

Montana Department of Environmental Quality

# DW & WPC STATE REVOLVING FUNDS



# Advantages of Using an SRF Loan

- **No Deadlines - Can Apply at Anytime**
- **Low Interest Loans - Currently 2.50%**
- **20 Year Term**
- **Interim Financing not Needed**
- **Can Provide Interim Financing for Projects @ 1.25% for up To 3 years**
- **Disadvantaged Community Criteria – Potential Additional Subsidy (May qualify for a 30 year term for drinking water projects depending on life of improvements)**
- **No Plan Review Fee**
- **DEQ Prepares Environmental Review Documents**

# Who Can Apply for an SRF Loan?

- Any city, town, county, school, water and/or sewer district, or other local government unit
- Private entities are eligible for loans to finance costs of nonpoint source pollution control projects or any community drinking water project

# Types of SRF Financial Assistance

- Direct Loans
- Purchase or Refinance of Existing Debt

# To Be Eligible for an SRF Loan

- Must be an eligible project
- Must be on the Priority List & Intended Use Plan
- Completed Uniform Application & Supporting Documents

# Priority List & Intended Use Plan

- Priority List is Updated Every Year (May)
- Simple Survey Form Required - Important
- Is Not a Commitment
- Project Stays on List Until Completion, Regardless of Funding Sources
- Currently Over 100 Projects on Each Priority List



# Continuing Requirements for SFY 2015/16

- Green Project Criteria
  - energy efficiency
  - water efficiency/conservation
  - green infrastructure (storm water)
  - environmentally innovative project
- Higher of Federal Davis-Bacon or State Prevailing Wage Rates\*
- Principal Forgiveness
  - Continues in SFY2016

# New Requirement

- Buy American (USA! USA!)
- Effective January 17, 2014
- “...all of the iron and steel products used in the project are produced in the United States.”
- “iron and steel products” means lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

# WPCSRF Program

## New Stuff

- Federally Reauthorized in 2014
  - American Iron and Steel
  - Engineering procurement requirements
  - Cost and Effectiveness Requirement
  - Affordability requirements
    - MHI, unemployment, population trends
  - 30-yr terms not restricted to disadvantaged communities –
    - design life
  - More Principal Forgiveness (optional)
  - All\* land associated with treatment is now eligible

# Ranking Criteria for Priority List

- Water Quality Impairment
  - How Bad is the Problem?
- Water Quality Improvement
  - How Effective is the Project?
- Activity-Specific Criteria
  - Capacity, water conservation
  - Enforcement, beneficial reuse
- Readiness to Proceed

# PRINCIPAL FORGIVENESS 2015/16

- HIGHER AMOUNT – about \$2M state-wide
- BASED ON AFFORDABILITY – Highest user cost
- PERCENTAGES AND CAPS DEPENDENT ON PROJECT DEMAND AND PROJECT READINESS
- NOT FOR SHORT-TERM FINANCING
- MUST TAKE OUT LONG-TERM SRF LOAN

# What Can Be Financed...?

- Water Pollution Control Projects

Including....



# What Can Be Financed...?

- **Wastewater Treatment Facility Improvements**
- **I&I Studies and TVing in relation to a capital project**
- **Collection system upgrades**
- **Stormwater collection and treatment**
- **Conservation Easements to protect water quality**
- **Landfill components related to water quality**

# Collection System Improvements



- New Interceptors & Collection - not for growth
- Infiltration/Inflow Correction
- Sewer System Rehabilitation
- Separation of Combined Sewers

***Town of Cascade Sanitary and Storm Sewer Separation Project***

# What Can Be Financed...?

- **Nonpoint Source Pollution Control Project**

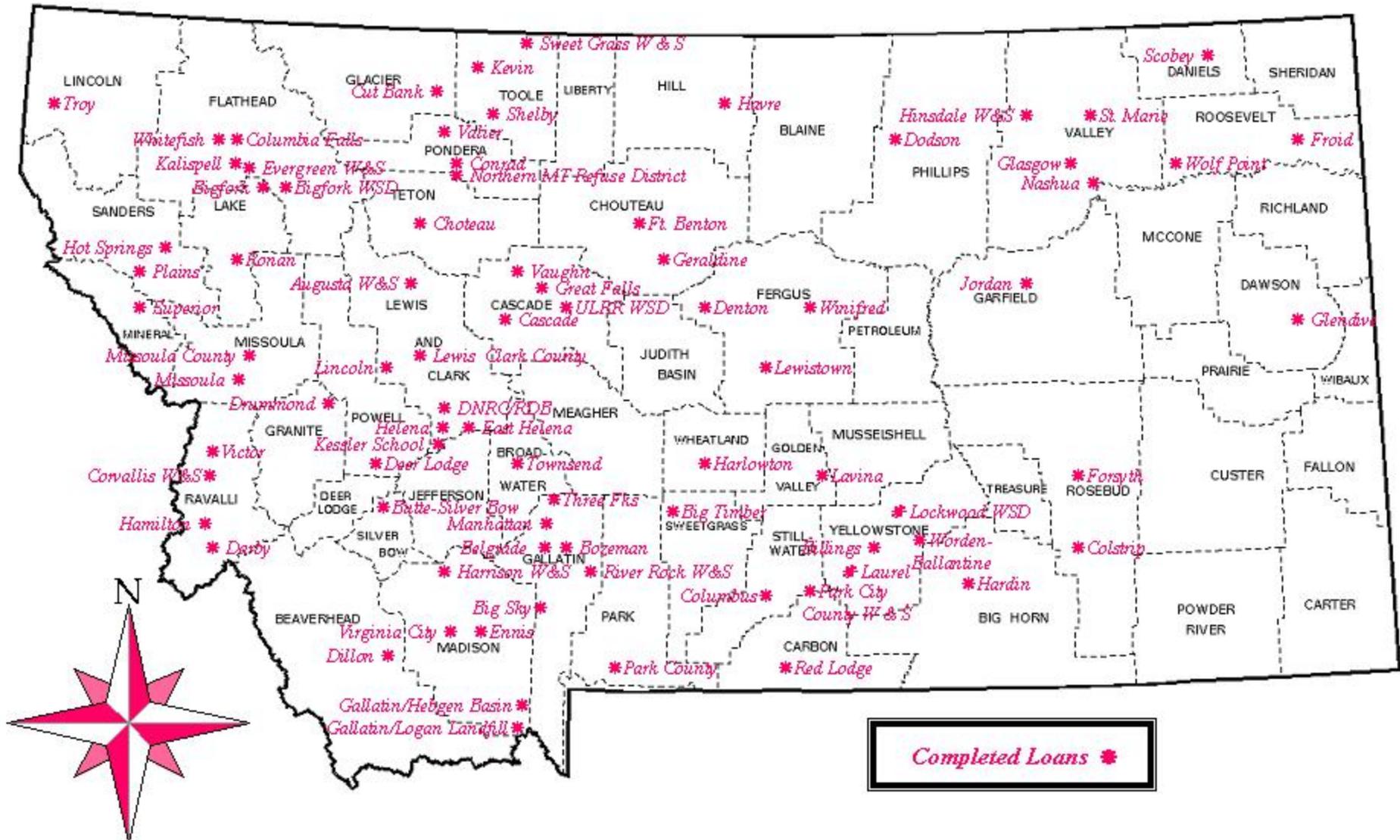


*Irrigation Equipment Purchase by Private Landowner  
Through DNRC Resource Development Bureau*

# Non-point Source Projects

- Agricultural BMPs
- Manure storage facilities
- Mitigation banks
- Estuary protection
- Urban stormwater runoff
- Groundwater protection
- Landfills – water quality related
- Animal feed operations (AFOs)
- No-till farm equipment
- Wetlands restoration & preservation
- Stream bank restoration
- Construction runoff control
- Underground storage tank removal/mitigation
- Septic system removal or upgrade - limited

# Wastewater Revolving Fund Loans



# The DWSRF Program

A high-speed photograph of a water droplet suspended in mid-air above a pool of water. The droplet is perfectly spherical and reflects the surrounding light. Below it, a thin stream of water is falling, creating a small splash and ripples on the surface of the water below. The background is a soft, out-of-focus blue.

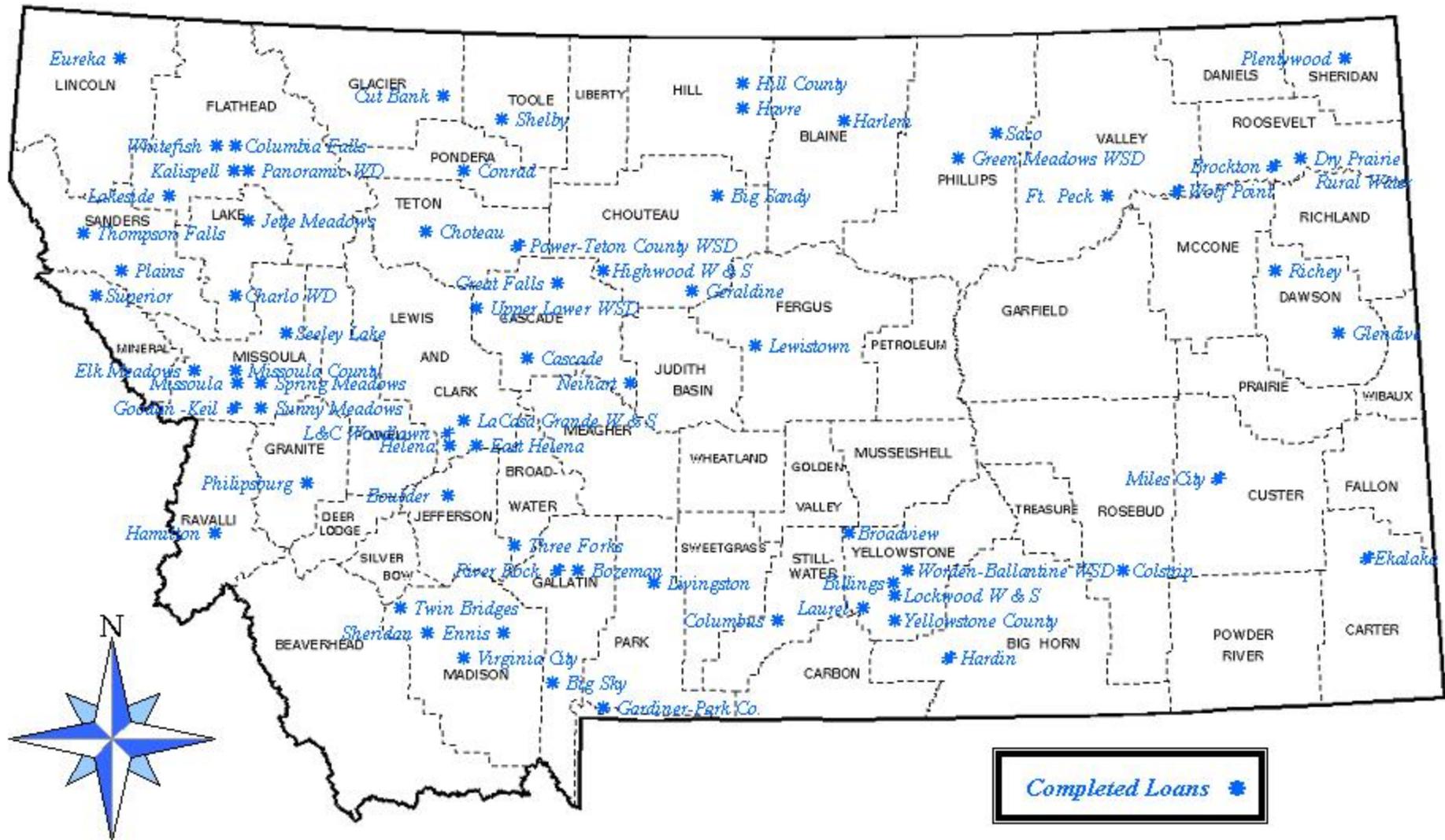
- Established by 1996 SDWA Amendments
- DEQ Approval June 30, 1998
- Structure similar to WPCSRF
- Projects
- Set-Aside Activities

# Projects

**ELIGIBILITY = PUBLIC HEALTH**

- Source Development
- Treatment
- Storage
- Distribution

# Drinking Water Revolving Fund Loans



# Priority List

## RANKING CRITERIA

- Documented health risks  
(acute and non-acute)
- Potential health risks  
(acute and non-acute)
- Proactive measures
- Regionalization  
(PWS consolidation)
- Affordability

# Principal Forgiveness

- Disadvantaged community
- Half of loan as principal forgiveness, other half at regular interest rate
- Up to a maximum of \$500,000 PF

# Set- Asides

(NON-PROJECT ACTIVITIES)

- CAPACITY DEVELOPMENT
- TECHNICAL ASSISTANCE
- OPERATOR CERTIFICATION
- PWS PROGRAM
- SOURCE WATER PROTECTION



DIVISIONS

PUBLIC INTEREST

ONLINE SERVICES

CONTACTS

## WATER QUALITY PLANNING BUREAU

About Water Quality Info

Advisory Councils

Ground Water Who's Who

Laws and Rules

Public Notices

Subject/Contact Search

### Water Quality Planning

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319 Grant Program

Clean Water Act Info Center

(CWAIC)

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[Intended Use Plans](#) | [Who's Eligible](#) | [How to Apply](#) | [SRF Staff Listing](#) | [Related Links](#)

## Montana State Revolving Fund Programs

[Drinking Water State Revolving Fund](#)

[Water Pollution Control State Revolving Fund](#)

- [Current \(2015\) Draft Drinking Water and Water Pollution Control State Revolving Fund Intended Use Plans and Project Priority Lists](#)
- [DWSRF 2011 Report to the Governor](#)
- Check out **Past** DWSRF or WPCSRF Intended Use Plans and Project Priority Lists

### Program Description

The Montana Legislature established two State Revolving Fund (SFR) Loan Programs - one for water pollution control projects (wastewater and non-point source projects) and the other for drinking water projects. Both programs provide at or below market interest rate loans to eligible Montana entities. These programs are funded with capitalization grants from the [U.S. Environmental Protection](#)

**Montana Department of Environmental Quality**

**STATE REVOLVING FUND**

**<http://deq.mt.gov/wqinfo/srf/default.mcp>**

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