MONTANA

DRINKING WATER STATE REVOLVING FUND

ANNUAL REPORT

FOR STATE FISCAL YEAR 2023
(JULY 1, 2022 THROUGH JUNE 30, 2023)

Prepared by

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

for
U.S. Environmental Protection Agency Region VIII
October 2023

DEQ
Montana Department
of Environmental Quality

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Table of Contents

I. INTRODUCTION 1
II. EXECUTIVE SUMMARY SFY23 1
III. GOALS OF THE DWSRF 2
Long-Term Goals 2
Short-Term Goals 3
IV. FINANCIAL REPORTS 5
V. DETAILS OF Drinking Water State Revolving Fund (DWSRF) ACTIVITY 5
A. Loan Assistance 5
Project Bypass 5
Disadvantaged Communities 8
Small Systems 8
Summary of Loan Assistance 8
B. First-Round Funded Loans 9
C. Recycled Funded Loans 9
D. Source of Funds 9
SFY23 9
E. Federal Funds Drawn by the Drinking Water State Revolving Fund (DWSRF) Program 10
F. Set-Asides 10
Drinking Water State Revolving Fund (DWSRF) Administration 10
Small Systems Technical Assistance 10
Public Water Supply Supervision (PWSS) Set-Aside: Administration 11
Local Assistance - Source Water Protection (SWP) 12
Public Water Supply Supervision (PWSS) Capacity Development 13
Public Water Supply Supervision (PWSS) Operator Certification 13
VI. GRANT CONDITIONS AND CERTIFICATIONS 13
VII. CURRENT STATUS AND FUTURE ACTIVITIES 15
VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS 17

TABLES

Table 1. Population Served by Drinking Water State Revolving Fund (DWSRF) Loans in SFY23 8
Table 2. Drinking Water State Revolving Fund (DWSRF) Loan Program Schedule for SFY24 16

EXHIBITS

EXHIBIT 1: Sources of Drinking Water State Revolving Funds Through SFY23 18
EXHIBIT 2: DWSRF Capitalized Grant Closed Loans for SFY23 20
EXHIBIT 3: DWSRF Recycled Closed Loans for SFY23 21
EXHIBIT 4: DWSRF Projected Loan Agreements for SFY23 22
EXHIBIT 5. Amounts Available for Transfer Between SRF Programs for the Base Grant 24
EXHIBIT 5A. Amounts Available for Transfer Between SRF Programs for the BIL Supplemental Grant..... 25
EXHIBIT 6. Drinking Water State Revolving Fund SFY23 Summary of Letter of Credit Draws 26
EXHIBIT 7. Drinking Water State Revolving Fund SFY23 Budget vs. Draw by Category for Base and BIL Supplemental Grants 30
EXHIBIT 8. DWSRF Loans – MBE/WBE For Contracts Awarded During SFY23 40

APPENDICES

APPENDIX A: SFY23 Cash Flow Model 41
APPENDIX B: Financial Statements Unaudited With Footnotes 45
APPENDIX C: SFY23 Intended Use Plan 46
APPENDIX D: Map of Projects and List 47

I. INTRODUCTION

This annual report adheres to the Operating Agreement negotiated between the State of Montana and the Environmental Protection Agency (EPA) concerning the administration of the Drinking Water State Revolving Fund (DWSRF). The annual report summarizes DWSRF activities for the state fiscal period beginning July 1, 2022 and ending June 30, 2023 (State Fiscal Year (SFY) 2023).

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

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

II. EXECUTIVE SUMMARY SFY23

During SFY23 Montana applied for the Federal Fiscal Year (FFY) 2023 base and Bipartisan Infrastructure Law (BIL) supplemental capitalization grants. The BIL supplemental grant was awarded on July 27, 2023, and the base grant was awarded on August 9, 2023.

Since the inception of the DWSRF, Montana has issued six GO Bonds, ten Bond Anticipation Notes (BAN), and four Revenue Anticipation Notes (RAN). These proceeds have been used as state match for loans, set asides, and program administration. Montana issued its first GO Bond in October 1998 (SFY99), its second GO Bond in April 2000 (SFY00), its third GO Bond in June 2001 (SFY01), its fourth GO Bond in June 2003 (SFY03), its fifth GO Bond in May 2005 (SFY05), and its sixth GO Bond in May 2010 (SFY10). The total amount of bonds, BANs, and RANs issued to date is $48,995,000, with other state funds generated, match is $61,109,164. A summary of these bond issues is provided in **Exhibit 1**. Note that bonds were authorized in SFY23 but were not issued until after June 30, 2023. The bonds issued for

match will be reflected in next year's annual report. It is also worth noting that Montana paid down all of its debt in SFY23.

Exhibit 1, Sources of DWSRF Funds through SFY23, provides a complete tabulation of capitalization grant awards received through June 30, 2023; projected state match; binding commitments for loan projects through SFY23; and GO Bonds, BANs, and RANs, and other state match issued for total state match. The combination of capitalization grants and bond proceeds provided the needed funds for DWSRF projects, set asides, and program administration during SFY23. In addition, DNRC provided a portion of their program administration services as an in-kind contribution in the amount of $-0- for SFY23.

During SFY23, the DWSRF program executed 15 project loan agreements totaling $12,555,900 (not including Bond Anticipation Notes (BANs)) for 9 borrowers. For a detailed breakdown of all DWSRF loan agreements signed and key dates of project activity that occurred in SFY23, refer to **Exhibit 2**: DWSRF Capitalized Grant Closed Loans for SFY23, and **Exhibit 3**: DWSRF Recycled Closed Loans for SFY23.

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

III. GOALS OF THE DWSRF

The following sections describe the goals of the DWSRF program as identified in the SFY23 Intended Use Plan (IUP) and discuss how these goals were achieved through the activities performed by DNRC and DEQ personnel throughout the course of SFY23.

LONG-TERM GOALS

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

   Projects funded during SFY23 met all program requirements governing financial capability to assume debt. Eight of the 15 loans received an interest rate of 2.50% on their loans (well below market rates), and 6 of the 15 received principal forgiveness. One community received an interest rate of 1.75% under the interim financing criteria. In addition, two communities received an interim loan (BAN) at 1.75% to pay for engineering. These factors illustrate that the assistance is affordable. Refer to **Exhibits 2** and **3**. A copy of the cash flow with all the activity through SFY23 is included in this report as **Appendix A**.

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

   To promote the availability of these DWSRF program services during SFY23, DWSRF staff typically present information at a variety of events. This normally includes an infrastructure workshop at the annual Montana Rural Water Systems Conference in Great Falls, Montana, and one-on-one meetings with community leaders.

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

SHORT-TERM GOALS

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

   Since the approval of its DWSRF loan program and first capitalization grant award, Montana has been awarded 28 more capitalization grants (2 of the 28 grants are for BIL supplemental grants); issued matching GO Bonds, BANs, and RANs; utilized the provision to transfer funds between the WPCSRF and DWSRF; and generated other revenue from loan repayments and interest investments. The amount of closed loans through June 30, 2023, now totals $451,660,167. Please see **Appendix D** project list and location map.

2. *To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection Byproducts (DBP), Long Term 2 Enhanced Surface Water Treatment, and Arsenic Rules, Montana anticipated funding at least eight projects to address water treatment in SFY23.*

   The anticipated projects for water treatment listed in the SFY23 IUP were for the Town of Whitehall, the Town of Harlem, the City of Lewistown, the Town of Philipsburg, the Town of Chester, The Town of Fort Benton, Big Sky Mountain Village, and the City of Miles City. The City of Lewistown closed a loan related to water treatment and the project is currently in construction. The projects for Whitehall, Harlem, Philipsburg, Chester, Fort Benton, Big Sky Mountain Village, and Miles City are still pending with some expected to close in SFY24.

3. *To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expected to fund two consolidation projects in SFY23.*

   Two project loans for regional systems were closed during SFY23; one for Loma County Water and Sewer District and one for the Town of Big Sandy. Both systems will connect to the North Central Montana Regional Water System. Four additional projects that will be part of the Central Montana Regional Water System are expected to close DWSRF loans in SFY24.

4. *To fund projects that address replacement of aging infrastructure. Montana anticipated funding at least 20 projects of this type in SFY23.*

   Six new projects (9 loans) were funded in SFY23 to replace aging infrastructure. These projects were for Choteau, Gore Hill County Water District, Lewistown, Plains, Ponderilla Hills, and Sunny Meadows. The loans totaled $9,595,000.

5. *To fund projects that develop system sustainability through financial capacity by refinancing existing debt. No refinancing loans were expected in SFY23.*

   No loans were closed in SFY23 to refinance debt previously incurred.

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

   DEQ's trained technical staff continue to use the DWSRF Handbook of Procedures and knowledge gained from many years of operating both SRF programs to ensure that this objective is met. The Handbook of Procedures is used as a guide to ensure that all state and federal laws governing the technical aspects of each project are satisfied. Steps were taken to update the Handbook of Procedures and streamline checklists and processes. A final revised edition was submitted to EPA in September 2001. This effort was completed in early SFY02. It was again reviewed and updated during SFY06, with some minor revisions made in 2007 and 2008. Another review was completed in SFY16. It was crosschecked with the WPCSRF handbook for consistency and was submitted to EPA later in SFY17.

   Staff attend training seminars and workshops to maintain and improve technical, financial, and programmatic knowledge. In SFY23, Anna Miller, Cid Sivils, and Sandie Koenig attended the Council of Infrastructure Financing Authorities (CIFA) National Workshop in St. Louis, MO; Anna Miller, Cid Sivils, Robert Ashton, Denver Fraser, and Sandie Koenig attended the Montana Rural Water Systems Conference. Robert Ashton, Denver Fraser, and Sandie Koenig attended Montana's American Water Works Association (AWWA) Conference; and Anna Miller and Robert Ashton attended the CIFA Legislative Conference in Washington D.C.

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

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

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

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

   See **Appendix A**: Cash Flow Model SFY23.

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

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

IV. FINANCIAL REPORTS

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

The LAD has completed their audit work for SFY22. Financial statements were presented to the Legislative Audit Committee (LAC). A qualified opinion was issued for the financial statements of the Agency. A copy of the report was submitted to EPA Region VIII. The SFY23 unaudited financial statements for DWSRF, including footnotes, will be included in the Annual Report as soon as they are complete (**Appendix B)**. They are scheduled to be completed November 30, 2023.

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

A. LOAN ASSISTANCE

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

During SFY23, the DWSRF program closed 15 loans for 9 borrowers. Construction was initiated on eight new projects and five projects were completed. The rate of construction with respect to fund disbursements at fiscal year-end was approximately 93.8% ($423.8 million in disbursements and $451.7 million in loans). The overall fund utilization rate is approximately 83.4% ($451.7 million in loans; $541.5 million in available funds. Re. EPA).

Project Bypass

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

Montana bypassed 117 projects on its priority list with the funding of the loan for the town of Plains, ranked 126. Eight other communities (13 loans) closed loans. The higher-ranked projects were not ready to proceed at the time, or perhaps were being financed by other funding entities. They were bypassed to fund lower-ranked projects that were ready to proceed with construction or that had already been

constructed and desired refinancing to improve financial capacity. Refer to **Exhibit 2**: DWSRF Capitalized Grant Closed Loans for SFY23 and **Exhibit 3**: DWSRF Recycled Closed Loans for SFY23 for a list of closed loans in SFY23. Notification of bypass describing proposed projects to be funded and assurance of available funds for all anticipated loan applications was sent to bypassed communities. No responses were received. No emergency projects were funded in SFY23. The status of the top twenty ranked projects on the priority list is discussed below.

1. *Worden Ballantine WSD.* The system's infiltration gallery has exceeded nitrate limits and is under the influence of surface water and needs to be replaced. The proposed project will install four new wells and improve the transmission and distribution system. An SRF loan was closed in SFY22 to provide interim financing for Rural Development with most of the work expected to be completed by Fall of 2023.

2. *South Winds WSD*. An SRF loan to construct a water system improvements project was closed in SFY21, construction was completed in SFY21, and the one-year performance period has passed. This project can be removed from the priority list.

3. *Wilsall WD.* The District is exploring source/treatment alternatives to address GWUDISW compliance. Plans and specifications were approved in SFY23. It is anticipated that an SRF loan will be closed in SFY24 to provide interim financing for Rural Development.

4. *Town of Pinesdale*. An SRF loan was closed in SFY17 and construction on a water treatment plant is complete. Performance certification has been received and the project has been closed out. It can be removed from the priority list.

5. *Town of Whitehall*. The Town is under an enforcement order to address elevated uranium levels. The installation of an ion exchange treatment plant, as well as distribution and storage system improvements have been proposed. Plans and specifications were approved in SFY24. Two SRF loans, one for the SRF program and one for interim financing for Rural Development, are expected to close after the project is bid in SFY24.

6. *Town of Libby*. The exact status of this project is unknown and needs to be identified.

7. *Dry-Redwater Regional Water Authority.* Construction has begun on an extensive distribution system using an interim water supply. An SRF Loan was closed in SFY 2018. An additional loan to fund a subsequent phase closed in 2019. Additional loan applications for future phases are expected.

8. *Dry Prairie Regional Water System*. Construction continues for the extensive distribution system and additional SRF funding may be requested on subsequent phases. An SRF loan was closed early in SFY 2021 to construct a maintenance shop and office building on the west end of the system. An additional loan application for future phases is expected in SFY24.

9. *Central Montana Regional Water Authority.* The authority has received federal authorization and federal funding. A design report, plans, and specification have been submitted to DEQ for review and have been approved for Phase 1. An SRF loan for Phase 1 was closed in SFY23 to provide interim financing for Rural Development. Construction for this project began in the spring of SFY23. Plans and specifications have been reviewed and approved for Phases 2A, 2B, 2C, and Wells #4 and #5. It is anticipated that an SRF loan for the Wells #4 and #5 project will close in the winter of SFY24 and the Phase 2 projects will close in the summer of SFY24.

10. *North Central Montana Regional Water System. Rocky Boys/North Central Regional Water System*. Construction continues for the extensive distribution system and additional SRF funding may be requested on subsequent phases.

11. *Town of Absarokee.* The Town needs additional source capacity for its current customers and is seeking an SRF loan to provide surface water treatment in the form of cartridge filters to allow for the use of an existing infiltration gallery as a source of supply. Plans and specifications are expected in the winter of SFY24 with construction beginning in the spring of SFY24.

12. *Libby Creek Community.* This private system has old, deteriorated water mains and is proposing to connect to the Town of Libby. To date, an SRF loan application has not been received and the exact status of the project is unknown.

13. *Town of Harlem.* The Town is under an enforcement order to address exceedances of the maximum contaminant level for both total trihalomethanes (TTHMs) and haloacetic acids (HAA5s). The installation of a treatment system to address elevated TTHM and HAA5 levels, as well as rehabilitation of the clearwell and replacement of old, deteriorated distribution mains have been proposed. Plans and specifications are expected in the winter of SFY24 with construction beginning in the spring of SFY24. It is anticipated that an SRF loan will close in the spring of SFY24 to provide interim financing for Rural Development.

14. *City of Colstrip.* The City requested that a water treatment plant improvement project be added to the priority list in 2013. To date, an SRF loan application has not been received and the exact status of the project is unknown.

15. *City of Lewistown.* The City is under an enforcement order to provide disinfection for their spring source. Plans and specifications were reviewed and approved in SFY23. Construction commence in the spring of SFY23 and an SRF loan was closed in June of SFY23.

16. *Bynum-Teton Co. Water District.* The District requested that a water treatment plant improvement project be added to the priority list in 2008. To date, an SRF loan application has not been received and the exact status of the project is unknown.

17. *Town of Alberton.* The Town is seeking an SRF loan to replace old, undersized mains, add new mains for looping, and rehabilitate their spring source. Plans and specifications were submitted to DEQ in the summer of SFY24. It is expected that construction will commence in the spring of SFY24. It is anticipated that an SRF loan will close in the spring of SFY24.

18. *Town of Philipsburg.* The Town is approaching an exceedance of the Disinfection By-Products Rule. It is currently under a filtration avoidance waiver. To address the disinfection by-products and the likelihood of no longer having the waiver, they are planning to install membrane filtration. Plans and specifications are expected in the SFY24 with construction beginning in the spring of SFY25.

19. *Town of Hobson.* The Town is a member community of the Central Montana Regional Water Authority system. The Town is included in the final phase (Phase V) of the project and will be removed from the priority list as it is now part of the Central Montana Regional Water Authority project. See #9.

20. *City of Lewistown.* See #15.

Disadvantaged Communities

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

In SFY23, Montana closed 13 loans with 7 communities meeting the disadvantaged criteria. Some of the loans had a 2.50% interest rate. Some loans were forgiven. One of the loans had an extended term of more than 20 years. The closed loans for disadvantaged communities totaled $10,996,900 and some had 75%, or up to a maximum of $750,000, in principal forgiveness for $3,070,675. In SFY24, we will have several loans with communities that may qualify for disadvantaged assistance.

Small Systems

Table 1 shows the breakdown of the population served by DWSRF loans in SFY23. We had 15 loans with 9 communities for a total of $12,555,900 (not including BANs). Nine communities (15 loans) are small systems that serve a population of less than 10,000 people. Small systems represent 100% of the loans we made in SFY23.

Table 1. Population Served by Drinking Water State Revolving Fund (DWSRF) Loans in SFY23

Public Water Supply	Population	Loan Amount
Big Sandy A	608	$750,000
Big Sandy B	608	$250,000
Cascade A	650	$500,000
Cascade B	650	$786,000
Choteau	1691	$2,000,000
Gore Hill CWSD A	500	$1,509,000
Lewistown A	5923	$750,000
Lewistown B	5923	$4,400,000
Loma A	200	$506,175
Loma B	200	$168,175
Plains A	1100	$364,500
Plains B	1100	$121,500
Ponderilla Hills A	35	$200,000
Ponderilla Hills B	35	$200,000
Sunny Meadows WSD	135	$50,000
Total		**$12,555,900**

Summary of Loan Assistance

In SFY23, the DWSRF maintained steady performance by executing 15 project loan agreements for a total of $12,555,900. In SFY24, it is anticipated we will execute in excess of $94,799,160 in loan agreements. See **Exhibit 4**: DWSRF Projected Loan Agreements for SFY24.

B. First-Round Funded Loans

First-round loans are financed with capitalization grants and state match. The DWSRF has financed the projects listed in **Exhibit 2**: DWSRF Capitalized Grant Closed Loans for SFY23.

C. Recycled Funded Loans

Recycled loans are financed with loan repayments from first round money and funds from transfers from the WPCSRF program. The DWSRF has financed the projects listed in **Exhibit 3**: DWSRF Recycled Closed Loans for SFY23. There were no loans made that used recycled funds in SFY23.

D. Source of Funds

Two sources of funds are used to capitalize the DWSRF: (1) the Federal Capitalization Grant, which provides 80% of the DWSRF loan funds, and (2) the state match, funded through the sale of GO Bonds, RANs, and BANs which provides 20% of the DWSRF loan funds. State legislation originally authorized the sale of up to $10 million in GO Bonds to match federal grant funds. In the 1999 and 2003 Legislative Sessions, an additional $10 million of GO Bonds were authorized each time for state match, and the 2021 Legislative Session authorized an additional $20 million of GO Bonds for state match, bringing the total authorized to $50 million. This amount is adequate to cover funds currently authorized for the program. GO Bonds, plus RANs and BANs, for a total of $60,718,671 have been issued by the DWSRF program to use as state matching funds through SFY23. See **Exhibit 1**: Sources of DWSRF Funds through SFY23. In SFY23, in-kind services of $0 have been provided to the DWSRF program by DNRC as match to federal grant funds and were used for program administration. Also, for the base grant, $11,282,486 of funds have been transferred from the WPCSRF to the DWSRF for loans to date and for the supplemental grant, $0 funds have been transferred to date. See **Exhibits 5** and **5A** for a history of transferred funds between the two SRF programs for the base and BIL supplemental grants.

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

SFY23

Loan Loss Reserve funds collected: $389,629

Loan Loss Reserve funds transferred to Principal Account: $0

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

Administrative funds collected: $669,478

E. Federal Funds Drawn by the Drinking Water State Revolving Fund (DWSRF) Program

Exhibit 6, SFY23 summary of DWSRF Letter of Credit to Automated Standard Application for Payments (ASAP) Draws, shows project disbursement requests totaling $11,379,018, Administrative Set-Aside disbursement requests totaling $677,904, and Non-Administrative Set-Aside requests totaling $1,282,273, Federal Draws for SFY23 totaled $13,339,195.

F. Set-Asides

Exhibit 7, DWSRF budget and draws by set-asides, displays the financial summary of non-project activities. DEQ is no longer required to provide a 1 to 1 match for the State Program Management set-asides, which fund Public Water Supply Supervision (PWSS) Administration, Source Water Protection (SWP), Operator Certification, and Capacity Development. All of the set-aside activities for SFY23 are discussed below.

Drinking Water State Revolving Fund (DWSRF) Administration

The DWSRF sets aside the maximum 4% or $400,000 whichever is greater from the capitalization grants for program administration. For SFY23, $400,000 (5.7%) was set aside for the base grant and $719,680 (4%) was set aside for the supplemental grant. Administration activities that occurred in SFY23 included:

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

Small Systems Technical Assistance

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

$108,000 from the FFY22 grant were set aside making the total cumulative set-aside amount since program inception $2,423,726.

This set-aside is used for contracted services and administration of contracts to meet Montana's goal of providing TA to water supplies with their system O&M procedures. A contract was awarded in 1999 to Midwest Assistance Program (MAP) of Montana to provide O&M TA. The O&M TA contract was re-bid in 2005 and was again awarded to MAP. In April 2013, another request for proposals was issued and a new contractor, Rural and Tribal Environmental Solutions (RATES), was selected to perform TA services. The contract with RATES was renewed every year from 2013 to 2019. In July 2019, a new request for proposal (RFP) was issued and a new contract with MAP was finalized in February 2020. In addition to the O&M TA work, this new contract now includes Financial and Managerial (FMA) technical assistance. Historically the FMA work was contracted separately with the FMA work documented in the Capacity Development section below. The FMA work will now be included in this section of the Annual Report. The new contract with MAP may be renewed, at the discretion of DEQ, for up to a total of 7 years. In SFY23, the contractor provided 1,555 hours of technical assistance to small public water systems. The SFY23 TA work cost $133,773 for a total cumulative cost since program inception of approximately $2,043,346. Evaluations of this service, conducted annually by DEQ, indicate the program is successfully helping small public water suppliers to effectively maintain and operate their water systems. Contracted technicians help water system operators, managers, and owners develop or enhance technical, financial, and managerial capabilities that assist them with meeting the capacity development requirements of the 1996 Amendments to the Federal SDWA.

An evaluation of the contract by DEQ DWSRF staff in June 2023 determined that a TA contract should be continued and the contract with MAP was extended through August 31, 2024. The contracted services are provided to systems serving a population of 10,000 or less. Approximately 0.10 Full-Time Equivalent (FTE) is needed to provide contract oversight related to this set-aside in SFY24, with a SFY24 TA/FMA contract of $120,000. For SFY24, oversight of the TA contract will transition from the DWSRF Program to Montana's Public Water Supply Supervision Program.

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

This set-aside funded salaries, benefits, and operating expenses for 10 environmental science specialists and 0.75 administrative personnel (partial FTE of bureau chief, field section supervisor, and financial specialist) assigned to the Helena, Billings, and Kalispell Offices. The FFY21 and FFY22 grants were used to fund these positions for SFY23. The FFY22 grant monies were split between capacity development and PWS. The capacity development monies funded salaries, benefits and operation expenses for 3 environmental science specialists and 0.3 administrative personnel. The PWS monies funded salaries benefits and operating expenses for 6.7 environmental science specialists and 0.45 administrative personnel. The environmental science specialist positions assist in capacity development by providing TA to water suppliers, performing sanitary surveys, operator training, and attending critical board meetings. These positions also provided direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, Revised Total Coliform Rule, Consumer Confidence Report Rule, Long Term Enhanced Surface Water Treatment Rules, Filter Backwash Rule, Disinfection/Disinfection By-Products Rule, Radionuclide Rule, Long Term 2, Stage 2 DBP Rule, Groundwater Rule, and the State's ground water chlorination rule. PWS staff conducted approximately 549 sanitary surveys, 59 RTCR Level 2 Site Visits and participated in 970 Technical Assistance functions. These included site visits, phone discussions which included an activity report, inventory updates, and proctoring exams in field offices.

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

Local Assistance - Source Water Protection (SWP)

Section 1452(g)(2)(B) of the SDWA allows Montana to set aside a portion of the capitalization grant to "administer or provide technical assistance through source water assessment programs." Further, section 1428 of the 1996 Amendments to the federal State Drinking Water Act (SDWA) requires primacy states to implement a program "*to protect wellhead areas within their jurisdiction from contaminants which may have any adverse effects on the health of persons."* Set-aside funds in the amount of $200,000 from the FFY 2022 grant were used in SFY 2023 to administer Montana's Source Water Protection program and to provide technical assistance to local communities in support of source water protection activities. The source water delineation and assessment reports are the basis upon which local source water protection plans are developed. This set-aside helps provide the assistance needed to develop and utilize those technical reports. Staff will continue to work with the Public Water Supply Bureau to further refine understanding of the source water context and hazards posed by on-site wastewater discharges or other PCSs. The accomplishments relate to specific goals established in the SFY23 IUP and set-aside work plan. These are:

- Staff met with Montana Rural Water Systems staff to assist drafting and reviewing SWP plans. All of these community water system protection plans were produced by MWRS.
- SWP staff continued coordination with DEQ PWS Bureau to identify PWS water sources with significant vulnerability intended to result in targeted technical assistance.
- Staff provided Montana Environmental Policy Act *(*MEPA) analysis assistance to both the Water Pollution Control State Revolving Fund and the Drinking Water State Revolving Fund programs by reviewing potential contaminant sources within wastewater and drinking water infrastructure improvement project areas. In SFY23, staff completed 33 site assessments for potential contaminants, increased from 19 assessments in SFY22. This effort provides an opportunity for review and update of a community's source water assessment report.
- Montana requires a preliminary source water assessment for agency review to be provided by the developer of proposed PWS sources. In SFY23, staff reviewed 127 preliminary source water assessments, more than double the 62 reports in SFY22. These reviews help ensure wells are developed with low susceptibility to potential contaminant sources (passive protection) rather than needing long-term active SWP planning. Pre-development review remains the most cost-effective form of SWP.
- SWP staff updated 1 source water delineation and assessment report for the Town of Paradise to better reflect an updated potential contaminant source inventory.
- Staff continued to provide technical assistance to DEQ Engineering staff in review of requests for deviation from standards for new drinking water sources. SWP staff provided hydrogeologic / source water protection review of one deviation request in SFY23.

Public Water Supply Supervision (PWSS) Capacity Development

DEQ set-aside $150,000 from the FFY21 capitalization grant for this activity. These dollars were used for personal services and operating expenses for staff in the Engineering Bureau, Public Water and Subdivision section. Set-aside funds are used to pay up to 10% of the salary and benefits for ten full-time staff positions and program operating expenses to conduct on-site inspections and provide technical assistance to public water systems that are struggling with monitoring compliance or other engineering related issues.

Public Water Supply Supervision (PWSS) Operator Certification

This set-aside is used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time program staff positions, administrative staff (partial FTE of bureau chief, IT analyst, rules manager, and financial specialist) and program operating expenses. In the past year, the program had approximately 1,564 certified operators, including operators for approximately 758 community systems and 3,281 non-transient non-community systems. These water and wastewater operators hold 3,086 certifications. This program has conducted or been present at 3 operator certification trainings throughout the state. At these trainings and in the main office, they have proctored 344 exams. Certification program activities include public outreach, collection and processing of applications, collection and processing of exams and certification fees, training, administration of exams, monitoring of continuing education credits, compliance monitoring, and assistance with formal enforcement activities. Annual compliance for SFY23 for non-transient non-community systems ran on average for 12 months at 98.8% for Community PWS systems in each category having correct certified operators. This achieves Montana's IUP goal of 95%. Compliance levels have increased in the past year and there was a slight drop in certified operators at the end of SFY23.

VI. GRANT CONDITIONS AND CERTIFICATIONS

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

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

The State of Montana's authority was re-certified and included with our application for and award of the FFY23 capitalization grant.

(b) Assurance that the State will comply with State Statutes and regulations.

(c) Assurance that the State has the technical capability to operate the program.

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

Please see Exhibit 7*: DWSRF Budget vs. Draw by Category SFY23.*

(e) Assurance that the State will deposit all capitalization grant funds in the Fund or Set-Aside Account.

(f) Assurance that the State will provide an amount equal to at least 20% of the base capitalization grant and at least 10% of the supplemental capitalization grant (State match) in the Fund.

(g) Assurance that the State will deposit net bond proceeds, interest earnings, and repayments into the Fund.

(h) Assurance that the State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.

(i) Assurance that the State will use Generally Accepted Accounting Principles.

(j) Assurance that the State will have the Fund and set-aside account audited annually in accordance with Generally Accepted Government Auditing Standards.

Please see Appendix B

(k) Assurance that the State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of privately owned systems, demonstrate that there is adequate security).

(l) Assurance that the State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.

(m) Assurance that funds will be used in accordance with the IUP.

Please see Appendix C*(DWSRF IUP and project priority list, SFY23).*

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

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

(o) Assurance the State will comply with all Federal crosscutting authorities.

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

All construction projects that received assistance during SFY23 were reviewed and approved using the MEPA. It was determined that no Environmental Impact Statements were necessary. A Categorical Exclusion was either granted or an Environmental Assessment was prepared and a Finding of No Significant Impact was issued for all projects.

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

(r) Specific Requirements under Title XIV

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

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

2. The State currently has a water and wastewater treatment plant operator certification program within DEQ's Water Quality Division.

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

- The loan recipients agree to ensure that all space for conferences, meetings, conventions, or training funded in whole or in part with Federal funds complies with the Hotel and Motel Fire and Safety Act of 1990.

- Per EPA Order 1000.25 Recycled Paper, DEQ uses recycled paper for printing reports to be delivered to EPA.

- During SFY23 loan recipients comply with all Federal requirements concerning Disadvantaged Business Enterprises (DBE) Utilization either by project specification or submitting appropriate reports during construction (Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Utilization under Federal Grants).

The state's fair share goal for DBE participation is 5% for SFY23 (2% MBE; 3% WBE). Refer to **Exhibit 8** for the summary of the DWSRF loans - MBE/WBE for contracts awarded during SFY23.

VII. CURRENT STATUS AND FUTURE ACTIVITIES

The DWSRF continues to use US Bank as its trustee to manage funds and accounts established under the program. To date this arrangement has been very beneficial. DNRC has Internet access to US Bank accounts, which makes monthly reconciliation of WPCSRF and DWSRF accounts more timely. D.A. Davidson and Co. and Piper Jaffray Inc. continue to act as the DWSRF bond underwriters and financial advisors. Dorsey & Whitney will continue to act as DWSRF bond counsel for the GO Bonds issued in future fiscal years.

DEQ has completed work on the DWSRF project database, which may ultimately include links with the WPCSRF program, the PWSS program, and fiscal services in both DEQ and DNRC. The databases again facilitated federal reporting during SFY23.

The following schedule (**Table 2**) indicates the key dates for continuation of the DWSRF loan program in SFY24.

Table 2. Drinking Water State Revolving Fund (DWSRF) Loan Program Schedule for SFY24

SFY24 Key Dates	Activity
August 2023	Held DWSRF Bi-Monthly Meeting
October 2023	Held DWSRF Bi-Monthly Meeting
November 2023	Attend Fall CIFA Conference – Oklahoma City, OK
Spring 2024	Hold infrastructure financing workshops to promote and market DWSRF program
January 2024	Hold DWSRF Bi-Monthly Meeting
March 2024	Hold DWSRF Bi-Monthly Meeting
April 2024	Attend Spring CIFA Conference – Washington D.C.
May 2024	Hold DWSRF Bi-Monthly Meeting

VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS

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

EXHIBIT 1. Sources of Drinking Water State Revolving Funds Through SFY23

Grant Number, Award Date & Year Funds Appropriated	State Fiscal Year Activity	Cap. Grant Amount	Projected State Match	Project Commitments By Fiscal Year		Actual State Match GO Bond Issues	Other State Match
1) FS-998850-97 6/30/98; 1997	1998	$ 14,826,200	$ -	$ -		$ -	
No Grants awarded in SFY99	1999	$ -	$ 2,965,240	$ 7,469,000	(1) *	$ 3,065,000	
2) FS-998850-98 7/26/99; 1998	2000	$ 7,121,300	$ 1,424,260			$ -	
3) FS-998850-99 9/14/99; 1999		$ 7,463,800	$ 1,492,760	$ 24,240,998	(2)	$ 2,990,000	
4) FS-998850-00 10/02/00; 2000	2001	$ 7,757,000	$ 1,551,400			$ -	
5) FS-998850-01 05/21/01; 2001		$ 7,789,100	$ 1,557,820	$ 11,292,701	(3)	$ 3,190,000	$ 26,986
6) FS-998850-02 02/21/02; 2002	2002	$ 8,052,500	$ 1,610,500	$ 6,989,705		$ -	$ 145,660
No Grants awarded in SFY03	2003	$ -		$ 6,229,000	(4)	$ 1,675,000	$ 266,627
7) FS-998850-03 07/16/03 (set asides) & 6/28/04; 2003	2004	$ 8,004,064	$ 1,600,813	$ 2,482,927		$ -	$ 331,226
8) FS-998850-05 08/16/04 (04 set asides), 6/16/05 (2004 & 2005 grants & 2005 set asides)	2005	$ 16,588,524	$ 3,317,705	$ 5,519,622	(5)	$ 3,875,000	$ 421,554
8) FS-998850-05 8/5/05 Transfer to WPCSRF		$ (5,000,000)					
9) FS-998850-06 5/17/06; 2006	2006	$ 8,229,300	$ 1,645,860	$ 34,794,521		$ -	$ 1,095,911
10) FS-998850-07 6/5/07; 2007	2007	$ 8,229,000	$ 1,645,800	$ 5,883,781		$ -	$ 552,917
11) FS-998850-08 6/5/07; 2008	2008	$ 8,146,000	$ 1,629,200	$ 16,552,929	(6)	$ 1,500,000	$ 720,991
11) FS-998850-08 3/12/09 Transfer to WPCSRF		$ (5,000,000)					
12) 2F-97879201 5/18/09; ARRA	2009	$ 19,500,000	$ -	$ 10,325,761	(7)	$ 3,000,000	$ 761,882
13) FS-998850-09 1/25/10; 2009		$ 8,146,000	$ 1,629,200		(8)	$ 5,400,000	
14) FS-998850-10 6/9/10; 2010	2010	$ 13,573,000	$ 2,714,600	$ 31,540,465	(8)	$ (4,100,000)	$ 790,072
14) FS-998850-10 10/5/10; Transfer to WPCSRF		$ (3,000,000)					
15) FS-998850-11 6/8/11; 2011	2011	$ 9,268,000	$ 1,853,600	$ 11,941,055	(9)	$ 1,000,000	$ 1,493,009
15) FS-998850-11 Increase 2/7/12;		$ 150,000	$ 30,000				
16) FS-998850-12 5/8/12; 2012	2012	$ 8,975,000	$ 1,795,000	$ 20,265,862	(10)	$ 1,100,000	$ 1,562,857
17) FS-998850-13 6/19/2013; 2013	2013	$ 8,421,000	$ 1,684,200	$ 18,436,202	(11)	$ 950,000	$ 607,009
18) FS-998850-14 6/3/2014; 2014	2014	$ 8,845,000	$ 1,769,000	$ 16,099,015	(12)	$ 1,750,000	$ -
19) FS-998850-15 4/15/2015, 2015	2015	$ 8,787,000	$ 1,757,400	$ 19,320,534	(13)	$ 2,500,000	$ 132,149
20) FS-998850-16 4/21/2016, 2016	2016	$ 8,312,000	$ 1,662,400	$ 7,994,000	(14)	$ 3,000,000	$ 303,095
21) FS-998850-17 6/30/2017, 2017	2017	$ -	$ -	$ 37,588,480		$ -	$ 289,723
22) FS-998850-17 8/7/2017, 2018	2018	$ 8,241,000	$ 1,648,200	$ 26,878,203	(15)	$ 2,500,000	$ 634,545
23) FS-998850-18 7/24/18, 2019	2019	$ 11,107,000	$ 2,221,400	$ -			

Grant Number, Award Date & Year Funds Appropriated	State Fiscal Year Activity	Cap. Grant Amount	Projected State Match	Project Commitments By Fiscal Year		Actual State Match GO Bond Issues	Other State Match
24) FS-998850-19 6/13/19, 2019 AMENDED (Received 7/26/21)	2019	$ 11,004,000	$ 2,200,800	$ 25,088,455	(16)	$ 2,900,000	$ -
24) FS-998850-19 6/13/19, 2019 AMENDED (Received 7/26/21)	2019	$ 99,000					
24) FS-998850-20 4/22/20, 2020	2020	$ 11,011,000	$ 2,202,200	$ 20,382,648	(17)	$ 3,400,000	$ -
No Grants awarded in SFY21	2021			$ 37,448,000	(18)	$ 3,200,000	$ 478,904
25) FS-99885021 3/2/2021, 2021 (Received 8/2/21)	2022	$ 11,001,000	$ 2,200,200	$ 41,358,670	(19)	$ 6,100,000	$ 1,108,554
26) FS-998885022 9/1/2022	2023	$ 7,008,000	$ 1,401,600	$ 12,699,900			$ 390,493
27) 4D-96894501 8/31/2022 BIL	2023	$ 17,992,000	$ 1,799,200				
28) FS-99885023 8/9/2023	2024	$ 4,938,000	$ 1,500,000				
29) 4D-96894523 7/27/2023 BIL	2024	$ 21,055,000	$ 1,900,000				
Total		$ 286,639,788	$ 52,410,358	$ 458,822,434		$ 48,995,000	$ 12,114,164

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

1) First General Obligation Bond Issued October 1, 1998 for $3,065,000

2) Second General Obligation Bond Issued April 15, 2000 for $2,990,000

3) Third General Obligation Bond Issued June 15, 2001 for $3,190,000

4) Fourth General Obligation Bond Issued June 15, 2003 for $1,675,000

5) Fifth General Obligation Bond Issued May 5, 2005 for $3,875,000

6) BAN 8/10/07 $500,000 and RAN 4/15/08 $1,000,000

7) Revenue Anticipation Note (RAN) 4/3/09 $3,000,000

8) Sixth General Obligation Bond Issued May 18, 2010 for 1,300,000 + refunded balances of 2000A & 2001G bonds. 2010 B Bond issued for $5,400,000 and 2000A and 2001G Bonds were paid off with proceeds of 2010B.

9) RAN 3/4/11 $1,000,000

10) RAN 10/21/11 $1,100,000

11) BAN 12/2012 $950,000

12) BAN 1/2014 $1,750,000

13) BAN 9/2014 $2,500,000

14) BAN 10/2015 $3,000,000

15) BAN 1/2018 $2,500,000

16) BAN 3/2019 $2,900,000

17) BAN 12/2019 $3,400,000

18) BAN 12/2020 $3,200,000

19) BAN 12/2021 $3,900,000, BAN 6/2022 $2,200,000

EXHIBIT 2. DWSRF Capitalized Grant Closed Loans for SFY23

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross Interest
Big Sandy A	Revenue	7/1/2022	$750,000	$750,000	$750,000	$0	7/20/2022	0.00%
Big Sandy B	Revenue	7/1/2022	$250,000	$250,000	$250,000	$0	7/20/2022	2.50%
Cascade BAN	Revenue	10/31/2022	$94,000	$94,000	$94,000	$0	11/22/2022	1.75%
Cascade, Town of A	Revenue	5/25/2022	$500,000	$500,000	$500,000	$0	3/7/2023	0.00%
Cascade, Town of B	Revenue	5/25/2022	$786,000	$786,000	$587,457	$198,543	3/7/2023	2.50%
Choteau, City of BAN RD	Revenue	6/8/2022	$2,000,000	$2,000,000	$1,229,766	$770,234	6/21/2023	1.75%
Clearview Heights W&SD BAN	Revenue	4/17/2023	$50,000	$50,000	$14,000	$36,000	5/10/2023	1.75%
Gore Hill WD	Revenue	3/10/2022	$1,509,000	$1,509,000	$796,730	$712,270	5/11/2023	2.50%
Lewistown, City of A	Revenue	3/13/2023	$750,000	$750,000	$650,000	$100,000	6/27/2023	0.00%
Lewistown, City of B	Revenue	3/13/2023	$4,400,000	$4,400,000	$51,149	$4,348,851	6/27/2023	2.50%
Loma County W&SD A	Revenue	7/1/2022	$506,175	$506,175	$506,175	$0	8/3/2023	0.00%
Loma County W&SD B	Revenue	7/1/2022	$168,725	$168,725	$168,725	$0	8/3/2023	2.5%
Plains, Town of A	Revenue	6/25/2021	$364,500	$364,500	$3,062	$361,438	5/17/2023	0.00%
Plains, Town of B	Revenue	6/25/2021	$121,500	$121,500	$6,076	$115,424	5/17/2023	2.50%
Ponderilla Hills W&SD A	Revenue	4/8/2022	$200,000	$200,000	$150,872	$49,128	9/28/2022	0.0%
Ponderilla Hills W&SD B	Revenue	4/8/2022	$200,000	$200,000	$150,869	$49,131	9/28/2022	2.50%
Sunny Meadows W&SD	Revenue	4/5/2022	$50,000	$50,000	$37,958	$12,042	12/7/2022	2.50%
Closed Loans			$ 12,699,900	$ 12,699,900	$ 5,946,839	$ 6,753,061		

EXHIBIT 3. DWSRF Recycled Closed Loans for SFY23

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross Interest
None								
Closed Loans			$ 0	$ 0	$ 0	$ 0		

EXHIBIT 4. DWSRF Projected Loan Agreements for SFY24

Public Entities	Estimated Date of Commitment	Estimated Loan Amounts
Alberton, Town of A	May-24	$ 444,500
Alberton, Town of B	May-24	$ 444,500
Basin W&SD Loan A	Dec-23	$ 724,500
Basin W&SD Loan B	Dec-23	$ 241,500
Belgrade, City of	Apr-24	$ 936,000
Billings Heights W&SD	May-24	$ 11,176,000
Broadview, Town of A	Dec-23	$ 750,000
Broadview, Town of B	Dec-23	$ 773,000
Choteau, City of A	Aug-23	$ 660,000
Choteau, City of B	Aug-23	$ 220,000
Coram W&SD A	Jul-23	$ 750,000
Coram W&SD B	Jul-23	$ 795,000
Clearview Heights WD A	May-24	$ 325,000
Clearview Heights WD B	May-24	$ 125,000
Cut Bank, City of A	Aug-23	$ 750,000
Cut Bank, City of B	Aug-23	$ 540,000
Dawson County, Forest Park RSID	Aug-23	$ 1,210,000
Deer Lodge, City of	Apr-24	$ 300,000
Fairview, Town of A	Oct-23	$ 750,000
Fairview, Town of B	Oct-23	$ 675,000
Flaxville, Town of A	Nov-23	$ 750,000
Flaxville, Town of B	Nov-23	$ 250,000
Forsyth, Town of A	Apr-24	$ 455,000
Forsyth, Town of B	Apr-24	$ 152,000
Fort Benton, City of A	Jul-23	$ 750,000
Fort Benton, City of B	Jul-23	$ 1,918,000
Glendive, City of A - Boring Project	Sep-23	$ 750,000
Glendive, City of B - Boring Project	Sep-23	$ 745,000
Glendive, City of A Line Replacements	Apr-24	$ 750,000
Glendive, City of B Line Replacements	Apr-24	$ 1,112,000
Harlowton, City of A	Aug-23	$ 337,000
Harlem, Town of RD Interim	Jan-24	$ 2,838,000
Harlowton, City of B	Aug-23	$ 337,000
Helena, City of Ten Mile WTP	Mar-24	$ 3,790,000
Hinsdale W&SD	Mar-24	$ 520,000
Kalispell, City of A Upper Zone Tanks	Jul-23	$ 1,000,000
Kalispell, City of B Upper Zone Tanks	Jul-23	$ 18,854,000
Kalispell, City of Lower Zone Well & Tank	Nov-23	$ 13,000,000
Kalispell, City of Morning Star Court	Mar-24	$ 468,000
Miles City, City of	Jun-24	$ 2,640,000
Missoula, City of Harlequin Crt	Jun-24	$ 1,825,160
Phillipsburg, Town of	Feb-24	$ 100,000
Power Teton W&SD	Mar-24	$ 885,000
Sidney, City of	Jul-23	$ 2,180,000
Spring Meadow W&SD	May-24	$ 500,000
Sunburst W&SD	May-24	$ 632,000
Three Forks, City of	May-24	$ 3,099,000
Townsend, Town of	May-24	$ 9,326,000
Twin Bridges, Town of	May-24	$ 350,000

Public Entities	Estimated Date of Commitment	Estimated Loan Amounts
Whitehall, Town of A&B Treatment & Distribution	Mar-24	$ 1,000,000
Whitehall, Town of RD BAN	Mar-24	$ 1,574,000
Wilsall W&SD A&B	Dec-23	$ 211,000
Total		$ 94,799,160

EXHIBIT 5. Amounts Available for Transfer Between SRF Programs for the Base Grant

State Fiscal Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
1997	DW Grant Award	4,892,646	---	---	4,892,646	4,892,646
1998	DW Grant Award	7,242,675	---	---	7,242,675	7,242,675
1999	DW Grant Award	9,705,729	---	---	9,705,729	9,705,729
2000	DW Grant Award	12,265,539	---	---	12,265,539	12,265,539
2000	Transfer (2nd Rnd $)	12,265,539	4,750,328	-0-	17,015,867	7,515,211
2001	DW Grant Award	14,835,942	---	---	19,586,270	10,085,614
2001	Transfer (2nd Rnd $)	14,835,942	4,032,158	-0-	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd $)	20,134,608	-0-	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd $)	20,134,608	-0-	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd $)	20,134,608	-0-	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd $)		-0-	5,000,000	23,261,094	27,956,548
2006	DW Grant Award	28,324,490	-	-	25,976,763	30,672,217
2007	DW Grant Award	31,040,060	-	-	28,692,333	33,387,787
2008	Transfer (2nd Rnd $)		2,500,000		31,192,333	30,887,787
2008	DW Grant Award	33,728,240			33,880,513	33,575,967
2009	Transfer (1st Rnd $)			5,000,000	28,880,513	38,575,967
2009	DW Grant Award	36,416,420			31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420			38,003,693	47,699,147
2010	DW Grant Award	47,330,510			42,482,783	52,178,237
2011	Transfer (1st Rnd $)			3,000,000	39,482,783	55,178,237
2011	DW Grant Award	50,438,450			42,590,723	58,286,177
2012	DW Grant Award	53,400,200			45,552,473	61,247,927
2013	DW Grant Award	56,179,130			48,331,403	64,026,857
2014	DW Grant Award	59,097,980			51,250,253	66,945,707
2015	DW Grant Award	61,997,690			54,149,963	69,845,417
2016	DW Grant Award	64,740,650			56,892,923	72,588,377
2017	DW Grant Award	67,460,180			59,612,453	75,307,907
2018	DW Grant Award	71,208,650			63,360,923	79,056,377
2019	Transfer (2nd Rnd $)			3,000,000	60,360,923	82,056,377
2019	DW Grant Award	74,839,970			63,992,243	85,617,697
2020	DW Grant Award	78,473,600			67,656,233	89,281,687
2021	DW Grant Award	82,103,930			71,289,863	92,915,317
2022	DW Grant Award	85,734,260			74,920,193	96,545,647
2023	DW Grant Award	88,046,900			77,232,833	98,858,287
Total			**$11,282,486**	**$22,130,213**		

EXHIBIT 5A. Amounts Available for Transfer Between SRF Programs for the BIL S upplemental Grant

State Fiscal Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
2023	DW Grant Award	5,937,360			5,937,360	5,937,360
Total			**$0**	**$0**		

EXHIBIT 6. Drinking Water State Revolving Fund SFY23 Summary of Letter of Credit Draws

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
1st Quarter							
07/01/22	134,313.00					134,313.00	
07/14/22	150,045.00					150,045.00	
07/15/22	23,144.00					23,144.00	5,000.00
07/22/22	141,604.00					141,604.00	
07/26/22	4,699.00					4,699.00	
08/01/22	683,206.00					683,206.00	57,729.00
08/02/22	208,969.00		10,481.00	60,299.00	17,166.00	296,915.00	23,474.00
08/03/22	15,800.00					15,800.00	1,756.00
08/12/22			159.00	38,360.00	12,003.00	50,522.00	
08/18/22	245,693.00					245,693.00	32,513.00
08/19/22	357,150.00					357,150.00	1,023,632.00
08/22/22	5,818.00					5,818.00	
08/26/22	875,564.00		8,686.00	29,659.00	9,708.00	923,617.00	94,677.00
09/01/22	23,691.00					23,691.00	2,719.00
09/06/22			413.00	29,843.00	9,708.00	39,964.00	
09/07/22	157,067.00					157,067.00	15,742.00
09/12/22	4,324.00					4,324.00	
09/20/22	779,386.00					779,386.00	109,819.00
09/22/22	65,654.00					65,654.00	16,414.00
09/23/22	1,907.00	7,753.00	9,503.00	32,765.00	9,707.00	61,635.00	591,720.00
09/26/22	18,287.00					18,287.00	2,097.00
09/27/22	243,269.00					243,269.00	26,988.00
09/29/22	83,196.00					83,196.00	10,860.00
1ST QTR Draws	4,222,786.00	7,753.00	29,242.00	190,926.00	58,292.00	4,508,999.00	2,015,140.00

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
2nd Quarter							
10/05/22	366.00					366.00	92.00
10/06/22	3,687.00					3,687.00	410.00
10/07/22		35,528.00	380.00	32,277.00	9,708.00	77,893.00	
10/20/22	217,120.00	35,372.00		31,374.00	9,708.00	293,574.00	24,127.00
10/21/22	22,499.00					22,499.00	
10/25/22	107,286.00					107,286.00	12,168.00
10/26/22						-	204,641.00
11/02/22	186,194.00					186,194.00	46,548.00
11/03/22		36,512.00	12,351.00	31,443.00	9,706.00	90,012.00	
11/07/22	535.00					535.00	59.00
11/10/22	232,205.00					232,205.00	25,348.00
11/14/22	34,621.00					34,621.00	3,604.00
11/17/22	62,924.00					62,924.00	6,643.00
11/18/22	2,328.00					2,328.00	582.00
11/21/22	63,608.00	35,448.00	3,999.00	30,947.00	13,053.00	147,055.00	
11/25/22	12,799.00					12,799.00	
11/28/22	34,242.00					34,242.00	348,370.00
12/02/22	9,806.00	72,034.00	304.00	28,568.00	8,666.00	119,378.00	2,452.00
12/05/22	11,857.00					11,857.00	
12/06/22	20,137.00					20,137.00	2,259.00
12/07/22	366,538.00					366,538.00	91,634.00
12/12/22	30,950.00					30,950.00	7,738.00
12/16/22		36,441.00	132.00	35,105.00	9,834.00	81,512.00	
2nd QTR Draws	1,419,702.00	251,335.00	17,166.00	189,714.00	60,675.00	1,938,592.00	776,675.00

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
3rd Quarter							
01/04/23	171,998.00	35,984.00	8,038.00	33,702.00	9,758.00	259,480.00	19,474.00
01/12/23	6,009.00					6,009.00	1,502.00
01/13/23		31,511.00	10,320.00	32,145.00	9,950.00	83,926.00	
01/20/23	1,898,649.00					1,898,649.00	470,104.00
01/25/23		33,850.00	133.00	47,170.00	9,940.00	91,093.00	
02/02/23	4,905.00					4,905.00	
02/06/23	12,161.00					12,161.00	
02/08/23		34,161.00		14,366.00	26,635.00	75,162.00	
02/10/23	7,876.00					7,876.00	1,969.00
02/13/23		15,346.00				15,346.00	
02/22/23	153,548.00					153,548.00	35,644.00
03/01/23		24,291.00	10,948.00	15,550.00	21,641.00	72,430.00	42,394.00
03/06/23	968,926.00					968,926.00	
03/08/23	2,342.00					2,342.00	
03/13/23		30,052.00	1,079.00	17,803.00	29,776.00	78,710.00	
03/21/23	7,898.00					7,898.00	1,975.00
03/24/23		29,360.00	15,964.00	38,801.00	24,977.00	109,102.00	
03/28/23	87,218.00					87,218.00	16,643.00
3rd Qtr Draws	3,321,530.00	234,555.00	46,482.00	199,537.00	132,677.00	3,934,781.00	589,705.00

Date	Loans	SET-ASIDE COMPONENTS				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
4th Quarter							
04/06/23	2,991.00	32,410.00	1,003.00	16,523.00	28,234.00	81,161.00	
04/26/23		32,178.00	18,490.00	14,729.00	24,995.00	90,392.00	
05/08/23	705,737.00					705,737.00	
05/11/23		28,527.00	18,069.00	13,629.00	20,157.00	80,382.00	
05/15/23	9,138.00					9,138.00	
05/17/23	(93,140.00)					(93,140.00)	
05/22/23		26,358.00		39,358.00	23,164.00	88,880.00	
06/01/23		19,772.00		17,793.00		37,565.00	
06/02/23			693.00	12,218.00	4,003.00	16,914.00	
06/06/23	21,196.00					21,196.00	
06/07/23	163,438.00					163,438.00	6,611.00
06/08/23	126,161.00					126,161.00	
06/09/23	149,836.00					149,836.00	12,133.00
06/13/23	118,531.00					118,531.00	
06/16/23		22,508.00	11,094.00	36,908.00	10,193.00	80,703.00	
06/19/23	509,963.00					509,963.00	
06/23/23		22,508.00		36,116.00	10,193.00	68,817.00	
06/26/23	701,149.00					701,149.00	
4th QTR Draws	2,415,000.00	184,261.00	49,349.00	187,274.00	120,939.00	2,956,823.00	18,744.00
Total FY 23 Draws	11,379,018.00	677,904.00	142,239.00	767,451.00	372,583.00	13,339,195.00	3,400,264.00
						Federal & Match	16,739,459.00

	Loans	Admin
Number of draws	60	22
	11,379,018.00	677,904.00

Non-Admin	Total Loans
26	108
1,282,273.00	13,339,195.00

EXHIBIT 7. Drinking Water State Revolving Fund SFY23 Budget vs. Draw by Category for Base and BIL Supplemental Grants

Program Name: FS998850 - 97	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	593,048	593,048	-	-
Technical Assistance	296,524	296,524	-	-
State Programs				
Public Water Supply Administration	120,000	120,000	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	55,000	55,000	-	-
Subtotal	325,000	325,000	-	-
Local Assistance	1,482,620	1,482,620	-	-
Loans	12,129,008	12,129,008	-	-
Total	14,826,200	14,826,200	-	-

Program Name: FS998850 - 98	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	284,852	284,852	-	-
Technical Assistance	142,426	142,426	-	-
State Programs				
Public Water Supply Administration	155,470	155,470	-	-
Source Water Protection/Database	105,000	105,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	340,470	340,470	-	-
Loans	6,353,552	6,353,552	-	-
Total	7,121,300	7,121,300	-	-

Program Name: FS998850 - 99	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	298,552	298,552	-	-
Technical Assistance	149,276	149,276	-	-
State Programs				
Public Water Supply Administration	154,800	154,800	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	334,800	334,800	-	-
Loans	6,681,172	6,681,172	-	-
Total	7,463,800	7,463,800	-	-

Program Name: FS998850 - 00	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	310,280	310,280	-	-
State Programs				
Public Water Supply Administration	155,000	155,000	-	-
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	350,000	350,000	-	-
Loans	7,096,720	7,096,720	-	-
Total	7,757,000	7,757,000	-	-

Program Name: FS998850 - 01	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	311,564	311,564	-	-
State Programs				
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Subtotal	125,000	125,000	-	-
Loans	7,352,536	7,352,536	-	-
Total	7,789,100	7,789,100	-	-

Program Name: FS998850 - 02	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	322,100	322,100	-	-
State Programs				
Public Water Supply Administration	395,000	395,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	535,000	535,000	-	-
Loans	7,195,400	7,195,400	-	-
Total	8,052,500	8,052,500	-	-

Program Name: FS998850 - 03	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	320,164	320,164	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Public Water Supply Administration	395,000	395,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	585,000	585,000	-	-
Loans	6,973,900	6,973,900	-	-
Total	8,004,064	8,004,064	-	-

Program Name: FS998850 - 04	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	332,124	332,124	-	-
Technical Assistance	135,000	135,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	82,000	82,000	-	-
Public Water Supply Administration	160,000	160,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	432,000	432,000	-	-
Local Assistance	40,000	40,000	-	-
Total	939,124	939,124	-	-

Program Name: FS998850 - 05	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	331,420	331,420	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	75,000	75,000	-	-
Public Water Supply Administration	630,000	630,000	-	-
Operator Certification	160,000	160,000	-	-
Subtotal	965,000	965,000	-	-
Local Assistance	40,000	40,000	-	-
Loans	9,187,980	9,187,980	-	-
Total	10,649,400	10,649,400	-	-

Program Name: FS998850 - 06	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	329,172	329,172		-
Technical Assistance	20,000	20,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	50,000	50,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	30,000	30,000		-
Subtotal	730,000	730,000	-	-
Local Assistance	50,000	50,000	-	-
Loans	7,100,128	7,100,128		-
Total	8,229,300	8,229,300	-	-

Program Name: FS998850 - 07	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	329,160	329,160		-
Technical Assistance	95,000	95,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	80,000	80,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	60,000	60,000		-
Subtotal	790,000	790,000	-	-
Local Assistance	90,000	90,000		-
Loans	6,924,840	6,924,840		-
Total	8,229,000	8,229,000	-	-

Program Name: FS998850 - 08	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	325,840	325,840		-
Technical Assistance	90,000	90,000		-
State Programs				
Source Water Protection/Database	99,600	99,600		-
Capacity Development	75,000	75,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	90,000	90,000		-
Subtotal	814,600	814,600	-	-
Local Assistance	90,400	90,400		-
Loans	1,825,160	1,825,160		-
Total	3,146,000	3,146,000	-	-

Program Name: FS998850 - 09	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	325,840	325,840	-	-
Technical Assistance	125,000	125,000	-	-
State Programs		-	-	
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	78,000	78,000	-	-
Public Water Supply Administration	665,000	665,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	933,000	933,000	-	-
		-		
Local Assistance	90,000	90,000	-	-
Loans	6,672,160	6,672,160	-	-
Total	8,146,000	8,146,000	-	-

Program Name: FS998850 - 10	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	542,920	542,920	-	-
Technical Assistance	211,000	211,000		-
State Programs				
Source Water Protection/Database	140,000	140,000		-
Capacity Development	82,000	82,000		-
Public Water Supply Administration	700,000	700,000		-
Operator Certification	120,000	120,000		-
Subtotal	1,042,000	1,042,000	-	-
		-		
Local Assistance	130,000	130,000	-	-
Loans	8,647,080	8,647,080	-	-
Total	10,573,000	10,573,000	-	-

Program Name: FS998850 - 11	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	376,720	376,720		-
Technical Assistance	117,500	117,500		-
State Programs				
Source Water Protection/Database	140,000	140,000		-
Capacity Development	85,000	85,000		-
Public Water Supply Administration	700,000	700,000	-	-
Operator Certification	120,000	120,000		-
Subtotal	1,045,000	1,045,000	-	-
Local Assistance	130,000	130,000		-
Loans	7,748,780	7,748,780	-	-
Total	9,418,000	9,418,000	-	-

Program Name: FS998850 - 12	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	359,000	359,000	-	-
Technical Assistance	143,000	143,000	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	90,000	90,000	-	-
Public Water Supply Administration	700,000	700,000	-	-
Operator Certification	120,000	120,000	-	-
Subtotal	1,050,000	1,050,000	-	-
Local Assistance	130,000	130,000	-	-
Loans	7,293,000	7,293,000	-	-
Total	8,975,000	8,975,000	-	-

Program Name: FS998850 - 13	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	336,840	336,840	-	-
Technical Assistance	63,347	63,347	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	90,000	90,000	-	-
Public Water Supply Administration	492,100	492,100	-	-
Operator Certification	120,000	120,000	-	-
Subtotal	842,100	842,100	-	-
Local Assistance	487,900	487,900	-	-
Loans	6,690,813	6,690,813	-	-
Total	8,421,000	8,421,000	-	-

Program Name: 2F978792 -01 ARRA	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	680,000	680,000	-	-
Technical Assistance	-		-	-
State Programs				
Source Water Protection/Database	-		-	-
Capacity Development	-		-	-
Public Water Supply Administration	50,357	50,357	-	-
Operator Certification	-		-	-
Subtotal	50,357	50,357	-	-
Local Assistance	-			-
Loans	18,769,643	18,769,643	-	-
Total	19,500,000	19,500,000	-	-

Program Name: FS998850 - 14	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	353,800	353,800	-	-
Technical Assistance	80,000	80,000	-	-
State Programs				
Source Water Protection/Database	140,000	140,000	-	-
Capacity Development	65,000	65,000	-	-
Public Water Supply Administration	559,500	559,500	-	-
Operator Certification	120,000	120,000	-	-
Subtotal	884,500	884,500	-	-
Local Assistance	420,500	420,500	-	-
Loans	7,106,200	7,106,200	-	-
Total	8,845,000	8,845,000	-	-

Program Name: FS998850 - 15	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	351,480	351,480	-	-
Technical Assistance	-		-	-
State Programs				
Source Water Protection/Database	104,304	104,304	-	-
Capacity Development	-		-	-
Public Water Supply Administration	655,150	655,150	-	-
Operator Certification	119,246	119,246	-	-
Subtotal	878,700	878,700	-	-
Local Assistance	288,000	288,000	-	-
Loans	7,268,820	7,268,820	-	-
Total	8,787,000	8,787,000	-	-

Program Name: FS998850 - 16 - 03952	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration	332,480	332,480	-	-
Technical Assistance	20,000	20,000	-	-
State Programs				
Source Water Protection/Database	40,000	40,000	-	-
Capacity Development	74,000	74,000	-	-
Public Water Supply Administration	617,200	617,200	-	-
Operator Certification	100,000	100,000	-	-
Subtotal	831,200	831,200	-	-
Local Assistance	375,300	375,300	-	-
Loans	6,753,020	6,753,020	-	-
Total	8,312,000	8,312,000	-	-

Program Name: FS998850 - 17 - 03953	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	400,000	400,000	-	-
Technical Assistance - DE	68,000	68,000	-	-
State Programs - DF				
Source Water Protection/Database	45,607	45,607	-	-
Capacity Development	70,393	70,393	-	-
Public Water Supply Administration	608,954	608,954	-	-
Operator Certification	99,146	99,146	-	-
Subtotal	824,100	824,100	-	-
Local Assistance - DG	401,300	401,300	-	-
Loans - DA	6,547,600	6,547,600	-	-
Total	8,241,000	8,241,000	-	-

Program Name: FS998850 - 18 - 03812	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	444,280	444,280	-	-
Technical Assistance - DE	75,000	75,000	-	-
State Programs - DF			-	
Source Water Protection/Database	46,000	46,000	-	-
Capacity Development	79,000	79,000	-	-
Public Water Supply Administration	875,000	875,000	-	-
Operator Certification	100,000	100,000	-	-
Subtotal	1,100,000	1,100,000	-	-
Local Assistance - DG	190,000	190,000	- -	-
Loans - DA	9,297,720	9,297,720	-	0
Total	11,107,000	11,107,000	-	0

Program Name: FS998850 - 19 - 03813	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	440,160	440,160	-	-
Technical Assistance - DE	25,000	25,000	-	-
State Programs - DF				
Source Water Protection/Database	-		-	-
Capacity Development	-		-	-
Public Water Supply Administration	1,000,000	1,000,000	-	-
Operator Certification	100,000	100,000	-	-
Subtotal	1,100,000	1,100,000	-	-
Local Assistance - DG	250,000	250,000	-	-
Loans - DA	9,287,840	8,804,472	483,368	
Total	11,103,000	10,619,632	483,368	-

Program Name: FS998850 - 20 - 03815	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	440,440	440,440	-	-
Technical Assistance - DE	70,000	70,000	-	-
State Programs - DF				
Source Water Protection/Database	-		-	-
Capacity Development	150,000	5,807	77,648	66,545
Public Water Supply Administration	850,000	850,000	-	-
Operator Certification	100,000	100,000	-	-
Subtotal	1,100,000	955,807	77,648	66,545
Local Assistance - DG	400,000	235,042	164,958	-
Loans - DA	9,000,560	7,059,814	1,590,151	350,595
Total	11,011,000	8,761,103	1,832,757	417,140

Program Name: FS998850 - 21 - 03818	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	440,040	440,040	-	-
Technical Assistance - DE	80,000	4,970	75,030	-
State Programs - DF				
Source Water Protection/Database	-		-	-
Capacity Development	-		-	-
Public Water Supply Administration	1,000,000	666,027	333,973	-
Operator Certification	100,000	78,066	21,934	-
Subtotal	1,100,000	744,093	355,907	-
Local Assistance - DG	250,000	67,525	82,475	100,000
Loans - DA	9,130,960	282,247	7,725,083	1,123,630
Total	11,001,000	1,538,875	8,238,495	1,223,630

Program Name: FS998850 - 22 - 03817	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	400,000		400,000	-
Technical Assistance - DE	108,000		67,209	40,791
State Programs - DF				
Source Water Protection/Database				-
Capacity Development				-
Public Water Supply Administration	530,000		258,890	271,110
Operator Certification	170,000		75,006	94,994
Subtotal	700,000	-	333,896	366,104
Local Assistance - DG	770,000	-	125,150	644,850
Loans - DA	5,030,000	-	692,979	4,337,021
Total	7,008,000	-	1,619,234	5,388,766

Program Name: 4D96894501 - DW22BIL-03210	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	719,680		277,904	441,776
Technical Assistance - DE				-
State Programs - DF				
Source Water Protection/Database				-
Capacity Development				-
Public Water Supply Administration				-
Operator Certification				-
Subtotal	-	-	-	-
Local Assistance - DG		-		-
Loans - DA	17,272,320	-	887,437	16,384,883
Total	17,992,000	-	1,165,341	16,826,659

Program Name: Total All Grants	Budget	Previous Draws	SFY 23 Draws	Balance 6/30/2023
Administration - DD	11,031,956	9,912,276	677,904	441,776
Technical Assistance - DE	2,364,073	2,181,043	142,239	40,791
State Programs - DF				
Source Water Protection/Database	2,090,511	2,090,511	-	-
Capacity Development	1,445,393	1,301,200	77,648	66,545
Public Water Supply Administration	13,818,531	12,954,558	592,863	271,110
Operator Certification	2,453,392	2,261,458	96,940	94,994
Subtotal State Programs	19,807,827	18,607,727	767,451	432,649
Local Assistance - DG	6,106,020	4,988,587	372,583	744,850
Subtotal all Set Aside Categories	39,309,876	35,689,633	1,960,177	1,660,066
Loans - DA	221,336,912	187,761,765	11,379,018	22,196,129
Total	260,646,788	223,451,398	13,339,195	23,856,195

EXHIBIT 8. DWSRF Loans – MBE/WBE For Contracts Awarded During SFY23

Award Date	Borrower	Loan No.	Bid Amount	Loan Amount	DBE Type	DBE Amount	DBE Percent
11/2022	Gore Hill County WD	WRF 23-525	$1,227,870	$1,509,000	WBE	$1,227,870	81.4%
12/2022	Missoula, City of	WRF 22-508	$1,269,787	$12,462,000	WBE	$22,235	0.18%
12/2022	Missoula, City of	WRF 22-508	$694,311	*	WBE	$17,000	0.14%
1/2023	Missoula, City of	WRF 22-508	$1,389,693.39	*	MBE/WBE	$225,300	0.21%
2/2023	Missoula, City of	WRF 22-508	$988,928.01	*	WBE	$20,000	0.16%
2/2023	Missoula, City of	WRF 22-508	$552,162.31	*	WBE	$12,625	0.10%
3/2023	Missoula, City of	WRF 22-508	$810,257,48	*	WBE	$22,945	0.18%
	Total		**$6,122,751.71**	**$13,971,000**		**$1,547,975**	

*One loan (total amount $12,462,000) for several city of Missoula projects

APPENDIX A

SFY23 CASH FLOW MODEL

Use of Funds		
Pre 2000		
Loans		$ 12,492,837
Original Loans		$ 208,112,253
2010-2023 grant forgiveness		$ 32,975,282
	Sub Total:	$ 253,580,372
Recycled		
Loans		$ 178,801,335
	Total:	$ 432,381,707
Balances		
Forgiven ARRA A Loans		$ 10,418,200
ARRA B loans		$ 8,216,470
Total ARRA		$ 18,634,670
		$ 451,016,377

Commited - Original Proceeds **$228,561,242**

	1.000%	0.750%	2.250%				DEFAULT RATE:	0.00%
Payment Due	Loan Loss Reserve	Admin Exp. Surcharge	Interest Payment	Principal Payment	FY Interest	FY Total	Outstanding Balance	Loan Payment
07/15/22	96,427.49	188,919.36	782,114.79	3,894,171.00			96,545,159.00	4,961,632.64
01/15/23	118,366.87	204,596.12	960,646.37	4,125,368.29	1,742,761.16	10,370,610.28	95,312,776.50	5,408,977.64
07/15/23	112,962.19	192,902.81	919,392.51	4,102,848.50			99,417,105.00	5,328,106.00
01/15/24	116,128.21	189,756.96	947,599.43	3,849,225.00	1,866,991.94	10,430,815.60	95,567,880.00	5,102,709.60
07/15/24	111,548.93	179,749.55	913,061.39	3,962,237.00			91,655,643.00	5,166,596.87
01/15/25	106,954.55	169,685.80	911,595.32	4,529,000.00	1,824,656.71	10,883,832.55	87,766,643.00	5,717,235.68
07/15/25	102,366.43	159,678.30	948,332.46	6,034,000.00			81,826,643.00	7,244,377.19
01/15/26	97,715.80	149,529.55	807,611.43	3,287,500.00	1,755,943.89	11,586,733.98	78,539,143.00	4,342,356.79
07/15/26	94,014.55	141,877.68	778,901.50	3,352,500.00			75,186,643.00	4,367,293.73
01/15/27	90,294.55	134,208.30	744,688.93	3,336,500.00	1,523,590.43	8,672,985.52	71,850,143.00	4,305,691.79
07/15/27	86,533.30	126,470.18	712,732.68	3,373,500.00			68,476,643.00	4,299,236.16
01/15/28	82,734.55	118,655.80	680,376.43	3,303,500.00	1,393,109.11	8,484,502.95	65,173,143.00	4,185,266.79
07/15/28	79,028.93	111,165.18	648,288.93	3,324,000.00			61,849,143.00	4,162,483.04
01/15/29	75,301.43	103,642.68	615,888.93	3,197,000.00	1,264,177.86	8,154,316.08	58,652,143.00	3,991,833.04
07/15/29	71,715.18	96,657.68	584,761.43	3,117,500.00			55,534,643.00	3,870,634.29
01/15/30	68,208.30	90,018.30	554,415.18	2,825,500.00	1,139,176.61	7,408,776.08	52,709,143.00	3,538,141.79
07/15/30	64,826.43	84,067.68	526,528.93	2,823,000.00			49,886,143.00	3,498,423.04
01/15/31	61,406.43	78,106.43	498,555.18	2,639,000.00	1,025,084.11	6,775,491.08	47,247,143.00	3,277,068.04
07/15/31	58,176.43	72,767.68	472,221.43	2,651,500.00			44,595,643.00	3,254,665.54
01/15/32	54,935.80	67,435.80	445,768.93	2,623,500.00	917,990.36	6,446,306.08	41,972,143.00	3,191,640.54
07/15/32	51,721.43	62,252.68	419,565.18	2,573,000.00			39,399,143.00	3,106,539.29
01/15/33	48,572.68	57,308.93	393,866.43	2,402,500.00	813,431.61	6,008,787.33	36,996,643.00	2,902,248.04
07/15/33	45,637.05	53,087.05	369,872.68	2,406,500.00			34,590,143.00	2,875,096.79
01/15/34	42,697.68	48,905.18	345,838.93	2,431,500.00	715,711.61	5,744,038.58	32,158,643.00	2,868,941.79
07/15/34	39,728.30	44,689.55	321,555.18	2,445,393.00			29,713,250.00	2,851,366.04
01/15/35	36,745.31	40,484.06	297,132.50	1,992,500.00	618,687.68	5,218,227.91	27,720,750.00	2,366,861.88
07/15/35	34,309.69	37,493.44	277,207.50	1,901,500.00			25,819,250.00	2,250,510.63
01/15/36	31,990.31	34,606.56	258,192.50	1,891,500.00	535,400.00	4,466,800.00	23,927,750.00	2,216,289.38
07/15/36	29,664.69	31,754.69	239,277.50	1,902,500.00			22,025,250.00	2,203,196.88
01/15/37	27,344.06	28,894.06	220,252.50	1,841,500.00	459,530.00	4,321,187.50	20,183,750.00	2,117,990.63
07/15/37	25,085.94	26,159.69	201,837.50	1,865,250.00			18,318,500.00	2,118,333.13
01/15/38	22,800.63	24,451.60	186,045.00	1,739,000.00	387,882.50	4,090,630.35	16,865,500.00	1,972,738.75
07/15/38	21,064.38	21,929.38	168,655.00	1,562,000.00			15,303,500.00	1,773,648.75
01/15/39	19,114.38	19,901.88	153,035.00	1,309,000.00	321,690.00	3,274,700.00	13,994,500.00	1,501,051.25
07/15/39	17,481.88	18,185.63	139,945.00	1,325,000.00			12,669,500.00	1,500,612.50
01/15/40	15,828.13	16,451.88	126,695.00	1,285,500.00	266,640.00	2,945,087.50	11,384,000.00	1,444,475.00
07/15/40	14,225.00	14,765.00	113,840.00	1,234,000.00			10,150,000.00	1,376,830.00
01/15/41	12,687.50	13,140.00	101,500.00	1,117,500.00	215,340.00	2,621,657.50	9,032,500.00	1,244,827.50
07/15/41	11,290.63	11,668.13	90,325.00	1,100,000.00			7,932,500.00	1,213,283.75
01/15/42	9,915.63	10,218.13	79,325.00	1,039,500.00	169,650.00	2,352,242.50	6,893,000.00	1,138,958.75
07/15/42	8,616.25	8,841.25	68,930.00	531,000.00			6,362,000.00	617,387.50
01/15/43	7,952.50	8,100.00	63,620.00	359,500.00	132,550.00	1,056,560.00	6,002,500.00	439,172.50
07/15/43	7,503.13	7,578.13	60,025.00	336,500.00			5,666,000.00	411,606.25
01/15/44	7,082.50	7,082.50	56,660.00	306,000.00	116,685.00	788,431.25	5,360,000.00	376,825.00
07/15/44	6,700.00	6,700.00	53,600.00	308,000.00			5,052,000.00	375,000.00
01/15/45	6,315.00	6,315.00	50,520.00	315,000.00	104,120.00	753,150.00	4,737,000.00	378,150.00
07/15/45	5,921.25	5,921.25	47,370.00	301,000.00			4,436,000.00	360,212.50
01/15/46	5,545.00	5,545.00	44,360.00	305,000.00	91,730.00	720,662.50	4,131,000.00	360,450.00
07/15/46	5,163.75	5,163.75	41,310.00	310,000.00			3,821,000.00	361,637.50
01/15/47	4,776.25	4,776.25	38,210.00	302,000.00	79,520.00	711,400.00	3,519,000.00	349,762.50
07/15/47	4,398.75	4,398.75	35,190.00	305,000.00			3,214,000.00	348,987.50
01/15/48	4,017.50	4,017.50	32,140.00	306,000.00	67,330.00	695,162.50	2,908,000.00	346,175.00
07/15/48	3,635.00	3,635.00	29,080.00	309,000.00			2,599,000.00	345,350.00
01/15/49	3,248.75	3,248.75	25,990.00	294,000.00	55,070.00	671,837.50	2,305,000.00	326,487.50
07/15/49	2,881.25	2,881.25	23,050.00	257,000.00			2,048,000.00	285,812.50
01/15/50	2,560.00	2,560.00	20,480.00	210,000.00	43,530.00	521,412.50	1,838,000.00	235,600.00
07/15/50	2,297.50	2,297.50	18,380.00	213,000.00			1,625,000.00	235,975.00
01/15/51	2,031.25	2,031.25	16,250.00	204,000.00	34,630.00	460,287.50	1,421,000.00	224,312.50
07/15/51	1,776.25	1,776.25	14,210.00	205,000.00			1,216,000.00	222,762.50
01/15/52	1,520.00	1,520.00	12,160.00	208,000.00	26,370.00	445,962.50	1,008,000.00	223,200.00
07/15/52	1,260.00	1,260.00	10,080.00	208,000.00			800,000.00	220,600.00
01/15/53	1,000.00	1,000.00	8,000.00	163,000.00	18,080.00	393,600.00	637,000.00	173,000.00
07/15/53	796.25	796.25	6,370.00	174,000.00			463,000.00	181,962.50
01/15/54	578.75	578.75	4,630.00	26,000.00	11,000.00	213,750.00	437,000.00	31,787.50
07/15/54	546.25	546.25	4,370.00	27,000.00			410,000.00	32,462.50
01/15/55	512.50	512.50	4,100.00	27,000.00	8,470.00	64,587.50	383,000.00	32,125.00
07/15/55	478.75	478.75	3,830.00	27,000.00			356,000.00	31,787.50
01/15/56	445.00	445.00	3,560.00	28,000.00	7,390.00	64,237.50	328,000.00	32,450.00
07/15/56	410.00	410.00	3,280.00	28,000.00			300,000.00	32,100.00
01/15/57	375.00	375.00	3,000.00	28,000.00	6,280.00	63,850.00	272,000.00	31,750.00
07/15/57	340.00	340.00	2,720.00	29,000.00			243,000.00	32,400.00
01/15/58	303.75	303.75	2,430.00	29,000.00	5,150.00	64,437.50	214,000.00	32,037.50
07/15/58	267.50	267.50	2,140.00	29,000.00			185,000.00	31,675.00
01/15/59	231.25	231.25	1,850.00	30,000.00	3,990.00	63,987.50	155,000.00	32,312.50
07/15/59	193.75	193.75	1,550.00	30,000.00			125,000.00	31,937.50
01/15/60	156.25	156.25	1,250.00	31,000.00	2,800.00	64,500.00	94,000.00	32,562.50
07/15/60	118.00	118.00	940.00	31,000.00			63,000.00	32,176.00
01/15/61	78.75	78.75	630.00	31,000.00	1,570.00	63,963.50	32,000.00	31,787.50
07/15/61	40.00	40.00	320.00	32,000.00			-	32,400.00
01/15/62	-	-	-	-	320.00	32,400.00	-	
							-	
Totals:	9,680,619.80	13,063,467.45	47,687,731.63	228,561,241.79	47,674,226.86	298,971,024.31		298,990,571.45

Transferred and Recycled Loans $178,770,857

	1.000%	0.750%	2.250%			DEFAULT:	0.00%	
Payment Due	Loan Loss Reserve	Admin Exp. Surcharge	Interest Payment	Principal Payment	FY Interest	FY Total	Outstanding Balance	Loan Payment
07/15/22	109,282.83	163,045.96	1,159,302.75	3,363,536.00			148,215,706.00	4,795,167.54
01/15/23	106,546.79	157,196.17	1,131,311.98	3,364,272.00	2,290,614.73	9,554,494.48	144,884,055.00	4,759,326.94
07/15/23	103,121.14	150,614.89	1,125,349.79	4,199,500.00			141,484,555.00	5,578,585.83
01/15/24	99,668.64	143,963.02	1,064,888.40	3,420,000.00	2,190,238.19	10,307,105.89	138,064,555.00	4,728,520.06
07/15/24	96,179.89	137,303.02	1,031,140.90	3,355,148.00			134,709,407.00	4,619,771.81
01/15/25	92,776.58	130,964.08	997,634.42	3,333,000.00	2,028,775.32	9,174,146.90	131,376,407.00	4,554,375.09
07/15/25	89,429.08	124,681.58	1,169,354.38	7,281,000.00			88,905,407.00	8,664,465.05
01/15/26	86,042.83	118,324.08	930,525.67	3,326,000.00	2,099,880.05	13,125,357.64	85,579,407.00	4,460,892.59
07/15/26	82,725.33	112,221.58	896,881.92	3,363,000.00			82,216,407.00	4,454,828.84
01/15/27	79,371.58	106,056.58	862,849.42	3,387,000.00	1,759,731.34	8,890,106.43	78,829,407.00	4,435,277.59
07/15/27	75,999.08	99,891.58	828,479.42	3,329,000.00			75,500,407.00	4,333,370.09
01/15/28	72,707.83	94,017.83	794,316.92	3,187,000.00	1,622,796.34	8,481,412.68	72,313,407.00	4,148,042.59
07/15/28	69,627.83	88,765.33	760,884.42	3,231,000.00			69,082,407.00	4,150,277.59
01/15/29	66,502.83	83,432.83	726,998.17	3,264,000.00	1,487,882.59	8,291,211.43	65,818,407.00	4,140,933.84
07/15/29	63,349.08	78,079.08	692,699.42	3,301,000.00			62,517,407.00	4,135,127.59
01/15/30	60,160.33	72,672.83	657,989.42	3,125,000.00	1,350,688.84	8,050,950.18	59,392,407.00	3,915,822.59
07/15/30	57,204.08	68,029.08	625,019.42	3,170,000.00			56,222,407.00	3,920,252.59
01/15/31	54,205.33	63,315.33	591,574.42	3,207,000.00	1,216,593.84	7,836,347.68	53,015,407.00	3,916,095.09
07/15/31	51,169.08	58,544.08	557,741.92	3,245,000.00			49,770,407.00	3,912,455.09
01/15/32	48,099.08	53,711.58	523,504.42	3,287,000.00	1,081,246.34	7,824,770.18	46,483,407.00	3,912,315.09
07/15/32	44,989.08	48,816.58	488,824.42	2,994,000.00			43,489,407.00	3,576,630.09
01/15/33	42,256.58	45,106.58	457,056.92	3,033,000.00	945,881.34	7,154,050.18	40,456,407.00	3,577,420.09
07/15/33	39,487.83	41,352.83	424,874.42	2,745,000.00			37,711,407.00	3,250,715.09
01/15/34	37,092.83	38,752.83	395,546.92	2,779,000.00	820,421.34	6,501,107.68	34,932,407.00	3,250,392.59
07/15/34	34,667.83	36,130.33	365,856.92	2,814,000.00			32,118,407.00	3,250,655.09
01/15/35	32,214.08	33,476.58	335,789.42	2,844,000.00	701,646.34	6,496,135.18	29,274,407.00	3,245,480.09
07/15/35	29,734.08	30,794.08	305,401.92	2,882,000.00			26,392,407.00	3,247,930.09
01/15/36	27,221.58	28,076.58	274,606.92	2,822,000.00	580,008.84	6,399,835.18	23,570,407.00	3,151,905.09
07/15/36	24,796.58	25,606.58	244,226.92	2,710,500.00			20,859,907.00	3,005,130.09
01/15/37	22,525.96	23,290.96	214,931.92	2,343,140.00	459,158.84	5,609,018.93	18,516,767.00	2,603,888.84
07/15/37	20,325.96	21,043.46	190,090.17	2,321,000.00			16,195,767.00	2,552,459.59
01/15/38	18,138.46	18,808.46	165,500.17	1,678,000.00	355,590.34	4,432,906.68	14,517,767.00	1,880,447.09
07/15/38	16,363.46	16,985.96	148,122.67	1,410,455.00			13,107,312.00	1,591,927.09
01/15/39	14,927.89	15,502.89	133,410.62	1,415,000.00	281,533.29	3,170,768.49	11,692,312.00	1,578,841.40
07/15/39	13,489.14	14,014.14	118,650.62	1,288,000.00			10,404,312.00	1,434,153.90
01/15/40	12,215.39	12,690.39	105,148.12	1,077,000.00	223,798.74	2,641,207.80	9,327,312.00	1,207,053.90
07/15/40	11,207.89	11,632.89	93,750.62	1,082,000.00			8,245,312.00	1,198,591.40
01/15/41	10,199.14	10,574.14	82,293.12	895,000.00	176,043.74	2,196,657.80	7,350,312.00	998,066.40
07/15/41	9,187.89	9,510.39	73,180.62	628,000.00			6,722,312.00	719,878.90
01/15/42	8,402.89	8,672.89	66,953.12	455,000.00	140,133.74	1,258,907.80	6,267,312.00	539,028.90
07/15/42	7,834.14	8,051.64	62,455.62	462,000.00			5,805,312.00	540,341.40
01/15/43	7,256.64	7,421.64	57,888.12	469,000.00	120,343.74	1,081,907.80	5,336,312.00	541,566.40
07/15/43	6,670.39	6,780.39	53,253.12	474,312.00			4,862,000.00	541,015.90
01/15/44	6,077.50	6,132.50	48,565.00	433,000.00	101,818.12	1,034,790.90	4,429,000.00	493,775.00
07/15/44	5,536.25	5,536.25	44,290.00	416,000.00			4,013,000.00	471,362.50
01/15/45	5,016.25	5,016.25	40,130.00	420,000.00	84,420.00	941,525.00	3,593,000.00	470,162.50
07/15/45	4,491.25	4,491.25	35,930.00	425,000.00			3,168,000.00	469,912.50
01/15/46	3,960.00	3,960.00	31,680.00	431,000.00	67,610.00	940,512.50	2,737,000.00	470,600.00
07/15/46	3,421.25	3,421.25	27,370.00	438,000.00			2,299,000.00	472,212.50
01/15/47	2,873.75	2,873.75	22,990.00	325,000.00	50,360.00	825,950.00	1,974,000.00	353,737.50
07/15/47	2,467.50	2,467.50	19,740.00	333,000.00			1,641,000.00	357,675.00
01/15/48	2,051.25	2,051.25	16,410.00	337,000.00	36,150.00	715,187.50	1,304,000.00	357,512.50
07/15/48	1,630.00	1,630.00	13,040.00	345,000.00			959,000.00	361,300.00
01/15/49	1,198.75	1,198.75	9,590.00	350,000.00	22,630.00	723,287.50	609,000.00	361,987.50
07/15/49	761.25	761.25	6,090.00	355,000.00			254,000.00	362,612.50
01/15/50	317.50	317.50	2,540.00	177,000.00	8,630.00	542,787.50	77,000.00	180,175.00
07/15/50	96.25	96.25	770.00	39,000.00			38,000.00	39,962.50
01/15/51	47.50	47.50	380.00	38,000.00	1,150.00	78,437.50	-	38,475.00
07/15/51	-	-	-	-			-	-
01/15/52	-	-	-	-	-	-	-	-
07/15/52	-	-	-	-			-	-
01/15/53	-	-	-	-	-	-	-	-
07/15/53	-	-	-	-			-	-
01/15/54	-	-	-	-	-	-	-	-
07/15/54	-	-	-	-			-	-
01/15/55	-	-	-	-	-	-	-	-
07/15/55	-	-	-	-			-	-
01/15/56	-	-	-	-	-	-	-	-
07/15/56	-	-	-	-			-	-
01/15/57	-	-	-	-	-	-	-	-
07/15/57	-	-	-	-			-	-
01/15/58	-	-	-	-	-	-	-	-
07/15/58	-	-	-	-			-	-
01/15/59	-	-	-	-	-	-	-	-
07/15/59	-	-	-	-			-	-
01/15/60								
07/15/60								
01/15/61								
07/15/61								
Totals:	5,176,710.86	6,968,066.49	38,053,930.31	178,770,857.27	38,053,930.31	228,969,564.93		228,969,564.93

Total Committed, Transferred & Recycled Loans **$407,332,099**

Payment Due	Loan Loss Reserve	Admin Exp. Surcharge	Interest Payment	Principal Payment	FY Interest	FY Total	Outstanding Balance	Loan Payment
07/15/22	205,710.32	351,965.32	1,941,417.54	7,257,707.00			244,760,865.00	9,756,800.18
01/15/23	224,913.66	361,792.28	2,091,958.35	7,489,640.29	4,033,375.89	19,925,104.76	240,196,831.50	10,168,304.58
07/15/23	216,083.33	343,517.71	2,044,742.30	8,302,348.50			240,901,660.00	10,906,691.83
01/15/24	215,796.85	333,719.98	2,012,487.83	7,269,225.00	4,057,230.13	20,737,921.49	233,632,435.00	9,831,229.66
07/15/24	207,728.82	317,052.57	1,944,202.29	7,317,385.00			226,365,050.00	9,786,368.69
01/15/25	199,731.14	300,649.89	1,909,229.74	7,862,000.00	3,853,432.03	20,057,979.45	219,143,050.00	10,271,610.77
07/15/25	191,795.51	284,359.89	2,117,686.84	13,315,000.00			170,732,050.00	15,908,842.24
01/15/26	183,758.64	267,853.64	1,738,137.10	6,613,500.00	3,855,823.94	24,712,091.62	164,118,550.00	8,803,249.38
07/15/26	176,739.89	254,099.26	1,675,783.42	6,715,500.00			157,403,050.00	8,822,122.57
01/15/27	169,666.14	240,264.89	1,607,538.35	6,723,500.00	3,283,321.77	17,563,091.95	150,679,550.00	8,740,969.38
07/15/27	162,532.39	226,361.76	1,541,212.10	6,702,500.00			143,977,050.00	8,632,606.25
01/15/28	155,442.39	212,673.64	1,474,693.35	6,490,500.00	3,015,905.45	16,965,915.63	137,486,550.00	8,333,309.38
07/15/28	148,656.76	199,930.51	1,409,173.35	6,555,000.00			130,931,550.00	8,312,760.63
01/15/29	141,804.26	187,075.51	1,342,887.10	6,461,000.00	2,752,060.45	16,445,527.50	124,470,550.00	8,132,766.88
07/15/29	135,064.26	174,736.76	1,277,460.85	6,418,500.00			118,052,050.00	8,005,761.88
01/15/30	128,368.64	162,691.14	1,212,404.60	5,950,500.00	2,489,865.45	15,459,726.25	112,101,550.00	7,453,964.38
07/15/30	122,030.51	152,096.76	1,151,548.35	5,993,000.00			106,108,550.00	7,418,675.63
01/15/31	115,611.76	141,421.76	1,090,129.60	5,846,000.00	2,241,677.95	14,611,838.75	100,262,550.00	7,193,163.13
07/15/31	109,345.51	131,311.76	1,029,963.35	5,896,500.00			94,366,050.00	7,167,120.63
01/15/32	103,034.89	121,147.39	969,273.35	5,910,500.00	1,999,236.70	14,271,076.25	88,455,550.00	7,103,955.63
07/15/32	96,710.51	111,069.26	908,389.60	5,567,000.00			82,888,550.00	6,683,169.38
01/15/33	90,829.26	102,415.51	850,923.35	5,435,500.00	1,759,312.95	13,162,837.50	77,453,050.00	6,479,668.13
07/15/33	85,124.89	94,439.89	794,747.10	5,151,500.00			72,301,550.00	6,125,811.88
01/15/34	79,790.51	87,658.01	741,385.85	5,210,500.00	1,536,132.95	12,245,146.25	67,091,050.00	6,119,334.38
07/15/34	74,396.14	80,819.89	687,412.10	5,259,393.00			61,831,657.00	6,102,021.13
01/15/35	68,959.40	73,960.65	632,921.92	4,836,500.00	1,320,334.02	11,714,363.09	56,995,157.00	5,612,341.96
07/15/35	64,043.77	68,287.52	582,609.42	4,783,500.00			52,211,657.00	5,498,440.71
01/15/36	59,211.90	62,683.15	532,799.42	4,713,500.00	1,115,408.84	10,866,635.18	47,498,157.00	5,368,194.46
07/15/36	54,461.27	57,361.27	483,504.42	4,613,000.00			42,885,157.00	5,208,326.96
01/15/37	49,870.02	52,185.02	435,184.42	4,184,640.00	918,688.84	9,930,206.43	38,700,517.00	4,721,879.46
07/15/37	45,411.90	47,203.15	391,927.67	4,186,250.00			34,514,267.00	4,670,792.71
01/15/38	40,939.08	43,260.06	351,545.17	3,417,000.00	743,472.84	8,523,537.03	31,383,267.00	3,853,185.84
07/15/38	37,427.83	38,915.33	316,777.67	2,972,455.00			28,410,812.00	3,365,575.84
01/15/39	34,042.27	35,404.77	286,445.62	2,724,000.00	603,223.29	6,445,468.49	25,686,812.00	3,079,892.65
07/15/39	30,971.02	32,199.77	258,595.62	2,613,000.00			23,073,812.00	2,934,766.40
01/15/40	28,043.52	29,142.27	231,843.12	2,362,500.00	490,438.74	5,586,295.30	20,711,312.00	2,651,528.90
07/15/40	25,432.89	26,397.89	207,590.62	2,316,000.00			18,395,312.00	2,575,421.40
01/15/41	22,886.64	23,714.14	183,793.12	2,012,500.00	391,383.74	4,818,315.30	16,382,812.00	2,242,893.90
07/15/41	20,478.52	21,178.52	163,505.62	1,728,000.00			14,654,812.00	1,933,162.65
01/15/42	18,318.52	18,891.02	146,278.12	1,494,500.00	309,783.74	3,611,150.30	13,160,312.00	1,677,987.65
07/15/42	16,450.39	16,892.89	131,385.62	993,000.00			12,167,312.00	1,157,728.90
01/15/43	15,209.14	15,521.64	121,508.12	828,500.00	252,893.74	2,138,467.80	11,338,812.00	980,738.90
07/15/43	14,173.52	14,358.52	113,278.12	810,812.00			10,528,000.00	952,622.15
01/15/44	13,160.00	13,215.00	105,225.00	739,000.00	218,503.12	1,823,222.15	9,789,000.00	870,600.00
07/15/44	12,236.25	12,236.25	97,890.00	724,000.00			9,065,000.00	846,362.50
01/15/45	11,331.25	11,331.25	90,650.00	735,000.00	188,540.00	1,694,675.00	8,330,000.00	848,312.50
07/15/45	10,412.50	10,412.50	83,300.00	726,000.00			7,604,000.00	830,125.00
01/15/46	9,505.00	9,505.00	76,040.00	736,000.00	159,340.00	1,661,175.00	6,868,000.00	831,050.00
07/15/46	8,585.00	8,585.00	68,680.00	748,000.00			6,120,000.00	833,850.00
01/15/47	7,650.00	7,650.00	61,200.00	627,000.00	129,880.00	1,537,350.00	5,493,000.00	703,500.00
07/15/47	6,866.25	6,866.25	54,930.00	638,000.00			4,855,000.00	706,662.50
01/15/48	6,068.75	6,068.75	48,550.00	643,000.00	103,480.00	1,410,350.00	4,212,000.00	703,687.50
07/15/48	5,265.00	5,265.00	42,120.00	654,000.00			3,558,000.00	706,650.00
01/15/49	4,447.50	4,447.50	35,580.00	644,000.00	77,700.00	1,395,125.00	2,914,000.00	688,475.00
07/15/49	3,642.50	3,642.50	29,140.00	612,000.00			2,302,000.00	648,425.00
01/15/50	2,877.50	2,877.50	23,020.00	387,000.00	52,160.00	1,064,200.00	1,915,000.00	415,775.00
07/15/50	2,393.75	2,393.75	19,150.00	252,000.00			1,663,000.00	275,937.50
01/15/51	2,078.75	2,078.75	16,630.00	242,000.00	35,780.00	538,725.00	1,421,000.00	262,787.50
07/15/51	1,776.25	1,776.25	14,210.00	205,000.00			1,216,000.00	222,762.50
01/15/52	1,520.00	1,520.00	12,160.00	208,000.00	26,370.00	445,962.50	1,008,000.00	223,200.00
07/15/52	1,260.00	1,260.00	10,080.00	208,000.00			800,000.00	220,600.00
01/15/53	1,000.00	1,000.00	8,000.00	163,000.00	18,080.00	393,600.00	637,000.00	173,000.00
07/15/53	796.25	796.25	6,370.00	174,000.00			463,000.00	181,962.50
01/15/54	578.75	578.75	4,630.00	26,000.00	11,000.00	213,750.00	437,000.00	31,787.50
07/15/54	546.25	546.25	4,370.00	27,000.00			410,000.00	32,462.50
01/15/55	512.50	512.50	4,100.00	27,000.00	8,470.00	64,587.50	383,000.00	32,125.00
07/15/55	478.75	478.75	3,830.00	27,000.00			356,000.00	31,787.50
01/15/56	445.00	445.00	3,560.00	28,000.00	7,390.00	64,237.50	328,000.00	32,450.00
07/15/56	410.00	410.00	3,280.00	28,000.00			300,000.00	32,100.00
01/15/57	375.00	375.00	3,000.00	28,000.00	6,280.00	63,850.00	272,000.00	31,750.00
07/15/57	340.00	340.00	2,720.00	29,000.00			243,000.00	32,400.00
01/15/58	303.75	303.75	2,430.00	29,000.00	5,150.00	64,437.50	214,000.00	32,037.50
07/15/58	267.50	267.50	2,140.00	29,000.00			185,000.00	31,675.00
01/15/59	231.25	231.25	1,850.00	30,000.00	3,990.00	63,987.50	155,000.00	32,312.50
07/15/59	193.75	193.75	1,550.00	30,000.00			125,000.00	31,937.50
01/15/60	156.25	156.25	1,250.00	31,000.00	2,800.00	64,500.00	94,000.00	32,562.50
07/15/60	118.00	118.00	940.00	31,000.00			63,000.00	32,176.00
01/15/61	78.75	78.75	630.00	31,000.00	1,570.00	63,963.50	32,000.00	31,787.50
07/15/61	40.00	40.00	320.00	32,000.00			-	32,400.00
					320.00	32,400.00		
Totals:	14,764,779	19,938,982	85,001,252	398,267,099	70,256,071	527,944,589.24		517,969,623

APPENDIX B

SFY23 FINANCIAL STATEMENTS UNAUDITED WITH FOOTNOTES

Will be included upon completion

APPENDIX C

SFY23 INTENDED USE PLAN

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

State Fiscal Year 2023

August 15, 2022

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Water Quality Division
Drinking Water State Revolving Fund
1520 East Sixth Avenue
P.O. Box 200901
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TABLE OF CONTENTS

Table of Contents i
List of Tables i
1.0 Introduction 1
2.0 Long-Term Goals 2
3.0 Short-Term Goals 2
4.0 Project Priority List 4
4.1 Eligible Systems 4
4.2 Limitations on Individual Project Financing 5
5.0 Subsidies to Disadvantaged Communities 5
6.0 Anticipated Funding List 6
7.0 Criteria and Method Used for Distribution of Funds 10
8.0 Financial Status 11
9.0 Uses of the Drinking Water Revolving Fund 16
10.0 Transfer of Funds between the WPCSRF and the DWSRF 18
11.0 Set-Asides 20
11.1 Administration 20
11.2 State Programs 21
11.2.1 Public Water Supply Supervision (PWSS) 21
11.2.2 Source Water Protection 21
11.2.3 Capacity Development 21
11.2.4 Operator Certification 22
11.3 Small System Technical Assistance 22
11.4 Local Assistance 24
11.4.1 Capacity Development 24
11.4.2 Wellhead Protection Program 24

APPENDIX 1: RANKING CRITERIA FOR DWSRF PRIORITY LIST
APPENDIX 2: DWSRF COMPREHENSIVE PROJECT LIST—SFY 2023
APPENDIX 3: GLOSSARY OF ACRONYMS AND INITIALIZATIONS

LIST OF TABLES

Table 1. DWSRF Projects Anticipated to Receive Funding SFY 2023 6
Table 2. Federal Grants and State Matches by FFY for Base Grant 12

Table 3. Federal Grants and State Matches by FFY for Supplemental Grant 12
Table 4. State DWSRF Set-Aside Activity for the Base Grant 14
Table 5. State DWSRF Set-Aside Activity for the Supplemental Grant 14
Table 6. DWSRF Base Grant Funding Status 15
Table 7. DWSRF Supplemental Grant Funding Status 16
Table 8. Amounts Available to Transfer between SRF Programs for the Base Grant 19
Table 9. Amounts Available to Transfer between SRF Programs for the Supplemental Grant 20

1.0 INTRODUCTION

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

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

The DWSRF program received U.S. Environmental Protection Agency (EPA) approval and was awarded its first (Federal Fiscal Year [FFY] 1997) capitalization grant on June 30, 1998. The FFY 1998 through 2022 capitalization grants have subsequently been awarded. DEQ will likely apply for at least portions of the FFY 2023 grant later in State Fiscal Year (SFY) 2023. In 2021, the Infrastructure Investment and Jobs Act of 2021 (also known as the Bipartisan Infrastructure Law [BIL]) was signed into law. The BIL includes, among other things, an additional capitalization grant that state DWSRF programs can apply for separately from the 'base' grant and is referred to as DWSRF General Supplemental Funding. Both grants are discussed in this document and will be referred to as the base grant and supplemental grant, respectively.

The DWSRF program offers below-market loans for construction of public health-related infrastructure improvements as well as provides funding for other activities related to public health and compliance with the SDWA. These other activities, or set-asides, include administration of the DWSRF program, technical assistance to small communities, as well as financial and managerial assistance, source water protection (SWP) activities, operator certification and assistance with administration of activities in the Public Water Supply Program (PWSP). Set-asides are discussed in more detail in Section 11.

As the primacy agency responsible for implementation of the SDWA, DEQ is also responsible for the oversight of the State Revolving Fund (SRF) program. This role consists primarily of providing technical expertise, while DNRC provides financial administration of project loans and oversees the sale of state General Obligation (GO) bonds. A portion of the funds for this program come to Montana in the form of capitalization grants through EPA. For the base grant, Montana provides the required 20% matching funds by issuing state GO bonds. For FFY 2022, the supplemental grant has a required match of 10% of the grant which will also be covered by issuing state GO bonds. Interest on the project loans is used to pay the GO bonds, thus using no state general funds to operate the program. The repaid principal on the project loans is used to rebuild the DWSRF loan fund and to fund additional projects in the future. Since the inception of the program, federal capitalization grants had only been authorized through FFY 2004. Still, Congress has continued to appropriated funds each year. In 2021, the BIL included language that reauthorizes the base federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. The BIL also authorizes additional appropriations which encompass the supplemental federal

capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. Federal and state law requires the DWSRF to be operated in perpetuity.

The 1996 Amendments to SDWA include requirements for each state to prepare an annual IUP for each capitalization grant application. This is the central component of the capitalization grant application and describes how the state will use the DWSRF to meet SDWA objectives and further the protection of public health. Regarding additional grant funding from BIL, EPA is giving states the option to issue one IUP for both the base and supplemental FFY 2022 grants. This IUP contains the following elements pertaining to both the base and supplemental grants:

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

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

2.0 LONG-TERM GOALS

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

3.0 SHORT-TERM GOALS

1. To continue implementing and maintaining the DWSRF program in Montana.
2. To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection By-Products Rule, the Surface Water Treatment Rule, the Long Term 2 Enhanced Surface Water Treatment Rule, the Revised Total Coliform Rule, and the Radionuclides Rule. Montana anticipates funding at least 7 projects to address these rules in SFY 2023.
3. To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expects to fund 2 consolidation projects in SFY 2023.

4. To fund projects that address replacement of aging infrastructure. Montana anticipates funding at least 27 projects of this type in SFY 2023.
5. To fund projects that develop system sustainability through financial capacity by refinancing existing debt. No refinancing of loans is expected in SFY 2023.
6. To ensure the technical integrity of DWSRF projects through the review of planning, design plans and specifications, and construction activities.
7. To provide outreach to communities and utilize the set-aside funding by:
    a. Providing technical assistance to water supplies who request help with their system operation and maintenance procedures.
    b. Providing financial and managerial assistance as part of capacity development education to those water supplies who request this type of help.
    c. Assisting communities with the next phases of implementation of their Source Water/ Wellhead Protection Plans.
    d. Emphasizing that PWSP staff perform sanitary surveys; facilitate SDWA compliance with all the National Primary Drinking Water Regulations such as the Lead and Copper Rule, all the Surface Water Treatment Rules, the Stage 2 Disinfectant/Disinfection By-Products Rule, the Revised Total Coliform Rule, and the Groundwater Rule.
    e. Ensuring that 95% or more of the state's community and non-transient non-community water systems continue to have certified operators.
8. To ensure the financial integrity of the DWSRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.
9. To ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations.

In SFY 2023, Montana expects to execute 36 new binding commitments, and close 36 loans totaling approximately $60 million in drinking water infrastructure projects that will serve a total population of approximately 76,723. (Please see Anticipated Funding List, **Section 6.0**).

Through SFY 2022, Montana's DWSRF fund utilization rate (cumulative loan agreement dollars to the cumulative funds available for projects) was approximately 96% ($439.7M in loans to $456.0M available funds). In the coming SFY 2023, with both base and supplemental grant funds, we anticipate our pace to be over 100% ($499.7M in expected loans to approximately $497.9M in funds available for projects).

In SFY 2022, the rate at which DWSRF projects progressed as measured by disbursements as a percent of assistance provided was approximately 89.8% ($395.0M in disbursements to $439.7M in non-ARRA loans), above the national average of 85%. In SFY 2023, the DWSRF program intends to maintain this construction pace at or above 90%.

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

The PWSP will continue to develop, maintain, and utilize the Safe Drinking Water Information System (SDWIS)/State database for compliance reporting; develop, maintain, and implement requirements for primacy of all primary SDWA contaminants, and perform over 500 engineering design reviews for proposed water system improvement projects. The Operator Certification program is planning to hold,

sponsor, or participate in approximately 15 training workshops and administer approximately 300 certification exams.

Finally, the SWP program has previously completed all Source Water Delineation and Assessments reports and will continue SWP Plan implementation in SFY 2023.

4.0 PROJECT PRIORITY LIST

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

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

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

4.1 ELIGIBLE SYSTEMS

The SDWA allows DWSRF assistance to publicly and privately-owned community water systems and nonprofit non-community water systems, other than systems owned by Federal agencies. Federal Regulations also set forth certain circumstances under which systems that will become community water systems upon completion of a project may be eligible for assistance. The SDWA requires that loan recipients must demonstrate the technical, financial, and managerial capacity (TFM) to comply with the SDWA and not be in significant noncompliance with any requirement of a national primary drinking water standard or variance. The DEQ and DNRC will assess TFM and compliance in accordance with Chapter One of their Handbook of Procedures after loan applications have been received. Those systems lacking in TFM or compliance may still be eligible for a loan if the loan will address the non-compliance, or the system agrees to undertake feasible and appropriate changes in operations, which may include changes in ownership, management, accounting, rates, maintenance, consolidation, alternative water supply or other procedures as an enforceable term of the loan agreement or pursuant to an enforceable Administrative or Court Order. (Please also see discussion of Capacity Development, **Section 11.4.1**.)

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

4.2 LIMITATIONS ON INDIVIDUAL PROJECT FINANCING

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

5.0 SUBSIDIES TO DISADVANTAGED COMMUNITIES

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

A community is considered economically disadvantaged when its combined annual water and wastewater system rates are greater than or equal to 2.3% of the community's Median Household Income (MHI). If the community has only a water system, the percentage is 1.4% of the community's MHI. These percentages are consistent with affordability requirements for other state funding agencies in Montana. The water and sewer rates used for this calculation include new and existing debt service and required coverage, new and existing operation and maintenance charges, and normal depreciation and replacement expenses.

For SFY 2023, to assist these economically disadvantaged communities, the DWSRF loan program will provide to qualifying communities 75% principal forgiveness of the loan amount, up to a maximum of $750,000. The regular interest rate will apply to the balance of the loan. Only one principal forgiveness subsidy, up to $750,000 total, will be allowed per project. Projects with the highest user rates relative to MHI will be given priority status. Refinancing of existing debt is not eligible for principal forgiveness. SRF funding must be utilized to include actual project construction and not just for preliminary or design engineering only. A project must be ready to proceed to construction. That is defined to include having all required permits and approvals, complete project funding in place, and in a position to advertise for bids and make a contract award.

The total amount of principal forgiveness that the DWSRF may allocate under the FFY 2022 base capitalization grant will be limited to 30% of that capitalization grant. This measure is taken to ensure that the corpus of the DWSRF fund will be maintained and that the program will be able to operate in perpetuity, while still providing some additional assistance to economically disadvantaged communities. The total amount of principal forgiveness that the DWSRF may allocate under the FFY 2022 supplemental capitalization grant will be limited to 49% of that capitalization grant. This amount is stipulated in the BIL. If any capitalization grant funds are transferred to the WPCSRF program, the corresponding principal forgiveness amount (30% [base] or 49% [supplemental]) will also be transferred.

6.0 ANTICIPATED FUNDING LIST

DEQ became eligible to apply for the FFY 2022 federal capitalization grant on October 1, 2021, and this grant has subsequently been awarded. It is anticipated that we will apply for the FFY 2023 grant later in SFY 2023.

Montana matches its base federal capitalization grant by 20% using state GO bonds, which would result in an 83/17 federal to state ratio in total. Montana will match its supplemental federal capitalization grant by 10% as required in the BIL for FFY 2022 using state GO bonds resulting in an 91/9 federal to state ratio in total. Since set-aside activities are funded entirely by federal grant funds, it leaves a lesser amount of federal funds, combined with all the state match funds, to be used on projects. Montana also periodically deposits DWSRF fees into the fund to also be used for match.

During SFY 2023, the State of Montana will continue to issue state match bonds and sweep excess SRF fees, and deposit both sources of match into the SRF to be used for projects. These funds will be used to match future federal grants.

Table 1 contains those projects that the DWSRF program anticipates will be funded with both the base and supplemental FFY 2022 capitalization grants as well as previous capitalization grants, in conjunction with the respective state match (20% for the base grant and 10% for the supplemental grant). This list represents those projects most likely to proceed, starting from the highest ranked projects on the comprehensive priority list (see discussion of ranking criteria in **Appendix 1**). Projects that qualify for potential principal forgiveness are indicated with a "P" beside the proposed project cost. Projects that are anticipated to be funded from the base grant will be denoted as 'Base' in the SRF Cost Column. Projects anticipated to be funded from the supplemental grant will be denoted as 'BIL' in the SRF Cost column. It is possible that, if other projects are ready to proceed before those on this list, the actual projects that are ultimately funded may vary from those indicated on this list. This did occur during calendar years 1998 through 2021. It is expected to happen again due to the high variability in project schedules, needs, other funding sources, etc.

Table 1. DWSRF Projects Anticipated to Receive Funding SFY 2023

Priority Rank	Project	Project Information	SRF Cost
2	South Wind W&SD	Population: 200. Construct next phase of system improvements, including new well and storage. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$750,000 Base
5	Whitehall	Population: 1038. New ion exchange treatment plant and associated raw and finished water transmission mains, main replacement, looping. Expected loan terms are interim financing at 1.75% interest over a 3-year period for $900,000 and 2.5% interest over a 20-year period for $1,000,000. Funding for this project is expected to include federally assisted funds.	$1,900,000 P Base

Priority Rank	Project	Project Information	SRF Cost
13	Harlem	Population: 822. Water distribution and WTP improvements for DBPs. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	$770,000 Base
15	Lewistown	Population: 5883. Disinfection & Distribution Improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$2,740,000 Base
17	Alberton	Population: 420. Water System Improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$889,000 Base
18	Philipsburg	Population: 768. Membrane filtration to address SWTR, new pumps, distribution work. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,000,000 P Base
27	Loma CWSD	Population: 300. Connection to regional water system. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$690,000 P Base
32	Chester	Population: 847. WTP improvements for DBPs. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$125,000 Base
33	Fort Benton	Population: 1464. New RO treatment system to address secondary contaminants. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$3,251,000 P Base
34	Gore Hill CWD	Population: 570. Water System Improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$997,000 Base
36	Power-Teton WSD	Population: 172. Project to include new proposed ground water source for District. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	$884,300 Base

Priority Rank	Project	Project Information	SRF Cost
42	Shelby System Improvements	Population: 160. Install new 250,000-gallon elevated tank, transmission main and an additional 500,000-gallon tank at the wellfield booster station. Expected 20-year loan term at 2.5% interest. Funding for this project is expected to include federally assisted funds.	$1,500,000 Base
43	Miles City	Population: 8487. Treatment plant and storage tank. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,950,000 Base
47	Glendive Distribution	Population: 5353. Water system improvements – main replacement. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,062,594 BIL
48	Three Forks	Population: 1888. Construct water system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$2,392,000 P BIL
56	Kalispell Storage	Population: 25,000. Replace two existing tank roofs. Expected loan terms are 2.50% interest over a 30-year period. Funding for this project is expected to include federally assisted funds.	$7,505,000 BIL
62	Big Sandy	Population: 677. Connection to regional water system. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,277,000 P BIL
63	Circle	Population: 615. Construct distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$240,000 P BIL
71	Cut Bank	Population: 3105. Construct a new one million-gallon concrete storage tank. Expected loan terms are 2.50% interest over a 30-year period. Funding for this project is expected to include federally assisted funds.	$1,500,000 P BIL
76	Bigfork WSD	Population: 4,668. Distribution system improvements and new generator. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,065,000 BIL

Priority Rank	Project	Project Information	SRF Cost
81	Basin WSD	Population: 227. Replace leaking service lines. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$400,000 P BIL
83	Big Sky Mountain Village	Population: 3,000. Project to include transmission mains, generators, meters, new well, and treatment. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$2,575,000 BIL
84	Ponderilla Hills WSD	Population: 43. Distribution and transmission main replacement project. Expected 20-year loan term at 2.5% interest. Funding for this project is expected to include federally assisted funds.	$488,000 P BIL
87	Bigfork WSD	Population: 4668. Construct new storage tank and transmission main. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$3,116,000 P BIL
90	Choteau	Population: 1714. Water system improvements – main replacement and new well. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	$3,250,000 BIL
92	Richey	Population: 200. Water system improvements – main replacements. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	$426,000 BIL
96	Red Lodge Distribution	Population: 619. Distribution improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,740,000 BIL
105	Sunny Meadows WSD	Population: 130. Engineering loan for distribution replacement project. Expected loan term of 2.5% for 20-years with the use of federal funds expected.	$50,000 BIL
108	Sidney Phase 3	Population: 5191. Construct distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,000,000 P BIL

Priority Rank	Project	Project Information	SRF Cost
110	Culbertson	Population: 795. Distribution system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$215,000 P BIL
112	Harlowton Distribution	Population: 899. Water system improvements. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$714,000 P BIL
113	Coram	Population: 271. Construction of a new 200,000-gallon storage tank. Expected loan term of three years at 1.75% interest for RD interim funding. Funding for this project is expected to include federally assisted funds.	$607,000 BIL
117	Kalispell Supply	Population: 25,000. Install new water supply wells and a 1 million-gallon elevated water storage tank. Expected loan term of 20-years at 2.5% interest. Funding is expected to included federal funds.	$9,850,000 BIL
123	Fort Benton	Population: 1464. New storage tank. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$1,071,000 P BIL
126	Plains	Population: 1048. Construct distribution system improvements and install meters. Expected loan terms are 2.50% interest over a 20-year period. Funding for this project is expected to include federally assisted funds.	$420,000 P BIL
133	Broadview	Population: 150. Water system improvements. Expected loan terms are 1.75% for interim funding of RD project. Funding for this project is expected to include federally assisted funds.	$1,500,000 BIL
	TOTAL		**$59,909,894**

7.0 CRITERIA AND METHOD USED FOR DISTRIBUTION OF FUNDS

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

DEQ initially proposed balancing these factors, with slightly more emphasis placed on health and compliance and less on affordability and readiness to proceed. In discussions with EPA and with our

state's DWSRF Advisory Committee, it became clear that health risks and compliance issues needed to be given even more emphasis, and that readiness to proceed could be eliminated and handled through bypass procedures. (Please see **Appendix 1** for explanation of bypass procedures.)

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

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

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

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

Summary of Ranking Criteria for DWSRF Priority List

1. Documented health risks
   a. Acute health risks - 120 points maximum
   b. Non-acute health risks - 60 points maximum

2. Proactive compliance measures - 50 points maximum

3. Potential health risks
   a. Microbiological health risks - 25 points maximum
   b. Nitrate or nitrite detects - 25 points
   c. Chemical contaminant health risks - 20 points maximum

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

5. Affordability - 20 points maximum

8.0 FINANCIAL STATUS

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

each FFY for the base and the supplemental grants to-date are listed in **Table 2** and **Table 3**, respectively.

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

FFY	Federal Grant	State Match
1997	$14,826,200	$2,965,240
1998	$7,121,300	$1,424,260
1999	$7,463,800	$1,492,760
2000	$7,757,000	$1,551,400
2001	$7,789,100	$1,557,820
2002	$8,052,500	$1,610,500
2003	$8,004,064	$1,600,813
2004	$8,303,100	$1,660,620
2005	$8,285,500	$1,657,100
2006	$8,229,300	$1,645,860
2007	$8,229,000	$1,645,800
2008	$8,146,000	$1,629,200
2009	$8,146,000	$1,629,200
2010	$13,573,000	$2,714,600
2011	$9,418,000	$1,883,600
2012	$8,975,000	$1,795,000
2013	$8,421,000	$1,684,200
2014	$8,845,000	$1,769,000
2015	$8,787,000	$1,757,400
2016	$8,312,000	$1,662,400
2017	$8,241,000	$1,648,200
2018	$11,107,000	$2,221,400
2019*	$11,103,000	$2,220,600
2020	$11,011,000	$2,202,200
2021	$11,001,000	$2,200,200
2022	$7,008,000	$1,401,600
TOTAL	**$236,154,864**	**$47,230,973**

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

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

FFY	Federal Grant	State Match
2022	$17,992,000	$1,799,200
TOTAL	**$17,992,000**	**$1,799,200**

The impacts of funding decisions on the long-term financial health of the DWSRF are evaluated frequently during the course of the fiscal year. Prior to the application for a capitalization grant, DEQ program staff review and establish the requested set-aside amounts. States are given the flexibility to set aside specified dollar amounts of a capitalization grant to support state programs to meet the federal SDWA requirements (for a detailed description of set-asides, see Section 11). The total set-aside amounts for the year are then considered in evaluating the status and availability of loan funds. For the FFY 2022 grants, states have the option to take set-asides from both the base and supplemental grants.

For SFY 2023, DEQ program staff will take set-asides from both grants. See **Table 4** for the base grant set-aside amounts and **Table 5** for the supplemental grant set-aside amounts.

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

Set-Aside		Through FFY 2021 Grant	FFY 2022 Set-Aside (for SFY 2023)	% of 2022 Grant	Total	Reserved Authority (year)	Reserved Authority Applied to Previous Grants	Total Remaining Authority Reserved
4% Administration		9,242,356	400,000	5.7%	9,642,356			0
10% State Program	Public Water Supply Supervision	13,238,174	530,000	7.6%	13,768,174	155,000 (2001) 92,930 (2006)	118,400 (2009) 95,000 (2011) 32,500 (2012)	2,030
	Source Water Protection	2,090,511	0	0%	2,090,511			0
	Capacity Development	1,445,393	0	0%	1,445,393	50,000 (2003)	50,000 (2012)	0
	Operator Certification	2,283,392	170,000	2.4%	2,453,392	70,000 (2001)	70,000 (2012)	0
Subtotal		*19,057,470*	*700,000*	*10%*	*19,757,470*			
2% Small System Technical Assistance		2,335,726	108,000	1.5%	2,443,726	155,140 (2000) 155,782 (2001) 144,585 (2006)		455,507
15% Local Assistance	Loan Assistance for SWP						,	
	Capacity Development	2,082,500	570,000	8.1%	2,652,500			
	Source Water Assessment[a]	1,482,620	-	--	1,482,620			
	Wellhead Protection	1,771,400	200,000	2.9%	1,971,400			
Total		**$35,972,072**	**$1,978,000**	**28.2%**	**$37,950,072**	**$823,437**	**$365,900**	**$457,537**

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

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

Set-Aside	Through FFY 2021 Grant	FFY 2022 Set-Aside (for SFY 2023)	% of 2022 Grant	Total	Reserved Authority (year)	Reserved Authority Applied to Previous Grants	Total Remaining Authority Reserved
4% Administration	N/A	$719,680	4.0%	$719,680	-	-	-
Total	**N/A**	**$719,680**	**4.0%**	**$719,680**	**$0**	**$0**	**$0**

The state also evaluates the financial health of the program by examining both short- and long-term cash flows. Each loan is evaluated, and security is required to ensure that loans will be repaid to the fund. The long-term cash flows extend over 20 years. This demonstrates there will be funding for future projects and that the fund will continue to grow. **Table 6** shows the funding status for the DWSRF base grant and **Table 7** shows the funding status for the DWSRF supplement grant.

Table 6. DWSRF Base Grant Funding Status

	Projected thru SFY 2022	**Projected for SFY 2023**	**Total**
SOURCE OF FUNDS			
Federal Capitalization Grants	$229,146,864	$7,008,000	
Set-Asides (**Section 11.0**)	($35,972,072)	($1,978,000)	
Total to Loan Fund	**$193,174,792**	**$5,030,000**	**$198,204,792**
State Match			
Bond Proceeds	$51,908,980	$2,200,000	$54,108,980
Loan Loss Reserve Sweeps	$10,667,190	$500,000	$11,167,190
Loan Repayments	$186,874,934	$15,000,000	$201,874,934
Interest on Fund Investments	$2,111,560	$30,000	$2,141,560
Transfers from WPCSRF	$11,282,486	$0	$11,282,486
Total Source of Funds	**$456,019,942**	**$22,760,000**	**$478,779,942**
USE OF FUNDS			
Loans Executed			
Direct Loans	$439,744,267		$439,744,267
Transfer to WPCSRF	$22,130,213	$0	$22,130,213
Total Uses			$461,874,480
Funds Available for Loan			**$16,905,462**
Projected IUP Loans			
Direct Loans (SFY 2023)		$17,446,300	$17,446,300
Projected Balance Remaining			**($540,838)**

Table 7. DWSRF Supplemental Grant Funding Status

	Projected thru SFY 2022	Projected for SFY 2023	Total
SOURCE OF FUNDS			
Federal Capitalization Grants	$0	$17,992,000	
Set-Asides (**Section 11.0**)	$0	($719,680)	
Total to Loan Fund	$0	**$17,272,320**	**$17,272,320**
State Match			
Bond Proceeds	$0	$1,799,200	$1,799,200
Loan Loss Reserve Sweeps	$0	$0	$0
Loan Repayments	$0	$0	$0
Interest on Fund Investments	$0	$0	$0
Transfers from WPCSRF	$0	$0	$0
Total Source of Funds	**$0**	**$19,071,520**	**$19,071,520**
USE OF FUNDS			
Loans Executed			
Direct Loans	$0		$0
Transfer to WPCSRF	$0	$0	$0
Total Uses			$0
Funds Available for Loan			**$19,071,520**
Projected IUP Loans			
Direct Loans (SFY 2023)		$42,463,594	$42,463,594
Projected Balance Remaining			**($23,392,074)**

9.0 USES OF THE DRINKING WATER REVOLVING FUND

The DWSRF may be used to:

1. Provide low interest loans to communities for cost-effective drinking water treatment systems, source developments and improvements, finished water storage, and distribution system improvements. The low interest loans can be made for up to 100% of the total project cost. At the beginning of SFY 2023 approximately $439.7 million in loans (non-ARRA) have been made to communities in Montana. All these loans have had a total loan interest rate of 4% or less. Beginning July 1, 2003, interest costs decreased to a total loan interest rate of 3.75% or less. Beginning July 1, 2012, interest costs decreased to a total loan interest rate of 3.00% or less. Beginning July 1, 2014, interest costs decreased to a total loan interest rate of 2.50% or less.

   Program interest rates are evaluated and set annually. To establish the program interest rate, several items are considered, including the costs of the state's match. The ability to provide a lowest possible cost is also a consideration in setting the interest rate. In SFY 2023, the program will provide principal forgiveness for a portion of the loan to help some economically struggling communities. The financial advisor also provides information to help the program provide interest rates below the market rate.

2. Refinance qualifying debt obligations for drinking water facilities if the debt was incurred and construction initiated after July 1, 1993. At the beginning of SFY 2023, approximately $23,680,591 of debt has been refinanced through this program;

3. Guarantee or purchase insurance for local debt obligations. At the beginning of SFY 2023, no loans have been made for this purpose;

4. Provide a source of revenue or security for GO bonds and Bond Anticipation Notes (BANs), the proceeds of which are deposited in the revolving fund. At the beginning of SFY 2023, $7,000,000 will be provided for this purpose. There is a 0.25% loan loss reserve surcharge included as part of the 2.5% interest rate. The use of the surcharge is to pay principal and interest on state GO Bonds if the Debt Service Account is insufficient to make payments. This is to secure $4,900,000 in BANs. The excess over the required reserve was transferred to the principal account to make loans;

5. Provide loan guarantees for similar revolving funds established by municipalities. At the beginning of SFY 2023, no loans have been made for this purpose;

6. Earn interest on program fund accounts. At the beginning of SFY 2023, our cash flow demonstrates this program will continue to be a strong source of loan funds once the federal grants are terminated. Interest income to date can be used to pay off program GO Bond debt and RANs. The projected interest of approximately $30,000 in SFY 2023 will be used to pay debt or make loans in the program;

7. Pay reasonable administrative costs of the DWSRF program not to exceed 4% (or the maximum amount allowed under the federal act) of all federal grants awarded to the fund. If in the unlikely event there are unused administrative funds, they will be spent on administrative costs in the subsequent fiscal year. In addition to using DWSRF funds for administration, each loan has an administrative surcharge included in the 2.5% interest rate charged to borrowers. The surcharge is 0.25%. The revenue generated from this fee and surcharge, will be used for DWSRF administration costs not covered by the EPA grants after capitalization grants cease and pay for administration of recycled projects. At the beginning of SFY 2023, there was approximately $1,539,700 available for this purpose. If needed, these administrative funds could be transferred to the principal account and used to make loans.

Since the inception of the program, federal capitalization grants had only been authorized through FFY 2004. Still, Congress has continued to appropriate funds each year. In 2021, the BIL included language that reauthorizes the base federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. The BIL also authorizes additional appropriations which encompass the supplemental federal capitalization grant for each federal fiscal year from FFY 2022 through FFY 2026. While Congress continues to appropriate funds each year, it should be noted that when capitalization grants are no longer available, the program is expected to be capitalized and to operate on its own revenue.

One option available to states is to use the federal funds to leverage additional state bond funds. This makes available more money to meet high demands, but it increases the financing costs and thus the loan rate charged to communities and districts. DEQ and DNRC still do not recommend using the program in this manner at this time, and do not currently foresee changing to a leveraged approach. The two departments previously explained the leveraging option to the Advisory Committee and to the

people attending the 1997 public hearings, along with their recommendation not to pursue leveraging. The advisory committee concurred, and general agreement with this recommendation was expressed at each hearing.

10.0 TRANSFER OF FUNDS BETWEEN THE WPCSRF AND THE DWSRF

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

There is an expectation that no recycled funds will be transferred to the WPCSRF program from the DWSRF program in the SFY 2023 for either the base or supplemental grant. In the last 24 years, funds from the base grant have been transferred back and forth between the two programs, as needed.

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

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

Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
1997	DW Grant Award	$4,892,646	---	---	$4,892,646	$4,892,646
1998	DW Grant Award	7,242,675	---	---	7,242,675	7,242,675
1999	DW Grant Award	9,705,729	---	---	9,705,729	9,705,729
2000	DW Grant Award	12,265,539	---	---	12,265,539	12,265,539
2000	Transfer (2nd Rnd $)	12,265,539	4,750,328	---	17,015,867	7,515,211
2001	DW Grant Award	14,835,942	---	---	19,586,270	10,085,614
2001	Transfer (2nd Rnd $)	14,835,942	4,032,158	---	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd $)	20,134,608	---	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd $)	20,134,608	---	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd $)	20,134,608	---	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd $)		---	5,000,000	23,261,094	27,956,548
2006	DW Grant Award	28,324,490	---	---	25,976,763	30,672,217
2007	DW Grant Award	31,040,060	---	---	28,692,333	33,387,787
2008	Transfer (2nd Rnd $)		2,500,000	---	31,192,333	30,887,787
2008	DW Grant Award	33,728,240	---	---	33,880,513	33,575,967
2009	Transfer (1st Rnd $)		---	5,000,000	28,880,513	38,575,967
2009	DW Grant Award	36,416,420	---	---	31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420	---	---	38,003,693	47,699,147
2010	DW Grant Award	47,330,510	---	---	42,482,783	52,178,237
2011	Transfer (1st Rnd $)		---	3,000,000	39,482,783	55,178,237
2011	DW Grant Award	50,438,450	---	---	42,590,723	58,286,177
2012	DW Grant Award	53,400,200	---	---	45,552,473	61,247,927
2013	DW Grant Award	56,179,130	---	---	48,331,403	64,026,857
2014	DW Grant Award	59,097,980	---	---	51,250,253	66,945,707
2015	DW Grant Award	61,997,690	---	---	54,149,963	69,845,417
2016	DW Grant Award	64,740,650	---	---	56,892,923	72,588,377
2017	DW Grant Award	67,460,180	---	---	59,612,453	75,307,907
2018	DW Grant Award	71,208,650	---	---	63,360,923	79,056,377
2019	Transfer (2nd Rnd $)		---	3,000,000	60,360,923	82,056,377
2019	DW Grant Award	74,839,970	---	---	$63,992,243	85,617,697
2020	DW Grant Award	78,473,600	---	---	67,625,873	89,251,327
2021	DW Grant Award	82,103,930	---	---	71,256,203	92,881,657
2022	DW Grant Award	84,416,570	---	---	73,568,843	95,194,297
Total			**$11,282,486**	**$22,130,213**		

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

Year	Transaction Description	Banked Transfer Ceiling	Transferred from WPCSRF to DWSRF	Transferred from DWSRF to WPCSRF	DWSRF Funds Available for Transfer	WPCSRF Funds Available for Transfer
2022	DW Grant Award	$5,937,360	---	---	$5,937,360	$5,937,360
Total			**$0**	**$0**		

11.0 SET-ASIDES

The DWSRF is also charged with funding certain provisions of the federal SDWA through the use of "set-aside" accounts. States are given flexibility to set aside specified amounts of the federal drinking water capitalization grant for specific purposes outlined in federal law; also outlined in state law in MCA 75-6-201, et seq. These set-asides each have different purposes and conditions, and some are mandatory. Montana is continuing to fund the following set-asides, each of which is described in more detail in the following sections:

- Administration
- State programs including public water supply supervision, source water protection, capacity development, and operator certification
- Small system technical assistance
- Local assistance including capacity development, source water assessments, and wellhead protection

Note, capacity development activities fall under two set-aside categories: state program and local assistance. They will be discussed in each section as they have historically been funded in each category for different purposes.

11.1 ADMINISTRATION

DEQ has the authority to set aside 4% or $400,000 (whichever is greater) of the FFY 2022 base and supplemental capitalization grants for program administration. DEQ has elected to set aside the greater amount for both the base grant ($400,000) and the supplemental grant ($719,680). This will cover continued operation of the program, including development of the IUP, review of water system facilities plans, review of construction and bid documents, assistance and oversight during planning, design and construction, loan origination work, administering repayments, preparation of bond issuance, and costs associated with the advisory committee and the public comment process. This set-aside also will continue to fund one loan management position at DNRC, 4.5 engineering positions at DEQ, and one administrative support position at DEQ. These costs and new personnel were approved by the 1997 Montana Legislature.

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

maximum cap grant funds for administration. Additional costs have been paid for with other DWSRF "state special administration" funds.

11.2 STATE PROGRAMS

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

11.2.1 Public Water Supply Supervision (PWSS)

The Public Water Supply Supervision (PWSS) set-aside of $530,000 will be funded from the FFY 2022 base grant. The local assistance set-aside under capacity development (see Section 11.4.1) will provide additional funds ($570,000) for the PWSS program. Funds from the two set-asides will be used for salaries, benefits, and operating expenses for eight environmental science specialists assigned to the Helena, Billings, Missoula, and Kalispell Offices. The positions have been previously funded through set-asides every state fiscal year since SFY 2015. These positions provide direct assistance to water suppliers through implementation of National Primary Drinking Water Regulations (NPDWR) such as: the Lead and Copper Rule, Phase 2/5 rules, Revised Total Coliform Rule, Consumer Confidence Report Rule, all of the Surface Water Treatment Rules including Long Term 1 and Long Term 2 Enhanced Surface Water Treatment Rules and Filter Backwash Rule, Stage 1 and Stage 2 Disinfection/Disinfection By-Products Rules, Radionuclide Rule, Groundwater Rule, and the State's ground water chlorination rule.

The set-aside will also be used to fund database development expenses associated with implementation and upgrading to SDWIS PRIME; maintenance of SDWIS and the state databases; and supporting the Montana Water and Wastewater Operators' Initiative through the Montana State University in Bozeman. All these activities help the PWSP achieve its overall goal of facilitating SDWA compliance by public water supplies.

11.2.2 Source Water Protection

Section 1452(g)(2)(B) of the SDWA allows Montana to set aside a portion of the capitalization grant to "administer or provide technical assistance through source water assessment programs." Past uses for this set-aside have included administering Montana's Source Water Protection program and providing technical assistance to local communities in support of source water protection activities. For the FFY 2022 grants, no funding will be applied to the source water protection program under the state program set-aside. Instead, activities related to source water protection, including wellhead protection, will be funded under the local assistance set-aside. The set-aside funds and related activities are discussed in Section 11.4.2.

11.2.3 Capacity Development

For the FFY 2022 grants, no funding will be applied to capacity development under the state program set-aside. Past uses for this set-aside have included paying for up to 10% of the operating expenses for ten full-time staff positions in the Engineering Bureau, Public Water and Subdivision section to conduct on-site inspections. These funds have also been used to provide technical assistance to Public Water systems that are struggling with monitoring compliance or other engineering related issues, but this service is now funded with small system technical assistance funds discussed in Section 11.3.

11.2.4 Operator Certification

DEQ has a $170,000 set-aside from the FFY 2022 base capitalization grant for this activity. These dollars will be used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time staff positions and the program manager and program operating expenses including things such as organizing and providing training for certified operators on water system operations, scheduling and proctoring certification exams, tracking operator CECs, reviewing proposed training for CECs, notifying communities of the need to have a certified operator, public outreach, compliance monitoring, and enforcement activities.

This program maintains the information for Montana certified water and wastewater operators, including operators for approximately 765 community systems, 298 non-transient non-community systems and 342 wastewater systems. These water and wastewater operators hold approximately 3300 certifications. There are 1607 certified operators in Montana. The program has fully incorporated Association of Boards Certification (ABC) exams as a part of the operator certification.

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

11.3 SMALL SYSTEM TECHNICAL ASSISTANCE

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

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

Since SFY 2020, the Small System Technical Assistance grant funds are also being used to fund Financial and Managerial Assistance (FMA) work that has historically been fund through capacity development set-aside funds. The format for financial and managerial assistance begins with telephone or written contact with the selected water system, followed by one or more on-site visits to evaluate the financial and managerial status of the system. Following the site visit, a written report is prepared and mailed to

the system owner or manager summarizing the observations and recommendations discussed during the evaluation. A copy of any written correspondence is also forwarded to DEQ.

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

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

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

DEQ has contracted these services to a technical assistance provider within the state. Expenditures from this set aside cover contractor salaries, travel expenses and costs related to reporting and follow-up activities, and DEQ contract administration and other small system technical assistance. The original contract was awarded to Midwest Assistance Program (MAP) to provide these services from June 1999 through June 2005. In February 2005, a Request for Proposals (RFP) was issued to re-bid the contract and in July 2005 a new contract was again awarded to MAP with services provided through June 2012. In April 2012, a new RFP was issued to solicit another technical assistance contract. Based on the outcome of this RFP, Rural and Tribal Environmental Solutions (RATES) was selected as the new contractor and RATES provided contact services through June 2019. In July 2019, a new RFP was issued to solicit for a technical assistance provider and in February 2020 MAP was awarded the contract to provide Technical, Financial and Managerial Assistance (FMA). As noted above this new contract funds both O&M and FMA type technical assistance. Through SFY 2021 this new contact work has provided over 1580 hours of technical assistance to small public water systems. By June 30, 2022, MAP should complete an additional 1,200 hours of technical assistance (both O&M and FMA) for small water systems.

Contract activities for SFY 2023 will be funded with set-aside balances from previous capitalization grants for technical assistance under this contract. An additional $108,000 will be set aside from the FFY2022 base capitalization grant to assist with the technical assistance contract and contract management.

To determine the value and effectiveness of this set-aside, DEQ evaluates the program on a yearly basis. Evaluations are based on the contractor's written reports mentioned above and on a survey of water system personnel who have received technical assistance. These evaluations are used to identify positive results, or problems with the program, and to consider opportunities for improvement. The original contract with MAP was renewed annually from SFY 2000 to SFY 2005. The SFY 2006 contract with MAP was renewed annually from SFY 2007 to SFY 2012. The SFY 2013 contract with RATES was renewed from SFY 2014 to SFY 2019. The SFY 2020 contract with MAP was renewed in SFY 2021, SFY

2022, and SFY 2023 and will be reviewed annually with the option of renewing the contract if appropriate. Any significant changes would be discussed in future IUPs.

11.4 LOCAL ASSISTANCE

DEQ has historically funded the capacity development and wellhead protection under the local assistance set-aside. The source water assessment set-aside could only be funded in the initial FFY 1997 grant.

11.4.1 Capacity Development

The capacity development set-aside of $570,00 will be funded from the FFY 2022 base grant. The PWSS program environmental science specialists assist in capacity development activities by providing technical assistance to water suppliers, performing sanitary surveys, conducting operator training, monitoring compliance, and attending public meetings as requested to provide information and assistance (see Section 11.2.1 for additional information).

11.4.2 Wellhead Protection Program

Section 1428 of the 1996 Amendments to the federal State Drinking Water Act (SDWA) requires primacy states to implement a program "*to protect wellhead areas within their jurisdiction from contaminants which may have any adverse effects on the health of persons."* Set-aside funds in the amount of $200,000 from the FFY 2022 base grant will be used in SFY 2023 to administer Montana's Wellhead Protection Program and to provide technical assistance to local communities in support of source water protection activities. Funds are used to verify and improve potential contaminant source (PCS) inventories and provide community outreach in the form of workshops on the operation and maintenance of wells. Staff will continue to work with the Public Water Supply Bureau to further refine understanding of the source water context and hazards posed by on-site wastewater discharges or other PCSs.

The specific goals are to:

- Promote source water protection and management practices preventing degradation of state waters.
- Develop, review, or update source water assessment reports for new or existing public drinking water sources.
- Provide technical assistance to PWS Bureau staff in evaluating public water supply eligibility for monitoring waivers.
- Evaluate the efficiency and effectiveness of Montana's Source Water Protection program in preventing contamination of public water supply sources and identify potential changes or improvements to the program's approach.
- Provide technical assistance and training to PWS operators, managers, and local officials in using source water delineation and assessment reports to develop local source water protection plans, this may include small grants to communities to support development of source water protection plans, to update source water protection area potential contaminant source (PCS) inventories, to implement components of a source water protection plan, or to better characterize a source water-related potential contaminant source.
- Provide technical support to non-profit technical assistance providers (for example, Montana Rural Water, RATES, Midwest Assistance, local water quality districts) relating to source water protection plan development or implementation.

- Provide on-site groundwater and wastewater O&M workshops to citizens and others.
- Maintain and enhance public access to spatial data essential to the local development of source water protection plans.
- Continue to improve PWS feature locational data in SDWIS State database by reconciling against source water assessments and sanitary surveys,
- Develop and publish educational materials to provide outreach to communities on source water protection.

APPENDIX 1: RANKING CRITERIA FOR DWSRF PRIORITY LIST

1. **Documented health risks**

   a. **Acute health risks - 120 points maximum**

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

   E. coli or other pathogens - two or more boil orders in any 12-month period. Risk must be documented as a reoccurring and unresolved problem that appears to be **beyond the direct control** of the water supplier. *E. coli* MCL exceedance in the distribution system. A detection of *E. coli* or other pathogens in the source water where the system does not currently provide 4-log treatment of viruses.

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

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

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

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

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

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

   b. **Non-acute health risks - 60 points maximum**

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

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

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

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

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

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

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

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

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

3. **Potential health risks**

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

   Total coliform bacteria (non-acute) - two or more Level 1 assessments (under Revised Total Coliform Rule (RTCR)) in any 24-month period.

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

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

   Documented water main leaks or main breaks.

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

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

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

Chemical contaminant detections are approaching the MCL.

Radionuclide contaminant detections are approaching the MCL.

Documented lead service lines.

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

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

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

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

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

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

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

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

DWSRF Priority List Bypass Procedures

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

The bypass procedure is as follows:

1. DEQ shall notify, in writing, all projects which are ranked higher than the proposed project on the DWSRF priority list, unless it is known that a higher project will not be using DWSRF funds.

2. The notified water systems shall have 15 calendar days to respond in writing with any objections they may have to the funding of the lower ranked project.
3. DEQ shall address, within a reasonable time period, any objections received.

Emergency Bypass Procedures

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

APPENDIX 2: DWSRF COMPREHENSIVE PROJECT LIST—SFY 2023

APPENDIX 3: GLOSSARY OF ACRONYMS AND INITIALIZATIONS

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

APPENDIX D

MAP OF PROJECTS AND LIST

COMPLETED LOANS	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Absarokee WSD	$ 2,679,329	2.50%
Absarokee WSD	$ 500,000	0.00%
Bainville Refinance	$ 260,000	2.50%
Bainville Engineering	$ 156,000	2.50%
Bainville A 2016	$ 500,000	0.00%
Bainville B 2016	$ 335,693	2.50%
Basin BAN	$ 75,000	1.75%
Belgrade ARRA A	$ 416,300	0.00%
Belgrade ARRA B	$ 333,700	0.75%
Belgrade A	$ 500,000	0.00%
Belgrade B	$ 2,718,000	3.75%-3%
Belgrade C	$ 161,300	3.75%-2.25%
Belt A	$ 315,000	0.00%
Belt B	$ 315,000	3.00%
Belt II-A	$ 118,840	0.00%
Belt II-B	$ 122,000	2.50%
Big Sandy	$ 349,377	2.75%-2.25%
Big Sandy A	$ 750,000	0.00%
Big Sandy B	$ 250,000	2.50%
Big Sky I	$ 534,000	4.00%
Big Sky II	$ 1,966,000	4.00%
Big Sky III	$ 5,000,000	3.75%
Big Timber	$ 4,606,000	2.50%
Big Timber A	$ 299,335	0.00%
Big Timber B	$ 299,334	2.50%
Bigfork A	$ 500,000	0.00%
Bigfork B	$ 661,703	2.50%
Big Fork BAN	$ 616,373	1.75%
Bigfork A	$ 500,000	0.00%
Bigfork B	$ 4,852,000	2.50%
Billings SID	$ 818,000	4.00%
Billings	$ 17,300,000	3.75%-2.25%
Billings ARRA A	$ 416,300	0.00%
Billings ARRA B	$ 333,700	1.75%
Billings C	$ 2,750,000	3.75%-2.25%
Billings III Zone 4 Tank	$ 6,759,215	3.00%
Billings IV-A	$ 500,000	0.00%
Billings IV-B	$ 2,485,612	3.75%-3%
Billings V	$ 2,927,621	3.75%-3%
Billings VI	$ 6,100,000	3.00%
Billings VII	$ 3,505,437	2.50%
Billings Heights A	$ 500,000	0.00%
Billings Heights B	$ 538,000	3.75%-3%
Billings Heights	$ 2,987,000	2.50%
Billings Heights	$ 2,200,000	2.50%
Black Eagle ARRA A	$ 124,900	0.00%
Black Eagle ARRA B	$ 100,100	0.75%
Boulder	$ 1,294,000	4.00%
Bozeman SID	$ 94,000	3.75%
Bozeman A	$ 10,000,000	3.75%-3%
Bozeman B	$ 9,552,000	3.75%-3%
Bozeman 2017	$ 7,573,000	2.50%
Brady BAN	$ 257,000	1.25%
Broadview	$ 203,000	4.00%
Brockton	$ 44,998	4.00%
Butte ARRA A	$ 416,300	0.00%
Butte ARRA B	$ 299,230	1.75%
Butte A	$ 500,000	0.00%
Butte B	$ 2,296,387	3.75%-3%
Carter A	$ 83,500	0.00%
Carter B	$ 83,500	3.00%
Carter Refinance	$ 305,000	2.50%
Carter II-A	$ 58,628	0.00%
Carter II-B	$ 58,628	2.50%
Cascade	$ 129,998	3.00%
Cascade A	$ 385,000	0.00%
Cascade B	$ 385,000	2.50%
Cascade A	$ 495,000	0.00%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Cascade B	$ 495,000	2.50%
Cascade BAN	$ 94,000	1.75%
Cascade A	$ 500,000	0.00%
Cascade B	$ 786,000	2.50%
Central Montana RWA BAN	$ 3,910,000	1.75%
Charlo WSD	$ 85,000	3.75%-2%
Chester ARRA A	$ 248,600	0.00%
Chester ARRA B	$ 199,400	0.75%
Chinook Refinance	$ 323,768	2.50%
Choteau	$ 332,000	3%-2%
Choteau BAN	$ 2,000,000	1.75%
Circle A Refinance	$ 671,098	0.00%
Circle B forgiven	$ 221,125	0.00%
Circle C	$ 221,125	2.50%
Circle A	$ 246,000	0.00%
Circle B	$ 246,000	2.50%
Circle A	$ 187,500	0.00%
Circle B	$ 185,596	2.50%
Clearview Heights W&SD BAN	$ 50,000	1.75%
Colstrip I	$ 563,000	4%-2%
Colstrip II	$ 829,000	4%-2%
Columbia Falls I	$ 907,000	4.00%
Columbia Falls II	$ 502,000	4.00%-2.25%
Columbia Falls	$ 675,000	2.50%
Columbus	$ 110,000	3.75%-2.25%
Columbus ARRA A	$ 416,300	0.00%
Columbus ARRA B	$ 333,700	1.75%
Columbus II-A	$ 500,000	0.00%
Columbus II-B	$ 900,000	3.00%
Conrad I	$ 650,000	4.00%-2.00%
Conrad II	$ 1,543,172	4.00%-2.00%
Conrad Refinance	$ 473,583	2.50%
Conrad III	$ 793,000	2.50%
Conrad WRF-18405	$ 500,000	0.00%
Conrad WRF-18406	$ 500,819	2.50%
Conrad A	$ 312,958	0.00%
Conrad B	$ 312,959	2.50%
Culbertson A	$ 186,000	0.00%
Culbertson B	$ 186,000	3.00%
Cut Bank I	$ 283,000	4%-2%
Cut Bank II	$ 576,000	4%-1.25%
Cut Bank ARRA A	$ 416,300	0.00%
Cut Bank ARRA B	$ 333,700	0.75%
Cut Bank A	$ 70,000	0.00%
Cut Bank B	$ 70,000	3.75%
Cut Bank Refi	$ 866,312	2.50%
Cut Bank A	$ 500,000	0.00%
Cut Bank B	$ 726,000	2.50%
Cut Bank A	$ 500,000	0.00%
Cut Bank B	$ 669,000	2.50%
Dawson County Forest Park	$ 640,000	1.75%
Denton	$ 182,000	1.25%
Denton	$ 724,000	1.25%
Dillon	$ 3,776,000	2.50%
Dodson A	$ 59,000	0.00%
Dodson B	$ 59,000	2.50%
Dodson C	$ 28,000	2.50%
Dry Prairie Rural Wtr Auth	$ 313,000	2.75%-2.25%
Dry Prairie II	$ 507,000	2.75%-2.25%
Dry Prairie III	$ 368,000	2.75%-1.25%
Dry Prairie IV-A	$ 500,000	0.00%
Dry Prairie IV-B	$ 759,000	3.75%-3%
Dry Prairie V-A	$ 150,000	0.00%
Dry Prairie V-B	$ 150,000	3.00%
Dry Prairie VI-A	$ 500,000	0.00%
Dry Prairie VI-B	$ 1,233,638	3.00%
Dry Prairie VII	$ 1,301,699	2.50%
Dry Prairie	$ 638,000	2.50%
Dry Redwater WRF-18394	$ 35,000	2.50%
Dry Redwater WRF-19434	$ 70,000	2.50%
Dutton A	$ 162,000	0.00%
Dutton B	$ 162,000	3.00%
Dutton A	$ 417,000	0.00%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Dutton B	$ 417,000	2.50%
Dutton A	$ 140,000	0.00%
Dutton B	$ 140,000	2.50%
East Helena I	$ 228,000	3.00%
East Helena II	$ 3,234,000	3.00%
East Helena A	$ 500,000	0.00%
East Helena B	$ 1,213,000	2.50%
Ekalaka Refinace	$ 290,800	2.75%
Ekalaka	$ 232,747	2.75%
Ekalaka II-A	$ 28,663	0.00%
Ekalaka II-B	$ 28,663	3.00%
Elk Meadows Ranchettes	$ 200,000	4.00%
Elk Meadows ARRA A	$ 416,300	0.00%
Elk Meadows ARRA B	$ 333,700	0.75%
Elk Meadows BAN	$ 68,013	1.25%
Elk Meadows II-A	$ 141,000	0.00%
Elk Meadows II-B	$ 141,000	3.00%
Elk Meadows II-C	$ 67,500	0.00%
Elk Meadows II-D	$ 67,500	3.00%
Em-Kayan WSD	$ 191,000	3.75%-3%
Emerald Heights BAN	$ 48,922	1.75%
Emerald Heights A	$ 91,078	0.00%
Emerald Heights B	$ 90,888	2.50%
Ennis I	$ 59,701	4.00%
Ennis II	$ 500,000	2.75%
Essex WSD ARRA A	$ 198,300	0.00%
Essex WSD ARRA B	$ 158,946	0.75%
Eureka	$ 619,000	4%-2%
Eureka interim financing	$ 937,491	2.75%
Eureka A 2017	$ 100,600	0.00%
Eureka B 2017	$ 100,425	2.50%
Eureka Midvale Acquisition	$ 377,455	2.50%
Fairfield A	$ 248,637	0.00%
Fairfield B	$ 322,000	3.00%
Fairview A	$ 500,000	0.00%
Fairview B	$ 2,145,152	2.50%
Flaxville A	$ 90,000	0.00%
Flaxville B	$ 90,000	3.00%
Fort Benton ARRA A	$ 350,200	0.00%
Fort Benton ARRA B	$ 279,819	1.75%
Fort Peck WSD	$ 1,520,000	4%-3%
Fort Peck WSD II	$ 662,000	2.50%
Froid B	$ 159,087	0.00%
Froid C	$ 159,087	2.50%
Fromberg A	$ 481,000	0.00%
Fromberg B	$ 163,785	0.00%
Fromberg C	$ 163,633	2.50%
Gardiner-Park County WSD - A	$ 161,504	3%-2%
Gardiner Park County WSD - B	$ 330,000	3%-2%
Gardiner Park County WSD - C	$ 267,000	4%-2%
Gardiner-Park County WSD II	$ 463,784	2.75%-2.25%
Gardiner-Park County WSD III	$ 125,000	2.75%-2.25%
Geraldine	$ 129,000	3.00%
Glendive	$ 1,565,000	4%-2.25%
Glendive ARRA A	$ 198,100	0.00%
Glendive ARRA B	$ 158,900	1.75%
Glendive A	$ 150,000	0.00%
Glendive B	$ 150,000	3.75%
Glendive Meade Ave	$ 444,193	2.50%
Glendive WTP	$ 500,000	0.00%
Glendive WTP	$ 7,000,000	2.50%
Glendive WTP	$ 5,943,009	2.50%
Goodan Keil WD	$ 474,999	2.75%
Gore Hill WD	$ 1,509,000	2.50%
Gore Hill A	$ 265,000	0.00%
Gore Hill B	$ 265,000	3.75%
Great Falls	$ 3,000,000	4%-2%
Great Falls II	$ 4,010,000	3.75%-3%
Great Falls ARRA A	$ 416,300	0.00%
Great Falls ARRA B	$ 333,700	1.75%
Great Falls III	$ 2,700,893	2.50%
Great Falls WTP A	$ 10,000,000	2.50%
Great Falls WTP B	$ 10,000,000	2.50%
Great Falls WTP C	$ 8,600,000	2.50%
Greenacres A	$ 208,000	0.00%
Greenacres B	$ 208,000	3.75%-3%
Hamilton I	$ 220,000	4.00%-2.25%
Hamilton II - A	$ 500,000	2.75%-2.25%
Hamilton II - B	$ 318,000	3.75%-2.25%
Hamilton II - C	$ 380,000	3.75%-2.25%
Hamilton	$ 170,000	3.75%-2.25%
Hardin	$ 453,900	3.75%
Hardin A	$ 279,500	0.00%
Hardin B	$ 235,411	3.00%
Harlem I-A	$ 500,000	2.75%
Harlem I-B	$ 579,638	3.75%-3%
Harlowton A	$ 437,000	0.00%
Harlowton B	$ 437,000	3.75%-3.00%
Harlowton BAN	$ 163,000	1.25%
Harlowton BAN 2018	$ 98,525	1.25%
Harlowton A	$ 412,500	0.00%
Harlowton B	$ 412,500	3.00%
Harlowton BAN 2016	$ 132,926	1.25%
Harlowton A 2017	$ 392,500	0.00%
Harlowton B 2017	$ 392,500	2.50%
Harlowton A 2020	$ 391,500	0.00%
Harlowton B 2020	$ 391,500	2.50%
Havre I	$ 600,000	4.00%-2.00%
Havre II	$ 8,401,000	4.00%-2.25%
Havre III - A	$ 500,000	2.75%-2.25%
Havre III - B	$ 203,700	3.75%-2.25%
Havre ARRA A	$ 194,300	0.00%
Havre ARRA B	$ 155,700	0.75%
Hebgen Lake Estates BAN 1	$ 79,000	1.75%
Hebgen Lake Estates BAN 2	$ 68,237	1.75%
Hebgen Lake W&SD A	$ 332,202	0.00%
Hebgen Lake W&SD B	$ 332,202	2.50%
Helena I	$ 1,250,000	4.00%
Helena II	$ 2,850,000	3.75%-2.25%
Helena III	$ 2,750,000	3.75%-2.25%
Helena ARRA A	$ 416,300	0.00%
Helena ARRA B	$ 333,700	1.75%
Helena	$ 1,325,000	3.75%-2.25%
Helena A 2016	$ 500,000	0.00%
Helena B 2016	$ 660,666	2.50%
Helena 2019	$ 5,211,112	2.50%
Hidden Lake WD A	$ 316,000	0.00%
Hidden Lake WD B	$ 316,000	2.50%
Highwood WSD	$ 75,000	3.00%
Hill County	$ 723,998	3.75%
Homestead Acres WSD ARRA A	$ 218,700	0.00%
Homestead Acres WSD ARRA B	$ 175,297	3.75%
Hot Springs	$ 941,945	3.00%
Jette Meadows WSD	$ 44,477	2.75%
Jette Meadows WSD	$ 300,000	3.75%-2.25%
Jette Meadows WSD ARRA A	$ 416,300	0.00%
Jette Meadows WSD ARRA B	$ 333,700	0.75%
Jette Meadows WSD C	$ 325,000	3.75%-3.00%
Judith Gap	$ 112,000	2.75%
Kalispell	$ 761,000	4.00%-2.00%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Kalispell - refinance	$ 1,283,159	3.75%-1.25%
Kalispell 2017	$ 2,662,000	2.50%
Kalispell II	$ 1,500,000	3.75%-2.25%
Kalispell Refinance	$ 365,648	2.50%
Kalispell	$ 2,147,108	2.50%
Kevin ARRA A	$ 377,400	0.00%
Kevin ARRA B	$ 302,600	0.75%
LaCasa Grande WSD I	$ 150,000	4.00%
LaCasa Grande WSD II	$ 500,000	2.75%
Lakeside	$ 400,000	3.00%
Laurel I	$ 5,250,000	4.00%-2.00%
Laurel II	$ 2,541,000	4.00%-2.25%
Laurel III-A	$ 500,000	2.75%
Laurel III-B	$ 190,000	3.75%
Laurel IV-A	$ 500,000	2.75%
Laurel IV-B	$ 129,288	3.75%
Laurel Refinance	$ 518,500	2.75%-1.25%
Laurel V-A	$ 188,000	0.00%
Laurel V-B	$ 188,000	3.00%
Laurel 2017	$ 1,700,000	2.50%
Laurel 2019	$ 4,921,000	2.50%
Lewis & Clark County - Woodlawn	$ 319,516	2.75%
Lewis & Clark County - Senior ARR	$ 25,500	0.00%
Lewis & Clark County - Senior ARR	$ 20,500	0.75%
Lewistown	$ 3,549,000	3.75%-1.25%
Lewistown A	$ 750,000	0.00%
Lewistown B	$ 4,400,000	2.50%
Libby	$ 500,000	1.25%
Libby Refinance	$ 2,189,579	2.50%
Livingston I	$ 155,000	2.75%
Livingston Rev	$ 700,000	3.75%
Livingston Rev	$ 200,000	3.75%
Livingston TIF	$ 676,472	3.75%
Livingston SID	$ 322,088	3.75%
Lockwood WSD I	$ 1,700,000	4.00%
Lockwood WSD II - A	$ 500,000	2.75%-1.25%
Lockwood WSD II - B	$ 500,000	3.75%-1.25%
Lockwood WSD III - A	$ 500,000	2.75%-2.25%
Lockwood WSD III - B	$ 600,000	3.75%-3%
Lockwood WSD IV-A	$ 436,500	0.00%
Lockwood WSD IV-B	$ 336,987	3.75%-2%
Lockwood WSI	$ 2,000,000	2.50%
Lockwood	$ 5,750,000	2.50%
Loma W&SD A	$ 506,175	0.00%
Loma W&SD B	$ 168,725	2.50%
Malta A	$ 500,000	0.00%
Malta B	$ 500,000	2.50%
Malta C	$ 4,327,000	2.50%
Malta	$ 680,015	2.50%
Manhattan ARRA A	$ 127,700	0.00%
Manhattan ARRA B	$ 102,300	0.75%
Manhattan	$ 108,205	2.75%-2.25%
Manhattan II-A	$ 281,000	0.00%
Manhattan II-B	$ 281,000	2.50%
Miles City	$ 1,007,697	2.75%
Miles City - Carbon Hill	$ 500,000	2.75%
Miles City - NE waterlines	$ 500,000	2.75%
Miles City - Carbon Hill	$ 2,125,268	3.75%-3%
Miles City - NE waterlines	$ 2,200,000	3.75%-3%
Miles City ARRA A	$ 416,300	0.00%
Miles City ARRA B	$ 333,700	0.75%
Missoula Tanks	$ 3,651,000	2.50%
Missoula Line R/Meters	$ 12,462,000	2.50%
Missoula County Fair	$ 206,194	4.00%
Missoula Cty Fairgds	$ 705,000	2.50%
Missoula/Sunset West	$ 291,000	4.00%
Missoula County - Lorraine South	$ 142,000	3.75%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Missoula County L&C ARRA A	$ 317,700	0.00%
Missoula County L&C ARRA B	$ 165,000	0.75%
Missoula County L&C ARRA C	$ 4,979	0.75%
Mountain Water Company ARRA	$ 416,300	0.00%
Mountain Water Company ARRA	$ 333,700	1.75%
Neihart	$ 107,617	2.75%
Nine Mile W&SD BAN	$ 2,043,102	1.75%
Nine Mile W&SD A	$ 500,000	0.00%
Nine Mile W&SD B	$ 1,594,670	2.50%
North Central	$ 100,000	3.00%
North Central II	$ 100,000	3.00%
North Central BAN	$ 264,602	1.25%
North Central A	$ 252,000	0.00%
North Central B	$ 252,000	2.50%
Opheim Refinance	$ 247,861	2.50%
Opheim A	$ 87,500	0.00%
Opheim B	$ 87,500	2.50%
Pablo ARRA A	$ 416,300	0.00%
Pablo ARRA B	$ 333,700	0.75%
Pablo C	$ 152,121	3.75%-3%
Pablo BAN	$ 75,000	1.25%
Pablo BAN II	$ 146,689	1.25%
Pablo A	$ 500,000	0.00%
Pablo B	$ 500,000	3.00%
Pablo II-A	$ 500,000	0.00%
Pablo II- B	$ 620,000	2.50%
Panoramic Mtn River Hgts WD	$ 120,000	3.75%-2.25%
Philipsburg	$ 238,322	3%-1.25%
Phillipsburg A	$ 212,000	0.00%
Phillipsburg B	$ 212,000	2.50%
Phillipsburg BAN	$ 414,346	1.25%
Phillips Co Green Mdws WSD	$ 63,727	2.75%
Phillips Co Green Mdws WSD (G.	$ 100,000	2.75%
Pinesdale Refinance	$ 487,310	2.50%
Pinesdale A	$ 457,932	0.00%
Pinesdale B	$ 692,050	2.50%
Plains	$ 239,628	3.75%-2.25%
Plains BAN	$ 22,994	1.25%
Plains II-A	$ 300,000	0.00%
Plains II-B	$ 316,000	3.00%
Plains A	$ 364,500	0.00%
Plains B	$ 121,500	2.50%
Plentywood	$ 577,000	4%-2%
Plentywood II	$ 500,000	2.75%
Plentywood II - B	$ 500,000	3.75%-3%
Polson ARRA A	$ 416,300	0.00%
Polson ARRA B	$ 333,700	0.75%
Polson A	$ 221,127	0.00%
Polson B	$ 221,129	2.50%
Ponderilla Hills W&SD A	$ 200,000	0.00%
Ponderilla Hills W&SD A	$ 200,000	2.50%
Power-Teton WSD I	$ 400,000	2.75%-2%
Power-Teton WSD II	$ 375,000	2.75%-2.25%
Ramsay A	$ 143,000	2.50%
Ramsay B	$ 59,750	0.00%
Ramsay C	$ 59,750	2.50%
Red Lodge A	$ 500,000	0.00%
Red Lodge B	$ 944,466	2.50%
Red Lodge A	$ 500,000	0.00%
Red Lodge B	$ 1,240,000	2.50%
Rexford Refinane	$ 236,000	2.50%
Richey	$ 45,000	2.75%
River Rock WSD	$ 2,100,000	4.00%-2.00%
Ronan BAN	$ 199,017	1.25%
Ronan A	$ 500,000	2.50%
Ronan B	$ 618,562	2.50%
Roundup	$ 1,392,000	2.50%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Roundup A	$ 120,000	0.00%
Roundup B	$ 120,000	2.50%
Roundup A 2020	$ 350,078	0.00%
Roundup B 2020	$ 350,079	2.50%
Ryegate BAN	$ 54,572	1.25%
Ryegate A	$ 276,741	0.00%
Ryegate B	$ 270,394	3.00%
Ryegate Refinance	$ 216,800	2.50%
Saco	$ 335,005	2.75%
Scobey A	$ 162,000	0.00%
Scobey B	$ 162,000	3.75%-3%
Seeley Lake	$ 1,340,000	3.00%
Seeley Lake ARRA A	$ 416,300	0.00%
Seeley Lake ARRA B	$ 333,700	0.75%
Seeley Lake C	$ 2,460,650	3.75%-3%
Shelby I	$ 866,000	4.00%-2.00%
Shelby II	$ 677,000	4.00%-2.00%
Shelby III	$ 700,000	3.75%-2.25%
Shelby IV	$ 709,000	3.75%-2.25%
Shelby IV-A	$ 500,000	2.75%
Shelby IV-B	$ 150,000	3.75%-3.00%
Shelby ARRA-A	$ 416,300	0.00%
Shelby ARRA-B	$ 333,700	0.75%
Shelby C	$ 1,247,000	3.75%-3.00%
Shelby A	$ 500,000	0.00%
Shelby B	$ 535,000	2.50%
Sheridan	$ 265,200	2.75%
Sheridan BAN	$ 167,622	2.75%
Sheridan BAN	$ 70,000	1.25%
Sheridan II	$ 359,213	2.75%-2.25%
Sheridan A	$ 390,739	0.00%
Sheridan B	$ 390,415	2.50%
Sidney	$ 1,710,000	2.50%
Sidney	$ 1,875,000	2.50%
Somers A	$ 500,000	0.00%
Somers B	$ 1,666,000	2.50%
South Winds WSD	$ 500,000	0.00%
South Winds WSD	$ 500,000	2.50%
South Wind A	$ 48,500	0.00%
South Wind B	$ 48,500	2.50%
Spring Meadows Co WD	$ 309,000	2.75%-2.25%
Stanford Refi 2019	$ 903,000	2.50%
Stanford A	$ 500,000	0.00%
Stanford B	$ 1,821,217	2.50%
St Ignatius A	$ 76,000	0.00%
St Ignatius B	$ 76,000	3.00%
Sunny Meadows	$ 180,000	2.75%-2.25%
Sunny Meadows W&SD	$ 50,000	2.50%
Superior I	$ 500,000	2.75%-2.25%
Superior II	$ 1,229,105	3.75%-2.25%
Superior ARRA A	$ 165,400	0.00%
Superior ARRA B	$ 132,600	0.75%
Thompson Falls I	$ 500,000	2.75%-2.25%
Thompson Falls II	$ 897,596	3.75%-2.25%
Thompson Falls	$ 128,694	2.75%-2.25%
Thompson Falls	$ 425,000	0.00%
Thompson Falls	$ 425,000	2.50%
Thompson Falls 2019	$ 238,000	2.50%

COMPLETED LOANS (cont'd)	LOAN AMOUNT	INTEREST RATE RESTRUCTURE RATE
Three Forks II	$ 268,000	3.75%-2.25%
Three Forks BAN II	$ 640,000	1.25%
Three Forks III-A	$ 500,000	0.00%
Three Forks III-B	$ 681,000	2.50%
Three Forks III C	$ 94,716	2.50%
Troy Refinance	$ 1,764,199	2.50%
Troy ARRA A	$ 277,500	0.00%
Troy ARRA B	$ 222,500	0.75%
Twin Bridges	$ 286,515	4%-1.25%
University of Montana	$ 416,300	0.00%
University of Montana ARRA B	$ 333,700	1.75%
Upper Lower River Rd WSD	$ 500,000	2.75%
Upper/Lower River Rd WSD	$ 195,000	3.75%
Upper/Lower River Rd WSD BAN	$ 234,479	2.75%
Upper/Lower River Rd WSD BAN II	$ 606,536	2.75%
Upper/Lower River Rd WSD II	$ 365,000	2.75%
Upper Lower River Rd WSD ARRA A	$ 277,500	0.00%
Upper Lower River Rd WSD ARRA B	$ 222,500	0.75%
Upper/Lower River Rd WSD III-A	$ 192,500	2.75%
Upper/Lower River Rd WSD III-B	$ 193,084	3.00%
Upper/Lower River Rd WSD BAN III	$ 260,933	2.75%
Upper/Lower River Rd WSD BAN	$ 278,377	1.25%
Upper/Lower River Rd WSD A	$ 145,000	0.00%
Upper/Lower River Rd WSD B	$ 143,075	2.50%
Vaughn W&SD A	$ 214,000	0.00%
Vaughn W&SD B	$ 214,000	2.50%
Virginia City	$ 66,000	4.00%
Virginia City ARRA A	$ 238,700	0.00%
Virginia City ARRA B	$ 187,049	0.75%
Virginia City ARRA II-A	$ 26,600	0.00%
Virginia City ARRA II-B	$ 10,850	0.75%
White Sulphur Springs BAN	$ 175,000	2.75%
White Sulphur Springs BAN	$ 320,005	2.75%
White Sulphur Springs A	$ 500,000	0.00%
White Sulphur Springs B	$ 1,267,375	3.00%
White Sulphur Springs II	$ 105,264	3.00%
White Sulphur Springs III-A	$ 199,664	0.00%
White Sulphur Springs III-B	$ 199,664	2.50%
White Sulphur Springs A	$ 242,694	0.00%
White Sulphur Springs B	$ 251,607	2.50%
Whitefish I	$ 400,000	4.00%-2.00%
Whitefish II	$ 5,839,000	4.00%-2.00%
Whitefish III	$ 895,835	3.75%-2.25%
Whitefish IV	$ 900,000	3.75%-2.25%
Whitefish ARRA A	$ 149,900	0.00%
Whitefish ARRA B	$ 120,100	0.75%
Whitefish IV	$ 120,000	2.50%
Whitefish A Loan	$ 6,000,000	2.50%
Whitefish B Loan	$ 2,870,772	2.50%
Wilderness Plateau WSD ARRA A	$ 146,000	0.00%
Wilderness Plateau WSD ARRA B	$ 117,000	0.75%
Wilsall WSD BAN	$ 27,580	1.25%
Wilsall A 2017	$ 165,000	0.00%
Wilsall B 2017	$ 165,000	2.50%
Winifred	$ 168,550	2.50%
Wolf Point	$ 730,000	3.75%
Worden-Ballantine WSD I	$ 500,000	2.75%-2.25%
Worden-Ballantine WSD II	$ 368,000	2.75%-2.25%

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