Renewable Resource Grant and Loan Program

Project Application

Government Entities
Application Instructions and Forms

APPLICATION DEADLINE JUNE 1, 2020

Department of Natural Resources and Conservation
Resource Development Bureau

P.O. Box 201601
1539 Eleventh Avenue, Floor 2
Helena, Montana 59620-1601

Telephone: (406) 444-6668
www.dnrc.mt.gov

Apply Online: www.fundingmt.org

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The Renewable Resource Grant and Loan Program
Instructions for Grant and Loan Applications

General Information

The Montana Legislature established the Renewable Resource Grant and Loan (RRGL) Program to enhance and develop Montana's renewable resources. The Resource Development Bureau of the Department of Natural Resources and Conservation (DNRC) administers the program. This program is funded through earnings from certain natural resource-based taxes. Use this application to apply for Renewable Resource Grants and Loans.

Non-Public Facility Project Applications

The application in this booklet is for non-public facility projects (stream restoration, irrigation, studies or other projects not for public facilities) sponsored by a government entity.

Public Facility Project Applications

Applications for Public Facility Projects (drinking water, wastewater, and solid waste projects) with multiple state funding sources must submit a Uniform Application for Montana Public Facility Projects and the RRGL Application Supplement to the Uniform Application (in place of this application). Public Facility Projects only applying for RRGL Program funds may use this application.

Submittal Information

DNRC requires two (2) forms of the application to meet the needs of multiple reviewers during the evaluation, scoring and ranking process. All grant and loan applicants (public and non-public facility) must submit all required materials **(1. Submitted Online)** and **(2. Submitted by Mail)** by **June 1, 2020.**

1. Submitted Online:

Online applications can be found www.dnrc.mt.gov/divisions/cardd and submitted online at http://www.fundingmt.org

2. Submitted by Mail:

   a. One (1) original Authorizing Statement.
   b. One (1) unbound original application and all supporting documentation. Public Facility Projects will include a copy of the signed Preliminary Engineering Report (PER).
   c. Two (2) compact discs (CDs) OR two (2) USB drives containing the application and supporting technical documents, and
   d. $250.00 application fee.

Mail to: **Montana DNRC-Resource Development Bureau**
                   1539 11ᵗʰ Avenue, Floor 2
                   P.O. Box 201601
                   Helena, MT 59620-1601

Application Deadline

Application forms must be submitted online at **http://www.fundingmt.org** and additional documents must be postmarked to the DNRC office **no later than 5:00 p.m. day June 1, 2020.** If you have questions, please contact our office at (406) 444-6668.

Applicant Eligibility

Grants and Loans for Government Entities

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision. Government entities have included cities, towns, counties, conservation districts, water and sewer districts, school districts, irrigation districts, joint boards of control, state agencies, and universities.

Project Eligibility

Project types eligible for funding are specified in 85-1-602, Montana Code Annotated (MCA).
> *[1]   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 efforts.*

Projects must enhance the common well-being of Montanans through the conservation, management, development, or preservation of a targeted renewable resource. Renewable resource projects including water conservation; water for public use, agricultural use or other beneficial uses; surface water or groundwater quality; forestry related resources; air quality; waste management; and other renewable resource-related projects are eligible to receive grant and loan funding.

Funding Limitations

Grants

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.

Loans

DNRC does not have a standard limit on the recommended loan amount. The limit is based on the applicant's ability to repay the loan. Local governments enter into debt by issuing bonds. Drinking water and wastewater projects are encouraged to apply to the State's Revolving Fund (SRF) Loan Programs. These SRF Loan Programs are specifically designed to provide below-market interest rates for these types of systems. However, some renewable resource projects are not eligible for funding under the SRF Programs. For more information, see: http://dnrc.mt.gov/divisions/cardd/financial-bureau .

Example: **Rehabilitation of an irrigation diversion dam. For these projects, the Renewable Resource Loan Program provides an excellent source of loan funds. If the applicant can demonstrate a high cost of water or other financial hardship, DNRC may recommend a below-market rate loan. The identified cost and financial hardship will be compared to other projects that have been funded by the RRGL program as well as those partially funded by other agencies. The amount of the subsidy depends on the specific RRGL need demonstrated by the borrower.**

Renewable Grant and Loan Application Ranking Criteria

Projects funded under the Renewable Resource Grant and Loan (RRGL) Program must result in resource and citizen benefits, be financially feasible, have no significant environmental impacts, have an adequate project management plan, and be technically feasible. After DNRC receives applications, projects are reviewed based on ranking criteria, compared with other applications, and ranked on how the project meets RRGL Program goals. A summary of the program's ranking criteria is below.

Eligibility Criteria
An application is eligible if:
- The project would result in benefits to at least one renewable resource and is technically and financially feasible;
- The application is complete; and
- The project would have no long term adverse environmental impacts.

Renewable Resource Benefits (60 percent of total score)
This scoring category is influenced by how likely the project will benefit renewable resources. Specifically, how the project will conserve, manage, develop, or protect a renewable resource. Conservation of a resource could be a development of a renewable resource, such as increased irrigation or use of farmland or solar power, is also considered a renewable resource benefit.

The renewable resource benefit score is based on the degree to which the project is predicted to:
- Have multiple benefits (conserve, manage, develop, protect);
- Benefit multiple renewable resources (surface water, groundwater, land, energy, etc.);
- Benefit regional or statewide renewable resources;
- Benefit an important resource (such as a blue-ribbon trout stream); and
- Achieve an objective in a natural resource management plan (such as the State Water Plan).

Renewable Resource benefits will score higher in applications that quantify predicted benefits.

> **Additional tips for improving your score for resource and citizen benefits are listed at the end of Part 3 of this application.**

Public or Citizen Benefits (15 percent of total score)
This scoring category is influenced by how likely the project will benefit the public economically or by improving public health and safety.

The citizen benefit score is based on the degree to which the project is predicted to:
- Benefit the local economy (such as increase the number of jobs, increase the local recreational use, increase the economic viability of a community);
- Benefit a regional or statewide economy; and
- Improve public health and safety.

Public benefits will score higher in applications that quantify predicted benefits.

Technical and Financial Feasibility and Project Management (20 percent of total score)
This scoring category evaluates the applicant's ability to complete the project as described in the application.

Project feasibility is evaluated based on the degree to which the proposed project meets the following criteria:
- The project solves or mitigates a renewable resource problem.
- Alternatives considered address the stated problem and are developed to the extent costs and benefits can be compared.
- Selection of the preferred alternative is justified.
- Selection of the preferred alternative considers renewable resource benefits.
- The preferred alternative is technically feasible.
- Costs are reasonable and within industry standards.
- The expected funding sources are supported with documentation.
- The applicant considers timing and cost of DNRC reporting, permitting, public input, procurement and other contingencies.
- The project management plan demonstrates the applicant's ability to anticipate problems and see the project successfully to completion.

Application Clarity and Project Value (5 percent of total score)
Reviewers evaluate projects based solely on information provided in the application.

Applications with the following attributes will receive higher scores in this category:
- All requested information is provided as outlined in the application.
- Narratives are clearly written.
- Assertions are supported by documentation.
- The project has documented public or stakeholder support.
- The project is part of a natural resource management plan (such as the State Water Plan).

Renewable Resource Grant and Loan Program

Application Checklist

This application is composed of the following parts. Each part is required by <u>June 1, 2020</u> to submit a complete application.

1. **Part 1: Application Summary**

2. **Part 2: Proposal Abstract**

3. **Part 3: Resource and Citizen Benefits**

4. **Part 4: Technical Presentation**

5. **Part 5: Project Management**

6. **Part 6: Financial Presentation**

7. **Part 7: Environmental Evaluation**

8. **Unbound Original Application and two CDs or USB Flash Drives (including supporting documentation)**

9. **Online application www.fundingmt.org**

Part 1: Application Summary

1. **Applicant/Authorized Representative Name** _____
       (Person authorized to enter into a grant agreement with DNRC)

2. **Project Title** _____
       (Describe the specific project. Example: Sewer line replacement project)

3. **Public Entity Name** _____
       (city, county, tribal government, district, other)

4. **Project Type**_____
       (example: irrigation, municipal, groundwater study, other)

5. **Project Location** _____
       (Include a map of the project area and latitude/longitude coordinates)

6. **State Senate District #_____**   **7. State House District #_____**

8. **Population Served by Project _____**   **9. Households Served by Project_____**
      (if applicable)   (if applicable)

10. **County** _____
       (County where project is located/may be multiple counties)

Proposed Funding Sources
Enter the source and amount of all expected funding for this project. Include funding source even if you have not yet applied for or have received a commitment of funds notice.

Proposed Project Budget		
Funding Source (grant/loan or cash reserves)	**Amount**	**Committed/Uncommitted***
RRGL Grant	$	
	$	
	$	
	$	
	$	
TOTAL	$	

Note: Committed funds must have a written letter committing funds submitted to DNRC with the application.

Estimated Total Project Cost $_____

APPLICANT/CHIEF ELECTED OFFICIAL/AUTHORIZED REPRESENTATIVE:

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone)

(E-Mail address)

PROJECT ENGINEER/ARCHITECT/CONSULTANT:

(Name of Engineer)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

(Telephone)

(E-Mail address)

LEGAL COUNSEL:

(Name)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

(Telephone)

(E-Mail address)

CLERK/CHIEF FINANCIAL OFFICER:

(Name)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

(Telephone)

PRIMARY CONTACT PERSON/PROJECT MANAGER:

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone)

(E-Mail address)

GRANT/LOAN ADMINISTRATOR:

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone)

(E-Mail address)

BOND COUNSEL:

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone)

(E-Mail address)

ACCOUNTANT:

(Name of Accountant)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

Authorizing Statement

A. Grant Authorization

I certify that the information and the statements in this application are true, complete and accurate to the best of my knowledge. I certify that the project or activity as described in this application complies with all applicable state, local and federal laws and regulations. By my signature below, I certify that I have knowledge of and understand the content of this application and that I am fully authorized to apply to the Department of Natural Resources and Conservation (DNRC) for the grant specified in the submitted materials.

I further declare that, for _____ (Entity Name), I am legally authorized to enter into a binding contract with the DNRC to obtain funding if this application, _____ (Title), is approved. I understand that all funds must be both authorized by the Montana Legislature and available in the natural resources project account before grants are available.

A facsimile, photocopy or electronic copy of the signature below shall have the same force and effect as an original signature and an electronic signature shall be regarded as an original signature. 30-18-102, MCA.

/s/_____   _____

Signature and Title of Authorized Representative   Date

_____   _____

Printed Name and Title of Representative   Entity Name

B. Loan Authorization

I certify that the information and the statements in this application are true, complete and accurate to the best of my knowledge. I certify that the project or activity as described in this application complies with all applicable state, local and federal laws and regulations. By my signature below, I certify that I have knowledge of and understand the content of this application and that I am fully authorized to apply to DNRC for the loan specified in the submitted materials.

I understand that all funds must be authorized by the Montana Legislature, that loan funds will become available after the sale of state bonds, and that I will be expected to enter into a loan agreement when funding is available and according to my construction schedule.

I further declare that, for _____(Entity Name), I am legally authorized to enter into a binding contract with the DNRC to obtain loan financing if this application is approved.

A facsimile, photocopy or electronic copy of the signature below shall have the same force and effect as an original signature and an electronic signature shall be regarded as an original signature. 30-18-102, MCA.

/s/_____   _____

Signature and Title of Authorized Representative   Date

_____

Printed Name and Title of Representative

Part 2: Proposal Abstract

Prepare a brief project description that highlights the project's benefits supporting the RRGL Program purpose.

Renewable Resource Grant and Loan Program Purpose
Invest in projects that will enhance or develop Montana's renewable resources and that will preserve for the citizens of Montana the economic and other benefits of the state's natural heritage.

The abstract should include the project background, primary purpose, and a summary description of the project. Keep the abstract concise and less than 350 words. The abstract will be incorporated into the RRGL Program's report to the Montana Legislature and should provide accurate information that best describes the project's renewable resource benefits and other merits. Legislative assessment of the benefits of each project will be based primarily on ranking recommendations and this abstract.

<u>Example:</u> **Alberton is in Mineral County along the Clark Fork River, roughly 30 miles west of Missoula. The population served by the water system is approximately 423 people. The water system utilizes a gravity spring and municipal well that both feed a 300,000-gallon metal storage tank.**

Some primary deficiencies have been listed in the Alberton Water System Technical Report submitted for Renewable Resource Grant and Loan funding. During the winter months, the spring source alone supplies enough water to the tank, but during summer months, when irrigation occurs, the use of the well source is required to keep the tank full. The spring is disinfected with chlorine gas, which is a dangerous method of chlorination, and the chlorination building does not meet Montana Department of Environmental Quality's (DEQ) Circular DEQ-1 standards for safety. When the tank is full, the chlorinated spring water still flows into the tank and continuously overflows the tank and is discharged to surface and groundwater. The well source is not disinfected which makes chlorine residuals in the distribution system variable and unreliable during the summer months when both sources are being utilized. The well system also lacks source control, and therefore when the tank is getting low, the operator is required to hand start the well pump to fill the tank. And finally, flow meters do not exist at either source and system losses cannot be accurately determined, resulting in needed repairs likely going unnoticed.

Other primary deficiencies that will be addressed in future phases of improvements include undersized and dead-end watermains, inadequate storage capacity for fire demands, and lack of security at the spring and tank site.

Part 3: Resource and Citizen Benefits

Describe how and to what extent your project would benefit a renewable resource. Projects with the greatest benefits to renewable resources tend to rank the highest. Provide a narrative addressing the following questions.

Resource and Citizen Benefits Narrative

1. **What is the primary purpose of your project?**
    Describe the primary project purpose even if it may not benefit renewable resources. The RRGL Program is in place not only to encourage projects designed exclusively to benefit or develop renewable resources. It also encourages communities to include resource benefit activities in their larger projects.

2. **What is the project's renewable resource benefit(s)?**
    Identify the renewable resource(s) that will benefit from or be used by your project.
    *   Eligible resources are: surface water, groundwater, arable land, wetlands, riparian areas, fish, habitat, rangeland, renewable energy sources, and forests.
    *   Use the specific name and location of the resource(s).
    *   Is the resource important or highlighted (such as a blue-ribbon trout stream or an aquifer that is a drinking water source)?

    Describe how the renewable resource will benefit or be used by your project.
    *   Describe the problem with the renewable resource that your project will address.
    *   In what way will your project conserve, manage, sustainably develop, or protect the renewable resource? Under what time frame and for how long?
    *   Will the benefits or increase in sustainable use be measurable? If so, provide an estimate and a description of how you quantified the benefit.
    *   If your project is part of a natural resource plan, describe the plan and include a letter of support.

3. **What is your project's citizen benefits?**
    Identify the citizen benefits that will result from your project.
    *   Describe the problem with the resource that your project will address.
    *   What is the economic benefit of the project? Will it be measurable? If so, provide an estimate. (such as number of jobs created over a given period). Is the economic benefit local or region-wide?
    *   Does the project improve resource-based recreation? Is there a local or region-wide benefit?
    *   Describe how the project will improve health and safety. Is the benefit region-wide, community-wide, or does it primarily benefit a specific business such as an irrigation district?

Tips for Improving the Resource and Citizen's Benefits Score

How well the project is predicted to benefit renewable resources and Montana citizens comprises 75% of scoring criteria.

- Quantify predicted benefits.
- Attach letters of support.
- Document public or stakeholder outreach.
- Projects with multiple benefits or that improve or develop multiple resources score higher.
- Projects without predictable impacts to renewable resources (such as research or education) may improve their score by describing how a similar project benefited renewable resources elsewhere.
- If your project is part of a resource management plan, cite the location in the plan that recommends the project and include a support letter from the organization that implements the plan.

Part 4: Technical Presentation

Describe the project that will take place during the grant term as distinguished from phases completed before or after the grant term. Discuss past phases or current phase only as part of the project history.

Example: An irrigation district is taking steps to improve irrigation infrastructure and is seeking funding to line irrigation canals. Currently, the district is installing new headgates on its main canal; in the future, the district plans to install measuring devices. In this scenario, the project proposal concerns only the canal-lining project. The applicant should discuss the merits of only the lining phase of the project. The future phase of installing measuring devices can be discussed as part of a long-term plan to increase water conservation in the system.

Technical Narrative

The Technical Narrative presents the topics that DNRC considers in evaluating the technical feasibility of the project. Projects not technically feasible will be ineligible for funding consideration. The description must provide enough detail to verify that the project is technically feasible and will achieve its objectives. This information will be used as the scope of work for a grant agreement. This outline is not all-inclusive; you may address other topics.

All basic information requested in the Technical Narrative and the Environmental Evaluation should be provided in the main application text, not in the appendices. Appendices should provide supporting information and not serve as the primary source of information. If critical information is buried in the appendices, it might not receive due consideration in the grant evaluation.

1. **Project identification.**
   - Identify the physical location of the project including longitude and latitude coordinates. Provide a map that displays the relationship of the proposed project to the larger scale watershed, region, or resource that stands to benefit (include scale and a north arrow).
   - Identify the project type (research, planning, design, construction, or others).
   - Specifically describe the problem this project will address.

2. **Discuss the project history, and describe all related work previously conducted.**
   - Discuss the circumstances that precipitated the need for the project.
   - Discuss ongoing or past efforts made to address the problem or achieve the proposed purpose.
   - Identify related facilities, programs, or other resources that support the project.

3. **Describe the project purpose.**
   - Describe what part of your project meets the RRGL Program purpose. The project may have more than one purpose and the application should address and analyze each.
   - Describe specific project implementation tasks.

4. **Describe the renewable resource current condition.**
   - Describe what data currently exists and how it relates to understanding the current condition of renewable resources to be addressed by the project. Provide documentation where appropriate.

- Describe underlying causes of the current condition.
- What are the identified and potential causes of the problem? Of these, what are limiting factors–those factors most responsible for the current condition?
- Which of these factors have been quantified and to what degree?
- Describe any uncertainty about the importance of these factors.

5. **Describe the desired outcome.** Describe in detail what changes are desired in the current condition and what the condition will be when the project has achieved its objectives (use qualitative as well as quantitative descriptions where possible).
   - Which factors contributing to the current condition will and will not be addressed by the proposed project and to what degree?
   - How will these affect desired results?

6. **Describe the alternatives that will accomplish the same or substantially similar goals as that of the proposed project.** Discuss alternatives that could accomplish the project's goals. At a minimum, two alternatives must be discussed in addition to the no action alternative.

7. **Compare the costs and benefits of each alternative and the reasons for selection of the preferred alternative.** Descriptions of each alternative do not have to be as detailed as the description of the preferred alternative. Enough information must be provided to demonstrate that the alternatives were investigated and that the proposed alternative provides either greater resource benefits at the same costs or similar resource benefits at a lower cost. If costs and benefits of the project cannot be quantified, provide a narrative discussion of the cost and benefits.

8. **Provide a specific description of the project implementation plan.**
   - Describe the overall approach to project implementation.
   - Identify each of the project phases, and the specific tasks comprising each phase, and then relate them to the project's purpose.
   - Identify project staff for the project tasks and quantify staffing time necessary to complete the project.
   - Identify contracted services necessary to complete the project.
   - Identify all permits, regulatory approvals, or easements necessary to complete the project.
   - Indicate whether the project is a phase of a larger project for which additional funding is needed and, if so, the targeted funding sources.
   - Describe the measures that will be undertaken to ensure long-term effectiveness.
   - Describe how the project sponsor will meet the DNRC reporting requirements.

9. **Provide a project schedule.**

10. **Provide supporting technical documentation.**
    - Provide information on the natural features of the project area, such as soils, vegetation, and hydrology.
    - Include any draft and/or completed technical reports and studies related to the project.
    - Provide a topographic map or aerial photo that shows the project location by sections, townships, and ranges. (Show titles on all maps and include both a scale and a north arrow.)
    - Identify all applicable statutes, rules, regulations, and standards to be met.

Part 5: Project Management

Explain how you plan to manage the project. Applications which do not address the project management components listed below may be ineligible for consideration.

Project Management Narrative

Briefly discuss how you will implement this project from funding through project completion in 500 words or less. Use the outline below to organize your presentation. This outline is not all-inclusive; you may address other topics.

1. Identify staff requirements needed for successful project management. Discuss how you plan to meet those requirements. If possible, identify the individual members of your project management team, including any already properly procured consultants who will provide project management services.

2. Summarize the procurement procedures and requirements related to your project.

3. Discuss coordination activities with other local, state, or federal agencies needed to implement the project and if the plan is part of another on-going or planned action.

4. Discuss your public involvement plans during the planning and implementation of your project through completion and closeout.

5. Describe how you will manage consultants responsible for completing major project tasks. Discuss how you will remain current on the status of consultant and contractor activities as project tasks are completed.

6. All projects must follow applicable state, federal and local laws.

If you are developing a new water appropriation that is water storage, water conservation, water salvage or water reuse project, or changing an existing water right with the project, contact your local DNRC Regional Office and have your project reviewed.

- Attach a letter to this application that indicates if a permit, change authorization or no action is required.

Activities that occur in designated sage grouse habitat are subject to Executive Order 12-2015. Consult with the Sage Grouse Habitat Conservation Program prior to submitting a grant or loan application.

- See the program webpage for more information: https://sagegrouse.mt.gov

Part 6: Financial Presentation

Explain how you plan to finance the proposed project. Applications must address the financial narrative section, financial documentation section, and the budget forms below to be eligible for funding consideration.

Project Costs vs. Program Costs

DNRC reimburses project-specific costs only. Reimbursable costs are costs that will be incurred only by implementing the project as described in the grant agreement. Non-reimbursable program costs are costs not directly related to the project including but not limited to: office rent, costs associated with salaried 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 applicants.

The RRGL Program cannot pay for any indirect costs or any portion of a salary of a state employee, including University System employees.

Financial Narrative

The financial narrative must clearly demonstrate that the funding will be available to complete the project within the proposed budget.

- The application budget forms **may not** be used in lieu of the narrative.
- Projects must be financially feasible to be eligible.
- Failure to submit adequate financial information will jeopardize your chance of receiving project funding. This outline is not all-inclusive; you may address other funding categories.

The financial narrative must describe the use of funds committed to the project from DNRC and from matching funding sources. Do not include the costs for phases of construction completed before or after the term of a DNRC funding agreement.

Provide a narrative addressing the following questions.

Grant Information

1. **Total Budget**
   The narrative must explain the basis of the figures provided in the budget tables and how they match the Scope of Work. Show how the amounts in each of the budget line items were calculated.

Example: If the project budget lists $12,600 in material costs, provide the breakdown for all material costs (120 tons of gravel @ $30 per ton = $3,600 and 50,000 square feet of geo-textile material @ $0.18 per square foot = $9,000. Total material cost = $12,600).

2. **Contract Administration**

   All grant recipients must comply with Montana contracting and procurement laws applicable to state agencies, counties, conservation districts, and municipalities.

   These costs include estimates for salaries, contracted services, and associated costs of planning and administering the proposed project. Demonstrate project-specific costs above and beyond general program costs. DNRC will reimburse project-specific administration costs only. Provide a cost estimate for preparation of the final report to DNRC.

3. **Professional and Technical Costs**

   Include the cost of personnel or contracted services for professional services in this category. These costs must be project-specific. Provide the unit costs for professional staff and contracted personnel, contracted services for engineering design, legal advice, or other.

4. **Construction Costs**

   These costs include all the costs of construction: construction contract costs, material purchases, land purchases directly related to the project, and a reasonable contingency. You may include an inflation factor, accounting for time lapse between project approval and receipt of funding. Identify this cost on the budget forms.

   a. Provide enough information to clearly show how the construction cost estimates were developed.
   b. Describe unit costs where applicable.
   c. Provide the preliminary cost estimates used to evaluate the alternatives to the proposed project.

5. **Identify the operation and maintenance costs necessary to support the project in the future. Identify the source of funds you will use to cover these expenses.**

   Discuss how you plan to fund the ongoing operation and maintenance of facilities and infrastructure constructed with grant or loan funding.

6. **Describe the funding structure that ensures the project is financially feasible.**

   Demonstrate that adequate sources of funds are available to complete the proposed project.

   a. Indicate any costs which remain undefined at the time of application.
   b. If the funding structure for your project contains uncommitted grant funds, please provide an explanation of how the project could proceed if the uncommitted grants were not realized, such as phasing the project.

Loan Information

1. Will tax revenues be pledged for repayment? If yes, will this be a special tax levy (example: a special improvement district) or will it be a pledge of the general taxing authority of the local government?

2. Will rates and charges be pledged for repayment (example: a revenue bond)? If yes, please describe the rates and charges of the system. Include in this discussion information about number of users and the method of calculating the rates (example: is it based on quantity of water or on a per hook-up basis). Also, using the last fiscal year's information, what were the total revenues of the system and what was the cost of the operation and maintenance of the system?

3. Is there any outstanding debt that relies on the same revenues that will be the basis of the DNRC loan? If yes, what is the amount of the debt, what is the remaining term of the debt, and, if possible, please provide a copy of the bond resolution associated with the outstanding debt.

4. Use a rate of five percent (5%) over a 20-year term to calculate annual debt service payments associated with a Renewable Resource loan. Using this information along with current rate or tax information for the system, discuss the overall financial status of the local government. To be eligible for a below-market rate of interest, the applicant must demonstrate a high financial need.

Financial Documentation

Submit supporting documentation to provide evidence of the financial feasibility of the proposed project.

1. **Include copies of estimates used to generate the project budget.**

2. **If you applied to other funding agencies for grant and/or loan funds for the same project, or you intend to apply for additional funding in the future, provide the following:**

   a. Indicate the expected date a funding decision will be made if you requested a grant or a loan; and
   b. If funding has been secured, provide a copy of the notice of award.

3. **If other agencies, associations, or individuals will provide in-kind or match funding, provide the following information:**

   a. If funding has not been secured, provide copies of correspondence with the date assistance was requested, the type of assistance (whether matching dollars or in-kind contribution) and the amount requested, the date a funding decision is expected;
   b. If funding has been secured, provide copies of correspondence documenting funding commitments and type of funds committed (matching dollars or in-kind contribution);

    c. If the RRGL Grant is providing partial funding, describe how the RRGL Grant fits into the overall funding plan;

    d. Identify matching funds or in-kind contributions that support the project budget;

    e. Identify other sources and amounts of matching dollars; and

    f. Identify other sources and amounts of in-kind contributions. 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 whether it is this guidance or the U.S. Bureau of Labor Statistics at the following website specific to labor values for Montana: https://www.bls.gov/oes/current/oes_mt.htm

Example: **A floodplain project where cost of the entire project is $4 million. The project has four different funding entities; describe specifically what the RRGL funds will be used.**

Budget Forms

Complete one set of budget forms to detail the total estimated project cost. Show costs that you will document during project implementation. Include only costs directly related to the project.

Use one column for each sponsor and for each type of funding (grant or loan). Add more columns as needed Place the name of contributors from other sources in the "other" columns. If all sources of funds are not secured, label one column "Unknown." The sum of the totals of each column must add up to the total estimated project cost.

The following budget forms are categorized by project tasks such as grant administration, project design and construction. Additional forms may be used for other budget categories.

Budget Forms for Renewable Resource Projects

Project Administration Tasks   **Date_____**

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other _____ *(Specify)*	Other _____ *(Specify)*	Other _____ *(Specify)*	Total
Project manager							
Administrative support							
DNRC Final Report							
Other, please itemize							
Subtotal							
Communications							
Supplies							
Other, please itemize							
Total Administration							

Budget Forms for Renewable Resource Projects

Professional and Technical Tasks (project design, engineering oversight, etc…)   **Date_____**

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other _____ *(Specify)*	Other _____ *(Specify)*	Other _____ *(Specify)*	Total
Professional/technical service							
Professional _____							
Other contracted services							
Subtotal Technical Services							
Other costs, please itemize							
Total Professional & Technical							

Budget Forms for Renewable Resource Projects

Construction Tasks   Date_____

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other _____ *(Specify)*	Other _____ *(Specify)*	Other _____ *(Specify)*	Total
Labor							
Materials							
Equipment							
Construction							
Other, please itemize							
Subtotal Construction							
Other, please itemize							
Contingency (10%)							
Total Construction							

Budget Forms for Renewable Resource Projects

Additional/Other Tasks   Date_____

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other _____ *(Specify)*	Other _____ *(Specify)*	Other _____ *(Specify)*	Total
Subtotal							
Total							

Total Tasks Costs

Total Administration							
Total Professional & Technical							
Total Construction							
Additional/Other							
Additional/Other							
Total Project Cost							

Applicant Affordability Data

Complete the following section only if your entity generates revenue through user fees or assessments.

For Sewer or Water Projects:

	Current	Projected
Number of residential users served by system	_____	_____
Average monthly residential water rate	_____	_____
Average monthly residential sewer rate	_____	_____
Type of billing system used (flat fee or metered)	_____	_____

For Irrigation Projects:

	Current	Projected
Number of irrigated acres served by system	_____	_____
Annual assessment per acre	_____	_____
or		
Number of acre-feet of water sold annually	_____	_____
Cost of water per acre-foot	_____	_____

Part 7: Environmental Evaluation

All applicants must consider the potential environmental impacts of their projects. Preparation of this document can alert applicants to consideration of location, design, or construction actions that will help to avoid potential adverse environmental impacts or expensive mitigation or construction costs. A project will not be eligible for funding if it would result in significant adverse impact after mitigation.

Please complete the Environmental Checklist below. If an Environmental Assessment has been completed for the proposed project, you may include it in place of completing this checklist.

Environmental Checklist

Complete the Environmental Checklist for the preferred alternative found on the following pages. For each resource:

1. **Begin by identifying the impact code, as one or more of the following:**
   No Impact: No impact to the resource is anticipated or this is not applicable to this project.
   Beneficial: Potentially beneficial impact to the resource.
   Adverse: Potentially adverse impact to the resource.

A resource may have more than one impact. Please identify all possible impacts to the resource and use the space provided to explain.

> Example: the preferred alternative may have a short-term direct negative impact and a long-term direct and indirect positive impact on the resource. The applicant should check all boxes that apply and use the space provided to explain.

2. **Identify the type(s) of impact to the resource. (Impacts may be direct, indirect or cumulative).**
   Direct impacts - are those that occur at the same time and place as the proposed project.
   Indirect or secondary impacts - are those that occur at a different location or later time than the proposed project.
   Cumulative impacts - are the collective impacts on the environment when considered in conjunction with other past, present, and future actions related to the proposed project. Cumulative impact analysis includes a review of all state and nonstate activities that have occurred, are occurring, or may occur that have impacted or may impact the same resource as the proposed project.

Environmental Narrative

In the space provided in the checklist, summarize the following information:

      a. Describe the environmental resources of the affected area.
      b. Identify any reasonable cumulative impacts as a result of current private, state, or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review or permitted review by any state agency.
      c. Describe the impact or indicate why there is no impact from the project.

If a potentially adverse impact is identified for the preferred alternative, the applicant must provide the following:

- o An analysis of the severity, duration, extent and frequency of the impact.
  Please specify and describe the following for each:
    - ▪ **Severity**: negligible, minor, or major.
    - ▪ **Duration**: short-term or long-term.
    - ▪ **Extent**: local, regional, or statewide.
    - ▪ **Frequency**: non-recurring or recurring.
- o An explanation of short-and/or long-term measures to mitigate the impact and a discussion of the effects of those mitigative measures on the proposed project.
- o Identify any permits that may be needed.

For assistance in preparing the environmental checklist, contact DNRC at 444-6668.

Environmental Checklist

Environmental Checklist Prepared by:

Name: _____Title: _____

Phone: _____Email: _____

Date: _____

Physical Environment		
Impact Code	**Impact Type**	**Explanation of Impact to Resource**
1. Soil Suitability, Topographic and/or Geologic Constraints (example: soil lump, steep slopes, subsidence, seismic activity)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
2. Hazardous Facilities (example: power lines, hazardous waste sites, acceptable distance from explosive and flammable hazards including chemical/petrochemical storage tanks, underground fuel storage tanks, and related facilities such as natural gas storage facilities and propane storage tanks)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
3. Surrounding Air Quality (example: dust, odors, emissions)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
4. Groundwater Resources and Aquifers (example: quantity, quality, distribution, depth to groundwater, sole source aquifers)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
5. Surface Water/Water Quality, Quantity and Distribution (example: streams, lakes, storm runoff, irrigation systems, canals)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
6. Floodplains and Floodplain Management (Identify any floodplains within one mile of the boundary of the project.)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
7. Wetlands (Identify any wetlands within one mile of the boundary of the project and state potential impacts.)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*

8. Agricultural Lands, Production, and Farmland Protection (example: grazing, forestry, cropland, prime or unique agricultural lands) Identify any prime or important farm ground or forest lands within one mile of the boundary of the project.

Impact Code	Impact Type	
☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

9. Vegetation and Wildlife Species and Habitats, Including Fish (example: terrestrial, avian and aquatic life and habitats)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

10. Unique, Endangered, Fragile, or Limited Environmental Resources, Including Endangered Species (example: plants, fish or wildlife)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

11. Unique Natural Features (example: geologic features)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

12. Access to, and Quality of, Recreational and Wilderness Activities, Public Lands and Waterways, and Public Open Space

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

Human Environment		
Impact Code	**Impact Type**	**Resource**

1. Visual Quality – Coherence, Diversity, Compatibility of Use and Scale, Aesthetics

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

2. Nuisances (example: glare, fumes)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

3. Noise – Suitable Separation Between Housing and Other Noise Sensitive Activities and Major Noise Sources (example: aircraft, highways and railroads.)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

4. Historic Properties, Cultural, and Archaeological Resources

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

5. Changes in Demographic (Population) Characteristics (example: quantity, distribution, density)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	

☐ Adverse	☐ Cumulative	

6. General Housing Conditions - Quality, Quantity, Affordability

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

7. Businesses or Residents (example: loss of, displacement, or relocation)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

8. Public Health and Safety

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

9. Local Employment-Quantity or Distribution of Employment, Economic Impact

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

10. Income Patterns-Economic Impact

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

11. Local and State Tax Base and Revenues

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

12. Community and Government Services and Facilities (example: educational facilities; health and medical services and facilities; police; emergency medical services; and parks, playgrounds and open space)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

13. Commercial and Industrial Facilities - Production and Activity, Growth or Decline

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

14. Social Structures and Mores (example: standards of social conduct/social conventions)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

15. Land Use Compatibility (example: growth, land use change, development activity, adjacent land uses and potential conflicts)

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	
☐ Adverse	☐ Cumulative	

16. Energy Resources - Consumption and Conservation

☐ No Impact	☐ Direct	*Environmental Narrative:*
☐ Beneficial	☐ Indirect	

☐ Adverse	☐ Cumulative	
17. Solid Waste Management		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
18. Wastewater Treatment-Sewage System		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
19. Storm Water–Surface Drainage		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
20. Community Water Supply		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
21. Fire Protection–Hazards		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
22. Cultural Facilities, Cultural Uniqueness and Diversity		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
23. Transportation Networks and Traffic Flow Conflicts (example: rail; auto including local traffic; airport runway clear zones - avoidance of incompatible land use in airport runway clear zones)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
24. Consistency with Local Ordinances, Resolutions, or Plans (example: conformance with local comprehensive plans, zoning, or capital improvement plans.)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*
25. Private Property Rights (example: a regulatory action or project activity that reduces, minimizes, or eliminates the use of private property.)		
☐ No Impact ☐ Beneficial ☐ Adverse	☐ Direct ☐ Indirect ☐ Cumulative	*Environmental Narrative:*

List all sources of information used to complete the environmental checklist. Sources may include studies, plans, documents, or the individuals, organizations, or agencies contacted for assistance. For individuals, groups, or agencies please include a contact person and phone number. List any scoping documents or meetings, and/or public meetings during project development.

_____

_____

_____