

2. INTRODUCTION

2.1 General Background

On October 27, 2000, the signature by President Clinton of S. 624, the Fort Peck Reservation Rural Water System Act of 2000 (PL 106-382, 114 Stat. 1451, see Exhibit A, Chapter 1, for text), was the final step in the congressional approval process and the beginning of a project conceived to improve the quality of life for the residents of northeastern Montana.

The legislation authorized the construction of a project that will bring safe drinking water from a regional treatment plant on the Missouri River to the Fort Peck Indian Reservation and to Roosevelt, Sheridan, Daniels and Valley (part) Counties outside the Reservation. The project will serve the area between Glasgow and the North Dakota border and between the Missouri River and the Canadian border (Figure 1-1). The United States will provide \$175.4 million in funding, and the State of Montana and local water users will provide \$16.1 million over a scheduled ten year construction period ending in 2011.

Conceived by the Assiniboine and Sioux Tribes of the Fort Peck Indian Reservation in 1991, the project was initially intended to bring Missouri River water to the southern half of the Reservation and replace the traditional groundwater sources, which are typically high in dissolved chemicals. The Bureau of Reclamation prepared a Needs Assessment in 1993¹ as an initial undertaking. Thereafter, Public Law 103-126 (October 28, 1993; 107 Stat. 1312), the Energy and Water Development Appropriations Act of 1994, authorized appropriations to study the feasibility of providing *...domestic water to the Fort Peck Indian Reservation*.² The Bureau of Reclamation prepared a report in May 1996³ addressing the construction costs of the area within the boundaries of the Fort Peck Indian Reservation with provision for future interconnections to the area now known as Dry Prairie. This report fulfilled the intent of Congress for a feasibility study. It determined costs of a system limited to the Reservation at \$114.734 million (1995\$)⁴.

In December 1995, officials of the Assiniboine and Sioux Tribes began to explore an expansion of the project to the boundaries now authorized, recognizing and acknowledging that water quality and water supply problems were widespread in the area. The larger project would embrace all of the Fort Peck Indian Reservation and the surrounding area. The citizenry of northeastern Montana on and off

¹U. S. Bureau of Reclamation, October 1993, *Fort Peck Reservation MR&I Water System, Needs Assessment*.

²H. Rept. 103-305, Title II: Department of the Interior, General Investigation of Proposed Federal Reclamation projects.

³U. S. Bureau of Reclamation, May 1996, *Technical Report, Fort Peck Reservation Rural Water System*.

⁴*Ibid*, p. ES-13

the Reservation formed informal task forces and pursued the expansion concepts. A Steering Committee was formed to represent the off-Reservation interests. The State of Montana began to develop a legislative proposal to finance the State and local construction cost share. The Assiniboine and Sioux Tribes arranged public meetings to advance the concepts.

In January 2000, what began as an informal Steering Committee evolved into the formation of Dry Prairie Rural Water, formed pursuant to statutes of the State of Montana to represent the project outside the Fort Peck Indian Reservation in Roosevelt, Daniels, Sheridan and the east side of Valley counties.

In addition to appropriations by the Montana Legislature in its 1997 and 1999 sessions (for the purpose of advancing the planning investigations by Dry Prairie), the Governor supported and the 1999 Legislature enacted SB 220 authorizing a mechanism for financing State and local cost shares in contemplation of Public Law 106-382. The Montana Revised Statutes provide as follows (90-6-715, April 1999):

(Temporary) Special revenue account -- use. (1) The treasure state endowment regional water system special revenue account may be used to provide matching funds to plan and construct regional drinking water systems in Montana. Each state dollar must be matched equally by local funds. Federal and state grants may not be used as a local match.

(2) The funds in the account are further restricted to be used to finance regional drinking water systems, such as projects ... in northeastern Montana, from the waters of the Missouri River, that will provide water for domestic use, industrial use, and stockwater for communities and rural residences that lie south of the Canadian border, west of the North Dakota border, north of the Missouri River, and east of range 39.

(3) The funds must be administered by the department of commerce for eligible projects. (Terminates June 30, 2013--sec. 6, Ch. 495, L. 1999.)⁵

With federal action on the project in October 2000 (PL 106-382), the Montana legislation in April 1999 (SB 220), and formation of governing entities of the Assiniboine and Sioux Tribes and Dry Prairie, the authority and infrastructure necessary to implement the project were in place.

2.2 Guide to Remaining Chapters of Final Engineering Report

Chapter 3, Demographics -- This chapter provides the historic population and growth rates in the project area. Differences between the Indian and non-Indian growth rates are identified. Population projections are made in section 3.3, and the distribution of the 1990 population in the project area is presented in section 3.4.

⁵The 2001 Montana Legislature amended 90-6-715 to extend the termination from 2013 to 2016.

Housing characteristics, including type of sewer, water source and plumbing facilities, that describe the Reservation and the Dry Prairie region are presented.

Chapter 4, Design Criteria -- The design criteria for the project are presented in this chapter beginning with a discussion of water needs for residential purposes (including household and outside watering), and nonresidential purposes (commercial, industrial, schools, businesses and institutions). Water requirements are summarized by community (section 4.4). Livestock demands are also addressed. The sizing criteria for the intake, water treatment plant, main pipelines, distribution pipelines, pumping stations and reservoirs are presented. Average and maximum day requirements were developed as well as peak instantaneous demand. These latter factors are the foundation of the design criteria.

Chapter 5, Existing Public Water Systems -- Existing public water systems (22 in number) are described in this chapter. Information is presented on the existing sources of water, water treatment, storage, and distribution. The information is the foundation for determining the need of existing public water systems for new source water from the regional project (FPRRWS).

Chapter 6, Water Treatment -- This chapter provides discussion of the water treatment plant. The main features of water treatment are pre-treatment, sediment removal processes, clarifiers, microfilters, nanofilters, disinfection, disinfection by-products, sludge disposal and integration with the intake on the raw water side of the plant and integration with the core pipeline transmission system on the finished water side of the plant.

This chapter also provides discussion of EPA maximum contaminant levels for inorganic chemicals, radionuclides, volatile and synthetic organic chemicals, microbiology and turbidity, and disinfectant by-products. Impacts of contaminants on health are briefly presented.

Chapter 7, Project Costs -- The project cost estimates and supporting assumptions are presented in this chapter in detail. Cost estimates are presented for the major and minor construction items and for the contract and noncontract elements of cost. The results of the value engineering investigation are presented at the chapter's end.

Chapter 8, Construction Schedule -- This chapter contains a schedule for construction of the intake, water treatment plant and the main pipelines and distribution systems separated into ten (10) geographic components, each of which completes a logical segment of the project between communities. Detail on the activities required before the start of construction, including easement acquisition, is presented.

Chapter 9, Operation, Maintenance, And Replacement Costs And Rate Structure -- The chapter presents the costs of operation, maintenance and replacement of the Assiniboine and Sioux and Dry Prairie Rural Water Systems. The types of staffing needed are given as well as their associated costs. The OMR costs are the foundation of decisions that Dry Prairie will make with

respect to billing rates. Fixed and variable costs are presented. Options for a rate structure are presented. Final decisions will reside with Dry Prairie.

While not part of the discussion in this chapter, the "water service agreement" described in Chapter 1 will provide for negotiated costs for delivery of water through the intake, water treatment plant and main pipelines of the Assiniboine and Sioux Rural Water System to the interconnection points of Dry Prairie. The negotiated costs will permit the Assiniboine and Sioux Tribes to operate, maintain and replace these facilities that are used in common by the two sponsors without concern by Dry Prairie that the operation has a greater (or lesser) cost impact on the Dry Prairie rate structure than warranted.

Chapter 10, Ability To Pay -- "Ability to pay" is presented in Chapter 10. The "ability to pay" analysis is a definition based on the cost that households pay for water from data compiled by the 1993 American Housing Survey relative to income remaining after the payment of housing costs, non-water utilities and other expenses. It is not a true "ability to pay" that clearly defines, by economic principles, the amount a household can *actually* pay for water but rather is an amount below which most households in the national survey (80 to 90%) pay for water. "Willingness to pay", which in theory should not be greater than "ability to pay", is also examined in Chapter 10. The "ability to pay" analysis was used in the development of the federal cost share in the Dry Prairie project. The analogous, but not entirely comparable, State measure is "target rate." Both are based on variants of household income.

Chapter 11, Economic Impact – This chapter describes the impacts of the project and compares life-cycle costs with life-cycle impacts. Benefits from the project will include employment during construction and OMR; earnings during construction and OMR; increase in livestock weights; and avoided costs of replacing water treatment and water source facilities in existing public water systems and the rural areas; water softening chemicals and equipment; bottled water; and monitoring and reporting by multiple public water systems. The differences in incidence of heart disease, cancer and diabetes between the Indian and non-Indian population of the project area are also presented, as well as estimates of the beneficial impact of the project on those rates of incidence.

2.3 Brief Description of Project

Description of major project features are discussed in the sections that follow.

2.3.1 River Intake

The intake location is not specific nor definite but is attached to a segment of the Missouri River between Poplar at the eastern end and an undefined stretch of Missouri River to the west, but not extending beyond Wolf Point, where total project costs of all facilities and the present value of all facilities combined with the present value of future operation, maintenance and replacement (OMR)

costs are lower than at intake points to the east or west of the selected segment. For example, an intake as far west as Fort Peck Dam was investigated, and it was determined that the cost of constructing pipelines and pumping stations in combination with the present value of annual OMR costs was significantly higher than costs of an intake in the Poplar area.

Intake siting was strongly influenced by the location of demands. While Glasgow represents the largest demand on the west side of the project, demands for Wolf Point, Poplar, Scobey, Plentywood and Culbertson dominate the central and east sides of the project. Larger pipelines for longer distances are required with intake near Glasgow. Similarly, if the intake is moved eastward from Poplar, larger pipelines for longer distances are required than with the intake near Poplar.

The intake will consist of screens placed in the bed of the stream with the intent of drawing water directly from the River. Federal and state biologists will be contacted to ensure that the screens will be designed to limit intake velocities to levels that will minimize the risk of impinging fish. Design velocities will be limited to 0.25 to 0.50 feet per second and will be subject to approval by state and federal fishery agencies.

The thalweg, or deepest part of the stream, in the reach of the river immediately south of the community of Poplar, can generally be reached about 150 feet from bank. From the intake screen placed in the thalweg to the bank, a raw water pipeline (42 inches in diameter) will be placed beneath the river to convey screened, raw water to a wet-well structure at a desirable location above the 100 year floodplain level. The gradient of the 42 inch raw water pipeline would be set to deliver water from the screens to the wet-well by gravity without the need for pumping facilities.

The wet-well structure would be located mid-way between the river bank and the water treatment plant, a total distance in the Poplar area of 1,600 feet. Based on terrain in the area, it was estimated that the base of the wet-well would be excavated to a depth of as much as 30 feet below the surface to permit gravity flow from the Missouri River to the wet-well. The wet well would be constructed with the diameter of approximately 15 feet to accommodate vertical turbine pumps placed in the wet well to lift raw water to the water treatment plant.

The intake system from the water treatment plant to the screens would also be equipped with chemical feed (potassium permanganate solution) to oxidize particles taken into the intake that contribute to taste and odor and, further, to reduce potential for trihalomethanes in the chlorination process at the treatment plant. The chemicals will be placed in the intake to allow time for mixing and chemical reaction prior to raw water entering the treatment plant.

In the event the wet-well or treatment plant were sited at an alternate location to the chosen point near Poplar, some variation in distance from the River bank to the wet-well and from the wet-well to the treatment plant would be expected. At the Poplar, site for example, movement of the wet-well or treatment plant to a location further north would increase the cost of the intake but decrease costs of

the 24 inch raw water pipeline leaving the treatment plant. The 42 inch raw water intake will be constructed of low-pressure materials, probably nonmetallic, between the River and the wet-well. Therefore, any extension of the raw water intake will be partially offset by reduction in the length of high-pressure welded steel, ductile iron or comparable pipe leaving the water treatment plant.

2.3.2 Water Treatment Plant

A microfiltration, media filtration or conventional water treatment plant is proposed for the project. Final selection of processes will be a design level activity supported by pilot testing as needed. Selection will be based on principles established in the conceptual value engineering investigation and will be based on function and life-cycle costs.

Missouri River raw water quality is low to moderate in total dissolved solids and hardness and can be treated satisfactorily by these general methods to meet federal safe drinking water criteria. Water treatment involves the filtration of suspended particles from the raw water and disinfection of the filtered water to remove microorganisms. As discussed in the previous section, steps will be taken to minimize the potential for trihalomethanes (THM's), odor and taste by pre-treatment processes. The following processes are potentially available within the proposed treatment plant, subject to requirements to produce a finished product meeting federal safe drinking water standards and public opinion respecting matters such as fluoridation and methods of disinfection:

1. potassium permanganate oxidation;
2. powdered activated carbon absorption;
3. coagulation;
4. sediment removal/clarification;
5. filtration;
6. pH modification;
7. corrosion inhibitors;
8. disinfection (chloramines with consideration of ozone for partial disinfection);
9. fluoridation.

2.3.3 Pipelines

Pipeline layouts are presented in Figures 1-2 and 1-3. The layouts provide for transmission and distribution to all communities and all rural residences in the project boundaries, both now and through year 2030. The main transmission pipelines form a "figure 8" as shown in Figure 1-3. Pipelines extend from the water treatment plant in an east west direction along U.S. Highway 2 and parallel to the Missouri River between Glasgow on the west and Culbertson on the east. From Glasgow, the transmission pipeline turns north and delivers water to the northwest corner of the project. From Culbertson, the transmission pipeline turns north and delivers water to the northeast corner of the project at Plentywood. In the center of the transmission pipeline along U.S. Highway 2, it branches,

turns north and delivers water to the north central portion of the project at Scobey. From Scobey, the main transmission pipelines extend easterly and westerly toward Plentywood and Opheim, respectively, thereby completing the "figure 8" configuration.

There is no "looping" in the project where water may be delivered in one direction at one time and reversed to deliver in another direction at a later time. (Minor exceptions to this rule will only apply between adjacent pumping stations and an associated reservoir during limited times when flow from a reservoir is used to supplement supply from a downstream pumping station). Looping is impractical in the project, due to the fact that water is being pumped, for the most part, uphill and away from the Missouri River. To supply a demand from two directions would require the enlargement of the main transmission system at greater cost than now proposed. Similarly, looping between branches would require larger pipe sizes and greater cost than is now proposed.

To serve all prospective needs of the project, closure of the "figure 8" configuration is needed at Opheim and Plentywood. Depending on final expression of intent to connect by rural water users and state permittees south of Opheim, at least part of the 33 miles of four inch pipeline north of St. Marie could be eliminated. Similarly as much as 2 to 3 miles of four inch pipeline west of Plentywood could be eliminated.

The main transmission pipeline, as described above, will deliver water to 49 interconnections on the Reservation and 90 interconnections off the Reservation to serve rural branch (distribution) lines and communities. The main transmission lines range from 4 inches to 30 inches in diameter, and branch lines range from 2 to 8 inches in diameter. Pipeline pressures range from 35 to 250 pounds per square inch (psi). Polyvinyl chloride is an acceptable and cost competitive material for transmission and distribution pipelines in all size categories. Metal (welded steel or ductal iron) is an acceptable and cost competitive material for the larger diameters and higher pressure classes (above 12 inches and above 200 psi). Costs will ultimately dictate the selection of polyvinyl chloride, polyethylene or metal pipe as the construction materials.

To serve all needs in the project boundaries requires 3,190 miles of pipeline. The large diameter pipeline (24 to 30 inches) is limited to the segment of project between Poplar and Wolf Point, a distance of approximately 128,000 feet (24 miles). While 2 inch diameter pipeline is the smallest diameter considered in the planning, smaller pipelines (to as small as 3/4 inch) will be considered in actual construction where distances from distribution lines to rural households is relatively short.

Pipelines will be placed to a depth of seven feet to prevent freezing. Construction easements for pipelines will generally be placed outside highway or road right-of-ways and will require a width generally varying from 35 feet for smaller pipelines to 75 feet for larger pipelines. Easements for operation, maintenance and replacement will also be required. Farming and ranching can continue over the easements, but permanent structures or the planting of trees cannot be permitted due to the interference with future operation, maintenance and replacement.

2.3.4 Pumping Stations

Pumping station numbers and sizes are coordinated with the pipelines and reservoirs throughout the project. Combinations of pipeline sizes, pressure classes and pumping stations were selected to minimize costs, where the determination of costs included the initial investment and the present value of future annual operation, maintenance and replacement costs, including electrical pumping.

The number of pumping stations in the project includes 20 on the main transmission pipelines and 90 on branch pipelines. There are 139 interconnections to the project, many of which are long distribution systems. Therefore, the number of pumping stations per branch pipelines is not large, averaging less than 1 pumping station per interconnection.

Pumping stations range in size from 0.5 to 2,000 horsepower. As with the larger diameter pipelines, which account for a small part of the total project distance, large pumping stations are small in number, and smaller pumping stations are large in number. In many cases, the smaller pumping stations are necessary to boost power for a small number of rural connections near the ends of distribution lines.

Each pumping station will include the construction of a building and surrounding site work. Buildings will include electrical, heating and ventilation facilities. Fencing, landscaping and roads will be provided. The internal piping, valves and number of pumping units will be combined to provide efficient operation during periods of low and high demand. Additional pump capacity, beyond maximum day capacity, will be provided to accommodate a short term pumping failure of an adjacent operating unit in the pumping station. Pumping stations may also be used for injection of disinfectant to maintain proper residuals.

Each pumping station in the project will be coordinated with a reservoir using supervisory control and data acquisition (SCADA) equipment. To the extent required, controls throughout the project will provide instantaneous information on pump station, reservoir and water treatment plant operation and performance.

Certain pumping station and reservoir combinations will require improvements in the existing electrical distribution system operated by Northern Electric, Sheridan Electric or Valley Electric, the rural electric cooperatives serving the project area.

2.3.5 Reservoirs

Reservoirs will be provided at each pumping station in the project (or between each set of two pumping stations). The purpose of the reservoirs is to provide a source of water at the suction end of pumping stations to improve operations and to supplement the supply produced by the pumping stations during periods of peak use. The number of reservoirs required is the same irrespective of location near

the upstream pumping station or midway between the upstream and downstream stations. When the pumping station is seeking more flow than the upstream pipeline can provide, the reservoir is available to supply additional water. Reservoirs will conserve usable storage for use during peak periods of the day.

On the main transmission lines, storage in the amount of 1,095,960 gallons was provided at the first pumping station to deliver water during two hours of back wash time at the water treatment plant when the plant is operating at capacity. Criteria for other reservoirs on the transmission lines of the project (not the branch lines) will provide six hours of difference between (a) peak hour demand for the rural household connections between pumping stations and (b) maximum day flow. Storage for an additional hour at one-third of the maximum day flow rate was also provided for operational enhancement of pump performance. These criteria produce a requirement for 2,766,560 gallons of storage along the main transmission line. (See Figure 1-3 for transmission pipelines).

2.4 Roles of the Sponsors and Agencies

The sponsors of the project are the Assiniboine and Sioux Tribes and Dry Prairie Rural Water. The federal agencies with primary oversight responsibility on the Fort Peck Indian Reservation include the Bureau of Reclamation and the Bureau of Indian Affairs. The federal agency with primary oversight responsibility in the Dry Prairie part of the project is the Bureau of Reclamation. State agencies have responsibility for the Dry Prairie part of the project, but not the Assiniboine and Sioux part of the project. State agencies with responsibility for oversight of Dry Prairie include the Department of Environmental Quality, Department of Natural Resources and Conservation and the Department of Commerce.

2.4.1 Sponsors' Role

The Assiniboine and Sioux Tribes and Dry Prairie will each be responsible for the planning, design, construction, operation, maintenance and replacement of their respective parts of the Fort Peck Reservation Rural Water System. The details of these responsibilities will be defined by cooperative agreements between each sponsor and the Bureau of Reclamation for the planning, design and construction phases of the project. In the OMR phases of the project, the details of the responsibilities of the Assiniboine and Sioux Tribes will be defined by a cooperative agreement with the Bureau of Indian Affairs. Dry Prairie will be responsible for the OMR phases of its project without federal or state participation other than in a regulatory role. Cooperative agreements with the Tribes will be based on principles, rules and regulations of PL 93-638, the Indian Education and Self-Determination Act, as amended.

2.4.2 Federal Role

The Bureau of Reclamation will be responsible for oversight of the planning, design and construction activities within the boundaries of the Fort Peck Indian Reservation and throughout the Dry Prairie region. The Bureau of Reclamation will administer federal funds through cooperative agreements with the sponsors. Reclamation will also review and approve all planning documents. The agency will review and approve all design plans and specifications prior to the bidding process and will approve the award of contracts.

The project will be managed by the Montana Area of the Great Plains Region. The Montana Area will be responsible for reporting to the Region, and the Region will be responsible for reporting to the Commissioner of the Bureau of Reclamation with respect to the status of planning, design and construction, the capability to use federal funds in upcoming years and the budget requirements for each fiscal year of construction activity. While the list of responsibilities presented here is not intended to be exhaustive, the responsibilities are generally to ensure the technical adequacy of the project prior to and during construction and to properly account for federal funds utilized in the project. The agency will act to ensure the success of project implementation pursuant to federal rules and regulations and will report to members of Congress and appropriate subcommittees upon requests for information or accounting. The Bureau of Reclamation will also ensure that the treatment facilities will meet the requirements of the Safe Drinking Water Act, as amended, (110 STAT. 1613; Public Law 104-182).

The responsibility of the Bureau of Indian Affairs will be limited to the Fort Peck Indian Reservation portion of the project. During the planning, design and construction phases of the project, the Bureau of Indian Affairs will provide assistance to the landowners as the project acquires easements and title to property for project facilities. The Bureau of Indian Affairs will be guided by federal regulations governing the acquisition of easements and other property by the project. This agency will also review planning, design and construction to the extent necessary to ensure that facilities are designed and constructed in a manner that will provide the quality of construction and quality of water necessary. The Bureau of Indian Affairs will seek design and construction that will result in reasonable levels of future OMR costs. During the OMR phases of the Assiniboine and Sioux Rural Water System, the Bureau of Indian Affairs will have a responsibility to fund OMR costs.

2.4.3 State Role: Dry Prairie

The Department of Environmental Quality will review planning, design and construction in the Dry Prairie area in order to concur that the facilities to be constructed will properly address Montana's regulatory requirements for public drinking water systems. During OMR activities, the Department of Environmental Quality (Public Water Supply Section) will be responsible for review of the monitoring of water quality and compliance with standards for public drinking water systems.

The Public Water Supply Section assures that the public health is maintained through a safe and adequate supply of drinking water. This function is achieved by technical review, licensing, certifications, compliance monitoring, training and technical assistance.

- Monitor and oversee required public drinking water system sampling to assure the delivery of safe water to the users of the system;
- Provide technical review and approval of public drinking water;
- Conduct sanitary surveys of public drinking water systems and provide technical assistance to help systems maintain compliance;
- Maintain a comprehensive record system for public drinking water sampling results and design and maintenance activities;
- Provide training and certification for operators of drinking water systems.

The Public Water Supply Section maintains the Safe Drinking Water Information System (SDWIS), which contains information about public water systems, as reported to EPA by the State. SDWIS monitors public water system performance relative to maximum contaminant levels, treatment techniques, and monitoring and reporting requirements to ensure that water systems provide safe water to their customers.

The Departments of Environmental Quality and Natural Resources and Conservation cooperatively administer the State Revolving Fund Loan Programs. The Montana Legislature established two State Revolving Fund (SFR) Loan Programs - one for water pollution control projects (wastewater and non-point source projects) and the other for drinking water projects. Both programs provide at or below market interest rate loans to eligible Montana entities. These programs are funded with capitalization grants from the U.S. Environmental Protection Agency and are matched by 20% with State issued general obligation bonds. Combined, these two sources of funds create the "state revolving fund" from which loans are made and borrower repayments revolve to provide loans for future infrastructure projects. The Department of Environmental Quality (DEQ) is the administering agency and assures that the technical and programmatic requirements of the program are met. The Department of Natural Resources and Conservation (DNRC) issues the State's general obligation bonds and makes loans to the project borrowers.

The Department of Natural Resources and Conservation (DNRC), through its Conservation Resources and Resource Development Division, maintains a regional water system coordinating committee with current representation from the Departments of Environmental Quality, Commerce, State Historical Preservation Office, Transportation, Fish, Wildlife and Parks and the Governors Office, as well as federal agencies involved in this and other regional projects.

DNRC is also responsible for the Uniform Application For Montana Public Facility Projects, which will be filed by Dry Prairie and will become the document that all state agencies will review for adequacy of planning, design and construction. Dry Prairie will apply to the State agencies for grants

and loans to finance the non-federal cost share. The Uniform Application for Montana Public Facility Projects contains the common forms and checklists that must be submitted when applying for financial assistance to any of the eligible funding programs. This application was developed to reduce the time, effort and expense that local governments incur when applying to multiple agencies for financial assistance. Once completed, the forms and checklists in this application can be copied and submitted to any of the eligible programs. The following programs have adopted the application materials contained in this publication:

- Montana Board of Investments/INTERCAP Program
- Montana Department of Commerce/Community Development Block Grant (CDBG) Program
- Montana Department of Commerce/Treasure State Endowment Program (TSEP), including the regional water system special revenue account
- Montana Department of Environmental Quality/State Revolving Fund (SRF) Loan Programs
- Montana Department of Natural Resources and Conservation/Renewable Resource Grant and Loan (RRGL) Program and State Revolving Fund (SRF) Loan Programs
- U.S. Department of Agriculture/Rural Development (RD) Program/Rural Utilities Service

The Trust Land Management Division of DNRC will also have a role in the project to review and approve applications for easements across state lands. The purpose of the Trust Land Management Division is to administer and manage the state trust timber, surface, and mineral resources for the benefit of the common schools and the other endowed institutions in Montana, under the direction of the State Board of Land Commissioners. The Division is responsible for reviewing and processing applications for rights-of-way and easements across surface lands and navigable waterways administered by the state.

The Community Development Division of the Department of Commerce works with federal, state, and local governments, and the private sector, in all areas of community development including public facilities planning and financing, community planning and growth management, subdivision regulation and zoning, housing development for low and moderate income families, neighborhood revitalization, needs assessment, and coal and hard rock mining mitigation, and project management.

The Division administers the Treasure State Endowment Program (TSEP). Since 1993, TSEP has been helping to finance construction projects. All of the TSEP financial assistance to date has been in the form of grants, which is used in combination with other grant and loan funding sources to make projects more affordable. Construction grant applications are limited to a maximum of \$500,000. In the case of Dry Prairie, the Division will administer the “regional water systems special revenue account”, (see Section 2.1).

As a supplement to the basic roles set out above for the three major Departments involved in this project, the State of Montana provides the following check list in relation to the development of the Dry Prairie Rural Water System, which will involve additional agencies in some cases:

- **MPDES Wastewater Discharge (Service Water).** Requires all discharges to surface water, including those related to construction de-watering, suction trenches and hydrostatic testing to be permitted.
- **Storm Water Discharge.** Requires permitting of construction-related, industrial and mining storm water discharges. Construction activity must meet regulatory acreage requirements.
- **318 Authorization (Turbidity).** Any activity in any State water that will cause unavoidable short-term increase in turbidity or sediment, generally associated with construction projects, is regulated.
- **310 Permit/SPA. (124).** Any activity that physically alters or modifies the bed or banks of a stream is regulated. Private individuals require a 310 permit from the local Conservation District. Government agencies require a SPA authorization from the Department of Fish Wildlife and Parks.
- **401 Certification.** Any activity requiring a federal permit or license that may result in a discharge to State waters is regulated.
- **Public Water Supply.** New construction, alteration, extension or operation of a public water supply or non-State Revolving Fund (SRF) public sewage system requires approval from the Department of Environmental Quality.
- **RW-20 Permit.** A permit is required when construction work is to be done within a Montana Department of Transportation (MDT) right-of-way.
- **Air Quality Permits.** Permit is required for construction, installation and operation of equipment or facilities that may cause or contribute to air pollution.
- **Floodplain Development Permit.** Required for planning new construction within a designated 100 year floodplain.
- **ROW Easements/Land Use License.** Authorizes construction activities on state trust lands in Montana.
- **Montana Environmental Policy Act (MEPA).** Projects which will have an impact on the environment require an environmental assessment (EA) or an environmental impact statement (EIS).

- **County Noxious Weed Control Act.** Titles 7, Chapter 22, Sections 7-22-2101 through 7-22-2153, MCA, and Administrative Rules on Montana (ARM) 7.1.201 through 7.1.203.
- **Section 7 Consultation.** Identifies any endangered or threaten species and habitat that may be affected by a project.
- **Section 106 Consultation, National Historic Preservation Act.** Determines impact on heritage properties on state trust lands and those affected by federal permits and actions. For this project, a programmatic agreement between the sponsors may be considered.