

American Rescue Plan Act Water & Sewer Infrastructure Minimum Allocation Grants

MACO/Montana League of Cities and Towns Virtual
Town Hall

April 15, 2022



Minimum Allocation Grants



- HB 632: \$150 million of State ARPA funds.
 - Distributed to incorporated cities/towns and counties based on BARSAA tax percentage
- Use Requirements - both Federal ARPA and HB 632.
- Local Fiscal Recovery Funds (LFRF) are different! MAG can't be used for General Government Services under Revenue Replacement like LFRF.

Applications accepted until January 1, 2023; funds must be obligated by end of 2024, spent by end of 2026



Where to find your Minimum Allocation and Apply

- Go to arpa.mt.gov, click on "Water & Sewer" and then on "Minimum Allocation Grant Program"

The Montana Department of Natural Resources & Conservation

Home Applications & Awards MAG Applications Commission Meetings Grant Management

AMERICAN RESCUE PLAN ACT

Water & Sewer Grants

January Infrastructure Advisory Commission Meeting

Competitive Grant Program Minimum Allocation Grant Program Irrigation Grant Program

DNRC ARPA Dashboard

Counties, Cities, and Towns

The amount of \$150 million of the coronavirus state fiscal recovery funds appropriated in must be used to provide minimum allocation grants to local governments for water and sewer infrastructure projects eligible for funding under the American Rescue Plan Act.

Counties

County	Minimum Allocation	Match Required
MONTANA COUNTY	-	REQUIRED
BEAVERHEAD COUNTY	\$1,295,908	\$459,034
BIG HORN COUNTY	\$1,180,802	\$646,765
BLAINE COUNTY	\$1,050,444	\$324,427
BROADWATER COUNTY	\$552,124	\$302,866
CARBON COUNTY	\$767,731	\$520,802
CARTER COUNTY	\$539,699	\$60,797
CASCADE COUNTY	\$1,787,464	\$1,787,464
CHOUTEAU COUNTY	\$1,226,355	\$273,633
CUSTER COUNTY	\$722,083	\$553,676
DANIELS COUNTY	\$444,537	\$82,066
DAWSON COUNTY	\$746,961	\$418,244
DEER LODGE COUNTY	\$341,546	\$341,546
FALLON COUNTY	\$435,296	\$138,201
FERGUS COUNTY	\$1,156,165	\$536,583
FLATHEAD COUNTY	\$4,370,157	\$4,370,157

Local Fiscal Recovery Funds for Cities and Towns visit: <https://arpa.mt.gov/Local-Governments>

Local Fiscal Recovery Funds for Counties and Metropolitan Cities visit: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

BEAVERHEAD COUNTY
\$1,295,908
Minimum Allocation Grant

BEAVERHEAD COUNTY
\$459,034
Match Required

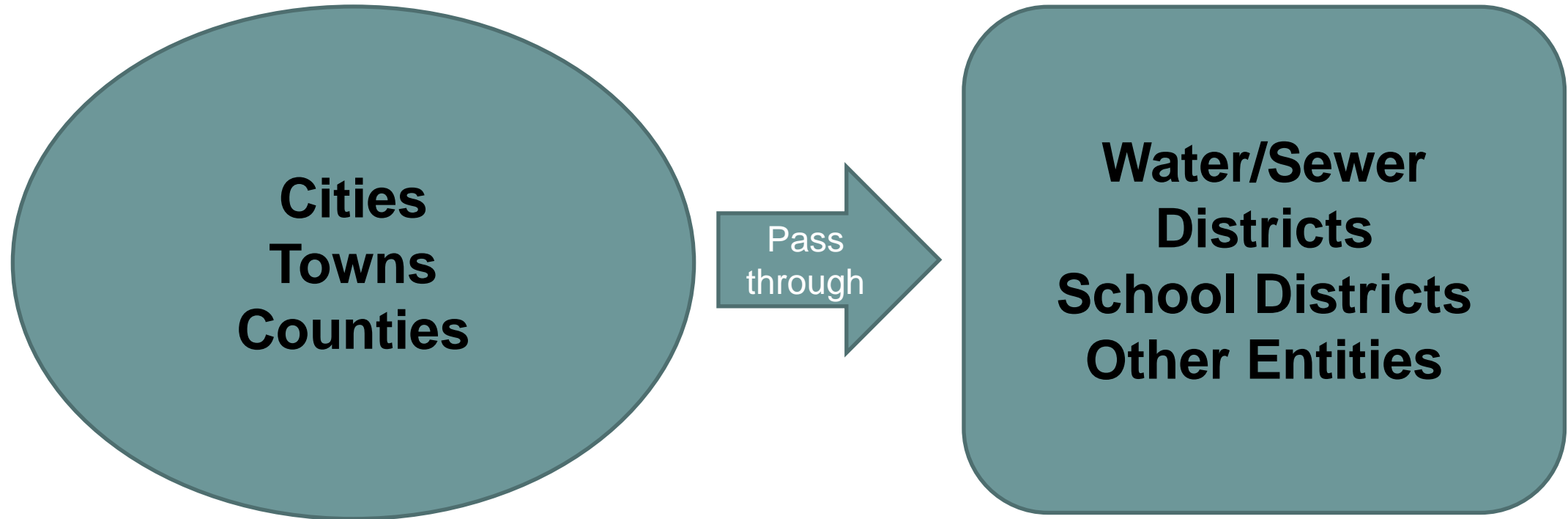
BEAVERHEAD COUNTY
9,453
2019 Population Estimate

BEAVERHEAD COUNTY
\$43,201
Median Housing Income





Eligible Applicants





Eligible Projects, Water

- Treatment
- Transmission and distribution
- Source
- Storage
- Consolidation
- Creation of new public systems
- Water security and Energy efficiency
- Planning (PERs and CIPs)



Eligible Projects, Wastewater



- Centralized wastewater treatment
- Energy and water conservation
- Stormwater projects with water quality benefit
- Agricultural best management practices
- Decentralized wastewater treatment
- Resource extraction of contaminated sites
- Landfills
- Habitat protection and restoration
- Groundwater protection and restoration
- Surface water protection and restoration
- Planning/Assessment (PERs and CIPs)



Eligible Projects, New Categories



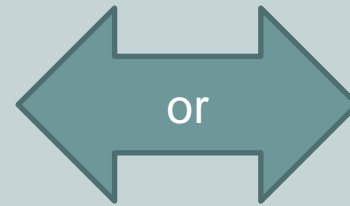
- Stormwater: Culvert repair, resizing, and replacement of storm sewers. *No longer requires a direct water quality benefit but must be part of a stormwater management system.*
- Private Residential Wells: Testing initiatives and treatment/remediation strategies that address contamination. *No longer required to be a public water system.*
- Lead in Schools: Replacement of internal plumbing and faucets and fixtures in schools and childcare facilities.
- Growth: Reasonable growth anticipated at time project is initiated.





Match Required

**50% of
Project
Cost**



**25% of
LFRF**

Whichever is **LOWER!**

Note: For multiple MAG grants, each one must meet formula above.



Match Information



Arpa.mt.gov > Water & Sewer > Minimum Allocation Grant Program > Download the Application Guidance PDF > APPENDIX A

The screenshot shows the website interface for the Minimum Allocation Grant Program. At the top, there are navigation links: Home, Applications & Awards, MAG Applications, Commission Meetings, and Grant Management. Below this, there are two main buttons: "Qualifying Water Projects" and "Qualifying Sewer Projects". A red arrow points from the "Qualifying Sewer Projects" button to a "Download the Application Guidance PDF" button in the lower section. This button includes a PDF icon and the text: "Download the Application Guidance PDF. In order to be considered for water and sewer grant funds, you must use the online application, mailed or emailed applications will not be considered as official application." Below this, there are two other buttons: "Click Here to Start the Application" and "Click Here to View the Minimum Allocation Dashboard". At the bottom, there is a "How the Process Works" section with a diagram showing "DNRC Review".

APPENDIX A MINIMUM ALLOCATION GRANT TABLES

Table A: Minimum Allocation Grant for Cities and Towns and Required Match

Cities & Towns	ARPA Minimum Allocation Grant HB 632	ARPA Local Fiscal Recovery Funds (LFR) *US Treasury ³	MATCH REQUIRED Lesser of 1 to 1 matching OR 25% of ARPA LFR Funds
ALBERTON	\$88,369	\$114,097	\$28,524
ANACONDA	\$901,982	\$2,338,226	\$584,557
BAINVILLE	\$110,585	\$80,840	\$20,210
BAKER	\$422,400	\$484,274	\$121,068
BEARCREEK	\$32,376	\$20,978	\$5,244
BELGRADE	\$1,373,285	\$2,431,090	\$607,773
BELT	\$113,344	\$144,284	\$36,071
BIG SANDY	\$182,739	\$143,773	\$35,943
BIG TIMBER	\$372,616	\$435,156	\$108,789
BILLINGS	\$15,607,145	\$15,940,314	\$3,985,079
BOULDER	\$281,644	\$326,431	\$81,608
BOZEMAN	\$6,779,360	\$12,747,939	\$3,186,985
BRIDGER	\$172,938	\$193,147	\$48,287





Match example Town XYZ:

Total project cost = \$100,000, Minimum Allocation = \$88,000, LFRF = \$114,000

Method 1: 50% of \$100,000 = \$50,000

Method 2: 25% of \$114,000 = \$28,500

\$28,500 is the minimum required match.

Grant request will be $\$100,000 - \$28,500 = \$71,500$

Remaining MAG = $\$88,000 - \$71,500 = \$16,500$

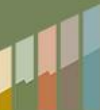




Match, Sources

- Other loans: SRF, USDA-RD
- Other grants: MCEP, CDBG, RRGL
- Other ARPA funds: LFRC, Competitive, Tribal
- Local Funds: Utility maintenance funds
- In-kind services: Labor or design work

- Match expenses can be incurred prior to March of 2021 but must be directly related to the project.





Operating as a "pass through"

Because counties do not often own/operate water and wastewater systems, they will operate as pass throughs for School Districts, Water/Water and Sewer Districts and Unincorporated Towns

Being a "pass through" is not a passive act. At a minimum, it requires:

1. You to apply for MAG on behalf of the Water/Water and Sewer District or Unincorporated Town
 - *This includes providing the necessary match for the grant if necessary (if not provided by the District/other entity, ideally from Local Fiscal Recovery Funds)*
 - *Application can cover direct costs (including administration of the grant) and should include the cost of an audit*
2. Executing MOUs as necessary
3. Ensuring that procurement complies with state and federal requirements
4. Administer grants including requesting reimbursements, etc.*
5. Comply/ensure compliance with state and federal reporting requirements

****administrative costs can be included in grant request/budget***

If you have any questions or need assistance:

[CONTACT US](#)





Reporting

- Minimum Allocation Grant funding is federal—the state of Montana is required to report performance and accomplishments funded through this program to ensure efficient and effective distribution of ARPA funds.
- At a minimum, local governments receiving MAG funding should expect to submit performance reports describing:
 - The status of the project;
 - Accomplishment of project goals and objectives;
 - Any problems or obstacles encountered; and
- Financial reports providing:
 - An overview of the project's financial status;
 - Total expenditures;
 - Any program income earned; and
 - Match provided

DNRC may add additional reporting requirements to meet Montana's reporting obligations.

If you have questions:

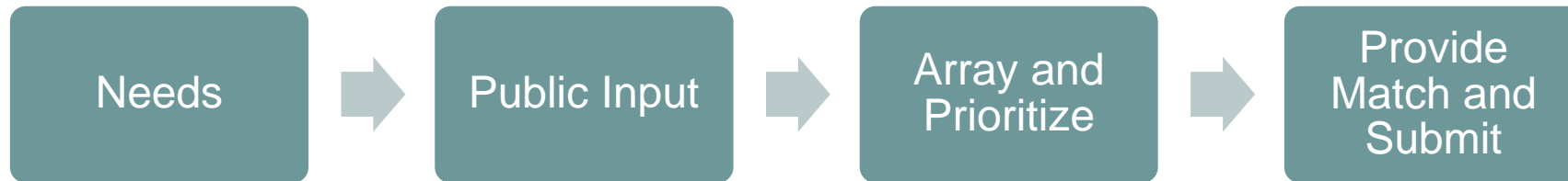
[CONTACT US](#)



Making a Minimum Allocation Grant (MAG) Plan

A local government may invite proposals from eligible water and sewer districts and associations for ARPA Minimum Allocation Grant funding.

Projects can then be prioritized according to needs, with public input.

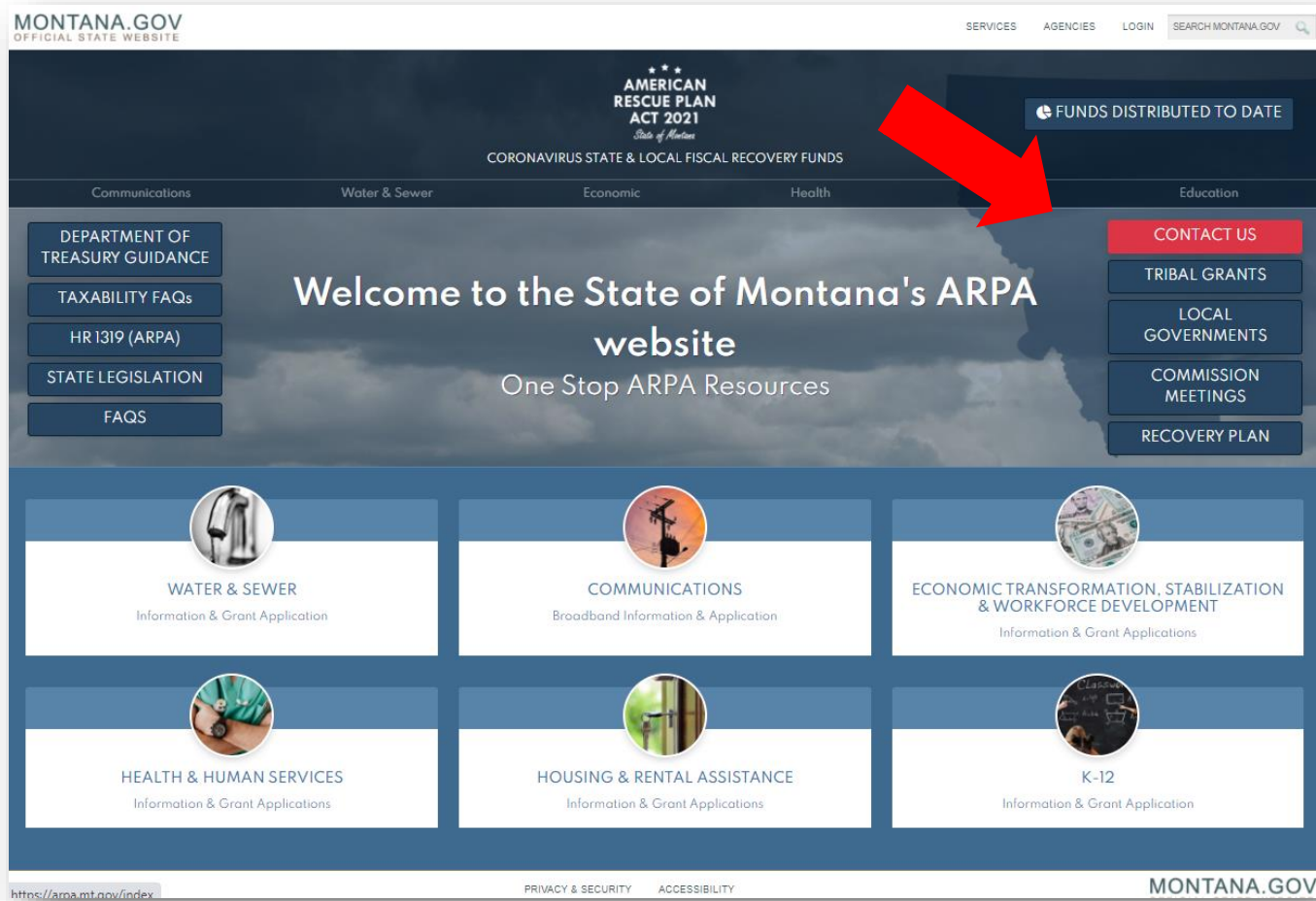


Example:

Minimum Allocation Plan – County total Minimum Allocation: \$100,000	
MAG #1 Meadowlark Water and Sewer District	\$50,000
MAG #2 Lone Hills Water and Sewer District	\$25,000
MAG #3 Elk Bluff Water and Sewer District	\$25,000
MAG Total:	\$100,000
County Match Total (1:1, from Local Fiscal Recovery Funds)	\$100,000



Technical Assistance



The screenshot shows the Montana ARPA website. At the top left, it says "MONTANA.GOV OFFICIAL STATE WEBSITE". In the center, it reads "AMERICAN RESCUE PLAN ACT 2021" and "CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS". A red arrow points to a "FUNDS DISTRIBUTED TO DATE" button. Below this, there are navigation tabs for "Communications", "Water & Sewer", "Economic", "Health", and "Education". On the left side, there are buttons for "DEPARTMENT OF TREASURY GUIDANCE", "TAXABILITY FAQs", "HR 1319 (ARPA)", "STATE LEGISLATION", and "FAQS". In the center, it says "Welcome to the State of Montana's ARPA website" and "One Stop ARPA Resources". On the right side, there is a "CONTACT US" button and a list of links: "TRIBAL GRANTS", "LOCAL GOVERNMENTS", "COMMISSION MEETINGS", and "RECOVERY PLAN". At the bottom, there are six service categories: "WATER & SEWER", "COMMUNICATIONS", "ECONOMIC TRANSFORMATION, STABILIZATION & WORKFORCE DEVELOPMENT", "HEALTH & HUMAN SERVICES", "HOUSING & RENTAL ASSISTANCE", and "K-12". The footer includes "https://arpa.mt.gov/index", "PRIVACY & SECURITY", "ACCESSIBILITY", and "MONTANA.GOV".

Montana Department of Commerce is happy to provide technical assistance including (but not limited to):

- answering eligibility questions
- help with preparing applications
- locating potential funding sources
- providing professional engineering services to identify problems/solutions, funding packages, and prepare applications

Go to arpa.mt.gov and click on "Contact Us"!



Questions?



Resources:

- ARPA.MT.GOV
- DNRC ARPA Water/Sewer Grant Website: <https://arpa-mtdnrc.hub.arcgis.com/>
- DWSRF Eligibility Handbook: <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-eligibility-handbook>
- CWSRF Eligibility Handbook: https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf

