

1 HOUSE BILL NO. 6

2 INTRODUCED BY M. HOPKINS, J. FITZPATRICK

3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, OFFICE OF  
4 BUDGET AND PROGRAM PLANNING

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RENEWABLE RESOURCE GRANT AND  
7 LOAN PROGRAM; APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND  
8 CONSERVATION FOR GRANTS UNDER THE RENEWABLE RESOURCE GRANT AND LOAN PROGRAM;  
9 PRIORITIZING PROJECT GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS;  
10 PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE NATURAL  
11 RESOURCES PROJECTS STATE SPECIAL REVENUE ACCOUNT; APPROPRIATING MONEY FOR A  
12 GRANT CONTINGENT LOAN FOR THE SAINT MARY'S SIPHON REPLACEMENT MILK RIVER REPAIR  
13 PROJECTS; PROVIDING FOR COORDINATION OF FUNDING; AND PROVIDING AN EFFECTIVE DATE."  
14

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
16

17 NEW SECTION. Section 1. Appropriations for renewable resource grants. (1) For the biennium  
18 beginning July 1, 2023, there is appropriated to the department of natural resources and conservation from the  
19 natural resources projects state special revenue account established in 15-38-302 up to:

- 20 (a) \$300,000 for emergency projects grants to be awarded by the department over the biennium;  
21 (b) \$3,500,000 for planning grants to be awarded by the department over the biennium;  
22 (c) \$500,000 for irrigation development grants to be awarded by the department over the  
23 biennium;  
24 (d) \$500,000 for watershed grants to be awarded by the department over the biennium;  
25 (e) \$100,000 for private grants to be awarded by the department over the biennium; and  
26 (f) \$2,500,000 for nonpoint source pollution reduction grants to be awarded by the department  
27 over the biennium.

28 (2) The amount of ~~\$6,250,000~~ \$6,350,000 is appropriated to the department of natural resources

1 and conservation from the natural resources projects state special revenue account established in 15-38-302  
2 for the biennium beginning July 1, 2023. The funds referred to in this subsection must be awarded by the  
3 department to the named entities for the described purposes and in the grant amounts listed in subsection (4),  
4 subject to the conditions set forth in [sections 2 and 3 6] and the contingencies described in the renewable  
5 resource grant and loan program January 2023 report to the 68th legislature titled: "Governor's Executive  
6 Budget Fiscal Years 2023-2025 Volume 6".

7 (3) Funds must be awarded up to the amounts approved in subsection (4) in the following listed  
8 order of priority until available funds are expended. Funds not accepted or used by higher-ranked projects must  
9 be provided for projects farther down the priority list that would not otherwise receive funding. If at any time a  
10 grant sponsor determines that a project will not begin before June 30, 2025, the sponsor shall notify the  
11 department of natural resources and conservation. After all eligible projects are funded, remaining funds may  
12 be used for any renewable resource project authorized under this section.

13 (4) The following are the prioritized infrastructure grant projects:

14 RENEWABLE RESOURCE INFRASTRUCTURE GRANT PROJECTS

| 15 Applicant/Project                                     | Amount    |
|--|-----------|
| 16 Cooke City  |           |
| 17 Cooke City Wastewater Treatment and Collection System | \$125,000 |
| 18 West Yellowstone, Town of                             |           |
| 19 West Yellowstone Wastewater Treatment Plant Project   | \$125,000 |
| 20 Red Lodge, City of                                    |           |
| 21 Red Lodge Wastewater System Improvements              | \$125,000 |
| 22 Superior, Town of                                     |           |
| 23 Superior Wastewater System Improvements Project       | \$125,000 |
| 24 Choteau, City of                                      |           |
| 25 Choteau Water System Improvements                     | \$125,000 |
| 26 Cascade, Town of                                      |           |
| 27 Cascade Wastewater System Improvements                | \$125,000 |
| 28 Sand Coulee, Town of                                  |           |

|    |   |           |
|----|---|-----------|
| 1  | Sand Coulee Wastewater Improvements   | \$125,000 |
| 2  | Kalispell, City of  |           |
| 3  | Kalispell Morning Star Court Water and Wastewater Improvement Project                     | \$125,000 |
| 4  | Saco, Town of   |           |
| 5  | Saco Wastewater System Improvements   | \$125,000 |
| 6  | Drummond, Town of   |           |
| 7  | Drummond Wastewater Treatment Facility Upgrade  | \$125,000 |
| 8  | Craig County WSD  |           |
| 9  | Craig Wastewater System Improvements  | \$125,000 |
| 10 | Gallatin Canyon County Water Sewer District   |           |
| 11 | Gallatin Canyon County Water Sewer District Gallatin Canyon Sewer Project Phase 1.2       |           |
| 12 |   | \$125,000 |
| 13 | Thompson Falls, City of   |           |
| 14 | Thompson Falls Water System Improvements Project  | \$125,000 |
| 15 | Corvallis County Sewer District   |           |
| 16 | Corvallis Wastewater Collection System Improvements                                       | \$125,000 |
| 17 | Helena, City of   |           |
| 18 | Helena Red Mountain Flume Repairs Project #22-05  | \$125,000 |
| 19 | Havre, City of  |           |
| 20 | Havre Water System Improvements Project   | \$125,000 |
| 21 | Bigfork County Water and Sewer District   |           |
| 22 | Bigfork County Water and Sewer District West Trunk Sewer Replacement and Collection Basin |           |
| 23 | Rehabilitation Project  | \$125,000 |
| 24 | Belt, Town of   |           |
| 25 | Belt Water System Improvements  | \$125,000 |
| 26 | Lincoln County  |           |
| 27 | Lincoln County Libby Creek Community Water and Wastewater Improvements                    | \$125,000 |
| 28 | Richey, Town of   |           |

|    |  |           |
|----|--|-----------|
| 1  | Richey Water Main Replacement Phase 2                                      | \$125,000 |
| 2  | Geraldine, Town of   |           |
| 3  | Geraldine Water System Improvements  | \$125,000 |
| 4  | Victor Water and Sewer District  |           |
| 5  | Victor Wastewater Collection and Treatment Improvements Project            | \$125,000 |
| 6  | Forsyth, City of   |           |
| 7  | Forsyth Water System Improvements  | \$125,000 |
| 8  | Townsend, Town of  |           |
| 9  | Townsend Water System Improvements Project                                 | \$125,000 |
| 10 | Martinsdale Water and Sewer District                                       |           |
| 11 | Martinsdale Water and Sewer District Water System Improvements             | \$125,000 |
| 12 | Twin Bridges, Town of  |           |
| 13 | Twin Bridges Water System Improvements                                     | \$125,000 |
| 14 | Dodson, Town of  |           |
| 15 | Dodson Water System Improvements   | \$125,000 |
| 16 | Sunburst, Town of  |           |
| 17 | Sunburst Wastewater Distribution and Treatment Project                     | \$125,000 |
| 18 | Philipsburg, Town of   |           |
| 19 | Water Main Replacement Alley between Broadway and Stockton (Duffy-Sansome) | \$125,000 |
| 20 | Missoula, City of  |           |
| 21 | Missoula Comprehensive Stormwater Plan                                     | \$125,000 |
| 22 | Denton, Town of  |           |
| 23 | Denton Wastewater System Upgrades Phase 1                                  | \$125,000 |
| 24 | Dutton, Town of  |           |
| 25 | Dutton Water System Improvements   | \$125,000 |
| 26 | Circle, Town of  |           |
| 27 | Circle Waterline Replacement Project Phase 4                               | \$125,000 |
| 28 | Clancy Water and Sewer District  |           |

|    |  |           |
|----|--|-----------|
| 1  | Clancy Water and Sewer District Water System Improvements          | \$125,000 |
| 2  | Basin County Water and/or Sewer District                           |           |
| 3  | Basin Water System Improvements Project                            | \$125,000 |
| 4  | Wolf Point, City of  |           |
| 5  | Wolf Point Wastewater Project Phase 1                              | \$125,000 |
| 6  | Hideaway Community County Water & Sewer District                   |           |
| 7  | Hideaway Court Community Sewer Project (HCCWSD)                    | \$125,000 |
| 8  | Chester, Town of   |           |
| 9  | Chester Wastewater Improvements Project                            | \$125,000 |
| 10 | Troy, City of  |           |
| 11 | Troy Water System Improvements Project                             | \$125,000 |
| 12 | Lockwood Water and Sewer District                                  |           |
| 13 | Lockwood Water and Sewer District Mid Zone Reservoir               | \$125,000 |
| 14 | Hot Springs, Town of   |           |
| 15 | Hot Springs Sewer Lagoon Rehabilitation Project                    | \$125,000 |
| 16 | Hingham, Town of   |           |
| 17 | Hingham Wastewater System Improvements Project                     | \$125,000 |
| 18 | Chester, Town of   |           |
| 19 | Chester Water System Improvements Project                          | \$125,000 |
| 20 | Shelby, City of  |           |
| 21 | Shelby Wastewater Improvements Project                             | \$125,000 |
| 22 | Conrad, City of  |           |
| 23 | Conrad Storm Water Project   | \$125,000 |
| 24 | Absarokee Water and Sewer District                                 |           |
| 25 | Absarokee Water and Sewer District Water System Improvements       | \$125,000 |
| 26 | North Cut Bank Glacier County Water and Sewer District             |           |
| 27 | North Cut Bank Glacier County Wastewater Lift Station Improvements | \$125,000 |
| 28 | Yellowstone Boys and Girls Ranch County Water and Sewer District   |           |

|   |  |                  |
|---|--|------------------|
| 1 | Yellowstone Boys and Girls Ranch County WSD Wastewater System Improvements |                  |
| 2 |  | \$125,000        |
| 3 | Judith Gap, Town of  |                  |
| 4 | Judith Gap Wastewater Water Line and Meter Upgrade Project                 | \$125,000        |
| 5 | Boulder, City of   |                  |
| 6 | Boulder Drinking Water System Improvements                                 | \$125,000        |
| 7 | <u>ANACONDA - DEER LODGE COUNTY</u>  |                  |
| 8 | <u>WATER &amp; SEWER PLANNING PROJECT</u>                                  | <u>\$100,000</u> |

9 (5) The amount of ~~\$2,500,000~~ \$2,560,000 is appropriated to the department of natural resources  
10 and conservation from the natural resources projects state special revenue account established in 15-38-302  
11 for the biennium beginning July 1, 2023. The funds referred to in this subsection must be awarded by the  
12 department to the named entities for the described purposes and in the grant amounts listed in subsection (7),  
13 subject to the conditions set forth in [sections 2 and 3 6] and the contingencies described in the renewable  
14 resource grant and loan program January 2023 report to the 68th legislature titled: "Governor's Executive  
15 Budget Fiscal Years 2023-2025 Volume 6".

16 (6) Funds must be awarded up to the amounts approved in subsection (7) in the following listed  
17 order of priority until available funds are expended. Funds not accepted or used by higher-ranked projects must  
18 be provided for projects farther down the priority list that would not otherwise receive funding. If at any time a  
19 grant sponsor determines that a project will not begin before June 30, 2025, the sponsor shall notify the  
20 department of natural resources and conservation. After all eligible projects are funded, remaining funds may  
21 be used for any renewable resource project authorized under this section.

22 (7) The following are the prioritized irrigation grant projects:

23 RENEWABLE RESOURCE IRRIGATION GRANT PROJECTS

|    |  |           |
|----|--|-----------|
| 24 | Applicant/Project  | Amount    |
| 25 | Greenfields Irrigation District  |           |
| 26 | Greenfields Irrigation District Pishkun Inlet Hydroelectric Project                | \$125,000 |
| 27 | Lower Yellowstone Irrigation District #1   |           |
| 28 | Lower Yellowstone Irrigation District #1 Thomas Point Pumping Plant Rehabilitation | \$125,000 |

|    |  |           |
|----|--|-----------|
| 1  | Lower Yellowstone Irrigation Project   |           |
| 2  | Lower Yellowstone Irrigation Project Critical Structures Rehabilitation Project      | \$125,000 |
| 3  | Helena Valley Irrigation District  |           |
| 4  | Helena Valley Irrigation District Regulating Reservoir Preservation & Bypass Project | \$125,000 |
| 5  | Buffalo Rapids Irrigation Project 2  |           |
| 6  | Shirley Main Canal Rehabilitation Phase 2  | \$125,000 |
| 7  | Pondera County Conservation District   |           |
| 8  | Pondera County Conservation District Birch Creek Diversion Automation Project        | \$125,000 |
| 9  | Madison County   |           |
| 10 | Madison County Big Hole River Restoration Design and Permitting                      | \$125,000 |
| 11 | Ruby Valley Conservation District  |           |
| 12 | Ruby Valley CD Upper Jefferson Channel Restoration Project                           | \$125,000 |
| 13 | Newlan Creek Water District  |           |
| 14 | Newlan Creek Water District Newlan Creek Dam Safety Improvements                     | \$125,000 |
| 15 | Savage Irrigation District   |           |
| 16 | Savage Irrigation District Pump Station Rehabilitation                               | \$125,000 |
| 17 | Pondera County Conservation District   |           |
| 18 | Pondera County Conservation District PCCRC C-Canal Headworks Automation              | \$125,000 |
| 19 | East Bench Irrigation District   |           |
| 20 | East Bench Irrigation District Carter Creek Lining & Headgate Automation             | \$125,000 |
| 21 | Buffalo Rapids Irrigation Project 1  |           |
| 22 | Eiker Reach Canal Rehabilitation Project   | \$125,000 |
| 23 | Hill County  |           |
| 24 | Hill County Beaver Creek Dam Tailwater Channel Restoration                           | \$125,000 |
| 25 | Granite Conservation District  |           |
| 26 | Granite Conservation District - Allendale Ditch Rehabilitation                       | \$125,000 |
| 27 | Blaine County  |           |
| 28 | Blaine County NCIA North Chinook Reservoir Dam Outlet Rehabilitation Project         | \$125,000 |

|    |  |                 |
|----|--|-----------------|
| 1  | Paradise Valley Irrigation District  |                 |
| 2  | Paradise Valley Irrigation District Hillside Ditch Pipeline Conversion Phase 2 | \$125,000       |
| 3  | Huntley Project Irrigation District  |                 |
| 4  | Highline Discharge Pipeline Rehabilitation                                     | \$125,000       |
| 5  | Tin Cup Water and Sewer District   |                 |
| 6  | Tin Cup and Mill Ditch Improvements  | \$125,000       |
| 7  | Billings, City of  |                 |
| 8  | Rim Tunnel Rehabilitation Project  | \$125,000       |
| 9  | <u>CLINTON IRRIGATION DISTRICT</u>   |                 |
| 10 | <u>SCHOOLHOUSE LATERAL PIPELINE CONVERSION</u>                                 | <u>\$60,000</u> |

11

12 **NEW SECTION. Section 2. Coordination of fund sources for grants to political subdivisions**  
13 **and local governments.** A project sponsor listed under [section 1(4) or section 1(7)] may not receive funds  
14 from both the reclamation and development grants program and the renewable resource grant and loan  
15 program for the same project during the same biennium.

16

17 **NEW SECTION. SECTION 3. MILK RIVER REPAIR AND MAINTENANCE FUND. (1) THERE IS AN ACCOUNT IN**  
18 **THE STATE SPECIAL REVENUE FUND ESTABLISHED IN 17-2-102 TO BE KNOWN AS THE MILK RIVER REPAIR AND**  
19 **MAINTENANCE FUND.**

20 **(2) INTEREST EARNED MUST BE RETAINED BY THE FUND.**

21 **(3) ELIGIBLE USES INCLUDE LONG-TERM OPERATIONS AND MAINTENANCE OF THE MILK RIVER PROJECT,**  
22 **AND THE AUTHORIZATION OF LOANS SPECIFIED IN [SECTION 4].**

23

24 **NEW SECTION. SECTION 4. AUTHORIZATION. (1) THE AMOUNT TRANSFERRED IN [SECTION 10] SHALL BE**  
25 **HELD IN ESCROW FOR LOANS TO THE MILK RIVER PROJECT.**

26 **(2) THE INTEREST RATE FOR THE LOAN MADE TO THE MILK RIVER PROJECT FROM PROCEEDS FROM**  
27 **SUBSECTION (1) MUST BE NEGOTIATED WITH DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AT A RATE AND**  
28 **TERM CONSISTENT WITH LOAN FINANCING AVAILABLE FROM OTHER FEDERAL AND PRIVATE SOURCES.**



1           (3) LOAN REPAYMENT MAY BE INTEREST ONLY.

2           (4) THE INTEREST REPAID MUST BE PLACED IN THE STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN  
3 [SECTION 3] FOR USE BY THE MILK RIVER PROJECT FOR LONG-TERM OPERATION AND MAINTENANCE OF THE MILK RIVER  
4 PROJECT.

6           NEW SECTION. SECTION 5. LOAN CONTINGENCY. (1) THE APPROVAL OF THE LOAN IN [SECTION 4] IS  
7 CONTINGENT ON THE FOLLOWING:

8           (A) THE RECEIPT OF FEDERAL COST SHARE THAT ADDRESSES THE FINANCIAL CAPABILITY OF THE MILK  
9 RIVER PROJECT CONTRACTING ENTITIES AS CITED IN THE MILK RIVER PROJECT ABILITY-TO-PAY STUDY BY THE U.S.  
10 DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, DATED SEPTEMBER 2022, OR THE BUDGET DIRECTOR  
11 ADOPTING A REPAIR PLAN FROM THE MILK RIVER JOINT BOARD OF CONTROL. THE DEPARTMENT OF NATURAL  
12 RESOURCES AND CONSERVATION SHALL DEVELOP THE REQUIRED CONTENTS OF THE REPAIR PLAN. THE MILK RIVER  
13 JOINT BOARD OF CONTROL SHALL SUBMIT ITS REPAIR PLAN TO THE DEPARTMENT OF NATURAL RESOURCES AND  
14 CONSERVATION. IF THE BUDGET DIRECTOR DOES NOT ADOPT THE REPAIR PLAN, THE MILK RIVER JOINT BOARD OF  
15 CONTROL MAY RESUBMIT A REVISED REPAIR PLAN TO THE DEPARTMENT.

16           (B) THE MILK RIVER JOINT BOARD OF CONTROL DEMONSTRATING TO THE SATISFACTION OF THE  
17 DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION ITS TECHNICAL, MANAGERIAL, AND FINANCIAL CAPACITY,  
18 THROUGH WATER USER FEES OR OTHER AVAILABLE SOURCES OF FUNDING, TO PAY THE ANNUAL COSTS OF THE LOAN  
19 REPAYMENT OVER THE TERM OF THE LOAN.

21           NEW SECTION. Section 6. Condition of grants. Disbursement of funds under [section 1] is subject  
22 to the following conditions that must be met by the project sponsor:

23           (1) A scope of work, schedule, and budget for the project must be approved by the department of  
24 natural resources and conservation. Any changes in scope of work or budget after legislative approval may not  
25 change project goals and objectives. Changes in activities that would reduce the public or natural resource  
26 benefits as presented in department of natural resources and conservation reports and applicant testimony to  
27 the 68th legislature may result in a proportional reduction in the grant amount.

28           (2) The project sponsor shall show satisfactory completion of conditions described in the

1 recommendation section of the project narrative of the program report to the legislature for the biennium ending  
2 June 30, 2025, or, in the case of planning grants issued under [section 1(1)(b)], completion of conditions  
3 specified at the time of written notification of approved grant authority.

4 (3) The project sponsor must have a fully executed grant agreement with the department.

5 (4) Any other specific requirements considered necessary by the department must be met to  
6 accomplish the purpose of the grant as evidenced from the application to the department or from the proposal  
7 as presented to the legislature.

8  
9 **NEW SECTION. Section 7. Appropriations established.** There is appropriated to any entity of state  
10 government that receives a grant under [section 1] the amount of the grant upon award of the grant by the  
11 department of natural resources and conservation. Grants to entities from prior bienniums are reauthorized for  
12 completion of contract work.

13  
14 **NEW SECTION. Section 8. Approval of grants -- completion of biennial appropriation.** The  
15 legislature, pursuant to 85-1-605, approves the renewable resource programs grants listed in [section 1]. The  
16 authorization of these grants constitutes a biennial appropriation from the natural resources projects state  
17 special revenue account established in 15-38-302.

18  
19 **NEW SECTION. Section 9. Notification to tribal governments.** The secretary of state shall send a  
20 copy of [this act] to each federally recognized tribal government in Montana.

21  
22 **NEW SECTION. Section 10. TRANSFER OF FUNDS. BY JULY 1, 2023, THE STATE TREASURER SHALL**  
23 **TRANSFER \$26 MILLION FROM THE GENERAL FUND TO THE NATURAL RESOURCES PROJECTS STATE SPECIAL REVENUE**  
24 **ACCOUNT ESTABLISHED IN 15-38-302.**

25  
26 **NEW SECTION. Section 11. APPROPRIATION -- CONTINGENCY. THERE CONTINGENT ON SATISFACTION OF**  
27 **THE CONDITIONS IN [SECTION 5], THERE IS APPROPRIATED \$26 MILLION FROM THE NATURAL RESOURCES PROJECTS**  
28 **STATE SPECIAL REVENUE ACCOUNT ESTABLISHED IN 15-38-302 TO THE DEPARTMENT OF NATURAL RESOURCES AND**

1 CONSERVATION FOR THE BIENNIUM BEGINNING JULY 1, 2023, FOR A ~~GRANT~~ LOAN TO THE MILK RIVER JOINT BOARD OF  
2 CONTROL FOR THE PROJECT STAKEHOLDER COST SHARE FOR THE ~~SAINT MARY'S UNIT SIPHON REPLACEMENT MILK~~  
3 RIVER REPAIR PROJECTS.

4  
5 COORDINATION SECTION. **Section 12. Coordination instruction.** (1) If both [this act] and an act  
6 that provides additional funding for renewable resource grant and loan program grants from a source other than  
7 the natural resources projects state special revenue account established in 15-38-302 are passed and  
8 approved, the projects listed in [section 1(4) and section 1(7) of this act] that do not receive funding from the  
9 appropriations in [section 1(2) and section 1(5) of this act] may receive funding from the appropriation in the  
10 other act designated for renewable resource grant and loan program grants in the order of completion of the  
11 conditions of [section ~~3~~ 6 of this act] and to the extent that there is appropriation authority available.

12 (2) Appropriations made in [section 1(1)(a) through (1)(f)] may be adjusted within [section 1(1)(a)  
13 through (1)(f)] within the biennium based on demand or emergencies.

14  
15 NEW SECTION. **Section 13. Severability.** If a part of [this act] is invalid, all valid parts that are  
16 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
17 the part remains in effect in all valid applications that are severable from the invalid applications.

18  
19 NEW SECTION. **Section 14. Effective date.** [This act] is effective July 1, 2023.

20 - END -