UNIFORM APPLICATION

For Montana Public Facility Projects

W²ASACT

Water, Wastewater and Solid Waste Action Coordinating Team

December 2025 | 14th Edition

https://dnrc.mt.gov/Conservation/Conservation-Programs/WASACT/

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INTRODUCTION

In 1995, the state and federal funding agencies that are members of the Water, Wastewater, and Solid Waste Action Coordinating Team (W2ASACT) adopted a common preliminary engineering report format that would be acceptable to each of the agencies that fund water, wastewater and solid waste projects in Montana. Due to the success of developing the common engineering format, and in response to recommendations made by local communities and technical assistance providers, some of the state agencies also adopted a common application summary form and environmental checklist that same year. In 1997, many of the state and federal funding agencies involved in W2ASACT worked together to complete the task by agreeing to use a uniform publication that contains a common infrastructure application form, environmental checklist and preliminary engineering report.

The Uniform Application for Montana Public Facility Projects contains the common forms, requirements, and checklists that must be submitted when applying for financial assistance to any of the six funding programs listed below. This application was developed to reduce the time, effort and expense that local governments incur when applying to multiple agencies for financial assistance. Once completed, the forms and checklists in this application can be copied and submitted to any of the six programs.

The following programs have adopted the application materials contained in this publication:

- Montana Board of Investments/INTERCAP Program
- Montana Department of Commerce/Community Development Block Grant (CDBG) Program - Community MT Division (mt.gov)
- Montana Department of Commerce/ Montana Coal Endowment Program (MCEP) - Community MT Division (mt.gov)
- Montana Department of Environmental Quality/State Revolving Fund (SRF) Loan Programs
- Montana Department of Natural Resources and Conservation/Renewable Resource Grant and Loan (RRGL) Program and State Revolving Fund (SRF) Loan Programs
- U.S. Department of Agriculture/Rural Development Programs

Each program has a unique mission and individual program requirements. It is crucial for the applicant to contact each program to which a community may potentially apply to obtain the application guidelines specific to that program. While this publication contains the common forms, requirements, and checklists that are required when applying for financial assistance to any of the funding programs, there is additional application information that will be required by each of the programs.

While each program has specific public participation requirements, the funding programs have agreed that prior to the final adoption of the preliminary engineering report, at least one public meeting is required for all projects. The public meeting must be properly noticed (advertised) and the public must be provided with an opportunity at the meeting to comment on the project. Minutes of the meeting should reflect what was discussed about the project, including all comments received from the public. Refer to individual program descriptions or application guidelines for any additional hearing requirements. It is important for applicants to be aware of each funding program's requirements and include the public in the various stages of project development where necessary.

The forms, requirements, and checklists found in this publication are intended for applicants that are applying for funding of water, wastewater, and solid waste projects. However, some of the programs noted above may also require applicants to use these forms when applying for funding for other types of public facilities that are also funded by those programs.

It is important that applicants carefully complete the application materials since if the required information is not provided, the application may be rejected or the agency to which the application is being submitted contact the applicant for additional information before the application can be processed. If information is missing for a competitive funding program (CDBG, RRGL, and MCEP) it could result in the application receiving fewer points and potentially not being funded.

Deadlines for applications differ with each funding program.

Included in this publication is:

- ✓ Summarized information about each funding program;
- ✓ The Uniform Application Form for Montana Public Facility Projects with instructions;
- ✓ The Uniform Preliminary Engineering Report for Montana Public Facility Projects with additional guidance; and
- ✓ The Uniform Environmental Checklist and related information about the environmental requirements.

The application materials provided in this publication are available in electronic format. Some of the information requested in the application materials is presented in tables. These can be easily expanded when prepared on a computer. In addition, applicants using digital application materials can integrate information where appropriate rather than attaching separate sheets.

The December 2025, 14th Edition contains changes to formatting to ensure compliance with Montana Code Annotated 18-5-605 which requires that state agencies provide information that is accessible to people who are blind or visually impaired. The December 2025, 14th Edition also requires that additional information be provided in Section E – System Information on both water and wastewater rates regardless of the project types and that applicants provide calculations of the projected system operation and maintenance costs in alignment with the requirements in the Uniform Preliminary Engineering Report namely short-lived asset maintenance/replacement costs. Finally, an Excel Workbook has been developed to aid applicants in completing the required tables and calculations in the Uniform Application.

The agencies and programs listed in this publication do not discriminate on the basis of disability in admission to, access to, or operations of their programs, services, or activities. We make every effort to ensure our documents are fully accessible to persons with disabilities. Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, please contact any of the funding agencies listed on the next page.

TDD: 1-800-833-8503

TTY: 406-444-1421

TDD/VOICE: 406-444-1335

Montana Relay Service: 711

If you need additional copies of this publication, would like it in an electronic format, or if you have any questions about the forms in this publication contact one of the following programs:

Montana Board of Investments – INTERCAP Loan Program
Address: 2401 Colonial Drive, 3rd Floor, PO Box 200126, Helena, MT 59620-0126
Phone: (406) 444-0891
Website: investmentmt.com/INTERCAP

Montana Department of Commerce – Community Development Block Grant (CDBG) & Montana Coal Endowment Program (MCEP)
Address: 301 S. Park Avenue, PO Box 200523, Helena, MT 59620-0523
Phone: (406) 8412700
Website: commerce.mt.gov/Infrastructure-Planning/

Montana Department of Environmental Quality – State Revolving Fund (SRF) Loan Programs
Address: 1520 E. 6th Avenue, PO Box 200901, Helena, MT 59620-0901
Phone: (406) 444-6770 (Drinking Water SRF)
(406) 444-6776 (Wastewater SRF)
Website: deq.mt.gov/Water

Montana DNRC – Renewable Resource Grant and Loan Program (RRGL)
Address: 1539 11th Avenue, PO Box 201601, Helena, MT 59620-1601
Phone: (406) 6668
Website: dnrc.mt.gov

U.S. Department of Agriculture – Rural Development (Montana)
Address: 2229 Boot Hill Court, Bozeman, MT 59715
Phone: (406) 585-2580 (main office)
Website: rd.usda.gov/mt

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Montana's Community Development Block Grant (CDBG) Program is a federally funded competitive grant program that provides assistance to communities with populations less than 50,000 to address their most critical community development needs related to housing, public facilities, economic development and planning. The program is funded through the U.S. Department of Housing and Urban Development (HUD) and administered by the Montana Department of Commerce (Commerce) Community MT Division (CMT). For more information about CDBG grants and applying for funding please visit the program's website at Infrastructure + Planning | Montana Department of Commerce.

Under federal law, all CDBG projects must principally benefit low- and moderate-income persons.

In the public facility category, this is accomplished by making improvements to public or community facilities that serve an area-wide community or neighborhood that is comprised of 51% or more low- or moderate-income (LMI) persons or households, or by providing direct benefits to LMI households. CDBG can directly benefit LMI households by paying for the cost of water meter installation or for the hook-up charges or special assessments for income- eligible families, for example.

Eligible Projects

A wide variety of community development projects are eligible for grant funding. Montana's CDBG program is divided into four basic categories, as follows:

1. Public or Community Facilities;
2. Housing and Neighborhood Renewal;
3. Economic Development; and
4. Planning for public/community facilities, housing or economic development.

Public facility projects may include community water, wastewater, and solid waste systems. Community facility projects may include those designed to principally serve LMI persons, such as Head Start centers, mental health centers, centers for abused spouses and/or children, senior centers, and rural hospitals or nursing homes. These community facility projects will require that the application be accompanied by a Preliminary Architectural Report (PAR) to be eligible for consideration. A standard format for the PAR is provided on the Community MT website: Infrastructure + Planning | Montana Department of Commerce

Eligible Applicants

By federal law, eligible applicants are limited to local governments under 50,000 population (i.e., incorporated cities and towns, and counties). Special purpose entities such as water or sewer districts are not eligible to apply directly. In these cases, a county or municipality must apply for CDBG funds on a local district's behalf. Water or sewer users' associations, because they are private non-governmental entities, and rural special improvements districts must first be established as county water or sewer

districts (pursuant to Title 7, Chapter 13, Parts 22 and 23 MCA) before making an application for CDBG funds through a county government. If the application is funded, an interlocal agreement must also be executed between the local government and the special purpose agency or organization clarifying project responsibilities. In all cases, the local government applicant assumes ultimate responsibility for administration of the federal funds and compliance with all federal and state requirements.

Special CDBG Requirements

The CDBG program requires one public hearing no more than 18 months prior to submitting the application, and a second hearing no more than 3 months prior to submitting the application. The first public hearing is intended to give citizens an opportunity to identify and discuss their community's overall community development and housing needs and priorities, and to propose possible community improvement projects to meet those needs before the local government makes a decision on what project or projects it will seek CDBG assistance to address. The purpose of the second public hearing is to give citizens and potential beneficiaries of the proposed project adequate opportunity to consider and comment on the potential benefits and cost of the proposed project, before the local government submits the application. Applicants are encouraged to hold the second public hearing in conjunction with the public hearing required prior to the adoption of any PER (or PAR), when applicable.

CDBG provides grants to local governments up to $750,000. For the public facilities category, local governments must provide a match of at least 25% of the CDBG funds requested (not 25% of the total project cost). Local share of the project budget may be provided either by a direct cash contribution, by incurring a loan or issuing bonds to be paid through user charges or property tax assessments, contributions of land, or other methods. CDBG will count documented local government expenditures for preliminary architectural design or engineering as part of the required 25% match.

To be counted as match, such expenditures must be directly related to the CDBG application and cannot include "in- house" costs. Such expenditures must not have been made earlier than 24 months prior to the date of the CDBG application to be considered "eligible match." The match may be waived in cases of extreme financial hardship and where a serious public health or safety problem exists. Directions for requesting a waiver are in the CDBG application guidelines.

In the case of water, sewer, and solid waste projects, an analysis of financial needs focuses on a community's projected water and sewer rates measured against the community's median household income and other economic factors. Projected water and sewer rates are compared to a 'target rate' based on local median household income. Each applicant proposing to assist a water or wastewater project must submit a funding strategy that would assure that projected user charges would, at a minimum, meet the target rate for the community for the public facility.

The CDBG application guidelines provide specific information about the program and all its requirements. It is important that potential applicants obtain a copy of the current application guidelines in order to be aware of program requirements. The deadline for submitting CDBG construction grant applications will be posted on the program website.

Additional application requirements for public facility and community facility grants are further described in the CDBG application materials available at the program's website:
Infrastructure + Planning | Montana Department of Commerce

MONTANA COAL ENDOWMENT PROGRAM

The Montana Coal Endowment Program (MCEP) is a state funded grant program administered by the Montana Department of Commerce (Commerce) Community MT Division, providing assistance to communities to address infrastructure with critical health and safety needs. For more detailed information about MCEP grants and applying for funding please visit the program's website at Infrastructure + Planning | Montana Department of Commerce or contact Infrastructure staff at doccdd.mt.gov

Eligible Applicants

Cities, towns, counties, consolidated governments, county or multi-county water, sewer, or solid waste districts, and tribal governments may apply for MCEP funds.

Eligible Projects

Construction or repair of drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges.

Types of Financial Assistance

Grants are available for construction projects, preliminary engineering, and emergency situations.

Grants for Construction Projects - One construction application may be submitted per biennial funding cycle. Applications are accepted by Commerce once every two years and are reviewed and approved through the legislative process. Applications are scored and ranked based upon seven criteria listed in the MCEP application guidelines available on the program's website.

Applications are accepted in the spring of the year before the Legislature meets (even numbered years). The next deadline for submitting an application to fund a construction project will be listed on the Division's website.

The maximum amount that can be requested for a matching grant is $750,000 per grant application, but the applicant may be limited to a lesser amount as further explained in the MCEP application guidelines. A dollar-for-dollar match is typically required. The matching funds can include grants or loans from other state or federal programs. Eligible types of matching funds also further explained in the MCEP application guidelines.

Of utmost importance, is that a construction grant is only recommended for water, wastewater and solid waste projects where the applicant's user rates are at or above a "target rate" based on the community's median household income (MHI).

Project expenses eligible to be reimbursed by MCEP funds include any reasonable and authorized expenses directly related to the eligible infrastructure project and incurred after the project has been awarded through the legislative process and signed into law by the Governor. Additional information

regarding eligible and ineligible expenses and how to administer a MCEP project if funded can be found on the program's website Infrastructure + Planning | Montana Department of Commerce .

Grants for Preliminary Engineering - Commerce was appropriated $1,500,000 to award for infrastructure planning which includes the preparation of preliminary engineering studies and capital improvement plans. MCEP infrastructure planning grants currently have a maximum grant amount of $30,000 with a minimum match of 20% of the total project cost. Please check the MCEP website for additional details. The Department typically begins receiving applications at the beginning of the biennia; contact MCEP at doccdd.mt.gov for application information.

Grants for Emergency Situations - Local governments needing an emergency grant are expected to utilize all their own financial resources first, that are reasonably available, towards the emergency project. Emergency grants are for remedying conditions that if allowed to continue until legislative approval could be obtained would endanger the public health or safety and expose the applicant to substantial financial risk. An "emergency" means the imminent threat or actual occurrence of a disaster causing immediate peril to life, property, or the environment, which with timely action can be averted or minimized. Requests for assistance can be submitted at any time, please contact MCEP at doccdd.mt.gov

Special Instructions for Applicants with Bridge Projects

Applicants with bridge projects should note that the MCEP application guidelines contain some additional requirements that are not contained in this publication. In particular, the preliminary engineering report will need to meet the requirements of a different report outline, which is presented in the MCEP application guidelines. In addition, Part E - System Data within the Uniform Application Form for Montana Public Facility Projects should not be completed for bridge applications. Instead, applicants will need to provide alternative information as described in the MCEP application guidelines.

Additional application requirements for MCEP grants are further described in the application materials available at the program's website:Infrastructure + Planning | Montana Department of Commerce).

INTERCAP PROGRAM

The INTERCAP Program is a low cost, variable-rate program that lends money to eligible Montana governmental units for a variety of purposes including water, wastewater, and solid waste projects. The program is administered by the Board of Investments' (BOI) Municipal Loan Program Office. The BOI issued a taxable bond and loans the proceeds to eligible borrowers. In addition to long-term financing, INTERCAP is an excellent source for interim financing.

Applicant Eligibility

Political subdivisions of state, tribal or local governments (i.e. cities/towns, counties, water and sewer districts, irrigation districts, solid waste districts, special and rural improvement districts).

Project Eligibility

- Water, wastewater, irrigation, and solid waste projects
- Preliminary engineering and grant writing work
- Interim financing
- New and used equipment of all kinds
- New and used vehicles of all kinds
- Energy retrofit projects
- 100% financing acceptable; equity or matching funds not required

Funding Requirements

- INTERCAP is a variable rate loan program; rates are reset on February 16 each year.
- No up-front costs
- Loan term limited to 15 years, useful life of the project, or borrower term limit per State statute, whichever is less.
- Payments are due semi-annually (Feb 15 and Aug 15); prepayments are allowed with no penalty.
- Revenues must cover debt service by at least a 1.25x factor; a reserve account is required.

Application Process

- Money always available; no funding cycle
- Applications available via phone/fax/mail/e-mail/Board web site
- $1,000,000 and under considered and approved by Board staff
- Over $1,000,000 considered and approved by the Board

- Funds released on an on-going basis as the project is completed

Typical Review Time

- $1,000,000 and under, takes approximately six (6) weeks to receive funds from the receipt of the application
- Over $1,000,000 takes approximately eight (8) weeks to receive funds from the receipt of the application

Contact Information

Montana Board of Investments

2401 Colonial Drive, 3rd Floor

P.O. Box 200126

Helena, MT 59620-0126

Phone: (406) 444-0001

Web site: https://investmentmt.com/

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

The Montana Legislature established the Renewable Resource Grant and Loan Program to enhance Montana's renewable resources. Administered by the Resource Development Bureau of the Montana Department of Natural Resources and Conservation (DNRC), the program provides both grant and loan funding for eligible renewable resource and public facility projects. The program is funded through earnings from certain natural resource-based taxes and the sale of Coal Severance Tax Bonds.

Applicant Eligibility

Eligible applicants include political subdivisions of state or local government. These entities may include counties, cities, incorporated towns, conservation districts, water and/or sewer districts, school districts, irrigation districts, conservancy districts, joint boards of control, tribal governments, state agencies and state universities.

Project Eligibility

Renewable resource and public facility projects including water, wastewater, and solid waste projects are eligible for grant and loan funding. Projects must enhance the common well-being of Montanans through the conservation, management, development, or preservation of renewable resources.

Numerous public infrastructure projects for water, wastewater, and irrigation facilities have received funding through this program. Funding is available for preliminary engineering/design as well as construction of projects.

Funding Limitations

Project Grants: DNRC limits grant funding recommendations to a maximum of $125,000.

Loans: Loans are limited by the applicant's debt capacity. Interest rates vary with the Coal Severance Tax Bond market. Interest rate subsidies (decreases from the bond market rate) may be available based on staff recommendations and legislative approval. Loan terms are usually limited to 20 years.

Emergency Grants and Loans: Emergency grants and emergency loans limited by the applicant's debt capacity are available to governmental entities for projects that require immediate attention. Projects must meet the general eligibility requirements for the Renewable Resource Grant and Loan Program. Emergency funding is only awarded for projects that, if delayed, will result in substantial damage to public health or the environment or will result in legal liability.

Project Planning Grants: Limits vary depending on the planning needs. Project planning grants are available to governmental entities to offset costs associated with planning and development activities that will lead to a quality renewable resource application and/or project.

Application Instructions for Public Facility Projects

The Renewable Resource Grant and Loan Program accepts applications on or before May 15th of even numbered years. The application materials provided in the Uniform Application for Montana Public Facility Projects may be used to replace designated sections of the Renewable Resource Grant and Loan Program Application Guidelines and Forms for Governmental Entities. However, the guidelines contain sections that must be completed by all applicants in addition to this application.

Project Planning Grants are typically authorized during each legislative session. The amount of available funding varies. Applications are typically accepted in June and September following the regular legislative session. Maximum grant awards vary with the amount of funding authorized for each legislative session.

Contact Information

Montana DNRC Renewable Resource Grant and Loan Program
PO Box 201601, 1539 Eleventh Avenue, Helena, MT 59620-1601
Main Office: (406) 444-6668
Website: **dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Renewable-Resource-Grants-and-Loans**

RURAL DEVELOPMENT LOAN AND GRANT PROGRAMS

USDA Rural Development (RD) Water & Environmental Programs (WEP) administers water and wastewater loan and grant programs to improve the quality of life and promote economic development in Rural America.

Applicant Eligibility

Loan and grant funds are available to public entities such as incorporated towns and cities, water and/or sewer districts or non-profit associations, counties, Indian Tribes, and cooperatives. All applicants with a population of 10,000 or less are eligible with a priority given to those with a population of less than 5,500. Grant eligibility and loan interest rates are based on the community's median household income (MHI) and user rates. The census data obtained from the most recent decennial census is used to determine both population and income.

Project Eligibility

Loan and grant funds may be used to develop, improve, or upgrade water, wastewater, solid waste disposal, and storm drain systems.

Planning Grants of up to $30,000 or 75% of the pre-development planning costs may be considered for eligible projects with a MHI under $ 63,617 as of August 2025

Application Process

RD has an open application cycle; applications may be submitted for consideration any time during the year. Upon receipt of a complete application, RD can determine the amount of loan and grant eligibility and can establish the timeline for availability of funding. Contact RD early in the planning process for help with your application.

Additional Application Requirements

Additional application requirements for the Water and Waste Disposal Loan and Grant Program may be found at http://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program/mt.

RD has implemented an electronic application process called RDApply. Use of RDApply is encouraged but remains optional. The introduction can be found at the following link along with access to the system: https://www.rd.usda.gov/programs-services/rd-apply

RD is in the process of implementing an electronic Preliminary Engineering Report (ePER). This ePER will integrate with the RDApply process.

Funding Considerations

RD loan and grant funds may be used in combination with other funding sources such as MCEP, CDBG, and RRGL.

The maximum loan term is 40 years or the useful life of the facility, which enhances affordability for low-income communities and provides flexibility for debt repayment.

RD does not have any loan origination fees and does not require a prepaid reserve account. The reserve, which is based on 110% coverage and collected monthly, may also be used for emergency system repairs. A reserve for short lived assets (2-15 yrs.) as identified in the PER will be required.

Post Application Requirement

After the RD Funding obligation, RD requires that there is an EJCDC E-500 Owner-Engineer Contract Agreement in place. It will be required to submit the EJCDC E-500 Owner-Engineer Contract to RD for concurrence. If you have any questions in regard to this requirement, please contact RD at (406) 585-2529.

Please contact RD at one of the following Area Offices or (406) 585-2520 and a program representative will discuss the program in detail and assist in the preparation of the application. http://www.rd.usda.gov/mt

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Contact Information

Billings Area Office

1400 S. 4th Street W., Suite 8, Billings, MT 59102 (406) 657-6297 x 4

Counties served: Big Horn, Carbon, Carter, Custer, Daniels, Dawson, Fallon, Garfield, McCone, Musselshell, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Treasure, Valley, Wibaux, and Crow, Fort Peck and Northern Cheyenne Indian Reservations

Great Falls Area Office

12 3rd Street NW, Suite 300, Great Falls, MT 59404 (406) 727-7580 x 4

Counties served: Blaine, Cascade, Chouteau, Fergus, Hill, Judith Basin, Liberty, Petroleum, Phillips, Pondera, Teton, Toole, and Fort Belknap and Rocky Boy's Indian Reservations

Helena Sub-Area Office

790 Colleen St. Helena, MT 59601 (406) 449-5000 x 4

Counties served: Beaverhead, Broadwater, Deer Lodge, Gallatin, Golden Valley, Jefferson, Lewis and Clark, Madison, Meagher, Park, Silver Bow, Stillwater, Sweet Grass, and Wheatland

Missoula Area Office

3550 Mullan Road, Suite 106, Missoula, MT 59808

Counties Served: Granite, Mineral, Missoula, Powell, Ravalli, and Sanders.

STATE REVOLVING FUND LOAN PROGRAMS

The Montana Legislature established two State Revolving Fund (SRF) Loan Programs - one for water pollution control projects (wastewater and nonpoint 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 Agency and are matched with State issued general obligation bonds. Combined, these two sources of funds create the state revolving funds from which loans are made, and borrower repayments revolve to provide loans for future infrastructure projects.

The Department of Environmental Quality (DEQ) is the administering agency and assures that the technical, financial, and programmatic requirements of the program are met. The Department of Natural Resources and Conservation (DNRC) issues the State's general obligation bonds and makes loans to the project borrowers. Cooperatively, DEQ and DNRC administer the State Revolving Fund Loan Programs.

Applicant Eligibility

All entities planning to use SRF funding must contact the DEQ SRF Loan Program and request that their project(s) be added to the Water Pollution Control (WPC) or Drinking Water (DW) SRF Project Priority List and Intended Use Plan. This annual process begins in the Spring to identify projects which may need SRF funding for their project in the upcoming state fiscal year (which starts July 1st). Early notification by the applicant is essential to get on the priority list, and a project remains on the list until it has been completed regardless of the funding source(s) used to finance the project.

Water Pollution Control SRF**:** loans to municipalities (meaning any state agency, city, town, or other public body created pursuant to state law) to finance all or a portion of the treatment works project costs or to buy or refinance debt obligations of municipalities; loans to municipalities or private persons (meaning an individual, corporation, partnership, or other nongovernmental legal entity) to finance all or a portion of the costs of nonpoint source pollution control projects.

Drinking Water SRF**:** loans to municipalities, to public or private community water systems and nonprofit non- community water systems to finance infrastructure improvements, or loans to buy or refinance the debt obligation of a municipality.

Project Eligibility

Water Pollution Control SRF**:** planning, design, construction and inspection of projects such as wastewater treatment plant improvements, interceptors, collectors, lagoon rehabilitation or construction, storm drains, land used for treatment purposes and non-point source pollution control projects (including certain solid waste management projects).

Drinking Water SRF**:** projects which facilitate compliance with the national primary drinking water regulations; further public health protection objectives of the federal act, including but not limited to

projects that involve: upgrading and replacing infrastructure; addressing exceedances of the federal act or preventing future violations, consolidating water supplies, acquisition of land that is integral to the project, source water protection, planning and design. Projects primarily for growth and/or fire suppression and projects for operations and maintenance are not eligible for Drinking Water SRF funding.

Funding Considerations

SRF loans are currently being made with an interest rate of 2.5% for up to 30 years. Term and rate flexibility as well as limited principal forgiveness may be available for disadvantaged communities and will be determined on a project-specific basis. Loan amounts are limited to the borrower's ability to repay the loan and by the SRF funds that are available for project financing. Interim financing at 1.75% for up to 3 years is also available from both the WPC and DW programs, depending on availability of funds.

Application Instructions for Public Facility Projects

(This is separate from notifying DEQ to include an entity's project on the Intended Use Plans and Project Priority Lists)

Applicants submit the attached Uniform Application to request SRF loan funding. These applications are accepted year-round and will be evaluated after the preliminary engineering report has been submitted to and reviewed by DEQ. Loan projects are subject to federal and state laws including environmental reviews, minority business requirements, prevailing wage rates, etc. Applicable facility planning with environmental assessment of the proposed project, plans and specifications, adequate construction management and proper startup and operation of the facilities are requirements of the program. After the application is evaluated and approved and a MEPA analysis completed, funds can be committed to a project. The SRF loan program cooperates with the other funding programs to ensure project funding is available when it is needed.

Contact Information

Montana Department of Environmental Quality (DEQ)
State Revolving Fund Loan Program
1520 E. 6th Avenue
PO Box 200901
Helena, MT 59620-0901
Website: **deq.mt.gov/Water**

Montana Department of Natural Resources and Conservation
1539 11th Avenue, PO Box 201601
Helena, MT 59620-1601
Phone: (406) 444-6668
Website: **dnrc.mt.gov/Conservation/Grant-and-Loan-Programs/Loans/State-Revolving-Fund-Loans**

INSTRUCTIONS

The following instructions are to be used in completing the Uniform Application (Uniform Application) Form for Montana Public Facility Projects. An Excel Workbook has been provided to aid applicants in completing the tables in the Uniform Application. Each tab in the workbook matches the sections in the Uniform Application. Calculations that are required in the Uniform Applications are provided in the workbook as formulas. After completing the tables in the workbook, copy and paste the tables into the Uniform Application, or enter the results from the workbook into the tables in the Uniform Application.

SECTION A - CERTIFICATION

The chief elected official or executive officer of the applicant must sign the application certifying that to the best of the official's knowledge and belief, the information provided in the application and the attached documents is true and correct. It is not necessary to submit a copy containing original signatures.

SECTION B - SUMMARY INFORMATION

1. NAME OF APPLICANT(S): Enter the name(s), of the entity(s) submitting the application and the project title.
2. TYPE OF ENTITY: Enter the type of entity such as City, Town, County, Water and/or Sewer District, Tribe, Conservation District, Irrigation District, School District, Non-Profit or other. (Refer to the program descriptions in the Introduction section for the types of entities that are eligible for financial assistance.)
3. FEDERAL TAX ID: Enter the applicant nine-digit Employer Identification Number (EIN) issued by the IRS.
4. UEI NUMBER: Enter the Unique Entity Identifier number, 12-character alphanumeric code assigned by the federal government through the SAM.gov website.
5. TYPE OF PROJECT: Enter the type of public facility project, such as Drinking Water, Wastewater, Solid Waste, Stormwater, Irrigation or Other. (Refer to the program descriptions in the Introduction Section for the types of projects that are eligible for financial assistance.)
6. SENATE AND HOUSE DISTRICTS: Enter the senate and house district numbers that the entity is located within. Senator and Representative names.
7. POPULATION SERVED BY PROJECT: Enter the number of people that reside within the boundaries served by the project.
8. NUMBER OF HOUSEHOLDS SERVED BY PROJECT: Enter the number of households within the area served by the project.

9. CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE: Enter the name and title of the chief elected official or authorized representative of the applicant. Enter the mailing address, business telephone and email address for the applicant.

10. PRIMARY ENTITY CONTACT PERSON: Provide the name, mailing address, business telephone and FAX number of the person within the community designated as the primary contact person for the project. This person should be knowledgeable about the project and be authorized to speak on behalf of the applicant regarding the application.

11. OTHER CONTACT PERSONS: If applicable and available, provide the name, mailing address, business telephone, and email address for the persons listed for items 12. through 16.

12. BRIEF PROJECT SUMMARY: The project summary should briefly provide some historical information including: the age of the system; the date, type and cost of the last major improvements to the system; and whether there are any state administrative orders or other similar requirements to fix or modify the system. The project summary should also clearly state the specific problem(s) with the public facility and how the proposed project will solve the problem(s). The summary should clearly state what will be accomplished, such as number of leaky lines replaced, number of water meters installed, or number of contaminated wells or failed septic tanks taken out of service. The project summary should be brief and concise.

EXAMPLE OF A COMPLETED PROJECT SUMMARY

Historical Information - The Town's water system was built in 1943. The last major improvements were in 1976, when the water treatment plant was built at a cost of $750,000. The Montana Department of Environmental Quality issued an administrative order in May of 1996 to replace distribution lines and issued a boil order for ten days in June of 1996. In addition to the potential of the Town's drinking water becoming contaminated, the deficiencies listed below result in low water pressures, thereby creating a fire flow problem.

Problem - The Town's water system has the following deficiencies:

- *undersized distribution lines;*
- *leaking distribution lines;*
- *dead-end distribution lines;*
- *limited well production; and*
- *no water meters.*

Proposed Solution - The proposed project would:

- *replace approximately 6,000 feet of existing distribution lines with eight-inch lines,*
- *drill a new high volume well,*
- *install a meter on the original well, and*

- *install approximately 173 service meters for all users*

SECTION C - FINANCIAL INFORMATION

1. ESTIMATED TOTAL PROJECT COST: Enter the estimated total cost for the project as documented in the preliminary engineering report. This should include all eligible project costs including any costs necessary to administer and finance the project

2. PROPOSED FUNDING SOURCES: Enter all **sources** of funds that you intend to use to finance the proposed project (e.g., federal and state funding programs, bank loans, bonds, cash reserves, etc.). Do not provide an amount that combines both the loan and grant. If both a loan and grant will be obtained from the same source, they must be listed separately. The sources of funds listed should equal the estimated total project cost. An example of a completed proposed funding sources summary is shown on the next page. The following box provides state and federal funding program abbreviations that can be used when listing the proposed funding sources:

   ABBREVIATIONS OF STATE AND FEDERAL FUNDING PROGRAMS
   CDBG - Community Development Block Grant Program
   EDA - Economic Development Administration
   INTERCAP - Board of Investments
   MCEP - Montana Coal Endowment Program
   RD - Rural Development
   RRGL - Renewable Resource Grant and Loan Program
   SRF - State Revolving Fund Loan Programs

   For each source of funding listed, indicate the **type** (grant, loan, contribution, or other) and **amount** of funds. If applying for a loan/grant combination, indicate whether the funding source has tentatively agreed to the amounts requested. Also indicate the **status of the commitment** of those funds to the project at the time of writing this application using one of the following choices:

   a. **No Contact** - No contact has yet been made with the funding source;

   b. **Discussed/Not Applied** - Project has been discussed with the funding source, but no application has been submitted. Briefly describe the discussion with the funding source and the likelihood of obtaining the funds, providing documentation of funding source conversations is strongly recommended in supporting documents;

   c. **Application Submitted** - An application has been submitted, but funding has not yet been awarded. Briefly describe status of application; or

   d. **Funds Committed (date)** - Funds have been committed by the funding source. Attach a copy of the commitment letter or other documentation verifying the commitment of funds.

   Finally, if funds are to be borrowed, state the **loan rate and terms** likely to be required by the lender or bond underwriters (for example, interest rate, number of years to repay loan, and

coverage and reserve requirements). Indicate whether the funding source has agreed or tentatively agreed to the terms.

EXAMPLE COMPLETED PROPOSED FUNDING SOURCES SUMMARY

Source	*Type of Fund*	*Amount*	*Status of Commitment*	*Loan Rates and Terms*
CDBG	*Grant*	*$600,000*	*Discussed with CDBG program. Application will be submitted in<date> .*	
MCEP	*Grant*	*$500,000*	*Application submitted <date>. Funding will be determined during the upcoming legislative process.*	
RRGL	*Grant*	*$100,000*	*Funds committed by <year> Legislature, see attached commitment letter.*	
RD	*Loan*	*$1,200,000*	*Discussed with John Doe in March, <year>. Tentatively agreed to the loan/grant amounts and terms, with final amounts to be determined when funds become available for this project in <month/year>.*	*4 1/%, 40 years, 110% reserve requirement.* *(This is an example only; terms and rates may differ depending on the project and applicant.)*
RD	*Grant*	*$800,000*	*See comments above for RD loan.*	

3. FUNDING STRATEGY NARRATIVE: Prepare a funding strategy narrative which discusses your proposed funding sources, and your past efforts to secure alternative or additional funds from other appropriate public and private sources to assist in financing the proposed project. The funding strategy narrative can be incorporated into the form if completed on a computer, or it should be addressed on separate sheets attached to this form. At a minimum, your funding strategy narrative should concisely answer each of the questions listed in the Uniform Application. Each question should be addressed individually. Some examples of the types of information to be included for each question in a completed funding strategy narrative are presented on the next page.

INFORMATION TO BE INCLUDED IN A COMPLETED FUNDING STRATEGY NARRATIVE

a. **What are the conditions on the use of each source of funds?**

   For each source of funds include: total amount, whether a grant or loan, the type of instrument used to obtain a loan (for example, revenue bond), rate and terms of the loan, specific conditions or other program requirements that would affect when funds would be obtained and used, ineligible expenses, etc.

b. **When will each source of funds listed be available (month and year)?**

   For each source of funds provide any key dates that would affect when funds would be available, for example: when an application would be submitted, when funding would likely be approved, when the funds would likely be available to the applicant, whether interim funds are likely to be used, etc.

c. **Is there any additional information on the level of commitment for each source of funds listed?**

   For each source of funds provide more detail regarding the level of commitment of funds, for example: application has been submitted but not approved, a letter is available from the funding agency indicating all paperwork is complete, a contract has been signed, or the local government is authorized to spend funds.

d. **How will the funding sources be coordinated with each other?**

   Explain how the funds from each of the funding sources listed will be coordinated, for example: timing of receipt of funds, use of funds for specific eligible activities, etc.

e. **Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?**

   Discuss whether interim financing will be required and how it will be coordinated with other funding for the project

f. **What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.**

   Any public or private funding source not listed as a proposed funding source should be discussed. For each funding source, explain the reason it is not being pursued or used, for example: not eligible through the program, applied for funding but denied, not appropriate for the type of project, etc.

g. **If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if each proposed funding source is not received.**

Discuss how the loss of a funding source would impact the continuance of the project. For instance, will the applicant wait and re-apply to the funding source, will the applicant be willing to increase the amount of debt it will incur, or will the project not move forward?

h. **What is the level of local financial participation in the project and is that level the maximum that the applicant can reasonably provide?**

Discuss the use of cash reserves and discuss your projected monthly user fees given your proposed level of local financial participation. Include supporting information such as financial statements and target rate analysis.

4. PROJECT BUDGET FORM: Prepare a proposed project budget, which must include a breakdown of all major project costs, and a description of the sources and uses of all funds. The total budget of any proposed project should be designated as either "Administrative/Financial Costs" or "Activity Costs" (such as engineering or construction). Refer to the description of expenditure categories that outline the different expenditures that may be part of the budget. When completed on a computer, the proposed project budget can be expanded as needed to accommodate as many funding sources or line items as necessary.

   The applicant should ensure that each line item in the project budget is an eligible expenditure through each funding source indicated before submitting the budget. Each funding source has different requirements and may not allow particular expenditures to be used as matching funds, or they may not be eligible for reimbursement.

   The administrative/financial costs cover the costs of implementing a local project, including the cost of local government personnel involved with managing the project; the cost of the local project audit; and other contractual costs for professional services (such as hiring a project manager) that may be associated with administration of the program. It is recommended that the applicant's budget allocate resources for the final project audit.

   Administrative/financial costs must be appropriate to ensure cost-effective management of the project being undertaken. Any proposed administrative/financial costs must be eligible, fully supported, and explained. Applicants who propose to contract for project management assistance with a consultant or other entity, must specifically itemize this amount in the administrative budget and explain it.

   Construction contingencies for public facility projects typically should not exceed ten percent of the estimated construction cost. If the amount budgeted for contingency is greater or lesser than ten percent, applicants are required to justify the reason.

   Applicants that are applying to "competitive" type funding programs (CDBG, RRGL, MCEP), should be especially careful to verify all potential costs for carrying out the project are identified prior to submitting the application.

4. PROJECT BUDGET NARRATIVE: **The project budget form must be accompanied by a narrative justification for the specific proposed project construction activities and related administrative/financial costs. The cost estimates for each item in the proposed budget must be explained in the narrative. The budget narrative can be incorporated into the form if completed on a computer, or it should be addressed on separate sheets and attached to this form. An example of a completed budget narrative is presented herein.**

DESCRIPTION OF BUDGET EXPENDITURE CATEGORIES

Administrative/Financial Costs

Administrative Costs - Appropriate costs for personnel, grant and loan administration services to administer the project, office rent, office equipment, supplies, telephone, postage, travel, audit fees, legal costs including bond counsel, etc. These are costs incurred by the borrower in administering the project. (As applicable, specify each one as a separate line item.)

Financial Costs - Loan origination and administrative fees, debt service reserves, capitalized interest. (As applicable, specify each one as a separate line item.)

Activity Costs

Land Acquisition - Cost of land purchase, easements, right-of-way, leases, etc.

Engineering - Basic Services– Engineering services necessary for every engineering project. If you have entered into an engineering services agreement, these amounts will be in the agreement. If you have not entered into an engineering services agreement, use the estimated engineering services costs from the Preliminary Engineering Report.

Study and Report Cost
Preliminary Design Cost
Final Design Cost
Bidding Cost
Construction Administration Cost
Post Construction Cost

Engineering – Resident Project Representative Services – Construction observation, sometimes called inspection services. Construction observation as necessary to ensure the project is constructed in accordance with the approved project plans and specifications.

Engineering - Additional Services – These are services specific to a particular project. Examples include: preparation of applications and supporting documentation for grants and loans; additional studies or services such as geotechnical or soil studies; preparation of feasibility studies or licensing; special surveys such as those necessary to obtain easements and rights-of-way, etc. NOTE that Grant & Loan Administration Services are to be separately entered above under the Administrative/Financial Costs.

Construction – Estimated costs for project construction from the Preliminary Engineering Report.

Contingency - Construction contingencies for public facility projects should be based on the complexities and unknowns associated with the project. The construction contingency typically is not less than ten percent of the estimated construction cost. Any deviation must be adequately justified.

EXAMPLE COMPLETED PROJECT BUDGET

Completed by: John Smith, Project Manager For: Your Town, Montana Date: 3/30/<year>					
	SOURCE: MCEP	**SOURCE: RD Loan**	**SOURCE: RD Grant**	**SOURCE: City**	**TOTAL**
ADMINISTRATIVE/ FINANCIAL COSTS					
Personnel Costs	$5,000				$5,000
Office Costs					$0
Grant and Loan Administration Services	$11,000	$9,000	$10,000		$30,000
Legal Costs		$500	$500		$1,000
Audit Fees				$3,000	$3,000
Travel & Training	$500				$500
Loan Origination Fees					$0
Loan Reserves					$0
Interim Interest		$40,000			$40,000
Bond Counsel and Related Costs		$10,000	$10,000		$20,000
TOTAL ADMINISTRATIVE/ FINANCIAL COSTS	***$16,500***	***$59,500***	***$20,500***	***$3,000***	***$99,500***
ACTIVITY COSTS:					
Land Acquisition	$20,000				$20,000
Engineering – Basic Services	$60,000	$60,000	$60,000	$10,000	$190,000
Engineering – Resident Project Representative Services					$0
Engineering - Additional Services		$10,000	$10,000		$20,000
Construction	$300,000	$600,000	$400,000		$1,300,000
Contingency	$30,000	$40,000	$40,000	$20,000	$130,000
TOTAL ACTIVITY COSTS	***$410,000***	***$710,000***	***$510,000***	***$30,000***	***$1,660,000***
TOTAL PROJECT COSTS	***$426,500***	***$769,500***	***$530,500***	***$33,000***	***$1,759,500***

EXAMPLE BUDGET NARRATIVE

ADMINISTRATIVE/FINANCIAL COSTS

Personnel Services $5,000

This will be used to pay the City Clerk for time spent on the project, calculated at the current rate of pay plus fringe, over the 24-month project duration. Only services performed for the project, such as financial and project record keeping, that are beyond the normal duties of the position will be reimbursed under this budget item. Detailed time logs outlining specific tasks performed will be provided. Funds for this budget item will be provided by the MCEP grant since it is not RD eligible.

Grant and Loan Administration Services $30,000

The City plans to procure the services of a grant and loan administrator to ensure that the project is implemented in accordance with MCEP and RD requirements. Funds for this budget item will be split between the MCEP grant and RD loan. These services will supplement the services provided by the City Clerk.

Legal Costs $1,000

This amount will be used for legal fees related to the review of contracts, bid specifications and any other legal services associated with the land purchase and easement acquisition. Funds for this budget will be provided from the RD loan.

Audit Fees $3,000

$3,000 is budgeted to meet the portion of the organizational audit that can be attributed to the project in accordance with the State Single-Audit Act and OMB Circular A-133. The City will provide these funds.

Travel & Training $500

Cost to attend the MCEP project administration training workshop and meetings related to the project. Cost for operator certification necessitated by the project. (Annual operator training to maintain certification via continuing education credits is included in the City's annual operating budget and is not included here.)

Interim Interest $40,000

This amount has been budgeted to cover the interest that will be paid on an INTERCAP interim loan that will be required because of RD funding. Funds for this budget item will be provided from the RD loan.

Bond Counsel and Related Costs $20,000

$20,000 has been budgeted for the costs of bond counsel and issuance, which includes assistance from a financial advisor, bond counsel, bond printing, and registrar fees. Funds for this budget will be provided by the RD loan.

TOTAL ADMINISTRATIVE/FINANCIAL COSTS $99,500

Administrative/Financial costs represent five percent of the total project costs.

ACTIVITY COSTS

Land Acquisition $20,000

Three easements are expected to be required at a total estimated cost of $4,500. The remaining $15,500 is the estimated cost to purchase the land for the site of the water treatment plant. The amount budgeted is for the actual acquisition itself. A separate amount is budgeted under the legal line item for legal services related to the acquisition. The amount budgeted for land acquisition will come from the MCEP grant since RD funds will not be available until the construction phase.

Engineering – Basic Services $190,000

Based on the engineering services estimates in the Preliminary Engineering Report (PER), the following breakout of Basic Engineering Services is estimated to be:

Study & Report: Completed previously: PER and Environmental Report. $0.00

Preliminary Design: Design criteria; preliminary drawings; outline specifications. $30,000.00

Final Design: Final drawings and specifications. $30,000.00

Bidding: Assisting with advertising, obtaining bids, and evaluating bids. $30,000.00

Construction Administration: Preconstruction conference, review of submittals, monthly progress meeting, review and recommendation on contractors' applications for payment and change orders; recommendation as to substantial completion. $90,000.00

Post Construction: Recommendations on replacement or correction of final work. $10,000.00

Engineering – Resident Project Representative Services $65,000

Based on the engineering services estimates in the Preliminary Engineering Report, the cost for resident project representative (RPR) services for construction observation as necessary to ensure the project is constructed in accordance with the approved project plans and specifications.

Engineering – Additional Services $20,000

Based on the engineering services estimates in the Preliminary Engineering Report, the following additional services are necessary, and the cost for each are estimated as follows:

Geotechnical Report $12,000

Permitting $4,000

Assistance in obtaining easements and rights-of-way $4,000

Construction $1,300,000

Based on the engineering cost estimates in the Preliminary Engineering Report, the total cost of constructing a water treatment plant is estimated at $1,300,000.

Contingency $130,000

Contingency funds are ten percent of the total construction costs.

TOTAL ACTIVITY COSTS $1,730,000

TOTAL PROJECT COSTS $1,829,500

5. CURRENT DEBT: Enter the current debt obligations of the applicant. If the applicant is a water, wastewater, solid waste, or other "enterprise" type system, which relies on rates and charges for its financial support, only debt related to that system need be entered. If the applicant is a city, county, or district that relies on general taxing authority for its financial support, or is a not-for-profit organization, debt related to the general obligations of the city, county, district, or not-for-profit organization should be entered. The table when completed on a computer can be expanded as needed to accommodate as many current debt obligations as necessary.

EXAMPLE CURRENT DEBT

Year Issued	Purpose	Type of Bond/ Security	Amount	Maturity Date (m/yr)	Debt Holder	Coverage Requirement	Avg. Annual Payment Amount	Outstanding Balance
1991	Water System	Revenue Bond	$2,500,000	8/1/2031	FmHA	110%	$150,716	$2,368,526
1982	Sewer System	Revenue Bond	$500,000	6/1/2002	D.A. Davidson	125%	$36,790	$164,177

6. CURRENT ASSETS: List all current assets including cash, investments, certificates of deposit, accounts receivable, and any other current assets not specifically indicated. Indicate whether assets are obligated for a specific purpose and what that purpose is (i.e., Certificate of

Deposit, $100,000 - reserve requirement for SRF loan; Investments, $200,000 - $100,000 of it is needed to purchase line inspection equipment in 2005).

7. BALANCE SHEET: (Submit if applying to RD; contact the other programs to determine if or when this information is needed.) Submit a balance sheet for the current year and previous year of operation of the system. (Applicants may submit this information using their own format, or they may complete the form that is provided in the Application.)

8. INCOME AND EXPENSE STATEMENT: (Submit if applying to RD; contact the other programs to determine if or when this information is needed.) Submit income and expense statements for the past three years of operation of the system, and a pro forma income and expense statement for the first full year of operation after construction. Provide the assumptions made in developing the pro forma income and expense statement. (Applicants may submit this information using their own format, or they may complete the form that is provided in the Uniform Application.)

SECTION D - CENSUS INFORMATION

(Do not complete this section.)

The information in this section will be completed by the receiving agency using data supplied by the U.S. Bureau of the Census and the U.S. Department of Housing and Urban Development based on Census data.

SECTION E - SYSTEM INFORMATION

The system information is required in order for the W2ASACT funding agencies to evaluate financial need in a consistent manner. It is not expected that the methodology used to compute this information will also be used by the owners of the system to compute actual user rates. Engineers are not expected to use this methodology in the preliminary engineering report to discuss the proposed funding strategy and resultant user costs.

Complete and attach the System Information Worksheet in the Uniform Application. Enter the number of unimproved properties in the jurisdiction.

The worksheet is used to compute the number of equivalent dwelling units (EDU) and the projected average monthly residential rate. The number of EDUs will need to be computed even if the applicant is not currently served by a central water system. Calculations and assumptions used to calculate system information are noted on the worksheet, the letter in parenthesis denotes the location in the worksheet to input the data. For more information about EDUs and on completing the worksheet, see subsections 1 and 2 of this section.

1. TOTAL SYSTEM ANNUAL REVENUE: Enter the total annual revenue received by the system for the last fiscal year, and the projected amount for the first year of operation after the project is completed.

2. TOTAL ANNUAL OPERATION AND MAINTENANCE COSTS: Enter the total annual operation and maintenance costs for the system for the last fiscal year, and the projected amount for the first year of operation after the project is completed.
   For the projected operation and maintenance costs, complete the Projected System Operation and Maintenance Cost table and enter the costs in the following categories: personnel, administrative costs, water purchases or treatment costs, insurance, energy, process chemicals, monitoring and testing, short lived asset maintenance/replacement, professional services, residuals disposal, and other. The total in the Projected Operation and Maintenance Cost table must match the projected operation and maintenance costs on Line 2.

   Short-lived assets refer to components or equipment with expected lifespans that are shorter than the term of the loan. These items typically need routine replacement or maintenance within several years or a within a couple of decades as compared to long-lived assets like buildings or large pipelines. Costs for short-lived assets include the cost to repair, rehabilitate or replace those system components. A more detailed description of short-lived assets is found in Appendix A of the Uniform Preliminary Engineering Report for Montana Public Facility Projects.

3. TOTAL EQUIVALENT DWELLING UNITS: if the application is for a water or wastewater project, enter the total number of EDUs that are currently served by the system (e). Enter the total number of EDUs that are projected to be served by the system once the project is completed (k). If the application is for a solid waste or stormwater project, enter both the current and projected total number of users/customers.

4. TOTAL RESIDENTIAL EQUIVALENT DWELLING UNITS: If the application is for a water or wastewater project, enter the number of EDUs that currently serve residential households (commercial and industrial service connections should not be included in this figure) (f). Enter the total number of residential EDUs that are projected to be served by the system once the project is completed (m).
   If the application is for a solid waste or stormwater project, enter the current and projected number of residential households served by the system.

5. ANNUAL REVENUE FROM RESIDENTIAL HOOKUPS/CUSTOMERS: Enter the amount of annual revenue received from residential hookups/customers. (Show the calculations used to determine this amount. Depending on the way financial records are kept, it may be as simple as copying a number from a system document, or it may be necessary to calculate the amount. One method could entail determining the average usage of individual residences, calculating an

average residential rate using the system's rate tables, and then multiplying the average residential rate times the number of residential hookups/customers.). Also enter the projected amount of annual revenue to be received from residential hookups/customers for the first year of operation after the project is completed.

6. PERCENT OF TOTAL ANNUAL REVENUE FROM RESIDENTIAL HOOKUPS/CUSTOMERS: Calculate the percent of total revenues derived from residential hookups/customers. (Divide the amount on Line 5 by the amount on Line 1 and multiply by 100.). Also enter the projected percentage of total revenues derived from residential hookups/customers, if that percentage is expected to change.

7. AVERAGE MONTHLY WATER RESIDENTIAL RATE: For all water and wastewater projects, complete this section.
    a. Current Rate: Enter the current average monthly water rate charged to residential hookups/customers (w). (Divide the amount on Line 5 by the amount on Line 4 and divide the result by 12.). If the current rate is a flat rate charged to every residential hookup, enter that amount (w) and indicate yes.
    b. Projected Rate: Enter the projected average monthly water rate that will be charged to residential hookups/customers after the proposed project is complete (w). The projected rate includes the current rate plus increases that are expected to be necessary to retire any debt to be incurred to finance the project plus any increases in operating costs. Applicants should assume that all requested, and/or uncommitted funds would be received. If residential hookups are/will be charged a flat user fee, enter the flat rate (x) and indicate yes.

8. AVERAGE MONTHLY WASTEWATER RESIDENTIAL RATE: For all water and wastewater projects, complete this section.
    a. Current Rate: Enter the current average monthly wastewater rate charged to residential hookups/customers (w). (Divide the amount on Line 5 by the amount on Line 4 and divide the result by 12.). If the current rate is a flat rate charged to every residential hookup, enter that amount (w) and indicate yes.

    b. Projected Rate: Enter the projected average monthly wastewater rate that will be charged to residential hookups/customers after the proposed project is complete (w). The projected rate includes the current rate plus increases that are expected to be necessary to retire any debt to be incurred to finance the project plus any increases in operating costs. Applicants should assume that all requested, and/or uncommitted funds would be received. If residential hookups are/will be charged a flat user fee, enter the flat rate (x) and indicate yes.

9. AVERAGE MONTHLY COMBINED WATER & WASTEWATER RESIDENTIAL RATE: For all water and wastewater projects, complete this section.
    a. Current Rate: Enter the current average monthly water rate and wastewater rate charged to residential hookups/customers (w). Add Current Rates from Line 7 and Line 8.

    b. Projected Rate: Enter the projected average monthly water rate and wastewater rate that will be charged to residential hookups/customers after the proposed project is complete (x). Add Projected Rates from Line 7 and Line 8.

10. OTHER SYSTEM CURRENT AVERAGE MONTHLY RESIDENTIAL RATE: If this is an application for a solid waste, stormwater or irrigation project, enter the average monthly rates assessed to residential customers (w). Enter the projected average monthly rates that will be charged to residential customers after the proposed project is complete (x). Indicate if this is a flat rate.

INSTRUCTIONS FOR COMPLETING THE SYSTEM INFORMATION WORKSHEET

SUBSECTION 1 – EQUIVALENT DWELLING UNIT COMPUTATION

The Equivalent Dwelling Unit (EDU) computation is required for the W2ASACT funding agencies to evaluate financial need in a consistent manner. Some systems may have unusual circumstances that make it difficult to accurately perform the computation the way it is required. In these situations, engineers are encouraged to discuss the problem with a funding agency to determine how to proceed. Depending on the circumstances, some modification of the computation may be allowed.

Engineers may also be familiar with alternative types of computations that will achieve the same end result, i.e. the number of dwelling units. Engineers may present an alternative computation, along with the required EDU computation, for a funding agency to consider using instead of the EDU computation.

This subsection of the worksheet is used to compute the number of Equivalent Dwelling Units. One EDU is the level of water service provided to a typical residential dwelling for a single family. Multiple family units, and commercial and industrial users, are assigned a greater number of EDUs since they are served by a larger service connection and utilize a greater amount of water. EDUs are used in the computation of average user rates because it provides a more precise calculation of residential water users versus other water users. This concept was originally developed for use by engineers and has been used by the USDA RD program to determine financial need for several years. This information will be used by all the W2ASACT funding agencies to evaluate financial need. It is also useful for applicants to determine if the applicant's utility customers are being charged appropriate and equitable rates.

Applicants with either a water or wastewater project must complete Section I, regardless of whether the applicant is served by a central water system or is planning to charge residential users a flat user fee.

Applicants with solid waste, stormwater or irrigation projects are not required to complete Section I.

Both current and projected calculations will be made for both the total number of hookups and for the number of residential hookups alone. The basis of calculating the EDU is that a ¾" water service connection is one (1) EDU. Any service connections smaller than ¾" are also considered to be one (1) EDU. In addition, if a service connection is larger than ¾", but it only serves a single-family residence, it should be counted as one EDU.

If the applicant is not served by a central water system, this section must be completed by assuming that a central water system exists and estimating the number of service connections by diameter size. Assume that each residential dwelling is equal to one (1) EDU. Engineers will need to make reasonable assumptions on the diameter size of connections serving other types of uses by referencing recognized engineering sources.

Some water connections provide service to multiple mixed uses such as commercial and residential. While this is not a problem when determining total EDUs, it is problematic when computing the number of residential hookups. In the case of mixed-use service connections, applicants must estimate the portion of the service serving the residential uses. One way of doing this would be to determine the number of dwelling units within a structure served by a single connection and count each as a separate ¾" connection. Applicants with these unique situations should attach a narrative statement explaining the circumstances of the situation and the methodology used to compute the number of residential hookups.

Throughout the worksheet, service connection diameters will be converted to EDUs according to the following table:

Service Connection EDU Conversion

Service connection inside diameter (inches)	EDUs
¾" or smaller	1.00
1"	1.79
1-1/2"	4.00
2"	7.14
2-1/2"	11.16
3"	16.00
4"	28.57
5"	44.64
6"	64.29
7"	87.11
8"	113.78
9"	144.00
10"	177.78

Reminder: service connections to single-family residences are generally counted as a one EDU, regardless of the size of the connection.

PART A. CURRENT WATER HOOKUP SUMMARY

This part of the worksheet is used to compute the current number of total EDUs and the number of residential EDUs alone. The total EDUs are calculated by multiplying the total number of hookups for each pipe diameter times the EDUs per hookup as indicated in the table.

PART B. PROJECTED WATER HOOKUP SUMMARY

This part of the worksheet is used to compute the projected number of total EDUs and the number of residential EDUs alone. This computation should be based on the estimated number of EDUs at the end of the construction of the project. The computations are the same as explained in Part A. This part of the worksheet is also used to compute the average EDUs per residential hookup.

***If applying to the USDA RUS/RD program**, you need to also provide both total water system flows (sales) for the last twelve months and total residential water flows (sales) for the last twelve months.*

NOTE: In some cases, it is necessary to provide a detailed monthly split of the residential and non-residential sales. A sample spreadsheet is available on the Montana USDA Rural Development website at http://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program/mt.

SUBSECTION 2 – PROJECTED AVERAGE MONTHLY RESIDENTIAL RATE COMPUTATION

All applicants must complete Subsection 2, which is used to compute the average monthly residential rate. First, indicate whether debt will be used to partially finance the project. If no debt is to be incurred on the project, skip to Part E. If debt is secured, indicate the type of debt instrument to be used and the amount, interest rate, and terms of the loan (for example, coverage requirements, and number of payments and when they are paid).

PART A. REVENUE BOND SECURING DEBT OBLIGATION:

Complete this part if a revenue bond will be used to secure your loan. Typically, the RD and SRF programs require revenue bond to secure a loan and Part A should be completed.

1. Indicate if a debt election has been held or the date it is scheduled to be held.
2. Compute the annual debt service for the new loan by multiplying the loan amount times any coverage required. For example, the project needs $100,000 in the form of a loan. The interest rate is 4% for 20 years and there is a 125% debt coverage requirement. Assuming payments are made twice each year, one at the beginning of the year and the other the middle of the year, compute the annual payment based on $100,000. Based on this example, the annual debt service would be approximately $9,100.
3. Compute the monthly debt service for the new loan by dividing the annual debt service by 12 (months). Based on the example, the monthly debt service would be approximately $760.
4. Specify the total number of projected EDUs after completion of project (see Section I, Part B, line [k]). If this application is for a solid waste project, specify the number of projected solid waste customers.
5. Compute the average (per EDU) monthly debt service by dividing the monthly debt service by the total number of projected EDUs. If this application is for a solid waste, stormwater or irrigation project, compute the average (per projected customer) monthly debt service by dividing the monthly debt service by the total number of projected customers.

PART B. GENERAL OBLIGATION BOND SECURING DEBT OBLIGATION:

1. Indicate if a debt election has been held or the date it is scheduled to be held.
2. Specify the amount of outstanding General Obligation Bonds.
3. Specify the debt limitations of the entity.
4. Compute the estimated average monthly assessment per property needed to repay debt by dividing the annual assessment by 12 (months).

PART C. RURAL OR SPECIAL IMPROVEMENT DISTRICT BOND SECURING DEBT OBLIGATION:

1. Specify the type of special assessment (for example, ad valorem, square footage, etc.).
2. Describe the proposed method of assessment.
3. Specify the number of parcels in the district.
4. Specify the percentage of property for each type of land use that will be assessed a user fee or tax to repay the debt obligation.
5. Specify the number of property owners in district.
6. Compute the estimated average (per property) monthly assessment needed to repay debt by dividing the annual assessment by 12 (months).

PART D. OTHER TYPE OF DEBT INSTRUMENT SECURING DEBT OBLIGATION THAT IS NOT INDICATED ABOVE:

1. For debt instruments that do not fit into one of the categories above, explain how debt will be secured.
2. Compute the estimated average monthly cost per property to repay debt.

PART E. CALCULATION OF THE PROJECTED AVERAGE MONTHLY RESIDENTIAL USER RATE:

1. Estimated Increase in Monthly Debt Service per EDU or Customer (o): Enter the estimated increase in monthly debt service (per projected EDU, monthly assessment per property for General Obligation [G.O.] Bond or Special Improvement District [SID], or per customer) as the result of this project (see Section II, Parts A, B, C, or D). Enter $0 if no increase is projected.
2. Change in Monthly O&M Costs for System (p): Enter an estimated increase or decrease in total monthly operation and maintenance (O&M) costs for the system (including depreciation and replacement reserves) as the result of this project. Provide a reasonably detailed explanation regarding the reason for the increase or decrease.
3. Explanation of Change of Monthly O&M Costs: List and explain estimated increases or decreases in O&M costs (including depreciation and replacement reserves).
4. Change in Monthly O&M Costs per EDU or Customer (q): Calculate the estimated increase or decrease in monthly O&M costs (including depreciation and replacement reserves) (per projected EDU, monthly assessment per property for a G.O. Bond or SID, or per customer for solid waste, stormwater or irrigation projects) as the result of this project. Divide the estimated increases or decreases in O&M costs by the projected number of EDUs or assessed properties (see Section E Subsection 1) [(p)/(k)].
5. Change in Total Monthly Costs per EDU or Customer (r): Calculate the estimated increase or decrease in total monthly costs (per projected EDU, monthly assessment per property for a G.O. Bond or SID, or per customer for solid waste, stormwater or irrigation projects) as the result of this project. Add the estimated increase in monthly debt service and the estimated increase in

monthly O&M costs (including depreciation and replacement reserves) as the result of this project [(o)+(q)].

6. Average EDUs per Residential Hookup (projected) (s): Enter the projected average EDUs per residential hookup [Section E, Subsection 1, (n)] .

   If this application is for a solid waste, stormwater or irrigation project or for a water or wastewater project involving a G.O. Bond or SID, leave blank.

7. Change in Total Monthly Costs per Residential EDU or Customer (t): Calculate the estimated increase or decrease in total monthly costs per average residential hookup as the result of this project. Multiply the estimated increase or decrease in total monthly costs per projected EDU by the projected average EDUs per residential hookup [(r)x(s)].

   If this application is for a solid waste project or for a water or wastewater project involving a G.O. Bond or SID, enter the total monthly costs per projected monthly assessment per property for a G.O. Bond or SID, or per customer for solid waste projects as calculated in number five.

8. Existing Average Monthly Residential Debt Service (u): Enter the existing average monthly residential debt service, including coverage and bond reserve (subtract any existing debt service if the loan will expire before the completion of the project).
9. Existing Average Monthly Residential O&M Costs(v): Enter the existing average monthly residential O&M costs and replacement and depreciation reserves.

   Note: the existing average monthly residential debt service plus the existing average monthly residential O&M costs and replacement and depreciation reserves should equal the current average monthly residential rate in Section E (w) for the specific project type. If these amounts do not equal, provide an explanation of why the numbers differ.

10. Average Monthly Residential User Rate (Projected): Calculate the projected average monthly residential user rate after completion of this project. Add the estimated increase or decrease in total monthly costs per average residential hookup/customer as the result of this project, the existing average monthly residential debt service, and the existing average monthly residential O&M and replacement and depreciation reserves [(t) + (u) + (v)].

    Note: the projected average monthly residential rate should equal the projected average monthly residential rate in Section E (w) for the specific project type. If these amounts do not equal, provide an explanation of why the numbers differ.

11. Residential Flat Rate (Projected): If residential customers will be charged a flat user rate, state what that rate will be and provide an explanation of why the flat user rate differs from the projected average monthly residential user rate calculated in Section E (y) for the project type.

EXAMPLE OF A COMPLETED SYSTEM INFORMATION WORKSHEET:

PART A. CURRENT WATER HOOKUP SUMMARY

Current Total Hookups (residential and non-residential)				Current Residential Hookups			
Diameter (inches)	(a) Total Number of Hookups	(b) EDUs per Hookup (from table)	Total EDUs [(a) x (b)]	Diameter (inches)	(c) Total Number of Hookups	(d) EDUs per Hookup (from table)	Total Residential EDUs [(c) x (d)]
3/4	67	1	67	3/4	65	1	65
1	3	1.79	5.37				0
2	1	7.14	7.14				0
Totals	***71***		***79.51***	***Totals***	***65***		***65***
			(e)				(f)

PART B. PROJECTED WATER HOOKUP SUMMARY

Projected Total Hookups (residential and non-residential)				Projected Residential Hookups			
Diameter (inches)	(g) Total Number of Hookups	(h) EDUs per Hookup (from table)	Total EDUs [(a) x (b)]	Diameter (inches)	(i) Total Number of Hookups	(j) EDUs per Hookup (from table)	Total Residential EDUs [(c) x (d)]
3/4	77	1	77	3/4	75	1	75
1	4	1.79	7.16				0
2	1	7.14	7.14				0
Totals	***82***		***91.3***	***Totals***	***75***		***75***
			(k)		(l)		(m)

Projected average EDUs per residential hookup (n): [(m)/(l)] 1

Provide the following information if applying to the USDA RUS/RD program

Total water system flows (sales) last twelve months for all connections listed in (a) above:

_____ gallons OR _____ cubic feet

Total residential water flows (sales) last twelve months for all connections listed in (c) above:

_____ gallons OR _____ cubic feet

SUBSECTION 2 – PROJECTED AVERAGE MONTHLY RESIDENTIAL RATE COMPUTATION		
1. Will debt be used to finance the project? (Yes or No)	Yes	If no, skip to PART E
A. Revenue Bond (Yes or No).	Yes	If yes, complete PART A
B. General Obligation Bond (Yes or No).	No	If yes, complete PART B
C. Rural or other Special Improvement District (Yes or No).	No	If yes, complete PART C
D. Other (explain):	No	If yes, complete PART C
2. Debt (Loan) Amount ($):	$100,000.00	
3. Interest Rate (%):	4%	
4. Terms:	20 years, 125% debt coverage requirement	

PART A. REVENUE BOND SECURING DEBT OBLIGATION:		
1. Debt election held? (Yes or No)	No	
If no, when will the election be held? (Date)	6/21/2027	
2. Annual debt service for new loan, including coverage ($):	$9,100.00	(i)
3. Monthly debt service for new loan, including coverage (i)/12:	$758.33	(ii)
4. Total number of projected EDUs after completion of the project:	91.3	(iii)
5. Average (per total projected EDUs) monthly debt service for new loan: (line ii / line iii)	$8.31	(iv)

Parts B. through D. are not applicable to this example.

PART E. CALCULATION OF THE PROJECTED AVERAGE MONTHLY RESIDENTIAL USER RATE:		
1. Estimated Increase in Monthly Debt Service per EDU or Customer ($):	$8.31 [From Part A, B, C or D]	(o)
2. Change in Monthly O&M Costs for System ($):	$250.00	(p)
3. Explanation of Change of Monthly O&M Costs:	O&M costs are expected to increase as a result of increased staff needed read water meters.	
4. Change in Monthly O&M Costs per EDU or Customer ($):	$2.74 [(p)/(k)]	(q)
5. Change in Total Monthly Costs per EDU or Customer ($):	$11.05 [(o)+(q)]	(r)
6. Average EDUs per Residential Hookup (Projected):	1 [(n)]	(s)
7. Change in Total Monthly Costs per Residential EDU or Customer ($):	$11.05 [(r)x(s)]	(t)
8. Existing Average Monthly Residential Debt Service ($):	$3.60	(u)
9. Existing Average Monthly Residential O&M Costs ($):	$4.40	(v)
Note: (u) + (v) should equal the current average monthly residential rate (w) as stated in Section E.	$8.00 [(u) + (v)] $8.00 [(w)]	
If these amounts do not equal, provide an explanation of why the numbers differ:		
10. Projected Average Monthly Residential User Rate ($):	$19.05 [(t) + (u) + (v)]	
Note: [(t) + (u) + (v)] should equal the projected average monthly residential rate (x) as stated in Section E.	$22.00 [(x)]	
If these amounts do not equal, provide an explanation of why the numbers differ:	The additional monthly charge of $.95 per residential hookup will be used to create a reserve fund to finance a second phase	

PART E. CALCULATION OF THE PROJECTED AVERAGE MONTHLY RESIDENTIAL USER RATE:	
	to be completed in the year 2004, which will include the replacement of water mains. The $22.00 monthly user fee per residential hookup will be adopted in November of 2027.
11. Residential Flat Rate (Projected) ($):	N/A
Note: The Residential Flat Rate in 11 should equal the Projected Flat Rate (y) in Section E.	N/A
	[(y)]
If these amounts do not equal, provide an explanation of why the numbers differ:	

(End of examples and instructions)

UNIFORM APPLICATION FOR MONTANA PUBLIC FACILITY PROJECTS

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UNIFORM APPLICATION FOR MONTANA PUBLIC FACILITY PROJECTS

SECTION A – CERTIFICATION

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

Name (printed): _____

Title (printed): _____

(Chief Elected Official or Authorized Representative)

Signature: _____

Date: _____

SECTION B - SUMMARY INFORMATION

1. NAME OF APPLICANT(S):	
PROJECT TITLE:	
2. TYPE OF ENTITY	
3. FEDERAL TAX ID:	
4. UEI (SAM.GOV ID):	
5. TYPE OF PROJECT:	
6. SENATE DISTRICT:	
HOUSE DISTRICT:	
6.a. SENATOR NAME:	
REPRESENTATIVE NAME:	
7. POPULATION SERVED BY PROJECT:	
8. NUMBER OF HOUSEHOLDS SERVED BY PROJECT:	

9.CHIEF ELECTED OFFICIAL OR AUTHORIZEDREPRESENTATIVE:		**10.PRIMARY ENTITY CONTACT PERSON:**
Name		
Title		
Street/PO Box		
City/State/Zip		
Telephone		
Email Address		

11. PROJECT ENGINEER/ARCHITECT:		**12. GRANT/LOAN ADMINISTRATOR:**
Name		
Title		
Street/PO Box		
City/State/Zip		
Telephone		
Email Address		

13. LEGAL COUNSEL:		**14. BOND COUNSEL:**
Name		
Title		
Street/PO Box		
City/State/Zip		
Telephone		
Email Address		

15. CLERK/CHIEF FINANCIAL OFFICER:		**16. ACCOUNTANT:**
Name		
Title		
Street/PO Box		
City/State/Zip		
Telephone		
Email Address		

17. BRIEF PROJECT SUMMARY: (Refer to instructions and examples)

Historical Information:	
Problem:	
Proposed Solution:	

SECTION C - FINANCIAL INFORMATION

1. ESTIMATED TOTAL PROJECT COST:	

2. PROPOSED FUNDING SOURCES

FUNDING SOURCE	TYPE OF FUNDS	AMOUNT	STATUS OF COMMITMENT	LOAN RATES AND TERMS
TOTAL				

3. FUNDING STRATEGY NARRATIVE

Refer to the instructions. Answer each question individually.

1) What are the conditions for the use of each source of funds?
2) When will each source of funds listed be available (month and year)?
3) Is there any additional information on the level of commitment for each source of funds listed?
4) How will funding sources be coordinated with each other?
5) Will interim-loan funds be required as part of the project? If yes, how will they be used and coordinated with other funding sources?
6) What other sources of funds from public and private sources have been considered for this project? Explain why they are not being pursued or used for this project.
7) If a particular source of funding is not obtained, how will the applicant proceed? Explain how the funding strategy will change if a source of funding is not received.
8) What is the level of local financial participation in the project and is that level the maximum that the applicant can reasonably provide?

3. FUNDING STRATEGY NARRATIVE	
PROPOSED FUNDING SOURCES	**FUNDING STRATEGY NARRATIVE**

4. PROJECT BUDGET FORM						
GRANT / LOAN ADMINISTRATION	***FUNDING SOURCE 1***	***FUNDING SOURCE 2***	***FUNDING SOURCE 3***	***FUNDING SOURCE 4***	***FUNDING SOURCE 5***	***TOTAL***
Personnel Cost						
Materials or Supplies						
Grant & Loan Administration Professional Services						
Legal Costs						
Audit Fees						
Travel & Training						
Loan Fees						
Loan Reserves						
Interim Interest						
Bond Counsel & Related Costs						
TOTAL ADMINISTRATION						
CONSTRUCTION / PROJECT						
Land Acquisition						
Engineering - Basic Services						
Engineering - Resident Project Representative Services						
Engineering - Additional Services						
Materials, Supplies, Equipment						
Construction						
Contingency						
TOTAL CONSTRUCTION / PROJECT						
TOTAL PROJECT BUDGET						

4A. PROJECT BUDGET NARRATIVE		
GRANT / LOAN ADMINISTRATION	**Narrative Description of Administrative/Financial Costs**	**Estimated Total Cost**
Personnel Cost		
Materials or Supplies		
Professional Services		
Legal Costs		
Audit Fees		
Travel & Training		
Loan Origination		
Debt Service Reserves		
Interim Interest		
Bond Costs		
TOTAL ADMINISTRATION		
CONSTRUCTION / PROJECT	**Narrative Description of Administrative/Financial Costs**	**Estimated Total Cost**
Land Acquisition		
Engineering - Basic Services:		
Preliminary Engineering Report		
Preliminary Design		
Final Design		
Bidding		
Construction Administration		
Post Construction		

4A. PROJECT BUDGET NARRATIVE		
Engineering - Resident Project Representative Services		
Engineering - Additional Costs:		
Geotechnical Report		
Hydrologic Assessment		
Permitting		
Easements and Rights-of-Way		
Licenses		
Grant and Loan Project Support		
Licensing		
Special Surveys		
Equipment		
Construction		
Contingency		
TOTAL CONSTRUCTION / PROJECT	**Sum of the Construction/Project Related Costs**	
TOTAL PROJECT BUDGET	**Sum of the Administration and Construction/Project Costs**	

Completed by: _____

Date: _____

5. CURRENT DEBT								
Year Issued	**Purpose**	**Type of Bond/Security**	**Amount**	**Maturity Date (m/yr)**	**Debt Holder**	**Coverage Requirement**	**Avg. Annual Payment Amount**	**Outstanding Balance**

6. CURRENT ASSETS		
Asset	**Details**	**$**
Cash		
Investments		
Certificate of Deposit		
Accounts Receivables		
Other Current Assets		

Indicate if assets are obligated.

7. BALANCE SHEET

◯ If applying to SRF or RD, attach a Balance Sheet. Contact the other funding programs to determine if a balance sheet is required.

8. INCOME AND EXPENSE STATEMENT

◯ If applying to SRF or RD, attach an Income and Expense Statement. Contact the other funding programs to determine if this is required.

SECTION D - CENSUS DATA

Do not fill in this section. The following information will be completed by the receiving agency using data supplied U.S. Bureau of the Census and the U.S. Department of Housing and Urban Development based on Census data.	
1. MEDIAN HOUSEHOLD INCOME ($)	
2. LOW TO MODERATE INCOME PERSONS: The percent of the population at 0.00% or below the level designated as low to moderate income. (%)	
3. POVERTY: The percentage of the population characterized as at or below the 0.00% level designated as poverty. (%)	

SECTION E - SYSTEM INFORMATION

Number of unimproved properties in jurisdiction:				
	Current		**Projected**	
1. Total System Annual Revenue ($)				
2. Total System Annual Operation and Maintenance Costs ($)				
Projected costs must match the Projected System Operation and Maintenance Cost Table.				
3. Total System Equivalent Dwelling Units* (#)		(e)		(k)
4. Total Residential Equivalent Dwelling Units* (#)		(f)		(m)
5. Annual Revenue from Residential Hookups ($)				
Show calculation on how to determine the annual revenue from residential hookups:				
6. Percent of Total Annual Revenue from Residential Hookups (%)				
7. Average Monthly Water Residential Rate ($)		(w)		(x)
Is this a flat rate? (yes or no)				(y)
8. Average Monthly Wastewater Residential Rate ($)		(w)		(x)
Indicate if this is/will be a flat rate.				(y)
9. Average Monthly Combined Water & Wastewater Rate ($)		(w)		(x)
Indicate if this is/will be a flat rate.				(y)
10. Other System (e.g. Solid Waste, Stormwater, Irrigation) Average Monthly Residential Rate ($)		(w)		(x)
Indicate if this is/will be a flat rate.				(y)

**If the application is for a solid waste, stormwater or irrigation project, enter both the current and projected total number of customers.*

PROJECTED SYSTEM OPERATION AND MAINTENANCE COST	
Personnel (i.e. Salary, Benefits, Payroll Tax, Insurance, Training) ($)	
Administrative Costs (e.g. office supplies, printing, etc.) ($)	
Water Purchase or Waste Treatment Costs ($)	
Insurance ($)	
Energy Cost (Fuel and/or Electrical) ($)	
Process Chemical ($)	
Monitoring & Testing ($)	
Short Lived Asset Maintenance/Replacement ($)	
Professional Services ($)	
Residuals Disposal ($)	
Miscellaneous ($)	
Total ($)	**$**

SUBSECTION 1 – EQUIVALENT DWELLING UNIT COMPUTATION

Applicants with either a water and wastewater project must complete Section 1, regardless of whether the applicant is served by a central water system or is planning to charge residential users a flat user fee. If the applicant is not served by a central water system, or it has water connections that provide service to multiple mixed uses, such as commercial and residential, refer to the instructions section for information on computing the number of EDUs.

Applicants with solid waste, stormwater or irrigation projects are not required to complete Subsection 1.

Service connection diameters will be converted to EDUs according to the following table, except for those situations noted in the instructions:

Service connection inside diameter (inches)	EDUs
¾” or smaller	1.00
1"	1.79
1-1/2"	4.00
2"	7.14
2-1/2"	11.16
3"	16.00
4"	28.57
5"	44.64
6"	64.29
7”	87.11
8”	113.78
9”	144.00
10”	177.78

PART A. CURRENT WATER HOOKUP SUMMARY

Current Total Hookups (residential and non-residential)				Current Residential Hookups			
Diameter (inches)	**(a) Total Number of Hookups**	**(b) EDUs per Hookup (from table)**	**Total EDUs [(a) x (b)]**	**Diameter (inches)**	**(c) Total Number of Hookups**	**(d) EDUs per Hookup (from table)**	**Total Residential EDUs [(c) x (d)]**
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
Totals				***Totals***			
			(e)				**(f)**

PART B. PROJECTED WATER HOOKUP SUMMARY

Projected Total Hookups (residential and non-residential)				Projected Residential Hookups			
Diameter (inches)	**(g) Total Number of Hookups**	**(h) EDUs per Hookup (from table)**	**Total EDUs [(a) x (b)]**	**Diameter (inches)**	**(i) Total Number of Hookups**	**(j) EDUs per Hookup (from table)**	**Total Residential EDUs [(c) x (d)]**
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
			0				0
Totals				***Totals***			
			(k)		**(l)**		**(m)**
Projected average EDUs per residential hookup (n): [(m)/(l)]							

Provide the following information if applying to the USDA RUS/RD program			
Total water system flows (sales) last twelve months for all connections listed in (a) above:			
_____	gallons	OR	_____ cubic feet
Total residential water flows (sales) last twelve months for all connections listed in (c) above:			
_____	gallons	OR	_____ cubic feet

NOTE: Provide a detailed monthly split of the residential and non-residential sales, if applicable. A sample spreadsheet is available on the Montana USDA Rural Development website at http://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program/mt.

SUBSECTION 2 – PROJECTED AVERAGE MONTHLY RESIDENTIAL RATE COMPUTATION

1. Will debt be used to finance the project? (Yes or No)	_____	If no, skip to PART E
A. Revenue Bond (Yes or No).	_____	If yes, complete PART A
B. General Obligation Bond (Yes or No).	_____	If yes, complete PART B
C. Rural or other Special Improvement District (Yes or No).	_____	If yes, complete PART C
D. Other (explain):	_____	If yes, complete PART C
2. Debt (Loan) Amount ($):	_____	
3. Interest Rate (%):	_____	
4. Terms:	_____	

PART A. REVENUE BOND SECURING DEBT OBLIGATION:		
1. Debt election held? (Yes or No)	_____	
If no, when will the election be held? (Date)	_____	
2. Annual debt service for new loan, including coverage ($):	_____	(i)
3. Monthly debt service for new loan, including coverage (i)/12:	_____	(ii)
4. Total number of projected EDUs after completion of the project:	_____	(iii)
5. Average (per total projected EDUs) monthly debt service for new loan: (line ii / line iii)	_____	(iv)

PART B. GENERAL OBLIGATION BOND SECURING DEBT OBLIGATION:	
1. Debt election held? (Yes or No)	
If no, when will the election be held? (Date)	
2. Amount of outstanding General Obligation Bonds ($):	
3. Debt limitations of entity:	
4. Estimated average monthly assessment (per property) needed to repay debt ($): **(annual assessment/12)**	

PART C. RURAL OR SPECIAL IMPROVEMENT DISTRICT BOND SECURING DEBT OBLIGATION:

1. Type of special assessment:

a. SID _____

b. RID _____

c. Other (specify) _____

2. Proposed method of assessment:

a. Assessable Area: _____

b. Area: _____

c. Ad Valorem Tax: _____

d. Lineal Front Footage: _____

e. Combination of a. through d. above: (explain) _____

3. Number of parcels in the district: _____

4. What percentage of the property within the district fits these descriptions? Complete table below. (based on the methods of assessment)

TYPE OF PROPERTY	PERCENT DEVELOPED	PERCENT UNDEVELOPED
Commercial		
Industrial		
Single-Family Residential		
Multi-Family Residential		
Agricultural		

5. Number of property owners in district: _____

6. Estimated average monthly assessment needed to repay debt (per property) ($): (annual assessment /12) _____

PART D. OTHER TYPE OF DEBT INSTRUMENT SECURING DEBT OBLIGATION THAT IS NOT INDICATED ABOVE	
1. Explain how debt will be secured:	
2. Estimated average monthly cost to repay debt per property ($):	

PART E. CALCULATION OF THE PROJECTED AVERAGE MONTHLY RESIDENTIAL USER RATE:

1. Estimated Increase in Monthly Debt Service per EDU or Customer ($): (o)

[From Part A, B, C or D]

2. Change in Monthly O&M Costs for System ($): (p)

3. Explanation of Change of Monthly O&M Costs:

4. Change in Monthly O&M Costs per EDU or Customer ($): (q)

[(p)/(k)]

5. Change in Total Monthly Costs per EDU or Customer ($): (r)

[(o)+(q)]

6. Average EDUs per Residential Hookup (Projected): (s)

[(n)]

7. Change in Total Monthly Costs per Residential EDU or Customer ($): (t)

[(r)x(s)]

8. Existing Average Monthly Residential Debt Service ($): (u)

9. Existing Average Monthly Residential O&M Costs ($): (v)

[(u) + (v)]

Note: (u) + (v) should equal the current average monthly residential rate (w) as stated in Section E.

[(w)]

If these amounts do not equal, provide an explanation of why the numbers differ:

10. Projected Average Monthly Residential User Rate ($):

[(t) + (u) + (v)]

Note: [(t) + (u) + (v)] should equal the projected average monthly residential rate (x) as stated in Section E.

[(x)]

PART E. CALCULATION OF THE PROJECTED AVERAGE MONTHLY RESIDENTIAL USER RATE:

If these amounts do not equal, provide an explanation of why the numbers differ:

11.Residential Flat Rate (Projected) ($):

Note: The Residential Flat Rate in 11 should equal the Projected Flat Rate (y) in Section E.

[(y)]

If these amounts do not equal, provide an explanation of why the numbers differ:

UNIFORM PRELIMINARY ENGINEERING REPORT FOR MONTANA PUBLIC FACILITY PROJECTS

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UNIFORM PRELIMINARY ENGINEERING REPORT FOR MONTANA PUBLIC FACILITY PROJECTS

This outline is the current Preliminary Engineering Report (PER) template and replaces the previous W2ASACT PER outline. Applicants who have begun or completed a PER using the December 2025, 14th Edition of the Uniform Application for Montana Public Facility Projects may continue to use that format for the upcoming funding cycle.

The outline specifies the information to include in the PER; the level of detail may vary with project complexity. Following the outline is strongly encouraged to facilitate review. A PER is required when applying for federal and state funding for public facilities in Montana, as listed in this publication, and must be prepared by a professional engineer licensed in Montana.

W2ASACT funding agencies require an Executive Summary in every PER. Most agencies also require completion of the Uniform Environmental Checklist.

Environmental resources that may be affected by the proposed project must be identified and evaluated. This is done by completing the Uniform Environmental Checklist, analyzing potential impacts in the PER, and seeking comments from relevant state and federal agencies on the selected alternative. The section titled “Environmental Related Requirements” describes this process in more detail. Note that Rural Development requires a stand-alone Environmental Report, and CDBG must be contacted separately to determine its environmental documentation requirements.

Funding agencies differ in their environmental review, preferred alternative selection, and PER adoption requirements. Public review and notification procedures also vary. Failure to follow a specific agency’s requirements may lead to additional engineering or environmental work, including further review and public notice. Applicants should contact each prospective funding agency early to confirm its specific requirements.

Before final PER adoption, at least one public meeting is required to obtain public comment. The meeting must be properly noticed, and the public must have an opportunity to comment on the project. Meeting minutes should document the discussion and all comments received. Applicants must also consult individual program application guidelines for any additional hearing requirements.

The December 2025, 14th Edition of the Uniform Preliminary Engineering Report for Montana Public Facility Projects incorporates formatting changes to comply with Montana Code Annotated 18-5-605, which requires accessible information for people who are blind or visually impaired. The December 2025 edition also adds factors for irrigation projects in the Proposed Project section.

GENERAL OUTLINE OF A PRELIMINARY ENGINEERING REPORT

0) EXECUTIVE SUMMARY

1) PROJECT PLANNING EXISTING FACILITIES

   a) Location

   b) Environmental Resources Present

   c) Population Trends

   d) Community Engagement

2) EXISTING FACILITIES

   a) Location Map

   b) History

   c) Condition of Existing Facilities

   d) Financial Status of any Existing Facilities

   e) Water/Energy/Waste Audits

3) PROJECT NEED

   a) Health, Sanitation and Security

   b) Aging Infrastructure

   c) Reasonable Growth

4) ALTERNATIVES CONSIDERED

   a) Description

   b) Design Criteria

   c) Map

   d) Environmental impacts

   e) Land Requirements

   f) Potential Construction Problems

   g) Sustainability Considerations

   h) Cost Estimates

5) SELECTION of an ALTERNATIVE

   a) Life Cycle Cost Analysis

6) PROPOSED PROJECT (Recommended Alternative)

   a) Preliminary Project Design

   b) Project Schedule

   c) Permit Requirements

   d) Sustainability Considerations

   e) Total Project Cost Estimate

   f) Annual Operating Budget

7) CONCLUSIONS and RECOMMENDATIONS

APPENDIX A: EXAMPLE LIST OF SHORT-LIVED ASSET INFRASTRUCTURE

Drinking Water Utilities

Wastewater Utilities

ENVIRONMENTAL RELATED REQUIREMENTS

Step 1 – Complete the Uniform Environmental Checklist

Step 2 – Analyze Potential Environmental Impacts in the PER

Summary of Environmental Requirements When Completing the PER

DETAILED OUTLINE OF A PRELIMINARY ENGINEERING REPORT

The following is a more detailed outline that provides guidance regarding the type and level of detail under each of the required headings. It should be noted that the outline is by no means all-inclusive. The engineer should use judgment in presenting sufficient information in the preparation of the PER, considering that different systems require varying levels of detail (facultative lagoons versus mechanical plants, groundwater sources versus surface water treatment, land filling versus transportation, etc.). The level of effort required to prepare the report and the depth of analysis within the report should be proportional to the size and complexity of the proposed project.

Section 2.c of this outline requires an evaluation of existing facilities associated with the entire system. The intent of this requirement is not to force the unnecessary expenditure of time or money to conduct a detailed engineering study and evaluation of system components not being replaced or improved as part of this project. However, in order for funding agencies to properly evaluate an application and make meaningful funding decisions, it is necessary for them to know the condition of all of the components of the system, the improvements that have been made to the various components of the system in the past, and how the remaining improvements that will be needed will be phased. It is therefore required that the general condition of all components of the system be discussed in the PER in enough detail to provide an

understanding of the overall condition of the entire system. Drawings, schematics, and the level of detail required to convey this information is left to the professional judgment of the engineer preparing the PER.

0) EXECUTIVE SUMMARY

Provide a summary of why the engineering study was undertaken, a brief description of the basic needs or deficiencies of the system being studied, a brief description of the alternatives considered, a brief description of the preferred alternative, the estimated total cost to construct the preferred alternative and the net cost per user based on the proposed funding plan. Note any other pertinent conclusions.

1) PROJECT PLANNING EXISTING FACILITIES

Describe the area under consideration. Service may be provided by a combination of central, cluster, and/or centrally managed individual facilities. The description should include information on the following:

a) Location. Provide scale maps and photographs of the project planning area and any existing service areas. Include legal and natural boundaries and a topographical map of the service area.

b) Environmental Resources Present. Provide maps, photographs, and/or a narrative description of environmental resources present in the project planning area that affect design of the project. Environmental review information that has already been developed to meet requirements of NEPA or MEPA.

c) Population Trends. Provide U.S. Census or other population data (including references) for the service area for at least the past two decades if available. Population projections for the project planning area and concentrated growth areas should be provided for the project design period. Base projections on historical records with justification from recognized sources.

d) Community Engagement. Describe the utility's approach used (or proposed for use) to engage the community in the project planning process. The project planning process should help the community develop an understanding of the need for the project, the utility operational service levels required, funding and revenue strategies to meet these requirements, along with other considerations.

2) EXISTING FACILITIES

Describe each part (e.g. processing unit) of the existing facility and include the following information:

a) Location Map. Provide a map and a schematic process layout of all existing facilities. Identify facilities that are no longer in use or abandoned. Include photographs of existing facilities.

b) History. Indicate when major system components were constructed, renovated, expanded, or removed from service. Discuss any component failures and the cause for the failure. Provide a history of any applicable violations of regulatory requirements.

c) Condition of Existing Facilities. Describe present condition; suitability for continued use; adequacy of current facilities; and their conveyance, treatment, storage, and disposal capabilities. Describe the existing capacity of each component. Describe and reference compliance with applicable federal, state, and local laws. Include a brief analysis of overall current energy consumption. Include a reference an asset management plan if applicable.

d) Financial Status of any Existing Facilities. Note: Some agencies require the owner to submit the most recent audit or financial statement as part of the application package. Provide information regarding current rate schedules, annual O&M cost (with a breakout of current energy costs), other capital improvement programs, and tabulation of users by monthly usage categories for the most recent typical fiscal year. Give status of existing debts and required reserve accounts.

e) Water/Energy/Waste Audits. If applicable to the project, discuss any water, energy, and/or waste audits which have been conducted and the main outcomes.

3) PROJECT NEED

Describe the needs in the following order of priority:

a) Health, Sanitation and Security. Describe concerns and include relevant regulations and correspondence from/to federal and state regulatory agencies. Include copies of such correspondence as an attachment to the report.

b) Aging Infrastructure. Describe the concerns and indicate those with the greatest impact. Describe water loss, inflow and infiltration, treatment or storage needs, management. adequacy, inefficient designs, and other problems. Describe any safety concerns.

c) Reasonable Growth. Describe the reasonable growth capacity that is necessary to meet needs during the planning period. Facilities proposed to be constructed to meet future growth needs should generally be supported by additional revenues. Consideration should be given to designing for phased capacity increases. Provide number of new customers committed to this project.

4) ALTERNATIVES CONSIDERED

This section should contain a description of the alternatives that were considered in planning a solution to meet the identified needs. Documentation of alternatives considered is often a report weakness. Alternative approaches to ownership and management, system design (including resource efficient or green alternatives), and sharing of services, including various forms of partnerships, should be considered. In addition, the following alternatives should be considered, if practicable: building new centralized facilities, optimizing the current facilities (no

construction), developing centrally managed decentralized systems, including small cluster or individual systems, and developing an optimum combination of centralized and decentralized systems. Alternatives should be consistent with those considered in the NEPA, or MEPA. Technically infeasible alternatives that were considered should be mentioned briefly along with an explanation of why they are infeasible, but do not require full analysis. For each technically feasible alternative, the description should include the following information:

a) Description. Describe the facilities associated with every technically feasible alternative. Describe source, conveyance, treatment, storage and distribution facilities for each alternative. A feasible system may include a combination of centralized and decentralized (on-site or cluster) facilities.

b) Design Criteria. State the design parameters used for evaluation purposes. These parameters should comply with federal, state, and agency design policies and regulatory requirements.

c) Map. Provide a schematic layout map to scale and a process diagram if applicable. If applicable, include future expansion of the facility.

d) Environmental impacts. Provide information about how the specific alternative may impact the environment. Describe only those unique direct and indirect impacts on floodplains, wetlands, other important land resources, endangered species, historical and archaeological properties, etc., as they relate to each specific alternative evaluated. Include generation and management of residuals and wastes.

e) Land Requirements. Identify sites and easements required. Further specify whether these properties are currently owned, to be acquired, leased, or have access agreements.

f) Potential Construction Problems. Discuss concerns such as subsurface rock, high water table, limited access, existing resource or site impairment, or other conditions which may affect cost of construction or operation of facility.

g) Sustainability Considerations. Sustainable utility management practices include environmental, social, and economic benefits that aid in creating a resilient utility.

h) Water and Energy Efficiency. Discuss water reuse, water efficiency, water conservation, energy efficient design (i.e. reduction in electrical demand), and/or renewable generation of energy, and/or minimization of carbon footprint, if applicable to the alternative. Alternatively, discuss the water and energy usage for this option as compared to other alternatives.

   i. Green Infrastructure. Discuss aspects of project that preserve or mimic natural processes to manage stormwater, if applicable to the alternative. Address management of runoff volume and peak flows through infiltration, evapotranspiration, and/or harvest and use, if applicable.

   ii. Other. Discuss any other aspects of sustainability (such as resiliency or operational simplicity) that are incorporated into the alternative, if applicable.

i) Cost Estimates. Provide cost estimates for each alternative, including a breakdown of the following costs associated with the project: construction, non- construction, and annual O&M costs. A construction contingency should be included as a non-construction cost. Cost estimates should be included with the descriptions of each technically feasible alternative. O&M costs should include a rough breakdown by O&M category (see example below) and not just a value for each alternative. Information from other sources, such as the recipient's accountant or other known technical service providers, can be incorporated to assist in the development of this section. The cost derived will be used in the life cycle cost analysis described in Section 5a.

Table 1 Example O&M Cost Estimate

PROJECTED SYSTEM OPERATION AND MAINTENANCE COST	
Personnel (i.e. Salary, Benefits, Payroll Tax, Insurance, Training)	
Administrative Costs (e.g. office supplies, printing, etc.)	
Water Purchase or Waste Treatment Costs	
Insurance	
Energy Cost (Fuel and/or Electrical)	
Process Chemical	
Monitoring & Testing	
Short Lived Asset Maintenance/Replacement*	
Professional Services	
Residuals Disposal	
Miscellaneous	
Total	$0.00

*See Appendix A for example list.

5) ALTERNATIVE SELECTION

Selection of an alternative is the process by which data from the previous section, "Alternatives Considered" is analyzed in a systematic manner to identify a recommended alternative. The analysis should include consideration of both life cycle costs and non- monetary factors (i.e. triple bottom line analysis: financial, social, and environmental). If water reuse or conservation, energy efficient design, and/or renewable generation of energy components are included in the proposal provide an explanation of their cost effectiveness in this section.

a) Life Cycle Cost Analysis. A life cycle cost present worth analysis (an engineering economics technique to evaluate present and future costs for comparison of alternatives) should be completed to compare the technically feasible alternatives. Do not leave out alternatives because of anticipated costs; let the life cycle cost analysis show whether an alternative may have an acceptable cost. This analysis should meet the following requirements and should be repeated for each technically feasible alternative. Several analyses may be required of the project has different aspects, such as one analysis for different types of collection systems and another for different types of treatment.

   i. The analysis should convert all costs to present day dollars.

ii. The planning period to be used is recommended to be 20 years, but may be any period determined reasonable by the engineer and concurred on by the state or federal agency.
iii. The discount rate to be used should be the "real" discount rate taken from Appendix C of OMB Circular A-94 and found at: https://www.whitehouse.gov/wp-content/uploads/2023/11/CircularA-94
iv. The total capital cost (construction plus non-construction costs) should be included.
v. Annual O&M costs should be converted to present day dollars using a uniform series present worth (USPW) calculation.
vi. The salvage value of the constructed project should be estimated using the anticipated life expectancy of the constructed items using straight line depreciation calculated at the end of the planning period and converted to present day dollars.
vii. The present worth of the salvage value should be subtracted from the present worth costs.
viii. The net present value (NPV) is then calculated for each technically feasible alternative as NPV = C + USPW(O&M) – SPPW(S).
    (1) NPV (Net Present Value): This is the total present worth of all costs and benefits over the project's lifespan, discounted to the present time. In this context, where costs are treated as positive and salvage value (a benefit) as negative, a lower (more negative) NPV is generally preferred for cost-minimization studies.
    (2) C (Capital Cost): The initial investment cost incurred at the start of the project (at time t=0). This value is already a present worth.
    (3) USPW(O&M) (Uniform Series Present Worth of O&M Costs): This is the present worth of the series of annual uniform Operating and Maintenance (O&M) costs occurring over the project's life. This typically uses the Uniform Series Present Worth factor, [((1+i)n-1))/(i(1+i)n)], where i is the discount rate and n is the project life.

(4) SPPW(S) (Single Payment Present Worth of Salvage Value): This is the present worth of the salvage value (S) the estimated monetary worth of the asset at the end of its useful life (t=n). Since salvage value is typically considered a revenue or recovery (a cash inflow), it is subtracted from the total costs. This typically uses the Single Payment Present Worth factor, [1/(1+i)n].

Net present value (NPV) is calculated for each technically feasible alternative as NPV $= C +$ USPW(O&M) $-$ SPPW(S).

C: Up-front capital cost at time zero.

USPW(O&M): Present worth of uniform annual operation and maintenance costs over the project life.

The Uniform Series Present Worth (USPW) factor converts a constant annual amount over n years into its equivalent present value at discount rate i.

$$\text{USPW} = \frac{(1+i)^n - 1}{i(1+i)^n}$$

SPPW(S): Present worth of the salvage value at the end of the project life, subtracted because it is a cost recovery.

ix. A table showing the capital cost, annual O&M cost, salvage value, present worth of each of these values, and the NPV should be developed for state or federal agency review. All factors (major and minor components), discount rates, and planning periods used should be shown within the table.

x. Short lived asset costs (see Appendix A for examples) should also be included in the life cycle cost analysis if determined appropriate by the consulting engineer or agency. Life cycles of short-lived assets should be tailored to the facilities being constructed and be based on generally accepted design life. Different features in the system may have varied life cycles.

b) Non-Monetary Factors. Non-monetary factors, including social and environmental aspects (e.g. sustainability considerations, operator training requirements, permit issues, community objections, reduction of greenhouse gas emissions, wetland relocation, reliability, operability) should also be considered in determining which alternative is recommended and may be factored into the calculations.

6) PROPOSED PROJECT (Recommended Alternative)

The engineer should include a recommendation for which alternative(s) should be implemented. This section should contain a fully developed description of the proposed project based on the preliminary description under the evaluation of alternatives. Include a schematic for any treatment processes, a layout of the system, and a location map of the proposed facilities. At least the following information should be included as applicable to the specific project:

a) Preliminary Project Design.

b) Drinking Water.
   i. Water Supply. Include requirements for quality and quantity. Describe recommended source, including site and allocation allowed.
   ii. Treatment. Describe process in detail (including whether adding, replacing or rehabilitating a process) and identify location of plant and site of any process discharges. Identify capacity of treatment plant (i.e. maximum daily demand).
   iii. Storage. Identify size, type and location.
   iv. Pumping Stations. Identify size, type, location and any special power requirements. For rehabilitation projects, include description of components upgraded.
   v. Distribution Layout. Identify general location of new pipe, replacement or rehabilitation, lengths, sizes and key components.

c) Wastewater/Reuse (refer to Circular DEQ-2, Chapter10)
   i. Collection System/Reclaimed Water System Layout. Identify general location of new pipe, replacement or rehabilitation: lengths, sizes, and key components.
   ii. Pumping Stations. Identify size, type, site location, and any special power requirements. For rehabilitation projects, include description of components upgraded.
   iii. Storage. Identify size, type, location and frequency of operation.
   iv. Treatment. Describe process in detail (including whether adding, replacing or rehabilitating a process) and identify location of any treatment units and site of any discharges (end use for reclaimed water). Identify capacity of treatment plant (i.e. average daily flow).

d) Solid Waste.
   i. Collection. Describe process in detail and identify quantities of material (in both volume and weight), length of transport, location and type of transfer facilities, and any special handling requirements.
   ii. Storage. If any, describe capacity, type, and site location.
   iii. Processing. If any, describe capacity, type, and site location.
   iv. Disposal. Describe process in detail and identify permit requirements, quantities of material, recycling processes, location of plant, and site of any process discharges.

e) Stormwater.
   i. Collection System Layout. Identify general location of new pipe, replacement or rehabilitation: lengths, sizes, and key components.
   ii. Pumping Stations. Identify size, type, location, and any special power requirements.
   iii. Treatment. Describe treatment process in detail. Identify location of treatment facilities and process discharges. Capacity of treatment process should also be addressed.
   iv. Storage. Identify size, type, location and frequency of operation.
   v. Disposal. Describe type of disposal facilities and location.

vi. Green Infrastructure. Provide the following information for green infrastructure alternatives:
   (1) Control Measures Selected. Identify types of control measures selected (e.g., vegetated areas, planter boxes, permeable pavement, rainwater cisterns).
   (2) Layout: Identify placement of green infrastructure control measures, flow paths, and drainage area for each control measure.
   (3) Sizing: Identify surface area and water storage volume for each green infrastructure control measure. Where applicable, soil infiltration rate, evapotranspiration rate, and use rate (for rainwater harvesting) should also be addressed.
   (4) Overflow: Describe overflow structures and locations for conveyance of larger precipitation events.

f) Irrigation
   i. Water Source. Identify the water source and include information on the water rights that controls and limits the use of the water source.
   ii. Withdrawal and Control. Identify the location, size, capacity and design elements of the structures that manage the initial flow of water from the source into the irrigation network.
      (1) Storage, reservoirs, dams and other control structures.
      (2) Intake Structure/Headworks.
      (3) Pumping Station.
      (4) Headgates / Head Regulators.
      (5) Filters/screens.
   iii. Conveyance System. Identify the location, size, capacity and design consideration for the infrastructure that transports water from the source/intake to the general vicinity of the irrigated fields.
      (1) Main Canals: Large-capacity channels (often unlined, or lined with concrete) that carry the primary volume of water.
      (2) Pipelines.
      (3) Conveyance Structures:
      (4) Aqueducts / Flumes: Elevated structures to carry water across valleys or depressions.
      (5) Siphons: Closed conduits that carry water under a road, railway, or natural depression by gravity pressure.
      (6) Drops / Chutes: Structures used to safely lower the water elevation in the canal to prevent erosion on steep slopes.
   iv. Distribution System. Identify the location, size, capacity and design of the network that takes water from the main conveyance system and delivers it to the individual farm or field level.

(1) Secondary and Tertiary Canals/Laterals.
(2) Control Valves and Turnouts.
(3) Flow Measurement Structures.
(4) Operational Controls. Centralized controllers or timers, especially in highly automated systems, to manage the timing and duration of water delivery to different zones.

v. Drainage System. System designed for removing excess water from the fields, preventing waterlogging, and maintaining soil health.
(1) Field Drains.
(2) Collector Drains / Main Drains.

g) Project Schedule. Identify proposed dates for submittal and anticipated approval of all required documents, land and easement acquisition, permit applications, advertisement for bids, loan closing, contract award, initiation of construction, substantial completion, final completion, and initiation of operation.

h) Permit Requirements. Identify any construction, discharge and capacity permits that will/may be required as a result of the project.

i) Sustainability Considerations (if applicable).

j) Water and Energy Efficiency. Describe aspects of the proposed project addressing water reuse, water efficiency, and water conservation, energy efficient design, and/or renewable generation of energy, if incorporated into the selected alternative.

k) Green Infrastructure. Describe aspects of project that preserve or mimic natural processes to manage stormwater, if applicable to the selected alternative. Address management of runoff volume and peak flows through infiltration, evapotranspiration, and/or harvest and use, if applicable.

l) Other. Describe other aspects of sustainability (such as resiliency or operational simplicity) that are incorporated into the selected alternative, if incorporated into the selected alternative.

m) Total Project Cost Estimate (Engineer's Opinion of Probable Cost). Provide an itemized estimate of the project cost based on the stated period of construction. Include construction, land and right- of-ways, legal, engineering, construction program management, funds administration, interest, equipment, construction contingency, refinancing, and other costs associated with the proposed project. The construction subtotal should be separated out from the non-construction costs. The non-construction subtotal should be included and added to the construction subtotal to establish the total project cost. An appropriate construction cost estimate should be added as part of the non-construction subtotal: For projects containing both water and waste disposal systems, provide a separate cost estimate for each system as well as a grand total. If applicable, the cost estimate should be itemized to reflect cost sharing including apportionment between funding sources. The engineer may rely on the owner for estimates of cost for items other than construction, equipment, and engineering.

n) Annual Operating Budget. Provide itemized annual operating budget information. The owner has primary responsibility for the annual operating budget, however, there are other parties that may provide technical assistance. This information will be used to evaluate the financial capacity of the system. The engineer will incorporate information from the owner's accountant and other known technical service providers.

o) Income. Provide information about all sources of income for the system including a proposed rate schedule. Project income realistically for existing and proposed new users separately, based on existing user billings, water treatment contracts, and other sources of income. In the absence of historic data or other reliable information, for budget purposes, base water use on 100 gallons per capita per day. Water use per residential connection may then be calculated based on the most recent U.S. Census, American Community Survey, or other data for the state or county of the average household size. When large agricultural or commercial users are projected, the report should identify those users and include facts to substantiate such projections and evaluate the impact of such users on the economic viability of the project.

p) Annual O&M Costs. Provide an itemized list by expense category and project costs realistically. Provide projected costs for operating the system as improved. In the absence of other reliable data, based on actual costs of other existing facilities of similar size and complexity. Include facts in the report to substantiate O&M cost estimates. Include personnel costs, administrative costs, water purchase or treatment costs, accounting and auditing fees, legal fees, interest, utilities, energy costs, insurance, annual repairs and maintenance, monitoring and testing, supplies, chemicals, residuals disposal, office supplies, printing, professional services, and miscellaneous as applicable. Any income from renewable energy generation which is sold back to the electric utility should also be included, if applicable. If applicable, note the operator grade needed.

q) Debt Repayments. Describe existing and proposed financing with the estimated amount of annual debt repayments from all sources. All estimates of funding should be based on loans, not grants.

r) Reserves. Describe the existing and proposed loan obligation reserve requirements for the following:

   i. Debt Service Reserve For specific debt service reserve requirements consult with individual funding sources. If General Obligation bonds are proposed to be used as loan security, this section may be omitted, but this should be clearly stated if it is the case.

   ii. Short-Lived Asset Reserve – A table of short-lived assets should be included for the system (See Appendix A for examples). The table should include the assets, the expected year of replacement, and the anticipated cost of each. Prepare a recommended annual reserve deposit to fund replacement of short-lived assets, such as pumps, paint, and small equipment. Short-lived assets include those items

not covered under O&M; however, this does not include facilities such as a water tank or treatment facility replacement that are usually funded with long-term capital financing.

iii. Long-Term Reserve – or capital reserve accounts which is set aside and cannot be used for routine O&M. These funds finance the future repair, renewal, replacement, or major capital improvement of its long-lived assets. Its main purpose is to ensure that a public entity or association can pay for high-cost, non-recurring projects.

7) CONCLUSIONS and RECOMMENDATIONS

Provide any additional findings and recommendations that should be considered in development of the project. This may include recommendations for special studies, highlighting the need for special coordination, a recommended plan of action to expedite project development, and any other necessary considerations.

APPENDIX A: EXAMPLE LIST OF SHORT-LIVED ASSET INFRASTRUCTURE

Short-lived assets in infrastructure refer to components or equipment with expected lifespans much shorter than the main system components - notably items needing routine replacement or maintenance within a couple of decades as compared to core, long-lived assets like buildings or large pipelines. Costs for short-lived assets include the cost to repair, rehabilitate or replace those system components. Examples of short-lived assets are provided below:

Drinking Water Utilities

Source Related: Pumps; pump controls; pump motors; telemetry; intake/well screens; water level sensors; pressure transducers, etc.

Treatment Related: Chemical feed pumps; altitude valves; valve actuators; field process instrumentation equipment; granular filter media; air compressors & control units; pumps; pump motors; pump controls; water level sensors; pressure transducers; sludge collection & dewatering; UV lamps; membranes; back-up power generators; chemical leak detection equipment; flow meters; SCADA systems, etc.

Distribution System Related: Residential and small commercial meters; meter boxes; hydrants & blow offs; pressure reducing valves; cross connection control devices; altitude valves; alarms & telemetry; vaults, lids, and access hatches; security devices and fencing; storage reservoir painting/patching, etc.

Wastewater Utilities

Treatment Related: Pump; pump controls; pump motors; chemical feed pumps; membrane filters fibers; field & process instrumentation equipment; UV lamps; centrifuges; aeration blowers; aeration diffusers and nozzles; trickling filters, RBCs, etc.; belt presses & driers; sludge collecting and dewatering equipment; level sensors; pressure transducers; pump controls; back-up power generator; chemical leak detection equipment; flow meters; SCADA systems, etc.

Collection System Related: Pump; pump controls; pump motors; trash racks/bar screens; sewer line rodding equipment; air compressors; vaults, lids, and access hatches; security devices and fencing; alarms & telemetry; chemical leak detection equipment, etc.

APPENDIX B: ENVIRONMENTAL RELATED REQUIREMENTS

All state and federally funded projects are subject to either the Montana Environmental Policy Act (MEPA) or National Environmental Policy Act of 1969 (NEPA), or both. MEPA seeks to avoid or mitigate adverse impacts on the natural and human environment by mandating careful consideration of the potential impacts of any development assisted with state funds or approved by a state agency. NEPA establishes national policy, goals, and procedures for protecting, restoring, and enhancing environmental quality.

Both laws seek to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts on any development assisted with federal funds or approved by a state agency. To avoid delays, adding significantly to project costs, or even prevent a project from being carried out, all applicants applying to the funding programs listed in this publication must take potential environmental impacts into account when planning a project. As a result, local officials will be able to make more informed decisions related to the potential environmental consequences of projects and the actions that will be required to mitigate those consequences. Therefore, environmental resources that may be impacted by the proposed project must first be identified by completing the Uniform Environmental Checklist and then evaluated in the preliminary engineering report (PER). Depending on the funding source, or if the project changes from what was proposed in the PER, additional environmental actions may be required at later stages of the project.

ENVIRONMENTAL REQUIREMENTS WHEN COMPLETING THE PER

Environmental impacts are first analyzed when preliminary engineering is completed for a proposed project. The first step is to complete the Uniform Environmental Checklist, which then becomes the basis for the analysis that is included in the PER. The checklist is used to identify environmental resources present in the project area and any potential impacts that the project may have on them. Once the checklist has been completed, the engineer must include in the PER an analysis of the impact that the project would have on the environment, and the appropriate short and long-term measures to be used to mitigate any of the potentially adverse impacts.

Step 1 – Complete the Uniform Environmental Checklist.

The Uniform Application Checklist is now available online:
dnrc.mt.gov/_docs/conservation/WASACT/Uniform_App_Environmental_Checklist_and_Instructions.docx

The Uniform Environmental Checklist can be completed through an information search and by visiting the area where the project may take place. The checklist does not have to be completed by an engineer; a local official, grant writer or other non-engineering person may perform the actions necessary to complete the checklist if they have the ability to do so. However, the project engineer is required to sign the Uniform Environmental Checklist, certifying that he or she has reviewed the checklist and the information presented, and that it accurately identifies the environmental resources in the area and the potential impacts that the project could have on those resources.

Since the environmental analysis within the PER is based upon the information obtained through the completion of the checklist, it is ultimately the responsibility of the engineer preparing the PER to ensure that the environmental checklist has been properly completed. If the checklist is not completed by the project engineer, it is strongly recommended that the person completing the checklist consult with the engineer to ensure that all needed information is obtained. If the project engineer cannot reasonably ensure that all potential environmental impacts have been adequately identified, steps should be taken before completing the PER to ensure that the information is obtained.

Step 2 – Analyze Potential Environmental Impacts in the PER.

Once the checklist has been completed, the engineer must include in the PER an analysis of the impacts that the project would have on the environment, and the appropriate short and long-term measures to be used to mitigate any of the potentially adverse impacts. The environmental resources present in the project area and the impact that the project may have on them are generally discussed in Section II. Problem Definition. Unique impacts by an alternative are also discussed in Section IV. Alternatives Analysis. Depending on the potential impact that an alternative may have on the environment, letters may need to be sent to specific agencies to obtain additional information. The potential impacts that an alternative may have on the environment is required to be considered as part of the evaluation and selection of the preferred alternative.

Once the selected alternative has been identified, a more detailed analysis is performed along with discussion about how potentially adverse impacts would be mitigated. At this time, several state and federal agencies are required to be contacted regarding the specific proposal to identify any concerns that they may have about the proposed project. The comments provided by these agencies may provide additional, or more detailed, information to the engineer about the environmental resources present that may be potentially impacted and specific measures for mitigating those impacts. Detailed studies, such as wetland delineation, are not required during the preliminary engineering phase. These more detailed studies are performed later as required, probably during the final design of the project.

At a minimum, each of the state and federal agencies listed below must be provided with the following information about the selected alternative, and requested to provide comment on the proposed project:

1) A map of the area surrounding the project that identifies the project site, adjacent streets, and other identifiable objects,
2) Line drawings or sketches of the project, and
3) A narrative description of the project's elements and its location.

State and federal agencies that must be sent information include:

1) Montana Department of Environmental Quality;
2) Montana Department of Fish, Wildlife and Parks;
3) Montana Department of Natural Resources and Conservation;
4) U.S. Fish and Wildlife Service;
5) U.S. Army Corps of Engineers;

6) Montana Historical Society (State Historic Preservation Officer) - In addition to the information identified above, point out any known historic/archeological resources within the project area that may have any local or state significance, and provide any known historic/archeological survey that has been conducted for the project area; and
7) Federally listed Tribes affected by the project, the Tribal Historic Preservation Officer (THPO).

POTENTIAL AGENCY CONTACTS FOR ENVIRONMENTAL RESOURCES

1) DOC Department of Commerce, Census and Economic Information Center, 301 S. Park Ave., PO Box 200505, Helena, MT 59620-0505. Phone (406) 841-2739
2) DEQ Department of Environmental Quality, Permitting and Compliance Division, 1520 E. 6th Ave., PO Box 200901, Helena, MT 59620-0901. Phone (406) 444-4323.
3) DFWP Department of Fish, Wildlife and Parks, 1420 E. 6th, Helena, MT 59620. Phone (406) 444-2535.
4) DOLI Department of Labor and Industry, 1327 Lockey, PO Box 1728, Helena, MT 59624. Phone (406) 444-9091.
5) DNRC Department of Natural Resources and Conservation, 1625 11th Ave., PO Box 201601, Helena, MT 59620-1601. Phone (406) 444-2074. Attention Resource Development Bureau Engineer.
6) MDT Department of Transportation, 2701 Prospect Ave., PO Box 201001, Helena, MT 59620. Phone (406) 444-6200.
7) SHPO State Historic Preservation Office, 1410 8th Ave., PO Box 201202, Helena, MT 59620. Phone (406) 444-7715.
8) BIA Bureau of Indian Affairs, 316 N. 26th St., Billings, MT 59101. Phone (406) 247-7970.
9) BLM Bureau of Land Management, 5001 Southgate Dr., Billings, MT 59101. Phone (406) 896-5000.
10) FAA Federal Aviation Administration, 2725 Skyway Dr., Helena, MT 59602. Phone (406) 449-5271.
11) NPS National Park Service, PO Box 25287, Denver, CO 80225-0287. Phone (303) 969-2850.
12) NRCS Natural Resource Conservation Service, 10 E. Babcock St., Bozeman, MT 59771. Phone (406) 587-6811.
13) OSHA Occupational Safety and Health Administration, 2900 4th Ave. N., Billings, MT 59101. Phone (406) 247-7494.
14) USACE U.S. Army Corps of Engineers, 10 West 15th Street, Suite 2200, Helena MT 59626. Phone (406) 441-1375.
15) USDOT U.S. Department of Transportation, 585 Shephard Way, Helena MT 59601. Phone (406) 449-5303.
16) USEPA U.S. Environmental Protection Agency, Montana Office, Federal Building, 10 West 15th Street, Suite 3200, Helena, MT 59625. Phone (406) 457-5000.
17) USFWS U.S. Fish and Wildlife Service, Ecological Services, 585 Shepherd Way, Helena, MT 59601. Phone (406) 449-5225.
18) USFS U.S. Forest Service, Region 1, PO Box 7669, Missoula, MT 59807. Phone (406) 329-3150.

Summary of Environmental Requirements When Completing the PER

- ✓ Complete the Uniform Environmental Checklist.
- ✓ Discuss the environmental resources present in the project area and the impact that the project may have on them in Section II. Problem Definition.
- ✓ Discuss any unique impacts by a particular alternative in Section IV. Alternatives Analysis. Request information from specific State or Federal agencies if needed.
- ✓ Consider environmental resources as part of the evaluation and selection of the preferred alternative.
- ✓ Perform a more detailed environmental analysis, along with discussion about how potentially adverse impacts would be mitigated once the selected alternative has been selected. Request comments from required State and Federal agencies.
- ✓ Include a copy of the correspondence sent to and received from State and Federal agencies.

Note for Those Applying for Rural Development Funding

Rural Development requires a stand-alone Environmental Report. Applicants should coordinate with the RD Area Specialist to determine if the project will likely be a Categorical Exclusion (CE) with a report or an Environmental Assessment (EA). Please contact USDA RD Staff https://www.rd.usda.gov/mt.

Note for Those Applying for MCEP or CDBG Funding

Please refer to the MCEP or CDBG application guidelines on CDD website: commerce.mt.gov/Infrastructure-Planning/. It is also recommended that all applicants contact Commerce staff for technical assistance relating to the environmental documentation needed to be submitted with a MCEP or CDBG application.