



GOVERNOR  
STEVE BULLOCK

STATE OF MONTANA

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## SECTION F: LONG-RANGE PLANNING

Long-Range Building Pgm

Cultural & Aesthetic Grant Pgm

Treasure State Endowment Pgm

State Building Energy  
Conservation Pgm

Reclamation & Development Grants

Renewable Resource Grants &  
Loans

Long-Range Information Technology

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GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

# INFRASTRUCTURE in MONTANA

**Purpose** – The Montana Infrastructure proposal provides the legislature the opportunity to create jobs by completing state infrastructure projects throughout Montana. HB 14 provides funding for the Long-Range Building program, Renewable Resource Grants and Loans, Reclamation and Development Grants, Treasure State Endowment Program, and Montana Community projects. The budget restores the practice of using a responsible mix of cash and bonding for building and infrastructure projects as has been the case in the state for decades.

**Executive Recommendation** –

- The 2021 Montana Infrastructure proposal is comprised of general obligation bonds, state special revenue, federal special revenue, and bond funds. **Table F-1** shows the state programs and the funding, required for the proposal.
- Following the chart below, each program provides a list of projects and more details about the program.
- State funding includes agency contributions of SSR, and SSR bonds totaling \$154,910,048.
- FSR included in projects totals \$55,003,388.
- General obligation bonds included in the bill \$160,000,000.
- Authority only projects contribute \$67,199,000 to the bill.

<div style="border: 1px solid black; padding: 5px; margin: 0 auto; width: 80%;"> <p><b>F-1</b> Montana Infrastructure</p> </div>					
	SSR	GO Bonds	SSR Bonds	FSR	Authority
LRBP	63,974,373	74,870,000		35,114,000	67,199,000
RRGL	4,465,000	4,975,000			
RDGP	3,666,778	1,247,000			
Loans			48,235,000		
TSEP	1,200,000	34,719,635			
Local Grants		44,188,365			
IT	26,505,897			19,889,388	
RW	6,863,000				
<b>Total</b>	<b>106,675,048</b>	<b>160,000,000</b>	<b>48,235,000</b>	<b>55,003,388</b>	<b>67,199,000</b>

# LONG-RANGE BUILDING PROGRAM

## LRBP

**Purpose** - The Long-Range Building Program (LRBP) was initiated in 1965 to provide funding for construction and major maintenance of state buildings. The LRBP was developed in order to present a single, comprehensive and prioritized plan for allocating state resources for capital construction and maintenance of state-owned facilities. Primary statutory authority is Title 17, Chapter 7, part 2, MCA.

### Executive Recommendations –

- **Volume 3 of the Governor’s 2021 Biennium Executive Budget** contains complete descriptions of all recommended projects. Long Range Building revenue is shown in table **F-2**. Projects for Long Range Building Program are shown within table **F-3**.
- The LRBP contains \$16,380,973 LRBP revenue, \$47,593,400 state special revenue, and \$35,114,000 federal special revenue in HB 5.
- General obligation bond projects total \$74,780,000 funded in HB 14,
- Authority-only requests total \$67,199,000 for projects that have or will receive funding that does not require an appropriation.
- Funding is requested for a total of 57 projects in both HB 5 and HB 14.
- Volume 3 includes a listing of all LRBP project requests submitted by Agencies for the 2021 biennium.
- Highest priority in the 2021 biennium is additional funding to complete the SW Veteran’s Home in Butte.

### Since the Last Legislative Session –

The Architecture & Engineering Division has completed:

- Nature Resources Research Center Addition, MT Tech;
- MMHNCC Boiler Replacement, Lewistown;
- Replacement of Capitol Skylights, Helena;
- Diesel Technology Center, MSU-N, Havre;
- Missoula College, UM Missoula;
- Capitol Complex Campus ADA Transition Plan and Improvements, Helena;
- Equipment Storage Buildings - MDT, Noxon, Sidney, Roy, Wolf Point;
- Roof Replacements, Health Sciences - UM, Capitol W-wing, DOC – Helena;
- Underground Mining Education Center, M Tech;
- Bathroom Remodel – Mathews Hall, UM - Western;
- ASC Demolition, MSU-Billings;
- Yellowstone Hall Reroof, MSU Billings;
- Demolished Receiving Hospital, MSH Warm Springs;
- Energy Improvement Projects (mechanical, lighting and energy), Statewide;

Construction is underway for:

- Norm Asbjornson Innovation Center and Parking Garage, MSU Bozeman;
- Living/Learning Center, MT Tech;
- Harrison Hall Hospitality Program Renovation, MSU Bozeman
- Sub 3<sup>rd</sup> Floor Remodel, MSU-N, Havre;
- Liberal Arts Building Renovations Phase 3, UM
- Life Safety Improvements, MSH Warm Springs
- MT Hall ADA Upgrades, MSU
- LA Phase 3, UM
- Mansfield Library Window Replacement, UM
- Sewer Lift Station, Flathead Biological Station, UM
- Phyllis Washington Education Center Addition, UM
- Female Latrines, Fort Harrison & Lewistown, DMA
- HARFC Reroof, Helena, DMA
- BARFC Reroof, Billings, DMA
- Metcalf Bridge Replacement, Helena

# LONG-RANGE BUILDING PROGRAM LRBP

TABLE F-2

**REVENUE ESTIMATE  
LONG-RANGE BUILDING PROGRAM ACCOUNT  
PROJECTIONS AS OF NOVEMBER 13, 2018  
2021 BIENNIUM**

<b>Estimated Beginning Cash Balance (July 1, 2019)</b>	(\$3,190,748)
<i>Due to \$5M transfer authorized in HB6, 65th Special Session, FY18 reverted authority, and increase in coal tax revenue projection.</i>	
<b>Revenues:</b>	
Cigarette Tax	2,975,000
Additional Cigarette Tax on Passage of LC#?	1,753,000
Coal Severance Tax	15,630,000
Interest Earnings	447,222
Supervisory Fees	931,947
DEQ Transfer - Energy Savings	400,000
OTO Fund Transfers	2,500,000
<b>Total Revenues</b>	24,637,169
<b>Funds Available</b>	21,446,421
<b>Expenditures:</b>	
Operating Costs - A & E Division	(4,513,933)
Debt Service*	0
<b>Total Expenditures - Excluding Capital Projects</b>	(4,513,933)
<b>Funds Available For Capital Projects</b>	16,932,488
<b>Funding Proposals</b>	
Capital Construction Program - LRBP Projects Only	(16,380,973)
<b>Balance Remaining</b>	\$551,515

\* Currently there are no debt service payments authorized from LRBP Fund.

# LONG-RANGE BUILDING PROGRAM LRBP

F-3 Long-Range Building Program Funded With Cash & Bonded Debt										
Priority	Agency	Project Description	Project County	Funding Sources						Total
				LRBP	Cash	LRBP Bonds	State Special	Federal Special	Authority Only	
1	DPHHS	SWM Veterans' Home Additional Funding	Silver Bow		5,000,000					5,000,000
2	MUS	Romney Hall - MSU Bozeman	Gallatin			32,000,000				32,000,000
3	DOA	Montana Heritage Center/Babcock Museum	Lewis & Clark			32,120,000				32,120,000
4	DPHHS	MSH Repair Wastewater Treatment	Deer Lodge			4,500,000				4,500,000
5	MUS	New Dental Clinic, Assisting & Hygiene Lab-MSUGF	Cascade			4,250,000				4,250,000
6	DOA	Statewide Life Safety & Deferred Maintenance	Statewide		4,550,000					4,550,000
7	MUS	MUS Statewide Deferred Maintenance	Statewide		4,550,000					4,550,000
8	DOC	MSP Treatment Center Fence	Deer Lodge		1,310,873					1,310,873
9	DOA	Capitol Building Improvements	Lewis & Clark				2,450,000			2,450,000
10	DOA	Capitol Complex Life Safety & Deferred Maintenance	Lewis & Clark				5,000,000			5,000,000
11	DOA	Update Capitol Complex Master Plan & Space Analysis	Lewis & Clark				250,000			
12	DMA	Indoor Firing Range Repurposing	Statewide		970,100			970,100		1,940,200
13	DOJ	Glendive MHP Office & Storage Building	Dawson				2,795,000			2,795,000
14	DOA	Renovate Executive Residence	Lewis & Clark				1,900,000			1,900,000
15	DOA	Leases at 301 S. Park Ave.	Lewis & Clark							0
16	MUS	Green House Laboratories-MAES	Statewide			2,000,000				2,000,000
17	DEQ	State Building Energy Conservation Program	Statewide				3,600,000			3,600,000
18	MDT	Maintenance, Repair & Small Projects	Statewide				2,300,000			2,300,000
19	MDT	Equipment Storage Buildings	Lewis & Clark Lincoln Sweet Grass				2,630,000			2,630,000
20	MDT	Headquarters Office Remodel - Wolf Point	Roosevelt				770,000			770,000
21	MDT	Yellowstone Airport Terminal	Gallatin					13,500,000	1,200,000	14,700,000
22	DMA	PT/Rec Center Addition & Alteration	Lewis & Clark					2,000,000		2,000,000
23	DMA	Military Cemetery Ft. Harrison & Missoula	Lewis & Clark Missoula					4,000,000		4,000,000
24	DMA	Federal Spending Authority	Statewide					3,000,000		3,000,000
25	DMA	FMS #3 Female Latrines & Remodel	Lewis & Clark					702,900		702,900
26	DOAg	Veterinary Diagnostics Lab - Planning Only	Gallatin				100,000			100,000
27	DOA	AUTHORITY ONLY: TRS Building Renovation	Lewis & Clark						550,000	550,000
28	DOC	AUTHORITY ONLY: Food Factory Expansion	Deer Lodge						3,000,000	3,000,000

# LONG-RANGE BUILDING PROGRAM LRBP

Priority	Agency	Project Description	Project County	Funding Sources						
				LRBP	Cash	LRBP Bonds	State Special	Federal Special	Authority Only	Total
29	MUS	AUTHORITY ONLY: MUS General Spending Authority	Statewide						16,000,000	
30	MUS	AUTHORITY ONLY: MSU American Indian Hall - Increase	Gallatin						12,000,000	12,000,000
31	MUS	AUTHORITY ONLY: Donaldson Hall - MSU Northern	Hill						6,000,000	6,000,000
32	MUS	AUTHORITY ONLY: Mackenzie Hall Systems Upgd. - MSU Northern	Hill						2,000,000	2,000,000
33	MUS	AUTHORITY ONLY: Hospitality Management - MSU	Gallatin						3,000,000	3,000,000
34	MUS	AUTHORITY ONLY: Facilities Yard Relocation - MSU	Gallatin						9,000,000	9,000,000
35	MUS	AUTHORITY ONLY: Vis. Comm Bldg. Addition - MSU	Gallatin						12,000,000	12,000,000
36	MUS	AUTHORITY ONLY: Renne Library Renov., Firs 2-4 - MSU	Gallatin						1,500,000	1,500,000
37	FWP	Future Fisheries	Statewide				1,250,000			1,250,000
38	FWP	FAS Acquisition	Statewide				260,000			260,000
39	FWP	FAS Site Protection	Statewide				1,790,000			1,790,000
40	FWP	Hatchery Maintenance	Statewide				1,500,000		400,000	1,900,000
41	FWP	Community Fishing Ponds	Statewide				100,000			100,000
42	FWP	Fish Passage Construction	Statewide					1,291,000	549,000	1,840,000
43	FWP	Habitat Montana	Statewide				8,000,000			8,000,000
44	FWP	Wildlife Habitat Maintenance	Statewide				1,000,000	150,000		1,150,000
45	FWP	Forest Management	Statewide				400,000			400,000
46	FWP	Migratory Bird Program	Statewide				650,000			650,000
47	FWP	Home to Hunt Access	Statewide				220,000			220,000
48	FWP	Big Horn Sheep Habitat	Statewide				220,000			220,000
49	FWP	Upland Game Bird Enhancement Program	Statewide				954,000			954,000
50	FWP	Smith River Corridor	Statewide				200,000			200,000
51	FWP	Grant Programs	Statewide				304,400	5,000,000		5,304,400
52	FWP	Missoula Headquarters Upgrade	Missoula				1,350,000			1,350,000
53	FWP	Glasgow Headquarters Shop & Meeting Room	Valley				1,700,000			1,700,000
54	FWP	Lewistown Area Office	Fergus				1,500,000			1,500,000
55	FWP	Admin Facilities Major Maintenance	Statewide				2,400,000			2,400,000
56	FWP	Parks Major Maintenance	Statewide				2,000,000			2,000,000
57	FWP	FAS NRD Yellowstone Pipeline Settlement	Yellowstone					500,000		500,000
58	FWP	Wildlife Habitat Improvement Program	Statewide					4,000,000		4,000,000
<b>TOTAL LONG RANGE BUILDING PROGRAM</b>				<b>\$16,380,973</b>	<b>\$74,870,000</b>	<b>\$47,593,400</b>	<b>\$35,114,000</b>	<b>\$67,199,000</b>	<b>\$224,907,373</b>	

# State Buildings Energy Conservation Program SBCEP

## **Purpose**

The State Buildings Energy Conservation Program (SBCEP), operated by the Department of Environmental Quality (DEQ), was established by the 1989 Legislature to reduce operating costs in state facilities by identifying and funding cost effective energy efficiency improvements. Statutory authority is Title 90, Chapter 4, part 6, MCA.

## **Background**

- The program was started with one-time-only federal grant funding, then from 1993-2007 the state sold general obligation (G.O.) bonds and used the bond proceeds to pay for energy efficiency improvements. These bonds are being repaid using the energy cost savings from the projects.
- In the 2011 biennium, general fund and one-time-only federal funding were utilized for energy improvement projects and enabled the establishment of the current revolving fund program.
- During the 2017 Special Legislative Session; a one-time transfer of \$450,000 was moved from the state-funded Energy Conservation and Capital Projects account to the general fund to help backfill budget shortfalls.
- Energy efficiency improvements include replacing old inefficient boilers, upgrading inefficient lighting, increasing ventilation system efficiency, insulating buildings, and providing more effective temperature controls.
- Projects are designed so the cost savings meet or exceed the investment and project repayments revolve for reinvestment in new projects.
- DEQ provides technical assistance in energy project development and works with facility staff to ensure that energy savings are maintained.
- During fiscal years 2018 and 2019, the SBCEP invested approximately \$3,000,000 in 14 projects resulting in estimated utility savings of over \$250,000 per year.

## **Executive Recommendation**

\$3.6 million in appropriation is recommended for fiscal years 2020 and 2021 for the State Building Energy Conservation Program. Proposed projects are listed in table F-4. This appropriation is noted in the LRBP chart as Energy Improvements. An additional \$1,000,000 of existing appropriation is dedicated to fund energy enhancements attributed to the Fort Peck Hatchery improvements. This project is not listed in table F-4 as it is not included in the current appropriation request.

**State Buildings Energy Conservation Program  
SBECP**

F-4 State Building Energy Conservation Program SBECP	
Department of Fish, Wildlife, and Parks	
Region 5 Bluewater Hatchery Hydroelectric	\$250,000
Giant Springs Hatchery Energy Upgrade	\$100,000
Miles City Hatchery Energy Upgrade	\$100,000
Makoshika State Park Lighting Upgrade	\$10,000
Department of Corrections	
Men's Prison Hot Water System Upgrades	\$95,000
Department of Public Health and Human Services	
Warm Springs Greenhouse Improvements	\$50,000
Eastern Veteran's Home Lighting Upgrade	\$135,000
Department of Labor and Industry	
Glendive Job Service Lighting Upgrade	\$10,000
Montana University System	
MSU Northern Brockman HVAC Upgrade	\$100,000
MSU Northern Mackenzie Dorm Boiler Upgrade	\$100,000
MSU Northern Irrigation Project	\$100,000
MT Tech Steam Line Repair	\$100,000
MT Tech S&E Building HVAC Upgrade	\$200,000
State-wide Energy Improvements	
Energy Portions of A&E Projects	\$950,000
Lighting Upgrade Projects in State Facilities	\$1,300,000
<b>Estimated Cost of Projects / Authority Request</b>	<b>\$3,600,000</b>

## **Renewable Resource Grant and Loan Program RRGLP**

**Purpose** - The Renewable Resource Grant and Loan (RRGL) Program offers funding for projects that conserve, manage, develop, and preserve renewable resources to provide economic and other benefits of the state's natural heritage. The Department of Natural Resources and Conservation (DNRC) administers the program, which is provided for in Title 85, Chapter 1, part 6, MCA. Governmental entities may apply to the program to obtain funding for community resource-related projects. Project eligibility includes irrigation system rehabilitation, stream restoration, watershed management, public water and sewer systems, and resource assessment projects.

### **Executive Recommendation -**

- **Volume 6 of the Governor's 2021 biennium Executive Budget** contains the complete project evaluations and funding recommendations for all grant and loan applications. Table **F-5** shows the projects recommended for funding.
- Renewable Resource project grant awards are included in HB 6 and will be funded with an appropriation of \$3,965,000 of natural resource projects state special revenue account (SSRA) funds.
- RRGL recommends provision for \$800,000 for project planning grants, \$100,000 in emergency grants to communities with projects that present immediate threats to public health, \$300,000 for irrigation grants, \$300,000 for Watershed Management Grants, and \$75,000 for private grants. HB 6 will appropriate \$1,575,000 of natural resource projects SSRA funds for these small grant programs during the 2021 biennium.
- RRGL also recommends provision for four renewable resource project grants that were funded by the 2017 Legislature but lost funding after the 2017 Special Session. These projects are listed at the top of table F-5. HB 6 will appropriate \$500,000 of natural resource projects SSRA revenue to fund these four projects.

### **Since the Last Session -**

RRGL Program to date- 2019 Biennium:

12 of the 26 authorized projects have been contracted for a total of \$ 1,401,140.00

Emergency Grants - contracted 7 for a total of \$ 44,000

Planning Grants – 34 grants contracted for a total of \$708,000.00

Watershed Management Grants- - 23 grants contracted for \$189,400.00

Irrigation Development Grants- 9 grants contracted for \$127,820

Septic Loan Grants -0 contracted. This program has been terminated due to lack of interest.

Private Grants- 6 grants contracted for \$14,048.87

# Renewable Resource Grant and Loan Program RRGLP

F-5  
Renewable Resource Grant and Loan Program

Rank	2021 Biennium Ranking and	County	Applicant Name	Project Title	Recommended Amount
<b>Projects unfunded in 2017 Special Session requesting funding reconsideration</b>					
18	Irrigation	Phillips	Malta Irrigation District	Reconsideration: Exeter Siphon	\$125,000
21	Irrigation	Broadwater	Broadwater Conservation District	Reconsideration: Big Springs Ditch Water Conservation, Phase 2	\$125,000
29	Irrigation	Richland	Sidney Water Users Irrigation District	Reconsideration: Main Canal Pipeline Conversion	\$125,000
35	Irrigation	Custer	Buffalo Rapids Irrigation Project District 2	Reconsideration: Shirley Main Canal Rehabilitation	\$125,000
					<b>\$500,000</b>
<b>2018 Applications requesting funding in 2021 Biennium</b>					
1	Waste Water	Missoula	Seeley Lake - Missoula County Sewer District	Seeley Lake Sewer District Wastewater Improvements, Phase 2	\$125,000
2	Dam	Granite	Granite County	Flint Creek Dam Rehabilitation	\$125,000
3	Waste Water	Flathead	Whitefish, City of	Whitefish Wastewater Treatment System Improvements	\$125,000
4	Water Management	Missoula	Missoula, City of Parks and Recreation Department	Rattlesnake Dam Removal	\$125,000
5	Irrigation	Powell	Montana Department of Natural Resources and	Douglas Canal Rehabilitation	\$125,000
6	Water Management	Flathead	Flathead Conservation District	Trumbull Creek Restoration and Aquifer Protection	\$125,000
7	Dam	Ravalli	Canyon Creek Irrigation District	Canyon Lake Dam Rehabilitation	\$125,000
8	Water Management	Wheatland	Harlowton, City of	Harlowton Roundhouse Wetland Restoration	\$125,000
9	Waste Water	Sanders	Thompson Falls, City of	Thompson Falls Wastewater System Improvements	\$125,000
10	Irrigation/ Study	Broadwater	Montana Department of Natural Resources and	Broadwater Missouri Canal System Master Plan	\$125,000
11	Waste Water	Petroleum	Winnett, Town of	Winnett Wastewater System Retrofit	\$125,000
12	Irrigation/ Dam	Ravalli	Bitter Root Irrigation District	Como Dam Water Resource Enhancement	\$125,000
13	Waste Water	Wheatland	Harlowton, City of	Harlowton Wastewater Improvements	\$125,000
14	Irrigation	Blaine, Glacier, Hill, Phillips, Valley	Milk River Joint Board of Control	St. Mary Canal Drop 2 Replacement	\$125,000
15	Drinking Water	Jefferson	Whitehall, Town of	Whitehall Water Treatment Plant Improvements	\$125,000
16	Irrigation	Lewis and Clark	Lewis and Clark Conservation District	Willow Creek Feeder Canal Rehabilitation	\$125,000
17	Irrigation	Blaine, Roosevelt	Fort Belknap Indian Community	Fort Belknap Threemile Creek Pump Station Rehabilitation	\$125,000
19	Drinking Water	Musselshell	Roundup, City of	Roundup Water System Improvements	\$125,000
20	Irrigation	Valley	Glasgow Irrigation District	Glasgow V-63 Lateral Conversion	\$125,000
22	Irrigation	Pondera	Pondera County Conservation District	Pondera Swift Dam Rehabilitation	\$125,000
23	Waste Water	Cascade	Simms County Sewer District	Simms County Sewer District Wastewater System Improvements, Phase 2	\$125,000
24	Irrigation	Phillips	Malta Irrigation District	Malta ID Costin Lateral Pipeline Conversion	\$125,000
25	Drinking Water	Teton	Power-Teton County Water and Sewer District	Power-Teton County Water and Sewer District Water System Improvements	\$125,000
26	Drinking Water	Daniels	Scobey, City of	Scobey Water System Improvement, Phase 2	\$125,000
27	Waste Water	Flathead	Bigfork County Water and Sewer District	Bigfork County Water and Sewer District Wastewater System Improvements	\$125,000
28	Irrigation	Custer, Prairie	Buffalo Rapids Irrigation Project District 2	BRIP 2 - Lateral 1.6 Pipeline Conversion	\$125,000
30	Dam	Hill	Hill County	Beaver Creek Dam Spillway Improvements	\$100,000
31	Irrigation	Richland	Sidney Water Users Irrigation District	SWUID District 3 Main Canal Pipeline Conversion, Phase 2	\$125,000
32	Water Management	Flathead	Flathead Conservation District	Krause Creek Restoration	\$125,000
33	Irrigation	Blaine	Alfalfa Valley Irrigation District	Alfalfa Valley ID East Flynn Canal Rehabilitation	\$125,000
34	Irrigation	Musselshell	Lower Musselshell County Conservation District	Delphi Melstone Water Users Association Irrigation Efficiency & Water Measurement	\$117,050
36	Drinking Water	Flathead	Columbia Falls, City of	Columbia Falls Water System Improvements	\$122,950

# Renewable Resource Grant and Loan Program RRGLP

Rank	2021 Biennium Ranking and	County	Applicant Name	Project Title	Recommended Amount
37	Irrigation	Dawson	Buffalo Rapids Irrigation Project District 1	Buffalo Rapids Irrigation Project 1 - Lateral 1.7 Pipeline Conversion	\$125,000
38	Waste Water	Big Horn	Hardin, City of	Hardin Wastewater Treatment Plant improvements Dillon Water Transmission and Distribution Main Replacement	\$125,000
39	Drinking Water	Beaverhead	Dillon, City of	Replacement	\$125,000
40	Irrigation	Lewis and Clark	Helena Valley Irrigation District	Helena Valley Irrigation District Lateral 14.8 Headgate Rehabilitation, Phase 2	\$125,000
41	Waste Water	Lake	Polson, City of	Polson Wastewater System Improvement, Phase 2	\$125,000
42	Irrigation	Carbon	Carbon County Conservation District	Golden Ditch Company Clark Fork Diversion Rehabilitation	\$125,000
43	Irrigation	Richland	Savage Irrigation District	Savage Irrigation District Infrastructure Rehabilitation	\$125,000
44	Irrigation	Garfield, Musselshell, Petroleum, Rosebud	Petroleum County Conservation District	Horse Creek Coulee Water Storage	\$125,000
45	Waste Water	Wibaux	Wibaux, Town of	Wibaux Wastewater Treatment System Improvements	\$125,000
42	Drinking Water	Mineral	Alberton, Town of	Alberton Water System Improvements	\$125,000
47	Waste Water	Chouteau	Geraldine, Town Of	Geraldine Wastewater System Improvements Caras Park Outfall Storm Water Treatment Retrofit, Phase 2	\$125,000
48	Water Management	Missoula	Missoula, City of	Missoula Water System Improvements	\$125,000
49	Waste Water	Cascade	Black Eagle-Cascade County Water & Sewer	Black Eagle-Cascade County Water & Sewer District Water & Sewer System Improvements	\$125,000
50	Drinking Water	Lewis and Clark	East Helena, City of	East Helena Water System Improvements	\$125,000
51	Waste Water	Sheridan	Plentywood, City of	Plentywood Wastewater Collection Improvement, Phase 2	\$125,000
52	Waste Water	Missoula	Missoula County	Lewis & Clark Subdivision Wastewater Improvements	\$125,000
53	Drinking Water	Park	Wilsall Water District	Wilsall Water District Water System Improvements	\$125,000
54	Irrigation	Dawson, Richland	Lower Yellowstone Irrigation Project	Lower Yellowstone Irrigation Project Crane Wasteway & Pump Station Rehabilitation	\$125,000
55	Irrigation	Missoula	Missoula County Conservation District	Grass Valley French Ditch Clark Fork Diversion Rehabilitation	\$125,000
56	Study	Carbon	Montana Bureau of Mines and Geology	Reducing Mobilization of Oil-Brine Salt to Streams	\$125,000
57	Drinking Water	Fergus	Winifred, Town of	Winifred Water System Improvements	\$125,000
58	Waste Water	Treasure	Hysham, Town of	Hysham Wastewater System Rehabilitation, Phase 1	\$125,000
59	Drinking Water	Cascade	Vaughn Cascade County Water and Sewer District	Vaughn Cascade County Water and Sewer District Water Improvements	\$125,000
60	Irrigation	Stillwater	Stillwater Conservation District	Yanzick/Brey,Riddle Ditches Irrigation System Improvements, Phase 2	\$125,000
61	Drinking Water	Yellowstone	Lockwood Water and Sewer District	Lockwood WSD Drinking Water System Improvements	\$125,000
62	Drinking Water	McCone	Circle, Town of	Circle Water System Improvements	\$125,000
63	Irrigation	Yellowstone	Yellowstone County DES	Billings Bench Water Users Association Main Canal Rehabilitation, Phase 1	\$125,000
64	Irrigation	Treasure	Hysham Irrigation District	Re-Lift Canal Improvement	\$125,000
65	Drinking Water	Park	Clyde Park, Town of	Clyde Park Water System Improvements	\$125,000
66	Waste Water	Lincoln	Libby, City of	Libby Water System Improvements	\$125,000
67	Drinking Water	Blaine	Chinook, City of	Chinook Water System Improvements	\$125,000
68	Drinking Water	Glacier	Cut Bank, City of	Cut Bank Water System Improvements	\$125,000
69	Drinking Water	Hill	North Havre County Waster District	North Havre County Water District Water System Improvements	\$125,000
70	Waste Water	Sanders	Plains, Town of	Plains Wastewater System Protection	\$125,000
71	Study	Musselshell, Petroleum	Montana Bureau of Mines and Geology	Measuring Groundwater Recharge in Flood to Pivot Irrigation Conversions	\$125,000
72	Drinking Water	Cascade	Cascade, Town of	Cascade Water System Improvements	\$125,000
73	Water Management	Fallon	Fallon County	Baker Lake Restoration	\$100,000
74	Irrigation	Pondera	Pondera County Conservation District	Kingsbury Turnout Automation	\$125,000
75	Irrigation	Ravalli	Tin Cup County Water and Sewer District	Tin Cup County Water and Sewer District Water Conservation	\$125,000
76	Drinking Water	Jefferson	Clancy Water and Sewer District	Clancy Water and Sewer District Water Improvements	\$125,000

Shaded is included in HB 6  
Non-shaded is included in HB 14

**HB 6 Total projects**      **\$4,465,000**  
**HB 14 Total projects**      **\$4,975,000**

# Reclamation and Development Grants

**Purpose** - The Reclamation and Development Grants Program (RDGP) was established by the Montana Legislature in 1987 to enable funding for projects that indemnify the people of Montana for the effects of mineral development on public resources and that meet other crucial needs serving the public interest and the total environment of the citizens of Montana. Administered by the Department of Natural Resources and Conservation (DNRC), the RDGP fulfills this mission by funding projects that (1) repair, reclaim, and mitigate environmental damage to public resources from nonrenewable resource extraction, and (2) develop and ensure the quality of public resources for the benefit of all Montanans. The RDGP Act is Title 90, Chapter 2, part 11, MCA.

## **Executive Recommendation -**

- **Volume 5 of the Governor's 2021 biennium Executive Budget** contains the complete project evaluations and funding recommendations for the RDGP. Table **F-6** shows the projects recommended for funding.
- RDGP presents the reclamation and development grant awards that will be funded with an appropriation of \$2,722,000 in natural resources projects state special revenue account (SSRA) revenue.
- Representative mineral reclamation projects include removal of contaminated mine waste at the Silver King Mine, waste coal removal from the Bair – Collins Mine with stream restoration along the Musselshell River, and restoration of placer mining impacts to Ninemile Creek.
- Non-mineral projects include petroleum cleanup at the Harlowton Roundhouse, control of flowing wells in Richland County, and removal of contaminated soils at the former Milwaukee Roundhouse in Powell County.
- Also included in HB 7 is an appropriation from the natural resources projects SSRA of \$800,000 for planning grants and \$400,000 for aquatic invasive species control grants.
- RDGP also recommends provision for two project grants that were funded by the 2017 Legislature but lost funding after the 2017 Special Session. These projects are listed at the top of table F-6. HB 7 will appropriate \$944,778 of natural resource projects SSRA revenue to fund these projects.

## **Since the Last Session -**

As of October 1, 2018,

- 5 of the 7 grantees that received appropriations from the 65<sup>th</sup> Legislature have started their projects for a total of \$2.00 million.
- 20 planning grants have been awarded for a total of \$634,714.
- 20 projects have been funded for aquatic invasive species control and technical support for \$325,420.
- A contract awarded to Pondera County CD for \$214,000 to assist the Montana Salinity Control Association drill rig and operational control is underway.

## Reclamation and Development Grants

F-6 Reclamation and Development Grants Program							
Rank	Applicant	Project Name	County	Project Type	Requested Amount	Recom. Amount	Cumulative
<b>Projects unfunded in 2017 Special Session, Requested Reconsideration May 2018</b>							
6	Lincoln Conservation District	<b>Reconsideration:</b> Tobacco River Restoration Project - Engineering and Implementation	Lincoln	Mining	\$451,193	\$451,193	\$451,193
9	Richland County Conservation District	<b>Reconsideration:</b> Mitigating Impacts to the Fox Hills/Hell Creek Aquifer, Richland County	Richland	Oil and Gas	\$493,585	\$493,585	\$944,778
<b>Applications Received May 2018</b>							
1	Musselshell County	Bair- Collins Mine (Meathouse Road) Reclamation and Musselshell River Restoration	Musselshell	Mining	\$500,000	\$500,000	\$500,000
2	Missoula County Community and Planning Services	Ninemile Creek Mine Reclamation	Missoula	Mining	\$437,000	\$437,000	\$937,000
3	Harlowton, City of	Removal of Contaminated Soils and Free Product at the Harlowton Roundhouse in Harlowton, MT, Phase 3	Wheatland	Hazardous Waste	\$500,000	\$500,000	\$1,437,000
4	Granite Conservation District	Silver King Mine Reclamation	Granite	Mining	\$285,000	\$285,000	\$1,722,000
5	Powell County	Milwaukee Roundhouse Area Remediation	Powell	Hazardous Waste	\$500,000	\$500,000	\$2,222,000
7	Montana Department of Environmental Quality	Upper Blackfoot Mining Complex Wetland Contamination Removal	Lewis and Cla	Mining	\$500,000	\$500,000	\$2,722,000
8	Montana Department of Environmental Quality	Cottonwood #2 Acid Mine Drainage Diversion Project	Cascade	Mining	\$300,000	\$300,000	\$3,022,000
10	Deer Lodge, City of	Milwaukee Roundhouse CECRA Site Passenger Refueling Area VCRA Program Remediation	Powell	Hazardous Waste	\$297,000	\$297,000	\$3,319,000
11	Montana Department of Environmental Quality	Basin Creek Mine - Phase 2 Site Stability Project	Jefferson	Mining	\$500,000	<b>\$300,000</b>	\$3,619,000
12	Ryegate, Town of	Former Ryegate Conoco Groundwater Remediation	Golden Valley	Hazardous Waste	\$185,254	<b>\$50,000</b>	\$3,669,000
13	Montana Department of Environmental Quality	Upper Blackfoot Mining Complex Water Treatment Plant Bridge and Infrastructure Protection	Lewis and Clark	Mining	\$300,000	\$300,000	\$3,969,000

**HB 7 Total Projects \$3,666,778**

**HB 14 Total Projects \$1,247,000**

Shaded is included in HB 7

Non-shaded is included in HB 14

# Reclamation and Development Grants Program Renewable Resource Loans and Bonds

## Coal Severance Tax Bonds

**Purpose** – Department of Natural Resources (DNRC) is authorized to make loans to political subdivisions and local governments to help finance renewable resource projects.

### Executive Recommendation-

- RRGL recommends reauthorization for four renewable resource loans and associated bonds. Currently, there are six projects that will need loans funded by bonds. Table F-7 shows the requests for the 2021 Biennium plus authority to assist projects during the biennium.
- Included is a 10% reserve on the coal severance bonds of \$4,385,000.

### Since Last Session

Town of Belt – Wastewater system improvement project for \$2,680,000.

Rehabilitation of three cell lagoons, sludge removal, and land purchase. The loan was used match federal grant funds, which could not pay for the land purchase.

Town of Froid – Water system project bond refinancing.

There were savings on a loan with the reduced interest rate. The loan was for \$159,000.

City of Lewistown – Wastewater collection system improvements project for \$1,012,100.

These funds were used to provide match for the project on the city's special improvement bond for \$45,000.

### New Loans-2021 HB 8

New loans to be included in House Bill 8 include:

- Canyon Creek Irrigation District \$250,000. The project will include the lining of upstream embankment slope with an impermeable geomembrane liner to minimize seepage. By doing the lining, the district will be able to prevent dam failure, preserve soil, improve water quality, and protect aquatic and riparian along Canyon Creek drainage in Ravalli County. The estimated project cost is \$500,000.
- Central Montana Regional Water System - \$3,000,000. These loan proceeds would be used to meet local match requirements for the system for other funding sources.
- Dry Redwater Regional Water System - \$3,000,000. These loan proceeds would be used to meet local match requirements for the system for other funding sources.

### Reauthorizations- HB 8

Loans to be reauthorized include:

- Dry Prairie Regional Water Authority-\$6,000,000. These loan proceeds would be used to meet state match requirements for Dry Prairie regional water projects.
- North Central Regional Water Authority-\$10,000,000. These loan proceeds would be used to meet state match requirements for North Central Montana regional water projects.
- Huntley Project Irrigation District-\$13,600,000. This loan would finance two primary projects, the most significant of which is the reconstruction of a failing canal tunnel. Options include rehabilitation of the existing tunnel or the abandonment of the tunnel and a re-route of the canal. Other work includes improvements to multiple canals within the system.
- Montana Department of Natural Resources and Conservation-Conservation and Resource Development Division-\$8,000,000. These loan proceeds would be used to construct infrastructure projects or to refinance existing debt, resulting in significant savings to communities in interest costs on existing loans.

**Reclamation and Development Grants Program Renewable Resource Loans and  
Bonds  
Coal Severance Tax Bonds**

F-7 Renewable Resource Loan					
Applicant		County		Loan	
Dry Prairie Regional Water System	Local Share	Roosevelt	\$	6,000,000	Reauthorization
North Central Regional Water System	Local Share	Hill	\$	10,000,000	Reauthorization
Central MT Regional Water System	Local Share	Musselshell	\$	3,000,000	
Dry Red Regional Water System	Local Share	McCone	\$	3,000,000	
Huntley Irrigation District		Yellowstone	\$	13,600,000	Reauthorization
Canyon Creek Irrigation District		Ravalli	\$	250,000	
Refinance existing debt or rehabilitation of infracturture		Statewide	\$	8,000,000	Reauthorization
Bond Reserve			\$	4,385,000	
			<b>Total</b>	<b>\$ 48,235,000</b>	

# Treasure State Endowment Program TSEP

**Purpose** - The Treasure State Endowment Program (TSEP) is a state-funded grant program created to help local governments fund infrastructure projects, defined by statute as drinking water systems, wastewater treatment, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. TSEP was authorized by Montana voters through the passage of Legislative Referendum 110 in June 1992 (Sections 90-6-701, *et seq.*, MCA). Title 90, Chapter 6, Part 7, MCA sets out the basic requirements for TSEP. The mission of TSEP is to assist local governments in funding infrastructure projects that will:

- create jobs for Montana residents;
- promote economic growth in Montana by helping to finance the necessary infrastructure;
- encourage local public facility improvements;
- create a partnership between the state and local governments to make necessary public projects affordable;
- support long-term, stable economic growth in Montana;
- protect future generations from undue fiscal burdens caused by financing necessary public works;
- coordinate and improve infrastructure financing by federal, state, local government, and private sources; and
- enhance the quality of life and protect the health, safety, and welfare of Montana citizens.

## **Executive Recommendation**

**Volume 4 of the Governor's 2021 Biennium Executive Budget** contains the department's evaluation of each of the TSEP applications and the detailed funding recommendations.

- For the 2021 biennium, there were 14 Continuation Projects, requesting \$7,471,390; and 51 complete applications requesting \$27,248,245 million in project grant funds.
- TSEP contains three lists of projects recommended for TSEP infrastructure grant funds – one list for Continuation Projects (table **F-8**), one list for eligible infrastructure projects (table **F-9**) and the other for bridge projects (table **F-10**). The tables list each project and the recommended grant award.
- 11 bridge projects and 40 other infrastructure projects request funding in the 2021 biennium with an appropriation of \$27,248,245 in state special revenue from general obligation bond proceeds; and 14 Continuation projects requesting funding in the 2021 biennium with an appropriation of \$7,471,390 in state special revenue from general obligation bond proceeds.
- TSEP contains appropriations to the Department for \$900,000 for matching infrastructure planning grants, and \$100,000 for emergency projects during the 2021 biennium.
- The TSEP administration appropriation is contained in HB 2 for \$1,373,934.
- There will be an appropriation of \$100,000 each fiscal year for the administration of the Delivering Local Assistance Grant Program.

## **Since the Last Session**

As of November 1, 2018:

- 35 grantees were awarded funds from the 65<sup>th</sup> Legislature, including those identified as Continuation projects. TSEP special revenue funds were available for 21 of the 35 projects; however, 14 of the 35 projects were placed on-hold as a Continuation project due to the November 2017 Special Legislative Session transferring \$7.5 million from the TSEP special revenue account into the general fund.
- 20 of 21 grantees that received a TSEP grant award from the 65th Legislature have met start up conditions for their projects with the Department of Commerce, for a total obligation of \$11,224,651.
- 8 of the 14 Continuation projects that received a TSEP grant award from the 65th Legislature have met start up conditions for their projects; however, no contracts have been executed due to the availability of funds in the TSEP special revenue account.
- 13 of 14 grantees that received a TSEP grant awards Continuation
- 1 of 35 grantees have completed the projects that received a grant award from the 65th Legislature.
- 2 emergency grants have been awarded by the Department for a total of \$21,876.
- 63 planning grants have been awarded by the Department for a total of \$900,000.

## Treasure State Endowment Program TSEP

F-8 Treasure State Endowment Program TSEP					
Rank	Applicant	County	Project Type	Project Description	Recommended Award Amount
1	Stanford, Town of	Judith Basin	W	New well in Madison aquifer, submersible pump, new well building, transmission piping	\$211,362.00
2	Hot Springs, Town of	Sanders	W	New well, improvements to existing well, water main extended, existing water storage tank rehabilitated	\$478,632.00
3	Sheridan, Town of	Madison	W	Water distribution and storage tank improvements	\$625,000.00
4	Simms County Sewer Di	Cascade	WW	Construct new wastewater treatment facility	\$750,000.00
5	Circle, Town of	McCone	W	Replacement of water mains	\$625,000.00
6	Lockwood Water & Sew	Yellowstone	W	Water treatment improvements	\$625,000.00
7	Harlowton, City of	Wheatland	W	Replace 9,900 feet of water distribution mains	\$750,000.00
8	Cascade, Town of	Cascade	WW	Collection system and pumping improvements, and sludge removal	\$500,000.00
9	Shelby, City of	Toole	W	Water system improvements	\$750,000.00
10	Dutton, Town of	Teton	W	Replace transmission main, improvements to pump house, replace chemical feed pumps	\$500,000.00
11	Butte-Silver Bow	Silver Bow	WW	Wastewater collection improvements	\$349,286.00
12	Lewis & Clark County	Lewis & Clark	Bridge	Replace three Elk Creek Road bridges	\$309,985.00
13	Judith Basin County	Judith Basin	Bridge	Replace Ross Fork Bridge	\$247,125.00
14	Powell County	Powell	Bridge	Replace Conley Bridge	\$750,000.00
<b>TOTALS</b>					<b>\$7,471,390.00</b>

## Treasure State Endowment Program TSEP

F-9 Treasure State Endowment Program Bridges					
Rank	Applicant	County	Project Type	Project Description	Recommended Award Amount
1	Musselshell County	Musselshell	Bridge	Replace Goffena Bridge with new bridge	\$589,138
2	Lewis & Clark County	Lewis & Clark	Bridge	Replace Dalton Mountain Road Bridge with new bridge	\$558,806
3	Beaverhead County	Beaverhead	Bridge	Replace two Rock Creek Road Bridges with new bridges	\$500,000
4	Custer County	Custer	Bridge	Replace Sheep Creek Bridge with new bridge	\$357,819
5	Madison County	Madison	Bridge	Replace Giem Bridge with new bridge	\$591,768
6	Chouteau County	Chouteau	Bridge	Replace Lynch Bridge with new bridge	\$279,753
7	Fergus County	Fergus	Bridge	Replace Forest Grove Road Bridge with new bridge	\$262,839
8	Sweet Grass County	Sweet Grass	Bridge	Replace Old Boulder Road Bridge with new bridge	\$591,976
9	Jefferson County	Jefferson	Bridge	Replace Hot Springs Road Bridge with new bridge	\$207,903
10	Big Horn County	Big Horn	Bridge	Replace Soap Creek Bridge with new bridge	\$272,314
11	Gallatin County	Gallatin	Bridge	Replace Meridian Bridge with new bridge	\$750,000
<b>TOTALS</b>					<b>\$4,962,316</b>

## Treasure State Endowment Program TSEP

F-10 Treasure State Endowment Program Water and Waste Water					
Rank	Applicant	County	Project Type	Project Description	Recommended Award Amount
1	Libby, City of	Lincoln	W	Install appx. 1,100 feet of water transmission main and appx. 3,300 feet of other water lines	\$ 750,000
2	Clancy Water & Sewer District	Jefferson	W	Construct new water storage tank, install new distribution system, drill new wells	\$ 750,000
3	Wibaux, Town of	Wibaux	WW	Construct land disposal system with storage cell modifications and disinfection	\$ 750,000
4	Lockwood Water & Sewer District	Yellowstone	W	Construct additional filter trains at water treatment plant	\$ 500,000
5	Geraldine, Town of	Chouteau	WW	Replace sewer lines, install new ultraviolet disinfection system	\$ 500,000
6	Dodson, Town of	Phillips	WW	Install untraviolet disinfection system, modify wastewater lagoon	\$ 362,150
7	Hysham, Town of	Treasure	WW	Replace or repair lift stations, repair lagoon	\$ 375,000
8	Wilsall Water District	Park	W	Drill two new wells, install appx. 2,100 feet and replace appx. 1,500 of water lines	\$ 500,000
9	Whitehall, Town of *	Jefferson	W	Construct an Ion exchange water treatment plant, drill new well	\$ 625,000
10	Power- Teton County Water and Sewer District	Teton	W	Install new wells and chlorination system	\$ 625,000
11	Plains, Town of	Sanders	WW	Construct protective barrier around lagoons	\$ 500,000
12	Broadview, Town of	Yellowstone	W	Construct new water storage tank and transmission line, replace appx. 3,300 feet of water lines	\$ 500,000
13	Thompson Falls, City of	Sanders	WW	Construct collection system for unsewered area of City and replace existing lines in sewer area	\$ 750,000
14	Coram County Water and Sewer	Flathead	W	Construct new water storage tank	\$ 500,000
15	Chinook, City of	Blaine	W	Replace water distribution lines	\$ 500,000
16	Cut Bank, City of	Glacier	W	Replace appx. 5,200 feet of water lines, re-coat storage tank	\$ 750,000
17	Roundup, City of	Musselshell	W	Replace up to 6,000 feet of water lines	\$ 750,000
18	Darby, Town of	Ravalli	WW	Construct modifications to wastewater treatment system, replace sewer lines	\$ 500,000

## Treasure State Endowment Program TSEP

Rank	Applicant	County	Project Type	Project Description	Recommended Award Amount
19	Scobey, City of	Daniels	W	Replace appx .18,000 ft of water lines	\$ 500,000
20	Circle, Town of	McCone	W	Replace appx. 6,600 ft of water lines	\$ 500,000
21	Seeley Lake Sewer District	Missoula	WW	Construct phase 2 collection system	\$ 750,000
22	Polson, City of	Lake	WW	Replace appx. 6,200 feet of sewer lines	\$ 750,000
23	Black Eagle-Cascade County Water & Sewer District	Cascade	W & WW	Install new lift station and force main Construct improvements to wastewater treatment system	\$ 645,000
24	Hardin, City of	Big Horn	WW	Construct ultraviolet disinfection system at wastewater treatment plant, remove sludge	\$ 625,000
25	Harlowton, City of	Wheatland	WW	Replacement of transmission mains and select distribution mains	\$ 500,000
26	Dillon, City of	Beaverhead	W	Install new lift station and force main	\$ 500,000
27	Bigfork County Water & Sewer District	Flathead	WW	Construct new water storage tank, replace well, install new water lines	\$ 625,000
28	Vaughn Cascade County Water & Sewer District	Cascade	W	Replace storage tank, water mains, distribution lines, water system improvements, pedestrian bridge, telemetry system	\$ 500,000
29	East Helena, City of	Lewis & Clark	W	Construct additions to wastewater treatment plant	\$ 625,000
30	Whitefish, City of *	Flathead	WW	Upsize stormwater lines and eliminate cross connections	\$ 500,000
31	Red Lodge, City of	Carbon	SW	Construct new water storage tank	\$ 500,000
32	Cascade, Town of	Cascade	W	Replace or rehab appx. 8,500 feet of sewer lines	\$ 750,000
33	Plentywood, City of	Sheridan	WW	Construct addition to wastewater treatment system, replace two lift stations	\$ 500,000
34	Sun Prairie Village County Water and Sewer District	Cascade	WW	Construct water storage tank, clear well and pumphouse	\$ 430,000
35	North Havre County Water District	Hill	W	Construct water treatment plant improvements	\$ 398,779
36	Conrad, City of	Pondera	W	Construct new well, install meters, replace pumps	\$ 275,000
37	Sun Prairie County Water District	Cascade	W	Construct modifications to existing wastewater treatment system	\$ 500,000
38	Winnett, Town of	Petroleum	WW	Replace water distribution lines	\$ 600,000
39	Baker, City of	Fallon	W	Replace water distribution lines	\$ 600,000
40	White Sulphur Springs, City of	Meagher	W	Replace water distribution lines	\$ 200,000
<b>TOTALS</b>					<b>\$ 22,285,929</b>

\* reduced grant amount recommended if funded. Applied for amount higher than eligible for with project user rates at end of project

# **TSEP Regional Water Program RW**

## **Purpose**

The State of Montana, through the Department of Natural Resources and Conservation (DNRC) provides financial support and state coordination for four regional water systems in Montana. When built out, the Rocky Boys-North Central, Fort Peck-Dry Prairie, Central Montana, and Dry Redwater systems will provide clean drinking water to more than 65 communities in central and northern Montana. Two of the regional water systems benefit from Tribal partnerships, and are authorized by Congress. The other two are progressing through planning phases specified by the Department of Interior, and could both be federally authorized projects within the coming biennium.

## **Executive Recommendation**

- Regional Water appropriates the state's share of regional water system construction funding. Grant funding is limited to \$6,863,000 of state revenue for construction projects conducted by the nontribal authorities for the Fort Peck-Dry Prairie and Rocky Boys-North Central systems.
- There is an appropriation in HB 2 for administration of \$1,500,000 per year.

## **Since the last session –**

- In the 2019 Biennium, the Dry Prairie Regional Water Authority completed work on delivery of water to St. Marie. The Dry Prairie system provides good quality and needed volume. The system has been a great help to those in Eastern Montana impacted by energy development. This pipeline Phase 7 project will provide water to the Westby, Flaxville and Scobey areas with water flowing by fall 2020. The project construction cost is estimated at \$10.5 million.
- The North Central Regional Water system has completed the Cut Bank to Shelby pipeline. The North Central system is also working on the pipeline to carry water from Shelby north to the Oilmont area. The construction completion date is estimated to be July 2020 and is expected to cost about \$18 million.
- The Central Montana Regional Water system continues its 3-year ground water study in the Judith Basin. The Dry Redwater Regional Water system is using Sidney as an interim water source to provide water to two subdivisions that were under a compliance order.

## **Delivering Local Assistance Grant Program**

**Purpose** – To provide grant funding for public safety and infrastructure improvements in local Montana communities.

### **Executive Recommendation**

The Executive proposes a \$44,188,365 million appropriation to distribute grants to local and tribal governments impacted by growth or decline associated with coal, oil, or gas development in Montana communities for drinking water, wastewater treatment, or public safety infrastructure projects. The appropriation is funded from GO Bond proceeds. All rural local governments are eligible for broadband installation infrastructure projects. Rural includes a total population of an incorporated city, town, or consolidated local government reported in the latest decennial federal census is less than 20,000 persons. In addition, the Delivering Local Assistance grants will be distributed through the Department of Commerce through an application process. This grant program is proposed in HB 14.

## Cultural and Aesthetic Grant Program

**Purpose** - The Cultural and Aesthetic (C&A) Grant Program began in the 1979 biennium for protection of works of art in the state capitol and for other cultural and aesthetic projects as provided in 15-35-108, and Title 22, Chapter 2, part 3, MCA. Initially administered by the Montana Historical Society (MHS), the C&A program was transferred to the Montana Arts Council (MAC) in the 1985 biennium and continues to be funded by the interest from a statutory trust that receives coal severance tax revenues. Project applications are submitted to the MAC for review and ranking by the 16-member Cultural and Aesthetic Projects Advisory Committee, half of whom are appointed by the MAC and half by the MHS.

Coal severance tax revenue of 0.63 percent is statutorily allocated to the capitol art protection trust fund for partial funding of the recommended grants. The recommended grant awards total is \$395,881 for the 2021 biennium.

### **Executive Recommendation –**

- **Volume 7 of the Governor's 2021 biennium Executive Budget** contains the C&A project applications and advisory committee assessment information.
- HB 9 contains the projects recommended by the advisory committee for funding in the amount of \$395,881. Table **F-11** below shows the requested amount and recommended grant amounts.
- Projects are organized into four categories: special projects less than \$4,500, special projects, operational support, and capital expenditure grants.
- The revenue estimate for cultural trust interest earnings for the 2021 biennium is \$908,466.
- Montana Arts Council administration and services are recommended for \$482,391 and appropriated in HB 2.
- Montana Historical Society is appropriated in HB 9 the first \$30,000 for Capitol Complex works of art.
- Language in HB 9 provides a mechanism for spending the funds within the total revenue available.

## Cultural and Aesthetic Grant Program

F-11 Cultural and Aesthetics				
GRT #	Organization	Biennial Requested	Biennial Recommended	Cumulative
<b>Special Projects \$4,500 and Under</b>				
	2005 Mai Wah Society Museum	\$4,500	\$4,000	\$4,000
	2003 Council for the Arts, Lincoln	\$4,500	\$3,000	\$7,000
	2002 Billings Cultural Partners	\$4,500	\$3,000	\$10,000
	2007 Signatures from Big Sky	\$4,500	\$2,000	\$12,000
	2006 Montana Flute Association	\$4,500	\$2,000	\$14,000
	2001 Arts & Above	\$4,500	\$0	\$14,000
	2004 Free Voice Media	\$4,500	\$0	\$14,000
	<b>Special Projects</b>			\$14,000
	2021 Upper Swan Valley Historical Society, Inc.	\$4,500	\$4,500	\$18,500
	2015 Montana Preservation Alliance	\$10,000	\$10,000	\$28,500
	2014 Montana Historical Society	\$5,400	\$5,400	\$33,900
	2016 Mountain Time Arts	\$10,000	\$2,500	\$36,400
	2018 Preservation Cascade, Inc.	\$10,000	\$2,000	\$38,400
	2009 Butte-Silver Bow Public Archives	\$10,000	\$5,000	\$43,400
	2013 International Choral Festival	\$6,000	\$2,000	\$45,400
	2019 SPARK! Arts Ignite Learning	\$25,386	\$2,000	\$47,400
	2022 Zootown Arts Community Center	\$20,000	\$9,000	\$56,400
	2010 Emerson Center for the Arts & Culture	\$20,000	\$8,000	\$64,400
	2017 Museum of the Rockies	\$10,000	\$7,000	\$71,400
	2008 Bozeman Symphony Society	\$52,307	\$4,500	\$75,900
	2012 Hockaday Museum of Art	\$6,000	\$0	\$75,900
	2011 Helena Symphony	\$55,000	\$0	\$75,900
	2020 Support Local Artists and Musicians (S.L.A.M.)	\$10,000	\$0	\$75,900
	<b>Operating Support</b>			\$75,900
	2027 Art Mobile of Montana	\$10,000	\$10,000	\$85,900
	2062 Montana Shakespeare in the Parks	\$40,000	\$10,000	\$95,900
	2053 MCT, Inc.	\$20,000	\$10,000	\$105,900
	2024 Alpine Artisans, Inc.	\$12,000	\$3,000	\$108,900
	2031 Billings Symphony Society	\$10,000	\$7,500	\$116,400
	2046 Humanities Montana	\$10,000	\$10,000	\$126,400
	2033 Butte Symphony Association	\$4,500	\$3,000	\$129,400
	2030 Billings Preservation Society	\$7,500	\$7,500	\$136,900
	2023 Alberta Bair Theater	\$15,000	\$10,000	\$146,900
	2040 Glacier Symphony and Chorale	\$14,000	\$5,000	\$151,900
	2070 Schoolhouse History & Art Center	\$10,000	\$5,000	\$156,900
	2061 Montana Repertory Theatre	\$32,000	\$10,000	\$166,900
	2073 Sunburst Foundation	\$15,000	\$2,500	\$169,400
	2049 Irwin & Florence Rosten Foundation	\$20,000	\$5,000	\$174,400
	2079 Yellowstone Art Museum	\$15,000	\$10,000	\$184,400
	2037 Cohesion Dance Project	\$20,000	\$5,000	\$189,400

## Cultural and Aesthetic Grant Program

GRT #	Organization	Biennial Requested	Biennial Recommended	Cumulative
2076	Western Heritage Center	\$10,000	\$10,000	\$199,400
2042	Great Falls Symphony	\$40,000	\$5,000	\$204,400
2065	Northwest Montana Historical Society	\$6,000	\$5,000	\$209,400
2041	Grandstreet Broadwater Productions, Inc.	\$25,000	\$9,000	\$218,400
2056	MonDak Heritage Center	\$10,000	\$9,000	\$227,400
2045	Holter Museum of Art	\$10,000	\$9,000	\$236,400
2054	Missoula Art Museum	\$30,000	\$9,000	\$245,400
2044	Helena Presents/Myrna Loy Center	\$20,000	\$9,000	\$254,400
2026	Archie Bray Foundation	\$15,000	\$9,000	\$263,400
2048	International Wildlife Film Festival	\$10,000	\$8,000	\$271,400
2063	Museums Association of Montana	\$15,000	\$5,000	\$276,400
2057	Montana Association of Symphony Orchestras	\$14,000	\$5,000	\$281,400
2075	Verge Theater	\$15,000	\$5,000	\$286,400
2038	Daly Mansion Preservation Trust	\$10,000	\$5,000	\$291,400
2029	Big Horn Arts and Craft Association	\$14,000	\$2,000	\$293,400
2060	Montana Performing Arts Consortium	\$20,000	\$5,000	\$298,400
2051	MAGDA	\$15,000	\$5,000	\$303,400
2059	Montana Dance Arts Association	\$8,000	\$5,000	\$308,400
2072	Stillwater Historical Society	\$12,000	\$4,500	\$312,900
2034	C.M. Russell Museum	\$10,000	\$7,000	\$319,900
2025	Alpine Theatre Project	\$30,000	\$5,000	\$324,900
2077	Whitefish Theatre Co	\$15,000	\$5,000	\$329,900
2035	Carbon County Arts Guild & Depot Gallery	\$22,000	\$4,500	\$334,400
2068	Ravalli County Museum	\$10,000	\$4,500	\$338,900
2055	Missoula Writing Collaborative	\$25,000	\$2,000	\$340,900
2028	Arts Missoula (Formerly Missoula Cultural Council)	\$10,000	\$4,500	\$345,400
2050	Little Shell Tribe	\$10,000	\$4,500	\$349,900
2074	The Extreme History Project	\$8,400	\$2,000	\$351,900
2039	Friends of Big Sky Education DBA Warren Miller PAC	\$10,000	\$4,500	\$356,400
2078	World Museum of Mining	\$24,960	\$4,500	\$360,900
2066	Pondera Arts Council	\$5,000	\$4,500	\$365,400
2069	Rocky Mountain Ballet Theatre	\$20,000	\$3,500	\$368,900
2043	Hamilton Players, Inc	\$20,000	\$3,500	\$372,400
2058	Montana Ballet Company	\$10,000	\$3,500	\$375,900
2047	Intermountain Opera Association	\$12,000	\$3,500	\$379,400
2071	Southwest Montana Arts Council	\$7,500	\$2,000	\$381,400
2067	Pondera History Association (PHA)	\$8,000	\$2,000	\$383,400
2036	Carbon County Historical Society	\$15,000	\$0	\$383,400
2032	Bozeman Art Museum	\$10,000	\$0	\$383,400
2064	North Valley Music School	\$9,000	\$0	\$383,400
2052	Main Street Uptown Butte Capitol Expenditures	\$20,000	\$0	\$383,400
2080	Fort Peck Fine Arts Council, Inc.	\$19,410	\$10,000	\$393,400
2081	Friends of the Historical Museum at Fort Missoula	\$2,481	\$2,481	\$395,881

## Long Range IT Program

**Purpose** - Information technology budget requests are extracted from the executive budget and presented separately in this section to comply with 17-7-123(1), MCA. Each major information technology related decision package in excess of \$500,000 or \$100,000 and 25 percent of the IT base expenditures of a given agency for the biennium is presented in the following.

Information technology funding requests are presented in two bills in the executive budget. House Bill 2 typically includes fund requests for operations and maintenance and may represent an ongoing cost of state government.

New investments in information technology assets are generally appropriated as long-range capital projects in House Bill 10. These projects are investments in state service infrastructure and appropriate to be funded in a long-range program. The consolidation of major IT projects is intended to achieve several goals. First, IT projects are complex and require significant and time-intensive planning, design and management efforts, and by designating the projects as “capital projects,” the appropriation continues until completion of the project as statutorily authorized in 2-17-560, MCA. Second centralized project oversight is expected to enhance project management and foster stronger partnerships between agencies and the state CIO. Finally, having major projects in one piece of legislation is anticipated to provide the legislature with a broad vision of the state IT program and related investments.

**Executive Recommendation –**

- **Volume 10 of the Governor's 2021 biennium Executive Budget** contains the long range projects with more information on each project.
- HB 10 contains the projects recommended by the executive budget for funding in the amount of \$46,395,285. Table **F-12** below shows the requested amount for the IT projects.

<b>F-12</b>					
Long Range IT Projects					
DEPT	Project Description	LRITP	SSR	FSR	Total
DOA SITSD	MT Cybersecurity Enhancement Project	\$ 7,800,000			\$ 7,800,000
FWP	Automated Licensing System Replacement		\$ 2,500,000	\$ 7,500,000	\$ 10,000,000
DOJ	DOJ Mainframe Transition		\$ 4,034,822		\$ 4,034,822
LIV	Livestock Interface Systems Upgrade		\$ 1,300,000		\$ 1,300,000
DNRC	Water Rights Information System (WRIS)	\$ 2,395,197	\$ 1,000,000		\$ 3,395,197
DNRC	Trust Lands Management System II (TLMSII)		\$ 2,000,000		\$ 2,000,000
DPHHS	Montana Family Safety Information System (MFSIS)	2722619		2722619	\$ 5,445,238
DPHHS	Mainframe Transition - CAPS and SEARCHES	2195550	\$ 557,709	2666769	\$ 5,420,028
MDT	Federal Billing System			\$ 7,000,000	\$ 7,000,000
<b>Total</b>		<b>\$15,113,366</b>	<b>\$11,392,531</b>	<b>\$19,889,388</b>	<b>\$46,395,285</b>