



Renewable Resource Grant Stakeholder Group

Renewable Resource Grant Program Outlines and Stakeholder Feedback

Contents

Renewable Resource Grant Stakeholder Group	1
Renewable Resource Grant Program Objectives.....	3
Renewable Resources Project Grant Program.....	4
Planning Grant Program	8
Private Grant Program.....	11
Emergency Grant Program	12
Irrigation Development Grant Program.....	14
Watershed Management Grant Program.....	17
Nonpoint Source Pollution Reduction Grant Program	20

Renewable Resource Grant Stakeholder Group

DNRC has been providing grants through the Renewable Resource Grant Program to local governments and private citizens since 1975 under the Renewable Resource Development Program and Water Development Program in 1981. The two programs were combined in 1993 under the Renewable Resource Grant and Loan Program. The addition of the American Rescue Plan Act funds to the RRG Program in 2021 created an unrepresented fund balance in the Natural Resources Projects Account¹ that allowed for an increase of appropriations to existing grant programs and appropriations to a new grant program, nonpoint source pollution reduction grants in House Bill 6.

DNRC has identified overlap with existing grant programs and the potential projects funded under the Nonpoint Source Pollution Reduction (NPS) grants. DNRC is seeking stakeholder input to define the NPS grants as a separate and distinct program from the existing RRG programs as well as Reclamation Development Grants. DNRC will host a series of stakeholder meetings to clarify the existing grant programs and define the NPS grants as well as set a priority for funding for NPS projects.

Goals for RRG Stakeholder Group:

1. To create clear and distinct grant programs that meet the purpose and policies in [MCA 85-1-601](#).
2. To simplify the grant applications and grant administration for the benefit of applicants and DNRC.
3. To engage our stakeholders to ensure that grant programs are meeting the needs of our partners statewide.
4. Improve RRG Program transparency and accountability.

Stakeholders:

DNRC is working to incorporate feedback from three different interests to participate in meetings: Infrastructure, Irrigation, Nonpoint Source and Watershed.

RRGL Stakeholder Meetings:

- **Meeting 1 - September 18, 2023** – Review the existing grant programs and the new NPS grants provided in the attached RRG Program Outlines. Identify overlap between programs and solicit feedback on re-defining program eligibility, ranking and guidelines. Identify project types for NPS grants and discuss funding priorities.
- **Meeting 2 - Tentative October 25, 2023**– Review and take feedback on a **Draft RRG Program Plan** to clarify RRG Programs and define the NPS grant program.
- 30-day public comment period.
- **Meeting 3 – Mid November**– Review **Draft Final RRG Program Plan** and summarize comments for final stakeholder input.

¹ RRGL grants are funded by revenue generated from resource extraction taxes. Portions of the following sources of revenue are deposited in the natural resource projects state special revenue account (SSRA): the resource indemnity and groundwater assessment (RIGWA) tax, the oil and gas production tax, and interest earnings from the resource indemnity trust (RIT) fund. Funds from the natural resource projects SSRA are shared by DNRC's two natural resource grant programs: (1) Reclamation and Development Grants Program; and the RRGL Program.

Public Comment:

Public comments regarding the RRG Programs may be submitted at any time throughout the stakeholder process. Please submit public comments to DNRCgrants@mt.gov and be sure to include “RRG Stakeholder” in the subject line of the email.

Renewable Resource Grant Program Objectives

The department shall administer a renewable resource grant and loan program to enhance Montana's **renewable resources** through projects that **measurably conserve, manage, develop, or preserve resources**. Either grants or loans may be provided to fund the following:

- feasibility, design, research, and resource assessment studies;
- preparation of construction, rehabilitation, or production plans; and
- construction, rehabilitation, production, education, or other implementation efforts.

Projects that may **enhance renewable resources** in Montana include but are not limited to:

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

The renewable resource grant and loan program is the key implementation portion of the **state water plan** and must be administered to encourage grant and loan applications for projects designed to accomplish the objectives of the plan.

A grant or loan may not be awarded to a project that affects source watersheds or soil and range health if the project would reduce, restrict, or prohibit any lawful access to the property that existed prior to the project's implementation. This subsection does not apply to access that is temporarily created, granted, or reduced due to project operations.

[MCA 85-1-602](#)

Renewable Resources Project Grant Program

House Bill 6 Authorization

\$6,350,000 infrastructure

\$2,560,000 irrigation

Purpose: To provide financial assistance to projects which conserve, manage, develop, and preserve Montana's renewable resources. Renewable resource projects including water conservation; water for public use, agricultural use, or other beneficial uses; surface water or groundwater quality; forestry related resources; air quality; waste management; and other renewable resource-related projects are eligible to receive grant and loan funding.

Applicant Eligibility

State, Tribal, or Local governments MCA 85-1-605

- Want to see CDs specifically called out.
- Can Hutterite colonies get grants?

Project Eligibility

Water, Wastewater or Stormwater Infrastructure

Irrigation

Dams

Renewable Energy

Restoration

Studies

- Loans – How to loans portion of RRGL program fit into this?

Project Caps

\$125,000/project based on technical and financial feasibility.

Local government - no match requirements

Grant Application Cycle

Application due May 15th odd-years

Approved by the Montana Legislature

Grant Administrative Requirements (Applicants)

Startup Documents

Progress Reports – monthly or quarterly

Final Reports

- Make more of a collaboration effort.
- If you apply for MCEP and can apply for RRG funding – Uniform application?
- Reduce the amount of work it takes for the final report.

- Standalone funding for meters.
- Allowing discussion of what other problems or projects a community is facing at that time.
 - Ex: More of a comprehensive look at what is going on in the community
- Having low-income surveys be a part of ranking. Lower income communities have difficulties with funding.
 - Maintaining resource benefit may work against this.
- Grant application being streamlined (removing redundant questions)
- Electronic submittal only – no paper copies
- Can we get rid of submittable (Complete overhaul) Use a different program
- Clients depend on us (Engineering Firms) to monitor application but never notified is problems came up with applications.
- Better administrative roles (Engineering Firms) do get notices; do get reports; do get notified of problems.
- Not having to go through legislature for projects.
- Sliding scale on project cap (per acre/different cap for project type)
- Maybe adjust ranking criteria so irrigation could compete against infrastructure
- Water loss is high and conservation of water is what created the program. Irrigation and ag should compete. Need to go back and look at early criteria. Attention to economic benefits of water conservation.
- Dedicated lane for irrigation
- Does irrigation need as detailed application as infrastructure. Have a separate application for irrigation.
- Is there an ARM or statute that guides management and admin allowances in this program? For a small jurisdiction should be able to manage small grant, but when things got ARPA sized that really changed. On bigger grants have hired professional help and having trouble on littler grants. Would be nice to hire more financial administration? Or have you discussed any ways to work with that, maybe accepting in kind.
- Want more distinction on program versus project costs.

How could the DNRC administrative burden be decreased?

Revised reporting requirements/process

Revise application/ranking based on project type (i.e. irrigation or infrastructure)

- Make more clear and direct timelines.
- Scale back as much as possible
- Keep administrative efforts down you can put more out on the ground.
- Standardized templates
- Eliminate redundancy – budget/scope of work in application – had to redo them when you went into project startup – use identical format in application as grant administration.
- Amendments – clarification - grant administrator would require amendment for small budget changes.
- FAQ's or training at the start of each project – training is helpful but don't want to burden DNRC
- We want to see DNRC have a simplified process to get contracts out.
- Guidelines if a project needs changed for amendment – change in scope is hardest to change

- Qualified vendors process for contractors for specific services set up years ago Could you set up a similar process like that for non-profits always coming to DNRC for projects? Non-profits are in touch with local communities. Establish a list of preferred non-profits for projects.

Program Specific Rules

Project kickoff meeting

Mandatory project meetings

Site visits

Compliance with State Travel Policy

Irrigation Breakout Room – RRG Project Grants

What are the strengths/benefits of this grant program?

- Provides funding with no match requirements.
- Catalyst for other projects
- Matching funds to other federal grants
- Critical projects funded
- Project type flexible
- Irrigation does not have capacity so this gives them ability to get in the door
- Technical assistance for planning grants
- Can partner with government as private entity – builds partnerships.
- DNRC was responsive to needs/questions.
- Good to split infrastructure and irrigation.
- Irrigation cannot compete against sewer and water
- Good to keep separate.

What are the weaknesses of this grant program?

- ARPA injected federal requirements that took time and took away from getting other projects done.
- Grant startup for ARPA was lengthy compared to simple scope/schedule/budget- Can we scale the startup back? Time and resources could be put to projects on the ground.
- Had to submit ARPA documents multiple times-Would be helpful to setup templates that are fillable and completed-Streamline the process.
- Start looking ahead-irrigation only gets 1/3 while infrastructure gets 2/3-if down the road funding decreases what happens to funding.
- Adding another program (NPS) how does this dilute the existing program
- Clarification NPS is one time only for 2 years.
- Projects close to failing and take time to plan-overwhelmed with many demands
- Over past 10-20 years, moving away from watershed/agricultural to infrastructure. If we get back to lean years where will infrastructure rank against irrigation?
- \$125,000 is too low.
- If you raise the cap infrastructure will move in to compete.

- Infrastructure gets more money and time for PER and can make the better argument for funding. It makes it harder for irrigation to compete.
- An inordinate amount of money went to water and sewer infrastructure projects. It was hard for irrigation to get planning grants
- You have to dedicate funds for equal competition. Keep irrigation in it's own lane
- Irrigated agriculture cannot compete against infrastructure.

Planning Grant Program

House Bill 6 Authorization

\$3,500,000

Purpose: Renewable resource planning grants provide funding for preliminary engineering reports, resource assessments, technical reports, or any planning activity that would contribute to a renewable resource project. ARM 36.17.611

Applicant Eligibility

State, Tribal, or Local governments MCA 85-1-605

Project Eligibility

Grant funds may be provided to feasibility, design, research and resource assessment studies and preparation of construction, rehabilitation, or production plans. Examples include:

- Infrastructure Preliminary Engineering Report (PER)
- Irrigation PER
- Technical Narrative
- PER or technical narrative update
- Capital Improvement Plan
- Watershed Restoration Plan
- Nonpoint pollution reduction project plan and design
- NEW** - Technical Assistance

- Are floodplain permitting costs eligible for planning grants?

Project Caps

- Infrastructure PER: \$40,000
- Irrigation PER: \$30,000
- Technical Narrative: \$30,000
- PER or technical narrative update: \$20,000
- Capital Improvement Plan: \$15,000
- Watershed Restoration Plan: \$40,000
- Nonpoint pollution reduction project plan and design: \$30,000
- NEW** - Technical Assistance: \$3,000 (20 hrs and \$150/hr)
- Local Government – No Match Requirement

- No match

Grant Application Cycle

Four competitive cycles per biennium

- Planning cycles create in ability for clients to apply for project grants. Example – PER start in November, finish in April, Apply in May – Concern about timing

Grant administration requirements (Applicants)

Progress reports are not required.

Reimbursement is limited to 50% upon submission of draft document and 50% upon submission of final document.

- Planning grant applications are too technical for local governments to complete without technical assistance (engineer)
- Word limits on questions are not helpful.
- Ability to include MEPA analysis with PER in planning.
- Planning grant applications are too technical for local governments to complete without technical assistance (engineer)
- Planning grant application making it more accessible town, counties, etc. to apply.
 - Ex: Asking about problems and solutions are questions geared more toward someone with a technical background

Are there opportunities for this grant program to be improved for applicants?

- Requiring no match
- Tribal government engagement
- Technical contract – Similar to MCEP
- Larger watershed grants
- Add more information to applications
 - Ex: TMDL report
- Want to reiterate that local government capacity to apply is a real problem and that local governments have the same issue.

How could the DNRC administrative burden be decreased?

Limit the number of Term Amendments

Provide Technical Assistance contracted services to help communities apply for planning grants.

Application questions and ranking based on project type – Infrastructure or Irrigation.

- Pertinent grant information is being sent to the town/local government instead of the hired engineering firm (who is considered a partner to the town in the project). This holds things up and can cause confusion.
- Submittable has created a barrier between the client and the DNRC (Engineering Firm)
 - Stakeholder understands that DNRC would like to have a direct contact with community but being able to communicate directly with the hired engineer can help move things faster.
- Submittable is not functioning as well as needed.
 - Administrative burden

Program specific rules/guidelines

Mandatory grant kickoff meeting.

Document Standards:

PER must meet SRF/MCEP standard

Technical Memo must address a specific project identified in a PER.

Capital Improvement Plans must meet Department of Commerce standard.

WRP must meet DEQ standard

Nonpoint Source Projects must be identified in a WRP

Eligible reimbursement for contracted services only.

Ranking considers local cash match.

Irrigation Planning Grants

- Allow funding to prepare application and no match requirement.
- There are other avenues that may not lead to an application – figure other options if they don't have time – use planning grant to prioritize what needs to move forward.
- More frequent cycles per year
- Farmers and ranchers plan differently, and the PER really helps them understand needs so project is well developed and sustainable.
- Helps them develop cost of projects.
- Planning grant to check entire system or specific need – use to prioritize projects.
- Provides objective analysis.
- Strategic plans – irrigators may think problem is specific and planning helps them see bigger picture.
- PER or strategic plans and process builds capacity
- Planning grants allow for innovative and "pilot" approaches, assessing best alternatives, etc. This is HUGE to get partners to the table and build momentum for projects.
- Cost for PER for irrigation versus infrastructure (1/3 irrigation – 2/3 infrastructure) – Keep the amount the same for both or irrigation is at disadvantage.
- Timing to project implementation – planning is a challenge - biennium related to legislature
- First come first serve – keep going until the money is spent.
- Something similar to ARPA where a committee met monthly and kept projects moving along – Give interim committee ability to authorize project funding.
- Planning grants allow for innovative and "pilot" approaches, assessing best alternatives, etc. This is HUGE to get partners to the table and build momentum for projects.
- No match also relieves a huge constraint on our operations.
- Streamline the process to keep costs down for planning and put them in the project.
- 40k is too much but 15 isn't enough. 30k is good but many projects don't take that much.
- Keeping planning grant flowing helps keep projects moving.
- These are simple – draft PER – no reporting.
- Technical assistance would be best if did not cycle.

Private Grant Program

House Bill 6 Authorization

\$100,000

Purpose: To provide financial assistance to water-related projects that meets the purpose of the Renewable Resource Grant and Loan Program. They promote the conservation, development, and beneficial use of Montana's water resources to secure maximum economic and social prosperity for its citizens.

Applicant Eligibility

"Private Person" per MCA 85-1-102(6)(a)

Applicant must construct and operate within the state of Montana MCA 85-1-609 (1)(b)
(Montana residents only)

Applicant must hold all necessary lands for the necessary operation and maintenance of the project MCA 85-1-609 (4). (Primary residence only)

Projects that could not be accomplished without the assistance of a grant or loan must be given preference MCA 85-1-610 (6) (Cannot be an income property)

Project Eligibility

Septic tank replacement/repair or upgrade

Septic system upgrades to level 2

Project Caps

Septic tank replacement/repair or upgrade: \$5,000

Septic system upgrades to level 2: \$7,500

Private Person - Match Requirements -50% of the total project cost MCA 85-1-614 (b)

Grant Application Cycle

Application cycle is open until funding is allocated.

Grant Administrative Requirements (Applicants)

Reimbursement request only

Application documents, no progress or final report

How could the DNRC administrative burden be decreased?

Update application questions based on project type

Execute grant agreement upon award

Program Specific Rules

Clarify ineligible projects: New private wells & Septic system for new home construction

Emergency Grant Program

House Bill 6 Authorization

\$300,000

Purpose: To provide financial assistance to immediate threats to the beneficial management of a renewable resource and, if delayed, will cause substantial damage or legal liability. These do not include emergencies due to lack or delay of maintenance.

Applicant Eligibility

State, Tribal, or Local governments MCA 85-1-605

Project Eligibility

Emergencies are defined as projects otherwise eligible for grant funding...

projects that measurably conserve, manage, develop, or preserve resources including:
feasibility, design, research, and resource assessment studies;
preparation of construction, rehabilitation, or production plans; and
construction, rehabilitation, production, education, or other implementation efforts.

...that, if delayed until legislative approval can be obtained, will cause substantial damages or legal liability to the project sponsor.

Projects that result from gross negligence of the applicant are not eligible for emergency grant funds. Examples include:

Irrigation structure/diversion and headgate repairs after flooding.

Frozen line breaks, ice damage, lightning strike on electrical system, rocks disabling lifts stations, or other unplanned damage.

Water intake structures, sewer lagoons or dike repairs after flooding.

Project Caps

Low to moderate severity and low to moderate financial need: \$10,000

High Severity High Financial need: \$30,000

- More money in emergency grant funds and flexibility
- Emergencies that may qualify often exceed the limit of available funding (\$10k-\$30k grant amounts)
 - There can also be a cascading impact from these.

Match Requirements – none

- Necessary and helpful grant program

Funding recommendations are made to maximize benefit to Montanans and will be based on the total amount of grant funds available, the amount of grant funds requested, and the total project cost.

- Increasing grant limit
- Outreach – irrigation community may not be aware of this opportunity.

Grant Application Cycle

Application cycle is open until funding is allocated.

- Emergency grants may be less utilized because they are geared more towards smaller projects. (They often utilize SRF to fund larger
 - SRF has programmatic requirements that must be fulfilled but we may be able to award if it is a true emergency.

Grant Administrative Requirements (Applicants)

Reimbursement request

Final Report

How could the DNRC administrative burden be decreased?

Update application questions based on project type

Revise approval process

Execute grant agreement upon award

- During Spring/Fall water school – DNRC puts on a workshop for operators and administrators to cover all options on what is available through DNRC (increasing partnerships)

Program Specific Rules

Entity receiving emergency funding is required to provide financial information

Applicant must provide repair costs, schedule, and a list of other available funding sources

Grants can reimburse project expenses that occur within the current biennium

Limit eligible reimbursement to contracted services or equipment purchases

Irrigation Development Grant Program

House Bill 6 Authorization

\$500,000

Purpose: To provide financial assistance to private family farms, owned and operated by a resident of Montana, to develop and/or rehabilitate existing irrigated agriculture.

Applicant Eligibility

State, Tribal, or Local governments MCA 85-1-605

"Private Person" per MCA 85-1-102(6)(a)

- No legislative review
- Good program for small private farms – catalyst for other projects.
- Don't have to go through CD or other entity – available private.
- Timing – can happen quickly if something needs to be done right away – quick turnaround from application to completion.
- Only private entity required to provide match.
- Great program for small projects

Project Eligibility

Projects that **measurably** conserve, manage, develop, or preserve resources.

Small family on farm projects [85-1-6010\(2\)](#) must be given preference.

A family farm is one devoted primarily to agriculture under the ownership and operation of a resident Montana family.

Irrigation for lawns or domestic use is not eligible.

Projects must provide public benefits MCA 85-1-609 (1)(g):

Ranking will consider irrigation acreage.

Alfalfa for personal use not eligible.

Project will be constructed, developed, and operated within the state of Montana.

Applicant must demonstrate adequate financial resources to construct, operate, and maintain the project.

Grant funds cannot reimburse resalable or moveable equipment, i.e. pivots or pumps. Examples include:

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

Measurement

Project Caps

\$30,000-\$50,000

Private Person - Match Requirements -50% of the total project cost MCA 85-1-614 (b)

- Caps are low – restricted to only small projects.

Grant Application Cycle

2 competitive grant application cycles per biennium

Grant Administrative Requirements (Applicants)

Startup Documents

Progress reports required with reimbursement request

Final report

- No submittable
- Scale back grant administration as much as possible – limit quarterly reporting
- Program currently required ag – Would be good for optional hydro benefit to nearby stream flow (Program was designed for crop production)
- Water reservations opportunity - limited interest if not guaranteed - marketing of program and integrating into water reservation system.
- Runs out of money quickly and increased funding would be a great
- Could you move money from other grant programs with DNRC?
- Great opportunity for public entities to sponsor private individuals – increases projects.
- Technical assistance discussion – similar to MCEP putting out a list of prequalified engineers that could help – ditch company would email request for help and someone would go out on site to help
- Keep them flowing.

How could the DNRC administrative burden be decreased?

Pre-qualify eligible projects

Revise application based on application type – new or repair/rehabilitate existing

Reduce reporting, progress reports due with reimbursement reports only

Program specific rules/guidelines

Mandatory project kickoff meeting

Site visits

Limit eligible reimbursement and match to actual cost of equipment or contracted services.

Projects that could not be accomplished without the assistance of a loan or grant must be given preference.

Applicants must demonstrate a clear budget, cash match, and a financial need i.e. no income from assessments.

DNRC shall attempt to achieve geographic balance in the promotion of renewable resource grant and loan projects through the awarding of loans and grants to private persons.

Limit 1 application per applicant per biennium

Limit 1 application per project

Projects must preserve for the citizens the economic and other benefits of the state's natural heritage.

Applicants must demonstrate the local, regional, or statewide impact of water use for crop production.

- No engineering oversight and applicant may not know what permits are required.

Watershed Management Grant Program

House Bill 6 Authorization

\$500,000

Purpose

To provide financial assistance for the development and implementation of locally led watershed related planning and capacity building activities for water resource and related watershed resource preservation.

Applicant Eligibility

State, Tribal, or Local governments MCA 85-1-605

"Private Person" per MCA 85-1-102(6)(a)

Project Eligibility - DRAFT

- Flexible funding, would like to see it stay flexible in being able to use it for capacity -BSWC and other positions.
- Allows for community-based projects and outreach that would not be able to happen otherwise.
- Broaden description of what an eligible project is – on draft.
- Screening criteria build into application to make sure eligible.
- BSWC- partnership is being reassessed (MACD/MWCC/MCC)
 - Flexible to hire or fund positions beyond BSWC.
- Where does the BSWC/intern/add'l staff fit in?
- Please don't eliminate admin from the grant.
- still allow for admin fee up to a certain % with appropriate justification. I also think it would be helpful to include reporting criteria and reports in the WMG grant announcement to help us calculate how much we expect to need for admin.
- How much NRGWG – cross pollination and planning – curious about get big slug of planning grant money and then how do you get project grants out. Some of big BOR grants go for \$1Million. Is there a way to help a bunch of groups come in for one grant? Is there a way in ranking to tie them together?
-

Watershed Group Formation

- include Watershed Group Expansion
 - if we're adding staff for the first time, we might need to create an employee manual, establish a hiring and interview procedure, determine interview questions, work-planning, etc. I know you don't want to fund simply sustaining a watershed group and wouldn't want to cover these each time a group hires a new employee, but it would be helpful to have funds the FIRST time when we're establishing hiring procedures.

Watershed Group Strategic Plans

Watershed Group Strategic Program or Initiative (identified in a strategic plan)

- Where does drought fit?

Project Caps – DRAFT

Watershed Group Formation – \$40,000

Watershed Strategic Plans - \$25,000

- Should strategic planning be put under “planning grants”

Watershed Strategic Program or Initiative - \$30,000

- Larger funding caps and longer timelines per grant; Not enough funds per cap
- Moving forward could there be more funding for this program.
- Add small portion of grant to capacity in general to help group plan overall not just a single project.

Match Requirement

Private entity - Match Requirements -50% of the total project cost MCA 85-1-614 (b)

- Match to be lowered or eliminated.
- WS group could apply with lower match.

Local Government – No Match Requirement

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

- Low capacity of local governments (sponsor) is not worth taking for some grants (the admin given to the local govt is not worth the effort and could be used for the project)

Grant Application Cycle

2 competitive grant application cycles per biennium

- A lot of effort to apply with not enough funds available to make it worth it.
- What if our application includes tasks for multiple WMG categories? Say, we are doing strategic planning and need \$X for that, but also want to create a new program, under the Strategic Program category. What would the cap be then? Could you reasonably in one proposal ask for \$25k planning and \$30k program? Or a portion of the cap for each category with some overarching cap? It would really be a pain to have to apply for two grants (and for DNRC to have to review two grants) when most of the info will be the same, just two different tasks because there are two different categories. In my opinion,

it makes more sense to have a flat cap for the WMG no matter what category it is – that would make it easier for applicants with multiple tasks.

Grant administration requirements (Applicants)

Monthly or quarterly progress reports

Final report upon completion of grant

- Not consistent with grant administration

How could the DNRC administrative burden be decreased?

MOU is required for grants with a local government sponsor.

Having a local sponsor can add to administrative cost.

Ranking will give preference to grants that can be completed within 2 years.

- Standardize reports and reimbursement requests.
- Education about what grant programs exist and what they fund
- Decrease/simplify reporting supplemental documentation.
- Training for grantees upfront about what is required.
- Find balance between reporting requirements and trusting grantees.
- Reduced match – lower reporting requirements
- To make administration and application consistent
- Changes happened in middle of grant cycle; requirements changed causing increased staff time needed.
- Reporting for staff time is much more stringent than any other funder
- Create templates and have a webinar to make it very clear what will be expected.

Program specific rules/guidelines

Startup conditions on awarded grants.

Mandatory project kickoff meeting

Site visits

Watershed Restoration Plans and NPS Project Plans funded by RRG Planning Grants

Rank based on committed cash 1:1 match, not in-kind contribution

Update application questions based on project type

Eliminate specific program cost caps

Compliance with State Travel Policy

Nonpoint Source Pollution Reduction Grant Program

House Bill 6 Authorization

\$2,500,000

Purpose: To provide financial assistance to projects which measurably preserve Montana's water resources. Projects must improve water quality or water quantity including streamflows and water storage in existing natural systems, such as riparian areas, flood plains and wetlands.

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

Applicant Eligibility

State, Tribal, or Local governments MCA 85-1-605

"Private Person" per MCA 85-1-102(6)(a)

Project Eligibility – DRAFT

Municipal Sewer Connections to eliminate individual or group septic systems.

Grants for municipalities do not require match.

- Give funds directly to municipality to have then distribute funds??

Project grants to private entities must meet match requirements 50% of total project cost.

Grant funds must directly offset or eliminate costs for individual homeowners to connect.

Septic systems must be abandoned and reclaimed.

- Could plans or studies be eligible for grants?
- DEQ has priority watershed, half funds go there in each cycle. Does that mean half of this source would be allocated?
- Possibly burn through funding for municipal hook ups due to cost and number of hook ups and could have little to no impact
- Individuals may not want to hook up due to increased monthly cost to them
- Making long term difference of just offsetting cost for private citizens?
- Inventory needed to know where the greatest need and impact could be (could be opportunity)
- 1M for connections is not a lot to make a real difference, will just scratch surface, not much impact, random
- Funding for a qualitative study to make sure being strategic with projects??
- Water quality deliverable tied to connections??

- Could get priority based on proximity to high-risk zone
- Confined to places where there can be an impact

Nonpoint Source Implementation Projects

Projects must be identified in Montana NPS Appendix A Best Management Practices

Projects identified in a WRP will receive priority.

Planning for NPS projects is not eligible, see RRG Planning Grants.

- Can fund things that 319 can't
- Flexible
- Expand Flathead model
- "Implementation Projects" increase in funding?

DEQ 319 Funded Projects

Projects must be approved by the DEQ for 319 funds.

Grant funds will be used as non-federal match to meet the 319 grant requirements.

Grant program meets the same eligibility and other requirements of the 319-grant program.

- Become symbiotic with 319 – not duplicative
- Move \$ out of DEQ 319 to implementation
- If States can match 319 2 to 1 then the WRP requirement no longer required, if that is still in effect could that be something to look at???
- Could be used as match for other projects, not just 319
 - Leveraging against other non-point programs, keep some funding "open" for Match with NRCS, and other federal or non-federal funders (1M)
- Could give funds to places/organizations where no other grant program can?
- Like to see the work on the ground, to make a difference.
- Potential to get large impact projects to utilize these funds.
- If it is one time funding, make sure that something significant is done and has a noticeable impact
- MS4 Permitted as well as unpermitted areas could use funds?

Project Caps - DRAFT

Municipal Sewer Connections (Est. \$1,000,000)

Total grant cap per local government: \$100,000

Cap per connection \$5,000

Cap per connection for Private \$5,000

Private Person - Match Requirements -50% of the total project cost MCA 85-1-614 (b)

Nonpoint Source Implementation Projects (Est. \$500,000)

Project Cap: \$50,000

Local government – no match requirement

Private Person - Match Requirements -50% of the total project cost MCA 85-1-614 (b)

Ranking will consider committed cash match

DEQ 319 Funded Projects (Est. \$1,000,000)

Est. \$2,000,000 in DEQ 319 grant funds for the biennium.

30% of the total project cost. (60% 319 Grant, 30% RRG, 10% Local Match)

Grant Application Cycle - DRAFT

Municipal Sewer Connections

Application cycle is open until funding is allocated.

Nonpoint Source Implementation Projects

One competitive grant application cycle – Est. Spring 2024

DEQ 319 Funded Projects

Based on DEQ application cycles and awards.

Grant administration requirements (Applicants)

Municipal Sewer Connections

Local Government – reimbursements, quarterly, final report.

Private entity – one reimbursement, no reporting.

Nonpoint Source Implementation Projects

Reimbursements, quarterly, final report

DEQ 319 Funded Projects

Align reimbursement and reporting with DEQ's requirements.

How could the DNRC administrative burden be decreased?

Municipal Sewer Connections

Local Government – define reporting on a per/connection basis.

Reimbursement cap based on a per/connection, invoices must exceed the cap.

Private entity – One time reimbursement only, no final report.

Nonpoint Source Implementation Projects

Reimbursements, quarterly, final report

DEQ 319 Funded Projects

Could DEQ administer grant funds and provide quarterly and final reports to DNRC?

- Standardize and make sure the application and reporting documents are consistent through a grant cycle.
- Future grants – are they going to look just like the ARPA grants or are we able to revert back to regular state management tactics.
- We've been working in this field for decades. Issue – seeing increasing reluctance from potential sponsors. They are expressing lack of capacity, reporting, other issues to engage in these projects. Have hit the ceiling in putting money on the ground.

Program specific rules/guidelines

Application based on Project Type:

Municipal Sewer Connections

Grant applications could be customized by local government or private.

Nonpoint Source Implementation Projects

Grant application could be based on RRG Project application.

DEQ 319 Funded Projects

No application needed. Used to fund DEQ approved projects.