# Water Pollution Control State Revolving Fund Base and Supplemental Intended Use Plan and Project Priority List

State Fiscal Year 2026

Updated 5/29/2025

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## I. INTRODUCTION

The primary purpose of the Intended Use Plan (IUP) is to identify the proposed annual intended uses of the federal and state funds available to the Montana Water Pollution Control State Revolving Fund (WPCSRF) program. Federal dollars appropriated in one federal fiscal year (FFY) are available for use in the next year (i.e., the FFY25 appropriation is available in FFY26). On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law. The IIJA reauthorized the CWSRF program for FFYs 2022 through 2026 with funding levels set through the annual appropriations process. With the enactment of IIJA, in FFY25 Montana's WPCSRF program will receive a supplemental capitalization grant to go along with the base grant issued under the FFY24 Consolidated Appropriations Act. Both grants are discussed in this document and will be referred to as either the "base" capitalization grant or the "supplemental" capitalization grant. Montana's WPCSRF federal base capitalization grant for federal fiscal year 2025 is $7,788,000. Montana's WPCSRF federal supplemental capitalization grant for federal fiscal year 2025 is $12,094,000. The State match for both grants will be raised through the sale of general obligation bonds as the need for funds arises. For the base and supplemental cap grants, Montana provides the required 20% matching funds by issuing state GO bonds. The draft IUP will be reviewed by the public and a hearing will be held to allow an opportunity to publicly comment on the draft IUP**.**

The IUP includes the following:

I. Introduction
II. List of Projects
III. Order of Funding
IV. Uses of the Revolving Fund
V. Goals and Objectives
VI. Activities to be Supported
VII. Assurances and Specific Proposals
VIII. Criteria and Method for Distribution of Funds
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## II. LIST OF PROJECTS

The WPCSRF program was developed to provide low interest loans for the planning, design, and construction (or implementation) of water pollution control projects. A complete list of all eligible projects that are considered possible candidates for assistance from the WPCSRF program (with either the base or supplemental cap grant funds) can be found in **Attachment I**, the Project Priority List (PPL). A discussion of the ranking criteria used to develop the PPL is included in **Attachment IV**. In addition to the PPL, this IUP also contains a list of new projects expected to receive WPCSRF funds in the next State Fiscal Year 2026 (SFY26) which runs from

July 1, 2025, through June 30, 2026. These projects are listed in **Attachment III** for the base allotment and in **Attachment IIIA** for the supplemental allotment.

A binding commitment will be in the form of a letter to the borrower describing the project and indicating the amount of the loan and the time at which the funds will be made available. The binding commitment obligates the State to make the loan and the borrower to receive the proceeds and repay the loan, as per specified terms.

## III. ORDER OF FUNDING

The following factors will be considered when the project is ranked by the program:

1. Need for and benefit to be derived from the project as determined by the annual project priority list. The criteria considered for ranking projects includes four major categories: 1) Water Quality and Public Health Impacts, 2) Water Quality Improvement, 3) Activity Specific Criteria, and 4) Readiness to Proceed (see **Attachment IV**). The ranking criteria integrates both point source and nonpoint source projects. Additional points are given if the project is part of a DEQ compliance strategy or a Total Maximum Daily Load (TMDL) watershed restoration plan. Also, projects that are just refinancing existing long-term debt are only awarded a total of 10 priority points and interim financing projects are limited to 25 total points per project so that more funds are directed toward new projects that provide direct benefit to water quality or human health.

2. Ability of the municipality or private person to finance the project, with and without loan assistance (See Section IX).

3. Amount of financial assistance available from the revolving fund and the cumulative amount of funds requested by other applicants.

## IV. USES OF THE WATER POLLUTION CONTROL STATE REVOLVING FUND

The WPCSRF may be used to:

1. Provide low interest loans to municipalities for wastewater treatment systems, new interceptors, collectors, and appurtenances, infiltration/inflow correction, sewer system rehabilitation, correction of combined sewer overflows, and construction of new storm sewers and detention basins. The low interest loans can be made for up to 100 percent of the total project cost. Approximately $754 million in loans (this does not include agricultural nonpoint source projects) have been made to communities in Montana. Each of these loans has had a total loan interest rate of 4% or less. Program interest rates will be evaluated and set annually. The interest rate for WPCSRF loans for SFY26 will be 2.50%. The maximum term for these loans can be extended to 30 years or to the useful life of the project, whichever is less.

2. Provide interim financing during construction for eligible projects. The interim financing rate for SFY26 will be 1.75%. The maximum term of the interim loan is the shorter of the construction period or three years.

3. Refinance qualifying debt obligations for water pollution control facilities if the debt was incurred, and construction initiated after March 7, 1985. Approximately $11.5 million of debt has been refinanced through this program in the past. However, due to high demand for WPCSRF funds during the period covered by this IUP, it is not anticipated that WPCSRF funds will be provided for refinancing in SFY26.

4. Guarantee or purchase insurance for local debt obligations. As of May 2025, no loans have been made for this purpose.

5. Provide a source of revenue or security for general obligation bonds, the proceeds of which are deposited in the revolving fund. There is a 0.25% loan loss reserve surcharge included as part of the 2.50% interest rate. The purpose of the surcharge is to pay principal and interest on state G.O. Bonds if the Debt Service Account is insufficient to make payments. The excess over the required reserve has periodically been transferred to the principal account to make loans. In SFY26, it is anticipated that approximately $200,000 in excess loan loss reserve funds will be transferred to the principal account and would be counted as an additional state match for future capitalization grants.

6. Provide loan guarantees for similar revolving funds established by municipalities. As of May 2025, no loans have been made for this purpose.

7. Finance non-point source pollution control (Section 319) implementation projects or programs. As of May 2025, approximately $98.9 million has been loaned for these types of projects. This includes irrigation, landfill, and stormwater projects.

8. Pay reasonable administrative costs of the WPCSRF program not to exceed 4% (or the maximum amount allowed under the federal act) of all federal grants awarded to the fund. In addition to using WPCSRF funds for administration, each loan has a 0.25% administrative surcharge included in the 2.50% interest rate. These fees are not considered part of the loan principal. The reserve generated from this loan surcharge will be used for WPCSRF administration costs not covered by the EPA grants. Capitalization grants are approved by Congress every year and EPA is currently projecting WPCSRF funding for at least several more years. However, if needed, these administrative funds could be transferred to the principal account and used to make loans. In SFY26, it is anticipated that no administrative surcharge funds will be transferred to the principal account.

   The special administrative fees collected through loan repayments can be broken down into two categories. If the fees are repaid from direct federal loans during the grant period (i.e., from capitalization grants that are still open as of May 2025 – see list below) the uses of these fee funds will be limited to either SRF program administration or transfers to the principal account, as indicated above. However, fees repaid from loans made from capitalization grants that have been closed or from recycled funds, may be used for other purposes if those uses are consistent with the federal Clean Water Act, this Intended Use Plan, the Operating Agreement between DEQ and EPA, the Trust Indenture and DEQ and DNRC rules and laws governing the WPCSRF program.

Capitalization grants for FFY21, FFY22 (base and supplemental), FFY23 (base and supplemental), and FFY24 (base and supplemental) are currently open. Projects drawing funds from these grants are:

| | |
|---|---|
| Cascade Collection | Manhattan WRF |
| Chester Lagoon Improvements | Missoula RAS Valves |
| Columbus UV | Philipsburg Treatment |
| Fort Smith Treatment & Collection | Red Lodge Stormwater |
| Fromberg Collection System | St. Regis Force Main |
| Gardiner Park Collection & Lagoon | Terry WW Treatment |
| Glendive Collection | West Yellowstone WWTP |
| Kalispell – Grandview Lift Station | Wibaux WW Treatment |
| Malta Force Main | Wolf Point Collection System |

The special administrative fee collected from these combined projects in SFY26 is expected to be approximately $25,178. The total special administrative fees expected to be collected in SFY26 are approximately $912,836. Therefore, approximately $887,658 could be used for Clean Water Act-related purposes other than SRF administration and loans. Of the $887,658 to be received in SFY26, it is anticipated that about $549,158 will be available for SRF administration, and approximately $338,500 will be used for Clean Water Act-related purposes, as indicated below.

The WPCSRF program is expecting to use up to $15,000 of the special administrative fee funds for optimization assessments and advanced training of wastewater treatment operators at various wastewater treatment systems throughout Montana to help promote nutrient and ammonia reduction. This optimization assessment/training is a free service to Montana's wastewater treatment systems and their operators. Special administration fees (up to $83,500) are also expected to be used for partial funding of a wetland specialist to provide outreach, technical assistance and education for conservation and protection of natural wetlands. Approximately $122,000 will be directed towards personal services and operating expenses for a wastewater technical assistance provider within DEQ to assist with optimization efforts, plant start-ups, O&M reviews, and operator training. Up to $35,000 of these fee-based funds are anticipated to be used to fund water pollution control training costs for the Montana Water and Wastewater Operators Initiative (MW2OI), which provides specific education to water and wastewater operators in Montana. The WPCSRF program will contribute up to $30,000 in SFY26 for the monitoring and testing of a constructed wetland pilot study to evaluate its use as a low-tech ammonia and nutrient reduction "technology" to help lagoons affordably reduce these effluent parameters. An additional $30,000 will be provided in SFY 26 and SFY27 to expand the pilot wetland study to assess phosphorus reduction and its bioavailability to algae. Due to a reduction in federal PPG funding in FFY25, approximately $23,000 of special administration fees will be used to pay salaries and operating costs of WPCSRF technical staff for technical assistance to Montana communities for operation and maintenance inspections, advanced operations training, and support. The total annual cost of the training, the wetland specialist, MW2OI, technical assistance providers, and the nutrient pilot study, including indirect costs, is expected to be approximately $338,500.

Beyond these measures, IIJA funding allows the CWSRF program to use up to 2% of each FFY22 through FFY25 cap grant (base and supplemental) to provide technical assistance funds to

enhance or build programs that proactively identify, reach out to, and help rural, small, and tribal publicly owned treatment works with a focus towards disadvantaged communities. Guidance states that the programs should be designed to help disadvantaged communities identify needs, develop projects, apply for funding, design and implement projects, and create training and career pathways. Funds can be directed toward the hiring of staff, nonprofit organizations, or State, regional, interstate, or municipal entities to provide technical assistance to the communities as characterized above. Funds available and funds utilized for technical assistance from the base and supplemental cap grants are shown in Table 1. The WPCSRF programs plans to use these funds towards personal services and operating expenses for a wastewater technical assistance provider within DEQ to assist small, rural, and tribal communities with technical assistance geared towards the optimization of their treatment system and to identify facility needs. In SFY26 approximately $122,000 will be used from the FFY25 Base cap grant but will count towards reserved TA Allowance amount from the FFY22 Base and IIJA grants.

**TABLE 1 – TECHNICAL ASSISTANCE FUNDS AVAILABLE AND UTILIZED FROM BASE AND SUPPLEMENTAL GRANTS**

| Grant | Amount | Reserved TA Allowance (2%) | Reserved TA Allowance Utilized (SFY utilized) | Grant Period |
|---|---|---|---|---|
| FFY22 Base | $5,681,000 | $113,620 | $113,620 (SFY26) | 10/1/2021-06/30/2026 |
| FFY22 IIJA | $8,738,000 | $174,760 | $8,380 (SFY26) | 07/01/2022-06/30/2026 |
| | | | | |
| FFY23 Base | $3,683,000 | $73,660 | $0 | 8/18/2023-8/17/2028 |
| FFY23 IIJA | $10,233,000 | $204,660 | $0 | 8/16/2023-8/15/2030 |
| | | | | |
| FFY24 Base | $4,008,000 | $80,160 | $0 | 8/1/2024-7/31/2029 |
| FFY24 IIJA | $11,164,000 | $223,280 | $0 | 8/1/2024-7/31/2029 |
| | | | | |
| FFY25 Base | $7,788,000 | $155,760 | $0 | 7/1/2025-6/30/2032 |
| FFY25 IIJA | $12,094,000 | $241,880 | $0 | 7/1/2025-6/30/2032 |
| Total Reserved Amount Available: (FFY22 - FFY25) | | $1,267,780 | | |
| Total reserved Amount Utilized: | | | $122,000 | |
| Remaining TA Balance: | | | | $1,145,780 |

A determination of which projects are to be selected from the PPL, the amount of assistance, and the financing terms and conditions will be made by the Montana Department of Environmental Quality (DEQ) and the Montana Department of Natural Resources and Conservation (DNRC). See Section VIII below for a discussion on the distribution of funds.

The entire state match for the current federal grant will be deposited into the SRF fund once the federal capitalization grants are received and disbursed on eligible activities. Administrative draws for all base cap grants and for the FFY25 supplemental cap grant will be at the conventional 83.33% federal and 16.67% state match. BIL supplemental funds for FFY22 and FFY23 will use a cash draw ratio of 90.91% federal and 9.09% state match. During SFY26, 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. Furthermore, we understand that there is flexibility which allows loan fund draws to be taken at 100% state match followed by 100% federal. That approach will be applied on a case-by-case basis.

At the Governor's discretion, the state may transfer up to 33% of its Drinking Water SRF base and supplemental cap grants, on a cumulative basis, to the WPCSRF or an equal amount from the WPCSRF to the Drinking Water SRF. This transfer authority was effective through fiscal year 2001. One-year extensions of this transfer authority were granted through the Appropriation Bills for federal fiscal years 2002 - 2025. In addition to transferring grant funds, states can also transfer state match, investment earnings, or principal and interest repayments between SRF programs.

Table 2 itemizes the amount of base funds available for transfer and that have been transferred between the WPCSRF and DWSRF programs to date based on the base SRF capitalization grants. It is not expected that any funds will be transferred from the base DWSRF to the base WPCSRF during the next 12 months. Table 2A itemizes the amount of supplemental funds that can be transferred between the WPCSRF and DWSRF program within the corresponding supplemental SRF capitalization grants.

**TABLE 2 - AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND BASE PROGRAMS**

| Year | Transaction Description | Banked Transfer Ceiling | Transferred from WPCSRF to DWSRF | Transferred from DWSRF to WPCSRF | DWSRF Funds Available for Transfer | WPCSRF Funds Available for Transfer |
|---|---|---|---|---|---|---|
| 1997 | DW Grant Award | 4,892,646 | --- | --- | 4,892,646 | 4,892,646 |
| 1998 | DW Grant Award | 7,242,675 | --- | --- | 7,242,675 | 7,242,675 |
| 1999 | DW Grant Award | 9,705,729 | --- | --- | 9,705,729 | 9,705,729 |
| 2000 | DW Grant Award | 12,265,539 | --- | --- | 12,265,539 | 12,265,539 |
| 2000 | Transfer (2nd Rnd $) | 12,265,539 | 4,750,328 | -0- | 17,015,867 | 7,515,211 |
| 2001 | DW Grant Award | 14,835,942 | --- | --- | 19,586,270 | 10,085,614 |
| 2001 | Transfer (2nd Rnd $) | 14,835,942 | 4,032,158 | -0- | 23,618,428 | 6,053,456 |
| 2002 | DW Grant Award | 17,493,267 | --- | --- | 26,275,753 | 8,710,781 |
| 2004 | DW Grant Award | 20,134,608 | --- | --- | 28,917,094 | 11,352,122 |
| 2004 | Transfer (2nd Rnd $) | 20,134,608 | -0- | 2,559,810 | 26,357,284 | 13,911,932 |
| 2005 | Transfer (2nd Rnd $) | 20,134,608 | -0- | 2,570,403 | 23,786,881 | 16,482,335 |
| 2005 | Transfer (2nd Rnd $) | 20,134,608 | -0- | 1,000,000 | 22,786,881 | 17,482,335 |
| 2005 | DW Grant Awards | 25,608,821 | --- | --- | 28,261,094 | 22,956,548 |
| 2005 | Transfer (1st Rnd $) | | -0- | 5,000,000 | 23,261,094 | 27,956,548 |
| 2006 | DW Grant Award | 28,324,490 | - | - | 25,976,763 | 30,672,217 |
| 2007 | DW Grant Award | 31,040,060 | - | - | 28,692,333 | 33,387,787 |
| 2008 | Transfer (2nd Rnd $) | | 2,500,000 | | 31,192,333 | 30,887,787 |
| 2008 | DW Grant Award | 33,728,240 | | | 33,880,513 | 33,575,967 |
| 2009 | Transfer (1st Rnd $) | | | 5,000,000 | 28,880,513 | 38,575,967 |
| 2009 | DW Grant Award | 36,416,420 | | | 31,568,693 | 41,264,147 |
| 2009 | DW ARRA Grant Award | 42,851,420 | | | 38,003,693 | 47,699,147 |
| 2010 | DW Grant Award | 47,330,510 | | | 42,482,783 | 52,178,237 |
| 2011 | Transfer (1st Rnd $) | | | 3,000,000 | 39,482,783 | 55,178,237 |
| 2011 | DW Grant Award | 50,438,450 | | | 42,590,723 | 58,286,177 |
| 2012 | DW Grant Award | 53,400,200 | | | 45,552,473 | 61,247,927 |
| 2013 | DW Grant Award | 56,179,130 | | | 48,331,403 | 64,026,857 |
| 2014 | DW Grant Award | 59,097,980 | | | 51,250,253 | 66,945,707 |
| 2015 | DW Grant Award | 61,997,690 | | | 54,149,963 | 69,845,417 |
| 2016 | DW Grant Award | 64,740,650 | | | 56,892,923 | 72,588,377 |
| 2017 | DW Grant Award | 67,460,180 | | | 59,612,453 | 75,307,907 |
| 2018 | DW Grant Award | 71,208,650 | | | 63,360,923 | 79,056,377 |
| 2019 | Transfer (2nd Rnd $) | | | 3,000,000 | 60,360,923 | 82,056,377 |
| 2019 | DW Grant Award | 74,839,970 | | | 63,992,243 | 85,687,697 |
| 2020 | DW Grant Award | 78,473,600 | | | 67,625,873 | 89,321,327 |
| 2021 | DW Grant Award | 82,103,930 | | | 71,256,203 | 92,951,657 |
| 2022 | DW Grant Award | 84,416,570 | | | 73,568,843 | 95,264,297 |
| 2023 | DW Grant Award | 86,046,110 | | | 75,198,383 | 96,893,837 |
| 2024 | DW Grant Award | 87,584,240 | | | 76,736,513 | 98,431,967 |
| 2025 | DW Grant Award | 91,132,743 | | | 80,285,003 | 101,980,457 |
| **Total** | | | **$11,282,486** | **$22,130,213** | | |

**TABLE 2A - AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND SUPPLEMENTAL PROGRAMS**

| Year | Transaction Description | Banked Transfer Ceiling | Transferred from WPCSRF to DWSRF | Transferred from DWSRF to WPCSRF | DWSRF Funds Available for Transfer | WPCSRF Funds Available for Transfer |
|---|---|---|---|---|---|---|
| 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 |
| 2024 | DW Grant Award | 20,470,560 | | | 20,470,560 | 20,470,560 |
| 2025 | DW Grant Award | 28,686,900 | | | 28,686,900 | 28,686,900 |
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| **Total** | | | **$0** | **$0** | | |

## V. GOALS AND OBJECTIVES

Long-Term Goal and Objectives

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

Objectives:

1. Provide affordable financial assistance for eligible applicants concurrent with the objective of maintaining a long-term, self-sustaining State Revolving Fund Program.

2. Fulfill the requirements of pertinent federal, state, and local laws and regulations governing water pollution control activities, while providing the state and local project sponsors with maximum flexibility and decision-making authority regarding such activities.

3. Direct additional subsidy (AS) to small, rural, tribal, and disadvantaged communities with eligible clean water projects.

4. Work with the DEQ 319 program and explore ways to fund more NPS projects.

Short-Term Goal and Objectives

The short-term goals of the WPCSRF are to continue to preserve and improve the quality of the state's waters (surface and groundwater), meet the water pollution control needs of the state, and eliminate any public health hazards related to the discharge of inadequately treated wastewater or other pollutants. As an estimated measure of the environmental benefits attained through funding of water pollution control projects, the WPCSRF program will continue to enter into the EPA database the environmental benefits information for each project during SFY26.

Objectives:

1. Maintain and promote the WPCSRF program, which provides low interest financing (up to 100 percent loans) for water pollution control projects; provide loans for approximately 20 new projects in SFY26 from the base capitalization grant and approximately 12 new projects in SFY26 from the supplemental capitalization grant.

2. Ensure the technical integrity of WPCSRF projects through the review of planning documents, design plans and specifications, construction activities and development of a sound operation and maintenance program.

3. Ensure compliance with all pertinent federal, state, and local water pollution control laws and regulations.

4. Obtain optimum turnover of the funds for the State in the shortest reasonable time; fund eligible NPS projects.

5. Simplify the administrative and regulatory requirements of the program, without sacrificing project quality, to make the financial assistance readily accessible; coordinate on a regular basis with DNRC and financial consultants to consider ways to improve the program and optimize use of resources.

6. Apply for all available appropriated federal funds, for which a need has been identified, contingent upon federal legislation.

## VI. INFORMATION ON THE ACTIVITIES TO BE SUPPORTED

The primary type of assistance to be provided by the WPCSRF is expected to be loans. On a more limited basis, the State may provide funds for refinancing existing debt, guarantee or buy insurance for local debt obligations, or leverage bond issues, although none of these activities are expected during the period covered by this IUP.

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

The State plans on reserving 4% from both the base and supplemental federal capitalization grant (total $795,280) for administrative expenses in SFY26.

## VII. ASSURANCES AND SPECIFIC PROPOSALS

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

- Section 602(a) - Environmental Reviews - The State of Montana certifies that it will conduct environmental reviews of each Title II project receiving assistance from the WPCSRF. Montana will follow EPA approved, NEPA-like procedures in conjunction with such environmental reviews.

- Section 602(b)(3) - Binding Commitments - The State of Montana certifies that it will enter into binding commitments equal to at least 120% of each quarterly grant payment within one year after receipt (on a cumulative basis).

- Section 602(b) (4) - Timely Expenditures - The State of Montana certifies that it will expend all funds in the WPCSRF in an expeditious and timely manner.

- Section 602(b)(6) - Compliance with Title II Requirements - The State of Montana certifies that the applicable Title II requirements listed under this section will be satisfied in the same manner as projects constructed under Title II of the Clean Water Act.

- Report Use of Funds Under Title VI of the Clean Water Act (CWA) - The State of Montana agrees to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies into the SRF Data System. This reporting shall include, but not be limited to, data with respect to compliance with the Green Project Reserve and additional subsidization requirements as specified in P.L. 117-328.

The requirements for Clean Water SRF programs, including Montana's WPCSRF program, included in the Federal Water Resources Reform and Development Act (WRRDA) which was passed by Congress in 2014 remain in effect for both the base and supplemental FFY25 capitalization grants. A summary of the requirements and a brief description of how the WPCSRF program will address them are included below.

**Cost and Effectiveness:** The SRF recipient must certify that it has studied and evaluated the cost and effectiveness of the proposed project and, to the maximum extent possible, has selected the alternative that maximizes the potential for water conservation and energy efficiency. With a continuing trend for the development of wastewater facilities that are more sustainable and resilient, it has been our experience that most, if not all, engineering consultants consider energy usage and practical opportunities for water conservation (which are limited in water pollution control projects) in the alternative analysis within Preliminary Engineering Reports. It is through the development of these planning documents that we feel the cost and effectiveness requirement is adequately addressed. The WPCSRF program requires a certification statement from the recipient in the final stages of the planning phase of a project that cost and effectiveness requirements have been met.

**Engineering Procurement**: The State must either certify that the laws required for procurement of engineering services are equivalent to the federal requirements, which stipulates a qualifications-based selection process, or adopt the federal procurement requirements (40 U.S.C. 1101). Although Montana's procurement laws are consistent or equivalent to the federal requirements in most respects, DEQ's legal counsel felt that the differences between the state and federal laws were significant enough that the certification of equivalence could not be made. Therefore, the WPCSRF program will use the federal procurement requirements for architect and engineer procurement rather than try to change the state law.

**Fiscal Sustainability Plans:** A loan recipient must certify that it has developed and implemented a fiscal sustainability plan that includes: an inventory of critical assets; an evaluation of the condition and performance of the assets; evaluation and implementation of water and energy conservation efforts; and a plan for maintaining, repairing and replacement of treatment works. Some states, including Montana, do not give direct loans to communities. Rather, they buy the bonds that are issued by communities. The wording in the WRRDA pertaining to this requirement specifically refers to loans and, therefore, unless and until the wording in the law is modified, EPA has indicated that this requirement does not apply to Montana's WPCSRF program.

**Extended loan terms:** Loan terms can be extended to 30 years or to the useful life of the project, whichever is less. Affordability does not need to be a factor in extending loan

terms. As indicated in this IUP, Montana WPCSRF program has removed the requirement that extended loan terms only apply to disadvantaged communities. However, the loan term cannot exceed the useful life of the project. For project components that may have a shorter life than the loan, replacement costs will be factored into the operating budget.

**Disadvantaged Communities/Affordability:** A key priority of the Infrastructure Investment and Jobs Act (IIJA) is to ensure that small (population < 10,000) or disadvantaged communities benefit equitably from this investment in water infrastructure. Disadvantaged communities can include low-income people, communities of color, or areas that experience, or are at risk of experiencing, disproportionately high exposure to pollutants. Both the base and supplemental capitalization grants mandate that a portion of the funds be provided as additional subsidy (AS) to communities that meet the state's affordability criteria. The Clean Water Act specifically requires states to develop affordability criteria for the distribution of AS based on income, unemployment data, and population trends. The criteria Montana uses for awarding AS (i.e., principal forgiveness loans), include unemployment rates, median household income and population trends. The IIJA explicitly seeks to ensure that small or disadvantaged communities have access to funds to improve their wastewater infrastructure. To better ensure these communities receive AS, the criteria will also consider community size, and low- and moderate- income data. It is left up to each state as to how these criteria are incorporated into the evaluation of affordability. Please see discussion below for further details.

**Build America/Buy America (BABA) Requirements:** Effective May 14, 2022, all WPCSRF projects funded fully or in part with base or supplemental capitalization grant funds must comply with the Build America, Buy America Act. This Act requires that all the iron, steel, manufactured products, and construction materials used in the project must be produced in the United States.

For iron and steel products and construction materials that are permanently incorporated in the project, all manufacturing processes, from the initial melting state through the application of coatings must occur in the United States. This includes products made primarily of iron or steel such as lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, and reinforced precast concrete and construction materials made primarily of iron or steel such as wire, cables, rebar, framing, joists, decking, grating, railings, stairs, and fencing.

The term "manufactured product" means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product. This includes (but is not limited to) pumps, motors, drives, mixers, motorized screens, controls and switches, membrane bioreactor systems, membrane filtration systems, clarifiers, disinfection systems, HVAC systems, and skids that contain multiple components.

For construction materials, all manufacturing processes for the construction material occurred in the United States. This includes an article, material, or supply that is or consists primarily of non-ferrous metals (construction materials made of ferrous metals are covered under iron and steel), plastic- and polymer-based products including PVC, composite building materials, and polymers used in fiber optic cables, glass including optic glass, lumber, and drywall.

Specification inserts and certification forms have been developed by the WPCSRF program and will be used to help communities meet this requirement.

**American Iron and Steel Requirements:** All iron and steel products (as defined by WRRDA) in any project funded fully, or in part, with SRF recycled funds must be produced in the USA. Iron and steel products are defined in WRRDA as: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restrains, valves, structural steel, reinforced precast concrete, and construction materials. The WPCSRF program has been implementing this requirement, as required by previous federal grants, for several years now. Specification inserts and certification forms have been developed by the WPCSRF program and will continue to be used to help communities meet this requirement.

**Federal Davis Bacon wages and Disadvantaged Business Enterprises:** These requirements have been in place for some time and will continue be a requirement. Davis Bacon requirements apply to all SRF-funded projects and DBE requirements apply to only those projects funded with federal WPCSRF funds.

**Additional Subsidization:** Under IIJA CWSRF programs must provide additional subsidization (AS). The maximum amount of AS that a state program may award from the base cap grant amount is dependent on the national appropriation amount. Some AS is allowed in proportion to federal appropriations greater than $1 billion. If the federal appropriation is less than $1 billion, no AS is allowed. The awarding of AS must be based on affordability criteria or for projects that address water or energy efficiency goals; mitigate stormwater runoff; or encourage sustainable project planning, design and construction. Montana has chosen to primarily use the affordability criterion for awarding AS but reserves the right to award AS to projects in the other categories if funds are available.

In FFY25 the total amount of AS (i.e., principal forgiveness) that the CWSRF must allocate for the base capitalization grant ranges from a minimum of 20% up to a maximum of 40% of that capitalization grant. The total amount of principal forgiveness that the CWSRF may allocate under the FFY25 supplemental capitalization grant is fixed at 49% of that capitalization grant. This amount is mandated in the IIJA.

The Montana WPCSRF program has historically awarded 25 to 35% of its cap grant as AS in any individual year. This has generally been based on user rates per median household income, unemployment rates, and population trends. Starting in FFY22, as a means of ensuring that small (population <10,000) or disadvantaged communities are prioritized to receive AS, the affordability criteria began taking into consideration community size, and low- to moderate- income data. Please see discussion above on

affordability requirements and Section VIII, Criteria and Method for Distribution of Funds.

## VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

Historically, WPCSRF funds were allocated on a first-come, first-served basis because the supply of funds exceeded the demand. This allowed for the funding of all the projects as they went into construction. However, due to annual federal requirements for principal forgiveness and green project reserve, it has become important to identify in each IUP which projects will be receiving SRF funds, including principal forgiveness, for the next fiscal year. **See Attachment III for a list of projects expected to receive WPCSRF funds and principal forgiveness in SFY26 from the base capitalization grant**. **See Attachment III A for a list of projects expected to receive WPCSRF funds and principal forgiveness in SFY26 from the supplemental capitalization grant**. The CWSRF program will target the "Big Fork West Trunk Main", the "Sunburst Collection System", the "Riverside Connection", and the "Columbus 12$^{th}$ St Sewer Main" projects as equivalency projects for the FFY25 base cap grant and the "Kalispell Biosolids", the "Belgrade Lagoon Rehab", the "Hingham Wastewater System", and the "Darby Phase 2" as equivalency projects for the FFY25 supplemental cap grant.

The FFY25 Consolidated Appropriations Act through which the base capitalization grant was appropriated and the FFY25 Clean Water SRF federal appropriation provided through IIJA requires that at least 10% of the base capitalization grant and 10% of the supplemental capitalization grant must be used to fund green projects as defined by EPA. Projects that qualify for the Green Project Reserve are those that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. These projects are identified based upon information provided in the Clean Water Needs Survey that is required for each project that requests funding from the WPCSRF program. Each fiscal year the Resource Development (RD) Bureau housed within the Department of Natural Resources and Conservation requests a $1-2 million dollar loan that they then administer to Montana farmers and ranchers for the implementation of agricultural best management practices (BMPs); primarily the conversion of flood irrigation operations to sprinkler irrigation systems. This loan to the RD Bureau meets the 10% green project reserve requirements for both the base capitalization grant and the supplemental capitalization grant. Projects that qualify in whole, or in part, for green reserve are identified in Attachment III and Attachment IIIA.

The FFY25 Clean Water SRF federal appropriation is approximately $1.63 billion, therefore, Montana has the option of awarding between 20 and 40% of its base capitalization grant in the form of principal forgiveness. The WPCSRF program is proposing to award approximately 35% of its FFY25 base cap grant, or $2,725,797 as principal forgiveness and will withhold the remaining allowable 5% ($389,403) in reserve to assist projects should bids come in higher than anticipated and additional AS is needed. These reserve funds will be rolled into regular loans near the end of the fiscal year if additional PF is not needed. The Clean Water SRF federal appropriation provided through the IIJA mandates that 49% of the funds provided through the FFY25 supplemental cap grant funding, or $5,926,060 must be provided as principal forgiveness.

**The following factors will be considered in the allocation of principal forgiveness:**

The WPCSRF program has historically and will continue to award principal forgiveness (PF) primarily through an affordability assessment for those projects deemed ready to proceed to construction in SFY26. For a project to be considered eligible for PF, the project must be consistent with the definition of "treatment works" as set forth in Section 212 of the CWA. As required by federal law, three factors will continue to be used to arrive at a composite affordability score: income, the local unemployment rate, and local population trends. The IIJA funding explicitly seeks to ensure that small or disadvantaged communities have better access to SRF funds to improve their wastewater infrastructure. It was felt by the WPCSRF program that the best way to ensure that that objective was achieved was to consider community size, and low- and moderate-income data in the affordability criteria analysis. Each criterion is described in more detail below.

Monthly Median Household Income (mMHI)

The WPCSRF program has chosen to incorporate income into the composite affordability score through comparison of the user rate per monthly median household income factor for each community. The WPCSRF program feels that this factor establishes a level playing field between different communities with regards to varied user rates and incomes. The idea is that communities with higher monthly median household incomes can afford higher rates than those with lower monthly median household incomes and those communities already paying high user rates should be given more points when considering which communities should benefit from AS. For example, if a community has a user rate of $32.67 and a mMHI of $3,192 the user rate/mMHI ratio would be 1.02 % and the composite affordability score would be increased by 1.02 points.

Unemployment

A local unemployment rate greater than 150% of the current state average unemployment rate (3.0%) will be added to the affordability criteria score. For example, if the unemployment rate for a community is 5.6%, that rate would be approximately 1.1 percentage points higher than 150% of the average state unemployment rate. So, the composite affordability score would be increased by 1.1 points.

Population Trends

Population growth rates of zero to 1.5% per year are viewed by the WPCSRF program as relatively normal based on many years of reviewing municipal wastewater planning documents. Therefore, growth rates above 1.5%/year or negative growth rates may pose exceptional affordability issues. Very high growth rates may put a higher financial burden on existing residents to accommodate the building of large treatment projects relative to the existing population. Decreasing growth rates leave fewer people to shoulder the financial burden of regulatory compliance. For a population growth factor, the WPCSRF proposes a method like the unemployment rate methodology and will award points if the growth rate is either above 1.5%/year or less than -0.25%/year. For example, if a community has a growth rate of -0.4%/year, this is 0.15 percentage points less than -0.25%/year. The composite affordability score would be increased by 0. 15.

Community Size

A priority of the IIJA is to ensure that small communities (population < 10,000) benefit equitably from the SRF investment in water infrastructure. To achieve this goal the SRF program used census data from the Montana Census and Economic Information Center to calculate the percentage below (positive number) or above (negative number) the baseline population of 10,000. For example, if a community has a population of 7,300, this is equivalent to a 0.27 percentage change whereas a community with a population of 14,900 would have a negative 0.49 percentage change. These percentages will increase or decrease the community's composite affordability score depending on the size of the community.

Disadvantaged Communities

Another priority of the BIL is to ensure that disadvantaged communities benefit equitably from the SRF investment in water infrastructure. To identify economically disadvantaged communities the WPCSRF program considered low- and moderate- income (LMI) data. This information is available for all incorporated city/towns and census designated places from the Montana Department of Commerce's Community Development Division and is based on the U.S. Census Bureau's American Communities Survey data set 2015-2019. The LMI percent is calculated by U.S. Housing and Urban Development (HUD) using data from the U.S. Census Bureau's Decennial Census. LMI families are defined as those families whose income does not exceed 80% of the county median income for the previous year or 80% of the median income of the entire non-metropolitan area of the State of Montana, whichever is higher. For example, a community with an LMI of 43.5% would receive 0.435 points to their overall composite affordability score.

Based on these criteria, communities are ranked based on their overall composite affordability score and AS awarded in the form of principal forgiveness until those funds are fully awarded. If AS is still available after all qualifying communities (i.e., treatment works as defined in Section 212 of the CWA) have been award AS, then municipalities that do not meet the affordability criteria may also be given consideration and provided AS to benefit individual rate payers in the residential user rate class.

It is important to keep in mind that the composite affordability score is just a relative comparison of a community's ability to "afford" the project based on the criteria considered and is not indicative of the importance or need for any project.

1. Consideration will be given to the effectiveness of the principal forgiveness in reducing user rates for each project. If the infusion of principal forgiveness funds into a project result in a similar reduction of grant funds from another funding agency, with the result being no or limited decrease in user rates, the WPCSRF program may instead allocate the principal forgiveness to another project where final user rates will, in fact, be reduced.

2. Generally, no project shall be awarded principal forgiveness more than once. However, in some circumstances if project costs (after bidding) are considerably higher than anticipated, that project may be awarded additional principal forgiveness to help offset the higher costs provided there is still an open capitalization grant that has not fully allocated the maximum

amount of AS allowed for under its grant conditions. Projects receiving additional principal forgiveness must be at or above the target rate for wastewater only (0.9% of the mMHI).

3. To spread the funds to more than one project, it is proposed that the principal forgiveness will be capped at $850,000 or 40% of the long-term SRF loan amount, whichever is less for the base cap grant; and at $850,000 or 49% of the long-term SRF loan amount, whichever is less for the supplemental cap grant. These caps and percentages may change slightly depending on the projects selected in the final IUP.

4. Projects seeking short-term financing will not be given principal forgiveness; only long-term loans will be eligible for additional subsidy. Principal forgiveness will not be given for refinancing of projects.

5. If a community determines they no longer need to utilize SRF funds, any principal forgiveness awarded to that community will be awarded to the next highest rated project based on the criteria described above.

6. To ensure the timely use of AS, any project awarded principal forgiveness must bid the project before the end of the fiscal year in which the AS was awarded. Failure to meet this deadline and at the discretion of the WPCSRF program, the AS may be reassigned and used to fund another project on the project priority list.

**The proposed list of projects that will receive WPCSRF funds in SFY26 is included as Attachment III and Attachment IIIA.**

Loan terms and interest rates will be determined in accordance with the Administrative Rules adopted by the DNRC. The WPCSRF program may choose to limit the maximum amount of any loan if the demand for loan funds exceeds the availability of funds. Interest rates must be established to generate sufficient revenues to allow the State to make the principal and interest payments on general obligation bonds sold to generate the State match or meet project demand and to ensure the program is operated in perpetuity. The ability to repay the loan will also be considered when establishing loan terms. The types of financial assistance provided by the WPCSRF will initially be based on the applicant's request. It is anticipated that most of the assistance will be provided in the form of direct loans (more precisely, the purchase of community-issued bonds by the WPCSRF program).

While the Base/Supplemental Program Funding Status for the Montana WPCSRF Program (Attachment II) shows a surplus of funds in the program, it should be noted that the "new loan amount" listed is based on estimated loan amounts many of which will likely need to be increased due to the current bidding climate and inflation which have resulted in higher costs for recently bid projects. EPA should also keep in mind that the infusion of American Rescue Plan Act (ARPA) grant funds into Montana wastewater infrastructure projects ($168 million) has resulted in some projects no longer needing or reducing the amount of SRF funds needed in their projects. The WPCSRF program has historically never had a problem fully obligating a majority of its funds and expect that will be the case this year as well.

## IX. EXTENDED FINANCING

To provide additional assistance to communities, the WPCSRF program will offer extended finance terms to qualifying projects. The extended loan terms allow communities up to 30 years to repay the loan. In all cases, loan terms cannot extend past the useful life of the improvements to be funded. The WPCSRF program will require a short-lived assets assessment for each project to ensure that replacement costs for the shorter-term assets (pumps, blowers, controls, lagoon liners, etc.) are set aside by the community on an annual basis to ensure continuity of treatment or use throughout the term of the loan. The WPCSRF program reserves the right to limit extended term financing at any time to ensure the perpetuity of the fund.

## X. PUBLIC COMMENT, AMENDING IUP, STATE FINANCIAL COMMITMENT

Public Review and Comment – One public meeting was held on June 17, 2025, in Helena to discuss the SFY26 PPL and to allow public comment on the draft IUP. Public notice concerning the PPL and IUP was posted in major newspapers across the state, and the notice and draft IUP was published on DEQ's website. There was a 30-day public comment period for the public to review and comment on the draft IUP. That comment period ended June 30, 2025.

[A summary of any comments received regarding the draft IUP will be stated here.]

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

State Financial Commitment - The 1989 Montana Legislature passed House Bill (HB) 601, entitled the Wastewater Treatment Revolving Fund Act, which was subsequently signed into law by the Governor. The Act created the new program, established administrative procedures and allowed for the sale of state general obligation bonds in an amount not to exceed ten million dollars. The 1995 Montana Legislature passed HB 493, which was subsequently signed into law by the Governor. Among other things, the Act allowed for the sale of state general obligation bonds in an amount not to exceed an additional five million dollars. The 1999 Montana Legislature passed HB 110, which gives the WPCSRF an additional fifteen million dollars in general obligation-bonding authority. The 2003 Montana legislature passed HB 46, which gives the WPCSRF an additional ten million dollars in general obligation-bonding authority. The combined bonding authority provided by these four bills furnishes the WPCSRF with forty million dollars in state general obligation bond authority, which provides enough funds to match all federal appropriations (1989-2024) that have been awarded to the program to date, as well as excess bond authority to match potential future federal appropriations. In 2005 with HB 142, the Legislative session allowed the bond authority to be up to $40 million in outstanding bonds.

The State held its first bond sale in 1991. In June of 1996, Montana held its second and third bond sales to provide State match funds for projects scheduled to proceed in FFY 1997. In March of 1998, a fourth bond sale was held to provide State match for projects scheduled to proceed in FFY 1998 and 1999. In March of 2000, a fifth bond sale was held to provide State match for

projects scheduled to proceed in FFY 2000 and 2001. In June 2001, a sixth bond sale was held to provide a match for projects scheduled to proceed in 2002. In June of 2003, a sixth bond sale was held to provide match for projects projected to proceed in 2003. In April of 2004, a seventh bond sale was held to provide match for projects projected to proceed in 2004. An eighth bond sale was held in April of 2005, to provide state match for proposed projects to proceed in 2005. The bond authorization includes notes to be issued instead of bonds. Note sales were held in October 2007, for $500,000, in April 2008, for $400,000, and in March 2009, for $2,000,000. A bond sale of $6,450,000 was held in 2010. In 2013, a bond sale of $5,000,000 was held. A bond sale of $24,365,000 was held in June 2015. A revenue anticipation note was issued in October 2016.

As discussed previously, the increased demand for funds may force the WPCSRF program to issue periodic bond anticipation notes (BANs) for the program to keep the projects moving through construction with adequate SRF funds. Two bond anticipation notes of approximately $1,600,000 and $2,419,000 are anticipated in SFY26.

Attachment 1

# MONTANA

## WPCSRF Project Priority List

State Fiscal Year: 2026

| Rank | Name | EPAID / MPDES ID | Category | Ranking Points | Amount / Assist Type | Commit Date / Project Type |
|---|---|---|---|---|---|---|
| 1 | Hobson WW Improv. | C303714<br>MT0021636 | I, IIIB | 500 | $1,350,000<br>Loan | 5/1/2025<br>BLF |
| 2 | Malta Force Main Replacement | C302289<br>No MPDES Per | IIIB | 430 | $1,000,000<br>Loan | 7/1/2024<br>BLF |
| 3 | Wibaux Spray Irrigation | C301302<br>No MPDES per | I | 405 | $1,400,000<br>Loan | 5/1/2023<br>BLF |
| 4 | Fort Smith W&S WWTP Upgrades | C301218<br>No MPDES per | I, IVA, IVB | 400 | $2,600,000<br>Loan | 7/1/2023<br>BLF |
| 5 | Philipsburg WWTP Improvements | C301318<br>MT0031500 | I | 400 | $1,220,000<br>Loan | 5/1/2024<br>BLF |
| 6 | Riverside Connection to Bozeman | C302257<br>MT0022608 | IVB | 385 | $3,700,000<br>Loan | 6/1/2026<br>BLF |
| 7 | Jordan Treat. Sys. Improv. | C301312<br>MT0021385 | I | 375 | $450,000<br>Loan | 9/1/2025<br>BLF |
| 8 | Columbus UV Disinfection Project | C301330<br>MT0031801 | II | 365 | $1,150,000<br>Loan | 4/1/2025<br>BLF |
| 9 | Kallispell - Morning Star Comm. | C302281<br>MT0021938 | IVA, IVB | 350 | $137,100<br>Loan | 7/1/2025<br>BLF |
| 10 | Darby WW Collection and Treatment Improvements | C303727<br>MTG580011 | I, IIIA | 340 | $1,950,000<br>Loan | 5/1/2025<br>BLF |
| 11 | Kalispell - Green Acres Collection System | C302285<br>MT0021938 | IVA | 340 | $427,200<br>Loan | 7/1/2025<br>BLF |
| 12 | Denton 2022WW Sys. Improv. | C304256<br>MT0022462 | I, IVA | 335 | $1,787,000<br>Loan | 7/1/2025<br>BLF |
| 13 | St Regis Sewer District - FM | C302272<br>No MPDES per | IVA | 335 | $899,922<br>Loan | 5/1/2023<br>BLF |
| 14 | White Sulphur Springs Collection Sys. | C302286<br>MT0020699 | IVA | 330 | $210,800<br>Loan | 8/1/2025<br>BLF |
| 15 | Hardin WWTP Improv Ph 2 & Ph 3 | C301316<br>NPDES MT003 | I | 330 | $7,866,000<br>Loan | 7/1/2025<br>BLF |

| Rank | Name | EPAID<br>MPDES ID | Category | Ranking Points | Amount<br>Assist Type | Commit Date<br>Project Type |
|---|---|---|---|---|---|---|
| 16 | Fort Peck Spray Irr. Project | C301322<br>MTG580019 | I | 330 | $230,000<br>Loan | 6/1/2025<br>BLF |
| 17 | Missoula Garden City Compost | C301321<br>No MPDES per | I | 330 | $4,600,000<br>Loan | 6/1/2025<br>BLF |
| 18 | Lockwood WSD Ph3 Sewer Improve. | C302262<br>MT0022586 | IVA, IVB | 320 | $5,900,000<br>Loan | 6/1/2025<br>BLF |
| 19 | West Yellowstone WWTP 2021 | C301313<br>MTX000244 | II | 320 | $30,400,000<br>Loan | 6/1/2024<br>BLF |
| 20 | Momont LS Project-Missoula | C302271<br>MT0022594 | IIIB | 315 | $1,327,000<br>Loan | 7/1/2024<br>BLF |
| 21 | Columbia Falls Wastewater Treatment Plant Upgrades | C301332<br>MT0020036 | II | 310 | $750,000<br>Loan | 7/1/2025<br>BLF |
| 22 | DNRC NPS Projects | C307175<br>No MPDES per | VIIA, VIIE | 310 | $2,000,000<br>Loan | 5/1/2026<br>BLF |
| 23 | Kalispell Biosolids Project | C301334<br>MT0021938 | II | 305 | $2,900,000<br>Loan | 8/1/2025<br>BLF |
| 24 | Hideaway Com. W&S - Col. Falls | C303719<br>MT0020036 | I, IVA, IVB | 295 | $767,600<br>Loan | 9/1/2025<br>BLF |
| 25 | Wolf Point Ph2A Wastewater Improvements | C303716<br>NPDES MT003 | I, IIIB | 290 | $1,050,000<br>Loan | 6/1/2024<br>BLF |
| 26 | Sunburst Collection System Improvements | C304261<br>MT0021679 | IIIA, IIIB | 290 | $1,122,000<br>Loan | 8/1/2025<br>BLF |
| 27 | Superior Wastewater System Improvements | C301327<br>MT0020664 | I | 290 | $1,984,000<br>Loan | 6/1/2025<br>BLF |
| 28 | Missoula - Bitterroot Outfall | C305188<br>No MPDES Per | VI | 290 | $408,000<br>Loan | 7/1/2025<br>BLF |
| 29 | Terry WWTP Upgrades | C301285<br>MTG580017 | I, IIIA | 290 | $962,000<br>Loan | 5/1/2023<br>BLF |
| 30 | Gardiner W&S Disrict WW Rehab | C301299<br>MT0022705 | I, IIIA | 290 | $3,565,850<br>Loan | 7/1/2024<br>BLF |
| 31 | Manhattan WWTP Improvements | C301311<br>MT0021857 | II | 290 | $5,100,000<br>Loan | 11/1/2024<br>BLF |
| 32 | Cooke City - New WWTF | C303711<br>No MPDES per | I, IVA | 285 | $3,000,000<br>Loan | 4/1/2026<br>BLF |

| Rank | Name | EPAID MPDES ID | Category | Ranking Points | Amount Assist Type | Commit Date Project Type |
|---|---|---|---|---|---|---|
| 33 | Darby Collection and UV System | C303726 MTG580011 | I, IIIA | 285 | $2,020,000 Loan | 3/1/2026 BLF |
| 34 | Evergreen Lift Station #19 | C302291 MT0021938 | IIIB | 280 | $4,060,000 Loan | 6/1/2025 BLF |
| 35 | Conrad Storm Sewer & L.S. Project | C306122 MT0020079 | IVA, VI | 280 | $1,385,000 Loan | 6/1/2025 BLF |
| 36 | Fromberg Transmission Main | C304260 MTG580033 | IIIB | 275 | $413,500 Loan | 5/1/2024 BLF |
| 37 | HelenaPrim. Clar pump stat. | C301317 MT0022641 | I | 275 | $1,529,500 Loan | 6/1/2025 BLF |
| 38 | Red Lodge Storm Sewer | C305186 MT0020478 | V | 275 | $2,300,000 Loan | 8/1/2024 BLF |
| 39 | Lockwood EC Project | C302295 MT0022578 | VIIE | 275 | $1,000,000 Forgiven | 8/1/2025 EC |
| 40 | Missoula - Momont 1 Sewer Upsize | C302294 MT0022594 | IIIB | 275 | $828,000 Loan | 5/1/2025 BLF |
| 41 | Kalispell Grandview L.S. & F.M. | C302282 MT0021938 | IIIB | 275 | $1,598,000 Loan | 8/1/2023 BLF |
| 42 | Harrison Collection System & Force Main Project | C304263 No MPDES Per | IIIA | 270 | $700,000 Loan | 9/1/2025 BLF |
| 43 | Evergreen I&I Correction Project | C302293 MT0021938 | IIIA | 270 | $511,000 Loan | 6/1/2025 BLF |
| 44 | Missoula RAS Valve Replacement | C301324 MT0022594 | I | 265 | $1,500,000 Loan | 1/1/2025 BLF |
| 45 | Bigfork West Trunk Main Coll. | C304257 MT0020397 | IIIA, IIIB | 265 | $3,480,000 Loan | 9/1/2025 BLF |
| 46 | Cascade WW System Improvements | C304258 No MPDES per | IIIB | 265 | $768,320 Loan | 4/1/2025 BLF |
| 47 | Drummond Lagoon Improvements | C304154 MTG580002 | I | 265 | $1,550,000 Loan | 6/1/2025 BLF |
| 48 | Big Sky Canyon Phase 1 | C302273 No MPDES per | IIIA | 265 | $16,600,000 Loan | 5/1/2027 BLF |
| 49 | Lakeside LS & WWTF Improvements | C303712 No MPDES per | I, IIIA | 260 | $1,935,000 Loan | 7/1/2025 BLF |

| Rank | Name | EPAID MPDES ID | Category | Ranking Points | Amount Assist Type | Commit Date Project Type |
|---|---|---|---|---|---|---|
| 50 | Missoula Treat, Collect, Compos | C303713 MT0022594 | II, IIIA, IIIB | 255 | $3,100,000 Loan | 9/1/2022 BLF |
| 51 | Kalispell EQ Basin and Fermenter | C301314 MT0021938 | II | 255 | $1,810,000 Loan | 6/1/2025 BLF |
| 52 | Chester WW Improv. Project | C303715 MT0020338 | I, IIIA, IIIB | 255 | $600,000 Loan | 8/1/2024 BLF |
| 53 | Willow Creek Collection and Spray Irrigation | C303723 MT0025038 | I, IVA | 250 | $384,000 Loan | 5/1/2026 BLF |
| 54 | Troy Wastewater System Improvements | C303728 MTG580038 | I | 250 | $1,213,000 Loan | 6/1/2025 BLF |
| 55 | East Helena Wastewater Improv. | C303710 MT0022560 | I, IIIA | 245 | $6,902,000 Loan | 6/1/2025 BLF |
| 56 | Glendive - 2022 Main Repl./Rehab | C302268 MT0021628 | IIIA | 245 | $1,400,000 Loan | 5/1/2024 BLF |
| 57 | Columbus 12th Street Sewer Main | C302298 | IIIB | 245 | $1,100,000 Loan | 6/1/2026 BLF |
| 58 | View Vista Collection System | C302284 MT0020435 | IIIB | 245 | $450,000 Loan | 5/1/2026 BLF |
| 59 | Victor Wastewater Improvements | C303722 No MPDES Per | I, III | 240 | $696,068 Loan | 6/1/2025 BLF |
| 60 | Winnett WWTF Improvements | C301329 MTG580041 | I | 225 | $540,000 Loan | 5/1/2025 BLF |
| 61 | Hingham WW Sys Improv | C303717 No MPDES per | I, IIIB | 220 | $5,000,000 Loan | 6/1/2026 BLF |
| 62 | DPHHS Lab Equipment for EC | C307198 N/A | | 220 | $1,043,000 Forgiven | 9/1/2025 EC |
| 63 | Belgrade Lagoon Rehab | C301323 MTX00116 | I | 210 | $3,500,000 Loan | 8/1/2025 BLF |
| 64 | Three Forks Flood Mitigation | C307196 No MPDES per | VI | 195 | $3,000,000 Loan | 7/1/2026 BLF |
| 65 | Lolo RS WWTP Improv. | C301325 MT0020168 | I | 195 | $5,500,000 Loan | 4/1/2027 BLF |
| 66 | Wolf Point Phase 3 Collection System | C304264 NPDES MT003 | IIIA | 195 | $1,000,000 Loan | 6/1/2026 BLF |

| Rank | Name | EPAID<br>MPDES ID | Category | Ranking Points | Amount<br>Assist Type | Commit Date<br>Project Type |
|---|---|---|---|---|---|---|
| 67 | Libby Creek Wastewater Improvements | C303718<br>MT0030341 | I, IVA,IVB | 180 | $500,000<br>Loan | 4/1/2025<br>BLF |
| 68 | Red Lodge Collection System Improvements Ph 2&3 | C302296<br>MT0020478 | IIIA | 175 | $980,000<br>Loan | 6/1/2026<br>BLF |
| 69 | Helena Airport Gravity Main | C302275<br>MT0022641 | IIIB | 170 | $3,000,000<br>Loan | 8/1/2027<br>BLF |
| 70 | West Yellowstone Vactor Truck | C302288<br>MTX000244 | IIIA | 170 | $225,000<br>Loan | 9/1/2025<br>BLF |
| 71 | Geyser Wastewater System Improvements | C303725<br>N/A | I, IIIB | 155 | $1,042,000<br>Loan | 5/1/2026<br>BLF |
| 72 | Joliet WW System Improvements | C301331<br>MT0020249 | I | 150 | $1,657,000<br>Loan | 9/1/2026<br>BLF |
| 73 | Lake County Solid Waste Landfill Expansion Project | C307197<br>No MPDES Per | VIIJ | 145 | $1,355,000<br>Loan | 7/1/2025<br>BLF |
| 74 | South Winds Drainfield Expansion | C301333 | I | 140 | $200,000<br>Loan | 5/1/2026<br>BLF |
| 75 | Conrad Wastewater System Improvments | C303724<br>MT0020079 | I, IIIB | 135 | $1,825,000<br>Loan | 9/1/2026<br>BLF |
| 76 | Lakeside Wastewater Improvements - Phase 2 | C301326<br>No MPDES per | II | 135 | $13,000,000<br>Loan | 6/1/2027<br>BLF |
| 77 | Missoula Land Application | C307195<br>MT0022594 | VIIA | 125 | $1,612,500<br>Loan | 2/1/2026<br>BLF |
| 78 | Libby WWTP Improvements | C303151<br>MT0030341 | I, IVA | 110 | $2,000,000<br>Loan | 8/1/2026<br>BLF |
| 79 | Deer Lodge Collection System Phase 2 | C302292<br>MT0022616 | IIIA | 90 | $750,000<br>Loan | 5/1/2026<br>BLF |
| 80 | Absarokee Collection System Improvements | C304265<br>MT0021750 | IIIA | 70 | $500,000<br>Loan | 5/1/2028<br>BLF |
| 81 | Thompson Falls Phase 3&4 | C302283<br>MTG580035 | IVA | 25 | $4,793,000<br>Loan | 9/1/2025<br>BLF |
| 82 | Wolf Point Ph2B Collection System Improvements | C304262<br>NPDES MT003 | IIIB | 25 | $3,500,000<br>Loan | 7/1/2025<br>BLF |
| 83 | Chinook WW Treatment Improvements | C303721<br>MT0020125 | I, IIIB | 25 | $1,100,000<br>Loan | 8/1/2024<br>BLF |

| Rank | Name | EPAID MPDES ID | Category | Ranking Points | Amount Assist Type | Commit Date Project Type |
|---|---|---|---|---|---|---|
| 84 | Harrison Ph 2 Lagoon and LS Improvements | C301335 No MPDES Per | I, IIIB | 25 | $588,450 Loan | 4/1/2026 BLF |
| 85 | Alder Wastewater System Improvements | C301336 | I | 25 | $534,600 Loan | 6/1/2026 BLF |
| 86 | Roundup Wastewater System Improvements | C303729 | I, IIIA | 25 | $1,684,000 Loan | 6/1/2026 BLF |
| 87 | St. Ignatius Collection System Improvements | C304266 | IIIA | 25 | $1,031,890 Loan | 6/1/2026 BLF |
| | | **Total Project Assistance:** | | | **$213,509,300** | |

**PROJECT DESCRIPTION CATEGORIES**

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

**ATTACHMENT II**

## PROGRAM FUNDING STATUS
## MONTANA WPCSRF BASE/SUPPLEMENTAL CAP GRANT PROGRAM

**STATE FISCAL YEARS 1990 TO 2026**

| | |
|---|---|
| Capitalization Grants (NIMS line 57) | $ 281,422,765 |
| State Match (20% of cap grants) | $ 54,387,453 |
| Overmatch: RIT, COI fees, investments, LLS (incl GO bonds in excess of 20% match) | $ 93,780,102 |
| Program Administration Expenses (NIMS line 244) | $ 10,588,115) |
| Available to Loan | $ 419,002,205 |
| | |
| Principal Repayments and Interest as of May 2024 (DNRC) | $ 515,008,057 |
| Transfers to DWSRF (principal repayments) (NIMS line 83) | $ ( 10,847,727) |
| Transfers from DWSRF (direct capitalization grants) (NIMS line 61) | $ 13,000,000 |
| **Total Funds Available to Loan through May, 2025** | **$ 936,162,535** |

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**SFY26**

| | |
|---|---|
| Capitalization Grant (FFY26) | $ 19,882,000 |
| DWSRF Transfer | $ 0 |
| State Match for FFY26 | |
| - Normal G.O. Bond match | $ 3,976,400 |
| - Additional BAN match | $ 0 |
| - Estimated Loan Loss Surcharge (LLS) | $ 200,000 |
| Program Administration Allowance | $ (795,280) |
| Anticipated Investment Transfers (DNRC) | $ 1,250,000 |
| Anticipated Principal Repayments and Interest (DNRC) | $ 27,819,667 |
| Anticipated Overmatch (RIT or other) | $ 0 |
| Anticipated transfers from special administration Acct | $ 0 |

**Available to Loan SFY26 ..... $ 52,332,787**

---

| | |
|---|---|
| Total Funds Dedicated to Loan | $ 988,495,322 |
| | |
| Loans closed as of May 2025 (DNRC) | $(796,867,807) |
| | |
| Funds available for Loans in SFY26 | $ 191,627,515 |
| | |
| Amount of estimated new loans identified on Attachment III and IIIA of State Fiscal Year 2026 Intended Use Plan | $ 92,674,151 |

~~Attachment~~ III

**State Fiscal Year 2026 IUP Attachment III (Base Cap Grant)**
**$7.788M Cap Grant (FFY25)** updated 05/29/2025
**Fundable projects for 2025/2026 construction**
**SFY 2026 Construction Starts**

| | Total Loan Amoun | Green Project Reserve | Equivalency Total FFY25 *** | Principal Forgiven FFY25 | Equivalency Loa FFY25 | Non-Equivalency SFY26 | Unempl rate % | WW rate/ MHI (% | Annual growth rate % | % population < 10000 | % LMI | Composite Factor %** | Affordability Rank |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Big Fork West Trunk Main* | 1,598,382 | | | previous award | | 1,194,886 | | | | | | | |
| East Helena Wastewater Improvements* | 2,487,650 | | | previous award | | 2,112,650 | | | | | | | |
| Helena Primary Clarifier Lift Station* | 850,000 | | | previous award | | 314,675 | | | | | | | |
| Sunburst Collection System | 1,122,000 | | | previous award | | 572,250 | | | | | | | |
| Riverside Connection to Bozeman | 317,000 | | 317,000 | 89,282 | 227,718 | | 2.1 | 1.78 | 0 | 0.97 | 0.557 | 3.30 | 11 |
| Willow Creek Collection and Spray Irrigation | 384,000 | | 384,000 | 153,600 | 230,400 | | 2.1 | 0.88 | 1.9 | 0.97 | 0.721 | 2.98 | 12 |
| Cooke City WWTF | 3,000,000 | | 3,000,000 | 850,000 | 2,150,000 | | 3 | 1.35 | 1 | 0.99 | 0.571 | 2.91 | 13 |
| Geyser Wastewater System Improvements | 1,042,000 | | 1,042,000 | 416,800 | 625,200 | | 2.8 | 1.31 | 1.2 | 0.99 | 0.438 | 2.73 | 14 |
| Columbus 12th Street Sewer Main | 677,000 | | 677,000 | 270,800 | 406,200 | | 3.9 | 0.94 | 0.68 | 0.81 | 0.445 | 2.20 | 15 |
| Deer Lodge Collection System Phase 2 | 314,000 | | 314,000 | 125,600 | 188,400 | | 4 | 0.65 | 0.06 | 0.71 | 0.536 | 1.89 | 16 |
| Fort Peck Spray Irrigation | 360,000 | | 360,000 | 144,000 | 216,000 | | 2.9 | 0.44 | -0.56 | 0.98 | 0.061 | 1.79 | 17 |
| Missoula Garden City Compost | 4,600,000 | | 2,817,480 | 675,715 | 2,141,765 | 1,782,520 | 3 | 0.53 | 1.5 | -6.78 | 0.472 | -5.78 | 18 |
| Helena Airport Gravity Main | 3,000,000 | | | 0 | 0 | 3,000,000 | | | | | | | |
| Evergreen I&I | 558,806 | | | 0 | | 558,806 | | | | | | | |
| Joliet WW System Improvements | 1,657,000 | | | 0 | | 1,657,000 | | | | | | | |
| Missoula Land Application | 1,612,500 | | | 0 | | 1,612,500 | | | | | | | |
| Conrad Wastewater System Improvements | 1,825,000 | | | 0 | | 1,825,000 | | | | | | | |
| Missoula Momont Sewer Upgrade | 878,000 | | | 0 | | 878,000 | | | | | | | |
| South Winds Drainfield Expansion | 200,000 | | | 0 | | 200,000 | | | | | | | |
| Wolf Point Collection Phase 2 B - Interim Financing | 4,500,000 | | | N/A | | 4,500,000 | | | | | | | |
| Hobson Wastewater System Improvements - Interim Financing | 820,000 | | | N/A | | 820,000 | | | | | | | |
| Thompson Falls Phases 3 & 4 - Interim Financing | 4,800,000 | | | N/A | | 4,800,000 | | | | | | | |
| West Yellowstone Vactor Truck | 225,000 | | | N/A | | 225,000 | | | | | | | |
| DNRC Resource Development Bureau (Non-Point Source 27) | 778,800 | 778,800 | | N/A | | 778,800 | | | | | | | |
| Three Forks Flood Mitigation | 3,000,000 | | | N/A | | 3,000,000 | | | | | | | |
| Conrad Stormwater | 1,385,000 | | | N/A | | 1,385,000 | | | | | | | |
| | **41,992,138** | **778,800** | **8,911,480** | **2,725,797** | **6,185,683** | **31,217,087** | | | | | | | |

| | |
|---|---|
| Preaward costs to be reimbursed with FFY25 grant | |
| 2% Technical Assistance | 122,000 |
| Min green project reserve required: $778,800 | |
| Minimum Principal Forgiveness required $1,557,600 | |
| Max Principal Forgiveness allowed: $3,115,200 | |
| Administration (4% of cap grant) = $311,520 | 311,520 |
| State match (20% of grant): $1,557,600 | |
| Total grant with Match $9,345,600 | |
| **Total Grant (including match)expenditures** | **9,345,000** |

This assumes a maximum 40% subsidy with a cap of $850,000 for projects with the highest composite affordability factor.
WW rate / MHI taken from planning documents, possibly in combination with revised budgets, and census data.
Unemployment rates taken from MT Dept of Labor and Industry website - by county. Current March 2025 unadjusted MT unempoyment rate is 3.0%
Growth rate (July 2020 - July 2023) from Dept. of Commerce. Some data are by county and others by City (larger communities). Average annual since the 2020 population restimate.
Population taken from census estimate July 1, 2022 (source MDOC)
Low to Moderate Income (LMI) data taken form MT Department of Commerce Community Development Division website
* awarded principal forgiveness in prior years
** See narrative discussion on composite formula derivation.
*** "First Round" funds are those direclty associated with the EPA Capitalization Grant

Attachment IIIA

**State Fiscal Year 2026 IUP Attachment III A (Supplemental Cap Grant)**
**$12.094M Cap Grant (FFY25)** updated 05/29/25

| **Fundable projects for 2025/2026 construction** | Total Loan Amount | Green Project Reserve | Equivalency Total FFY25 *** | Principal Forgivenes FFY25 | Equivalency loar FFY25 | Non-Equivalency SFY26 | Unempl rate % | WW rate/ MHI (%) | Annual growth rate % | % population < 10000 | % LMI | **Composite Factor %**** | **Affordability Rank** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **SFY 2026 Construction Starts** | | | | | | | | | | | | | |
| Belgrade Lagoon Rehabilitation* | 3,000,000 | | | previous award | | 2,433,560 | | | | | | | |
| Big Fork West Trunk Main* | 1,372,618 | | | previous award | | 926,114 | | | | | | | |
| Denton Lagoon Rehabilitation* | 1,632,653 | | | previous award | | 832,653 | | | | | | | |
| Drummond Lagoon Improvements* | 1,530,612 | | | previous award | | 780,612 | | | | | | | |
| East Helena WW Sysem Improvements | 969,387 | | | previous award | | 494,387 | | | | | | | |
| Evergreen Lift Station #19 | 2,765,000 | | | previous award | | 1,915,000 | | | | | | | |
| Hardin WW Treatment System (Phases 2&3)* | 3,443,213 | | | previous award | | 2,593,213 | | | | | | | |
| Harrison Collection & Force Main | 700,000 | | | previous award | | 357,000 | | | | | | | |
| Hideaway Community (Columbia Falls)* | 470,000 | | | previous award | | 239,700 | | | | | | | |
| Hobson Collection System | 520,295 | | | previous award | | 265,350 | | | | | | | |
| Jordan Treatment Expansion* | 1,303,000 | | | previous award | | 885,030 | | | | | | | |
| Kalispell Fermenter* | 3,100,000 | | | previous award | | 2,350,000 | | | | | | | |
| Lakeside WWTF Improvements* | 1,734,693 | | | previous award | | 884,693 | | | | | | | |
| Lockwood Sewer (Phase 3)* | 5,900,000 | | | previous award | | 5,050,000 | | | | | | | |
| Morning Star (Kalispell)* | 137,100 | | | previous award | | 69,685 | | | | | | | |
| Superior WW Treatment | 2,030,000 | | | previous award | | 1,180,000 | | | | | | | |
| White Sulphur Springs Collection Extension* | 283,624 | | | previous award | | 144,648 | | | | | | | |
| Red Lodge Collection System Improvements Phase 2&3 | 980,000 | | 980,000 | 480,200 | 499,800 | | 3.1 | 1.42 | 5.04 | 0.78 | 0.490 | 6.23 | 1 |
| View Vista Collection System | 1,100,000 | | 1,100,000 | 539,000 | 561,000 | | 3.0 | 4.71 | 0 | 0.98 | 0.498 | 6.19 | 2 |
| Harrison Lagoon Improvements Phase 2 | 588,450 | | 588,450 | 288,341 | 300,109 | | 4.8 | 2.31 | 3.31 | 0.99 | 0.769 | 6.18 | 3 |
| Kalispell - Green Acres | 427,200 | | 427,200 | 209,328 | 217,872 | | 3.5 | 3.89 | 0 | 0.99 | 0.487 | 5.37 | 4 |
| Kalispell Biosolids Project | 2,900,000 | | 2,900,000 | 850,000 | 2,050,000 | | 3.5 | 1.71 | 6.64 | -1.99 | 0.487 | 5.35 | 5 |
| Wolf Point Collection System Phase 3 | 1,000,000 | | 1,000,000 | 490,000 | 510,000 | | 5.3 | 1.46 | -1.5 | 0.72 | 0.622 | 4.85 | 6 |
| Hingham WW System Improvents | 5,000,000 | | 4,814,199 | 850,000 | 3,964,199 | 185,801 | 2.6 | 2.75 | 0 | 0.99 | 0.409 | 4.15 | 7 |
| Victor WW Improvments | 696,068 | | 341,073 | 341,073 | | 354,995 | 3.5 | 0.87 | 2.5 | 0.93 | 0.877 | 3.68 | 8 |
| Hideaway Community W&S | 1,015,700 | | 267,400 | 267,400 | | 748,300 | 3.5 | 2.07 | 0 | 0.99 | 0.505 | 3.57 | 9 |
| Darby Collection and UV System Phase 2 | 2,020,000 | | 850,000 | 850,000 | | 1,170,000 | 3.5 | 1.99 | 1.32 | 0.91 | 0.647 | 3.55 | 10 |
| Riverside Connection to Bozeman | 2,853,000 | | 760,718 | 760,718 | | 2,092,282 | 2.1 | 1.78 | 0 | 0.97 | 0.557 | 3.31 | 11 |
| DNRC Resource Development Bureau (Non-Point Source 27) | 1,209,400 | 1,209,400 | | N/A | | 1,209,400 | | | | | | | |
| | **50,682,013** | **1,209,400** | **14,029,040** | **5,926,060** | **8,102,980** | **27,162,423** | | | | | | | |

Preaward costs to be reimbursed with FFY25 grant
2% Technical Assistance
Min green project reserve required: $1,209,400
Required Principal Forgiveness $5,926,060
Administration (4% of cap grant) = $483,760 — 483,760
State match (20% of grant): $2,418,800
Total grant with Match $14,512,800
**Total Grant (including match)expenditures** **14,512,800**

This assumes a 49% subsidy for most projects with a cap of $850,000 for projects with the highest composite affordability factor.
WW rate / MHI taken from planning documents, possibly in combination with revised budgets, and census data.
Unemployment rates taken from MT Dept of Labor and Industry website - by county. Current March 2025 unadjusted MT unempoyment rate is 3.0%
Growth rate (July 2020 - July 2023) from MT Dept. of Commerce. Some data are by county and others by City (larger communities). Average annual since the 2020 population estimate.
Population taken from census estimate July 1, 2023 (source MDOC)
Low to Moderate Income (LMI) data taken form MT Department of Commerce Community Development Division website
* awarded principal forgiveness in prior years
** See narrative discussion on composite formula derivation.
*** "First Round" funds are those direclty associated with the EPA Capitalization Grant

ATTACHMENT IV:

**WATER POLLUTION CONTROL**
**STATE REVOLVING FUND**
**PRIORITY LIST RANKING CRITERIA**

## A. WATER QUALITY OR PUBLIC HEALTH IMPACTS RELATED TO THE PROJECT

May assign points to all that apply
(Give zero or full points only)

### Public Health

Is the purpose of the project to protect a public health? **75 ____**
- e.g., public drinking water source from a leaking lagoon or pipes, sewer on-site systems, conservation easement for source water protection, sewage back-ups into homes, operator safety, contact recreation, surfacing sewage, flooding, etc.

### Water Quality

Is the purpose of the project to reduce toxic effects to aquatic life? **25 ____**
- e.g., ammonia or metals toxicity in a surface water discharge

Is the purpose of the project to reduce sediment loading to a surface water body? **25 ____**
- e.g., Channel storm water runoff to settling ponds.
  Protect streambanks by providing alternate sources of stock water.
  Install buffer strips between fields and streams.
  Generally green infrastructure.

Is the purpose of the project to reduce nutrients in a surface water body? **25 ____**
- e.g., Implement nutrient management plans to prevent excess fertilizer use.
  Install waste control structures at animal feeding operations.
  (Note: Concentrated animal feeding operations do not qualify for nonpoint source projects.)
  Improve irrigation water use management to reduce return flows.
  Replace failing septic tanks or sewer the area.

Is the purpose of the project for compliance with national secondary standards? **25 ____**
- e.g., national secondary standards or basic stabilization req. are not met

Is the proposed project to help meet a TMDL? **50 ____**

Project addresses a formal state or federal enforcement action. **50 ____**

**TOTAL POINTS IN WATER QUALITY AND PUBLIC HEALTH IMPACTS _____**

**B. EFFECTIVENESS OF PROPOSED PROJECT IN IMPROVING WATER QUALITY OR PUBLIC HEALTH**

**Pick one of the following:**

**Project is expected to eliminate health hazards or restore local water body to fully supporting all uses that are impacted by the activity: 100 ___**

Examples: All septic tanks in an area are being replaced by sewer.
A small stream is listed for nutrients and the primary source of the nutrients is the WWTP and BNR, total retention or spray irrigation is proposed. (Note: This scenario would probably only apply for a large discharge in a small stream.)
Stormwater project which eliminates flooding that is public health related.
Eliminate sewer backups into homes.

**Any project that directly improves the quality of ground or surface water, but may not fully restore uses as indicated above. 50___**

Examples: Stormwater retention to prevent runoff from reaching sediment-impacted stream.
I/I correction to eliminate SSOs or to improve treatment efficiency.
Separation of sanitary and storm sewers.
WWTP upgrade that improves treatment capabilities/effluent quality.
Fix existing leaking lagoons (unless conversion to spray irrigation or total retention, in which case, it may be given more points as indicated above).
Replacement of failing lift station.

**Project is primarily designed to improve infrastructure and/or may not have direct impacts to improving water quality. 25 ___**

Examples: Stormwater collection not related to public health or safety.
Upgrading unit processes – not expected to reduce pollution.
Landfills and related equipment.
Replacing old collection systems – not related to treatment improvement or overflows.

**TOTAL POINTS FOR WATER QUALITY IMPROVEMENT** _____

## C. ACTIVITY-SPECIFIC CRITERIA

**<u>Select either</u> category 1 (Point Source Projects) or 2 (Nonpoint Source Projects) next page.**

### 1. Wastewater Projects

May assign points in all categories that apply
(Give 0 points or full points only)

**Capacity Issues**
One or more unit processes is nearing or beyond capacity, resulting in adverse impacts to performance. **10 _____**

**Reliability or Obsolescence**
Reliability and/or equipment obsolescence is adversely affecting one or more existing unit processes and the proposed project will replace or upgrade the unit process. (This could include leaking lagoons or pipes.) **10 _____**

**Beneficial Use**
<u>Proposed project</u> involves beneficial use of biosolids or treated wastewater resulting in reduction or elimination of a discharge to state water AND provides some further benefit such as the growth of crops or turf, industrial reuse. **20 _____**

**Water Conservation**
Water meters are installed in the entire project area. **10 _____**

An I/I reduction program is being implemented or will be part of the proposed project OR I/I is currently less than 20% of the total wastewater flow on an annual basis (i.e., I/I is not a significant problem) . **10 _____**

**Energy Conservation**
Proposed project reduces energy consumption or includes energy reducing principles or technologies **10 _____**

**TOTAL POINTS FOR <u>WASTEWATER PROJECTS</u>** _____

.

**2. Nonpoint Source Projects**

May assign points in all categories
(Give 0 points or full points)

**The proposed project will improve water use efficiency** **20 _____**

Examples: Improve irrigation water use management to increase return flows or groundwater recharge or to decrease stream withdrawals.

**Proposed project will have beneficial uses in addition to water quality protection such as promoting wildlife habitat.** **25 _____**

Examples: Construct, restore, and protect wetlands
Projects designed to increase in-stream flows to protect aquatic life. Stream bank restoration, green stormwater projects such as green roofs, vegetated swales, wetlands treatment, etc.

**The proposed project's primary purpose is to protect water quality or public health.** **25 _____**

Example: Sewering an area with on-site systems to protect DW supply.

**TOTAL POINTS FOR NONPOINT SOURCE PROJECTS** _____

**D. READINESS TO PROCEED**

May assign points for each category.

| | |
|---|---|
| **Engineer has been formally hired for planning and design** (0 or full points only) | **20** _____ |
| **Planning document or complete, conceptual plan has been approved by SRF program at DEQ**. (10 points for submittal of draft planning document) | **20** _____ |
| **All other project funding is in place.** (0 or full points only) | **20** _____ |
| **Rates and Charges are in place and deemed by SRF adequate to cover loan** (0 or full points only) | **10** _____ |
| **Final plans and specs have been approved or final project approval has been given by SRF program**. (10 points for submittal of draft P&S) | **20** _____ |
| **Construction is expected to begin with the next 12 months** | **75** _____ |
| **TOTAL POINTS FOR READINESS TO PROCEED** | _____ |

**E. FINANCING**

| | |
|---|---|
| **Refinancing of existing long-term debt.** | **10** _____ |
| **Interim financing:** | **25** _____ |

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| | | |
|---|---|---|
| **I.** | **Water Quality/Public Health Impacts** (Maximum points -- 275) | _____ |
| **II.** | **Project Effectiveness** (Maximum points -- 100) | _____ |
| **III-1.** | **Activity-Specific, Wastewater** (maximum points -- 70) | _____ |
| **III-2.** | **Activity Specific, NPS** (maximum points -- 70) | _____ |
| **IV.** | **Readiness to Proceed** (maximum points -- 165) | _____ |
| **V.** | **Financing** (maximum points -- 25) | _____ |
| **TOTAL RANKING POINTS** | | _____ |

Ranked By:_____ Date:_____

Comments: