

# Focus Watershed Application Review

On October 28, 2024, the Montana Department of Environmental Quality (DEQ) issued the *Nonpoint Source and Wetlands Program Focus Watershed Request for Information (RFI)* to solicit applications to become the next Nonpoint Source Focus Watershed area. A focus watershed is a HUC8 area where DEQ will prioritize up to half of Montana's annual Clean Water Act §319 grant funding and additional technical assistance from DEQ staff (*competitive procurement and non-federal match requirements still apply*) for three funding cycles (2026-2028). The goal of the focus watershed program is to increase the capacity of local organizations, raise public awareness, and build momentum to generate significant and measurable progress toward reducing nonpoint source pollution. In response to the RFI, DEQ received four applications.

DEQ Nonpoint Source and Wetland Section (DEQ NPSW) staff reviewed each of the applications and prepared composite comments and questions that were carried by DEQ NPSW Section Supervisor Hannah Riedl to the Agency Review Panel meeting.

On January 15, 2025, DEQ hosted an Agency Review Panel to gather input from state and federal agency representatives to help guide DEQ's selection of the Focus Watershed (see Attachment A for Agenda and list of participants). Hannah Riedl, Section Supervisor for the DEQ NPSW Section, chaired the panel. Ella Lunny (DEQ NPSW) took notes. At the meeting, each applicant was given an opportunity to engage with the Panel in a brief Q&A session. The Panelists used a scoring rubric provided by DEQ to help guide their evaluation and subsequent discussion. Panelists and applicants were informed in advance that the rubric would not be used as the sole deciding factor in determining which watershed would be chosen as the next focus watershed. Rather, DEQ would incorporate the Review Panel's scores and comments as part of the overall selection process. Panelists and applicants were also reminded that there is no guarantee of funds or services associated with the Focus Watershed RFI.

Following the Agency Review Panel Meeting, DEQ NPSW staff met to consider the recommendations from the Panel and select the next focus watershed. The summary below includes comments and recommendations from Agency Review Panelists and DEQ NPSW staff, and summarizes the basis for DEQ's selection of the Lower Shields River Watershed as the next DEQ focus watershed.

## **Big Hole Watershed Committee (BHWC): Wise River (10020000409)**

Represented by Pedro Marques

### Discussion and Comments

- The Elkhorn mine reclamation project appears to be a good fit for 319 funding, but it was unclear how competitive other activities mentioned in the application might be. Some of the other proposed projects seemed to address things like irrigation infrastructure and beaver dam removal, which sometimes lack a nonpoint source pollution benefit.

- The Elkhorn mine reclamation project would likely compete well for 319 funding without the benefit of a focus watershed designation.
- There were no letters of support from any of the landowners involved in the suggested projects.
- BHWC has done excellent work on past projects, but their application referenced being short-staffed and needing to hire someone to take on the work that would come with a focus watershed designation.
- The application and proposed project work did not include a substantive connection to disadvantaged communities.
- One of the primary goals of the focus watershed program is to focus funding and on-the-ground project work in a relatively small geographical area (a HUC10 watershed) in order to produce measurable improvements in water quality. Many of the proposed projects in the BHWC application are not within the same HUC10 watershed and therefore the application might not fit well with the intent of the focus watershed program.
- BHWC has a good history of working with partners, but the application did not seem to reflect the potential depth of partner involvement.
- Impacts from agriculture are one of the primary sources of water quality impairment in the Wise River watershed, but agricultural best management practices seemed to be of lesser focus in the projects proposed in the application.

## **City of Missoula Stormwater Utility: Miller Creek – Bitterroot (1701020516)**

Represented by Tracy Campbell and Marie Nelson

### Review Comments/Questions

- Most of the potential projects identified in the application focus on improvements to Pattee Creek within the City of Missoula. Once Pattee Creek enters the City, its flow and flow-path become an integral part of the City's stormwater infrastructure. Discharges from the City of Missoula's stormwater system are regulated under an MS4 point source discharge permit. 319 funding cannot be used to address point source discharges. This limitation makes most of the projects identified in the City of Missoula's application likely ineligible for focus watershed funding.
- Though the Pattee Creek projects are potentially ineligible for funding, DEQ and other reviewers appreciate the City's efforts to integrate wetland creation and enhancement into their efforts to manage urban stormwater.
- Outside of the projects on Pattee Creek, the application mentioned potential projects on O'Brien Creek and Miller Creek. Reviewers felt that these projects had merit, but that the application did not contain sufficient information to demonstrate that adequate planning was in place to ensure work on these two creeks would be able to move forward with enough speed to take full advantage of focus watershed funding.
- Reviewers would have liked to have seen greater collaboration with potential partners who are actively working in the Miller and O'Brien Creek watersheds. The last call for 319

applications had projects from City of Missoula related to MS4 and at that time the Agency Review Panel decided that nonpoint source pollution funding should not be used on these types of projects. Panel believes that projects did not fit in 319 program guidelines and that it is very challenging to fund MS4 projects. Not the best application for a Focus Watershed.

- Only one of the letters of support was specific to the focus watershed application, and it came from the applicant themselves.
- DEQ's first Focus Watershed was for the Bitterroot Watershed which encompassed the HUC 10 proposed.
- Other funding sources, such as DEQ's State Revolving Fund and WMCC's Green Stormwater Infrastructure funding programs would likely be a better fit for the Pattee Creek projects.

## **Evergreen Water and Sewer District (EWSD): City of Columbia Falls - Flathead River (1701020802)**

Represented by Cindy Murray (General Manager of Evergreen Water and Sewer District); Vick Delabeta (Evergreen School District); Jay Aiken (Evergreen School District); Mark James (Evergreen Water and Sewer District); Andrew Krusik (Evergreen Water and Sewer District), Mimi Wildeman (Evergreen Water and Sewer District), Jeff Walla (Evergreen Water and Sewer District)

### Review Comments/Questions

- Evergreen Water and Sewer District owns nearly all of the septic tanks and service connections within their service area. Septic tanks in the system are plumbed into a central collection system for collection of liquid waste; the District pays private pumpers to pump and dispose of the solids out of the septic tanks. The liquids are piped to the City of Kalispell wastewater treatment plant for conventional treatment. Reviewers had some concerns about whether this unusual system would be considered a point source, or a nonpoint source. The applicant clarified that fixing the leaking septic tanks is not a requirement of the City of Kalispell's point source discharge permit.
- This project has excellent benefits to public health.
- This project does a great job addressing environmental justice.
- The leaky septic tanks are in an area of shallow groundwater that is subject to periodic flooding. Fixing these would have a significant impact on water quality.
- Funding from the Sewer Overflow and Stormwater Reuse Grant may be a better fit for the potential projects identified in this application.

## **MT Freshwater Partners (MFWP): Lower Shields Watershed (10070000305)**

Represented by Ashton Bunce (Montana Freshwater Partners), Leah Swartz (Montana Freshwater Partners), Halle Nienhaus (Montana Freshwater Partners), Ashley Brubaker (Montana Trout Unlimited)

### Review Comments/Questions

- Many of the proposed projects appear to be low-tech, process-based restoration, which typically don't cost very much to implement. Reviewers expressed some concern over whether enough projects exist to expend the funding that would be directed towards a focus watershed. MFWP noted that space limitations in the application form limited their ability to list all the different planned activities and cost estimate ranges for each project.
- The application contained many different projects, identified and ranked by local stakeholders. While no landowner agreements are currently in place, project partners have met with and conducted site visits with all the landowners with projects in the application.
- The application materials included letters of support from landowners, local, state and federal agency partners, local nonprofit organizations, and an elected official. All the letters of support were specific to the focus watershed designation. This was unique amongst the 4 applications DEQ received.
- DEQ identified sediment and flow as primary causes of impairment in the Lower Shields watershed. MFWP's current approach to addressing flow is to use floodplain reconnection to address impacts from low flow, but is open to working on irrigation improvements if opportunities arise.
- MFWP has a WaterSmart grant from the Bureau of Reclamation that will support their efforts to bring indigenous ecological knowledge into project prioritization. MFWP is partnering with Shane Doyle, a member of the Crow tribe in this effort.

## **Recommendations for Improving the Focus Watershed Solicitation**

The following recommendations were compiled from various sources, including DEQ staff, Agency Review Panel members, applicants, and other participants in the focus watershed solicitation process.

- Participants were supportive of DEQ's use of a competitive process for identifying the next focus watershed. This change encouraged collaboration amongst local watershed partners, increased transparency in DEQ's decision-making, and gave potential applicants an added incentive to put forth their best work on their proposals.
- Add guidance about letters of support and whether they should be for the focus watershed or proposed projects.
- Supply the Agency Review Panel members with a map showing the HUC10 watersheds identified in the applications.
- Consider whether it would be best for a focus watershed applicant to focus on a single water quality issue vs multiple issues.
- There may be a tendency for government funding programs to favor watershed groups with multiple staff and greater capacity; there needs to be space in these programs for smaller organizations and start-up watershed groups to compete.
- Implement a designated timekeeper for future review meetings.
- Indicate in the RFI that large projects can be divided into \$300,000 increments.
- Consider encouraging Agency Review Panel members to submit preliminary questions to DEQ prior to the Agency Review Panel meeting.
- The proportion of projects that are within/or outside the selected watershed should weigh into Section A of the scoring sheet.

# Focus Watershed Selection Decision

**DEQ has chosen the Lower Shields River Watershed to be the next focus watershed.** Here are the main points DEQ relied on for this selection, in no particular order. Please see the application review comments above and the scoring summaries in Attachment B for additional details.

- The Shields application materials included letters of support from landowners, local, state and federal agency partners, local nonprofit organizations, and an elected official. All the letters of support were specific to the focus watershed designation. This was unique amongst the 4 applications DEQ received.
- The Shields application demonstrated exceptional advance planning. This included
  - A detailed list of potentially eligible projects for which landowner support has been obtained
  - A coalition of capable, engaged partner organizations, several of which would be capable of managing a future 319 Grant contract
- The applicant was very proactive in seeking answers to questions regarding the RFI through the eMACS Q&A board.
- In both the DEQ Internal Review scoring and the Agency Review Panel scoring, the Shields application ranked highest overall and highest in nearly every individual section of the scoring sheet.

# Attachment A – Agency Review Panel Agenda and Participants

## Agenda

- 12:30-1:15 – Training/discussion on scoring process
- Panel discussion on each Focus Watershed application. Applicants were available to answer questions as they arose.
  - 1:20 – 1:40 - Big Hole Watershed Committee – Wise River
  - 1:40 – 2:00 - City of Missoula Stormwater – Miller Creek/Bitterroot
  - 2:00 – 2:20 - Evergreen Water & Sewer District – Flathead River
  - 2:20 – 2:40 - Montana Freshwater Partners – Lower Shields
- 3:00 - Final scores submitted
- 3:15 – Scoring discussions
- 4:15 - Committee dismissed

## Panel Members

The Focus Watershed Agency Review Panel included the individuals listed in the table below. **DEQ is extremely grateful for the time, effort and insight provided by each of the Focus Watershed Agency Review Panel members.** Prior to the start of the Focus Watershed Agency Review Panel meeting, each participant read and signed a conflict-of-interest form provided by DEQ’s Contract Officer. Copies of the signed forms are available for viewing at DEQ headquarters in Helena. State Procurement Bureau Contracts Officer, Rhonda Peters, attended the Agency Review Panel meeting to ensure process were followed.

Name	Affiliation
Brett Heitshusen	Montana Department of Agriculture
Kyle Milke	Montana Department of Environmental Quality – TMDL Section
Austin McCullough	U. S. Fish and Wildlife Service
Hannah Riedl	Montana Department of Environmental Quality – WQP/NPSW
Nikki Sandve	Montana Department of Natural Resources and Conservation
Corey Wolfe	USDA Natural Resources Conservation Service
Peter Brown	Fish Wildlife and Parks
Valerie Kurth	Department of Natural Resource Conservation
Zack Coccoli	Montana Department of Agriculture
Sarah Hartley	Montana Disaster Services
Melissa Downing*	Montana Department of Natural Resources and Conservation

*\*Note: Melissa Downing recused herself from scoring City of Missoula's application because she is contract manager of a funding agreement referenced in the application.*

## Other Participants and Attendees

<b>Name</b>	<b>Affiliation</b>
Andy Ulven	Montana Department of Environmental Quality – WQPB
Ella Lunny	Montana Department of Environmental Quality - NPSW
Meagan Gilmore	Montana Department of Environmental Quality – NPSW
Mark Ockey	Montana Department of Environmental Quality – NPSW
Tiffany Lyden	Montana Department of Environmental Quality – NPSW
Steve Carpenedo	Montana Department of Environmental Quality – NPSW
Torie Haraldson	Montana Department of Environmental Quality – NPSW
Jake Atkinson	Montana Department of Environmental Quality – NPSW
Cindy Murray	Evergreen Water and Sewer District
Shanna Adams	Adams Consulting (Evergreen Water and Sewer District)
Halle Nienhaus	Montana Freshwater Partners
Marie Nelson	City of Missoula Application
Amanda Battin	Montana Department of Administration
Ashton Bunce	Montana Freshwater Partners
Pedro Marques	Big Hole Watershed Committee
Maxine Winslow	City of Missoula
Mike Nonemacher	City of Missoula
Eric Trum	EPA Region 8
Tracy Campbell	City of Missoula
Carly Kittleson	Morrison-Maierle
Vic Dalla Betta	Evergreen School District
Jay Aiken	Evergreen School District
Mark James	Evergreen Water and Sewer District
Mimi Wildeman	Evergreen Water and Sewer District
Jeff Walla	Evergreen Water and Sewer District
Andrew Kurzich	Evergreen Water and Sewer District
Leah Swartz	Montana Freshwater Partners
Ashley Brubaker	Montana Trout Unlimited
Rhonda Peters	Montana Department of Administration

# Attachment B – Scoring Sheet Summaries



## Agency Review Panel Average Scores

Disclaimer

The scores below are a composite/average of the scores submitted by the members of the Focus Watershed Agency Review Panel.

			Big Hole	Missoula	Flathead	Shields
<b>A - Water Quality Impairment Causes and Solutions</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
A1	The root causes of the water quality problem(s) are clearly, completely, and accurately described.	10	8.2	7.4	8.0	8.3
A2	The proposed solutions address the root causes of the problem.	5	3.8	3.6	3.7	3.9
A3	The proposed solutions will completely address the water quality problem.	5	3.1	2.8	3.0	3.2
<b>Water Quality Impairment Causes and Solutions Subtotal</b>		<b>20</b>	<b>15.2</b>	<b>13.8</b>	<b>14.7</b>	<b>15.5</b>
<b>B - Local Momentum and Organizational Capacity</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
B1	With the addition of the funding and technical support of a focus watershed designation, sufficient local momentum exists to implement the proposed solutions to the water quality problem.	10	8.6	7.3	7.3	8.9
B2	In addition to their current workload, the applicant and its partners have sufficient organizational capacity to administer up to \$500k in annual Nonpoint Source funding for 3 consecutive funding cycles.	10	8.0	7.8	8.3	8.6
<b>Local Momentum and Organizational Capacity Subtotal</b>		<b>20</b>	<b>16.6</b>	<b>15.0</b>	<b>15.5</b>	<b>17.5</b>
<b>C - Anticipated Projects</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
C1	Enough high-quality nonpoint source pollution projects exist within the proposed HUC 10 watershed to expend up to \$1.5mil in additional nonpoint source pollution project funds.	10	8.6	7.6	7.7	9.0
C2	Identified nonpoint source pollution projects can be implemented in the next 4-7 years, as evidenced by adequate planning and partner support.	10	8.4	7.4	7.8	8.6
C3	Identified nonpoint source pollution projects will restore and support native plants and animals and natural stream processes.	10	8.3	7.1	5.6	9.1
<b>Anticipated Projects Subtotal</b>		<b>30</b>	<b>25.3</b>	<b>22.1</b>	<b>21.2</b>	<b>26.8</b>



<b>D - Partners, Roles, Letters of Support</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
D1	Sufficient landowner support exists to ensure full use of focus watershed funding and technical support, as evidenced by letters of support.	<b>10</b>	6.7	6.3	7.6	8.4
D2	Sufficient support exists from other potential partners to help ensure full use of focus watershed funding and technical support, as evidenced by letters of support.	<b>10</b>	7.5	6.3	7.7	8.9
<b>Partners, Roles, Letters of Support Subtotal</b>		<b>20</b>	<b>14.2</b>	<b>12.6</b>	<b>15.3</b>	<b>17.3</b>
<b>E - Environmental Justice</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
E1	Applicant and its partners have a clearly defined process for identifying disadvantaged communities within the proposed HUC 10 watershed.	<b>2</b>	0.6	1.4	1.9	1.2
E2	Applicant and its partners have a clearly defined plan for engaging disadvantaged communities within the proposed HUC 10 watershed.	<b>4</b>	1.2	2.1	2.9	2.3
E3	Applicant and its partners have a clearly defined process for providing disadvantaged communities with access to the funding, decision-making, health, and environmental benefits of a focus watershed designation.	<b>4</b>	1.4	1.8	2.8	2.3
<b>Environmental Justice Subtotal</b>		<b>10</b>	<b>3.3</b>	<b>5.3</b>	<b>7.6</b>	<b>5.8</b>
<b>GRAND TOTAL</b>		<b>100</b>	<b>74.5</b>	<b>68.8</b>	<b>74.3</b>	<b>82.8</b>
<b>Selection Recommendation</b>						
<p>"3" = Watershed clearly meets/exceeds desired characteristics of a candidate for Focus Watershed selection</p> <p>"2" = Watershed meets/exceeds most, but not all of the desired characteristics of a candidate for Focus Watershed selection</p> <p>"1" = Watershed meets/exceeds about half of the desired characteristics of a candidate for Focus Watershed selection</p> <p>"0" = Watershed does not meet the desired characteristics to be considered a viable candidate for Focus Watershed selection</p>			<b>2.1</b>	<b>1.5</b>	<b>2.1</b>	<b>3.0</b>



## DEQ Internal Review Average Scores

Disclaimer

The scores below are a composite/average of scores submitted by staff from the DEQ Nonpoint Source and Wetlands Section.

			Big Hole	Missoula	Flathead	Shields
<b>A - Water Quality Impairment Causes and Solutions</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
A1	The root causes of the water quality problem(s) are clearly, completely, and accurately described.	10	7.3	7.6	6.8	8.5
A2	The proposed solutions address the root causes of the problem.	5	3.1	3.0	3.6	4.1
A3	The proposed solutions will completely address the water quality problem.	5	2.5	2.6	2.1	2.6
<b>Water Quality Impairment Causes and Solutions Subtotal</b>		<b>20</b>	<b>12.9</b>	<b>13.3</b>	<b>12.5</b>	<b>15.3</b>
<b>B - Local Momentum and Organizational Capacity</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
B1	With the addition of the funding and technical support of a focus watershed designation, sufficient local momentum exists to implement the proposed solutions to the water quality problem.	10	9.1	5.5	5.8	9.0
B2	In addition to their current workload, the applicant and its partners have sufficient organizational capacity to administer up to \$500k in annual Nonpoint Source funding for 3 consecutive funding cycles.	10	8.3	7.5	9.3	9.1
<b>Local Momentum and Organizational Capacity Subtotal</b>		<b>20</b>	<b>17.4</b>	<b>13.0</b>	<b>15.0</b>	<b>18.1</b>
<b>C - Anticipated Projects</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
C1	Enough high-quality nonpoint source pollution projects exist within the proposed HUC 10 watershed to expend up to \$1.5mil in additional nonpoint source pollution project funds.	10	8.4	5.1	8.0	9.5
C2	Identified nonpoint source pollution projects can be implemented in the next 4-7 years, as evidenced by adequate planning and partner support.	10	8.0	4.8	6.6	6.8
C3	Identified nonpoint source pollution projects will restore and support native plants and animals and natural stream processes.	10	7.5	5.8	5.1	9.5
<b>Anticipated Projects Subtotal</b>		<b>30</b>	<b>23.9</b>	<b>15.6</b>	<b>19.8</b>	<b>25.8</b>

<b>D - Partners, Roles, Letters of Support</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
D1	Sufficient landowner support exists to ensure full use of focus watershed funding and technical support, as evidenced by letters of support.	<b>10</b>	2.4	1.9	8.6	8.1
D2	Sufficient support exists from other potential partners to help ensure full use of focus watershed funding and technical support, as evidenced by letters of support.	<b>10</b>	5.8	3.3	8.8	9.5
<b>Partners, Roles, Letters of Support Subtotal</b>		<b>20</b>	<b>8.1</b>	<b>5.1</b>	<b>17.4</b>	<b>17.6</b>
<b>E - Environmental Justice</b>		<b>Max Score</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>	<b>Points</b>
E1	Applicant and its partners have a clearly defined process for identifying disadvantaged communities within the proposed HUC 10 watershed.	<b>2</b>	0.0	1.0	2.0	1.0
E2	Applicant and its partners have a clearly defined plan for engaging disadvantaged communities within the proposed HUC 10 watershed.	<b>4</b>	0.3	2.0	3.0	3.0
E3	Applicant and its partners have a clearly defined process for providing disadvantaged communities with access to the funding, decision-making, health, and environmental benefits of a focus watershed designation.	<b>4</b>	0.6	1.4	3.3	2.3
<b>Environmental Justice Subtotal</b>		<b>10</b>	0.9	4.4	8.3	6.3
<b>GRAND TOTAL</b>		<b>100</b>	<b>63.1</b>	<b>51.4</b>	<b>72.9</b>	<b>83.0</b>
<b>Selection Recommendation</b>						
<p><b>"3"</b> = Watershed clearly meets/exceeds desired characteristics of a candidate for Focus Watershed selection</p> <p><b>"2"</b> = Watershed meets/exceeds most, but not all of the desired characteristics of a candidate for Focus Watershed selection</p> <p><b>"1"</b> = Watershed meets/exceeds about half of the desired characteristics of a candidate for Focus Watershed selection</p> <p><b>"0"</b> = Watershed does not meet the desired characteristics to be considered a viable candidate for Focus Watershed selection</p>			<b>1.6</b>	<b>0.4</b>	<b>0.6</b>	<b>3.0</b>