Treasure State Endowment Program

Grant Application Submission Guidance
Application deadline June 12, 2020

http://comdev.mt.gov/Programs/TSEP
Impacts due to COVID-19

• Due to the repercussions of COVID-19, the Montana Department of Commerce received many public comments expressing concern over the initially proposed May 1, 2020 TSEP Construction application deadline.

• Commerce has: (1) extended the application deadline to June 12, 2020; and (2) will allow all TSEP Construction Application public meeting documentation to be submitted any time up until August 3, 2020.
Applicants & Projects

Eligible Applicants:
- Incorporated Cities or Towns
- Counties
- Consolidated Government
- Water and/or Sewer, or Solid Waste District
- Tribal Government

Eligible Projects:
- Drinking Water Systems
- Wastewater Treatment Systems
- Sanitary Sewer or Storm Sewer Systems
- Solid Waste Disposal and Separation Systems
- Bridges
How much grant can I apply for?

- Based on Median Household Income (MHI) of Applicant
- Target Rates
- User rates charged at end of project

https://comdev.mt.gov/Resources/Financial/TargetRate

http://comdev.mt.gov/Programs/TSEP/ProjectGrants/ApplicationForms

If there is no MHI published for your project location, please contact staff at (406) 841-2770
Applications

• One (1) application per project per applicant

• Maximum grant available dependent on percent of Target Rate met by community at end of project
  – Infrastructure
    • $750,000 grant = 150% target rate
    • $625,000 grant = 125% target rate
    • $500,000 grant = 100% target rate
  – Bridges
    • Generally limited to $500,000

• Dollar for Dollar match requirement
Application Submission

• Deadline: Friday, June 12, 2020

• One electronic copy of uniform application, TSEP statutory priority responses, preliminary engineering report (PER), any supplemental information or appendices

• Application delivery -- by close of business on June 12, 2020
  – Electronic submission via File Transfer Service
Electronic Application Submission

• Electronic application information submitted via the State’s File Transfer Service
  – https://transfer.mt.gov
  – Secure and Free system
  – Easy to use
  – No file size (MB) limitations
  – Applicant creates file transfer account, uploads files. Send email to DOCCDD@mt.gov
  – CDD staff receives message from File Transfer Service
  – CDD staff retrieves files for review

• Please consolidate files for submission into no more than three or four documents.
Required Documents

• Complete Application
  – Preliminary Engineering Report (PER)
  – Uniform Application
  – TSEP Statutory Priority Responses
  – Environmental Review
  – Any supplemental information

• Authorization to submit Application
  – Signature by Authorized Official

• Environmental Review – public participation documentation, as applicable – submitted by August 3, 2020

• Preliminary Budget

• Preliminary Implementation Schedule

*Applications lacking any one of these items will not be considered*
Due to impacts from COVID-19 and the ability to hold standard public meetings, public hearing documentation for the adoption of the PER must be submitted by August 3, 2020.
Preliminary Engineering Report for Bridge projects

- Executive Summary
- Problem Definition
- Alternative Screening
- Alternative Analysis
- Description of Preferred Alternative
- Recommendations and Implementation

- Due to impacts from COVID-19 and the ability to hold standard public meetings, public hearing documentation for the adoption of the PER must be submitted by August 3, 2020
Additional Documentation

• A variety of documents may be used to support the information provided in PER or for any Statutory Priority:
  – Administrative Orders
  – Citation Letters
  – Resident reports of failures/effects
  – Operation failure logs
  – Advertising/Public Notice
  – Code Citations
  – Inspection Reports/Photos
  – Itemized Costs Estimate
Uniform Application

• Provides the basic information for the proposed project
  – Certification to apply
  – Summary of applicant
  – Project contacts
  – Summary and history of project
  – Financial information, budgets and narrative
  – Debt/asset summary
  – System and hookup information
  – Calculation of projected rates after project completion
## Proposed Funding Sources

### EXAMPLE OF A COMPLETED PROPOSED FUNDING SOURCES SUMMARY

<table>
<thead>
<tr>
<th>Source</th>
<th>Type of Fund</th>
<th>Amount</th>
<th>Status of Commitment</th>
<th>Loan Rates and Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSEP</td>
<td>Grant</td>
<td>$625,000</td>
<td>Submit application June 2020. Funding determined during 2021 Legislative Process</td>
<td></td>
</tr>
<tr>
<td>RRGL</td>
<td>Grant</td>
<td>$125,000</td>
<td>Submit application June 2020. Funding determined during 2021 Legislative Process</td>
<td>3.5%, 40 years (subject to change)</td>
</tr>
<tr>
<td>Local</td>
<td>Cash</td>
<td>$50,000</td>
<td>Available upon request</td>
<td></td>
</tr>
<tr>
<td>SRF</td>
<td>Loan</td>
<td>$1,057,500</td>
<td>Submit application Summer 2021. Funds Available Fall 2021</td>
<td>3.5%, 40 years (subject to change)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$1,857,500</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Environmental Review

• Complete the Environmental Review
  – Environmental checklist
  – **Must** include a signature
  – **Must** include responses to six questions

• Include a Public Process – documentation by August 3, 2020

• Make a Determination at a Public Meeting
  – Category Exclusion
  – Environmental Assessment
  – Environmental Impact Statement

• Local Government Action taken to accept level of determination
Environmental Public Process

- Public Notices posted in accessible locations (example: newsletters, newspapers, website, community centers, post office, etc.)
- Public Comment Period prior to final adoption by the local government
- Public Meeting to accept final environmental determination
- Approval by local government with authorization

Due to impacts from COVID-19 and the ability to hold standard public meetings, public hearing documentation for the approval by the local government of the environmental documents and process must be submitted by August 3, 2020
TSEP Statutory Priorities

• Seven (7) Statutory Priorities
  - MCA 90-6-710

• Each priority for every application is ranked and scored on information provided

• Each Statutory Priority has a maximum point value

• All documents cited or used to validate details provided for a priority must be included with the application
Statutory Priorities

• **Statutory Priority #1** Urgent and Serious Health or Safety Problems, or Compliance with State or Federal Standards
• **Statutory Priority #2** Greater Financial Need
• **Statutory Priority #3** Appropriate Design and Long Term Solution
• **Statutory Priority #4** Long Term Planning and Management
• **Statutory Priority #5** Obtains Funds from Other Sources
• **Statutory Priority #6** Long-term, Full-time Jobs, Business Expansion, Tax Base
• **Statutory Priority #7** Community Support
Statutory Priority 1

- Projects that solve urgent and serious public health or safety problems, or that enable local governments to meet state or federal health or safety standards.
Statutory Priority 2

- Projects that reflect greater need for financial assistance than other projects:
  - Millage Assessed in comparison to median household income (MHI)
  - Target rate comparison to user rates at end of project
  - Applicant tax revenues in comparison to number of households
  - Poverty

- If, these factors do not accurately reflect the applicant’s financial commitments, or ability to provide matching funds, please provide additional explanation of extenuating circumstances

- Commerce gathers the data for this priority – applicant does not need supply information beyond filling out the Uniform Application
Statutory Priority 3

• Projects that incorporate appropriate, cost-effective, technical design and that provide thorough, long term solutions to community public facility needs.
Statutory Priority 4

- Projects that reflect substantial past efforts to ensure sound, effective long-term comprehensive land use planning, long term fiscal planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources.
  - Long term planning and previous efforts for improvements
  - Project prioritization
  - Reasonable operation & maintenance budgets and practices
Statutory Priority 5

• Projects that enable local governments to obtain fund from sources other than TSEP.
  – Serious efforts to seek out and secure alternate funding sources (both private and public)
  – Is TSEP participation essential to obtaining alternate funds?
  – Does the applicant have available other types of revenues that could be used for the project?
  – How does applicants prior experience demonstrate a capacity to manage grant funds?
Statutory Priority 6

- Projects that provide long-term full-time job opportunities for Montanans, that provide public facilities necessary for the expansion of a business that has a high potential for financial success, or that maintains or encourages expansion of the tax base.
  - Long term job opportunities
  - Business growth
  - Tax base expansion
Statutory Priority 7

- Projects that are high local priorities and have a strong community support.
  - Are the residents aware of the project and the impacts it will have on them?
  - Timely completion of past projects

- Newspaper articles
- Posted Flyers
- Inserts with Utility Bills
- Letters of Support
- Website posts

- Board Meeting Minutes
- Public Survey
- Needs Assessment
- Public Hearing
- Community meetings

- Provide documentation of public involvement efforts

- Due to impacts from COVID-19 and the ability to hold standard public meetings, public hearing documentation for presentation of project details to the public must be submitted by August 3, 2020
# Preliminary Project Budget

**EXHIBIT B -- XYZ Project Budget**

<table>
<thead>
<tr>
<th>Administration</th>
<th>TSEP</th>
<th>RRGL</th>
<th>SRF</th>
<th>Local</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Cost</td>
<td>$500.00</td>
<td>$500.00</td>
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<td>$500.00</td>
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<tr>
<td>Office Cost</td>
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<tr>
<td>Grant Adminstration</td>
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<tr>
<td>Legal Costs</td>
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<td>Audit Fees</td>
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<td>$100.00</td>
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<tr>
<td>Travel &amp; Training</td>
<td>$500.00</td>
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<td>$500.00</td>
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<tr>
<td>Interim Interest</td>
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<td>$500.00</td>
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<tr>
<td>Bond Costs</td>
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<td>$500.00</td>
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<tr>
<td><strong>TOTAL ADMINISTRATION</strong></td>
<td>$2,000.00</td>
<td>$0.00</td>
<td>$2,500.00</td>
<td>$1,100.00</td>
<td>$5,600.00</td>
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</table>

<table>
<thead>
<tr>
<th>Construction Related Activities</th>
<th>TSEP</th>
<th>RRGL</th>
<th>SRF</th>
<th>Local</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Land Acquisition</td>
<td>$1,000.00</td>
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<td>$1,000.00</td>
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<td>Basic Engineering Service</td>
<td>$10,000.00</td>
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<tr>
<td>Engineering RPR</td>
<td>$50,000.00</td>
<td></td>
<td>$5,000.00</td>
<td></td>
<td>$55,000.00</td>
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<tr>
<td>Construction</td>
<td>$387,000.00</td>
<td>$125,000.00</td>
<td>$1,000,000.00</td>
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<td>$1,512,000.00</td>
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<tr>
<td>Contingency</td>
<td>$50,000.00</td>
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<td></td>
<td>$50,000.00</td>
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<tr>
<td><strong>TOTAL ACTIVITY</strong></td>
<td>$498,000.00</td>
<td>$125,000.00</td>
<td>$1,055,000.00</td>
<td>$1,000.00</td>
<td>$1,679,000.00</td>
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<tr>
<td><strong>TOTAL PROJECT BUDGET</strong></td>
<td>$500,000.00</td>
<td>$125,000.00</td>
<td>$1,057,500.00</td>
<td>$2,100.00</td>
<td>$1,684,600.00</td>
</tr>
</tbody>
</table>
# Preliminary Implementation Schedule

## City/Town/County/District

### PROJECT IMPLEMENTATION SCHEDULE

<table>
<thead>
<tr>
<th>PROJECT DESIGN</th>
<th>QUARTERS, 20xx</th>
<th>QUARTERS, 20xx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commence Final Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete Project Design</td>
<td></td>
<td></td>
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<tr>
<td>Submit Plans to DEQ</td>
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<td></td>
</tr>
<tr>
<td>Prepare Bid Documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finalize Acquisition</td>
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<td></td>
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</tbody>
</table>

### ADVERTISEMENT FOR CONST. BID

<table>
<thead>
<tr>
<th></th>
<th>QUARTERS, 20xx</th>
<th>QUARTERS, 20xx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review Contract Requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Bid Advertisement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Bids &amp; Examine Proposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Request Contr. Debarment Review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Select Contractor &amp; Award Bid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct Pre-Const. Conference</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue Notice to Proceed to Contractor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Summary of Complete Application

- Please submit all components of the application:
  - Preliminary Engineering Report
  - Uniform Application information
  - Completed Environmental Review
  - Statutory Priority Responses
  - Preliminary Implementation Schedule
  - Any supplemental information

*Applications lacking any of these items may not be considered*
Submission and Questions

Please provide one electronic copy to:

https://transfer.mt.gov
DOCCDD@mt.gov
406-841-2770

Treasure State Endowment Program
Community Development Division
Department of Commerce
301 S. Park Avenue
PO Box 200523
Helena, MT 59620-0523

http://comdev.mt.gov/Programs/TSEP