

## W2ASACT MEETING NOTES

Meeting on January 14, 2025, 10 am to 12 pm  
Dept. of Natural Resources & Conservation, 1539 11<sup>th</sup> Ave, Helena, Montana  
First Floor Montana Conference Room and Zoom

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### Zoom Meeting participants:

1	Abby Weimer, DNRC	16	Lexi Laird, DNRC - ARPA
2	Autumn Coleman, DNRC	17	Lindsey Glastetter, DNRC
3	Bobbie Dubose, DNRC	18	Louise Welsh, Commerce
4	Brittany Trushel, DNRC	19	Melissa Downing, DNRC
5	Christina (Eggensperger?), WET	20	Mia Belting, DNRC
6	Coleen O'Rourke, DNRC	21	Michelle McNamee, DNRC
7	Daniell Redden, DNRC	22	Nina Denny, DNRC
8	Denise Cook & Anna Miller, DNRC	23	Rachel Gemar, DNRC - ARPA
9	Greg Montgomery, DEQ	24	Rick Duncan, DNRC
10	Heather Reaves, DNRC	25	Stephanie Crider-Pridmore, MCEP
11	Heidi Anderson Fohnagy, DNRC	26	Susan Brurud, WET
12	Heidi Fleury, DNRC - WMCC	27	Tucker Colvin, SWEFC
13	Katherine Certalic, DNRC	28	Tyler (?)
14	Ki-Ai McBride, GWE	29	Valerie Kurth, DNRC WRD
15	Kitty Schmid		

### At DNRC:

Anna Miller, DNRC

Denise Cook, DNRC

Jodie Campbell, MLCT

Heather Reeves, DNRC

Chrissy Thompson, DNRC

Ben Rigby, MRWS

Mike Abrahamson, DEQ

Rebecca Shaw-Quinones, Interstate Eng

Shawna Swanz, DNRC

Rachel Gemar, DNRC

Rika Lashley, Morrison-Maierle

Steve Troendle, USDA-RD

Lindsay Volpe, USDA - RD

### Acronyms:

AIS – American Iron & Steel

APE – Advanced Pump & Equipment

ARPA – American Rescue Plan Act of 2021

ARRA – American Recovery & Reinvestment Act of 2009

AWWA – American Water Works Association

BABA – Build America, Buy American

BIL – Bipartisan Infrastructure Plan  
 BOI – Montana Department of Commerce, Board of Investments  
 CARDD – Conservation & Resource Development Division, DNRC  
 CDBG – Community Development Block Grant Program, MT Department of Commerce  
 CMRWA – Central Montana Regional Water Authority  
 COVID-19 – Corona Virus 2019  
 DEQ – Montana Department of Environmental Quality  
 DNRC – Montana Department of Natural Resources & Conservation  
 GWE – Great West Engineering  
 HDR – HDR Engineering  
 HUD – Housing and Urban Development  
 IAC – Infrastructure Advisory Commission (ARPA)  
 IUP – Intended Use Plan  
 KLJ – Kadmas Lee & Jackson Engineering  
 LFD – Montana State Legislative Fiscal Division  
 MAP – Midwest Assistance Program  
 MEPA – Montana Environmental Policy Act  
 MISC – Montana Invasive Species Council  
 MRWS – Montana Rural Water Systems  
 MCEP – See TSEP  
 RATES – Rural & Tribal Environmental Solutions  
 RDG – Reclamation Development Grant Program, DNRC  
 RRGL – Renewable Resource Grant and Loan Program, DNRC  
 SRF (DNRC) – Wastewater State Revolving Fund Loan Program  
 TSEP – Treasure State Endowment Program, MT Department of Commerce – Now MCEP  
 USDA - RD – United States Department of Agriculture – Rural Development  
 WASACT – Water & Solid Waste Action Coordinating Team, Montana  
 WMCC – Western Montana Conservation Commission (from Flathead Basin Commission and Upper  
 Columbia Conservation Commission)  
 WRF (DNRC) – Drinking Water State Revolving Fund Loan Program

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### **Call to Order, Sign-in Sheet, Agenda Changes**

Anna Miller called the scheduled meeting of the Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT) to order at 10:04 am, on Tuesday, January 14, 2025. She asked those in attendance at DNRC to introduce themselves and then those online via Zoom were called upon to introduce themselves. Among those on Zoom was Tucker Colvin with the Southwest Environmental Finance Center at the University of New Mexico. Tucker works out of Billings and is originally from Helena. He has worked with the EPA on grants, mostly with Region 8.

Anna went over the agenda and asked if there were any changes. The draft minutes from the October 8, 2024, meeting, which were distributed to those present at DNRC and posted to the

14 Jan 2025 W2ASACT Meeting Notes

WASACT website, were approved and adopted by those attending with no revisions. There were 11 attendees in the room. According to the Zoom report, there were a total of 29 participants on the meeting.

Rika Lashley with Morrison-Maierle handed a request for nominations for awards given by MWEA (Montana Water Environment Association) and MSAWWA (Montana Section American Water Works Association). These awards will be presented at the 2025 Joint Conference which will be in Billings in April 2025. Denise will send this to the W2ASACT group. Find out more by going to [Montanawater.org](http://Montanawater.org).

### **Guest Speaker – Jodie Campbell, Financial Consultant with MT League of Cities and Towns**

Anna said that Jodie has been a clerk at a small community. The ARPA funding and the BIL funding that we are getting was especially designed to help small communities get their water and wastewater systems up to speed if they had problems. The federal money comes with some conditions, and part of the conditions is doing audits and keeping up on reporting. ARPA funding is being disbursed through the CARD Division, but communities also received direct Federal ARPA funding.

Jodie discussed ARPA audits and reports. She mentioned a spreadsheet sent out via GovDelivery showing where communities are at with funding. Every community has their money committed which is great. They had to have it committed by December 31, 2024. Communities have to have it **spent** by December 31, 2025. Jodie said there has been some confusion of reporting deadlines. There were December notices sent out and then April 30<sup>th</sup> notices, and almost every person we work with reports on April 30<sup>th</sup>. There has been a big panic mode for everybody when it said you must have your reporting in because it wasn't committed, and you can't go in and report, even if you're done with your project until April 30. So, we did sit in on that, and April 30<sup>th</sup> is the reporting date. You can go in, you can close it up, you can commit it, you can do everything on that by that date. Once it comes open. One question was if ARPA funds could be used for other types of projects like revenue reimbursement that is related to COVID 19, including emergencies and equipment to conduct Zoom meetings. Contact Jodie with questions. Her email is [Jodie.Campbell@MLCT.org](mailto:Jodie.Campbell@MLCT.org).

The federal audit dollar amount is this year \$750,000. Next year it goes to \$1,000,000. Oct 1 to Sep 30 is the Federal Fiscal Year. Probably 90% of local governments use the July 1 to June 30 Fiscal Year, which is the State of Montana Fiscal Year.

Most people are spending their money right now this fiscal year, so there will be a lot of Federal audits coming up. Currently there are not enough auditors, so that has been a challenge for many communities getting their audits in on time and their year-end closings.

A question was asked: if your fiscal year is July 1 through June 30, you have an ARPA award of \$1,000,000 and let's say you're spending \$500,000 in fiscal year 2023 and \$500,000 in fiscal year 2024, because that money was split over two years, and you only spent \$500,000, would you have to do the single audit? No. If the \$500,000 is total Federal funds, then you can use your own fiscal year. It doesn't have to be Federal so no, if it doesn't reach \$750,000 in a single year. But if you have a same project with other Federal funds in there that were advanced, it's the gross total of all Federal funds that are advanced so that was the point I wanted to make. If you just had one and no other Federal funds and just had one ARPA award for a \$1,000,000 to spend half that money in one year and half in the next year, no audit. But as Steve Troendle just pointed out, if you had a \$2,000,000 project and you got a \$1,000,000 from ARPA and a \$1,000,000 from Rural Development, or a \$1,000,000 from the State Revolving Fund and that was Federally identified then you would have to report that because it's total Federal funds. You need to think about do you get any Federal gas tax money? Do you get any Federal money from Health and Human Services? Do you get any CDBG funds? And of those, and it's also not just with this project may push the community to have the Federal single audit.

Jodie added that federal funds can help to pay for audits. April 30, 2025 is the reporting deadline for ARPA projects. Most are committed but not completed. Anna Miller suggested to secure an auditor as soon as possible. Jodie can be reached at [Jodie.Campbell@MLCT.org](mailto:Jodie.Campbell@MLCT.org) or by calling the office at (406)442-8768. Find more info at Montana League of Cities and Towns ([mtleague.org](http://mtleague.org)).

Anna thanked Jodie for speaking at today's meeting.

### **Program Updates:**

#### **Rachel Gemar, ARPA Compliance Program Lead**

Rachel handed out a sheet with Audit Options for Recipients and Subrecipients of ARPA funds, which included information on eligibility, compliance and Frequently Asked Questions. She said the Treasury helped out some of the smaller communities, especially those not used to spending over that single item threshold. They made an exception. If the community received a direct Federal grant, so direct ARPA funds, it cannot be passed through from the state or county, just directly from Treasury. They do not have to count that towards the threshold. So, if they are under \$750,000 in total Federal funds, aside from the Treasury, they do not have to do the single audit. Instead, they can do this alternative compliance examination engagement, so it is more simplified, easier and cheaper version of the single audit. Local government services will have more information about that. It is an alternative they built in just in case those funds from Treasury push your community over the threshold.

The question can we use the funding to pay for the audit and Rachel replied yes. Steve Troendle asked is the funds are to be spend out by December 31, 2025 and Jodie answered yes. She suggested staying organized as that will help down the road.

Daniell Vincent, Finance Manager with Montana Department of Administration can help with audit and reports for the State of Montana. The suggestion was made to ask for a list of audit firms. Rachel said if funds were awarded after October 1, 2024, they have a limit of \$1,000,000 per audit. Jodie Campbell added that reporting has been a nightmare. Steve Troendle noted if you carry money past fiscal year, you will have to do another audit. Jodie Campbell said reporting has confused many clerks. As far as disbursements, don't sit on the money. Anna asked if a hardship letter can be done for each draw and Rachel replied yes.

### **Renewable Resource Grants – Michelle McNamee**

Michelle is monitoring the Legislative Session and some upcoming hearings. She asked if there are applicants who plan on testifying next week, please RSVP for the hearing whether you plan on being in person or via Zoom. We have reached out to you if we would like your input. The Long- Range Planning Committee Section F has more detailed schedule that was sent out to those applicants. DNRC has a page with Legislative information – she put a draft link in the chat. She urged all to contact us if you plan to attend. Anna reminded all to keep their testimony brief – 3 minutes each. Michelle added that the Legislators prefer to hear from applicants. Also avoid acronyms and technical speak – focus on the meaning to communities.

### **Mike Abrahamson – DEQ**

Mike said his office is currently undergoing an EPA audit. He said they are business as usual on the water and wastewater sides. They will have a project priority list out this spring. SRF can adopt an environmental assessment on projects. The content needs to match. There will be a public notice on an SRF 30-day comment period. He said it would be nice to sync up on the 30-day period. Steve Troendle added that efforts to put together people from programs to coordinate have been unsuccessful in the past.

### **Stephanie Crider – MT Department of Commerce - MCEP**

Stephanie said there is a minimum of 21 days and no penalty for going longer. She will confer with Becky Anseth on environmental assessment. They are monitoring and planning testimonials for MCEP House Bill 11 – this Friday, Monday and Tuesday. She reminded people to be brief when testifying. Rika Lashley asked if the testimonial date changes, how will we know? Michelle McNamee added that we will reach out to you and to make sure you are registered to testify. Anna Miller noted that you can testify remotely – let us know and we can help.

## **Ben Rigby – MT Rural Water Systems**

Ben reminded all of the Montana Rural Water System conference March 12, 13 and 14, 2025 at the Heritage Inn in Great Falls. He said that the family who owned the Heritage Inn sold the Inn. MRWS is good this year, but they are not sure about next year. The theme of this year's conference is "Water and Wastewater in an Ever-Changing Climate". This Friday ends early bird registration. Check on your membership and make sure it is up to date so you can qualify for a discount. The review session being built and they are expecting around 100 operators to attend. Lead and copper are big issues. And the smaller communities need help with the inventory surveys. Sanitary surveys are also a concern and keeping all in compliance.

## **Steve Troendle – USDA – Rural Development**

Steve said with the change in the US President, we also have a change in our state director Kathleen whose last day was January 10<sup>th</sup>. The deputy director, Jake Curtin is stepping up as the acting state director in the interim. We have no idea when a new state director will be appointed at this point.

Our interest rates ticked up just a little bit on January 1. I want to say that our poverty rate went to 2 ¼ so we're between 2 ¼ and 3.75% I believe. We are under a continuing resolution. Obviously, it was extended again until March. In the first round, we got about \$2,500,000 of funds which we have expended for projects. They will allow us to for another run at that money as soon as they get the funds in our accounts. Right now, what's happening is we are expecting a cut in funds. I'm expecting only about \$7,000,000 in loan requests and 3 ½ % as far as our allocation for the state. However, we have almost always exceeded that with monies that we pull in from other states that don't have projects ready to go. For those looking to get funds from RD, we need to have the applications in in the next 30 days. If we are gonna hit our mid-year pooling in May. After May it gets a little tighter as far as getting things funded. There are a couple of caveats, and they tightened up how they prioritize for funding. Once a request is made at the national level, there is 4 or 5 criteria. The easiest way to explain is they want projects where the communities MHI is under 80% and that's the numbers that drive what interest rate we are at. But the non-metropolitan MHI from Montana that we are working on is 2017 to 2022 data and that number is \$63,617 so those communities that are under \$50,893 have the best chance of getting money out of a nationwide pooling request.

We are trying to pull together this month the emergency community water system grants for the impacts from the Milk River siphon failure for communities on the highline that were impacted by that that have an emergency to pay on that. We are currently in dialogue with the EPA exploring an interagency agreement whereby they are considering providing funds to us to administer for them for a tribal project in Montana.

Anna Miller said another thing that will be talked about is the Farm Bill and what that normally means, in previous years, they have looked at nationwide when we have a backlog of funds

and in most farm bill years, we end up with basically a doubling of our funding in that they usually have more money in there.

Anna Miller said to Mike Abrahamson that she looks forward to getting something on paper regarding a single environmental assessment.

### **Lindsey Glastetter - ARPA**

Lindsey said they are going through their progress reporting period and getting caught up. Rachel Gemar added that we are looking at our higher priority projects since we are wrapping things up at the end of the year. We have a countdown clock on the ARPA website. Some projects are moving along fine, and some are having issues. Grant managers will be in touch with anyone who is having some projects struggling to see how we can best spend the money by December 31, 2025. We may need to change course on some things. Anna Miller reminded all to get your draw requests into DNRC. She continued with the example of say you have a \$2,000,000 project. ARPA is \$1,000,000 of it and as long as you spend it by December 2025. Then that \$1,000,000 of SRF or RD could be spent on projects going out to bid planning for construction this summer. So be wary of that. AS soon as you get bills into us, you can get paid and get things moving along and get the next project going and ARPA folks are still putting on trainings offering some helpful tools. Progress reports are due January 15, and I believe that's the same for RRGL.

Rachel Gemar added that we have an information session the last Tuesday of every month are 3pm. If you run into ARPA questions, our grant managers will be on hand to help with those.

Anna Miller noted the BIL where the State Revolving Fund program has a fair amount of money through the EPA to do loan forgiveness. Nothing has really changed, although I think we are on a wait-and-see attitude. The US government is in a deficit position. You have a new Congress, a new President coming January 20 so we will see what funding moved through the Federal programs that we have. I imagine it may be a lesser amount than we have had before. They are going to have some cutbacks in Federal funding. We will see what happens.

### **Regional Water Update – Rick Duncan**

**Fort Peck/Dry Prairie Rural Water Authority (DPRWA)** – Fort Peck Tribes are completing Phase 4 in the northwest portions of the reservation on their water distribution system. Phase 3 is now substantially complete. They are also working on plans and specs for between 4 and 5 water depots. They have four locations definitely figured out. The Tribal Council wants a fifth one as an option. More updates will be coming when they are available. Dry Prairie has plans for finishing the last of the project segments along the northern tier, which is Daniels County and part of Sheridan county where Plentywood is the county seat. And also down the

Pines addition by Fort Peck Lake and this will be done by the end of 2026. They are in winter shutdown as of Christmastime so we will probably see an uptick in April.

**Rocky Boys / North Central Montana** –As is typical for Rocky Boys North Central, the Chippewa-Cree Construction Company did a fair amount of work or had a fair amount of work done under difficult conditions on the core pipeline in Phases 4 and 5. There was a lot of de-watering that had to take place in some areas of those six to seven mile long segments. They are either finished or close to finishing both Phase 4 and 5. They also were staging pipeline along the route for Phase 6. When they had two construction teams working on the core pipeline this year and one team finished up their work on Phase 4 and 5 part, they actually went ahead and started installing Phase 6 pipe so good progress there. Unfortunately, completion of that is not going as we thought – that it was the driver for providing water from the water treatment plant and completion of the core pipeline which will be Phases 7 and 8. It will be great to have that done, but the last recent report is that the water treatment plant will not be online until the end of 2027. They won't start loading filter media in the filter bays until early 2027. That is the latest update made available a couple weeks ago.

**North Central Montana Regional Water Authority (NCRMWA)** -- North Central is working on a connector main from the core pipeline north to the Hill County Water District point of diversion. It will be the westernmost part of the Hill County Water District's service area. The segment that was bid and under contract is actually the Hill County segment. They have done some smaller connector segments around Havre on that project. But right now, the engineering firm is preparing final plans and specs for the Havre segment and it may be bid in two schedules.

**Central Montana RWA – Musselshell-Judith Regional Water System** – Segment 1 from the wellfield at Ubet to Harlowton was substantially complete in the fall of 2023 and has been delivering water to the town of Harlowton since October 2023. That segment was finally able to achieve final completion when some back-ordered material arrived in the fall of 2024 and were installed. Segments 2a, 2b and 2c, which is the pipeline between the Judith Gap area and Roundup. All the pipeline is in place in 2a and 2b segments are substantially complete. And 2c is the last segment into Roundup. That pipeline is all in as well. Three precast vaults finally arrived in November. They hope to perhaps be delivering water to Roundup April 2025.

Central Montana RWA has construction on Phase 4. The Roundup to Melstone segment is proceeding at present. They have a lot of materials ordered and in storage in a yard in Roundup and are trying to get through some construction in areas where there is a lot of sage grouse activity at certain times of the year. They want to avoid activities in those portions of the segment as much as they can. They also had a pre-bid conference last week on the connecting pipeline for the last two wells in the wellfield Ubet wells 4 and 5, and the manifolding thereof so that will be going out for bid.

**Dry Redwater Regional Water Authority (DRWA)** – Dry Redwater is completing plans and specs for their Highway 200 west in Richland County and that has several grants from DNRC and ARPA as well and I think there is their intention to have some SRF funds involved. They are hoping to have those plans and specs completed and into DEQ for review in February. They are awaiting the final report from the Reclamation contract firm on the revised project feasibility report, which will govern the extent of the Federal funding involved in the overall regional water project.

Anna added that it will be great when we get all these small communities connected to a good water source and we appreciate the ARPA funds, the RD funds and all the funding that has gone in to make everything that has been done so far possible.

### **Greg Montgomery – DEQ**

Greg said on Lead Service Line Inventories, they received submittal list. There are 829 systems that submitted by October 16, 2024. There were 1,065 systems required to submit inventories. Out of that 879 were received and 186 are still outstanding. DEQ has to report to the EPA who has not submitted an inventory. Let communities know of SRF funding. Rebecca asked if communities can just do it? Greg gave the example of Havre who started before the did the survey. 2037 is the deadline to repair Lead Service Lines. Anna Miller asked what will the EPA do for non-compliance – like a violation letter? Greg said Montana will send out warning letters. November 1, 2027 is the compliance date. Jodie Campbell asked if DEQ has a list of non-responding communities and Greg said yes.

### **Michelle McNamee – RRGL**

Michelle spoke on Technical Assistant grants. Planning grants were received the end of 2024 and letter will be out the end of January. We have Technical Assistant funding – reach out the Katherine Certalic. Katherine's email is [KCertalic@mt.gov](mailto:KCertalic@mt.gov).

We are reviewing RRGL applications and by the end of February we hope to have the decision out. Through June the programs for NPS – communities served and others similar to the 319 program. All these will need an agreement by June of 2025. Anna Miller asked if a NPS could be a community septic project for example and Michelle said yes. Michelle suggested to reach out to her or to Nina Denny.

### **Stephanie Crider-Pridemore – MT Dept. of Commerce**

We just sent out award letter for some CDBG planning grants that we have. We will have another round of planning grants available in the spring. We do not have a firm date but mid to late spring we will have those. Our MCEP planning grants are dependent upon how the Legislative Session goes.

Rebecca Shaw-Quinones asked if the CDBG awards are listed on the website and Stephanie replied not yet.

Nina Denny wanted to remind us that RRG emergency grants are also open right now. Nina added that you know of a community, or you are with a community that is dealing with an emergency you can contact me or apply online.

Anna asked if MT Dept. of Commerce has any emergency grant funds left? Stephanie said she did not know the exact number, but they do have a little bit of MCEP emergency money left. She believes its about \$10,000 but either Becky Anseth or I can get back to you to confirm that number.

Anna reminded all that in House Bill 6, DNRC requests money for emergencies and planning grants. Also, in House Bill 11. Those funds are very helpful to communities and to our engineering community in getting those people started in applications, etc.

### **Heidi Fleury – Western Montana Conservation Commission**

Our program grants application are going live tomorrow, Wednesday January 15 and we have 2 different pots of money. We have \$500,000 in septic education and maintenance grant funds. We have \$280,000 in community connectivity funds and that will be given out in grants. That will be the septic education and maintenance grants. There will be a \$50,000 cap. And the connectivity grants, there is an \$80,000 cap. We have so much wonderful information on our website in the Grants and Resources Tab. I want to make sure everybody knew that our programs were going to go live tomorrow. Heidi put the website in the chat (<https://westernmtwaters.com/our-work-and-projects/grants-resources/>).

Heidi clarified by saying that we are the Western Montana Conservation Commission (WMCC) so these grants are available to anyone in Western Montana, west of the continental divide. Our septic education grants can be used for septic pumping cost shares and homeowner education outreach as well as professional development. This is for all of us who maybe need to learn a little more about all the septic issues that exist in Western Montana. Our second pot of funding is sewer connectivity or septic system replacement funding. Again, those grants are capped at \$80,000 and those can be used for communities to take systems that are on septic and hook them up to municipal services. Or it can be used to replace failing septic systems. If municipal services aren't anywhere in the realm of the near future.

Anna said so your grants go live tomorrow – when do they close? Heidi said our first review period will start in the first week of March. We hope to have enough applicants to take all of the funding, but if we don't, we will have a second review period. That will be announced after that.

Anna Miller said to be aware of the bills up for consideration during the session. If you have not testified before, she encouraged all to go to the Legislative website ([www.legmt.gov](http://www.legmt.gov)) and “watch and listen” to the hearing going on in Section F, which is the Long-Range Planning section. Listen to the kind of questions the committee asks and how things proceed.

## **Funding Workshop**

During the MRWS conference, the workshop will be Wednesday from 8:30 to noon.

**Uniform Application/Standard Documents** - We may have an update at the March MRWS conference.

**Website** – Melissa said to reach out if you have questions, updates or need something posted to the website.

## **Congressional Update - None**

## **End of updates**

Anna thanked all those who attended. The next meeting is tentatively set for Tuesday April 8, 2025. We have the first floor Montana Conference room reserved.

Meeting adjourned at 11:39am.

Minutes taken by Denise Cook, reviewed by Anna Miller, and adopted by those present at the WASACT meeting on April 8, 2025.