



RENEWABLE  
RESOURCE  
GRANT  
PROGRAM

# **Final Grant Program Guidelines**

## **2025 Biennium**

**November 30, 2023**

*DNRC would like to extend our gratitude to the members of the Renewable Resources Grant Stakeholder Group for their time, consideration and thoughtful feedback that helped construct this document. The Stakeholders volunteered their time to represent the interests in their industry: infrastructure, irrigation and nonpoint source and watershed.*

*The DNRC set out goals for the Stakeholder Group:*

*To create clear and distinct grant programs that meet the purpose and policies in MCA 85-1-601.*

*To simplify the grant applications and grant administration for the benefit of applicants and DNRC.*

*To engage our stakeholders to ensure that grant programs are meeting the needs of our partners statewide.*

*Improve RRG Program transparency and accountability.*

*DNRC staff hopes that this document represents measured success in achieving those goals. Thank you.*

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## Contents

PROJECT GRANT GUIDELINES .....	1
PLANNING GRANT GUIDELINES .....	6
PRIVATE GRANT GUIDELINES.....	11
EMERGENCY GRANT GUIDELINES.....	15
IRRIGATION DEVELOPMENT GRANT GUIDELINES.....	19
WATERSHED MANAGEMENT GRANT GUIDELINES .....	23
NPS GRANT GUIDELINES.....	29
RENEWABLE RESOURCE GRANT PROGRAMS 2025 BIENNIUM SUMMARY TABLE .....	34
APPENDIX A: TERMS .....	37
APPENDIX B: ELIGIBILITY AND RANKING.....	44
APPENDIX C: RRG PROGRAM AWARD LETTER EXAMPLE .....	50
APPENDIX D: REPORTING AND REIMBURSEMENT REQUIREMENTS .....	51
APPENDIX D: EXAMPLE MEMORANDUM OF UNDERSTANDING .....	54
APPENDIX E: PROCUREMENT LIMITS / LIMITED SOLICITATION WORKSHEET .....	59

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROJECT GRANTS



## PROJECT GRANT GUIDELINES

### PURPOSE

The Renewable Resource Grant and Loan Program (RRGL) funds the conservation, management, development, and preservation of Montana's renewable resources. The RRG Project Grant Program has funded numerous public facility projects including drinking water, wastewater and solid waste development and improvement projects have received funding through this program. Other renewable resource projects that have been funded include irrigation rehabilitation, dam repair, soil and water conservation and forest enhancement.

### ELIGIBLE APPLICANTS

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision [MCA 85-1-605](#). These governmental entities have included:

- cities,
- towns,
- counties,
- water and/or sewer districts,
- conservation districts,
- irrigation districts,
- school districts and universities,
- regional water authority,
- state agencies, and
- tribal governments

Private or non-profit entities are NOT ELIGIBLE for funding but may partner with a local government to submit an application if the project aligns with the sponsor's organization.

### ELIGIBLE PROJECTS

Eligible funding types are specified in [MCA 85-1-602](#).

“Either grants or loans may be provided to fund the following types of projects:

- (a) feasibility, design, research, and resource assessment studies;
- (b) preparation of construction, rehabilitation, or production plans; and
- (c) construction, rehabilitation, production, education, or other implementation effort”

Example Projects:

- Water, Wastewater or Stormwater Infrastructure
- Irrigation Infrastructure
- Dams
- Renewable Energy

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROJECT GRANTS

- Restoration
- Studies

### Ineligible Projects

RRGL Project Grants are not eligible for projects that are eligible for grant funds within another grant program in DNRC, such as Reclamation Development Grants, Aquatic Invasive Species Grants, etc.

If a project is determined to have adverse environmental impacts that cannot be mitigated and does not preserve the state's renewable resources per [85-1-601, MCA](#), it is ineligible for a grant.

### ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

- Staff time or professional services associated with grant administration.
- Contracted technical or engineering services for survey, project management, design, project oversight.
- Contracted construction services.
- Equipment, materials, or supplies.
- Project related permits or fees.

DNRC grants require compliance with the Montana Procurement Act and/or local procurement local rules and regulations.

### Ineligible Expenses

DNRC grants do not reimburse:

- Program Costs aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).
- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

### GRANT LIMITS

The Montana Legislature appropriates funds directly to each project, based on amounts recommended by DNRC. DNRC limits grant funding recommendations to a maximum of \$125,000 for a renewable resource project.

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROJECT GRANTS

## MATCH

RRGL Project Grants do not require financial match. However, DNRC is required to evaluate project applications' financial and technical feasibility which considers reasonable project costs and committed matching funds.

## HOW TO APPLY

Application materials are available through the DNRC website <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>. **Applications are due May 15, 2024.**

PROJECT TYPE	APPLICATION
Infrastructure, No match	RRG Project Grant Application (Water & Wastewater)
Infrastructure, State and Federal Match	Uniform Application and RRGL Supplement
Irrigation	RRG Project Grant Application (Irrigation & Other)
Other	RRG Project Grant Application (Irrigation & Other)

DNRC requires that applications and supporting materials are submitted **BOTH** online and by mail.

1. **Online:** Applications are available online through <http://grants.dnrc.mt.gov/submit> and are accepted online through the grant management system.

## AND

2. **Mail:**

One (1) original Authorizing Statement.

One (1) unbound original application and all supporting documentation. Public Facility Projects will include a copy of the signed Preliminary Engineering Report (PER).

**\$250.00 application fee (online or check by mail).**

Mail to: MT DNRC RRGL Program, PO BOX 201601, Helena MT 59620

## RANKING

See Appendix B - Eligibility and Ranking for more information. Infrastructure and irrigation projects will be ranked separately.

Applications will be reviewed and competitively ranked based on the renewable resource benefits of the proposed project. The proposed project must measurably conserve, manage, develop or preserve/protect Montana's renewable resources. Points will be awarded for public benefits, whether the project implements the state water plan priorities and/or mitigates human health or safety problems.

DNRC must consider technical and financial feasibility as well as the applicant's ability to manage a project. Projects that are not technically or financially feasible are not eligible. Financial feasibility considers the committed match in relation to total project cost. Technical feasibility includes but is not limited to:

- adequacy of the alternative analysis;
- adequacy of cost estimates for potential alternatives and the preferred alternative;
- preferred alternative selection;
- thoroughness and feasibility of the project's implementation plan and schedules; and
- quality of supporting technical data submitted with the application.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROJECT GRANTS

DNRC solicits, evaluates, and ranks each application and forwards its recommendations for funding to the Governor's Office before each regular legislative session. With the governor's approval these recommendations are submitted to the legislature. The legislature makes the final decision on which projects will be funded [MCA 85-1-605](#).

Funds for projects approved by the legislature are awarded according to the funding priority list set by the legislature and are contracted according to available revenue. Not all approved projects will be funded if the total amount requested exceeds available funds.

### GRANT MANAGEMENT

#### Awards

DNRC will provide an award letter to successful applicants. The applicant will be responsible for providing the necessary startup conditions within the timeframe identified in the award letter. Failure to meet startup conditions within a 24-month timeframe may result in a rescinded award.

**PROJECT EXPENSES INCURRED PRIOR TO THE GRANT AWARD LETTER ARE NOT ELIGIBLE FOR REIMBURSEMENT.**

#### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. All local procurement and state laws are required to be followed under this agreement. DNRC may require a project kickoff call and monthly or quarterly progress meetings to ensure project success.

#### Reimbursement & Reporting

DNRC requires grant recipients to provide quarterly or more frequent progress reports. See for additional details. DNRC requires grant recipients submit requests for reimbursement using the state vendor invoice. In addition to the DNRC vendor invoice, the grant recipient will submit copies of all applicable invoices and/or receipts eligible for reimbursement. All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

Reporting and reimbursement information is provided on DNRC [Resources and Training](#) webpage.

#### Grant Closeout

DNRC grants require final reports, deliverables, and invoices in compliance with the agreement to process final reimbursement. Ten percent (10%) of the total grant will be withheld until the sponsor has submitted an acceptable final report.

#### Outreach

To increase program outreach engagement and partnership, DNRC coordinated the RRGL Stakeholder Meetings. Program outreach occurs over the two-year application cycle through partner conferences, group meetings, agency panels, and legislative interim meetings.

- DNRC advertises RRG Project Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROJECT GRANTS

- DNRC provides updates to WASACT as well as other stakeholder groups such as Montana Rural Water, Montana Association of Conservation Districts, partner agencies, and other stakeholder groups of grant opportunities.
- DNRC provides online application and grant management training, FAQ documents and scheduled office hours, as needed, to applicants.

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
Lindsay Volpe Phone: 406-444-9766 <a href="mailto:lmvolpe@mt.gov">lmvolpe@mt.gov</a>	Montana Code Annotated <a href="#">Title 85, Chapter 1 Part 6</a> . Administrative Rules of Montana <a href="#">36-17-607 – 36-17-612</a>



## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PLANNING GRANTS



### PLANNING GRANT GUIDELINES

#### PURPOSE

The purpose of the RRGL Planning Grant Program is to provide funding to governmental entities for professional and technical services necessary to produce a high quality RRGL grant application which leads to a project that conserves, manages, develops, or protects Montana’s renewable resources.

#### ELIGIBLE APPLICANTS

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision [MCA 85-1-605](#). These governmental entities have included:

- cities,
- towns,
- counties,
- water and/or sewer districts,
- conservation districts,
- irrigation districts,
- school districts and universities,
- regional water authority,
- state agencies, and
- tribal governments

Private or non-profit entities are NOT ELIGIBLE for funding but may partner with a local government to submit an application if the project aligns with the sponsor’s organization.

#### ELIGIBLE PROJECTS

Eligible funding types are specified in [MCA 85-1-602](#).

“Either grants or loans may be provided to fund the following types of projects:

- (a) feasibility, design, research, and resource assessment studies; and
- (b) preparation of construction, rehabilitation, or production plans.

Example Projects:

- Water, Wastewater or Stormwater Infrastructure Preliminary Engineering Reports (PER)\*
- Irrigation Infrastructure PER\*
- PER\* Updates

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PLANNING GRANTS

- Resource Services (Plans or Studies)
  - Capital Improvement Plans (CIP)\*\*
  - Growth Plans\*\*
  - Sample Collections
  - Surveys
  - Studies
  - Technical Assessments
- Watershed Restoration Plans\*\*\*
- Watershed Restoration Project Plans\*\*\*

\*Preliminary Engineering Reports must meet the standard as described in the most current Uniform Application for Montana Public Facility Projects or meet the requirements of the RRGL Project Grant Application – Technical Narrative. <https://comdev.mt.gov/shared/CTAP/docs/Presentations-Publications-Models/Tech-Doc-Guides/PER-Outline.pdf>

\*\*Capital Improvement Plans and Growth Plans must follow the manuals provided by the Department of Commerce. <https://comdev.mt.gov/Programs-and-Boards/Community-Technical-Assistance-Program/Presentations,-Publications-and-Model-Documents>

\*\*\*Watershed Restoration Plans and Project Plans must meet standard as described by DEQ's Nonpoint Source Management Program. <https://www.epa.gov/nps/handbook-developing-watershed-plans-restore-and-protect-our-waters>

### Ineligible Projects

RRGL Planning Grants will not be awarded to applications that are eligible for grant funds within another grant program in DNRC, such as Reclamation Development Grants, Aquatic Invasive Species Grants, etc.

If a project is determined to have adverse environmental impacts that cannot be mitigated and do not preserve the state's renewable resources per 85-1-601, MCA, it is ineligible for a grant.

### ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

- Contracted technical or engineering services.

### Ineligible Expenses

RRG Planning Grants will not reimburse:

- Grant administration costs.
- Program Costs, aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).
- Political lobbying or litigation
- Land or property acquisition

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PLANNING GRANTS

- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

### GRANT LIMITS

<b>Infrastructure PER</b>	<b>Irrigation PER/ Technical Narrative</b>	<b>PER or Technical Narrative Update</b>	<b>Resource Services (Plans or Studies)</b>	<b>Watershed Restoration Plan</b>	<b>Watershed Restoration Project Plan</b>
\$40,000	\$30,000	\$20,000	\$15,000	\$40,000	\$30,000

Applicants may submit multiple applications for distinct phases of a project or for multiple projects.

### MATCH

No match is required for planning grant applications. Please provide all in-kind or matching funds for the planning to demonstrate financial feasibility to complete the project. Ranking will consider committed cash match.

### FUNDING CYCLES

House Bill 6 includes \$3,500,000 for Planning Grants. Application funding is available as revenue is received.

- MCEP/CDBG Planning Grant Match Cycle – October 2023
- Planning Grant Cycle #1 – December 2023 – April 2024
  - Review and award – January 2024
  - Review and award – April 2024
- Planning Grant Cycle #2 September 2024 – December 2024
  - Review and award – October 2024
  - Review and award – January 2025

Future cycles will be announced at the DNRC’s discretion.

### HOW TO APPLY

Application materials are available through the DNRC website <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.

### RANKING

See Appendix B - Eligibility and Ranking for more information. Infrastructure and irrigation/watershed projects will be ranked separately.

Applications will be reviewed and competitively ranked based on the renewable resource benefits of the proposed project. The proposed project must measurably conserve, manage, develop or preserve/protect Montana’s renewable resources. Points will be awarded for public benefits, implementation of the state water plan priorities, and/or mitigates human health or safety problems.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PLANNING GRANTS

DNRC must consider technical and financial feasibility as well as the applicant's ability to manage a project. Projects that are not technically or financially feasible are not eligible. Financial feasibility considers the committed match in relation to total project cost.

### GRANT MANAGEMENT

#### Awards

DNRC will provide an award letter to successful applicants. The applicant will be responsible for providing the necessary startup conditions within the timeframe identified in the award letter. Failure to meet startup conditions within a 24-month timeframe will result in a rescinded award.

**PROJECT EXPENSES INCURRED PRIOR TO THE GRANT AWARD LETTER ARE NOT ELIGIBLE FOR REIMBURSEMENT.**

#### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. All local procurement and state laws are required to be followed under this agreement.

#### Reimbursement & Reporting

DNRC does not require quarterly or more frequent progress reports for Planning Grants. DNRC will reimburse the Planning Grant recipient a maximum of 50% of the total grant amount for incurred expenses once the grant receipt submits a draft planning document. DNRC will reimburse the balance of the grant funds upon receipt of an approved final planning document.

DNRC requires that grant recipients submit requests for reimbursement using the state vendor invoice. In addition to the DNRC vendor invoice, the grant recipient will submit copies of all applicable invoices and/or receipts eligible for reimbursement. All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

Reporting and reimbursement information is provided on DNRC [Resources and Training](#) webpage.

#### Grant Closeout

DNRC grants require deliverables and invoices in compliance with the agreement to process final reimbursement.

### TECHNICAL ASSISTANCE

DNRC will be offering local governments assistance to apply for planning grants. These funds are designed to assist local governments that:

1. Do not have an established relationship with a professional engineering firm. OR
2. Have not been successful in applying for DNRC planning grants in the prior biennium.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PLANNING GRANTS

DNRC will evaluate requests from local governments for technical assistance based on demonstrated need. If approved, DNRC will assign a contracted technical service provider to assist the local government with a planning grant application. Technical assistance is limited to \$3,000 or 20 hours. Technical service providers will be contracted directly with DNRC and assigned at random as local government requests are approved.

- Technical Assistance – January 2023

### Outreach

DNRC provides outreach to local governments planning renewable resource projects which will lead to RRG project grant applications.

- DNRC advertises RRG Planning Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.
- DNRC updates WASACT as well as other stakeholder groups such as Montana Rural Water, Montana Association of Conservation Districts, partner agencies, and other stakeholder groups of grant opportunities.
- DNRC provides online application and grant management training, FAQ documents and scheduled office hours, as needed, to applicants.

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
Lindsay Volpe Phone: 406-444-9766 lvolpe@mt.gov	MCA Sections <a href="#">85-1-602</a> and <a href="#">85-1-605</a> (Montana Code Annotated) <a href="#">ARM 36-17-607 – 36-17-612</a> (Administrative Rules of Montana)

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PRIVATE GRANTS



### PRIVATE GRANT GUIDELINES

#### PURPOSE

To promote the conservation, development, and beneficial use of Montana's water resources to secure maximum economic and social prosperity for its citizens.

The private water grant program supports water projects for non-government entities such as individuals, associations, and watershed groups.

#### ELIGIBLE APPLICANTS

As defined in [MCA 85-1-102\(6\)\(a\)](#), "Private Person" means any individual, association, partnership, corporation, or other non-governmental entity that is not eligible for loans and grants under MCA [85-1-605](#).

- Individuals/Private Person
- Associations
- Partnerships
- Corporations

#### ELIGIBLE PROJECTS

The renewable resource grants to private entities are available for any water-related project that meets the purpose of the Renewable Resource Grant and Loan Program.

##### Criteria

- Project is economically feasible.
- Project benefits or develops a water resource.
- Project will provide a public benefit.
- Applicant must construct and operate within the state of Montana [MCA 85-1-609 \(1\)\(b\)](#) (Montana residents only).
- Applicant must hold all necessary lands for the necessary operation and maintenance of the project [MCA 85-1-609 \(4\)](#). (Primary residence only).
- Projects that could not be accomplished without the assistance of a grant or loan must be given preference [MCA 85-1-610 \(6\)](#) (Cannot be an income property).
- Applicant has committed cash match of 75% of total project cost.

##### Example Projects:

- Septic tank replacement or upgrade\*
- Projects that promote water conservation, water quality or beneficial use.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PRIVATE GRANTS

- Dam inspections and repair
- Irrigation system improvements
- Privately owned public water supply improvement
- Abandoning septic tank and connecting to sewer services

\*A septic system repair or replacement project must have a letter from a local regulatory agency requiring the system repair or replacement to demonstrate public benefit.

### Ineligible Projects

- Domestic well construction
- New home construction

### ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

- Contracted technical or engineering services.
- Contracted construction services.
- Equipment or materials.

### Ineligible Expenses

- Grant administration costs.
- Program Costs aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).
- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

### GRANT LIMITS

<b>Septic system replacement, repair or municipal connection</b>	<b>Septic system upgrade to provide higher level treatment</b>	<b>Other eligible projects</b>
Grants can fund up to 25% of the total project cost. Maximum grant is \$5,000.	Grants can fund up to 25% of the total project cost. Maximum grant is \$7,500	Grants can fund up to 25% of the total project cost. Maximum grant is \$5,000.
Private cost share = 75% of the total project cost	Private cost share = 75% of the total project cost	Private cost share = 75% of the total project cost

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PRIVATE GRANTS

### MATCH

DNRC requires a 75% private cost share to be eligible for grant funds. Cost share is required for non-government entities, [MCA 85-1-614 \(b\)](#). Matching contributions may be in the form of in-kind services or cash from local, state or federal sources. However, all contributions must be targeted for expenditure on the project specifically identified in the application. Matching funds must be substantiated by accounting records and costs that would normally be considered eligible as meeting program requirements. See APPENDIX A - TERMS for more information regarding Match Requirements.

Eligible in-kind contributions are those project-specific contributions associated directly with project implementation. If your budget includes in-kind labor, always reference the source for your labor value estimate. It may be helpful to use the U.S. Bureau of Labor Statistics website to estimate labor values for Montana: [https://www.bls.gov/oes/current/oes\\_mt.htm](https://www.bls.gov/oes/current/oes_mt.htm).

### FUNDING CYCLES

House Bill 6 includes \$100,000 for private grants. Grant cycles are open and awarded until funds have been expended.

### HOW TO APPLY

All applications are submitted electronically. Register and apply at [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

The applicant will need to complete the following forms provided in the application:

- A Grant Authorization Statement that certifies that the Grant Recipient is authorized to enter into an Agreement with the DNRC.
- A Department of the Treasury, Internal Revenue Service Form W-9.

### RANKING

See Appendix B - Eligibility and Ranking for more information. DNRC considers the following criteria for project eligibility:

- The extent and desirability of the renewable resource public benefits.
- The extent to which the project will effectively utilize water resources and promote the conservation and efficient use of the water resource must be evaluated and considered.
- Projects that could not be accomplished without the assistance of a loan or grant must be given preference.

### GRANT MANAGEMENT

#### Awards

DNRC will provide an award letter to successful applicants. Failure to submit required documents within a 12-month timeframe will result in a rescinded award.

**PROJECT EXPENSES INCURRED PRIOR TO JULY 1, 2023, AND AFTER JUNE 30, 2025, ARE NOT ELIGIBLE FOR REIMBURSEMENT.**



## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PRIVATE GRANTS

### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. Once the project is complete the recipient will submit all applicable invoices and/or receipts eligible for reimbursement to DNRC. These invoices/receipts will be used to create the funding amount of the grant agreement.

DNRC does not require progress reports or final reports for Private Grants.

### Grant Closeout

Once the grant disbursement is complete the grant will be closed.

### Outreach

The DNRC private grant program provides outreach to county sanitarians, municipal entities, and engineering/consulting firms to address septic tank failure.

- DNRC advertises RRG Project Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.
- DNRC updates WASACT as well as other stakeholder groups such as Montana Rural Water, Montana Association of Conservation Districts, partner agencies, and other stakeholder groups of grant opportunities.
- DNRC provides application and grant management assistance to applicants and has training and resources available online.

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
David Larson Phone: 406-444-2951 dclarson@mt.gov	Montana Code Annotated, <a href="#">Title 85, Chapter 1, Part 6 Sections 606 – 610</a> . <a href="#">ARM 36-17-607 – 36-17-612</a> (Administrative Rules of Montana)

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EMERGENCY GRANTS



## EMERGENCY GRANT GUIDELINES

### PURPOSE

To promote the conservation, development, and beneficial use of Montana’s water resources to secure maximum economic and social prosperity for its citizens.

The emergency grant program supports projects which pose an immediate threat to the beneficial management of a renewable resource and may not be made because of the gross negligence or lack of proper maintenance of the state, local, tribal government, or sponsored applicant.

### ELIGIBLE APPLICANTS

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision [MCA 85-1-605](#). These governmental entities have included:

- cities,
- towns,
- counties,
- water and/or sewer districts,
- conservation districts,
- irrigation districts,
- school districts and universities,
- regional water authority,
- state agencies, and
- tribal governments

Private or non-profit entities are NOT ELIGIBLE for funding but may partner with a local government to submit an application if the project aligns with the sponsor’s organization.

### ELIGIBLE PROJECTS

The emergency grants to government entities are available for any water-related project that meets the purpose of the Renewable Resource Grant and Loan Program.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EMERGENCY GRANTS

### Criteria

- Project is economically feasible.
- Project addresses an immediate threat to the beneficial management of a renewable resource.
- If the project is delayed, will cause substantial damage or legal liability to the applicant.
- The emergency is not a result of gross negligence of the applicant.
- The emergency is not a result of lack of or delay of maintenance.
- The applicant demonstrates financial need.
- Project expenses incur within the current biennium.

### Example Projects:

- Irrigation
  - Irrigation structure/diversion and headgate repairs after flooding
  - Canal bank failures
- Water and Sewer Infrastructure
  - Frozen line breaks, ice damage, lightning strike on electrical or SCADA system, rocks disabling lifts stations, damage from unintended consequences.
  - Water intake structures and sewer lagoons/dike repairs after flooding.
- Dams – Municipal and Irrigation Storage
  - Operating and guard gate repairs following an earthquake.

### Ineligible Projects

- Infrastructure failures resulting from a lack of routine maintenance.
- Improper operation of infrastructure systems that result in damage or failure.

## ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

- Contracted technical or engineering services.
- Contracted construction services.
- Equipment or materials.

### Ineligible Expenses

- Grant administration costs.
- Program Costs aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).
- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EMERGENCY GRANTS

## GRANT LIMITS

Severity: Low - Moderate	Severity: Moderate - High
Financial Need: Low - Moderate	Financial Need: Moderate - High
\$10,000	\$30,000
Local government – no match required	Local government – no match required

## MATCH

No match is required for emergency grant applications. Please provide all in-kind or matching funds for the planning to demonstrate financial feasibility to complete the project. Grant eligibility will consider committed cash match as part of the financial feasibility.

## FUNDING CYCLES

House Bill 6 includes \$300,000 for emergency grants. Grant cycles are open and awarded until funds have been expended.

## HOW TO APPLY

All applications are submitted electronically. Register and apply at [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

The applicant will need to complete the following forms provided in the application:

- A Grant Authorization Statement that certifies that the Grant Recipient is authorized to enter into an Agreement with the DNRC.

## RANKING

See Appendix B - Eligibility and Ranking for more information. DNRC considers the following criteria for project eligibility:

- The project will have renewable resource benefits.
- The project will have public benefits.
- The project is technical and financially feasible.
- The project will not have adverse environmental impacts.
- Applications with committed cash match will be given preference.

## GRANT MANAGEMENT

### Awards

DNRC will provide an award letter to successful applicants. The applicant will be responsible for providing the necessary startup conditions within the timeframe identified in the award letter. Failure to meet startup conditions within a 12-month timeframe will result in a rescinded award.

**PROJECT EXPENSES INCURRED PRIOR TO JULY 1, 2023, AND AFTER JUNE 30, 2025, ARE NOT ELIGIBLE FOR REIMBURSEMENT.**

### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. All local procurement and state laws are required to be followed under this agreement.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EMERGENCY GRANTS

### Reimbursement & Reporting

DNRC may waive the requirements to submit quarterly or other progress reports for Emergency Grants depending on the schedule for the grant and anticipated expenditures.

DNRC requires that grant recipients submit requests for reimbursement using the state vendor invoice. In addition to the DNRC vendor invoice, the grant recipient will submit copies of all applicable invoices and/or receipts eligible for reimbursement. All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

Reporting and reimbursement information is provided on DNRC [Resources and Training](#) webpage.

### Grant Closeout

DNRC may waive the requirements for a Final Report for Emergency Grants. DNRC grants require deliverables and invoices in compliance with the agreement to process final reimbursement. DNRC grants require final reports, deliverables, and invoices in compliance with the agreement in order to process final reimbursement. Ten percent (10%) of the total grant will be withheld until the sponsor has submitted an acceptable final report.

### Outreach

The DNRC Emergency Grant Program advertises primarily to state and local entities responding to or coordinating emergencies.

- DNRC advertises RRG Project Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.
- DNRC updates WASACT as well as other stakeholder groups such as Montana Rural Water, Montana Association of Conservation Districts, partner agencies, and other stakeholder groups of grant opportunities.
- DNRC partners with DES Disaster group, Department of Commerce and Department of Environmental Quality, and DNRC WARN group.

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
David Larson Phone: 406-444-2951 <a href="mailto:dclarson@mt.gov">dclarson@mt.gov</a>	MCA Sections 85-1-602 and 85-1-605 (Montana Code Annotated) <a href="#">ARM 36-17-607 – 36-17-612</a> (Administrative Rules of Montana)

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – IRRIGATION DEVELOPMENT GRANTS



## IRRIGATION DEVELOPMENT GRANT GUIDELINES

### PURPOSE

The Irrigation Development Grant (IDG) Program supports irrigation projects that increase or sustain irrigated agriculture in Montana. Projects must address a need that will result in a benefit to irrigated agriculture.

Irrigation is the dominant commercial use of Montana's water and is a key component of Montana's economy, accounting for 96% of surface and ground water withdrawals. The IDG program was created to increase the value of irrigated crops while preserving natural resources and the environment for future generations.

### ELIGIBLE APPLICANTS

As defined in [MCA 85-1-102\(6\)\(a\)](#), "Private Person" means any individual, association, partnership, corporation, or other non-governmental entity that is not eligible for loans and grants under [MCA 85-1-605](#).

- Individuals/Private Person
- Associations
- Partnerships
- Corporations

Small family on farm projects ([MCA 85-1-610\(2\)](#)) must be given preference. A family farm is one devoted primarily to agriculture under the ownership and operation of a resident Montana family.

### ELIGIBLE PROJECTS

Eligible projects must:

- Measurably conserve, manage, develop, or preserve resources.
- Provide public benefits ([MCA 85-1-609 \(1\)\(g\)\)](#).
- Address development or sustainment of Montana's irrigated agriculture.
- Initiate or increase the sponsor's water conservation or measurement efforts.
- Be constructed, developed, and operated within the state of Montana.

Example Projects:

- Advancement of farming practices that reduce agricultural chemical use.
- Land leveling
- Planning
- New development
- Repair and upgrades

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – IRRIGATION DEVELOPMENT GRANTS

- Measurement

### Ineligible Projects

- Irrigation projects for lawns or domestic use.
- Irrigation for alfalfa or hay for personal use.
- Projects resulting in adverse effects to renewable resources.
- Grant funds cannot reimburse resalable or moveable equipment, i.e. pivots or pumps.

### ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

- Contracted technical or engineering services.
- Contracted construction services.
- Equipment or materials.

### Ineligible Expenses

- Grant administration costs.
- Program Costs aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).
- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

### GRANT LIMITS

Irrigation Development Grants may fund 50% of the total project costs up to \$50,000.

### MATCH

A 50% cost share is required for non-government entities, [MCA 85-1-614 \(b\)](#). Matching contributions may be in the form of in-kind services or cash from local, state or federal sources. However, all contributions must be targeted for expenditure on the project specifically identified in the application. Matching funds must be substantiated by accounting records and costs that would normally be considered eligible as meeting program requirements. See APPENDIX A - TERMS for more information regarding Match Requirements.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – IRRIGATION DEVELOPMENT GRANTS

Eligible in-kind contributions are those project-specific contributions associated directly with project implementation. If your budget includes in-kind labor, always reference the source for your labor value estimate. It may be helpful to use the U.S. Bureau of Labor Statistics website to estimate labor values for Montana: [https://www.bls.gov/oes/current/oes\\_mt.htm](https://www.bls.gov/oes/current/oes_mt.htm).

### FUNDING CYCLES

House Bill 6 includes \$500,000 for Irrigation Development Grants for the 2025 biennium. Application funding is available as revenue received.

- Cycle #1 February 2024
- Cycle #2 November 2024

### HOW TO APPLY

All applications are submitted electronically. Register and apply at [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

### RANKING

See Appendix B - Eligibility and Ranking for more information. DNRC considers the following criteria for project eligibility and ranking:

- The extent and desirability of public benefits.
  - Irrigated acreage impacted by the project.
  - Economic impacts of the project.
- A water-related project that will be used as part of a family farm must be given preference. A family farm is one devoted primarily to agriculture under the ownership and operation of a resident Montana family.
- A water-related project that will utilize or develop water reserved under 85-2-316 must be given preference.
- Geographic balance in the promotion of renewable resource grant projects.
- The extent to which the project will effectively utilize water resources and promote the conservation and efficient use of the water resource.
- Projects that could not be accomplished without the assistance of a loan or grant must be given preference.
- Financial feasibility. Committed cash match will receive a higher preference than uncommitted match or in-kind match.
- Technical feasibility, the thoroughness and feasibility of the project's implementation plan and schedule.
- If a project is determined to have adverse environmental impacts that cannot be mitigated and does not preserve the state's renewable resources per 85-1-601, MCA, it is ineligible for a grant.

### GRANT MANAGEMENT

#### Awards

DNRC will provide an award letter to successful applicants. The applicant will be responsible for providing the necessary startup conditions including a procurement plan within the timeframe identified in the award letter. Failure to meet startup conditions within a 12-month timeframe will result in a rescinded award.

**PROJECT EXPENSES INCURRED PRIOR TO THE GRANT AWARD LETTER ARE NOT ELIGIBLE FOR REIMBURSEMENT.**



## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – IRRIGATION DEVELOPMENT GRANTS

### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. State procurement law is required to be followed under this agreement.

### Reimbursement & Reporting

DNRC requires that grant recipients provide progress reports when requesting reimbursement. See APPENDIX D - REPORTING AND REIMBURSEMENT REQUIREMENTS for additional details. DNRC requires that grant recipients submit requests for reimbursement using the state vendor invoice. In addition to the DNRC vendor invoice, the grant recipient will submit copies of all applicable invoices and/or receipts eligible for reimbursement. All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

Reporting and reimbursement information is provided on DNRC [Resources and Training](#) webpage.

### Grant Closeout

DNRC grants require final reports, deliverables, and invoices in compliance with the agreement to process final reimbursement. Ten percent (10%) of the total grant will be withheld until the sponsor has submitted an acceptable final report.

### Outreach

The DNRC Irrigation Development Grant program provides outreach to applicants working on small family, on-farm irrigation projects.

- DNRC advertises RRG Project Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.
- DNRC updates Montana Association of Conservation Districts, Montana Water Resources, partner agencies, and other stakeholder groups of grant opportunities.
- DNRC provides online application and grant management trainings, FAQ documents and scheduled office hours, as needed, to applicants.
- Program information will be provided to local NRCS and MSU Extension service offices.

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
Ann L Kulczyk Phone: 406-228-4129 <a href="mailto:akulczyk@mt.gov">akulczyk@mt.gov</a>	MCA Sections 90-9-102 and 90-9-401 (Montana Code Annotated) <a href="#">ARM 36-17-607 – 36-17-612</a> (Administrative Rules of Montana)

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – WATERSHED MANAGEMENT GRANTS



## WATERSHED MANAGEMENT GRANT GUIDELINES

### PURPOSE

The Watershed Management Grant (WMG) Program goals are to provide financial support for the development and implementation of locally led watershed related planning and capacity building activities that conserve, develop, manage, or preserve state natural resources. These goals are aligned with Montana Code Annotated (MCA) Title 85, Chapter 1, Part 6.

### ELIGIBLE APPLICANTS

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision. These governmental entities have included:

- cities,
- towns,
- counties,
- water and/or sewer districts,
- conservation districts,
- irrigation districts,
- school districts and universities,
- regional water authority,
- state agencies, and
- tribal governments

As defined in [MCA 85-1-102\(6\)\(a\)](#), "Private Person" means any individual, association, partnership, corporation, or other non-governmental entity that is not eligible for loans and grants under [MCA 85-1-605](#).

- Individuals/Private Person
- Associations
- Partnerships
- Corporations

### Sponsorship

A government entity may sponsor a non-government entity for a Watershed Management Grant. The sponsor must submit the application and provide project oversight. Grant sponsors must have a material connection to the work being performed and are the legal party for purposes of project representation, negotiations, and communications. DNRC will require that a government entity sponsoring a grant for a non-government entity will provide an executed MOU as startup conditions. See Appendix D: Example Memorandum of Understanding for example language.

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – WATERSHED MANAGEMENT GRANTS

## ELIGIBLE PROJECTS

Grants will be awarded for planning efforts and capacity building activities identified in a strategic plan, that conserve, develop, manage, or preserve renewable resources. Approved grants shall be an instrument to enhance natural resource benefits.

### Example Projects:

#### ➤ Watershed Group Formation

Grant funding to establish a watershed group. A watershed group is a self-sustaining, non-regulatory, consensus-based group that is composed of a diverse array of stakeholders, which may include, but is not limited to, private property owners, non-profit organizations, federal, state, or local agencies, and tribes. Grant funds awarded in this category may fund development of bylaws, a mission statement, complete stakeholder outreach, and develop a strategic plan.

#### ➤ Watershed Organization Strategic Plans

Strategic plans focus on the mission and goals of an organization that helps groups define the organization's priorities. Strategic planning is a process culminating in a 3-5 year planning document that addresses an organization's current state, identifies future goals, and can then be used to develop annual work plans. The Conservation District Bureau at DNRC has tools to assist CDs

<https://dnrc.mt.gov/Conservation/Conservation-Programs/Conservation-Districts/cd-resource-documents> . The Montana Nonprofit Association provides resources for nonprofit organizations online: <https://www.mtnonprofit.org/>.

#### ➤ Watershed Strategic Program or Initiative

Strategic programs or initiatives are identified in an organization's Strategic Plan. These programs or initiatives will need to be clearly tied to the organization's mission and align with the purpose of the Watershed Management Grants. Examples may include watershed group expansion, staff support of a Watershed Restoration Plan, staff time for project management or contracted services to prepare a Watershed Restoration Project Plan, staff time for project management to oversee a non-point construction project, staff time to coordinate volunteers, purchase of materials for education and outreach.

#### ➤ Hosting a Big Sky Watershed Corps member.

Grants will support a portion of the local host site cost share to support a Big Sky Watershed Corps member. This will be a one-time grant application and award and will require submission of a final report at the end of the BSWC term. MCC Fellows and interns are not eligible under this category, as they would be eligible under the other categories for staff time in Watershed Management Grants, and costs for their salaries are ongoing throughout the life of the project or grant.

### Ineligible Projects

Watershed Management Grants will not fund projects or programs that are eligible for grant funds within another grant program in DNRC, such as other RRGL grants, Reclamation Development Grants, Aquatic Invasive Species Grants, etc.

## ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – WATERSHED MANAGEMENT GRANTS

- Staff time (wage and fringe) for project management.
- Staff time (wage and fringe) and expenses for grant administration, reporting, and expense tracking.
- Expenses associated with stakeholder meetings.
- Contracted consultant expenses associated with monitoring, design, grant writing or development of natural resource management plans.
- Conferences or training for staff development.
- Materials.
- Equipment rental or purchase.
- Travel expenses must comply with the State of Montana Travel Policy.
- Purchases of goods, services or supplies must meet the Montana Procurement Act and/or local procurement regulations.

### Ineligible Expenses

- Program Costs aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).
- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

### GRANT LIMITS

<b>Watershed Group Formation</b>	<b>Watershed Organization Strategic Plans</b>	<b>Watershed Strategic Program or Initiative</b>	<b>Big Sky Watershed Corps Host Site Cost Share</b>
\$40,000	\$25,000	\$50,000	\$8,000
Local Government = no match	Local Government = no match	Local Government = no match	Local Government = no match
Non-government entity match = Up to 50% of the total project cost	Non-government entity match = Up to 50% of the total project cost	Non-government entity match = Up to 50% of the total project cost	Non-government entity match = Up to 50% of the total project cost

### MATCH

Watershed Management Grants to a local government entity do not require financial match. However, DNRC is required to evaluate project applications' financial and technical feasibility which considers reasonable project costs and committed matching funds.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – WATERSHED MANAGEMENT GRANTS

A 50% cost share is required for non-government entities, [MCA 85-1-614 \(b\)](#). Matching contributions may be in the form of in-kind services or cash from local, state or federal sources. However, all contributions must be targeted for expenditure on the project specifically identified in the application. Matching funds must be substantiated by accounting records and costs that would normally be considered eligible as meeting program requirements. See APPENDIX A - TERMS for more information regarding Match Requirements.

Eligible in-kind contributions are those project-specific contributions associated directly with project implementation. If your budget includes in-kind labor, always reference the source for your labor value estimate. It may be helpful to use the U.S. Bureau of Labor Statistics website to estimate labor values for Montana: [https://www.bls.gov/oes/current/oes\\_mt.htm](https://www.bls.gov/oes/current/oes_mt.htm).

### FUNDING CYCLES

House Bill 6 includes \$500,000 for Watershed Management Grants for the 2025 biennium. Application funding is available as revenue received.

- Cycle #1 January – February 2024
- Cycle #2 October – November 2024

### HOW TO APPLY

All applications are submitted electronically. Register and apply at <https://grants.dnrc.mt.gov/submit>

### RANKING

See Appendix B - Eligibility and Ranking for more information. DNRC considers the following criteria for project eligibility and ranking:

- Potential for renewable resource benefits.
  - Applicant presents a clear mission statement tied to renewable resource benefits.
- Potential public benefits. Including implementation of the state water plan priorities.
  - Applicant presents goals that can correlate with reasonable public benefits.
- Technical feasibility of the proposed plan.
  - Thoroughness of the implementation plan and schedule.
  - Applications with a clear plan to complete grant activities within 2 years of award will be given priority.
- Financial feasibility of the proposed plan.
  - Financial feasibility considers the adequacy of the budget narrative submitted with the grant application.
  - Financial feasibility considers the committed match in relation to total project cost. Committed cash match will receive a higher preference than uncommitted match or in-kind match.
  - Financial need considers the ability of the project to be accomplished without assistance of the grants, to be given preference. Applicants can demonstrate that staff salaries are not paid through the organization's annual operating budget or other grant funds.
- The applicant's ability to manage a project as demonstrated in a clear grant management plan.
- Public and stakeholder support.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – WATERSHED MANAGEMENT GRANTS

- DNRC is required to consider the geographic balance of private grants. Ranking preference will be granted to entities that have not received WMG funds in the prior biennium.

### GRANT MANAGEMENT

DNRC will provide an award letter to successful applicants. The applicant will be responsible for providing the necessary startup conditions including a procurement plan within the timeframe identified in the award letter. Failure to meet startup conditions within a 12-month timeframe will result in a rescinded award.

#### **PROJECT EXPENSES INCURRED PRIOR TO THE GRANT AWARD LETTER ARE NOT ELIGIBLE FOR REIMBURSEMENT.**

### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. State procurement law is required to be followed under this agreement.

### Reimbursement & Reporting

DNRC requires that grant recipients provide quarterly or more frequent progress reports. See APPENDIX D - REPORTING AND REIMBURSEMENT REQUIREMENTS for additional details. DNRC requires that grant recipients submit requests for reimbursement using the state vendor invoice. In addition to the DNRC vendor invoice, the grant recipient will submit copies of all applicable invoices and/or receipts eligible for reimbursement. All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

Reporting and reimbursement information is provided on DNRC [Resources and Training](#) webpage.

### Grant Closeout

DNRC grants require final reports, deliverables, and invoices in compliance with the agreement in order to process final reimbursement. Ten percent (10%) of the total grant will be withheld until the sponsor has submitted an acceptable final report.

### Outreach

DNRC advertises the RRG watershed management grant opportunities to local and private groups working on watershed planning and program documents and seeking support for the Big Sky Watershed Members.

- DNRC advertises RRG Project Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.
- DNRC updates stakeholder groups such as Montana Conservation Corps, Montana Watershed Coordination Council, Montana Association of Conservation Districts, Natural Resource Grants Working Group, and other stakeholder groups of grant opportunities.
- DNRC provides online application and grant management trainings.

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – WATERSHED  
MANAGEMENT GRANTS

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
Melissa Downing Watershed Management Grant Program Manager 406-444-0697 <a href="mailto:melissa.downing@mt.gov">melissa.downing@mt.gov</a>	MCA Sections 90-9-102 and 90-9-401 (Montana Code Annotated) <a href="#">ARM 36-17-607 – 36-17-612</a> (Administrative Rules of Montana)

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – NONPOINT SOURCE GRANTS



## NPS GRANT GUIDELINES

### PURPOSE

The purpose of the Nonpoint Source Pollution Reduction (NPS) Grant Program is to provide financial assistance to projects which measurably preserve Montana's water resources. Projects must improve water quality or water quantity including streamflows and water storage in existing natural systems, such as riparian areas, flood plains and wetlands.

NPS grants can fund projects that provide public benefits such as erosion reduction, water quality enhancement and sediment reduction. Nonpoint source pollution is the contamination or other alteration of the physical, chemical or biological properties of state waters. "State waters" means a body of water\*, irrigation system\*, or drainage system, either surface or underground.

### ELIGIBLE APPLICANTS

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision. These governmental entities have included:

- cities,
- towns,
- counties,
- water and/or sewer districts,
- conservation districts,
- irrigation districts,
- school districts and universities,
- regional water authority,
- state agencies, and
- tribal governments

As defined in [MCA 85-1-102\(6\)\(a\)](#), "Private Person" means any individual, association, partnership, corporation, or other non-governmental entity that is not eligible for loans and grants under [MCA 85-1-605](#).

- Individuals/Private Person
- Associations
- Partnerships
- Corporations

### Sponsorship

A government entity may sponsor a non-government entity for a NPS Grant. The sponsor must submit the application and provide project oversight. Grant sponsors must have a material connection to the work being performed and are the legal party for purposes of project representation, negotiations, and communications.



## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – NONPOINT SOURCE GRANTS

DNRC will require that a government entity sponsoring a grant for a non-government entity will provide an executed MOU as startup conditions. Appendix D: Example Memorandum of Understanding.

### ELIGIBLE PROJECTS

Project types eligible for funding:

#### **Municipal Sewer Connections to eliminate individual or group septic systems.**

- Septic systems must be eliminated and reclaimed.
- Grants to government entities must directly offset or eliminate costs for individual homeowners to connect.
- Grants to private entities must meet the match requirement of 50% of the total project cost.
- Priority to connection projects that demonstrate septic risks to state waters.

#### **Nonpoint Source Implementation Projects**

- Projects activities must be identified in Montana NPS Appendix A - Best Management Practices
- Projects identified in an approved Watershed Restoration Plan will receive priority.

#### **DEQ 319 Funded Project Match**

- Projects must be approved by the DEQ for 319 grant funds.
- Grant funds will be used as non-federal match to meet the 319 grant requirements.
- Grant program meets the same eligibility and other requirements of the 319-grant program.

### Ineligible Projects

NPS Grants will not fund projects or programs that are eligible for grant funds within another grant program in DNRC, such as Reclamation Development Grants, Aquatic Invasive Species Grants, etc.

### ELIGIBLE EXPENSES

DNRC grants reimburse eligible project costs:

- Professional engineering services, site investigation, design, and oversight.
- Contracted construction services.
- Equipment and materials.
- Staff time related to activity planning and project management.
- Staff time and expenses for grant administration, reporting and expense tracking.
- Travel expenses must comply with the State of Montana Travel Policy
- Purchases of goods, services or supplies must meet the Montana Procurement Act and/or local procurement regulations.

### Ineligible Expenses

- Program Costs aka indirect costs:
  - "Program costs" means non-reimbursable costs not directly related to the project. Program costs include but are not limited to: office rent that will be incurred whether or not the project is implemented; salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or any other costs that pay for ongoing

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – NONPOINT SOURCE GRANTS

or general services of the applicant. For example: rent, utilities, licenses, reoccurring/regular meetings/newsletters (unrelated to planning or specific capacity development), staff time (unrelated to planning or specific capacity development), ongoing cost deemed necessary to continue business (operations).

- Political lobbying or litigation
- Land or property acquisition
- Food or beverages
- Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))

### GRANT LIMITS

<b>Municipal Sewer Connections – Local Government</b>	<b>Nonpoint Source Implementation Projects</b>	<b>DEQ 319 Funded Project Match</b>
\$100,000 total \$5,000 per connection	\$50,000	To be determined by DEQ 319 awards
Local Government = no match	Local Government = no match	Local Government = no match
	Non-government entity match = Up to 50% of the total project cost	Non-government entity match = Up to 50% of the total project cost

### MATCH

NPS Grants to a local government entity do not require financial match. However, DNRC is required to evaluate project applications’ financial and technical feasibility which considers reasonable project costs and committed matching funds.

A 50% cost share is required for non-government entities, [MCA 85-1-614 \(b\)](#). Matching contributions may be in the form of in-kind services or cash from local, state or federal sources. However, all contributions must be targeted for expenditure on the project specifically identified in the application. Matching funds must be substantiated by accounting records and costs that would normally be considered eligible as meeting program requirements. See APPENDIX A - TERMS for more information regarding Match Requirements.

Eligible in-kind contributions are those project-specific contributions associated directly with project implementation. If your budget includes in-kind labor, always reference the source for your labor value estimate. It may be helpful to use the U.S. Bureau of Labor Statistics website to estimate labor values for Montana: [https://www.bls.gov/oes/current/oes\\_mt.htm](https://www.bls.gov/oes/current/oes_mt.htm).

### FUNDING CYCLES

House Bill 6 includes \$3,500,000 for NPS Grants. Application funding is available as revenue is received.

- Municipal Sewer Connections Funding Cycle: August – September 2024
- NPS Project Implementation Funding Cycles: August – September 2024
- DEQ 319 Funded Project Match: Based on DEQ application and award cycles.

### HOW TO APPLY

All applications are submitted electronically. Register and apply at [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – NONPOINT SOURCE GRANTS

To apply for DEQ 319 funds, please visit [DEQ.MT.GOV](http://DEQ.MT.GOV).

### RANKING

See Appendix B - Eligibility and Ranking for more information. DNRC considers the following criteria for project eligibility and ranking:

- Renewable resource benefits.
- Public benefits.
- Implementation of the state water plan priorities or will mitigate human health or safety projects.
- Financial feasibility of the proposed plan.
  - Financial feasibility considers the committed match in relation to total project cost. Committed cash match will receive a higher preference than uncommitted match or in-kind match.
- Technical feasibility of the proposed plan.
  - Adequacy of alternatives analysis
  - Adequacy of cost estimates
  - Thoroughness of the implementation plan and schedule.
  - Quality of the technical data submitted with the application.
- The applicant's ability to manage a project as demonstrated in a clear grant management plan.
- Public and stakeholder support.
- If a project is determined to have adverse environmental impacts that cannot be mitigated and does not preserve the state's renewable resources per 85-1-601, MCA, it is ineligible for a grant.

### GRANT MANAGEMENT

#### Awards

DNRC will provide an award letter to successful applicants. The applicant will be responsible for providing the necessary startup conditions including a procurement plan within the timeframe identified in the award letter. Failure to meet startup conditions within a 12-month timeframe will result in a rescinded award.

**PROJECT EXPENSES INCURRED PRIOR TO THE GRANT AWARD LETTER ARE NOT ELIGIBLE FOR REIMBURSEMENT.**

#### Contracting

DNRC grant recipients are required to enter into an agreement with the DNRC prior to requesting reimbursement for eligible project costs. State procurement law is required to be followed under this agreement.

#### Reimbursement & Reporting

DNRC requires that grant recipients provide quarterly or more frequent progress reports. See APPENDIX D - REPORTING AND REIMBURSEMENT REQUIREMENTS for additional details. DNRC requires that grant recipients submit requests for reimbursement using the state vendor invoice. In addition to the DNRC vendor invoice, the grant recipient will submit copies of all applicable invoices and/or receipts eligible for reimbursement. All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

Reporting and reimbursement information is provided on DNRC [Resources and Training](#) webpage.

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – NONPOINT SOURCE GRANTS

## Grant Closeout

DNRC grants require final reports, deliverables, and invoices in compliance with the agreement in order to process final reimbursement. Ten percent (10%) of the total grant will be withheld until the sponsor has submitted an acceptable final report.

## Outreach

DNRC NPS grant program will coordinate with local, state, and private entities to plan and develop water quality or quantity projects. DNRC will also consider targeted outreach and presentations as identified through the development of this program.

- DNRC advertises RRG Project Grant Opportunities primarily using electronic messages (Gov Delivery) and <https://dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans/>.
- DNRC updates WASACT as well as other stakeholder groups such as Montana Rural Water, Montana Association of Conservation Districts, partner agencies, and other stakeholder groups of grant opportunities.
- DNRC provides online application and grant management training, FAQ documents and scheduled office hours, as needed, to applicants.
- DNRC coordinates with municipal sewer managers in state and local government with grant coordination and updates. Grant application training will also be provided.
- DNRC coordinates funding with NPS Implementation Projects through trainings and meetings with NRWG, MWCC, MACD, and similar stakeholders based on outreach needs.
- DNRC coordinates funding with DEQ 319 program and will provide applicants assistance as needed to obtain funding.

Current Grant Cycle and deadline information is available at [www.dnrc.mt.gov](http://www.dnrc.mt.gov)  
Apply online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)

Program Contact	Legal Authority
<b>Lindsay Volpe</b> Phone: 406-444-9766 <a href="mailto:lmvolpe@mt.gov">lmvolpe@mt.gov</a>	MCA Sections 85-1-602 and 85-1-605 (Montana Code Annotated) <a href="#">ARM 36-17-607 – 36-17-612</a> (Administrative Rules of Montana)

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – SUMMARY TABLE

RENEWABLE RESOURCE GRANT PROGRAMS 2025 BIENNIUM SUMMARY TABLE

	Eligible Applicants	Eligible Projects	Grant Limits	Match	Eligible Expenses	Funding Cycles	Grant Admin	Apply Online	Program Contact
<b>Project Grants</b>	Local Governments	Infrastructure	\$125,000.00	Not required for local governments	Staff time - project management and grant administration Contracted professional services Contracted construction services Equipment, materials, supplies Project related costs	Applications due May 15, 2024	Award Letter Startup Conditions Grant Agreement Project Kickoff Meeting Progress Meetings Reimburse eligible expenses (date of Award Letter) Quarterly reporting Reimbursement Requests Withhold 10% Final Report	www.grants.dnrc.mt.gov	Lindsay Volpe 406-444-9766 lvolpe@mt.gov
		Irrigation							
		Dams							
		Renewable Energy							
		Restoration							
		Studies							
<b>Planning Grants</b>	Local Governments	Infrastructure PER	\$40,000.00	Not required for local governments	Contracted professional services	MCEP/CDBG Planning Grant Match Cycle – October 2023	Award Letter Grant Agreement Reimbursement 50% with draft document Final reimbursement with final document	www.grants.dnrc.mt.gov	Lindsay Volpe 406-444-9766 lvolpe@mt.gov
		Irrigation PER/ Technical Narrative	\$30,000.00			---			
		PER or Technical Narrative Update	\$20,000.00			Planning Grant Cycle #1 – December 2023 - April 2024 Review and Award January 2024 Review and Award April 2024			
		Resource Services (Plans or Studies)	\$15,000.00			---			
		Watershed Restoration Plan	\$40,000.00			Planning Grant Cycle #2 – September 2024 - December 2024 Review and Award October 2024 Review and Award January 2025			
		Watershed Restoration Project Plan	\$30,000.00			---			
		Technical Assistance	\$3,000.00			Technical Assistance - January 2024			

**RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – SUMMARY TABLE**

	<b>Eligible Applicants</b>	<b>Eligible Projects</b>	<b>Grant Limits</b>	<b>Match</b>	<b>Eligible Expenses</b>	<b>Funding Cycles</b>	<b>Grant Admin</b>	<b>Apply Online</b>	<b>Program Contact</b>
<b>Private Grants</b>	Private Person	<b>Septic system replacement, repair or municipal connection</b>	\$5,000.00	75% total project cost	Contracted professional services Contracted construction services. Equipment, materials, supplies Project related costs	Open and awarded until funds have been expended.	Award One reimbursement Closeout	www.grants.dnrc.mt.gov	David Larson 406-444-2951 dclarson@mt.gov
		<b>Septic system upgrade</b>	\$7,500.00						
		<b>Other projects</b>	\$5,000.00						
<b>Emergency Grants</b>	Local Governments	<b>Emergency Repair or Rehabilitation Projects</b>	\$10,000 - \$30,000	Not required	Contracted professional services Contracted construction services. Equipment, materials, supplies Project related costs	Open and awarded until funds have been expended.	Award Grant Agreement DNRC may waive Progress Reports and Final Report based on need and urgency	www.grants.dnrc.mt.gov	David Larson 406-444-2951 dclarson@mt.gov
<b>Irrigation Development Grants</b>	Private Person Small, family, on-farm projects	<b>Irrigation Development Projects</b>	\$50,000.00	50% total project cost	Contracted professional services Contracted construction services. Equipment, materials, supplies Project related costs	Cycle #1 February 2024 Cycle #2 November 2024	Award Letter Startup Conditions Grant Agreement Reimburse eligible expenses (date of Award Letter) Reimbursement Requests with progress report Withhold 10% Final Report	www.grants.dnrc.mt.gov	Ann L Kulczyk 406-228-4129 akulczyk@mt.gov
<b>Watershed Management Grants</b>	Local Governments --- Private Non-Government	<b>Watershed Group Formation</b>	\$40,000.00	Not required for local governments --- 50% total project cost for non-government entities	Staff time - project management and grant administration Costs associated with stakeholder meetings. Contracted professional services associated with monitoring, design, grant writing or development of natural resource management plans. Conferences or training for staff development. Equipment, materials, supplies Project related costs Travel expenses must comply with the State of Montana Travel Policy Purchases of goods, services or supplies must meet the Montana Procurement Act and/or local procurement regulations.	Cycle #1 January – February 2024 Cycle #2 October – November 2024	Award Letter Startup Conditions Grant Agreement Project Kickoff Meeting Progress Meetings Reimburse eligible expenses (date of Award Letter) Quarterly reporting Reimbursement Requests Withhold 10% Final Report	www.grants.dnrc.mt.gov	Melissa Downing 406-444-0697 melissa.downing@mt.gov
		<b>Watershed Organization Strategic Plans</b>	\$25,000.00						
		<b>Watershed Strategic Program or Initiative</b>	\$50,000.00						
		<b>Big Sky Watershed Corps Host Site Fee</b>	\$8,000.00						

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – SUMMARY TABLE

	Eligible Applicants	Eligible Projects	Grant Limits	Match	Eligible Expenses	Funding Cycles	Grant Admin	Apply Online	Program Contact
<b>Nonpoint Source Pollution (NPS) Reduction Grants</b>	Local Governments	<b>Municipal Sewer Connections</b>	\$100,000 total \$5,000 per connection	Not required for local governments	Staff time - project management and grant administration Contracted professional services for investigation, design, and oversight. Contracted construction services. Equipment, materials, supplies Project related costs	Open August - September 2024	Award Letter Startup Conditions Grant Agreement Project Kickoff Meeting Progress Meetings Reimburse eligible expenses (date of Award Letter) Quarterly reporting Reimbursement Requests Withhold 10% Final Report	www.grants.dnrc.mt.gov	Lindsay Volpe 406-444-9766 lvolpe@mt.gov
	Local Governments	<b>NPS Implementation Projects</b>	\$50,000.00	Not required for local governments	Travel expenses must comply with the State of Montana Travel Policy	Open August - September 2024			
	Private Non-Government			50% total project cost for non-government entities	Purchases of goods, services or supplies must meet the Montana Procurement Act and/or local procurement regulations.				
	See DEQ 319 Program Regulations	<b>DEQ 319 Funded Project Match</b>	See DEQ 319 Program Regulations	Up to 30% of total project cost	See DEQ 319 Program Regulations	See DEQ 319 Program Regulations			

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

## APPENDIX A: TERMS

### *Amendment*

An amendment is a formal modification to a grant agreement. It is written, signed by both DNRC and the subrecipient, and legally incorporated into the Grant Agreement.

### *Applicant*

"Applicant" means the following who submit an application under the act, meeting the purposes and policies of the act pursuant to 85-1-601, MCA:

- (a) a local governmental or state governmental entity eligible under 85-1-605, MCA;
- (b) a tribal government eligible under 85-1-605, MCA; or
- (c) a private person that is an individual, association, partnership, corporation, or other governmental entity that is not eligible for loans and grants under 85-1-605, MCA.

### *Application*

"Application" means an application for a renewable resource grant or loan submitted by an applicant in accordance with the act and the rules adopted pursuant to the act.

### *Authorized Person*

The Authorized Person is the individual authorized to enter into a grant agreement with the State of Montana on behalf of the applicant entity. DNRC requires that applications be signed by an authorized representative of the applicant entity (for example, a mayor, county commissioner, board chair, district supervisor, etc.). Application forms CANNOT be signed by a different representative (for example the City Manager or Town Clerk), even if that representative has signing authority within the local government. This is because DNRC has no way of knowing who has signing authority within the local government entity. Additionally, DNRC needs to be confident that the authorized signatory can enter into a grant agreement in the future should the application be successful.

### *Awards*

DNRC will issue an award letter to an applicant that contains information on the amount of the award as well as program requirements. DNRC may only authorize reimbursement of eligible project costs once a Grant Agreement has been executed. See Appendix C Award Letter Example. Award letters will detail:

- Total Grant Award
- Eligible Project Costs (Dates)
- Startup Requirements
- Match Requirements
- Procurement Requirements
- Program Specific Requirements/Limitations

### *Budget Categories*

Budget categories for direct costs in a DNRC Grant Agreement may include Personnel Costs, Equipment, Contracted Services. Please see guidance on writing a budget narrative online:

<https://dnrc.mt.gov/docs/conservation/ARPA/Tools-and-Resources/How-to-Write-a-Budget-Narrative-ARPA.pdf>



## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

### Personnel Costs

Personnel Costs, also referred to as payroll charges, include compensation paid to employees as wages or salaries and related fringe benefit costs for services provided for the benefit of the grant award project during the term of the grant agreement. As with any cost attributed to the grant agreement, personnel costs must meet the general test of allowability in that the costs must be necessary, reasonable, and allocable to the award.

Personnel costs can be checked for reasonableness by comparing compensation with other organizations' pay for similar work, or if no similar work exists, with market salary standards. The charges must be consistent with other **payroll charges and organizational policies, and they must not be charged elsewhere to another award or function.**

Fringe benefit costs associated with payroll charges (such as the employer's portion of payroll taxes; health insurance premiums; workers' compensation insurance; contributions to retirement programs; and compensated absences such as vacation, holiday, military, and sick leave) are also allowable, provided the benefits are reasonable and required by law, employee agreement, or established policy of the grant recipient.

All salaries, wages, and benefits claimed as direct costs to grant awards must be based on the recipient's documented payroll records. Time and attendance records (including work schedules, calendars, and time sheets) may be used to document payroll charges. Please see DNRC CARDD Grant Reimbursement for Personnel Expenses Guide online:

<https://dnrc.mt.gov/docs/conservation/CARDD-Training/DNRC-Reimbursement-for-Personnel-Services-Guide-Final.pdf>

### Equipment

Equipment is defined as tangible property having a useful life of more than one year and a per-unit acquisition cost. Not all DNRC grant programs allow for the purchase of equipment. If it is permitted by the grant program, Program Managers will work with the applicant during the application process to determine the eligibility of equipment purchase. If the purchase of equipment is determined to be an allowable cost, it will be clearly noted in the grant agreement's budget table, and the grant recipient will be required to follow all state and local guidance related to the acquisition and disposition of the equipment.

### Materials or Supplies

Materials or supplies are defined as purchases necessary to support the grant activities that do not meet the definition of equipment above and are generally less than \$5,000. Materials and supplies are not expected to have a useful life beyond the immediate needs of the project.

### Contracted Services

The Contracted Services budget category includes costs incurred for services provided under contract in support of the award-funded project. Contracted services represent an actual **procurement**, or purchase, of services.

DNRC can allow reimbursement for local governments to provide their own labor, equipment, or materials under specific circumstances. Please see

<https://dnrc.mt.gov/docs/conservation/ARPA/Tools-and-Resources/Non-DEQ-Project-Guidelines-FINAL.pdf>

The State of Montana requires that projects must be designed and inspected during construction by a Montana registered engineer and all land surveying projects must be performed by a Montana registered land surveyor Montana Code Annotated (MCA) 18-2-121.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

Local Government Provides Labor and Equipment for Construction. Local governments must request authorization to use their own labor and equipment for construction projects.

Common types of these projects are canal/ditch conversion to pipe and canal lining.

- Procurement of materials must follow federal, state and/or local procurement laws, rules, and regulations.
- The entity must provide DNRC with documentation of similar projects constructed or must provide DNRC with the manpower and machinery available to complete the construction according to plans and specifications.
- Accurate expense records of labor and machinery used for construction must be kept and provided to DNRC for reimbursement.
- A licensed engineer or surveyor registered in Montana must be present for inspection and completion of the project (MCA 18-2-121).
- DNRC requires As-Builts that are certified by a licensed P.E. as part of the Final Reporting Requirements.

### *Grant Agreement*

The Grant Agreement is a legally binding contract between DNRC and the Grant Recipient to allow DNRC to reimburse the Grant Recipient for approved project activities.

### *Grant Recipient*

A Grant Recipient is the entity legally allowed to carry out project activities as part of a DNRC Grant Program.

### *Eligible Expenses (Allowable Costs)*

To be considered allowable under a grant award, a project cost must, at a minimum, be allocable, reasonable, and necessary.

- ✓ **necessary** to accomplish the project objectives as described in the Grant Agreement and applicable industry or program standards;
- ✓ **reasonable** for proper and efficient performance and administration of the grant award. A cost is “reasonable” if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost; and
- ✓ **allocable** to the grant award. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to the cost objective in accordance with the relative benefits received.

Additional general criteria for allowability of costs require that the cost also:

- ✓ be authorized or not prohibited under state or local laws or regulations;
- ✓ conform to any limitations or exclusions set forth in cost principles established by federal or state laws, terms and conditions of the grant agreement, or other governing regulations as to types or amounts of cost items;
- ✓ be consistent with policies, regulations, and procedures that apply uniformly to both state grant awards and other activities of the grant recipient;

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

- ✓ be accorded consistent treatment. A cost may not be assigned to the grant agreement as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to another grant agreement or subaward;
- ✓ be determined in accordance with the grant recipient's accounting records;
- ✓ be adequately documented.

### *Ineligible Expenses*

DNRC cannot reimburse expenses for:

"Program costs" or "Indirect costs" means non-reimbursable costs not directly related to the project. Program costs include, but are not limited to:

- ✓ office rent that will be incurred whether or not the project is implemented;
- ✓ salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or
- ✓ any other costs that pay for ongoing or general services of the applicant.

These costs are incurred for a common or joint purpose benefitting the organization and are not readily assignable to the project objectives. These costs tend to be necessary for the operation of an organization as a whole and benefits are shared across all programs.

Examples include:

- ✓ Utilities
- ✓ Operations and maintenance
- ✓ Routine compliance monitoring expenses
- ✓ Licenses, memberships, and subscriptions
- ✓ Communications
- ✓ Office equipment
- ✓ Costs of recurring/regular meetings
- ✓ Organizational newsletters,

Other ineligible project costs include:

- ✓ Costs incurred outside the eligible term in the grant agreement
- ✓ Political lobbying or litigation
- ✓ Land or property acquisition
- ✓ Food or beverages
- ✓ Travel expenses that exceed the State of Montana Travel Policy
- ✓ Activities that limit lawful access to property (see [MCA 85-1-602 \(4\)](#))
- ✓ Repayment of loans
- ✓ Prepayment of anticipated costs of future activities

### *Match*

Match is the portion of project costs not paid with grant funds. It is usually the recipient's contribution or a third party's donated services or supplies. For grant awards that require match, the recipient must document, according to the terms of the Grant Agreement, that the match requirement has been met.

Costs used to meet a match requirement must be allowable under the applicable cost principles and must meet program guidance and documentation requirements. Failure to properly record match expenses may result in the termination of the Grant Agreement or the withholding of grant reimbursements by DNRC until appropriate documentation is provided.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

### Match Requirements

Matching contributions may be in the form of **in-kind** or **cash** from local, state or federal sources. However, all contributions must be targeted for expenditure on the **project specifically identified in the application**.

Costs claimed as match must meet all the following criteria:

- ✓ Matching funds must be substantiated by accounting records;
- ✓ Be necessary and reasonable for the accomplishment of project objectives;
- ✓ Be considered eligible as meeting program requirements.

### Cash Match (Hard Match)

Cash Match, also referred to as hard match, is the actual cash outlay contributed to the project by the subrecipient or third parties, such as project partners and beneficiaries.

### In-kind Match (Soft Match)

Eligible in-kind contributions are those project-specific contributions associated directly with **project implementation**. In-kind Match, also referred to as soft match, is the value of **non-cash** contributions provided by grant recipients or third parties. In-kind contributions may be in the form of goods, labor, services, facilities, space, personnel, materials, or equipment calculated at **fair market value**. Note that third-party in-kind match contributions count toward satisfying a match requirement only when, if the party receiving the non-cash contributions were to pay for them, the payments would be allowable costs.

#### Donated Services - Volunteers

Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as match if the service is an integral and necessary part of an approved subaward-funded project or program.

Values claimed for volunteer services must be consistent with costs of similar work performed in the subrecipient's organization or in the local labor market. If an entity does not have volunteer service rates readily available, an acceptable Montana-specific average cost per hour for unskilled volunteer services can be found at [http://www.independentsector.org/volunteer\\_time](http://www.independentsector.org/volunteer_time).

Budgets including in-kind labor, always reference the source for your labor value estimate. It may be helpful to use the U.S. Bureau of Labor Statistics website to estimate labor values for Montana: [https://www.bls.gov/oes/current/oes\\_mt.htm](https://www.bls.gov/oes/current/oes_mt.htm).

If volunteer services are approved to be claimed as match, the recipient should maintain documentation on:

- ✓ Name of volunteers (who)
- ✓ Dates of volunteer work (when)
- ✓ Tasks completed by volunteers (what)
- ✓ Total hours worked by volunteers (how many), and
- ✓ Source of the labor or volunteer rate.

#### Donated Services

Other examples of donated services may include use of equipment, printing, website maintenance or server space, telephone services, transportation costs, or administrative or accounting services

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

provided in support of the program. These donated services should be valued at the fair market value for the services or what the entity would have to pay for the services if they were not donated.

### *Donated Goods*

A recipient may receive donations of supplies necessary to accomplish project goals, the reasonable value of which may be used for match requirements of the program. The value assessed must not exceed fair market value at the time of the donation. DNRC will require recipients to provide supporting documentation on basis for determining the value of donated goods claimed as match.

### *Memorandum of Understanding (MOU)*

This is an agreement between the eligible entity, or grant recipient and a non-eligible entity that must clearly spell out the roles and responsibilities of each party to ensure the success of the project activities as specified in the grant award. It must also clearly define the financial arrangement to ensure that DNRC grant funds are not disbursed to the non-eligible entity. Non-eligible entities may not be a beneficiary of DNRC grant funds. Appendix D: Example Memorandum of Understanding.

### *Pass-Through Entity*

When a grant recipient transfers or subawards funds to another entity to incur project costs and execute the project activities, this is considered a pass-through or subrecipient agreement. DNRC grants generally do not allow for Grant Recipients to pass-through or subaward grant funds to a third party.

### *Procurement*

Grant recipients are responsible for ensuring any procurement using DNRC grant funds, or payments under procurement contracts using such funds are consistent with the procurement standards set forth in the Montana Procurement Act (Title 18, Chapter 4) and local procurement laws, rules, or policy. Grant recipients are responsible for determining the most appropriate instrument of procurement. See Appendix E for State of Montana Procurement Limits and a Limited Solicitation Worksheet.

### *Procurement Plan*

A procurement plan provides for free and open competition, transparency in transactions, comparability, and documentation of all procurement activities to demonstrate compliance with the Montana Procurement Act and local procurement laws, regulations and policies. The procurement plan should cite the steps a grant recipient will undergo to ensure that prior to requesting reimbursement, all project expenditures are eligible.

### *Procurement Documentation*

Grant recipients must maintain records sufficient to detail the history of procurement. Records include, but are not necessarily limited to, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and basis for the contract price. This documentation may be requested and reviewed by DNRC in the course of grant monitoring activities or by independent auditors during an audit.

Documents must be held for five years after the termination or expiration of the Grant Agreement.

### *Reimbursement*

DNRC reimburses eligible project costs on a **reimbursement basis**. To be eligible for reimbursement, costs must be incurred within the dates specified in the grant agreement. DNRC will only reimburse costs if they

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – TERMS

are included in the approved scope and budget in the executed grant agreement. Grant recipients must document eligible costs in order to receive reimbursement, which includes a progress report, copies of vendor invoices, completed budgets, documentation of match (if required) and DNRC may request proof of payment prior to authorizing reimbursement. See DNRC CARDD’s Reimbursement Requirements Guide online: <https://dnrc.mt.gov/docs/conservation/CARDD-Training/DNRC-Reimbursement-Request-Guide-Complete.pdf>

### *Sponsor*

Eligible entities may “sponsor” a grant on behalf of an entity that is not eligible to receive grant funds from DNRC. Eligible entities, or applicants, must have a material connection to the work being performed and are the legal party for purposes of project representation, negotiations, and communications. DNRC will require that a grant applicant sponsoring a grant for ineligible entity provide an executed Memorandum of Understanding (MOU). Appendix D: Example Memorandum of Understanding for example language.

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – ELIGIBILITY AND RANKING

## APPENDIX B: ELIGIBILITY AND RANKING

The criteria for eligibility and ranking RRGL Grant Applications are established in ARM [36.17.610](#). Private grants have additional ranking considerations outlined in [MCA 85-1-609](#) and [MCA 85-1-610](#). For each grant cycle, DNRC will publish the guidelines to the eligibility and numerical points to be awarded for the following criteria:

### Eligibility:

#### Applicant Eligibility:

- ✓ Local Government ([MCA 85-1-605](#)) - Project, Planning, Emergency, Irrigation Development, Watershed Management, Nonpoint Source Grants.
- ✓ Private Person (85-1-606) – Private, Irrigation Development, Watershed Management, and Nonpoint Source Grants.

#### Eligible Activities ([MCA 85-1-602](#)):

- ✓ Feasibility, design, research, and resource assessment studies.
- ✓ Preparation of construction, rehabilitation, or production plans.
- ✓ Construction, rehabilitation, production, education, or other implementation efforts.

#### Eligible Projects ([MCA 85-1-602](#)):

- ✓ Development of natural resource-based recreation;
- ✓ Development of natural, offstream, and tributary storage;
- ✓ Improvement of water use efficiency, including development of new, efficient water systems, rehabilitation of older, less efficient water systems, and acquisition and installation of measuring devices required under 85-2-113; monitoring; and development of state, tribal, and federal water projects;
- ✓ Water-related projects that improve water quality, including livestock containment facility projects, soil and range health projects, and the maintenance and repair of source watersheds;
- ✓ Water-related projects that improve water quantity, including streamflows and water storage in existing natural systems, such as riparian areas, flood plains, and wetlands;
- ✓ Advancement of farming practices that reduce agricultural chemical use; and
- ✓ Projects that facilitate the use of alternative renewable energy sources, as defined in 15-6-225.

#### RRGL Eligibility ([ARM 36.17.610](#)):

- ✓ Project must have renewable resource benefits – see Renewable Resource Benefits Ranking below.
- ✓ Project must result in public benefits – see Public Benefits Ranking below.
- ✓ Project is technically feasible:
  - Adequate alternative analysis.
  - Adequate cost estimate for the potential alternatives.
  - Adequate cost estimate for the preferred alternative. **Eligibility evaluates applicant's total project budget including committed cash match. Projects that fail to provide an adequate budget narrative to justify project costs may receive a reduced award or be ineligible for grant funds.** Please see the guidance on how to write a budget narrative online: <https://dnrc.mt.gov/docs/conservation/ARPA/Tools-and-Resources/How-to-Write-a-Budget-Narrative-ARPA.pdf>
  - Preferred alternative selection.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – ELIGIBILITY AND RANKING

- Thoroughness and feasibility of the project’s implementation plan and schedules.
- Quality of supporting technical data.
- ✓ Project Management Plan is adequate and can support the project:
  - Past management problems
  - Other concerns
- ✓ Project may NOT reduce, restrict, or prohibit any lawful access to the property that existed prior to the project's implementation.
- ✓ Project may NOT result in a long-term adverse impact to public benefits: land, air, water, fish, wildlife or recreation opportunities. [MCA 85-1-601](#)

### Renewable Resource Benefits Ranking ([ARM 36.17.610](#)):

Points must be awarded for renewable resource benefits related to the project. If a project has no renewable resource benefits, it is ineligible for a grant.

Renewable Resources	Conserve	Develop	Manage	Preserve
Surface Water				
Ground Water				
Wind				
Renewable Energy				
Soil				
Wetlands				
Fish and Aquatic Habitat				
Wildlife Habitat				
Range Land				
Crop Land				
Forests				

#### Total Renewable Resource Score:

"Conservation" means the promotion of efficient and/or sustainable use of a renewable resource.

"Development" means a new beneficial and sustainable use of a renewable resource.

"Management" means activities that improve governing entities' ability to control and administer a renewable resource.



## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – ELIGIBILITY AND RANKING

"Preservation" means the protection of a renewable resource from pollution, destruction, or neglect.

"Renewable resource" means a sustainable natural resource including water, wind, renewable energy, soil, wetlands, fish and aquatic habitat, wildlife habitat, range land, crop land, and forests.

### Public Benefits Ranking ([ARM 36.17.610](#)):

Points must be awarded for public benefits. If a project has no public benefits, it is ineligible for a grant.

Citizen Benefits	Common Well-Being (State's Natural Heritage)	Human Health or Safety*	Welfare (Economic)	Recreation
Applicant				
Local				
Regional				
Statewide				

**Total Public Benefits Score:**

Tie Breaker Points:

Project Implements State Water Plan:

Project will Mitigate Human Health or Safety Problems\*:

**Total Project Score:**

Applications shall be assigned a net ranking score based on the points gained or lost. Once the applications have been ranked, DNRC creates a priority list of all of the applications.

### Private Grants Eligible Projects ([MCA 85-1-609](#))

- ✓ Water-related project.
- ✓ Will promote, enhance, or advance the purpose (85-1-601), policies, and objectives (85-1-602) of the renewable resource grant and loan program; *See RRG Eligibility and Renewable Resource Benefits and Public Benefits Ranking.*
- ✓ Will be constructed, developed, and operated within the state of Montana; *Example, private grants are only available for a primary residence for a Montana resident.*
- ✓ Will be economically feasible. (A project is economically feasible if the project benefits exceed the project costs. The department shall consider only quantifiable benefits and costs in calculating economic feasibility.) *See the Public Benefits Ranking below.*
- ✓ Will be an efficient use of natural resources, including water, energy, land, and air. (An efficient use is one that minimizes waste.)
- ✓ Will provide multipurpose facilities to the extent practicable;
- ✓ Will comply with statutory and regulatory standards protecting the quality of resources such as air, water, land, fish, wildlife, and recreational opportunities;
- ✓ Will provide associated public benefits in addition to any private benefits the project may provide; and

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – ELIGIBILITY AND RANKING

- ✓ Is needed to accomplish the purpose for which the project is proposed;
- ✓ Applicant has adequate financial resources to construct, operate, and maintain the project. The department shall consider financial resources from any source for which the applicant has qualified, including a renewable resource grant or loan.
- ✓ Applicant holds or can acquire all necessary lands, other than public lands, and interests in the lands and water rights necessary for the construction, operation, and maintenance of the proposed project;
- ✓ Applicant is able and willing to enter into a contract with the department for construction or development of the proposed project.
- ✓ Applicant has committed match of 50% of total project cost MCA-85-1-614.

### Private Grants – Additional Ranking ([MCA 85-1-610](#))

#### Renewable Resource Benefits Ranking ([ARM 36.17.610](#)):

Points must be awarded for renewable resource benefits related to the project. If a project has no renewable resource benefits, it is ineligible for a grant.

Renewable Resources	Conserve	Develop	Manage	Preserve
Surface Water	**		**	
Ground Water	**		**	
Wind				
Renewable Energy				
Soil				
Wetlands				
Fish and Aquatic Habitat				
Wildlife Habitat				
Range Land				
Crop Land				
Forests				

#### Total Renewable Resource Score:

"Conservation" means the promotion of efficient and/or sustainable use of a renewable resource.

"Development" means a new beneficial and sustainable use of a renewable resource.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – ELIGIBILITY AND RANKING

"Management" means activities that improve governing entities' ability to control and administer a renewable resource.

"Preservation" means the protection of a renewable resource from pollution, destruction, or neglect.

"Renewable resource" means a sustainable natural resource including water, wind, renewable energy, soil, wetlands, fish and aquatic habitat, wildlife habitat, range land, crop land, and forests.

### Additional Points **\*\*Manage and Conserve Water Resources:**

The extent to which the project will effectively utilize water resources and promote the conservation and efficient use of the water resource must be evaluated and considered.

*Example: Renewable Resource Benefits for Conservation and Management of Water Resources will have higher points than the other renewable resource benefits.*

### Public Benefits Ranking ([ARM 36.17.610](#)):

Points must be awarded for public benefits. If a project has no public benefits, it is ineligible for a grant. The extent and desirability of the public benefits that will be provided must be considered. [MCA 85-1-610](#)

Citizen Benefits / Extent and Desirability	Common Well-Being (State's Natural Heritage)	Human Health or Safety*	Welfare (Economic)	Recreation
<b>Applicant</b>				
<b>Local</b>				
<b>Regional</b>				
<b>Statewide</b>				
<b>Desirability</b>				

### Total Public Benefits Score:

### Private Grants - Additional Points ([MCA 85-1-610](#)):

#### **Family Farm Preference:**

A water-related project that will be used as part of a family farm must be given preference. A family farm is one devoted primarily to agriculture under the ownership and operation of a resident Montana family.

#### **State Reservation of Waters:**

A water-related project that will utilize or develop water reserved under 85-2-316 must be given preference.

#### **Geographic Balance:**

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – ELIGIBILITY AND RANKING

The department, to the extent practicable, shall attempt to achieve geographic balance in the promotion of renewable resource grant and loan projects through the awarding of loans and grants to private persons. *Example, applicant has not received a DNRC grant in the past biennium.*

### **Financial Need:**

Projects that could not be accomplished without the assistance of a grant must be given preference. *Example: the applicant can provide financial information demonstrating the need for the grant funds to complete the project. Additionally, this precludes income properties from receiving private grants for septic replacement or upgrades.*

### Total Project Score:

Applications shall be assigned a net ranking score based on the points gained or lost. Once the applications have been ranked, DNRC creates a priority list of all applications.

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – AWARD LETTER EXAMPLE

## APPENDIX C: RRG PROGRAM AWARD LETTER EXAMPLE

GRANT RECIPIENT ORGANIZATION  
ADDRESS  
CITY, MT ZIP

RE: DNRC Renewable Resource Grants Award Letter PROJECT TITLE

Dear AUTHORIZED PERSON:

Congratulations on receiving your RRGL PROGRAM grant for \$AWARD AMOUNT for the PROJECT TITLE.

Project costs incurred (AS OF THE DATE OF THIS LETTER) or (INCURRED AFTER JULY 1, 2023, BUT BEFORE JULY 1, 2024) may be eligible for reimbursement. Before DNRC can reimburse eligible project expenses, GRANT RECIPIENT ORGANIZATION must enter into an executed grant agreement with DNRC. DNRC requires the following Startup Conditions to draft a grant agreement. Startup conditions are due within (12-MONTHS) or (24 MONTHS) of the date of this letter. Failure to meet the deadline to submit startup conditions may result in DNRC rescinding this grant award.

**Startup Conditions:**

Updated Scope  
Updated Schedule ([PDF Schedule](#))  
Updated Budget ([Uniform Budget Status of Funds Tracker](#))  
Commitment Letters for Matching Funds  
Grant Management Plan ([Document](#))  
Memorandum of Understanding (if required)  
Procurement Plan (if required)

**APPLICANT ORGANIZATION must enter into a grant agreement with DNRC prior to requesting reimbursement for eligible project costs.**

OPTIONAL Program Specific Requirements:

Match Requirements (Private Grants)  
Limited Solicitation Worksheet  
Project Kickoff Meeting  
Progress Meetings  
Eligible Project Cost Limitations

Please contact me if you have any questions. I am looking forward to working with you on your project.

Sincerely,

GRANT MANAGER

Cc: PROJECT CONTACT  
PROJECT ENGINEER

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – REPORTING AND REIMBURSEMENT REQUIREMENTS

## APPENDIX D: REPORTING AND REIMBURSEMENT REQUIREMENTS

### Progress Reports

The Recipient will provide progress reports to DNRC during the term of the grant agreement. Reports will provide status information for each project implementation task and identify the reporting period. Status information will include, at a minimum:

- Project activities during the reporting period;
- Costs incurred;
- Funds remaining;
- Anticipated activities during the next reporting period, and
- Expected changes in scope, schedule, or budget.

The Recipient shall report on total project costs including those funded by the Recipient and other matching funds. Significant problems encountered shall be noted and necessary scope and timeline modifications requested.

The Recipient must submit a project progress report with each reimbursement request at a minimum on a quarterly basis. DNRC will not honor claims for reimbursement if DNRC has not approved the progress report or if there is a delinquent report.

### Reimbursement requests must:

- Include a State of Montana vendor invoice signed by an authorized agent.
- Be billed by the tasks identified in the project scope of work and budget.
- Be supported by backup documentation of contractor invoices, receipts, cancelled checks, or other documentation of costs.

Recipient invoices need to relate clearly to the scope of work and budget in the grant agreement.

Projects with multiple funding sources need to submit a uniform status of funds spreadsheet (provided by DNRC) or other means of tracking and documenting match and the project budget.

All reimbursement and reporting are submitted through the online grant management system [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov).

**Reporting and reimbursement templates and training materials are provided on DNRC [Resources and Training](#) webpage.**

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – REPORTING AND REIMBURSEMENT REQUIREMENTS

## Final Report

The Recipient must submit one hard copy and one electronic copy (pdf) of the final report that meets the requirements of Attachment C to DNRC upon project completion. Final disbursement of funds is contingent upon DNRC receipt and approval of a final report that meets these requirements. Final reports must be submitted to DNRC within 90 days of the Agreement termination date.

Final reports must include a signed Certificate of Compliance to DNRC upon project completion.

Projects that included construction must also submit a signed Engineer’s Statement of Completion. DNRC may also request as-built drawings for construction projects, IF APPLICABLE TO PROJECT.

The Recipient is not required to use the suggested format in this Attachment but must include the information listed below. At a minimum, the final report must describe the purpose and location of the project, project tasks, changes to the scope, schedule or budget, how the project met stated goals and objectives, how the project benefited and/or developed renewable resources, and the current project status. Final reports will be made available to the public on the DNRC website.

## Final Report Requirements

1. Title Page:
  - a. Recipient's name, address, and telephone numbers.
  - b. DNRC Grant Agreement Number
  - c. Name, address, and telephone of other contacts if primary contacts are not available.
  - d. Funding: total project cost and amount of agreement
  - e. State where copies of the report may be obtained (Recipient contact person name, address, phone number. An email address or website is acceptable).
  - f. A list of supporting documents (for example, construction completion reports or other project deliverables, if applicable).
2. Introduction: Describe the project history, location, and purpose. Provide a project location map.
3. Discussion and Results:
  - a. Describe how project goals and tasks identified in the Agreement were completed:
    - Describe the planning process (for example: discuss project design, independent review, coordination with agencies, permits required and other activities).
    - Describe how each task listed in the scope of work was accomplished. Provide details on each task (for example: if trees were planted as an erosion control measure, state how many, the tree species, the age or size of the trees, and location of the plantings).
    - List the goals and/or objectives of the project as stated in the scope of work and briefly describe how they were met by the activities described in the tasks above. Discuss any differences between project goals and objectives and actual project results.
    - Provide an explanation for tasks that were not completed or any out-of-scope work.
    - Include a project map, data, and/or photos that document the project.
  - b. Summarize any problems encountered and solutions adopted. What would you do differently?
4. Resource and Public Benefits:

Describe the project’s overall benefits. What are the anticipated and realized benefits to resources and to the local and regional area of the completed project? Were these benefits realized? If not, explain why.

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – REPORTING AND REIMBURSEMENT REQUIREMENTS

### 5. Grant Agreement Administration & Project Costs:

- a. Work schedule: Compare the time allotted for project completion with the actual schedule. Identify delays and discuss the reasons for delays.
- b. Budget: Include a table that summarizes how the monies were spent by budget category or task as described in Attachment B and funding source (i.e. DNRC, Sponsor, other State or federal agencies). Explain cost overruns or savings. Discuss unbudgeted expenses that arose over the course of the project.
- c. Match Funds: Identify all funds from other sources or in-kind services that were used to fund the project. If not all matching funds were spent provide a justification.

### 6. Project Completion and Certification

- a. Recipient's Certificate of Compliance (must be signed for all projects).
  - b. As Built Drawings, if requested by the DNRC (construction projects only).
  - c. Engineer's Statement of Final Completion (if applicable).
  - d. Deliverables: List here if any.
1. Final Report submitted electronically (PDF)

**Reporting and reimbursement templates and training materials are provided on DNRC [Resources and Training](#) webpage.**



## APPENDIX D: EXAMPLE MEMORANDUM OF UNDERSTANDING

*Note: This example should not simply be copied. It is only provided as an example to help create an agreement between a local government entity and project partner organization or subrecipient that is to be reviewed and approved by all parties and their attorney's.*

THIS CONTRACT is entered into by (Insert Name of LOCAL GOVERNMENT), herein referred to as "LOCAL GOVERNMENT", and the (Insert Name of PARTNER ORGANIZATION), herein referred to as "PARTNER ORGANIZATION".

WITNESSETH THAT:

WHEREAS, the LOCAL GOVERNMENT is the recipient of a DNRC grant to PROJECT NAME (describe the Project) owned and operated by the PARTNER ORGANIZATION; and

WHEREAS, this Contract between the LOCAL GOVERNMENT and the PARTNER ORGANIZATION will enable them to enhance cooperation in implementing the LOCAL GOVERNMENT's DNRC award to accomplish the above-described project; and

WHEREAS, the LOCAL GOVERNMENT, in its capacity as a DNRC grantee, has determined that the PARTNER ORGANIZATION can better supervise the design and construction phases of the PROJECT NAME; and

WHEREAS, the DNRC has required the LOCAL GOVERNMENT to enter into a contract with the PARTNER ORGANIZATION specifying the terms and conditions of the LOCAL GOVERNMENT's delegation of certain DNRC grant management responsibilities to the PARTNER ORGANIZATION; and

WHEREAS, both parties to this Contract understand that neither local government involved herein has in any way, expressly or implied, abrogated any of its individual powers, and that this Contract does not create any new organization or legal entity.

NOW, THEREFORE, THE LOCAL GOVERNMENT AND THE PARTNER ORGANIZATION MUTUALLY AGREE AS FOLLOWS:

I. Responsibilities Delegated to the PARTNER ORGANIZATION

A. The PARTNER ORGANIZATION will, subject to prior approval by the Board of LOCAL GOVERNMENT Commissioners/Directors, retain the services of a consulting engineering firm to design and supervise the construction of the project.

B. The PARTNER ORGANIZATION will be responsible for all facets of the design and construction phases of the project, including the following:

1. Design engineering;
2. Construction engineering;
3. Except as provided by paragraph IV. Administration below, compliance with all applicable state and federal requirements;
4. Except as provided by paragraph IV. Administration below, compliance with all other state and federal requirements as described in the DNRC Grant Agreement;

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EXAMPLE MOU

5. Preparation of construction bid documents; and
  6. Supervision of the bid process, the awarding of construction contracts, and construction of the project. The selection of the project contractor will be subject to the ratification of the LOCAL GOVERNMENT Board of Commissioners/directors and bid solicitation documents will reflect this requirement.
- C. The PARTNER ORGANIZATION and its consulting engineer will receive, review, and approve all requests for payment for the items contained in paragraph B, above, and prepare and submit such requests to the LOCAL GOVERNMENT Board of Commissioners/directors in a timely fashion in accordance with established procedures.
- D. During the term of this Contract, the PARTNER ORGANIZATION will maintain reasonable records of its performance hereunder in a manner consistent with generally accepted accounting principles. The PARTNER ORGANIZATION will allow the LOCAL GOVERNMENT and DNRC and their authorized representatives access to these records at any time during normal business hours. At the request of the LOCAL GOVERNMENT, the PARTNER ORGANIZATION will submit to the LOCAL GOVERNMENT, in the format prescribed by the LOCAL GOVERNMENT, status reports on its performance under this Contract.
- E. The PARTNER ORGANIZATION will provide documentation that the local share of the project that exceeds DNRC funds may be accessed by the LOCAL GOVERNMENT for the project no later than the time of construction bid award.
- II. Payment of Design and Construction Costs Incurred by the PARTNER ORGANIZATION
- In consideration of the PARTNER ORGANIZATION's acceptance of the responsibilities described in paragraph I, above, the LOCAL GOVERNMENT agrees to the following:
- A. Upon receipt of a valid claim for payment from the PARTNER ORGANIZATION for allowable project costs as specified in the LOCAL GOVERNMENT's grant agreement with DNRC, a copy of which is appended as Attachment A of this Contract, and which by this reference is made a part hereof, the LOCAL GOVERNMENT will request the required amount of grant funds from DNRC and upon receipt of these funds, the LOCAL GOVERNMENT will honor the PARTNER ORGANIZATION's claim and pay the engineer or contractor accordingly. ***(Note: Be sure to specify clearly that grant funds can be reimbursed directly to contractors and not to entities ineligible to receive DNRC grant funds.)***
  - B. Each payment for engineering and construction costs will be drawn from DNRC and PARTNER ORGANIZATION funds (if applicable) in amounts that are proportionate to the percentage that such funds represent of the total cost of the project as specified in Exhibit B of Attachment A.
  - C. The LOCAL GOVERNMENT will deduct a retainage from each payment request equal to five percent of the request, submitted by the PARTNER ORGANIZATION for construction costs incurred by the project contractor and hold this retainage until construction is completed, the engineer approves final payment, and

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EXAMPLE MOU

the project is accepted, all in accordance with the conditions of the construction contract. **(Note: A retainage requirement is optional.)**

D. The LOCAL GOVERNMENT will also withhold one percent of the amount of any claim submitted by the contractor and will forward this amount to the Montana Department of Revenue pursuant to section 15-50-206(2), MCA.

E. The LOCAL GOVERNMENT may refuse to pay any claim which it deems not valid under the terms of the DNRC grant agreement (Attachment A). Any agreement between a DNRC grantee and a partner organization or subrecipient, such as a water or sewer district, should include a "Scope of Work" which includes a description of the work to be performed, a schedule for completing the work, and a budget. (These items are standard components of any DNRC grant agreement which is referred to here as an attachment.)

### III. Duration of the Contract

A. This Contract takes effect when the following conditions are satisfied:

1. DNRC and the LOCAL GOVERNMENT Board of Commissioners/directors have executed the DNRC grant agreement;
2. The LOCAL GOVERNMENT Attorney and the attorney for the PARTNER ORGANIZATION have approved this Contract as to form and content; and
3. The LOCAL GOVERNMENT Board of Commissioners/directors and the PARTNER ORGANIZATION's governing body have each reviewed this Contract and agreed fully to its terms and conditions.

B. This Contract will terminate 90 days after the project engineer files a certificate of completion of the project with the Montana Department of Environmental Quality and Department closes out the DNRC project with the LOCAL GOVERNMENT.

### IV. Administration

For purposes of implementing the joint undertaking established by this Contract, the LOCAL GOVERNMENT's Board of Commissioners and the PARTNER ORGANIZATION's Board of Directors hereby agree to coordinate with the LOCAL GOVERNMENT's DNRC grant agreement liaison, the project engineer, and a designated representative of the PARTNER ORGANIZATION. These individuals may meet on a regular basis during the term of the DNRC project to provide for the efficient and effective implementation of this project.

### V. Management of Real Property or Equipment Acquired

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EXAMPLE MOU

The primary purpose of this Contract is to allow the LOCAL GOVERNMENT to delegate responsibility for the design and construction of the PARTNER ORGANIZATION's project to the PARTNER ORGANIZATION and to define the procedures by which the LOCAL GOVERNMENT will disburse DNRC funds to pay the costs incurred as a result of these activities. The PARTNER ORGANIZATION's facilities will be constructed or improved as described in the DNRC grant agreement (Attachment A) and the PARTNER ORGANIZATION may continue to own and operate those facilities subject to the limitations contained in subparagraph B.

Upon the expiration of this Contract the PARTNER ORGANIZATION will transfer to the LOCAL GOVERNMENT any DNRC funds on hand at the time of expiration and any accounts receivable attributable to the use of DNRC funds.

### VI. Indemnification

The PARTNER ORGANIZATION waives any and all claims and recourse against the LOCAL GOVERNMENT, including the right of contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to the PARTNER ORGANIZATION's performance of this Contract except claims arising from the concurrent or sole negligence of the LOCAL GOVERNMENT or its officers, agents, or employees. The PARTNER ORGANIZATION will indemnify, hold harmless, and defend the LOCAL GOVERNMENT against any and all claims, demands, damages, costs, expenses, or liability arising out of the PARTNER ORGANIZATION's performance of this Contract except for liability arising out of the concurrent or sole negligence of the LOCAL GOVERNMENT or its officer's agents, or employees.

### VII. Suspension and Termination

The LOCAL GOVERNMENT may suspend or terminate this Contract if the PARTNER ORGANIZATION materially fails to comply with any term of the LOCAL GOVERNMENT's grant agreement with DNRC. In addition, the LOCAL GOVERNMENT may terminate this Contract for convenience with reasonable notice.

This Contract has been approved by the LOCAL GOVERNMENT's Board of Commissioners and the PARTNER ORGANIZATION's Board of Directors.

(Name of LOCAL GOVERNMENT) Commissioners

\_\_\_\_\_ Chairman

Date: \_\_\_\_\_

\_\_\_\_\_ Commissioner

Date: \_\_\_\_\_

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – EXAMPLE MOU

\_\_\_\_\_ Commissioner

Date: \_\_\_\_\_

## RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROCUREMENT LIMITS / LIMITED SOLICITATION WORKSHEET

### APPENDIX E: PROCUREMENT LIMITS / LIMITED SOLICITATION WORKSHEET

When considering which rules to follow (state, federal or local requirements), grant recipients must comply with the most restrictive requirements. The information below is guidance only and is static. It does not constitute legal advice.

	<b>State of Montana</b>		
	<i><b>Goods &amp; Services MCA Title 18, Chapter 4</b></i>	<i><b>Construction MCA Title 18, Chapter 4</b></i>	<i><b>Licensed Professional Services MCA Title 18, Chapter 8</b></i>
<b>\$250,000 +</b>	Competitive Invitation for Bid (IFB) or Request for Proposals (RFP) Award to lowest responsive bidder	Competitive Invitation for Bid (IFB) Award to lowest responsive bidder	Request for Qualifications (RFQ) Award to most qualified & negotiate rate
<b>\$100,000 - \$250,000</b>			
<b>\$50,000 - \$100,000</b>	Limited Solicitation Minimum of 3 Quotes Award to lowest responsive bidder	Limited Solicitation Minimum of 3 Quotes Award to lowest responsive bidder	Direct negotiation Rotate vendors
<b>\$10,000 - \$50,000</b>			
<b>\$0 - \$10,000</b>	Direct negotiation No Quotes Rotate vendors	Direct negotiation No Quotes Rotate vendors	

\*IFB = Invitation for Bid AKA Sealed Bids (Construction)

\*RFP = Request for Proposals AKA Competitive Proposals (Goods or Services)

\*Limited Solicitation AKA Small Purchases = 3 or more written or oral quotes

\*\*RFQ = Request for Qualifications (Professional Services)

Direct negotiation, micro purchases = no bidding required

# RENEWABLE RESOURCE GRANT AND LOAN PROGRAM – PROCUREMENT LIMITS / LIMITED SOLICITATION WORKSHEET

## LIMITED SOLICITATION / SMALL PURCHASE WORKSHEET

Grant Recipient: \_\_\_\_\_

Project Name: \_\_\_\_\_

Grant Agreement #: \_\_\_\_\_

<u>PRODUCT/WORK DESCRIPTION</u>	<u>BRAND/MODEL (Equipment)</u>		
	Vendor 1	Vendor 2	Vendor 3
Vendor Name	1.	1.	1.
Contact Person	2.	2.	2.
Phone/Email	3.	3.	3.
Date of Outreach	4.	4.	4.
Price Quoted			
Vendor Awarded*			

Three attempts to contact can be considered a quote price of “no response” and no additional attempts are required.

\*Work should be awarded to the most cost-effective option that can provide the work/supplies required. Items such as shipping charges and travel distances should be included in determination of the most cost-effective option.