long Beach, California
Spring 2025	Hold infrastructure financing workshops to promote and market DWSRF program
December 2024	Hold DWSRF Bi-Monthly Meeting
February 2025	Hold DWSRF Bi-Monthly Meeting
April 2025	Attend Spring CIFA Conference – Washington D.C.
April 2025	Hold DWSRF Bi-Monthly Meeting

VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS

Acronym	Definition
ARRA	American Recovery and Reinvestment Act (2009)
ASAP	Automated Standard Application for Payments
AWWA	American Water Works Association
BAN	Bond Anticipation Note
BIL	Bipartisan Infrastructure Law
CIFA	Council of Infrastructure Financing Authorities
CWS	Community Water System
DBE	Disadvantaged Business Enterprises
DBP	Disinfection Byproducts
DEQ	Department of Environmental Quality (Montana)
DNRC	Department of Natural Resources & Conservation (Montana)
DW-SFTIES	Drinking Water State-Federal-Tribal Information Exchange System

Acronym	Definition
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
GAN	Grant Anticipation Note
GO	General Obligation
GWUDISW	Ground Water Under the Direct Influence of Surface Water
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
MOU	Memorandum of Understanding
NPDWR	National Primary Drinking Water Regulations
NTNCWS	Non-transient Noncommunity Water System
O&M	Operation and Maintenance
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 Funds Through SFY24

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
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	\$ -			

SFY 2024 Annual Report for EPA – Drinking Water

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
24) FS-998850-19 6/13/19, 2019 AMENDED (Received 7/26/21)	2019	\$ 11,004,000	\$ 2,200,800	\$ 25,088,455	(16)	\$ 2,900,000	\$ -
24) FS-998850-19 6/13/19, 2019 AMENDED (Received 7/26/21)	2019	\$ 99,000					
25) FS-998850-20 4/22/20, 2020	2020	\$ 11,011,000	\$ 2,202,200	\$ 20,382,648	(17)	\$ 3,400,000	\$ -
No Grants awarded in SFY21	2021			\$ 37,448,000	(18)	\$ 3,200,000	\$ 478,904
26) FS-99885021 3/2/2021, 2021 (Received 8/2/21)	2022	\$ 11,001,000	\$ 2,200,200	\$ 41,358,670	(19)	\$ 6,100,000	\$ 1,108,554
27) FS-998885022 9/1/2022	2023	\$ 7,008,000	\$ 1,401,600	\$ 12,699,900			\$ 390,493
28) 4D-96894501 8/31/2022 BIL	2023	\$ 17,992,000	\$ 1,799,200				
29) FS-99885023 8/9/2023	2024	\$ 4,938,000	\$ 1,500,000	\$ 50,950,000	20)	\$ 1,500,000	\$ 402,000
					21)	\$ 1,600,000	
30) 4L-00105700 7/5/2023 LSL - Amended (Received 8/2/2024)	2024	\$ 30,545,000					
31) 4D-96894523 7/27/2023 BIL	2024	\$ 21,055,000	\$ 1,900,000		22)	\$ 1,900,000	
					23)	\$ 2,130,000	
32) 4E-00105822 9/20/2023 EC	2024	\$ 8,014,000		\$ 577,000			
33) 4D-96894524 6/28/2024 BIL	2024	\$ 22,985,000					
34) 4E-00105823 6/25/2024 EC	2024	\$ 7,640,000					
35) 4E-00105824 6/25/2024 EC	2024	\$ 7,640,000					
36) FS-99885024 7/2/2024	2025	\$ 4,661,000					
Total		\$ 368,124,788	\$ 52,410,358	\$ 510,349,434		\$ 56,125,000	\$ 12,516,164

*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	13) BAN 9/2014 \$2,500,000
2) Second General Obligation Bond Issued April 15, 2000 for \$2,990,000	14) BAN 10/2015 \$3,000,000
3) Third General Obligation Bond Issued June 15, 2001 for \$3,190,000	15) BAN 1/2018 \$2,500,000
4) Fourth General Obligation Bond Issued June 15, 2003 for \$1,675,000	16) BAN 3/2019 \$2,900,000
5) Fifth General Obligation Bond Issued May 5, 2005 for \$3,875,000	17) BAN 12/2019 \$3,400,000
6) BAN 8/10/07 \$500,000 and RAN 4/15/08 \$1,000,000	18) BAN 12/2020 \$3,200,000
7) Revenue Anticipation Note (RAN) 4/3/09 \$3,000,000	19) BAN 12/2021 \$3,900,000, BAN 6/2022 \$2,200,000
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.	20) BAN 10/6/2023 \$1,500,000
9) RAN 3/4/11 \$1,000,000	21) BAN 6/14/2024 \$1,600,000
10) RAN 10/21/11 \$1,100,000	22) BAN 10/6/2023 \$1,900,000
11) BAN 12/2012 \$950,000	23) BAN 5/17/2024 \$2,130,000
12) BAN 1/2014 \$1,750,000	

EXHIBIT 2. DWSRF Capitalized Grant Closed Loans for SFY24

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross Interest
Basin WSD A	Revenue	1/11/2021	\$724,500	\$724,500	\$337,094	\$387,406	12/20/2023	0%
Basin WSD B	Revenue	1/11/2021	\$241,500	\$241,500	\$71,371	\$170,129	12/20/2023	2.50%
Choteau, City of A	Revenue	9/23/2022	\$660,000	\$660,000	\$542,855	\$117,145	8/30/2023	0%
Choteau, City of B	Revenue	9/23/2022	\$220,000	\$220,000	\$206,853	\$13,147	8/30/2023	2.50%
Coram W&SD A	Revenue	10/6/2022	\$750,000	\$750,000	\$750,000	\$0	7/27/2023	0%
Coram W&SD B	Revenue	10/6/2022	\$795,000	\$795,000	\$626,977	\$168,023	7/27/2023	2.50%
Cut Bank, City of A	Revenue	7/7/2023	\$750,000	\$750,000	\$67,153	\$682,847	8/23/2023	0%
Cut Bank, City of B	Revenue	7/7/2023	\$540,000	\$540,000	\$105,876	\$434,124	8/23/2023	2.50%
Dawson County Forest Park	Revenue	1/14/2022	\$1,210,000	\$1,210,000	\$1,013,844	\$196,156	8/8/2023	2.50%
Fairview, Town of A	Revenue	6/7/2023	\$750,000	\$750,000	\$32,356	\$717,644	10/11/2023	0%
Fairview, Town of B	Revenue	6/7/2023	\$675,000	\$675,000	\$40,000	\$635,000	10/11/2023	2.50%
Fort Benton, City of A	Revenue	9/14/2022	\$750,000	\$750,000	\$750,000	\$0	7/19/2023	0%
Fort Benton, City of B	Revenue	9/14/2022	\$1,918,000	\$1,918,000	\$1,877,207	\$40,793	7/19/2023	2.50%
Glendive, City of A	Revenue	4/18/2023	\$750,000	\$750,000	\$594,503	\$155,497	9/13/2023	0%
Glendive, City of B	Revenue	3/3/2023	\$745,000	\$745,000	\$77,851	\$667,149	9/13/2023	2.50%
Grass Range, Town of A	Revenue	10/20/2023	\$226,000	\$226,000	\$20,100	\$205,900	2/1/2024	0%
Harlowton, City of A	Revenue	6/21/2021	\$362,500	\$337,000	\$324,653	\$12,347	7/26/2023	0%
Harlowton, City of B	Revenue	6/21/2021	\$362,500	\$337,000	\$330,075	\$6,925	7/26/2023	2.50%
Kalispell, City of A	Revenue	5/15/2023	\$1,000,000	\$1,000,000	\$1,000,000	\$0	7/11/2023	0%
Kalispell, City of B	Revenue	5/15/2023	\$10,000,000	\$10,000,000	\$10,000,000	\$0	7/11/2023	2.50%
Kalispell, City of C	Revenue	5/15/2023	\$8,854,000	\$8,854,000	\$1,803,781	\$7,050,219	2/6/2024	2.50%
Ponderilla Hills W&SD C	Revenue	10/30/2023	\$83,000	\$83,000	\$58,307	\$24,693	11/29/2023	0%
Sidney, City of	Revenue	1/14/2021	\$2,180,000	\$2,180,000	\$1,715,439	\$464,561	7/19/2023	2.50%
Missoula, City of B	Revenue	3/12/2024	\$993,000	\$993,000	\$30,564	\$962,436	4/17/2024	2.50%
Missoula, City of C	Revenue	3/12/2024	\$1,173,000	\$1,173,000	\$50,806	\$1,122,194	4/17/2024	2.50%
Missoula, City of D	Revenue	3/12/2024	\$1,148,000	\$1,148,000	\$58,413	\$1,089,587	4/17/2024	2.50%
Missoula, City of E	Revenue	3/12/2024	\$1,280,000	\$1,280,000	\$60,951	\$1,219,049	4/17/2024	2.50%
Elder Grove School (EC)	Revenue	3/12/2024	\$577,000	\$577,000	\$37,290	\$539,710	4/25/2024	0%
Broadview, Town of A	Revenue	1/7/2024	\$750,000	\$750,000	\$370,151	\$379,849	5/29/2024	0%
Glendive, City of A	Revenue	3/3/2023	\$750,000	\$750,000	\$594,503	\$155,497	5/29/2024	0%
Glendive, City of B	Revenue	3/3/2023	\$1,112,000	\$1,112,000	\$77,851	\$1,034,149	5/29/2024	2.50%
Closed Loans			\$42,330,000	\$42,279,000	\$23,626,824	\$18,652,176		

EXHIBIT 3. DWSRF Recycled Closed Loans for SFY24

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross Interest
Grass Range B	Revenue	10/20/2023	\$75,000	\$75,000	\$9,238	\$65,762	2/1/2024	2.5%
Central MT RWA Ph 2C BAN	Revenue	3/14/2024	\$6,710,000	\$6,710,000	\$931,215	\$5,778,785	4/25/2024	1.75%
Central MT RWA Ph 2B BAN	Revenue	3/14/2024	\$500,000	\$500,000	\$25,001	\$474,999	5/22/2024	1.75%
Broadview, Town of B	Revenue	1/7/2024	\$773,000	\$773,000	\$386,655	\$386,345	5/29/2024	2.50%
Missoula, City of A	Revenue	3/12/2024	\$1,190,000	\$1,190,000	\$97,577	\$1,092,423	4/17/2024	2.50%
Closed Loans			\$9,248,000	\$9,248,000	\$1,449,686	\$7,798,314		
Closed Loans Excluding BANs			\$2,038,000	\$2,038,000	\$493,470	\$1,544,530		

EXHIBIT 4. DWSRF Projected Loan Agreements for SFY25 for the Base and BIL Supplemental Grants

Public Entities	Estimated Date of Commitment	Estimated Loan Amounts
Absarokee WSD	May-25	\$821,000
Alberton A	Nov-24	\$894,000
Alberton B	Nov-24	\$298,000
Anderson School Bozeman	Nov-24	\$70,000
Belgrade	Dec-24	\$936,000
Bigfork W&SD	May-25	\$1,627,000
Billings Heights W&SD	May-25	\$11,176,000
Boulder Ph 1	Nov-24	\$1,307,000
Boulder Ph 2	Jan-25	\$2,128,000
Circle Ph 5	May-25	\$1,000,000
Clancy	May-25	\$1,600,000
Clearview Heights WD A	Feb-25	\$325,000
Clearview Heights WD B	Feb-25	\$125,000
CMRWA Wells 4&5	Nov-24	\$1,700,000
Deer Lodge	Nov-24	\$300,000
Dutton A	Oct-24	\$750,000
Dutton B	Oct-24	\$250,000
Forsyth A	May-25	\$455,000
Forsyth B	May-25	\$152,000
Havre A	Mar-25	\$3,300,000
Havre B	Mar-25	\$1,101,000
Harlem RD Interim	Apr-25	\$770,000
Harlowton	May-25	\$200,000
Helena	Mar-25	\$3,790,000
Hinsdale	May-25	\$520,000
Kalispell Lower Zone Tank	Mar-25	\$13,000
Lockwood W&SD	Mar-25	\$2,135,000
Philipsburg	May-25	\$3,000,000
Plentywood	May-25	\$1,883,268
Power WD BAN RD Interim	May-25	\$884,300
Richey A	Oct-24	\$750,000
Richey B	Oct-24	\$250,000
Roberts W&SD	Mar-25	\$275,000
Sunburst A	Nov-24	\$750,000
Sunburst B	Nov-24	\$275,000
Thompson Falls RD Interim	May-25	\$1,935,000
Townsend A	May-25	\$3,000,000
Townsend B	May-25	\$11,768,000
Twin Bridges	Apr-25	\$350,000
View Vista	May-25	\$1,000,000
White Sulphur Springs A	Oct-24	\$488,000
White Sulphur Springs B	Oct-24	\$163,000
Whitehall RD Interim	Nov-24	\$1,574,000
Whitehall RD Interim	Oct-24	\$2,000,000
Whitehall A Treatment	Dec-24	\$750,000
Whitehall B Treatment	Dec-24	\$250,000
Whitehall A Tank	May-25	\$2,017,000
Whitehall B Tank	May-25	\$672,000
Total		\$71,777,568

EXHIBIT 5A. DWSRF Projected Loan Agreements for SFY25 for the BIL EC Grant

Public Entities	Estimated Date of Commitment	Estimated Loan Amounts
Circle, Town of	Mar-25	\$5,461,000
Clearview Heights	May-25	\$1,000,000
Evergreen County WD #10	May-25	\$2,000,000
Huntley Yellowstone	May-25	\$3,493,000
Hysham	May-25	\$2,171,000
Kalispell	Feb-25	\$10,861,482
Lavina School	May-25	\$1,000,000
Malta	May-25	\$2,000,000
Middle Musselshell Water District	May-25	\$3,000,000
Power Teton	May-25	\$2,000,000
Rau School	May-25	\$5,000,000
Richey	May-25	\$5,000,000
Ryegate Engineering Loan	Oct-24	\$159,000
Ryegate Construction Loan	May-25	\$7,333,000
Shawmut-Deadman Basin Engineering Loan	Oct-24	\$274,000
Shawmut-Deadman Basin Construction Loan	May-25	\$2,791,165
Total		\$53,543,647

EXHIBIT 6. Amounts Available for Transfer Between SRF Programs for the Base Grant

State Fiscal 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	---	17,015,867	7,515,211
2001	DW Grant Award	14,835,942	---	---	19,586,270	10,085,614
2001	Transfer (2nd Rnd \$)	14,835,942	4,032,158	---	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd \$)	20,134,608	---	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd \$)	20,134,608	---	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd \$)	20,134,608	---	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd \$)		---	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	DW Grant Award	82,103,930	---	---	71,256,203	92,881,657
2022	DW Grant Award	84,416,570	---	---	73,568,843	95,194,297
2023	DW Grant Award	86,046,110	---	---	75,198,383	96,823,837
Total			\$11,282,486	\$22,130,213		

EXHIBIT 7A. Amounts Available for Transfer Between SRF Programs for the BIL Supplemental Grant

State Fiscal 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
2022	DW Grant Award	5,937,360	---	---	5,937,360	5,937,360
2023	DW Grant Award	12,885,510	---	---	12,885,510	12,885,510
Total			\$0	\$0		

EXHIBIT 8B. Amounts Available for Transfer Between SRF Programs for the BIL EC Grant

State Fiscal 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
2022	DW Grant Award	2,493,150	---	---	2,493,150	2,493,150
2022	Transfer		459,000	---	2,952,150	2,034,150
Total			\$459,000	\$0		

EXHIBIT 9. Drinking Water State Revolving Fund SFY24 Summary of Letter of Credit Draws

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
1st Quarter							
07/05/23	27,977					27,977	
07/07/23	983,904					983,904	
07/17/23	587,459					587,459	
07/19/23	719,803					719,803	
07/25/23	597,441					597,441	147,782
07/27/23	883,409					883,409	220,852
07/28/23	892,265					892,265	
08/02/23	545,935	43,903	8,187	89,842	48,480	736,347	477
08/04/23	223,670.10					223,670.10	
08/11/23	1,281,849	21,932	137	17,169	32,268	1,353,355	
08/18/23	760,843					760,843	
08/21/23	330,514.90					330,514.90	
08/28/23	581,098	22,398	9,073	16,443	26,363	655,375	
08/29/23	2,204,394					2,204,394	
09/07/23	-	20,677	873	15,639	26,277	63,466	
09/08/23	740,974					740,974	
09/11/23	995,045					995,045	
09/13/23	1,020,860					1,020,860	
09/14/23	55,653					55,653	
09/15/23	9,544					9,544	
09/18/23	128,005					128,005	
09/19/23	435,698	20,588	12,040	17,769	22,128	508,223	140,926
09/28/23	1,070,260					1,070,260	118,218
1ST QTR Draws	15,076,601	129,498	30,310	156,862	155,516	15,548,787	628,255

SFY 2024 Annual Report for EPA – Drinking Water

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
2nd Quarter							
10/05/23	50,000	23,113	482	16,565	30,488	120,648	
10/10/23	740,326					740,326	685
10/11/23	1,286,349					1,286,349	
10/12/23	131,183					131,183	
10/17/23	56,756					56,756	
10/19/23	-	17,642	30,096	17,103	26,278	91,119	
10/20/23	-					-	6,399
10/25/23	1,718,490					1,718,490	
10/27/23	416,815					416,815	
11/01/23	28,370	13,209	7,430	20,628	26,276	95,913	7,093
11/08/23	586,756					586,756	
11/16/23	-	14,673	5,226	19,102	24,849	63,850	
11/20/23	1,559,076					1,559,076	
11/21/23	421,269					421,269	
11/24/23	220,065					220,065	55,018
11/27/23	20,295					20,295	
12/01/23	17,600	14,830	13,041	16,546	22,793	84,810	1,046,253
12/08/23	112,032					112,032	
12/11/23	393,115					393,115	
12/14/23	-	15,756	15,400	20,740	26,277	78,173	
12/15/23	119,539					119,539	
2nd QTR Draws	7,878,036	99,223	71,675	110,684	156,961	8,316,579	1,115,448

SFY 2024 Annual Report for EPA – Drinking Water

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
3rd Quarter							
01/02/24	-	16,023	11,718	21,929	32,727	82,397	
01/04/24	171,386					171,386	21,704
01/09/24	3,347					3,347	
01/12/24	-	16,515	26,234	19,661	32,159	94,569	
01/17/24	22,356					22,356	
01/19/24	5,588					5,588	
01/25/24	-	17,051	28,757	21,240	30,208	97,256	
01/29/24	100					100	
02/01/24	33,149					33,149	142,248
02/02/24	105,177					105,177	
02/09/24	-	22,299	10,000	41,455	30,550	104,304	
02/14/24	10,780					10,780	
02/15/24	28,097					28,097	18,846
02/26/24	17,249	22,308	19,204	20,562	30,154	109,477	
02/28/24	82,010					82,010	
03/07/24	-	24,069	8,215	20,714	30,802	83,800	
03/14/24	52,879					52,879	
03/15/24	11,014					11,014	
03/21/24	-	25,171	16,946	18,047	30,154	90,318	
3rd Qtr Draws	543,132	143,436	121,074	163,608	216,754	1,188,004	182,798

SFY 2024 Annual Report for EPA – Drinking Water

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
4th Quarter							
04/04/24	4,195					4,195	
04/08/24	-	28,946	9,597	18,634	29,055	86,232	
04/10/24	139,715					139,715	
04/15/24	170,170					170,170	30,564
04/16/24	-	28,701	29,083	17,956	29,029	104,769	
04/23/24	154,967					154,967	32,518
05/01/24	-	32,919	7,839	14,970	29,102	84,830	
05/02/24	20,000					20,000	
05/10/24	-					-	281,787
05/13/24	81,778					81,778	20,444
05/17/24	20,250	29,528	16,961	27,893	36,242	130,874	
05/20/24	-					-	70,773
05/24/24	1,061,275					1,061,275	
05/29/24	287,412					287,412	
06/03/24	-	28,417	4,382	13,340	29,194	75,333	
06/04/24	8,783					8,783	6,312
06/06/24	17,443					17,443	
06/11/24	-	291,903	7,138	16,194	33,515	348,750	
06/25/24	268,926	55,662	23,394	14,376	38,826	401,184	
4th QTR Draws	2,234,914	496,076	98,394	123,363	224,963	3,177,710	442,398
Total FY24 Draws	25,732,683	868,233	321,453	554,517	754,194	28,231,080	2,368,899
						Federal & Match	30,599,979

	Loans	Admin
Number of draws	64	25
	25,732,683	868,233

Non-Admin	Total Loans
25	114
1,630,164	28,231,080

EXHIBIT 10. Drinking Water State Revolving Fund SFY 2024 Budget vs. Draw by Category

Program Name: FS998850 - 97	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	14,826,200	14,826,200	-	-

Program Name: FS998850 - 98	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	7,121,300	7,121,300	-	-

Program Name: FS998850 - 99	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	7,463,800	7,463,800	-	-

Program Name: FS998850 - 00	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	7,757,000	7,757,000	-	-

Program Name: FS998850 - 01	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	7,789,100	7,789,100	-	-

Program Name: FS998850 - 02	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,052,500	8,052,500	-	-

Program Name: FS998850 - 03	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,004,064	8,004,064	-	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 04	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	939,124	939,124	-	-

Program Name: FS998850 - 05	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	10,649,400	10,649,400	-	-

Program Name: FS998850 - 06	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,229,300	8,229,300	-	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 07	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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		-
Total	8,229,000	8,229,000	-	-

Program Name: FS998850 - 08	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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		-
Total	3,146,000	3,146,000	-	-

Program Name: FS998850 - 09	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,146,000	8,146,000	-	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 10	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	10,573,000	10,573,000	-	-

Program Name: FS998850 - 11	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	9,418,000	9,418,000	-	-

Program Name: FS998850 - 12	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,975,000	8,975,000	-	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 13	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,421,000	8,421,000	-	-

Program Name: 2F978792-01 ARRA	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	19,500,000	19,500,000	-	-

Program Name: FS998850 - 14	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,845,000	8,845,000	-	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 15	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,787,000	8,787,000	-	-

Program Name: FS998850 - 16 - 03952	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	-	-
Total	8,312,000	8,312,000	-	-

Program Name: FS998850 - 17 - 03953	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	400,000	400,000	-	-
Technical Assistance - DE	68,000	68,000	-	-
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	6,547,600	-	-
Total	8,241,000	8,241,000	-	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 18 - 03812	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	444,280	444,280	-	-
Technical Assistance - DE	75,000	75,000	-	-
State Programs - DF			-	-
Source Water Protection/Database	46,000	46,000	-	-
Capacity Development	79,000	79,000	-	-
Public Water Supply Administration	875,000	875,000	-	-
Operator Certification	100,000	100,000	-	-
<i>Subtotal</i>	<i>1,100,000</i>	<i>1,100,000</i>	-	-
Local Assistance - DG	190,000	190,000	-	-
Loans - DA	9,297,720	9,297,720	-	-
Total	11,107,000	11,107,000	-	-

Program Name: FS998850 - 19 - 03813	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
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	1,000,000	-	-
Operator Certification	100,000	100,000	-	-
<i>Subtotal</i>	<i>1,100,000</i>	<i>1,100,000</i>	-	-
Local Assistance - DG	250,000	250,000	-	-
Loans - DA	9,287,840	9,287,840	-	-
Total	11,103,000	11,103,000	-	-

Program Name: FS998850 - 20 - 03815	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	440,440	440,440	-	-
Technical Assistance - DE	70,000	70,000	-	-
State Programs - DF			-	-
Source Water Protection/Database	-	-	-	-
Capacity Development	150,000	83,455	66,545	-
Public Water Supply Administration	850,000	850,000	-	-
Operator Certification	100,000	100,000	-	-
<i>Subtotal</i>	<i>1,100,000</i>	<i>1,033,455</i>	<i>66,545</i>	-
Local Assistance - DG	400,000	400,000	-	-
Loans - DA	9,000,560	8,649,965	350,595	-
Total	11,011,000	10,593,860	417,140	-

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: FS998850 - 21 - 03818	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	440,040	440,040	-	-
Technical Assistance - DE	80,000	80,000	-	-
State Programs - DF				
Source Water Protection/Database	-	-	-	-
Capacity Development	-	-	-	-
Public Water Supply Administration	1,000,000	1,000,000	-	-
Operator Certification	100,000	100,000	-	-
<i>Subtotal</i>	<i>1,100,000</i>	<i>1,100,000</i>	-	-
Local Assistance - DG	250,000	150,000	100,000	-
Loans - DA	9,130,960	8,007,330	1,123,630	0
Total	11,001,000	9,777,370	1,223,630	0

Program Name: FS998850 - 22 - 03817	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	400,000	400,000	-	-
Technical Assistance - DE	108,000	67,209	40,791	-
State Programs - DF				
Source Water Protection/Database	-	-	-	-
Capacity Development	-	-	-	-
Public Water Supply Administration	530,000	258,890	266,755	4,355
Operator Certification	170,000	75,006	75,383	19,611
<i>Subtotal</i>	<i>700,000</i>	<i>333,896</i>	<i>342,138</i>	<i>23,966</i>
Local Assistance - DG	770,000	125,150	498,956	145,894
Loans - DA	5,030,000	692,979	4,337,021	-
Total	7,008,000	1,619,234	5,218,906	169,860

Program Name: 4D96894501 - DW22BIL-03210	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	719,680	277,904	441,776	-
Technical Assistance - DE				-
State Programs - DF				
Source Water Protection/Database	-	-	-	-
Capacity Development	-	-	-	-
Public Water Supply Administration	-	-	-	-
Operator Certification	-	-	-	-
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Local Assistance - DG				-
Loans - DA	17,272,320	887,437	9,962,288	6,422,595
Total	17,992,000	1,165,341	10,404,064	6,422,595

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: 4L00I05700 - DW22BIL LSLR-03481	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	1,134,000	-	7,825	1,126,175
Technical Assistance - DE	567,000		196,615	370,385
State Programs - DF				
Source Water Protection/Database	2,515,000			2,515,000
Capacity Development				-
Public Water Supply Administration	320,000		56,776	263,224
Operator Certification				-
<i>Subtotal</i>	<i>2,835,000</i>	-	<i>56,776</i>	<i>2,778,224</i>
Local Assistance - DG	2,835,000	-		2,835,000
Loans - DA	23,174,000	-	-	23,174,000
Total	30,545,000	-	261,216	30,283,784

Program Name: 4E00I05822 - DW22BIL EC- 03152	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD		-	-	-
Technical Assistance - DE				-
State Programs - DF				
Source Water Protection/Database				-
Capacity Development				-
Public Water Supply Administration				-
Operator Certification				-
<i>Subtotal</i>	-	-	-	-
Local Assistance - DG		-		-
Loans - DA	8,014,000	-	37,290	7,976,710
Total	8,014,000	-	37,290	7,976,710

Program Name: FS998850 - 23 - 03586	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	197,520	-	131,599	65,921
Technical Assistance - DE	120,000	-	84,047	35,953
State Programs - DF				
Source Water Protection/Database				-
Capacity Development	75,000		17,324	57,676
Public Water Supply Administration		-	-	-
Operator Certification	150,000	-	71,734	78,266
<i>Subtotal</i>	<i>225,000</i>	-	<i>89,058</i>	<i>135,942</i>
Local Assistance - DG	293,500	-	155,238	138,262
Loans - DA	4,101,980	-	2,624,984	1,476,996
Total	4,938,000	-	3,084,926	1,853,074

SFY 2024 Annual Report for EPA – Drinking Water

Program Name: 4D96894523 - DW23BIL-03430	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	842,200	-	287,033	555,167
Technical Assistance - DE				-
State Programs - DF				
Source Water Protection/Database				-
Capacity Development				-
Public Water Supply Administration	1,100,000			1,100,000
Operator Certification				-
<i>Subtotal</i>	<i>1,100,000</i>	-	-	<i>1,100,000</i>
Local Assistance - DG		-		-
Loans - DA	19,112,800	-	7,296,875	11,815,925
Total	21,055,000	-	7,583,908	13,471,092

Program Name: Total All Grants	Budget	Previous Draws	SFY 24 Draws	Balance 6/30/2024
Administration - DD	13,205,676	10,590,180	868,233	-
Technical Assistance - DE	3,051,073	2,323,282	321,453	-
State Programs - DF				
Source Water Protection/Database	4,605,511	2,090,511	-	-
Capacity Development	1,520,393	1,378,848	83,869	-
Public Water Supply Administration	15,238,531	13,547,421	323,531	4,355
Operator Certification	2,603,392	2,358,398	147,117	19,611
Subtotal State Programs	23,967,827	19,375,178	554,517	23,966
Local Assistance - DG	9,234,520	5,361,170	754,194	145,894
Subtotal all Set Aside Categories	49,459,096	37,649,810	2,498,397	169,860
Loans - DA	275,739,692	199,140,783	25,732,683	6,422,596
Total	325,198,788	236,790,593	28,231,080	6,592,456

EXHIBIT 11. DWSRF Loans – MBE/WBE For Contracts Awarded During SFY24

Award Date	Borrower	Loan No.	Bid Amount	Loan Amount	DBE Type	DBE Amount	DBE Percent of Bid Amount
11/2023	CMRWA	Loan close pending	\$6,717,700	Loan close pending	MBE	\$267,900	4%
12/2023	Basin WSD	WRF 24-551/552	\$105,903	\$966,000	MBE	\$26,476	25%
12/2023	Missoula, City of	WRF 24-556	\$832,699	\$1,190,000	MBE/WBE	\$180,000	22%
1/2024	Missoula, City of	WRF 22-508*	\$1,381,158	\$1,187,770	WBE	\$29,410	2%
2/2024	Missoula, City of	WRF 24-557	\$752,224	\$933,000	MBE	\$84,000	11%
2/2024	Missoula, City of	WRF 24-559	\$831,044	\$1,148,000	MBE/WBE	\$32,485	4%
2/2024	Missoula, City of	WRF 24-560	\$879,909	\$1,280,000	WBE	\$17,000	2%
3/2024	Whitehall, Town of	Loan close pending	\$8,662,771	Loan close pending	WBE	\$63,000	0.73%
	Total		\$20,163,408			\$700,271	

*This loan for \$12,462,000 funded 16 projects. The Loan amount listed is the budgeted amount for this project.

APPENDIX A

SFY24 CASH FLOW MODEL

Use of Funds		
Pre 2000		
Loans	\$	12,492,837
Original Loans	\$	240,754,642
2010-2024 grant forgiveness	\$	41,149,777
	Sub Total:	\$ 294,397,256
Recycled		
Loans	\$	186,374,459
	Total:	\$ 480,771,715
Balances		
Forgiven ARRA A Loans	\$	10,418,200
ARRA B loans	\$	8,216,470
Total ARRA	\$	18,634,670
Forgiven EC Loans	\$	577,000
		\$ 499,983,385

Fiscal Year	Expected Loan Loss	Expected Admin Exp. Surcharge	Expected Interest Payment	Expected Principal	Expected Total	Outstanding balance at year start
2025	\$470,092.89	\$677,462.27	\$4,321,375.00	\$14,944,185.00	\$20,413,115.16	\$231,885,758.00
2026	\$469,775.34	\$644,670.97	\$4,553,366.17	\$22,032,500.00	\$27,700,312.47	\$223,543,550.00
2027	\$436,473.54	\$584,251.70	\$4,019,678.64	\$14,797,000.00	\$19,837,403.88	\$201,511,050.00
2028	\$405,767.29	\$525,931.67	\$3,756,630.45	\$14,933,000.00	\$19,621,329.41	\$186,714,050.00
2029	\$375,737.29	\$472,828.54	\$3,432,997.95	\$14,061,000.00	\$18,342,563.78	\$171,781,050.00
2030	\$345,944.17	\$420,881.67	\$3,149,442.95	\$13,472,000.00	\$17,388,268.78	\$157,720,050.00
2031	\$317,284.79	\$374,393.54	\$2,878,817.95	\$13,007,000.00	\$16,577,496.27	\$144,248,050.00
2032	\$289,085.42	\$330,509.17	\$2,612,876.70	\$12,999,000.00	\$16,231,471.28	\$131,241,050.00
2033	\$261,247.29	\$288,657.29	\$2,348,972.95	\$12,223,500.00	\$15,122,377.52	\$118,242,050.00
2034	\$235,547.91	\$254,315.41	\$2,101,192.95	\$11,616,000.00	\$14,207,056.26	\$106,018,550.00
2035	\$210,836.79	\$223,969.29	\$1,860,184.02	\$11,390,893.00	\$13,685,883.10	\$94,402,550.00
2036	\$187,465.67	\$196,920.67	\$1,629,088.84	\$10,838,000.00	\$12,851,475.18	\$83,011,657.00
2037	\$165,165.04	\$172,120.04	\$1,405,358.84	\$10,175,640.00	\$11,918,283.93	\$72,173,657.00
2038	\$143,713.48	\$148,499.73	\$1,199,512.84	\$9,059,250.00	\$10,550,976.05	\$61,998,017.00
2039	\$124,381.35	\$127,362.60	\$1,026,863.29	\$7,147,455.00	\$8,426,062.24	\$52,938,767.00
2040	\$108,343.28	\$110,753.28	\$885,288.74	\$6,436,500.00	\$7,540,885.30	\$45,791,312.00
2041	\$94,005.78	\$95,798.28	\$756,873.74	\$5,813,500.00	\$6,760,177.80	\$39,354,812.00
2042	\$80,725.78	\$81,998.28	\$645,213.74	\$4,823,500.00	\$5,631,437.80	\$33,541,312.00
2043	\$69,512.03	\$70,267.03	\$555,713.74	\$3,512,500.00	\$4,207,992.80	\$28,717,812.00
2044	\$60,922.89	\$61,162.89	\$487,218.12	\$3,167,312.00	\$3,776,615.90	\$25,205,312.00
2045	\$53,242.50	\$53,242.50	\$425,940.00	\$2,760,000.00	\$3,292,425.00	\$22,038,000.00
2046	\$46,598.75	\$46,598.75	\$372,790.00	\$2,570,000.00	\$3,035,987.50	\$19,278,000.00
2047	\$40,128.75	\$40,128.75	\$321,030.00	\$2,512,000.00	\$2,913,287.50	\$16,708,000.00
2048	\$33,971.25	\$33,971.25	\$271,770.00	\$2,443,000.00	\$2,782,712.50	\$14,196,000.00
2049	\$27,823.75	\$27,823.75	\$222,590.00	\$2,491,000.00	\$2,769,237.50	\$11,753,000.00
2050	\$21,630.00	\$21,630.00	\$173,040.00	\$2,222,000.00	\$2,438,300.00	\$9,262,000.00
2051	\$16,507.50	\$16,507.50	\$132,060.00	\$1,748,000.00	\$1,913,075.00	\$7,040,000.00
2052	\$12,175.00	\$12,175.00	\$97,400.00	\$1,700,000.00	\$1,821,750.00	\$5,292,000.00
2053	\$7,898.75	\$7,898.75	\$63,190.00	\$1,691,000.00	\$1,769,987.50	\$3,592,000.00
2054	\$3,712.50	\$3,712.50	\$29,700.00	\$1,162,000.00	\$1,199,125.00	\$1,901,000.00
2055	\$1,660.00	\$1,660.00	\$13,280.00	\$251,000.00	\$267,600.00	\$739,000.00
2056	\$1,180.00	\$1,180.00	\$9,440.00	\$65,000.00	\$76,800.00	\$488,000.00
2057	\$1,016.25	\$1,016.25	\$8,130.00	\$66,000.00	\$76,162.50	\$423,000.00
2058	\$850.00	\$850.00	\$6,800.00	\$68,000.00	\$76,500.00	\$357,000.00
2059	\$716.25	\$716.25	\$5,730.00	\$70,000.00	\$77,162.50	\$289,000.00
2060	\$503.75	\$503.75	\$4,030.00	\$72,000.00	\$77,037.50	\$219,000.00
2061	\$321.25	\$321.25	\$2,570.00	\$74,000.00	\$77,212.50	\$147,000.00
2062	\$135.00	\$135.00	\$1,080.00	\$43,000.00	\$44,350.00	\$73,000.00
2063	\$67.50	\$67.50	\$540.00	\$12,000.00	\$12,675.00	\$30,000.00
2064	\$37.50	\$37.50	\$300.00	\$12,000.00	\$12,375.00	\$18,000.00
2065	\$7.50	\$7.50	\$60.00	\$6,000.00	\$6,075.00	\$6,000.00

APPENDIX B

**SFY24 FINANCIAL STATEMENTS UNAUDITED WITH
FOOTNOTES**

**MONTANA STATE WATER POLLUTION CONTROL AND
DRINKING WATER STATE REVOLVING FUND PROGRAMS
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 -UNAUDITED**

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.

The passage of the Bipartisan Infrastructure Loans (BIL) increased funding and added new eligible work to the current programs. Both programs will have funding for Emerging Contaminants. The Drinking Water Program will also have funding to replace Lead Service Loans.

In the 68th Legislature session, HB 241 was passed. This Bill allowed the state to pay off its General Obligation Debt. All debt incurred by each program was paid in full as of June 30, 2023.

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	\$146,599,849
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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 addition of BIL funding has changed the funding of some loans to be funded 100% with Federal Funds in both programs.

The EPA federal funds for capitalization grant loans issued during SFY 2024 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 2024, the program forgave \$3,787,383 in loans in the WPCSRF and \$4,996,840 in loans for the DWSRF programs.

The drawn and outstanding principal balance of all loans guaranteed by the WPCSRF program as of June 30, 2024, is \$280,520,434 with an allowance for loan forgiveness of \$4,210,624 resulting in a net loans outstanding balance of \$276,309,810 which includes \$1,170,261 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, 2024, is \$203,967,939 with an allowance for loan forgiveness of \$6,530,907 resulting in a net loans receivable balance of \$197,437,032.

Loans mature at various intervals through July 1, 2061. The scheduled principal payments on loans and advances to other funds maturing in the years following SFY 2024 are as follows:

<u>SFY ending June 30:</u>	<u>WPCSRF Amount</u>	<u>DWSRF Amount</u>
2025	20,076,433	14,944,185
2026	19,626,541	22,032,500
2027	22,515,000	14,797,000
2028 and after	256,675,750	186,714,050
Total	\$ 318,893,724	\$ 238,487,735

As of June 30, 2024, the WPCSRF and DWSRF programs had authorized loans to public entities of the State of Montana that in the aggregate exceeded \$802.6 and \$499.9 million, respectively. The outstanding balances of the largest loans in each portfolio are as follows:

Water Pollution Control State Revolving Fund

<u>Local Agency</u>	<u>Authorized Loan Amount</u>	<u>Outstanding Balance</u>
City of Glendive	\$ 16,226,870	\$ 13,004,000
Town of West Yellowstone*	15,000,000	2,386,227
City of Kalispell	14,470,000	2,921,000
Four Corners WSD	11,300,000	9,950,000
City of Havre	10,437,710	6,369,000
Butte-Silver Bow County III	10,268,000	7,461,000
Butte-Silver Bow County I	10,000,000	7,091,000
City of Whitefish	10,000,000	8,161,000
Butte-Silver Bow County II	10,000,000	6,909,000
City of Whitefish	9,575,000	6,245,768
TOTAL	\$ 117,227,580	\$ 70,497,995

* Still drawing funds.

Drinking Water State Revolving Fund

<u>Local Agency</u>	<u>Authorized Loan Amount</u>	<u>Outstanding Balance</u>
City of Billings II	\$ 17,300,000	\$ 1,108,000
City of Missoula*	12,462,000	9,330,886
City of Bozeman A	10,000,000	4,483,000
City of Great Falls A	10,000,000	7,048,000
City of Great Falls B	10,000,000	6,607,000
City of Kalispell	10,000,000	9,766,000
City of Bozeman B	9,552,000	4,771,000
City of Great Falls C	8,600,000	6,259,000

City of Bozeman	7,573,000	5,339,000
City of Glendive B	7,000,000	6,247,000
TOTAL	\$ 102,487,000	\$ 60,958,886

* Still drawing funds.

5. Interest Receivable on Loans

The interest receivable on loans represents interest owed by borrowers as of June 30, 2024, for the July 1, 2024, payment. It represents the six months of interest accrued from the previous loan payment date of January 1, 2024. Interest receivable balances in the WPCSRF include \$161,435 in the Special Administration fund and \$1,059,561 in the Debt Service and Loan Loss Reserve funds. Interest receivable in the DWSRF includes \$121,032 in the Special Administration fund and \$719,063 in the Debt Service and Loan Loss Reserve funds. Interest receivable does not include interest payments received through June 30, 2024, that were due July 1, 2024. Interest payments received through June 30, 2024, amounted to \$1,892,306 for the WPCSRF and \$2,791,606 for the DWSRF.

6. Short-term Debt

The state may issue notes in anticipation of a Bond issuance. During SFY 2024, 8 bond anticipation notes (BAN) were issued. The proceeds of Drinking Water 2023C, Drinking Water 2023F, Drinking Water 2024B, Drinking Water 2024D, and Wastewater 2023D, Wastewater 2023E, Wastewater 2024C, Wastewater 2024E will be used to fund water improvements and rehabilitation.

The following schedule summarized the activity for the year ended June 30, 2024:

BANS	Begin Bal	Additions	Reductions	Ending Bal
Drinking Water-2023C	0	1,900,000	1,900,000	-
Wastewater-2023D	0	950,000	950,000	-
Wastewater-2023E	0	1,300,000	1,300,000	-
Drinking Water-2023F	0	1,500,000	1,500,000	-
Drinking Water-2024B	0	17,000	0	-
Wastewater-2024C	0	17,000	0	-
Drinking Water-2024D	0	12,000	0	-
Wastewater-2024E	0	12,000	0	-
Total	0	5,708,000	5,650,000	-

7. Bonds Payable

There are currently no bonds payable in 2024, just the BANS reported in the table above.

Refunded Bonds

No refunded bonds in 2024.

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, 2024, the state match requirement in the WPCSRF program is approximately \$47,505,606 but the state has matched additional funds of approximately \$114,470,000. As of June 30, 2024, the state match requirement in the DWSRF program is approximately \$56,125,000 but the state has matched additional funds of approximately \$12,516,164.

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:

<u>WPCSRF</u>	
Federal Revenue - Combined Statement	\$9,833,671.66
Adjustment Due from Federal Govt SFY 2023	13,586
Adjustment Due from Federal Govt SFY 2024	(22,858)
Other Adjustments	-
Total Federal Draws	\$9,824,400
<u>DWSRF</u>	
Federal Revenue - Combined Statement	\$28,306,419
Adjustment Due from Federal Govt SFY 2023	81,936
Adjustment Due from Federal Govt SFY 2024	(157,275)
Other Adjustments	-
Total Federal Draws	\$28,231,080

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, 2024.

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 2024, the interest incomes for each of these components were as follows:

	<u>WPCSRF</u>	<u>DWSRF</u>
Loan Interest	\$ 5,482,382	\$ 3,597,875
Loan Loss Reserve	512,917	370,098
Special Administration	<u>880,798</u>	<u>576,551</u>
Total Interest Income	\$ 6,876,096	\$ 4,544,524

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	\$ 891,894
Administration - State Funds	244,759
Technical Assistance	378,403
State Program Management	497,384
Local Assistance	773,876
Total Administration and Set-Asides	\$2,786,316

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

WPCSRF Program Administration Detail:	
Administration - EPA Grants	\$ 671,923
Administration - State Funds	621,021
Total Administration	\$1,292,944

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.

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 \$1,170,261, 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

For both programs, General Obligation Notes will be issued to match Capitalization Grants. It’s estimated to be in the range of six to ten million dollars. The first Emerging Contaminates drinking water loan was made in SFY2024. The first Lead Service line Replacement loan will be made in SFY 2025. The first Emerging Contaminates wastewater loan will also be made in SFY2025.

**STATE REVOLVING FUND PROGRAMS
COMBINED BALANCE SHEET
SPECIAL REVENUE AND DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 - UNAUDITED**

	WATER POLLUTION CONTROL			DRINKING WATER			(MEMORANDUM ONLY) TOTAL
	STATE SPECIAL REVENUE	FEDERAL SPECIAL REVENUE	DEBT SERVICE	STATE SPECIAL REVENUE	FEDERAL SPECIAL REVENUE	DEBT SERVICE	
ASSETS							
Cash and Cash Equivalents	\$ 91,235,214		\$ 1,001,500	\$ 53,813,453		\$ 549,682	\$ 146,599,849
Interest Receivable on Loans	161,435		1,059,561	121,032		719,063	2,061,092
Due from Federal Government		\$ 22,858		96,186			119,044
Loans Receivable	\$ 276,309,810	\$ 4,210,624		\$ 197,449,846	\$ 6,518,093		473,746,842
Less Allowance for Loan Forgiveness	-	(4,210,624)		-	(6,530,907)	(12,814)	1,170,261
Advances to Other Funds	1,170,261						1,170,261
Total Assets	\$ 368,876,720	\$ 22,858	\$ 2,061,061	\$ 251,384,331	\$ 83,372	\$ 1,268,745	\$ 623,697,087
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ (679,651)			\$ (620,415)	\$117		\$ (1,299,949)
Loans Payable	219,000	\$ 4,421	\$ 81,500	72,000	17,068		393,988
Vouchers Payable	526	\$ 18		565	90		1,199
Payroll Payable	12,447	\$ 18,419		3,572	66,098		100,535
Accrued Liability							-
Due to Other BU or Fund							-
Unearned Revenue							-
Advance from BAN (Intercap) Payable							-
Total Liabilities	\$ (447,678)	\$ 22,858	\$ 81,500	\$ (544,278)	\$ 83,372	\$ -	\$ (804,226)
Fund Balances:							
Fund Balance-Restricted	\$ 369,324,398	\$ -	\$ 1,979,561	\$ 251,928,609	\$ -	\$ 1,268,745	\$ 624,501,313
Total Liabilities and Fund Balances	\$ 368,876,720	\$ 22,858	\$ 2,061,061	\$ 251,384,331	\$ 83,372	\$ 1,268,745	\$ 623,697,087

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

APPENDIX C
SFY24 INTENDED USE PLAN

**DRINKING WATER STATE REVOLVING FUND
Intended Use Plan
and Project Priority List**

State Fiscal Year 2024

July 1, 2023

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Water Quality Division
Drinking Water State Revolving Fund
1520 East Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901
Phone: 406.444.6697
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TABLE OF CONTENTS

Table of Contents i

List of Tables i

1.0 Introduction 1

2.0 Long-Term Goals 2

3.0 Short-Term Goals 2

4.0 Project Priority List 4

4.1 Eligible Systems 4

4.2 Limitations on Individual Project Financing 5

5.0 Subsidies to Disadvantaged Communities 5

6.0 Anticipated Funding List 6

7.0 Criteria and Method Used for Distribution of Funds 10

8.0 Financial Status 11

9.0 Uses of the Drinking Water Revolving Fund 16

10.0 Transfer of Funds between the WPCSRF and the DWSRF 18

11.0 Set-Asides 20

11.1 Administration 20

11.2 State Programs 21

 11.2.1 Public Water Supply Supervision (PWSS) 21

 11.2.2 Source Water Protection 21

 11.2.3 Capacity Development 22

 11.2.4 Operator Certification 22

12.3 Small System Technical Assistance 23

12.4 Local Assistance 24

 12.4.1 Wellhead Protection Program 24

APPENDIX 1: RANKING CRITERIA FOR DWSRF PRIORITY LIST

APPENDIX 2: DWSRF COMPREHENSIVE PROJECT LIST—SFY 2024

APPENDIX 3: GLOSSARY OF ACRONYMS AND INITIALIZATIONS

LIST OF TABLES

Table 1. DWSRF Projects Anticipated to Receive Funding SFY 2024 7

Table 2. Federal Grants and State Matches by FFY for Base Grant 12

Table 3. Federal Grants and State Matches by FFY for Supplemental Grant 12

Table 4. State DWSRF Set-Aside Activity for the Base Grant 13

Table 5. State DWSRF Set-Aside Activity for the Supplemental Grant 14

Table 6. DWSRF Base Grant Funding Status 15

Table 7. DWSRF Supplemental Grant Funding Status..... 16

Table 8. Amounts Available to Transfer between SRF Programs for the Base Grant..... 19

Table 9. Amounts Available to Transfer between SRF Programs for the Supplemental Grant 20

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. As such, the Drinking Water State Revolving Fund (DWSRF) program is administered by DEQ and DNRC and operates similarly to the Water Pollution Control State Revolving Fund (WPCSRF) program.

Along with the DWSRF program, Montana's legislation also established the 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 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 2022 capitalization grants have subsequently been awarded and DEQ is in the process of applying for the FFY 2023 grant. DEQ will likely apply for at least portions of the FFY 2024 grant later in State Fiscal Year (SFY) 2024. In 2021, the Infrastructure Investment and Jobs Act of 2021 (also known as the Bipartisan Infrastructure Law [BIL]) was signed into law. The BIL includes, among other things, an additional capitalization grant that state DWSRF programs can apply for separately from the 'base' grant and is referred to as DWSRF General Supplemental Funding. Both grants are discussed in this document and will be referred to as the base grant and supplemental grant, respectively. Since the inception of the program, federal capitalization grants had only been authorized through FFY 2004. Still, Congress has continued to appropriate funds each year. In 2021, the BIL included language that reauthorizes the base federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. The BIL also authorizes additional appropriations which encompass the supplemental federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026.

The DWSRF program offers below-market loans for construction of public health-related infrastructure improvements and 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). Set-asides are discussed in more detail in **Section 12.0**.

As the primacy agency responsible for implementation of the SDWA, DEQ is responsible for the oversight of the DWSRF program with the primary role of providing technical expertise. DNRC provides financial administration of project loans and oversees the sale of state General Obligation (GO) bonds. Since the inception of the program, states are required to match federal capitalization grant funds with state funds. For Montana, state match funds are provided by issuing GO bonds. For the base grant, the required match is 20% of the grant. For FFY 2023, the supplemental grant has a required match of 10% of the grant. 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. 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. Regarding additional grant funding from BIL, EPA is giving states the option to issue one IUP for both the base and supplemental FFY 2023 grants. This IUP contains the following elements pertaining to both the base and supplemental grants:

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 applications. The 30-day public comment period, which ended on June 30, 2023, included a public meeting which was held on June 14, 2023. 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, comments, 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 implementing and maintaining the DWSRF program in Montana.
2. To fund projects that address specific and immediate requirements of the SDWA, for example the Disinfectant/Disinfection By-Products Rule, the Surface Water Treatment Rule, the Long Term 2 Enhanced Surface Water Treatment Rule, the Revised Total Coliform Rule, and the Radionuclides Rule. Montana anticipates funding at least 7 projects to address these rules in SFY 2024.
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 1 consolidation project in SFY 2024.

-
4. To fund projects that address replacement of aging infrastructure. Montana anticipates funding at least 24 projects of this type in SFY 2024.
 5. To fund projects that develop system sustainability through financial capacity by refinancing existing debt. No refinancing of loans is expected in SFY 2024.
 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 systems 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 with all the National Primary Drinking Water Regulations such as the Lead and Copper Rule, all the Surface Water Treatment Rules, the Stage 2 Disinfectant/Disinfection By-Products Rule, the Revised Total Coliform Rule, and the Groundwater Rule.
 - 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 2024, Montana expects to execute 31 new binding commitments, and close 31 loans totaling approximately \$60 million in drinking water infrastructure projects that will serve a total population of approximately 157,963. (Please see Anticipated Funding List, **Section 6.0**).

Through SFY 2023, Montana's DWSRF fund utilization rate (cumulative loan agreement dollars to the cumulative funds available for projects) was approximately 92% (\$441.2M in loans to \$477.6M available funds) for the base grant and approximately 48% (\$9.2M in loans to \$19.2M in available funds) for the supplemental grant. In SFY 2024, we anticipate our pace to be approximately 93% (\$464.3M in expected loans to approximately \$498.3M in funds available for projects) for the base grant and over 110% (\$46.1M in expected loans to approximately \$41.4M in funds available for projects) for the supplemental grant.

In SFY 2023, for both base and supplemental grants, the rate at which DWSRF projects progressed as measured by disbursements as a percent of assistance provided was approximately 94% (\$421.9M in disbursements to \$450.4M in loans), above the national average of 85%. In SFY 2024, the DWSRF program intends to maintain this construction pace at or above 90%.

It is anticipated that approximately 75 small public water systems will receive Technical Assistance through providers under contract with DEQ. This Technical Assistance will be provided as Operation and Maintenance (O&M) or as Financial and Managerial Assistance (FMA).

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 over 500 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 2024.

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 expand system capacity or enhance fire protection capabilities are not eligible for funding unless the primary purpose of the project is to address public health and/or compliance issues.

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 the projects in **Appendix 2** will use SRF funds. Some systems do not have major projects planned; the remaining systems 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. If the need arises, the IUP can be amended throughout the course of the year to include additional projects. This has been done in past years.

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.

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 provided to a community.

5.0 SUBSIDIES TO DISADVANTAGED COMMUNITIES

Communities seeking a DWSRF loan that meet the disadvantaged community criterion described 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 or water only system rates are greater than the target rates established by the Montana Department of Commerce. These target rates 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.

For SFY 2024, to assist these economically disadvantaged communities, the DWSRF loan program will provide to qualifying communities 75% principal forgiveness of the loan amount, up to a maximum of \$750,000. In addition, the DWSRF loan program will provide up to \$1,000,000 in forgiveness to qualifying communities for projects that have a total project cost exceeding \$3,000,000. The regular interest rate will apply to the balance of the loan. Only one principal forgiveness subsidy will be allowed per project. In addition, in order to receive the principal forgiveness, a project must be ready to proceed to construction, have project funding in place, and be in a position to advertise for bids and make a contract award. Refinancing of existing debt is not eligible for this funding. Principal forgiveness must be utilized to include actual project construction and is not eligible for projects that are only for preliminary or design engineering.

In addition to Public Water Supply's (PWSs) with established user rates, Montana also has approximately 90 schools that are PWSs that do not have established user rates. In July 2022, EPA provided guidance stating that schools that are PWSs can use DWSRF funds to replace interior plumbing. Without user rates, Montana's standard approach for determining disadvantaged communities is not applicable to schools. Therefore, Montana will consider schools economically disadvantaged when the percentage of students eligible for free or reduced lunch exceeds 25%. For SFY 2024, to assist these economically disadvantaged schools, the DWSRF loan program will provide to qualifying schools 75% principal forgiveness of the loan amount, up to a maximum of \$750,000. As with economically disadvantaged

communities, the regular interest rate will apply to the balance of the loan, only one principal forgiveness subsidy will be allowed per project, and funds must be used for actual project construction.

The total amount of principal forgiveness that the DWSRF may allocate under the FFY 2023 base 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 that the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. The total amount of principal forgiveness that the DWSRF may allocate under the FFY 2023 supplemental capitalization grant will be limited to 49% of that capitalization grant. This amount is stipulated in the BIL. If any capitalization grant funds are transferred to the WPCSRF program, the corresponding principal forgiveness amount (30% [base] or 49% [supplemental]) will also be transferred.

6.0 ANTICIPATED FUNDING LIST

DEQ became eligible to apply for the FFY 2023 federal capitalization grant on October 1, 2022, and this grant is in the process of being awarded. It is anticipated that we will apply for the FFY 2024 grant later in SFY 2024.

Montana matches its base federal capitalization grant by 20% using state GO bonds, which would result in an 83/17 federal to state ratio in total. Montana will match its supplemental federal capitalization grant by 10% as required in the BIL for FFY 2023 using state GO bonds resulting in an 91/9 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 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 2024, 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 both the base and supplemental FFY 2023 capitalization grants as well as previous capitalization grants, in conjunction with the respective state match (20% for the base grant and 10% for the supplemental grant). 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. Projects that are anticipated to be funded from the base grant are denoted as ‘Base’ in the SRF Cost column. Projects anticipated to be funded from the supplemental grant are denoted as ‘BIL’ in the SRF Cost column. 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. Due to the variability in project schedules and funding, this has occurred every year since project inception and is expected to happen again this year.

Table 5. DWSRF Projects Anticipated to Receive Funding SFY 2024

Priority Rank	Project	Project Information	SRF Cost
1	Wilsall WD	Population: 377. New water treatment plant to address GWUDISW. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$211,000 P BIL
2	Whitehall	Population: 1038. New ion exchange treatment plant and associated raw and finished water transmission mains, main replacement, looping. Expected loan terms are interim financing at 1.75% interest over a 3-year period for \$900,000 and 2.5% interest over a 20-year period for \$1,000,000. Funding for this project is expected to include federally assisted funds.	\$1,900,000 P BIL
6	CMRWA Phase 2	Population: 3,188. Connection to Regional water system. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$7,808,215 Base
9	Harlem	Population: 822. Water distribution and WTP improvements for DBPs. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	\$770,000 Base
10	Lewistown	Population: 5883. Disinfection & Distribution Improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$2,740,000 P BIL
11	Alborton	Population: 420. 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.	\$889,000 Base
12	Philipsburg	Population: 768. Membrane filtration to address SWTR, new pumps, distribution work. 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 BIL
15	Boulder	Population: 1,400. New well 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.	\$150,000 P Base

Priority Rank	Project	Project Information	SRF Cost
18	Chester	Population: 847. WTP improvements for DBPs. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$125,000 Base
19	Seeley Lake WD	Population: 2,000. 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.	\$71,500 P BIL
22	Forsyth	Population: 1,770. Rehabilitation of the intake. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$806,000 P BIL
24	Power-Teton WSD	Population: 172. Project to include new proposed ground water source for District. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	\$884,300 Base
29	Glendive Distribution	Population: 5353. Water system improvements – main replacement. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$1,500,000 P BIL
32	Clearview Heights WD	Population: 30. 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 BIL
37	Belgrade	Population: 10,460. New wells. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$937,192 Base
38	Havre	Population: 9,600. 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.	\$1,900,000 P BIL
42	Flaxville	Population: 100. 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 BIL

Priority Rank	Project	Project Information	SRF Cost
49	Cut Bank	Population: 3105. Construct a new one-million-gallon concrete storage tank. Expected loan terms are 2.50% interest over a 30-year period. Funding for this project is expected to include federally assisted funds.	\$1,500,000 P BIL
52	Basin WSD	Population: 227. Replace leaking service lines. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$400,000 P BIL
54	Sunburst	Population: 450. Storage tank rehabilitation, meters, new fill station. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	\$1,100,000 Base
55	Hinsdale County WSD	Population: 217. New well 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.	\$520,000 P BIL
57	Missoula Harlequin Court	Population: 73,710. 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.	\$1,235,780 Base
58	Choteau	Population: 1714. Water system improvements – main replacement and new well. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	\$2,000,000 Base
67	Kalispell Supply	Population: 25,000. Install new water supply wells and a 1-million-gallon elevated water storage tank. Expected loan term of 30-years at 2.5% interest. Funding is expected to included federal funds.	\$19,604,000 P BIL
68	Sidney Phase 3	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.	\$2,180,000 Base
69	Fairview	Population: 891. 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 BIL

Priority Rank	Project	Project Information	SRF Cost
70	Harlowton Distribution	Population: 899. 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.	\$714,000 P BIL
73	Coram	Population: 271. Construction of a new 200,000-gallon storage tank. Expected loan terms are 2.50% interest over a 30-year period. Funding for this project is expected to include federally assisted funds.	\$1,545,000 P BIL
75	Fort Benton	Population: 1464. New 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.	\$2,668,000 P Base
79	Forest Park	Population: 823. New 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.	\$882,000 Base
82	Broadview	Population: 150. 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.	\$1,500,000 P Base
	TOTAL		\$60,040,987

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 were all 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**.

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
4. Construction of a regional PWS that would serve two or more existing PWSs - 30 points
5. Affordability - 20 points maximum

8.0 FINANCIAL STATUS

Since the inception of the program, states are required to match federal capitalization grant funds with state funds. For Montana, state match funds are provided by issuing GO bonds. For the base federal capitalization grant, the required state match is 20% of that grant. For the supplemental federal capitalization grant, the required state match is 10% of that grant for FFY 2022 and FFY 2023 and 20% for FFY 2024 through FFY 2026. The individual capitalization grants and corresponding state match for each FFY for the base and the supplemental grants to-date are listed in **Table 2** and **Table 3**, respectively.

Table 6. Federal Grants and State Matches by FFY for Base Grant

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	\$1,600,813
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	\$1,757,400
2016	\$8,312,000	\$1,662,400
2017	\$8,241,000	\$1,648,200
2018	\$11,107,000	\$2,221,400
2019*	\$11,103,000	\$2,220,600
2020	\$11,011,000	\$2,202,200
2021	\$11,001,000	\$2,200,200
2022	\$7,008,000	\$1,401,600
2023	\$4,938,000	\$987,600
TOTAL	\$241,092,864	\$48,218,573

*Note: The 2019 federal grant amount was increased by \$99,000 to include additional funds from EPA.

Table 7. Federal Grants and State Matches by FFY for Supplemental Grant

FFY	Federal Grant	State Match
2022	\$17,992,000	\$1,799,200
2023	\$21,055,000	\$2,105,500
TOTAL	\$39,047,000	\$3,904,700

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. States are given the flexibility to set aside specified dollar amounts of a capitalization grant to support state programs to meet the federal SDWA requirements (for a detailed description of set-asides, see **Section 12.0**). The total set-aside amounts for the year are then considered in evaluating the status and availability of loan funds. For the FFY 2023 grants, states have the option to take set-asides from both the base and supplemental grants. For SFY 2024, DEQ program staff will take set-asides from both grants. See **Table 4** for the base grant set-aside amounts and **Table 5** for the supplemental grant set-aside amounts.

Table 8. State DWSRF Set-Aside Activity for the Base Grant

Set-Aside		Through FFY 2022 Grant	FFY 2023 Set-Aside (for SFY 2024)	% of 2023 Grant	Total	Reserved Authority (FFY)	Reserved Authority Applied to Previous Grants (FFY)	Total Remaining Authority Reserved
4% Administration		9,642,356	400,000	8.1%	10,042,356			
10% State Program	Public Water Supply Supervision	13,768,174	0	0%	13,768,174	155,000 (2001) 92,930 (2006) 268,800 (2023)	118,400 (2009) 95,000 (2011) 32,500 (2012)	270,830
	Source Water Protection	2,090,511	0	0%	2,090,511			
	Capacity Development	1,445,393	75,000	1.5%	1,520,393	50,000 (2003)	50,000 (2012)	0
	Operator Certification	2,453,392	150,000	3.0%	2,603,392	70,000 (2001)	70,000 (2012)	0
<i>Subtotal</i>		<i>19,757,470</i>	<i>225,000</i>	<i>4.6%</i>	<i>19,982,470</i>			
2% Small System Technical Assistance^a		2,443,726	120,000	2.4%	2,563,726	133,900 (2000) 155,782 (2001) 144,585 (2006)	21,240 (2023)	434,267
15% Local Assistance	Loan Assistance for SWP							
	Capacity Development	2,652,500		0%	2,652,500			
	Source Water Assessment ^b	1,482,620	-	--	1,482,620			
	Wellhead Protection	1,971,400	293,500	5.9%	2,264,900			
Total		\$37,950,072	\$1,038,500	21.0%	\$38,988,572	\$1,070,997	\$387,140	\$705,097

^a Montana will take \$21,240 of reserve authority from the FFY 2000 capitalization grant for the Small System Technical Assistance Set-aside for SFY 2024.

^b 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 9. State DWSRF Set-Aside Activity for the Supplemental Grant

Set-Aside		Through FFY 2022 Grant	FFY 2023 Set-Aside (for SFY 2024)	% of 2023 Grant	Total	Reserved Authority (FFY)	Reserved Authority Applied to Previous Grants (FFY)	Total Remaining Authority Reserved
4% Administration		719,680	842,200	4.0%	1,561,880	-	-	-
10% State Program	Public Water Supply Supervision	0	1,100,000	5.2%	0	805,500 (2023)	-	805,500
	Source Water Protection	0	0	0%	0	-	-	-
	Capacity Development	0	0	0%	0	-	-	-
	Operator Certification	0	0	0%	0	200,000 (2023)	-	200,000
<i>Subtotal</i>		<i>0</i>	<i>1,100,000</i>	<i>5.2%</i>	<i>1,100,000</i>			
2% Small System Technical Assistance		0	0	0%	0	-	-	-
15% Local Assistance	Loan Assistance for SWP				0	-	-	-
	Capacity Development	0	0	0%	0	-	-	-
	Source Water Assessment	-	-	-	0	-	-	-
	Wellhead Protection	0	0	0%	0	-	-	-
Total		\$719,680	\$1,978,000	9.2%	\$2,706,880	\$1,005,500	\$0	\$1,005,500

The state also evaluates the financial health of the program by examining 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. **Table 6** shows the funding status for the DWSRF base grant and **Table 7** shows the funding status for the DWSRF supplement grant.

Table 10. DWSRF Base Grant Funding Status

	Projected thru SFY 2023	Projected for SFY 2024	Total
SOURCE OF FUNDS			
Federal Capitalization Grants	\$236,154,864	\$4,938,000	
Set-Asides (Section 12.0)	(\$37,950,072)	(\$1,038,500)	
Total to Loan Fund	\$198,204,792	\$3,899,500	\$202,104,292
<i>State Match</i>			
Bond Proceeds	\$53,408,980	\$987,600	\$54,396,580
Loan Loss Reserve Sweeps	\$11,057,683	\$500,000	\$11,557,683
Loan Repayments	\$201,468,024	\$15,278,871	\$216,746,895
Interest on Fund Investments	\$2,141,560	\$30,000	\$2,171,560
Transfers from WPCSRF	\$11,282,486	\$0	\$11,282,486
Total Source of Funds	\$477,563,525	\$20,695,971	\$498,259,496
USE OF FUNDS			
<i>Loans Executed</i>			
Direct Loans	\$441,179,067		\$441,179,067
Transfer to WPCSRF	\$22,130,213	\$0	\$22,130,213
Total Uses			\$463,309,280
Funds Available for Loan			\$34,950,216
<i>Projected IUP Loans</i>			
Direct Loans (SFY 2024)		\$23,129,487	\$23,129,487
Projected Balance Remaining			\$11,820,729

Table 11. DWSRF Supplemental Grant Funding Status

	Projected thru SFY 2023	Projected for SFY 2024	Total
SOURCE OF FUNDS			
Federal Capitalization Grants	\$17,992,000	\$21,055,000	
Set-Asides (Section 12.0)	(\$719,680)	(\$1,942,200)	
Total to Loan Fund	\$17,272,320	\$19,112,800	\$36,385,120
<i>State Match</i>			
Bond Proceeds	\$1,900,000	\$2,105,500	\$4,005,500
Loan Loss Reserve Sweeps	\$0	\$0	\$0
Loan Repayments	\$0	\$1,000,000	\$1,000,000
Interest on Fund Investments	\$0	\$0	\$0
Transfers from WPCSRF	\$0	\$0	\$0
Total Source of Funds	\$19,172,320	\$22,218,300	\$41,390,620
USE OF FUNDS			
<i>Loans Executed</i>			
Direct Loans	\$9,181,100		\$9,181,100
Transfer to WPCSRF	\$0	\$0	\$0
Total Uses			<u>\$9,181,100</u>
Funds Available for Loan			<u>\$32,209,520</u>
<i>Projected IUP Loans</i>			
Direct Loans (SFY 2024)		\$36,911,500	\$36,911,500
Projected Balance Remaining			(\$4,701,980)

9.0 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. Low interest loans can be made for up to 100% of the total project cost. At the beginning of SFY 2024 approximately \$450.4 million in loans have been made to communities in Montana. All 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 the lowest possible cost is also a consideration in setting the interest rate. In SFY 2024, the program will provide principal forgiveness for a portion of the loan to help some economically struggling communities. A 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 2024, 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 2024, 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 2024, \$3,093,100 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 \$5,600,000 in BANs. The excess over the required reserve was transferred to the principal account to make loans;
 5. Provide loan guarantees for similar revolving funds established by municipalities. At the beginning of SFY 2024, no loans have been made for this purpose;
 6. Earn interest on program fund accounts. At the beginning of SFY 2024, the DWSRF cash flow demonstrates this program will continue to be a strong source of loan funds when 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 2024 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. If in the unlikely event there are unused administrative funds, they will be spent on administrative costs in the subsequent fiscal year. 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 2024, there was approximately \$1,727,879 available for this purpose. If needed, these administrative funds could be transferred to the principal account and used to make loans.
 8. Use a cash draw strategy that considers the individual needs of a project while maintaining the overall 20% and 10% state match requirements for the base grant and supplemental grant, respectively. For SFY 2024, most projects will likely be funded using the ratio of 80% federal funds and 20% state funds for the base grant and 90% federal funds and 10% state funds for the supplemental grant. However, for co-funded projects that require state match, state funds (i.e., bond proceeds) will be used which will require other projects to use 100% federal funds to maintain the overall state match requirements for both grants.

Since the inception of the program, federal capitalization grants had only been authorized through FFY 2004. Still, Congress has continued to appropriate funds each year. In 2021, the BIL included language that reauthorizes the base federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. The BIL also authorizes additional appropriations which encompass the supplemental federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. While Congress

continues to appropriate funds each year, it should be noted that 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 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.

10.0 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 no recycled funds will be transferred to the WPCSRF program from the DWSRF program in the SFY 2024 for either the base or supplemental grant. In the last 25 years, funds from the base grant have been transferred back and forth between the two programs, as needed.

Table 8 and **Table 9** summarize transfers to date, and funds still available for transfer for the base grant and supplemental grant, respectively.

Table 12. Amounts Available to Transfer between SRF Programs for the Base Grant

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	---	17,015,867	7,515,211
2001	DW Grant Award	14,835,942	---	---	19,586,270	10,085,614
2001	Transfer (2nd Rnd \$)	14,835,942	4,032,158	---	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd \$)	20,134,608	---	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd \$)	20,134,608	---	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd \$)	20,134,608	---	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd \$)		---	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	DW Grant Award	82,103,930	---	---	71,256,203	92,881,657
2022	DW Grant Award	84,416,570	---	---	73,568,843	95,194,297
2023	DW Grant Award	86,046,110	---	---	75,198,383	96,823,837
Total			\$11,282,486	\$22,130,213		

Table 13. Amounts Available to Transfer between SRF Programs for the Supplemental Grant

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
2022	DW Grant Award	\$5,937,360	---	---	\$5,937,360	\$5,937,360
2023	DW Grant Award	\$12,885,510	---	---	\$12,885,510	\$12,885,510
Total			\$0	\$0		

11.0 ASSURANCES

As outlined in the Operating Agreement between the Montana DEQ, DNRC, and EPA, Montana will assure compliance with the SDWA, and all associated state and federal regulations related to the DWSRF program including:

- Environmental Reviews - Montana will conduct an environmental review and a determination will be executed and distributed using a state process in accordance with 40 CFR Part 35.3580 and Montana Code Annotated (MCA) 75-6-224(1)(g). Montana will follow EPA-approved, NEPA-like procedures in conjunction with such environmental reviews.
- Binding commitments – Montana will provide financial and technical assistance to a public water system in accordance with MCA 75-6-204(2)(d) in an amount equal to 120% of the amount of each grant payment within a period not to exceed 1 year after receipt of a grant.
- Timely expenditures – As required by Section 1452(g)(3) of the SDWA, the MCA 75-6-204 (2)(e) denotes that Montana will expend all funds in the revolving fund in an expeditious and timely manner.
- Federal Cross-cutters – In accordance with 40 CFR 35.550 (o), Montana will comply with all applicable Federal cross-cutting authorities in existence at the time the loan recipient receives a binding commitment.
- Capacity Development Strategies – Per Section 1452(a)(3) of the SDWA and MCA 75-6-212(2)(c)(i), funds can't be used to provide assistance to a PWS that does not have the financial, managerial, and technical capability to ensure compliance with the requirements of the SDWA. As such, Montana will ensure that funds are provided to systems that have the technical, managerial, and financial capability to ensure compliance (see **Section 12.3** for additional information on capacity development strategies). As part of the capacity development SDWA provisions, Montana DEQ currently has an operator certification program that provides training and certification testing to operators. The program received EPA approval on December 8, 2000. (see **Section 12.2.4** for additional information on operator certification).

12.0 SET-ASIDES

The DWSRF is also 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 75-6-201, 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
 - State programs including public water supply supervision, source water protection, capacity development, and operator certification
 - Small system technical assistance
 - Local assistance including wellhead protection

12.1 ADMINISTRATION

DEQ has the authority to set aside 4% or \$400,000 (whichever is greater) of the FFY 2023 base and supplemental capitalization grants for program administration. DEQ has elected to set aside the greater amount for both the base grant (\$400,000) and the supplemental grant (\$842,200). 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 before BIL funding, 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.

12.2 STATE PROGRAMS

DEQ has historically funded the Public Water Supply Supervision (PWSS) program, the source water protection program, capacity development, and operator certification under the state program set-aside. However, in more recent years, source water protection activities have been funded under the local assistance set-aside and are discussed in that section.

12.2.1 Public Water Supply Supervision (PWSS)

The Public Water Supply Supervision (PWSS) set-aside of \$1,100,000 will be funded from the FFY 2023 supplemental grant. Funds from this set-aside will be used for salaries, benefits, and operating expenses for ten environmental science specialists assigned to the Helena, Billings, Missoula, and Kalispell Offices. The positions have been previously funded through set-asides every state fiscal year since SFY 2015. These positions provide direct assistance to water suppliers through implementation of National Primary Drinking Water Regulations (NPDWR) such as: the Lead and Copper Rule, Phase 2/5 rules, Revised Total Coliform Rule, Consumer Confidence Report Rule, all of the Surface Water Treatment Rules including Long Term 1 and Long Term 2 Enhanced Surface Water Treatment Rules and Filter Backwash Rule, Stage 1 and Stage 2 Disinfection/Disinfection By-Products Rules, Radionuclide Rule, Groundwater Rule, and the State’s ground water chlorination rule. They also assist in capacity development activities by providing technical assistance to water suppliers, performing sanitary surveys,

conducting operator training, monitoring compliance, and attending public meetings as requested to provide information and assistance.

The set-aside will also be used to fund database development expenses associated with implementation and upgrading to SDWIS SFTIES; maintenance of SDWIS and the state databases; and supporting the Montana Water and Wastewater Operators' Initiative through the Montana State University in Bozeman. All these activities help the PWSS achieve its overall goal of facilitating SDWA compliance by public water supplies. Montana reserves the authority to utilize funds from both FFY 2023 base and supplemental grants for this set-aside (see **Tables 4 and 5**).

12.2.2 Source Water Protection

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.” Past uses for this set-aside have included administering Montana’s Source Water Protection program and providing technical assistance to local communities in support of source water protection activities. For the FFY 2023 grants, no funding will be applied to the source water protection program under the state program set-aside. Instead, activities related to source water protection, including wellhead protection, will be funded under the local assistance set-aside. The set-aside funds and related activities are discussed in **Section 12.4.1**.

12.2.3 Capacity Development

For the FFY 2023 grants, \$75,000 will be applied to capacity development under the state program set-aside. Past uses for this set-aside have included paying for up to 10% of the operating expenses for ten full-time staff positions in the Engineering Bureau, Public Water and Subdivision section to conduct on-site inspections. These funds have also been used to provide technical assistance to Public Water systems that are struggling with monitoring compliance or other engineering related issues, but this service is now funded with small system technical assistance funds discussed in **Section 12.3**.

12.2.4 Operator Certification

DEQ has set aside \$150,000 from the FFY 2023 base 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 770 community systems, 301 non-transient non-community systems, and 342 wastewater systems. These water and wastewater operators hold approximately 3,300 certifications. There are 1,607 certified operators in Montana. The program has fully incorporated the 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. The program is also working with Thentia Cloud regarding a new database which should be implemented by September of 2023.

Montana reserves the authority to utilize funds from the FFY 2023 supplemental grant for this set-aside (see **Table 5**).

12.3 SMALL SYSTEM TECHNICAL ASSISTANCE

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 O&M 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 O&M technical assistance to many small systems throughout Montana. Services include help with source water problems, and systems for 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.

Since SFY 2020, the Small System Technical Assistance grant funds are also being used to fund Financial and Managerial Assistance (FMA) work that has historically been funded through capacity development set-aside 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 visit, 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 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. If Montana did not develop and implement strategies to assist existing water systems with capacity development, EPA could withhold 20% of a state's capitalization grant. To meet the October 1, 2000 deadline and avoid the withholding provisions, Montana submitted its Capacity Development Strategy to EPA in August 2000 which EPA approved on October 10, 2000. To address subsequent requirements related to asset management introduced in America's Water Infrastructure Act of 2018 (AWIA), an updated Capacity Development Strategy was provided to EPA in September 2022.

The capacity development 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 set-aside funding. Given the large number of PWSs in Montana (over 2,000) and a shortage of staff with the

requisite technical, financial, and managerial experience, DEQ has chosen to provide this assistance through contracted services from 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 for a technical assistance provider and in February 2020, MAP was awarded the contract to provide TFM assistance. As noted above, this new contract funds both O&M and Financial and Managerial Assistance (FMA). Through SFY 2022, MAP has provided over 2,800 hours of technical assistance to small public water systems. By June 30, 2023, MAP should complete an additional 1,600 hours of technical assistance (both O&M and FMA) for small water systems.

Contract activities for SFY 2024 will be funded with set-aside balances from previous capitalization grants for technical assistance under this contract. An additional \$120,000 will be set aside from the FFY 2023 base capitalization grant to assist with the technical assistance (TA) contract and contract management. Due to the reduced amount Montana received for their FFY 2023 base grant, the 2% available for Small System Technical Assistance only provides \$98,760 for the TA contract so Montana will take \$21,240 of reserved authority from the FFY 2000 capitalization grant and apply it to the TA contract.

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 from SFY 2014 to SFY 2019. The SFY 2020 contract with MAP was renewed in SFY 2021, SFY 2022, and SFY 2023 and will be reviewed annually with the option of renewing the contract, if appropriate. Any significant changes would be discussed in future IUPs.

12.4 LOCAL ASSISTANCE

DEQ has historically funded the capacity development and wellhead protection under the local assistance set-aside. For SFY 2024, capacity development activities will be funded entirely from the supplement grant under the state program PWSS set-aside (see **Section 12.2.1** for additional information). The source water assessment set-aside could only be funded in the initial FFY 1997 grant.

12.4.1 Wellhead Protection Program

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 \$293,500 from the FFY 2023 base grant will be used in SFY 2024 to administer Montana's Wellhead

Protection Program and to provide technical assistance to local communities in support of source water protection activities. Funds are used to verify and improve potential contaminant source (PCS) inventories and provide community outreach in the form of workshops on the operation and maintenance of wells. 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.
- Develop, review, or update source water assessment reports for new or existing public drinking water sources.
- Provide technical assistance to PWS Bureau staff in evaluating public water supply eligibility for monitoring waivers.
- 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 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.

APPENDIX 1: RANKING CRITERIA FOR DWSRF PRIORITY LIST

1. Documented health risks

a. Acute health risks - 120 points maximum

A waterborne disease outbreak or other waterborne emergency such as an interruption in a key water treatment process or a natural or man-made disaster that disrupts the water supply or distribution system.

E. coli 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. *E. coli* Maximum Contaminant Level (MCL) exceedance in the distribution system. A detection of *E. coli* or other pathogens in the source water where the system does not currently provide 4-log treatment of viruses.

Surface Water Treatment Rule (SWTR) treatment technique violation such as a single exceedance of the maximum allowable turbidity limit or sources that have been under the direct influence of surface water and have not resolved that designation.

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

Chlorine dioxide Maximum Residual Disinfectant Level (MRDL) violation where one or more samples taken in the distribution system the day following an exceedance of the MRDL at the entry point also exceed the MRDL.

Guidance for ranking: For unfiltered surface water, use 70% of maximum points in this category unless there have also been documented problems with turbidity, fecal contamination or disease outbreaks. Award an additional 10% of maximum 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 *E. coli* 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 *E. coli* MCL violation. There have been no documented disease outbreaks. The system would get 70% + 10% + 10% = 90% of maximum points in this category.

b. Non-acute health risks - 60 points maximum

Groundwater Rule - significant deficiency(ies) identified in a sanitary survey. Montana Chlorination Rule violations.

Lead and Copper Rule - lead and/or copper action level exceedance.

Inorganic chemicals and/or organic chemicals (including volatile organic chemicals (VOCs) and synthetic organic chemicals (SOCs)) maximum contaminant level (MCL) exceedance. MCL violations may or may not have occurred.

Radionuclide contaminants (radium, uranium, gross alpha emitters) maximum contaminant level (MCL) exceedance. MCL violations may or may not have occurred.

Disinfection byproducts maximum contaminant level (MCL) exceedances. MCL violations may or may not have occurred. Disinfectant residuals (not including chlorine dioxide) maximum disinfectant residual level (MRDL) exceedance. Disinfection byproduct precursors (total organic carbon (TOC)) treatment technique violation.

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 maximum

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 maximum

Total coliform bacteria (non-acute) - two or more Level 1 assessments (under Revised Total Coliform Rule (RTCR)) in any 24-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. The problems must be the result of circumstances beyond the direct control of the water supplier.

Documented water main leaks or main breaks.

b. Nitrate or nitrite detects - 25 points maximum

Nitrate or nitrite detections between 5 mg/L and 10 mg/L within the last 24-months.

c. Chemical contaminant health risks - 20 points maximum

Chemical contaminant detections are approaching the MCL.

Radionuclide contaminant detections are approaching the MCL.

Documented lead service lines.

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, financial and/or managerial 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).

Affordability is based on a community's rates (water and sewer combined or water only) as a percentage of their median household income (MHI). 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 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 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.

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 emergency funding.

APPENDIX 2: DWSRF COMPREHENSIVE PROJECT LIST—SFY 2024

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	94	Wilsall WD	Filtration & Distribution Improvements	\$190,500	198
2	80	Whitehall	New treatment plant, transmission main, and distribution work.	\$1,900,000	1038
3	70	Dry-Redwater Regional Water Authority	Distribution System Improvements	\$247,500	100
4	70	Libby	Water System Improvements	\$1,719,000	2764
5	65	North Central Montana Regional Water System	Regional Water System	\$252,000	45743
6	65	Central Montana Regional Water Authority	Construct Regional Water System	\$7,808,215	7000
7	63	Absarokee WSD - Filtration	Cartridge filtration for Hawkins Park Infiltration Gallery - 2024	\$821,000	1000
8	62.5	Libby Creek Community	Distribution & Consolidation with Libby	\$600,000	47
9	62	Harlem	Water Treatment Plant & Distribution System Improvements	\$3,630,000	822
10	60	Lewistown	Disinfection & Distribution Improvments	\$2,740,000	5883
11	57.5	Alberton	Water System Improvements	\$876,500	420
12	57.5	Philipsburg	Membrane filtration, new pumps at Silver Springs, SCADA and distribution replacement	\$3,304,331	768
13	55	Lewistown	Install Meters on Remaining	\$550,000	6500
14	52.5	Laurel- Water System Improvements	Storage, pump station, transmission and distribution	\$20,800,000	7600
15	52.5	Boulder Supply and Treatment Improvements	Reclassifying Well #3 back to GW, recondition/rehab Well #1, adding treatment to all wells, SCADA.	\$151,192	869
16	52	Deer Lodge - Supply	New Well, wellhouse and transmission main - 2024	\$2,000,000	3056
17	50	Morning Star Community	Distribution & Consolidation with Kalispell	\$467,595	103
18	47.5	Chester, Town of	Water system improvements. WTP (TOCs), tank rehab, intake cross connection.	\$125,000	847
19	47.5	Seeley Lake WD - Distribution	Distribution Replacement	\$71,500	2000
20	47.5	Fromberg Distribution System Improvements	Water Distribution System Improvements ranked in May 2010. Re-rank and activate in May 2023. Install new water crossing for Highway 310 & BNSF railway. Replace leaking main in Minespur Loop.	\$137,092	418
21	46	Fort Benton Filtration	Filtration and orthophosphate addition.	\$3,251,000	1523
22	45	Forsyth	Intake rehab, WTP controls upgrade, distribution work.	\$806,057	1647
23	45	Thompson Falls, City of	New well, transmission distribution, new 700,000 gal concrete tank (\$1.4 million + ARPA)	\$1,365,538	1432
24	45	Power-Teton Co WSD	New wells & transmission mains	\$2,000,000	167
25	45	Twin Bridges	Supply, Storage & Distribution - 2024	\$565,000	235
26	43.5	Shelby System Improvements	Storage, transmission, and distribution System Improvements. Need to update \$s June 2022	\$1,321,200	3419
27	42.5	Miles City	Intake & Treatment Plant Improvements	\$4,259,000	8487
28	40.2	Rossiter Elementary School	Project to replace premises plumbing and service lines to remove pipes with lead solder.	\$500,000	490
29	40	Glendive Distribution	Distribution in town and river bore, tank rehab - 2023	\$1,062,594	5126
30	40	View Vista Village - Distribution System Improve	(Lincoln) - Distribution system improvements	\$734,364	213
31	40	Three Forks	Water System Improvement	\$2,392,000	1888
32	36	Clearview Heights - Lake County WSD	Distribution replacement and storage study - 2024	\$400,000	30

<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
33	35.5	Dillon	Storage Reservoir, Distribution	\$781,000	4050
34	35	Martinsdale WSD	Water distribution and meter replacement project -2024	\$223,000	57
35	35	Bigfork WSD - Distribution	Water distribution improvements (West Trunk and Sunset Drive). Updated 5/1/22 ranking with additional project.	\$2,627,000	4449
36	35	Eastgate WUA	Distribution System Improvements. PWS MT0001784	\$986,000	1739
37	35	Belgrade	Water Supply Well Construction, Replacement	\$937,192	11165
38	35	Havre	Distribution - 2024	\$3,337,397	9786
39	35	Ten Mile/Pleasant Valley WSD	Water System Improvements	\$341,000	740
40	35	Kalispell - LPZ Tank Roofs	Replace two wooden roofs for lower pressure zone concrete tanks - 2023-24	\$6,587,000	23241
41	35	Dutton, Town of	Transmission & Distribution	\$1,056,324	270
42	32.5	Flaxville	Storage and distribution system improvements	\$1,250,000	95
43	32.5	Clancy W&SD	New Central Water System	\$1,560,000	287
44	32.5	Townsend Water System Improvements	Water System Improvements Project	\$9,325,551	1787
45	32.5	Geraldine - Distribution & Source Study		\$1,268,000	179
46	32.5	Grass Range, Town of	Phase 1 and 2 water system Improvements including new water storage tank. Ranking updated from 8/10/22 ranking.	\$640,000	110
47	32.5	Joliet Water System Improvements	Water System Improvements	\$2,200,000	600
48	32.5	Circle, Town of	Distribution System Improvements Updated: 05/01/2022	\$650,000	481
49	30	Cut Bank	Distribution Improvements and new water storage tank (tank work slated for 2022)	\$2,576,000	3105
50	30	Billings Heights Water District	Distribution System Improvements- NW pressure zone supply main.	\$9,207,000	61264
51	30	Malta	Distribution & Well House Improvements	\$6,100,000	2120
52	30	Basin Co. WSD	Well no. 3 treatment	\$400,000	227
53	30	Big Sky WSD No 363	Water system improvements - disinfection, treatment, distribution	\$3,125,000	3000
54	27.5	Sunburst, Town of	Storage tank rehabilitation, meters and fill station	\$632,000	355
55	27.5	Hinsdale County WSD	New well & transmission	\$485,000	217
56	27.5	Belt	Distribution system improvements	\$745,000	625
57	27.5	Missoula Airport Well, Harlequin Trans., & Tank	New well, transmission main and storage tank	\$7,800,000	75514
58	27.5	Choteau Water System 2021	Water System Improvements	\$3,010,000	1713
59	27.5	Richey - Distribution	Distribution system Improvements -2024	\$625,000	186
60	27.5	Winifred	New Storage Tank & Distribution System Improvements	\$215,500	208
61	27.5	Ponderilla Hills WSD	Distribution and transmission	\$488,000	43
62	27.5	Fairfield	Distribution and Pump Control Improvements	\$350,000	659
63	25	Lockwood WSD	Storage for mid zone - 2024	\$3,010,000	7463
64	25	Helena - Distribution	West Side Service and Cross Town Connector	\$4,307,696	32024
65	25	Lockwood WSD	Distribution - 2024	\$8,082,000	7463
66	22.5	Bozeman	Lyman reservoir and transmission main	\$16,850,000	49831
67	22.5	Kalispell - UPZ Wells and Tank	New wells and storage tank in upper pressure zone - 2023-24	\$19,604,000	21142
68	22.5	Sidney Distribution	Phase 3 - Distribution and Lead Service Line Replacement	\$1,132,200	6416
69	22.5	Fairview Distribution & Storage	Distribution replacement and new water storage tank.	\$1,000,000	864

<i>Rank No.</i>	<i>Total Points</i>	<i>Project Name</i>	<i>Description</i>	<i>Amount</i>	<i>Population</i>
70	22.5	Harlowton	Water System Improvements	\$714,000	899
71	22.5	Shakopee Heights WSD	New Storage Tank & Transmission main	\$380,000	62
72	22.5	Billings - Storage	Logan Storage Tank	\$7,000,000	100000
73	22.5	Coram WSD	New Storage Tank. RD Interim loan.	\$710,000	271
74	22.5	Culbertson	Distribution System Improvements	\$215,000	795
75	20	Fort Benton Storage	New Storage Tank	\$1,071,000	1464
76	20	Butte-Silverbow	Treatment Plant and Distribution Improvements	\$7,414,000	33892
77	20	Missoula Distribution and Meters	Distribution replacement for years 2021, 2022, 2023, and 2024	\$20,000,000	75514
78	20	Sidney Storage	Storage and Distribution Improvements	\$4,675,000	5191
79	20	Forest Park	Water RSID 24. Dawson County (West Glendive) 175k gal - glass fused tank	\$832,800	823
80	17.5	Lewistown / Fergus Co. Fairgrounds	Distribution Improvements	\$1,118,366	11586
81	15	Roberts WSD - Well & Pumphouse Rehab	Well & pumphouse rehabilitation	\$275,000	299
82	15	Broadview	Water System Improvements	\$175,000	150
<i>Total of All Amounts:</i>				\$235,142,204	

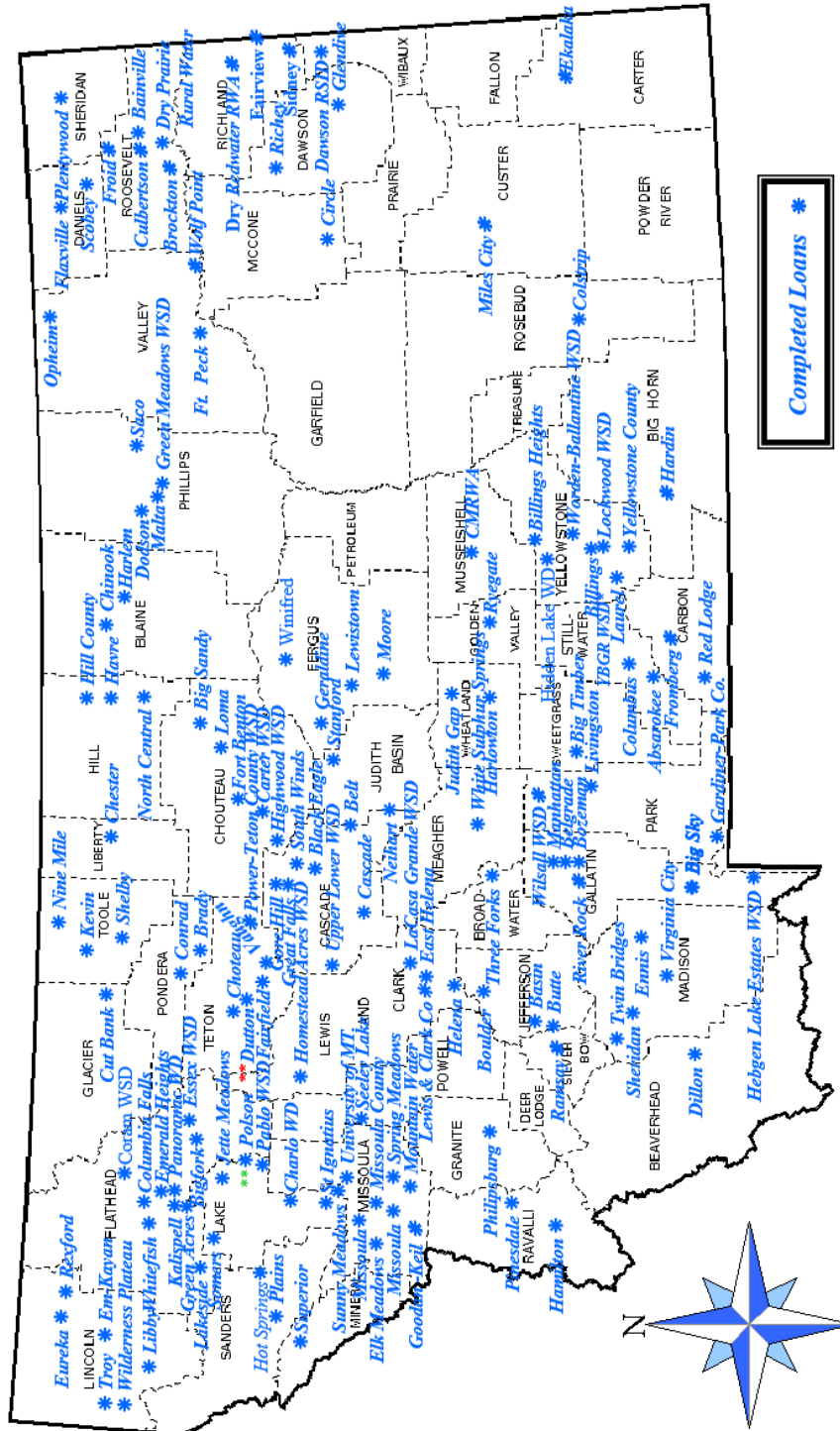
APPENDIX 3: GLOSSARY OF ACRONYMS AND INITIALIZATIONS

Acronym	Definition
ARRA	American Recovery and Reinvestment Act (2009)
AWIA	America’s Water Infrastructure Act (2018)
BIL	Bipartisan Infrastructure Law
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)
FMA	Financial and Managerial Assistance
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
MRDL	Maximum Residual Disinfectant Level
NPDWR	National Primary Drinking Water Regulations
O&M	Operations and Maintenance
PCS	Potential Contaminant Source
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
RTCR	Revised Total Coliform Rule
SDWA	Safe Drinking Water Act
SDWIS	Safe Drinking Water Information System
SFY	State Fiscal Year (begins July 1 and ends June 30)
SOCs	Synthetic Organic Chemicals
SRF	State Revolving Fund
SWP	Source Water Protection
SWTR	Surface Water Treatment Rule
TFM	Technical, Financial, and Managerial Capacity
VOCs	Volatile Organic Chemicals
WPCSRF	Water Pollution Control State Revolving Fund

APPENDIX D

MAP OF PROJECTS AND LIST

Drinking Water Revolving Fund Loans



** Clearview Heights WD

** Ponderilla Hills W&SD

June 30, 2024

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	\$ 2,679,329	2.50%	Cascade A	\$ 495,000	0.00%
Absarokee WSD	\$ 500,000	0.00%	Cascade B	\$ 495,000	2.50%
Bainville Refinance	\$ 260,000	2.50%	Cascade BAN	\$ 94,000	1.75%
Bainville Engineering	\$ 156,000	2.50%	Cascade A	\$ 500,000	0.00%
Bainville A 2016	\$ 500,000	0.00%	Cascade B	\$ 786,000	2.50%
Bainville B 2016	\$ 335,693	2.50%	Central MT RWA BAN	\$ 3,910,000	1.75%
Basin BAN	\$ 67,166	1.75%	Central MT RWA Ph 2B BAN	\$ 500,000	1.75%
Basin A	\$ 724,500	0.00%	Central MT RWA Ph 2C BAN	\$ 6,710,000	1.75%
Basin B	\$ 241,500	2.50%	Charlo WSD	\$ 85,000	3.75%-2%
Belgrade ARRA A	\$ 416,300	0.00%	Chester ARRA A	\$ 248,600	0.00%
Belgrade ARRA B	\$ 333,700	0.75%	Chester ARRA B	\$ 199,400	0.75%
Belgrade A	\$ 500,000	0.00%	Chinook Refinance	\$ 323,763.11	2.50%
Belgrade B	\$ 2,718,000	3.75%-3%	Choteau	\$ 332,000	3%-2%
Belgrade C	\$ 161,300	3.75%-2.25%	Choteau BAN	\$ 2,000,000	1.75%
Belt A	\$ 315,000	0.00%	Choteau A	\$ 660,000	0.00%
Belt B	\$ 315,000	3.00%	Choteau B	\$ 220,000	2.50%
Belt II-A	\$ 118,840	0.00%	Circle A Refinance	\$ 671,098	0.00%
Belt II-B	\$ 122,000	2.50%	Circle B forgiven	\$ 221,125	0.00%
Big Sandy	\$ 349,377	2.75%-2.25%	Circle C	\$ 221,125	2.50%
Big Sandy A	\$ 750,000	0.00%	Circle A	\$ 246,000	0.00%
Big Sandy B	\$ 250,000	2.50%	Circle B	\$ 246,000	2.50%
Big Sky I	\$ 534,000	4.00%	Circle A	\$ 187,500	0.00%
Big Sky II	\$ 1,966,000	4.00%	Circle B	\$ 185,596	2.50%
Big Sky III	\$ 5,000,000	3.75%	Clearview Heights W&SD BAN	\$ 50,000	1.75%
Big Timber	\$ 4,606,000	2.50%	Colstrip I	\$ 563,000	4%-2%
Big Timber A	\$ 299,335	0.00%	Colstrip II	\$ 829,000	4%-2%
Big Timber B	\$ 299,334	2.50%	Columbia Falls I	\$ 907,000	4.00%
Bigfork A	\$ 500,000	0.00%	Columbia Falls II	\$ 502,000	4.00%-2.25%
Bigfork B	\$ 661,703	2.50%	Columbia Falls	\$ 675,000	2.50%
Big Fork BAN	\$ 616,373	1.75%	Columbus	\$ 110,000	3.75%-2.25%
Bigfork A	\$ 500,000	0.00%	Columbus ARRA A	\$ 416,300	0.00%
Bigfork B	\$ 4,557,552	2.50%	Columbus ARRA B	\$ 333,700	1.75%
Billings SID	\$ 818,000	4.00%	Columbus II-A	\$ 500,000	0.00%
Billings	\$ 17,300,000	3.75%-2.25%	Columbus II-B	\$ 900,000	3.00%
Billings ARRA A	\$ 416,300	0.00%	Conrad I	\$ 650,000	4.00%-2.00%
Billings ARRA B	\$ 333,700	1.75%	Conrad II	\$ 1,543,172	4.00%-2.00%
Billings C	\$ 2,750,000	3.75%-2.25%	Conrad Refinance	\$ 473,583	2.50%
Billings III Zone 4 Tan	\$ 6,759,215	3.00%	Conrad III	\$ 793,000	2.50%
Billings IV-A	\$ 500,000	0.00%	Conrad WRF-18405	\$ 500,000	0.00%
Billings IV-B	\$ 2,485,612	3.75%-3%	Conrad WRF-18406	\$ 500,819	2.50%
Billings V	\$ 2,927,621	3.75%-3%	Conrad A	\$ 312,958	0.00%
Billings VI	\$ 6,100,000	3.00%	Conrad B	\$ 312,959	2.50%
Billings VII	\$ 3,505,437	2.50%	Coram W&SD A	\$ 750,000	0.00%
Billings Heights A	\$ 500,000	0.00%	Coram W&SD B	\$ 795,000	2.50%
Billings Heights B	\$ 538,000	3.75%-3%	Culbertson A	\$ 186,000	0.00%
Billings Heights	\$ 2,987,000	2.50%	Culbertson B	\$ 186,000	3.00%
Billings Heights	\$ 2,200,000	2.50%	Cut Bank I	\$ 283,000	4%-2%
Black Eagle ARRA A	\$ 124,900	0.00%	Cut Bank II	\$ 576,000	4%-1.25%
Black Eagle ARRA B	\$ 100,100	0.75%	Cut Bank ARRA A	\$ 416,300	0.00%
Boulder	\$ 1,294,000	4.00%	Cut Bank ARRA B	\$ 333,700	0.75%
Bozeman SID	\$ 94,000	3.75%	Cut Bank A	\$ 70,000	0.00%
Bozeman A	\$ 10,000,000	3.75%-3%	Cut Bank B	\$ 70,000	3.75%
Bozeman B	\$ 9,552,000	3.75%-3%	Cut Bank Refi	\$ 866,312	2.50%
Bozeman 2017	\$ 7,573,000	2.50%	Cut Bank A	\$ 500,000	0.00%
Brady BAN	\$ 257,000	1.25%	Cut Bank B	\$ 726,000	2.50%
Broadview	\$ 203,000	4.00%	Cut Bank A	\$ 500,000	0.00%
Broadview A	\$ 750,000	0.00%	Cut Bank B	\$ 669,000	2.50%
Broadview B	\$ 773,000	2.50%	Cut Bank A	\$ 750,000	0.00%
Brockton	\$ 44,998	4.00%	Cut Bank B	\$ 540,000	2.50%
Butte ARRA A	\$ 416,300	0.00%	Dawson County Forest Park	\$ 190,210	1.75%
Butte ARRA B	\$ 299,230	1.75%	Dawson County Forest Park	\$ 1,210,000	2.50%
Butte A	\$ 500,000	0.00%	Denton	\$ 182,000	1.25%
Butte B	\$ 2,296,387	3.75%-3%	Denton	\$ 724,000	1.25%
Carter A	\$ 83,500	0.00%	Dillon	\$ 2,102,435	2.50%
Carter B	\$ 83,500	3.00%	Dodson A	\$ 59,000	0.00%
Carter Refinance	\$ 305,000	2.50%	Dodson B	\$ 59,000	2.50%
Carter II-A	\$ 58,628	0.00%	Dodson C	\$ 28,000	2.50%
Carter II-B	\$ 58,628	2.50%	Dry Prairie Rural Wtr Auth	\$ 313,000	2.75%-2.25%
Cascade	\$ 129,998	3.00%	Dry Prairie II	\$ 507,000	2.75%-2.25%
Cascade A	\$ 385,000	0.00%	Dry Prairie III	\$ 368,000	2.75%-1.25%
Cascade B	\$ 385,000	2.50%	Dry Prairie IV-A	\$ 500,000	0.00%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Dry Prairie IV-B	\$ 759,000	3.75%-3%	Glendive	\$ 1,565,000	4%-2.25%
Dry Prairie V-A	\$ 150,000	0.00%	Glendive ARRA A	\$ 198,100	0.00%
Dry Prairie V-B	\$ 150,000	3.00%	Glendive ARRA B	\$ 158,900	1.75%
Dry Prairie VI-A	\$ 500,000	0.00%	Glendive A	\$ 150,000	0.00%
Dry Prairie VI-B	\$ 1,233,638	3.00%	Glendive B	\$ 150,000	3.75%
Dry Prairie VII	\$ 1,301,699	2.50%	Glendive Meade Ave	\$ 444,193	2.50%
Dry Prairie	\$ 638,000	2.50%	Glendive WTP	\$ 500,000	0.00%
Dry Redwater WRF-18394	\$ 35,000	2.50%	Glendive WTP	\$ 7,000,000	2.50%
Dry Redwater WRF-19434	\$ 70,000	2.50%	Glendive WTP	\$ 5,943,009	2.50%
Dutton A	\$ 162,000	0.00%	Glendive Boring A	\$ 750,000	0.00%
Dutton B	\$ 162,000	3.00%	Glendive Boring B	\$ 745,000	2.50%
Dutton A	\$ 417,000	0.00%	Glendive A Water Lines	\$ 750,000	0.00%
Dutton B	\$ 417,000	2.50%	Glendive B Water Lines	\$ 1,112,000	2.50%
Dutton A	\$ 140,000	0.00%	Goodan Keil WD	\$ 474,999	2.75%
Dutton B	\$ 140,000	2.50%	Gore Hill WD	\$ 1,509,000	2.50%
East Helena I	\$ 228,000	3.00%	Gore Hill A	\$ 265,000	0.00%
East Helena II	\$ 3,234,000	3.00%	Gore Hill B	\$ 265,000	3.75%
East Helena A	\$ 500,000	0.00%	Grass Range A	\$ 226,000	0.00%
East Helena B	\$ 1,213,000	2.50%	Grass Range B	\$ 75,000	2.50%
Ekalaka Refinace	\$ 290,800	2.75%	Great Falls	\$ 3,000,000	4%-2%
Ekalaka	\$ 232,747	2.75%	Great Falls II	\$ 4,010,000	3.75%-3%
Ekalaka II-A	\$ 28,663	0.00%	Great Falls ARRA A	\$ 416,300	0.00%
Ekalaka II-B	\$ 28,663	3.00%	Great Falls ARRA B	\$ 333,700	1.75%
Elder Grove School Dist-EC	\$ 577,000	0.00%	Great Falls III	\$ 2,700,893	2.50%
Elk Meadows Ranchettes	\$ 200,000	4.00%	Great Falls WTP A	\$ 10,000,000	2.50%
Elk Meadows ARRA A	\$ 416,300	0.00%	Great Falls WTP B	\$ 10,000,000	2.50%
Elk Meadows ARRA B	\$ 333,700	0.75%	Great Falls WTP C	\$ 8,600,000	2.50%
Elk Meadows BAN	\$ 68,013	1.25%	Greenacres A	\$ 208,000	0.00%
Elk Meadows II-A	\$ 141,000	0.00%	Greenacres B	\$ 208,000	3.75%-3%
Elk Meadows II-B	\$ 141,000	3.00%	Hamilton I	\$ 220,000	4.00%-2.25%
Elk Meadows II-C	\$ 67,500	0.00%	Hamilton II - A	\$ 500,000	2.75%-2.25%
Elk Meadows II-D	\$ 67,500	3.00%	Hamilton II - B	\$ 318,000	3.75%-2.25%
Em-Kayan WSD	\$ 191,000	3.75%-3%	Hamilton II - C	\$ 380,000	3.75%-2.25%
Emerald Heights BAN	\$ 48,922	1.75%	Hamilton	\$ 170,000	3.75%-2.25%
Emerald Heights A	\$ 91,078	0.00%	Hardin	\$ 453,900	3.75%
Emerald Heights B	\$ 90,888	2.50%	Hardin A	\$ 279,500	0.00%
Ennis I	\$ 59,701	4.00%	Hardin B	\$ 235,411	3.00%
Ennis II	\$ 500,000	2.75%	Harlem I-A	\$ 500,000	2.75%
Essex WSD ARRA A	\$ 198,300	0.00%	Harlem I-B	\$ 579,638	3.75%-3%
Essex WSD ARRA B	\$ 158,946	0.75%	Harlowton A	\$ 437,000	0.00%
Eureka	\$ 619,000	4%-2%	Harlowton B	\$ 437,000	3.75%-3.00%
Eureka interim financing	\$ 937,491	2.75%	Harlowton BAN	\$ 163,000	1.25%
Eureka A 2017	\$ 100,600	0.00%	Harlowton BAN 2018	\$ 98,525	1.25%
Eureka B 2017	\$ 100,425	2.50%	Harlowton A	\$ 412,500	0.00%
Eureka Midvale Acquisition	\$ 377,455	2.50%	Harlowton B	\$ 412,500	3.00%
Fairfield A	\$ 248,637	0.00%	Harlowton BAN 2016	\$ 132,926	1.25%
Fairfield B	\$ 322,000	3.00%	Harlowton A 2017	\$ 392,500	0.00%
Fairview A	\$ 500,000	0.00%	Harlowton B 2017	\$ 392,500	2.50%
Fairview B	\$ 2,145,152	2.50%	Harlowton A 2020	\$ 391,500	0.00%
Fairview A	\$ 750,000	0.00%	Harlowton B 2020	\$ 391,500	2.50%
Fairview B	\$ 675,000	2.50%	Harlowton A	\$ 337,000	0.00%
Flaxville A	\$ 90,000	0.00%	Harlowton B	\$ 337,000	2.50%
Flaxville B	\$ 90,000	3.00%	Havre I	\$ 600,000	4.00%-2.00%
Fort Benton ARRA A	\$ 350,200	0.00%	Havre II	\$ 8,401,000	4.00%-2.25%
Fort Benton ARRA B	\$ 279,819	1.75%	Havre III - A	\$ 500,000	2.75%-2.25%
Fort Benton A	\$ 750,000	0.00%	Havre III - B	\$ 203,700	3.75%-2.25%
Fort Benton B	\$ 1,918,000	2.50%	Havre ARRA A	\$ 194,300	0.00%
Fort Peck WSD	\$ 1,520,000	4%-3%	Havre ARRA B	\$ 155,700	0.75%
Fort Peck WSD II	\$ 662,000	2.50%	Hebgen Lake Estates BAN 1	\$ 79,000	1.75%
Froid B	\$ 159,087	0.00%	Hebgen Lake Estates BAN 2	\$ 68,237	1.75%
Froid C	\$ 159,087	2.50%	Hebgen Lake W&SD A	\$ 332,202	0.00%
Fromberg A	\$ 481,000	0.00%	Hebgen Lake W&SD B	\$ 332,202	2.50%
Fromberg B	\$ 163,785	0.00%	Helena I	\$ 1,250,000	4.00%
Fromberg C	\$ 163,633	2.50%	Helena II	\$ 2,850,000	3.75%-2.25%
Gardiner-Park County WSD -	\$ 161,504	3%-2%	Helena III	\$ 2,750,000	3.75%-2.25%
Gardiner Park County WSD -	\$ 330,000	3%-2%	Helena ARRA A	\$ 416,300	0.00%
Gardiner Park County WSD -	\$ 267,000	4%-2%	Helena ARRA B	\$ 333,700	1.75%
Gardiner-Park County WSD I.	\$ 463,784	2.75%-2.25%	Helena	\$ 1,325,000	3.75%-2.25%
Gardiner-Park County WSD I.	\$ 125,000	2.75%-2.25%	Helena A 2016	\$ 500,000	0.00%
Geraldine	\$ 129,000	3.00%	Helena B 2016	\$ 660,666	2.50%
			Helena 2019	\$ 5,211,112	2.50%
			Hidden Lake WD A	\$ 316,000	0.00%
			Hidden Lake WD B	\$ 316,000	2.50%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Highwood WSD	\$ 75,000	3.00%	Miles City - Carbon Hill	\$ 500,000	2.75%
Hill County	\$ 723,998	3.75%	Miles City - NE waterlines	\$ 500,000	2.75%
Homestead Acres WSD ARRA A	\$ 218,700	0.00%	Miles City - Carbon Hill	\$ 2,125,268	3.75%-3%
Homestead Acres WSD ARRA B	\$ 175,297	3.75%	Miles City - NE waterlines	\$ 2,200,000	3.75%-3%
Hot Springs	\$ 941,945	3.00%	Miles City ARRA A	\$ 416,300	0.00%
Jette Meadows WSD	\$ 44,477	2.75%	Miles City ARRA B	\$ 333,700	0.75%
Jette Meadows WSD	\$ 300,000	3.75%-2.25%	Missoula, City Tanks	\$ 3,651,000	2.50%
Jette Meadows WSD ARRA A	\$ 416,300	0.00%	Missoula, City Line R/Meters	\$ 12,462,000	2.50%
Jette Meadows WSD ARRA B	\$ 333,700	0.75%	Missoula A, City LR	\$ 1,190,000	2.50%
Jette Meadows WSD C	\$ 325,000	3.75%-3.00%	Missoula B, City LR	\$ 993,000	2.50%
Judith Gap	\$ 112,000	2.75%	Missoula C, City LR	\$ 1,173,000	2.50%
Kalispell	\$ 761,000	4.00%-2.00%	Missoula D, City LR	\$ 1,148,000	2.50%
Kalispell - refinance	\$ 1,283,159	3.75%-1.25%	Missoula E, City LR	\$ 1,280,000	2.50%
Kalispell 2017	\$ 2,662,000	2.50%	Missoula County Fair	\$ 206,194	4.00%
Kalispell II	\$ 1,500,000	3.75%-2.25%	Missoula Cty Fairgds	\$ 705,000	2.50%
Kalispell Refinance	\$ 365,648	2.50%	Missoula County/Sunset West	\$ 291,000	4.00%
Kalispell	\$ 2,147,108	2.50%	Missoula County - Lorraine Sou	\$ 142,000	3.75%
Kalispell A 2024	\$ 1,000,000	0.00%	Missoula County L&C ARRA A	\$ 317,700	0.00%
Kalispell B 2024	\$ 10,000,000	2.50%	Missoula County L&C ARRA B	\$ 165,000	0.75%
Kalispell C	\$ 8,854,000	2.50%	Missoula County L&C ARRA C	\$ 4,979	0.75%
Kevin ARRA A	\$ 377,400	0.00%	Mountain Water Company ARR	\$ 416,300	0.00%
Kevin ARRA B	\$ 302,600	0.75%	Mountain Water Company ARR	\$ 333,700	1.75%
LaCasa Grande WSD I	\$ 150,000	4.00%	Neihart	\$ 107,617	2.75%
LaCasa Grande WSD II	\$ 500,000	2.75%	Nine Mile W&SD BAN	\$ 2,043,102	1.75%
Lakeside	\$ 400,000	3.00%	Nine Mile W&SD A	\$ 500,000	0.00%
Laurel I	\$ 5,250,000	4.00%-2.00%	Nine Mile W&SD B	\$ 1,594,670	2.50%
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	\$ 247,860.65	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%
Lewistown A	\$ 750,000	0.00%	Pablo B	\$ 500,000	3.00%
Lewistown B	\$ 4,400,000	2.50%	Pablo II-A	\$ 500,000	0.00%
Libby	\$ 500,000	1.25%	Pablo II- B	\$ 620,000	2.50%
Libby Refinance	\$ 2,189,579.19	2.50%	Panoramic Mtn River Hgts WD	\$ 120,000	3.75%-2.25%
Livingston I	\$ 155,000	2.75%	Phillipsburg	\$ 238,322	3%-1.25%
Livingston Rev	\$ 700,000	3.75%	Phillipsburg A	\$ 212,000	0.00%
Livingston Rev	\$ 200,000	3.75%	Phillipsburg B	\$ 212,000	2.50%
Livingston TIF	\$ 676,472	3.75%	Phillipsburg BAN	\$ 414,346	1.25%
Livingston SID	\$ 322,088	3.75%	Phillips Co Green Mdws WSD	\$ 63,727	2.75%
Lockwood WSD I	\$ 1,700,000	4.00%	Phillips Co Green Mdws WSD (\$ 100,000	2.75%
Lockwood WSD II - A	\$ 500,000	2.75%-1.25%	Pinesdale Refinance	\$ 487,310	2.50%
Lockwood WSD II - B	\$ 500,000	3.75%-1.25%	Pinesdale A	\$ 457,932	0.00%
Lockwood WSD III - A	\$ 500,000	2.75%-2.25%	Pinesdale B	\$ 692,050	2.50%
Lockwood WSD III - B	\$ 600,000	3.75%-3%	Plains	\$ 239,628	3.75%-2.25%
Lockwood WSD IV-A	\$ 436,500	0.00%	Plains BAN	\$ 22,994	1.25%
Lockwood WSD IV-B	\$ 336,987	3.75%-2%	Plains II-A	\$ 300,000	0.00%
Lockwood WSI	\$ 2,000,000	2.50%	Plains II-B	\$ 316,000	3.00%
Lockwood	\$ 5,750,000	2.50%	Plains A	\$ 258,495	0.00%
Loma W&SD A	\$ 506,175	0.00%	Plains B	\$ 94,461	2.50%
Loma W&SD B	\$ 168,725	2.50%	Plentywood	\$ 577,000	4%-2%
Malta A	\$ 500,000	0.00%	Plentywood II	\$ 500,000	2.75%
Malta B	\$ 500,000	2.50%	Plentywood II - B	\$ 500,000	3.75%-3%
Malta C	\$ 4,327,000	2.50%	Polson ARRA A	\$ 416,300	0.00%
Malta	\$ 680,015	2.50%	Polson ARRA B	\$ 333,700	0.75%
Manhattan ARRA A	\$ 127,700	0.00%	Polson A	\$ 221,127	0.00%
Manhattan ARRA B	\$ 102,300	0.75%	Polson B	\$ 221,129	2.50%
Manhattan	\$ 108,205	2.75%-2.25%	Ponderilla Hills W&SD A	\$ 200,000	0.00%
Manhattan II-A	\$ 281,000	0.00%	Ponderilla Hills W&SD B	\$ 200,000	2.50%
Manhattan II-B	\$ 281,000	2.50%	Ponderilla Hills W&SD C	\$ 83,000	0.00%
Miles City	\$ 1,007,697	2.75%	Power-Teton WSD I	\$ 400,000	2.75%-2%
			Power-Teton WSD II	\$ 375,000	2.75%-2.25%
			Ramsay A	\$ 143,000	2.50%
			Ramsay B	\$ 59,750	0.00%
			Ramsay C	\$ 59,750	2.50%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE	COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Red Lodge A	\$ 500,000	0.00%	Thompson Falls 2019	\$ 238,000	2.50%
Red Lodge B	\$ 944,466	2.50%	Thompson Falls 2019	\$ 238,000	2.50%
Red Lodge A	\$ 500,000	0.00%	Thompson Falls A	\$ 481,444	0.00%
Red Lodge B	\$ 1,240,000	2.50%	Thompson Falls B	\$ 481,445	2.50%
Rexford Refinane	\$ 236,000	2.50%	Three Forks ARRA A	\$ 94,400	0.00%
Richey	\$ 45,000	2.75%	Three Forks ARRA B	\$ 75,600	1.75%
River Rock WSD	\$ 2,100,000	4.00%-2.00%	Three Forks	\$ 336,000	3.75%-2.00%
Ronan BAN	\$ 199,017	1.25%	Three Forks BAN	\$ 22,570	2.75%
Ronan A	\$ 500,000	2.50%	Three Forks II	\$ 268,000	3.75%-2.25%
Ronan B	\$ 618,562	2.50%	Three Forks BAN II	\$ 640,000	1.25%
Roundup	\$ 1,392,000	2.50%	Three Forks III-A	\$ 500,000	0.00%
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	\$ 320,004.68	2.75%
Sheridan A	\$ 390,739	0.00%	White Sulphur Springs A	\$ 500,000	0.00%
Sheridan B	\$ 390,415	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%
Sidney	\$ 1,875,000	2.50%	White Sulphur Springs III-A	\$ 199,664	0.00%
Sidney Ph 3	\$ 2,180,000	2.50%	White Sulphur Springs III-B	\$ 199,664	2.50%
Somers A	\$ 500,000	0.00%	White Sulphur Springs A	\$ 242,694	0.00%
Somers B	\$ 1,664,695	2.50%	White Sulphur Springs B	\$ 251,607	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	\$ 1,821,217	2.50%	Whitefish A Loan	\$ 6,000,000	2.50%
St Ignatius A	\$ 76,000	0.00%	Whitefish B Loan	\$ 2,870,772	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%
Sunny Meadows W&SD	\$ 50,000	2.50%	Wilsall WSD BAN	\$ 27,580	1.25%
Superior I	\$ 500,000	2.75%-2.25%	Wilsall A 2017	\$ 165,000	0.00%
Superior II	\$ 1,229,105	3.75%-2.25%	Wilsall B 2017	\$ 165,000	2.50%
Superior ARRA A	\$ 165,400	0.00%	Winifred	\$ 168,550	2.50%
Superior ARRA B	\$ 132,600	0.75%	Wolf Point	\$ 730,000	3.75%
Thompson Falls I	\$ 500,000	2.75%-2.25%	Worden-Ballantine WSD I	\$ 500,000	2.75%-2.25%
Thompson Falls II	\$ 897,596	3.75%-2.25%	Worden-Ballantine WSD II	\$ 368,000	3.75%-2.25%
Thompson Falls	\$ 128,694	2.75%-2.25%	Worden Ballantine BAN	\$ 800,000	1.75%
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%
			Subtotal	\$499,983,385.42	

PROPOSED LOANS	LOAN AMOUNT	INTEREST RATE
Absarokee WSD	\$ 821,000	2.50%
Alberton A	\$ 444,500	0.00%
Alberton B	\$ 444,500	2.50%
Belgrade	\$ 936,000	2.50%
Bigfork	\$ 1,627,000	2.50%
Boulder Ph 1	\$ 1,307,000	2.50%
Boulder Ph 2	\$ 2,128,000	2.50%
Circle A	\$ 750,000	0.00%
Circle B	\$ 250,000	2.50%
Clancy	\$ 1,600,000	2.50%
CMRWA Ph 2A BAN	\$ 500,000	1.75%
CMRWA Wells 4&5 BAN	\$ 1,700,000	1.75%
ClearviewHeights W&SD A	\$ 325,000	0.00%
ClearviewHeights W&SD B	\$ 125,000	2.50%
Deer Lodge	\$ 300,000	2.50%
Dutton	\$ 1,064,000	2.50%
Flaxville A	\$ 1,000,000	0.00%
Flaxville B	\$ 315,000	2.50%
Forsyth A	\$ 455,000	0.00%
Forsyth B	\$ 152,000	2.50%
Fromberg A	\$ 617,000	0.00%
Fromberg B	\$ 213,000	2.50%
Havre A	\$ 750,000	0.00%
Havre B	\$ 467,000	2.50%
Lockwood	\$ 2,223,000	2.50%
Missoula - Harlequin Court	\$ 944,000	2.50%
Richey A	\$ 750,000	0.00%
Richey B	\$ 250,000	2.50%
Sunburst	\$ 632,000	2.50%
Twin Falls	\$ 350,000	2.50%
Whitehall BAN	\$ 2,000,000	1.75%
Whitehall BAN	\$ 674,000	1.75%
Whitehall BAN	\$ 900,000	1.75%
Whitehall A	\$ 750,000	0.00%
Whitehall B	\$ 250,000	2.50%
Subtotal	\$ 28,014,000	
Grand Total	\$ 527,997,385	