



HOUSE BILL NO. 6  
INTRODUCED BY CONNELLY

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 51ST LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1993; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**NEW SECTION.** Section 1. Appropriations from the water development state special revenue account. (1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation \$106,508 from the water development state special revenue account during the 1992-93 biennium for

grants to private persons for water development projects and activities pursuant to the provisions of Title 85, chapter 1, part 6. This appropriation is from money available in the water development state special revenue account for grants for water development projects and activities under 85-1-604(3)(c) and according to priorities established in subsections (3) and (4) of this section.

(2) There are appropriated to the department the interest earnings from the proceeds of water development bonds and renewable resource development bonds issued to finance loans authorized by [sections 1 through 12]. Interest earnings must be deposited in the water development debt service fund and the renewable resource development account, respectively.

(3) There are appropriated to the department all other funds not appropriated under subsection (1) and available for grants to political subdivisions and local government entities from the water development state special revenue account during the 1992-93 biennium. This appropriation is from money available in the water development state special revenue account and renewable resource development account for grants and from the water development or renewable resource accounts for loans for water development projects and activities under 85-1-604(3)(c) and [sections 1 through 12]. The funds appropriated in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection (4), subject to the conditions set forth in [sections 1 through 12] and

1 the contingencies described in the renewable resource and water  
 2 development program's January 1991 report. The legislature,  
 3 pursuant to 85-1-605, approves the grants listed in subsection (4),  
 4 with grants to be made in the order indicated in the prioritized  
 5 list of projects and activities. Funds must be awarded up to the  
 6 amounts approved in this section in order of priority until  
 7 available funds are expended. Funds not accepted or used by higher  
 8 ranked projects and activities must be provided for projects and  
 9 activities further down the priority list that would not otherwise  
 10 receive funding. If the total expenditure of funds appropriated  
 11 under this section results in a cutoff that ends at a point at  
 12 which more than one project or activity is ranked equal in  
 13 priority, the decision regarding which project or projects will  
 14 receive funding must be made by the department. Any projects that  
 15 are funded by the reclamation and development grants program may  
 16 not be funded under [sections 1 through 12]. Actual rank and score  
 17 of the various projects and activities are contained within the  
 18 renewable resource and water development program's project  
 19 evaluations and recommendations report for the 1992-93 biennium.

20 (4) The following are the grant and loan prioritized projects  
 21 and activities:

22 WATER DEVELOPMENT PROGRAM

23 Recommended Funding

24 <u>Applicant\Project</u>	<u>Grant</u>	<u>Loan</u>
25 CHINOOK IRRIGATION DISTRICT		
26 Milk River Water Supply Project	\$100,000	

1 LOWER MUSSELSHELL CONSERVATION DISTRICT		
2 River Management Tools	72,539	
3 GLASGOW IRRIGATION DISTRICT		
4 Improving Water Use Efficiency	100,000	
5 GREENFIELDS IRRIGATION DISTRICT		
6 Greenfields Gravity Sprinkler Planning	100,000	
7 MONTANA STATE LIBRARY		
8 Drought Monitoring System	58,364	
9 JOCKO, MISSION, AND FLATHEAD IRRIGATION		
10 DISTRICTS, JOINT BOARD OF CONTROL		
11 Flathead Irrigation Information System	92,000	
12 LEWIS AND CLARK COUNTY CONSERVATION DISTRICT		
13 Nilan Water Conservation Project	100,000	
14 PRIVATE APPLICANT		
15 Ruby Creek Dam Feasibility Study	14,708	
16 FORT SHAW IRRIGATION DISTRICT		
17 Rehabilitation of Headworks and "A"		
18 System Diversion	50,000	
19 DUTTON, TOWN OF		
20 Dutton Water Storage Reservoir	91,319	
21 PRIVATE APPLICANT		
22 Wastewater Collection and		
23 Treatment System	50,000	\$150,000
24 PRIVATE APPLICANT		
25 Fishery Improvement and Sediment		
26 Reduction	15,000	

1 PHILLIPS CONSERVATION DISTRICT  
 2 Moisture Monitoring Project 53,382  
 3 MONTANA BUREAU OF MINES AND GEOLOGY  
 4 Hydrogeologic Controls on Selenium  
 5 Mobility in Southcentral Montana 98,778  
 6 GRANITE CONSERVATION DISTRICT  
 7 Demonstration Ice Block 67,787  
 8 PRIVATE APPLICANT  
 9 Cherry Creek Flood Control 21,880  
 10 PRIVATE APPLICANT  
 11 River Road Stabilization 5,000  
 12 NEW SECTION. Section 2. Appropriations under renewable  
 13 resource development program -- eligibility. (1) There are  
 14 appropriated to the department of natural resources and  
 15 conservation all available funds from the renewable resource  
 16 development account during the 1992-93 biennium for projects under  
 17 the renewable resource development program.  
 18 (2) The department shall award grants to the named entities  
 19 for the described purposes and in the described amounts set out in  
 20 subsection (3). The legislature, pursuant to 90-2-111, approves the  
 21 listed grants, with grants to be made in order of priority ranking,  
 22 except renewable resource development grants for water development  
 23 projects and activities that must be made in the order of priority  
 24 listed in [section 1]. Projects and activities sponsored by public  
 25 entities listed in [section 1] that do not receive water

1 development funding are eligible for renewable resource development  
 2 funds on the basis of the renewable resource development program  
 3 priority ranking criteria. Any project or activity listed in  
 4 [section 1] that receives water development funds is not eligible  
 5 to compete for renewable resource development funds. Projects and  
 6 activities listed in this section that do not receive renewable  
 7 resource development funding are eligible for water development  
 8 funds on the basis of the water development program priority  
 9 ranking criteria. A project or activity listed in this section that  
 10 receives renewable resource development funds is not eligible to  
 11 compete for water development funds. Funds not accepted or used by  
 12 higher ranked projects must be provided for projects further down  
 13 the priority list that would not otherwise receive funding. If the  
 14 total expenditure of funds appropriated under this section results  
 15 in a cutoff that ends at a point at which more than one project is  
 16 ranked equal in priority, the decision regarding which project or  
 17 projects will receive funding must be made by the department.  
 18 Actual rank and score of the various projects are contained within  
 19 the renewable resource and water development program's project  
 20 evaluations and recommendations report for the 1992-93 biennium.

(3) The following are the grant and loan prioritized projects  
 and activities:

RENEWABLE RESOURCE DEVELOPMENT PROGRAM		
	<u>Recommended Funding</u>	
<u>Applicant\Project</u>	<u>Grant</u>	<u>Loan</u>
JEFFERSON VALLEY CONSERVATION DISTRICT		

1	Cereal-Legume Energy Efficient		
2	Crop Rotations	\$ 48, 677	
3	YELLOWSTONE COUNTY CONSERVATION DISTRICT		
4	Streambank Reinforcement	100,000	
5	MONTANA STATE LIBRARY, NATURAL RESOURCE		
6	INFORMATION SYSTEM		
7	Montana Water Information System	99,866	
8	NEIHART, TOWN OF		
9	Neihart Water System Improvements	50,000	\$150,000
10	MONTANA STATE UNIVERSITY, MONTANA WATER		
11	RESOURCES CENTER		
12	Public Education in Water Management	100,000	
13	EKALAKA, TOWN OF		
14	Water Supply and Storage Project	49,975	100,000
15	MONTANA STATE LIBRARY, NATURAL RESOURCE		
16	INFORMATION SYSTEM		
17	Montana Natural Heritage Program	99,760	
18	POLSON, CITY OF		
19	Wellhead Protection Program	76,055	
20	STILLWATER CONSERVATION DISTRICT		
21	Evaluation of Plastic Lining and		
22	Fabrication Process	56,848	
23	THREE FORKS, TOWN OF		
24	Water System Improvements	100,000	
25	BUTTE-SILVER BOW, GOVERNMENT OF		
26	Blacktail Creek Restoration	100,000	

1	BROADWATER CONSERVATION DISTRICT		
2	Irrigation Water Management		
3	Demonstration Project	100,000	
4	FALLON COUNTY		
5	Baker Lake Erosion Control and		
6	Recreation Path	15,361	
7	MONTANA STATE UNIVERSITY, LOCAL		
8	GOVERNMENT CENTER		
9	Solid Waste Information and		
10	Assistance Center	88,000	
11	NATURAL RESOURCES AND CONSERVATION,		
12	DEPARTMENT OF, WATER MANAGEMENT BUREAU		
13	Beaverhead County Ground Water Study	100,000	
14	FORT SHAW IRRIGATION DISTRICT		
15	Rehabilitation and Betterment Study	50,000	
16	DARBY SCHOOL DISTRICT NO. 9		
17	Darby School Park Project	25,300	
18	LIBERTY COUNTY CONSERVATION DISTRICT		
19	Sweetgrass Hills Ground Water Study	100,000	
20	MISSOULA COUNTY CONSERVATION DISTRICT		
21	Irrigation Diversion Alternatives	85,250	
22	OUTLOOK COUNTY WATER AND SEWER DISTRICT		
23	Water Well Connection	7,875	
24	MILES CITY, CITY OF		
25	Miles City Community Recycling Program	96,513	
26	MISSOULA COUNTY		

1	Aquifer Monitoring and Remediation	85,929	
2	CARBON COUNTY, STILLWATER COUNTY,		
3	AND BIG TIMBER, CITY OF		
4	Integrated Waste Management in		
5	Southcentral Montana	45,437	
6	MEAGHER COUNTY CONSERVATION DISTRICT		
7	South Side Canal Lining Project	37,500	62,500
8	BELT, TOWN OF		
9	Belt Sewage System Improvements	25,000	75,000
10	TETON COUNTY CONSERVATION DISTRICT		
11	Alternative Diversion Sites	11,780	
12	CHINOOK, CITY OF		
13	Milk River Weir Replacement	50,000	150,000
14	COLUMBUS, TOWN OF		
15	Columbus Recreation Project	99,906	
16	GLASGOW, TOWN OF		
17	Water and Wastewater Comprehensive Plan	80,950	
18	BIG SKY SEWER DISTRICT		
19	County Water and Sewer District	33,750	
20	MISSOULA CITY-COUNTY HEALTH DEPARTMENT		
21	Linda Vista Sewer Interceptor Project	100,000	
22	CASCADE AND TETON COUNTY CONSERVATION		
23	DISTRICTS		
24	Muddy Creek Erosion Control Project	100,000	
25	FAIRFIELD, TOWN OF		
26	Fairfield Waterway/Pipeline	14,169	

1	MONTANA STATE UNIVERSITY EXTENSION SERVICE	
2	Natural Resource Management Education	
3	Program	49,280
4		

5 NEW SECTION. Section 3. Opportunity to receive loans for  
6 projects that do not receive grants. Sponsors of recommended  
7 projects and activities on the prioritized lists in [sections 1 and  
8 2] that are not recipients of available grant funds must be offered  
9 the opportunity to receive loan funds for up to the total  
10 recommended project amount, subject to the conditions described in  
11 [sections 1 through 12]. The interest rate applicable to these  
12 loans must be the rate paid on bonds issued pursuant to [sections  
13 1 through 12].

14 NEW SECTION. Section 4. Approval of loans from bond  
15 proceeds and completion of appropriation. (1) The legislature,  
16 pursuant to 85-1-605, 85-1-606, and 90-2-107, hereby approves loans  
17 to private sponsors approved by the department of natural resources  
18 and conservation during the 1992-93 biennium and the loans for  
19 projects and activities identified and described in [section 1] to  
20 public entities from water development bond proceeds, interest  
21 earnings on such proceeds deposited in the water development debt  
22 service fund, and loans from renewable resource development bond  
23 proceeds deposited in the renewable resource development account.  
24 Bond proceeds may be used for the payment of bond issuance costs.  
25 Funds are appropriated for these costs to a maximum of 4% of the

1 amount of each bond sale.

2 (2) The approval of specific loans completes an appropriation  
3 of the coal severance tax proceeds allocated by 15-35-108 to the  
4 water development bond account for the purpose of paying, in the  
5 manner established by 85-1-619, principal of and interest and  
6 redemption premiums on any water development bonds issued to  
7 provide the proceeds for the loans to private and public entities  
8 for projects and activities approved in [section 1], and it also  
9 completes an appropriation to the renewable resource debt service  
10 fund for the purpose of paying, in the manner established by 90-2-  
11 123, principal of and interest and redemption premiums on any  
12 renewable resource development bonds issued to provide the proceeds  
13 for the loans to political subdivisions and local government  
14 entities for projects and activities approved in [sections 1 and  
15 2].

16 NEW SECTION. Section 5. Reauthorization of loans and  
17 grants approved by 51st legislature. The 51st legislature, in House  
18 Bill No. 775, Laws of 1989, approved loans and grants from the  
19 water development and renewable resource development bond accounts  
20 for the Cascade County RID No. 26, Sun Prairie, in the amount of  
21 \$200,000; Carbon County/Roberts Water System Improvements in the  
22 amount of \$142,500; City of Shelby in the amount of \$100,000; Sage  
23 Creek County Water District in the amount of \$158,600; Town of  
24 Cascade in the amount of \$200,000; City of Belgrade in the amount  
25 of \$200,000; Town of Hysham in the amount of \$200,000; and East

1 Glacier Water and Sewer District in the amount of \$116,380. Loans  
2 and grants for the entities described in this section are hereby  
3 reauthorized.

4 NEW SECTION. Section 6. Reallocation of resource indemnity  
5 trust account interest income. Except for special departmental  
6 appropriation and notwithstanding any provisions of 85-1-604 to the  
7 contrary, all remaining interest income allocated to the water  
8 development state special revenue account from the resource  
9 indemnity trust fund by 15-38-202(2) during the 1992-93 biennium  
10 may be used only for the purposes set out in 85-1-604(3)(c).

11 NEW SECTION. Section 7. Emergency grants. There is  
12 appropriated to the department of natural resources and  
13 conservation up to \$125,000 from the water development state  
14 special revenue account to be used for emergency projects. If these  
15 funds are not needed for emergencies, they may be used for grants  
16 approved in [section 1].

17 NEW SECTION. Section 8. Conditions of loans and grants.  
18 Disbursement of funds under [sections 1 through 12] for both loans  
19 and grants is subject to the following conditions that must be met  
20 by project sponsors:

21 (1) approval of a scope of work and budget for the project by  
22 the department of natural resources and conservation. Reductions in  
23 a scope of work or budget may not affect priority activities or  
24 improvements.

1 (2) documented commitment of other funds required for project  
2 completion;

3 (3) satisfactory completion of conditions described in the  
4 recommendation section of the project narrative in the renewable  
5 resource and water development program's project evaluations and  
6 recommendations report for the 1992-93 biennium or, in the case of  
7 emergency applications, conditions specified at the time of written  
8 notification of approved loan authority;

9 (4) execution of a loan or grant agreement with the  
10 department; and

11 (5) accomplishment of other specific requirements considered  
12 necessary by the department to accomplish the purpose of the loan  
13 or grant as evidenced from the application to the department or  
14 from the proposal to the legislature.

15 NEW SECTION. Section 9. Conditions for grants.  
16 Notwithstanding the conditions described in [section 1], grant  
17 funds are disbursed in the order of priority listed in [section 1]  
18 as coal tax and resource indemnity trust account interest income  
19 revenues are received. No project approved by [sections 1 through  
20 12] is entitled to receive grant funds not collected and allocated  
21 to the water development state special revenue account or the  
22 renewable resource development account.

23 NEW SECTION. Section 10. Conditions for loans. Each  
24 sponsor authorized for a loan from water development bond proceeds  
25 or renewable resource development bond proceeds may be required to

1 pay to the department of natural resources and conservation a pro  
2 rata share of the bond issuance costs and the administrative costs  
3 incurred by the department to complete the loan transaction.

4 NEW SECTION. Section 11. Private and discount purchase of  
5 loans. Loans to political subdivisions and local government  
6 entities and bonds, warrants, and notes issued in evidence thereof  
7 may be made and purchased by and sold to the department of natural  
8 resources and conservation at a discount and at private negotiated  
9 sale, notwithstanding the provisions of any other law applicable to  
10 such political subdivisions or local government entities.

11 NEW SECTION. Section 12. Appropriations established. For  
12 any entity of state government that receives a grant or loan under  
13 [sections 1 through 12], an appropriation is established for the  
14 amount of the grant or loan upon award of the grant or loan by the  
15 department of natural resources and conservation.

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

22 NEW SECTION. Section 14. Effective date. [This act] is  
23 effective on passage and approval.

24 -END-



APPROVED BY COMMITTEE  
ON APPROPRIATIONS

HOUSE BILL NO. 6

INTRODUCED BY CONNELLY

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES

AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 51ST LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1993; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriations from the water development state special revenue account. (1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation ~~\$166,508~~ \$72,208 from the water development state special revenue account during the 1992-93

biennium for grants to private persons for water development projects and activities pursuant to the provisions of Title 85, chapter 1, part 6. This appropriation is from money available in the water development state special revenue account for grants for water development projects and activities under 85-1-604(3)(c) and according to priorities established in subsections (3) and (4) of this section.

(2) There are appropriated to the department the interest earnings from the proceeds of water development bonds and renewable resource development bonds issued to finance loans authorized by [sections 1 through 12]. Interest earnings must be deposited in the water development debt service fund and the renewable resource development account, respectively.

(3) There are appropriated to the department all other funds not appropriated under subsection (1) and available for grants to political subdivisions and local government entities from the water development state special revenue account during the 1992-93 biennium. This appropriation is from money available in the water development state special revenue account and renewable resource development account for grants and from the water development or renewable resource accounts for loans for water development projects and activities under 85-1-604(3)(c) and [sections 1 through 12]. The funds appropriated in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection (4), subject to the conditions set forth in [sections 1 through 12] and

1 the contingencies described in the renewable resource and water  
 2 development program's January 1991 report. The legislature,  
 3 pursuant to 85-1-603, approves the grants listed in subsection (4),  
 4 with grants to be made in the order indicated in the prioritized  
 5 list of projects and activities. Funds must be awarded up to the  
 6 amounts approved in this section in order of priority until  
 7 available funds are expended. Funds not accepted or used by higher  
 8 ranked projects and activities must be provided for projects and  
 9 activities further down the priority list that would not otherwise  
 10 receive funding. If the total expenditure of funds appropriated  
 11 under this section results in a cutoff that ends at a point at  
 12 which more than one project or activity is ranked equal in  
 13 priority, the decision regarding which project or projects will  
 14 receive funding must be made by the department. Any projects that  
 15 are funded by the reclamation and development grants program may  
 16 not be funded under [sections 1 through 12]. Actual rank and score  
 17 of the various projects and activities are contained within the  
 18 renewable resource and water development program's project  
 19 evaluations and recommendations report for the 1992-93 biennium.

20 (4) The following are the grant and loan prioritized projects  
 21 and activities:

22 WATER DEVELOPMENT PROGRAM

23 Recommended Funding

24 Applicant\Project	Grant	Loan
25 CHINOOK IRRIGATION DISTRICT		
26 Milk River Water Supply Project	\$100,000	

1 LOWER MUSSELSHELL CONSERVATION DISTRICT		
2 River Management Tools	72,539	
3 GLASGOW IRRIGATION DISTRICT		
4 Improving Water Use Efficiency	100,000	
5 GREENFIELDS IRRIGATION DISTRICT		
6 Greenfields Gravity Sprinkler Planning	100,000	
7 MONTANA STATE LIBRARY		
8 Drought Monitoring System	58,364	
9 JOCKO, MISSION, AND FLATHEAD IRRIGATION		
10 DISTRICTS, JOINT BOARD OF CONTROL		
11 Flathead Irrigation Information System	92,000	
12 LEWIS AND CLARK COUNTY CONSERVATION DISTRICT		
13 Nilan Water Conservation Project	100,000	
14 PRIVATE APPLICANT		
15 Ruby Creek Dam Feasibility Study	14,708	
16 <u>PRIVATE APPLICANT</u>		
17 <u>WASTEWATER COLLECTION AND</u>		
18 <u>TREATMENT SYSTEM</u>	<u>50,000</u>	<u>\$150,000</u>
19 FORT SHAW IRRIGATION DISTRICT		
20 Rehabilitation of Headworks and "A"		
21 System Diversion	50,000	<u>50,000</u>
22 DUTTON, TOWN OF		
23 Dutton Water Storage Reservoir	91,319	
24 <del>PRIVATE APPLICANT</del>		
25 <del>Wastewater Collection and</del>		
26 <del>Treatment System</del>	<del>50,000</del>	<del>\$150,000</del>

1	<del>PRIVATE APPLICANT</del>	
2	<del>Fishery Improvement and Sediment</del>	
3	<del>Reduction</del>	<del>15,000</del>
4	PHILLIPS CONSERVATION DISTRICT	
5	Moisture Monitoring Project	53,382
6	<del>MONTANA BUREAU OF MINES AND GEOLOGY</del>	
7	<del>Hydrogeologic Controls on Selenium</del>	
8	<del>Mobility in Southcentral Montana</del>	<del>98,778</del>
9	<del>GRANITE CONSERVATION DISTRICT</del>	
10	<del>Demonstration Ice Block</del>	<del>67,787</del>
11	PRIVATE APPLICANT	
12	<del>Cherry Creek Flood Control</del>	<del>21,800</del>
13	PRIVATE APPLICANT	
14	<del>River Road Stabilization</del>	<del>5,000</del>
15	PRIVATE APPLICANT	
16	<u>SUN RIVER WATER SYSTEM</u>	<u>7,500</u>
17	<u>CHINOOK, TOWN OF</u>	
18	<u>MILK RIVER WEIR REPLACEMENT</u>	<u>200,000</u>
19	<u>BELT, TOWN OF</u>	
20	<u>SEWAGE SYSTEM IMPROVEMENTS</u>	<u>100,000</u>
21	<u>GLASGOW, TOWN OF</u>	
22	<u>GLASGOW WATER AND WASTEWATER</u>	<u>80,950</u>
23	<u>MISSOULA CITY/COUNTY HEALTH DEPARTMENT</u>	
24	<u>LINDA VISTA SEWER INTERCEPTOR</u>	<u>100,000</u>
25	<u>FAIRFIELD, TOWN OF</u>	
26	<u>FAIRFIELD WATERWAY</u>	<u>14,169</u>

1 (5) TO THE ENTITIES LISTED IN THIS SECTION, THIS  
 2 APPROPRIATION CONSTITUTES A VALID OBLIGATION OF THESE FUNDS FOR  
 3 PURPOSES OF ENCUMBERING THE FUNDS WITHIN THE 1993 BIENNIUM PURSUANT  
 4 TO 17-7-302.

5 NEW SECTION. Section 2. Appropriations under renewable  
 6 resource development program -- eligibility. (1) There are  
 7 appropriated to the department of natural resources and  
 8 conservation all available funds from the renewable resource  
 9 development account during the 1992-93 biennium for projects under  
 10 the renewable resource development program.

11 (2) The department shall award grants to the named entities  
 12 for the described purposes and in the described amounts set out in  
 13 subsection (3). The legislature, pursuant to 90-2-111, approves the  
 14 listed grants, with grants to be made in order of priority ranking,  
 15 except renewable resource development grants for water development  
 16 projects and activities that must be made in the order of priority  
 17 listed in [section 1]. Projects and activities sponsored by public  
 18 entities listed in [section 1] that do not receive water  
 19 development funding are eligible for renewable resource development  
 20 funds on the basis of the renewable resource development program  
 21 priority ranking criteria. Any project or activity listed in  
 22 [section 1] that receives water development funds is not eligible  
 23 to compete for renewable resource development funds. Projects and  
 24 activities listed in this section that do not receive renewable  
 25 resource development funding are eligible for water development

1 funds on the basis of the water development program priority  
 2 ranking criteria. A project or activity listed in this section that  
 3 receives renewable resource development funds is not eligible to  
 4 compete for water development funds. Funds not accepted or used by  
 5 higher ranked projects must be provided for projects further down  
 6 the priority list that would not otherwise receive funding. If the  
 7 total expenditure of funds appropriated under this section results  
 8 in a cutoff that ends at a point at which more than one project is  
 9 ranked equal in priority, the decision regarding which project or  
 10 projects will receive funding must be made by the department.  
 11 Actual rank and score of the various projects are contained within  
 12 the renewable resource and water development program's project  
 13 evaluations and recommendations report for the 1992-93 biennium.

14 (3) The following are the grant and loan prioritized projects  
 15 and activities:

16 RENEWABLE RESOURCE DEVELOPMENT PROGRAM

17	<u>Recommended Funding</u>	
18 Applicant\Project	<u>Grant</u>	<u>Loan</u>
19 <del>JEFFERSON VALLEY CONSERVATION DISTRICT</del>		
20 <del>Cereal-Legume Energy Efficient</del>		
21 <del>Crop Rotations</del>	<del>\$ 48,677</del>	
22 <del>YELLOWSTONE COUNTY CONSERVATION DISTRICT</del>		
23 <del>Streambank Reinforcement</del>	<del>100,000</del>	
24 <del>MONTANA STATE LIBRARY, NATURAL RESOURCE</del>		
25 <del>INFORMATION SYSTEM</del>		
26 <del>Montana Water Information System</del>	<del>99,866</del>	

1 <del>NEIHART, TOWN OF</del>		
2 <del>Neihart Water System Improvements</del>	<del>50,000</del>	<del>\$150,000</del>
3 <del>MONTANA STATE UNIVERSITY, MONTANA WATER</del>		
4 <del>RESOURCES CENTER</del>		
5 <del>Public Education in Water Management</del>	<del>100,000</del>	
6 <del>EKALAKA, TOWN OF</del>		
7 <del>Water Supply and Storage Project</del>	<del>49,975</del>	<del>100,000</del>
8 <del>MONTANA STATE LIBRARY, NATURAL RESOURCE</del>		
9 <del>INFORMATION SYSTEM</del>		
10 <del>Montana Natural Heritage Program</del>	<del>99,760</del>	
11 <del>POLSON, CITY OF</del>		
12 <del>Wellhead Protection Program</del>	<del>76,055</del>	
13 <del>STILLWATER CONSERVATION DISTRICT</del>		
14 <del>Evaluation of Plastic Lining and</del>		
15 <del>Fabrication Process</del>	<del>56,848</del>	
16 <del>THREE FORKS, TOWN OF</del>		
17 <del>Water System Improvements</del>	<del>100,000</del>	
18 <del>BUTTE SILVER BOW, GOVERNMENT OF</del>		
19 <del>Blacktail Creek Restoration</del>	<del>100,000</del>	
20 <del>BROADWATER CONSERVATION DISTRICT</del>		
21 <del>Irrigation Water Management</del>		
22 <del>Demonstration Project</del>	<del>100,000</del>	
23 <del>FALLON COUNTY</del>		
24 <del>Baker Lake Erosion Control and</del>		
25 <del>Recreation Path</del>	<del>15,361</del>	
26 <del>MONTANA STATE UNIVERSITY, LOCAL</del>		

1	GOVERNMENT CENTER		
2	Solid Waste Information and		
3	Assistance Center	88,000	
4	NATURAL RESOURCES AND CONSERVATION,		
5	DEPARTMENT OF, WATER MANAGEMENT BUREAU		
6	Beaverhead County Ground Water Study	100,000	
7	FORT SHAW IRRIGATION DISTRICT		
8	Rehabilitation and Betterment Study	50,000	
9	DARBY SCHOOL DISTRICT NO. 9		
10	Darby School Park Project	25,300	
11	LIBERTY COUNTY CONSERVATION DISTRICT		
12	Sweetgrass Hills Ground Water Study	100,000	
13	MISSOULA COUNTY CONSERVATION DISTRICT		
14	Irrigation Diversion Alternatives	85,250	
15	OUTLOOK COUNTY WATER AND SEWER DISTRICT		
16	Water Well Connection	7,875	
17	MILES CITY, CITY OF		
18	Miles City Community Recycling Program	96,513	
19	MISSOULA COUNTY		
20	Aquifer Monitoring and Remediation	85,929	
21	CARBON COUNTY, STILLWATER COUNTY,		
22	AND BIG TIMBER, CITY OF		
23	Integrated Waste Management in		
24	Southeastern Montana	45,437	
25	MEAGHER COUNTY CONSERVATION DISTRICT		
26	South Side Canal Lining Project	37,500	62,500

1	<del>BELT, TOWN OF</del>		
2	<del>Belt Sewage System Improvements</del>	<del>25,000</del>	<del>75,000</del>
3	<del>TETON COUNTY CONSERVATION DISTRICT</del>		
4	<del>Alternative Diversion Sites</del>	<del>11,780</del>	
5	<del>CHINOOK, CITY OF</del>		
6	<del>Milk River Weir Replacement</del>	<del>50,000</del>	<del>150,000</del>
7	<del>COLUMBUS, TOWN OF</del>		
8	<del>Columbus Recreation Project</del>	<del>99,906</del>	
9	<del>GLASGOW, TOWN OF</del>		
10	<del>Water and Wastewater Comprehensive Plan</del>	<del>80,950</del>	
11	<del>BIG SKY SEWER DISTRICT</del>		
12	<del>County Water and Sewer District</del>	<del>33,750</del>	
13	<del>MISSOULA CITY COUNTY HEALTH DEPARTMENT</del>		
14	<del>Linda Vista Sewer Interceptor Project</del>	<del>100,000</del>	
15	<del>CASCADE AND TETON COUNTY CONSERVATION</del>		
16	<del>DISTRICTS</del>		
17	<del>Muddy Creek Erosion Control Project</del>	<del>100,000</del>	
18	<del>FAIRFIELD, TOWN OF</del>		
19	<del>Fairfield Waterway/Pipeline</del>	<del>14,169</del>	
20	<del>MONTANA STATE UNIVERSITY EXTENSION SERVICE</del>		
21	<del>Natural Resource Management Education</del>		
22	<del>Program</del>	<del>49,280</del>	
23	<u>YELLOWSTONE COUNTY CONSERVATION DISTRICT</u>		
24	<u>STREAMBANK REINFORCEMENT</u>		<u>\$100,000</u>
25	<u>JEFFERSON VALLEY CONSERVATION DISTRICT</u>		
26	<u>CEREAL-LEGUME ENERGY EFFICIENT</u>		

1	<u>CROP ROTATIONS</u>	<u>48,677</u>	
2	<u>NEIHART, TOWN OF</u>		
3	<u>NEIHART WATER SYSTEM IMPROVEMENTS</u>	<u>50,000</u>	<u>\$150,000</u>
4	<u>EKALAKA, TOWN OF</u>		
5	<u>WATER SUPPLY AND STORAGE PROJECT</u>	<u>49,975</u>	<u>100,000</u>
6	<u>MONTANA STATE UNIVERSITY, MONTANA WATER RESOURCES CENTER</u>		
7	<u>PUBLIC EDUCATION IN WATER MANAGEMENT</u>	<u>100,000</u>	
8	<u>STILLWATER CONSERVATION DISTRICT</u>		
9	<u>EVALUATION OF PLASTIC LINING</u>		
10	<u>AND FABRICATION PROCESS</u>	<u>56,848</u>	
11	<u>BROADWATER CONSERVATION DISTRICT</u>		
12	<u>IRRIGATION WATER MANAGEMENT</u>		
13	<u>DEMONSTRATION PROJECT</u>	<u>100,000</u>	
14	<u>NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF, WATER MANAGEMENT</u>		
15	<u>BUREAU</u>		
16	<u>BEAVERHEAD COUNTY GROUND WATER STUDY</u>	<u>100,000</u>	
17	<u>POLSON, CITY OF</u>		
18	<u>WELLHEAD PROTECTION PROGRAM</u>	<u>76,055</u>	
19	<u>THREE FORKS, TOWN OF</u>		
20	<u>WATER SYSTEM IMPROVEMENTS</u>	<u>100,000</u>	
21	<u>FORT SHAW IRRIGATION PROJECT</u>		
22	<u>REHABILITATION AND BETTERMENT STUDY</u>	<u>50,000</u>	
23	<u>BUTTE-SILVER BOW, GOVERNMENT OF</u>		
24	<u>BLACKTAIL CREEK RESTORATION</u>	<u>100,000</u>	
25	<u>LIBERTY COUNTY CONSERVATION DISTRICT</u>		
26	<u>SWEETGRASS HILLS GROUND WATER STUDY</u>	<u>100,000</u>	

1	<u>MISSOULA COUNTY CONSERVATION DISTRICT</u>		
2	<u>IRRIGATION DIVERSION ALTERNATIVES</u>	<u>85,250</u>	
3	<u>FALLON COUNTY</u>		
4	<u>BAKER LAKE EROSION CONTROL</u>		
5	<u>AND RECREATION PATH</u>	<u>15,361</u>	
6	<u>DARBY SCHOOL DISTRICT NO. 9</u>		
7	<u>DARBY SCHOOL PARK PROJECT</u>	<u>25,300</u>	
8	<u>MEAGHER COUNTY CONSERVATION DISTRICT</u>		
9	<u>SOUTH SIDE CANAL LINING PROJECT</u>	<u>37,500</u>	<u>62,500</u>
10	<u>NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF</u>		
11	<u>BATTLE CREEK STORAGE UNIT</u>	<u>82,000</u>	
12	<u>(4) TO THE ENTITIES LISTED IN THIS SECTION, THIS</u>		
13	<u>APPROPRIATION CONSTITUTES A VALID OBLIGATION OF THESE FUNDS FOR</u>		
14	<u>PURPOSES OF ENCUMBERING THE FUNDS WITHIN THE 1993 BIENNIUM PURSUANT</u>		
15	<u>TO 17-7-302.</u>		
16	<u>NEW SECTION. Section 3. Opportunity to receive loans for</u>		
17	<u>projects that do not receive grants. Sponsors of recommended</u>		
18	<u>projects and activities on the prioritized lists in [sections 1 and</u>		
19	<u>2] that are not recipients of available grant funds must be offered</u>		
20	<u>the opportunity to receive loan funds for up to the total</u>		
21	<u>recommended project amount, subject to the conditions described in</u>		
22	<u>[sections 1 through 12]. The interest rate applicable to these</u>		
23	<u>loans must be the rate paid on bonds issued pursuant to [sections</u>		
24	<u>1 through 12].</u>		
25	<u>NEW SECTION. Section 4. Approval of loans from bond</u>		

1 **proceeds and completion of appropriation.** (1) The legislature,  
 2 pursuant to 85-1-605, 85-1-606, and 90-2-107, hereby approves loans  
 3 to private sponsors approved by the department of natural resources  
 4 and conservation during the 1992-93 biennium and the loans for  
 5 projects and activities identified and described in [section 1] to  
 6 public entities from water development bond proceeds, interest  
 7 earnings on such proceeds deposited in the water development debt  
 8 service fund, and loans from renewable resource development bond  
 9 proceeds deposited in the renewable resource development account.  
 10 Bond proceeds may be used for the payment of bond issuance costs.  
 11 Funds are appropriated for these costs to a maximum of 4% of the  
 12 amount of each bond sale.

13 (2) The approval of specific loans completes an appropriation  
 14 of the coal severance tax proceeds allocated by 15-35-108 to the  
 15 water development bond account for the purpose of paying, in the  
 16 manner established by 85-1-619, principal of and interest and  
 17 redemption premiums on any water development bonds issued to  
 18 provide the proceeds for the loans to private and public entities  
 19 for projects and activities approved in [section 1], and it also  
 20 completes an appropriation to the renewable resource debt service  
 21 fund for the purpose of paying, in the manner established by 90-2-  
 22 123, principal of and interest and redemption premiums on any  
 23 renewable resource development bonds issued to provide the proceeds  
 24 for the loans to political subdivisions and local government  
 25 entities for projects and activities approved in [sections 1 and  
 26 2].

1 NEW SECTION. Section 5. Reauthorization of loans and  
 2 ~~grants approved by 51st legislature.~~ (1) The 51st legislature, in  
 3 House Bill No. 775, Laws of 1989, approved loans and grants from  
 4 the water development and renewable resource development bond  
 5 accounts for the Cascade County RID No. 26, Sun Prairie, in the  
 6 amount of \$200,000; Carbon County/Roberts Water System Improvements  
 7 in the amount of \$142,500; City of Shelby in the amount of  
 8 \$100,000; Sage Creek County Water District in the amount of  
 9 \$158,600; Town of Cascade in the amount of \$200,000; City of  
 10 Belgrade in the amount of \$200,000; Town of Hysham in the amount of  
 11 \$200,000; and East Glacier Water and Sewer District in the amount  
 12 of \$116,380. Loans and grants for the entities described in this  
 13 section are hereby reauthorized.

14 (2) THE 50TH LEGISLATURE, IN HOUSE BILL NO. 7, LAWS OF 1987,  
 15 APPROVED A GRANT FROM THE RENEWABLE RESOURCE DEVELOPMENT ACCOUNT TO  
 16 EASTERN SANDERS CONSERVATION DISTRICT FOR \$86,300 FOR RECHARGE  
 17 ENHANCEMENT OF THE LITTLE BITTERROOT AQUIFER. AMONG THE  
 18 CONTINGENCIES CONTAINED IN THE GRANT AUTHORIZATION WAS A  
 19 REQUIREMENT THAT A COMMITMENT BE OBTAINED FROM THE U.S. BUREAU OF  
 20 RECLAMATION FOR FEDERAL MATCHING FUNDS. IT HAS SINCE BEEN  
 21 DETERMINED THAT THE FEDERAL MATCHING FUNDS WILL NOT BE FORTHCOMING.  
 22 THE GRANT FOR THE ABOVE DESCRIBED ENTITY IS HEREBY AUTHORIZED FOR  
 23 \$86,300, WITH THE CONTINGENCY FOR FEDERAL MATCHING FUNDING FROM THE  
 24 U.S. BUREAU OF RECLAMATION DELETED. FURTHER, THE ADDITIONAL  
 25 SAMPLING OF SURFACE WATER AND GROUND WATER FOR HERBICIDES AND

PESTICIDES MUST BE CONDUCTED.

NEW SECTION. Section 6. Reallocation of resource indemnity trust account interest income. Except for special departmental appropriation and notwithstanding any provisions of 85-1-604 to the contrary, all remaining interest income allocated to the water development state special revenue account from the resource indemnity trust fund by 15-38-202(2) during the 1992-93 biennium may be used only for the purposes set out in 85-1-604(3)(c).

NEW SECTION. Section 7. Emergency grants. There is appropriated to the department of natural resources and conservation up to \$125,000 from the water development state special revenue account to be used for emergency projects. If these funds are not needed for emergencies, they may be used for grants approved in [section 1].

NEW SECTION. Section 8. Conditions of loans and grants. Disbursement of funds under [sections 1 through 12] for both loans and grants is subject to the following conditions that must be met by project sponsors:

(1) approval of a scope of work and budget for the project by the department of natural resources and conservation. Reductions in a scope of work or budget may not affect priority activities or improvements.

(2) documented commitment of other funds required for project completion;

(3) satisfactory completion of conditions described in the recommendation section of the project narrative in the renewable resource and water development program's project evaluations and recommendations report for the 1992-93 biennium or, in the case of emergency applications, conditions specified at the time of written notification of approved loan authority;

(4) execution of a loan or grant agreement with the department; and

(5) accomplishment of other specific requirements considered necessary by the department to accomplish the purpose of the loan or grant as evidenced from the application to the department or from the proposal to the legislature.

NEW SECTION. Section 9. Conditions for grants. Notwithstanding the conditions described in [section 1], grant funds are disbursed in the order of priority listed in [section 1] as coal tax and resource indemnity trust account interest income revenues are received. No project approved by [sections 1 through 12] is entitled to receive grant funds not collected and allocated to the water development state special revenue account or the renewable resource development account.

NEW SECTION. Section 10. Conditions for loans. Each sponsor authorized for a loan from water development bond proceeds or renewable resource development bond proceeds may be required to pay to the department of natural resources and conservation a pro rata share of the bond issuance costs and the administrative costs



1 incurred by the department to complete the loan transaction.  
 2 NEW SECTION. Section 11. Private and discount purchase of  
 3 loans. Loans to political subdivisions and local government  
 4 entities and bonds, warrants, and notes issued in evidence thereof  
 5 may be made and purchased by and sold to the department of natural  
 6 resources and conservation at a discount and at private negotiated  
 7 sale, notwithstanding the provisions of any other law applicable to  
 8 such political subdivisions or local government entities.

9 NEW SECTION. Section 12. Appropriations established. For  
 10 any entity of state government that receives a grant or loan under  
 11 [sections 1 through 12], an appropriation is established for the  
 12 amount of the grant or loan upon award of the grant or loan by the  
 13 department of natural resources and conservation. GRANTS TO STATE  
 14 ENTITIES FROM PRIOR BIENNIUMS ARE REAUTHORIZED FOR COMPLETION OF  
 15 CONTRACT WORK.

16 NEW SECTION. Section 13. FUNDS AVAILABLE. IT IS THE INTENT  
 17 OF THE LEGISLATURE THAT THE WATER DEVELOPMENT GRANT PROGRAM BE A  
 18 MINIMUM OF \$1 MILLION AND THE RENEWABLE RESOURCES GRANT PROGRAM BE  
 19 A MINIMUM OF \$1 MILLION FOR THE 1993 LEGISLATIVE SESSION.

20 NEW SECTION. Section 14. Severability. If a part of [this  
 21 act] is invalid, all valid parts that are severable from the  
 22 invalid part remain in effect. If a part of [this act] is invalid  
 23 in one or more of its applications, the part remains in effect in  
 24 all valid applications that are severable from the invalid

1 applications.

2 NEW SECTION. Section 15. Effective date. [This act] is  
 3 effective on passage and approval.

4 -END-

HOUSE BILL NO. 6  
INTRODUCED BY CONNELLY

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 51ST LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1993; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION.

Section 1. Appropriations from the water development state special revenue account. (1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation ~~\$106,508~~ \$72,208 from the water development state special revenue account during the 1992-93

biennium for grants to private persons for water development projects and activities pursuant to the provisions of Title 85, chapter 1, part 6. This appropriation is from money available in the water development state special revenue account for grants for water development projects and activities under 85-1-604(3)(c) and according to priorities established in subsections (3) and (4) of this section.

(2) There are appropriated to the department the interest earnings from the proceeds of water development bonds and renewable resource development bonds issued to finance loans authorized by [sections 1 through 12]. Interest earnings must be deposited in the water development debt service fund and the renewable resource development account, respectively.

(3) There are appropriated to the department all other funds not appropriated under subsection (1) and available for grants to political subdivisions and local government entities from the water development state special revenue account during the 1992-93 biennium. This appropriation is from money available in the water development state special revenue account and renewable resource development account for grants and from the water development or renewable resource accounts for loans for water development projects and activities under 85-1-604(3)(c) and [sections 1 through 12]. The funds appropriated in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection (4), subject to the conditions set forth in [sections 1 through 12] and

1 the contingencies described in the renewable resource and water  
 2 development program's January 1991 report. The legislature,  
 3 pursuant to 85-1-605, approves the grants listed in subsection (4),  
 4 with grants to be made in the order indicated in the prioritized  
 5 list of projects and activities. Funds must be awarded up to the  
 6 amounts approved in this section in order of priority until  
 7 available funds are expended. Funds not accepted or used by higher  
 8 ranked projects and activities must be provided for projects and  
 9 activities further down the priority list that would not otherwise  
 10 receive funding. If the total expenditure of funds appropriated  
 11 under this section results in a cutoff that ends at a point at  
 12 which more than one project or activity is ranked equal in  
 13 priority, the decision regarding which project or projects will  
 14 receive funding must be made by the department. Any projects that  
 15 are funded by the reclamation and development grants program may  
 16 not be funded under [sections 1 through 12]. Actual rank and score  
 17 of the various projects and activities are contained within the  
 18 renewable resource and water development program's project  
 19 evaluations and recommendations report for the 1992-93 biennium.

20 (4) The following are the grant and loan prioritized projects  
 21 and activities:

22 WATER DEVELOPMENT PROGRAM

Applicant\Project	Recommended Funding	
	Grant	Loan
CHINOOK IRRIGATION DISTRICT		
Milk River Water Supply Project	\$100,000	

1 LOWER MUSSELSHELL CONSERVATION DISTRICT		
2 River Management Tools	72,539	
3 GLASGOW IRRIGATION DISTRICT		
4 Improving Water Use Efficiency	100,000	
5 GREENFIELDS IRRIGATION DISTRICT		
6 Greenfields Gravity Sprinkler Planning	100,000	
7 MONTANA STATE LIBRARY		
8 Drought Monitoring System	58,364	
9 JOCKO, MISSION, AND FLATHEAD IRRIGATION		
10 DISTRICTS, JOINT BOARD OF CONTROL		
11 Flathead Irrigation Information System	92,000	
12 LEWIS AND CLARK COUNTY CONSERVATION DISTRICT		
13 Milan Water Conservation Project	100,000	
14 PRIVATE APPLICANT		
15 Ruby Creek Dam Feasibility Study	14,708	
16 PRIVATE APPLICANT		
17 WASTEWATER COLLECTION AND		
18 TREATMENT SYSTEM	50,000	\$150,000
19 FORT SHAW IRRIGATION DISTRICT		
20 Rehabilitation of Headworks and "A"		
21 System Diversion	50,000	50,000
22 DUTTON, TOWN OF		
23 Dutton Water Storage Reservoir	91,319	
24 PRIVATE APPLICANT		
25 Wastewater Collection and		
26 Treatment System	50,000	150,000

1	<del>PRIVATE APPLICANT</del>		
2	<del>Fishery Improvement and Sediment</del>		
3	<del>Reduction</del>	<del>15,000</del>	
4	PHILLIPS CONSERVATION DISTRICT		
5	Moisture Monitoring Project	53,382	
6	<del>MONTANA BUREAU OF MINES AND GEOLOGY</del>		
7	<del>Hydrogeologic Controls on Selenium</del>		
8	<del>Mobility in Southcentral Montana</del>	<del>98,778</del>	
9	<del>GRANITE CONSERVATION DISTRICT</del>		
10	<del>Demonstration Ice Block</del>	<del>67,787</del>	
11	<del>PRIVATE APPLICANT</del>		
12	<del>Cherry Creek Flood Control</del>	<del>21,880</del>	
13	<del>PRIVATE APPLICANT</del>		
14	<del>River Road Stabilization</del>	<del>5,000</del>	
15	<u>PRIVATE APPLICANT</u>		
16	<u>SUN RIVER WATER SYSTEM</u>	<u>7,500</u>	<u>7,500</u>
17	<u>CHINOOK, TOWN OF</u>		
18	<u>MILK RIVER WEIR REPLACEMENT</u>		<u>200,000</u>
19	<u>BELT, TOWN OF</u>		
20	<u>SEWAGE SYSTEM IMPROVEMENTS</u>		<u>100,000</u>
21	<u>GLASGOW, TOWN OF</u>		
22	<u>GLASGOW WATER AND WASTEWATER</u>		<u>80,950</u>
23	<u>MISSOULA CITY/COUNTY HEALTH DEPARTMENT</u>		
24	<u>LINDA VISTA SEWER INTERCEPTOR</u>		<u>100,000</u>
25	<u>FAIRFIELD, TOWN OF</u>		
26	<u>FAIRFIELD WATERWAY</u>		<u>14,169</u>

1 (5) TO THE ENTITIES LISTED IN THIS SECTION. THIS  
2 APPROPRIATION CONSTITUTES A VALID OBLIGATION OF THESE FUNDS FOR  
3 PURPOSES OF ENCUMBERING THE FUNDS WITHIN THE 1993 BIENNIUM PURSUANT  
4 TO 17-7-302.

5 NEW SECTION. Section 2. Appropriations under renewable  
6 resource development program -- eligibility. (1) There are  
7 appropriated to the department of natural resources and  
8 conservation all available funds from the renewable resource  
9 development account during the 1992-93 biennium for projects under  
10 the renewable resource development program.

11 (2) The department shall award grants to the named entities  
12 for the described purposes and in the described amounts set out in  
13 subsection (3). The legislature, pursuant to 90-2-111, approves the  
14 listed grants, with grants to be made in order of priority ranking,  
15 except renewable resource development grants for water development  
16 projects and activities that must be made in the order of priority  
17 listed in [section 1]. Projects and activities sponsored by public  
18 entities listed in [section 1] that do not receive water  
19 development funding are eligible for renewable resource development  
20 funds on the basis of the renewable resource development program  
21 priority ranking criteria. Any project or activity listed in  
22 [section 1] that receives water development funds is not eligible  
23 to compete for renewable resource development funds. Projects and  
24 activities listed in this section that do not receive renewable  
25 resource development funding are eligible for water development

1 funds on the basis of the water development program priority  
 2 ranking criteria. A project or activity listed in this section that  
 3 receives renewable resource development funds is not eligible to  
 4 compete for water development funds. Funds not accepted or used by  
 5 higher ranked projects must be provided for projects further down  
 6 the priority list that would not otherwise receive funding. If the  
 7 total expenditure of funds appropriated under this section results  
 8 in a cutoff that ends at a point at which more than one project is  
 9 ranked equal in priority, the decision regarding which project or  
 10 projects will receive funding must be made by the department.  
 11 Actual rank and score of the various projects are contained within  
 12 the renewable resource and water development program's project  
 13 evaluations and recommendations report for the 1992-93 biennium.

14 (3) The following are the grant and loan prioritized projects  
 15 and activities:

16 RENEWABLE RESOURCE DEVELOPMENT PROGRAM

17 Recommended Funding

18 <u>Applicant\Project</u>	<u>Grant</u>	<u>Loan</u>
19 <del>JEFFERSON VALLEY CONSERVATION DISTRICT</del>		
20 <del>Cereal-Legume Energy Efficient</del>		
21 <del>Crop Rotations</del>	\$ 48,677	
22 <del>YELLOWSTONE COUNTY CONSERVATION DISTRICT</del>		
23 <del>Streambank Reinforcement</del>	100,000	
24 <del>MONTANA STATE LIBRARY, NATURAL RESOURCE</del>		
25 <del>INFORMATION SYSTEM</del>		
26 <del>Montana Water Information System</del>	99,866	

1 <del>NEIHART, TOWN OF</del>		
2 <del>Neihart Water System Improvements</del>	50,000	\$150,000
3 <del>MONTANA STATE UNIVERSITY, MONTANA WATER</del>		
4 <del>RESOURCES CENTER</del>		
5 <del>Public Education in Water Management</del>	100,000	
6 <del>EKALAKA, TOWN OF</del>		
7 <del>Water Supply and Storage Project</del>	49,975	100,000
8 <del>MONTANA STATE LIBRARY, NATURAL RESOURCE</del>		
9 <del>INFORMATION SYSTEM</del>		
10 <del>Montana Natural Heritage Program</del>	99,760	
11 <del>POLSON, CITY OF</del>		
12 <del>Wellhead Protection Program</del>	76,056	
13 <del>STILLWATER CONSERVATION DISTRICT</del>		
14 <del>Evaluation of Plastic Lining and</del>		
15 <del>Fabrication Process</del>	56,848	
16 <del>THREE FORKS, TOWN OF</del>		
17 <del>Water System Improvements</del>	100,000	
18 <del>BUTTE SILVER BOW, GOVERNMENT OF</del>		
19 <del>Blacktail Creek Restoration</del>	100,000	
20 <del>BROADWATER CONSERVATION DISTRICT</del>		
21 <del>Irrigation Water Management</del>		
22 <del>Demonstration Project</del>	100,000	
23 <del>FALLON COUNTY</del>		
24 <del>Baker Lake Erosion Control and</del>		
25 <del>Recreation Path</del>	15,361	
26 <del>MONTANA STATE UNIVERSITY, LOCAL</del>		

1	<del>GOVERNMENT CENTER</del>	
2	<del>Solid Waste Information and</del>	
3	<del>Assistance Center</del>	<del>88,000</del>
4	<del>NATURAL RESOURCES AND CONSERVATION,</del>	
5	<del>DEPARTMENT OF, WATER MANAGEMENT BUREAU</del>	
6	<del>Beaverhead County Ground Water Study</del>	<del>100,000</del>
7	<del>PORT SHAW IRRIGATION DISTRICT</del>	
8	<del>Rehabilitation and Betterment Study</del>	<del>50,000</del>
9	<del>DARBY SCHOOL DISTRICT NO. 9</del>	
10	<del>Darby School Park Project</del>	<del>25,300</del>
11	<del>LIBERTY COUNTY CONSERVATION DISTRICT</del>	
12	<del>Sweetgrass Hills Ground Water Study</del>	<del>100,000</del>
13	<del>MISSOULA COUNTY CONSERVATION DISTRICT</del>	
14	<del>Irrigation Diversion Alternatives</del>	<del>85,250</del>
15	<del>OUTLOOK COUNTY WATER AND SEWER DISTRICT</del>	
16	<del>Water Well Connection</del>	<del>7,875</del>
17	<del>MILES CITY, CITY OF</del>	
18	<del>Miles City Community Recycling Program</del>	<del>96,513</del>
19	<del>MISSOULA COUNTY</del>	
20	<del>Aquifer Monitoring and Remediation</del>	<del>85,929</del>
21	<del>CARBON COUNTY, STILLWATER COUNTY,</del>	
22	<del>AND BIG TIMBER, CITY OF</del>	
23	<del>Integrated Waste Management in</del>	
24	<del>Southcentral Montana</del>	<del>45,437</del>
25	<del>MEACHER COUNTY CONSERVATION DISTRICT</del>	
26	<del>South Side Canal Lining Project</del>	<del>37,500 62,500</del>

1	<del>BELT, TOWN OF</del>	
2	<del>Belt Sewage System Improvements</del>	<del>25,000 75,000</del>
3	<del>TETON COUNTY CONSERVATION DISTRICT</del>	
4	<del>Alternative Diversion Sites</del>	<del>11,780</del>
5	<del>CHINOOK, CITY OF</del>	
6	<del>Milk River Weir Replacement</del>	<del>50,000 150,000</del>
7	<del>COLUMBUS, TOWN OF</del>	
8	<del>Columbus Recreation Project</del>	<del>99,906</del>
9	<del>GLASGOW, TOWN OF</del>	
10	<del>Water and Wastewater Comprehensive Plan</del>	<del>80,950</del>
11	<del>BIG SKY SEWER DISTRICT</del>	
12	<del>County Water and Sewer District</del>	<del>33,750</del>
13	<del>MISSOULA CITY COUNTY HEALTH DEPARTMENT</del>	
14	<del>Linda Vista Sewer Interceptor Project</del>	<del>100,000</del>
15	<del>CASCADE AND TETON COUNTY CONSERVATION</del>	
16	<del>DISTRICTS</del>	
17	<del>Muddy Creek Erosion Control Project</del>	<del>100,000</del>
18	<del>FAIRFIELD, TOWN OF</del>	
19	<del>Fairfield Waterway/Pipeline</del>	<del>14,169</del>
20	<del>MONTANA STATE UNIVERSITY EXTENSION SERVICE</del>	
21	<del>Natural Resource Management Education</del>	
22	<del>Program</del>	<del>49,280</del>
23	<del>YELLOWSTONE COUNTY CONSERVATION DISTRICT</del>	
24	<del>STREAMBANK REINFORCEMENT</del>	<del>\$100,000</del>
25	<del>JEFFERSON VALLEY CONSERVATION DISTRICT</del>	
26	<del>CEREAL-LEGUME ENERGY EFFICIENT</del>	

1	<u>CROP ROTATIONS</u>	48,677	
2	<u>NEIHART, TOWN OF</u>		
3	<u>NEIHART WATER SYSTEM IMPROVEMENTS</u>	50,000	\$150,000
4	<u>EKALAKA, TOWN OF</u>		
5	<u>WATER SUPPLY AND STORAGE PROJECT</u>	49,975	100,000
6	<u>MONTANA STATE UNIVERSITY, MONTANA WATER RESOURCES CENTER</u>		
7	<u>PUBLIC EDUCATION IN WATER MANAGEMENT</u>	100,000	
8	<u>STILLWATER CONSERVATION DISTRICT</u>		
9	<u>EVALUATION OF PLASTIC LINING</u>		
10	<u>AND FABRICATION PROCESS</u>	56,848	
11	<u>BROADWATER CONSERVATION DISTRICT</u>		
12	<u>IRRIGATION WATER MANAGEMENT</u>		
13	<u>DEMONSTRATION PROJECT</u>	100,000	
14	<u>NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF, WATER MANAGEMENT</u>		
15	<u>BUREAU</u>		
16	<u>BEAVERHEAD COUNTY GROUND WATER STUDY</u>	100,000	
17	<u>POLSON, CITY OF</u>		
18	<u>WELLHEAD PROTECTION PROGRAM</u>	76,055	
19	<u>THREE FORKS, TOWN OF</u>		
20	<u>WATER SYSTEM IMPROVEMENTS</u>	100,000	
21	<u>FORT SHAW IRRIGATION PROJECT</u>		
22	<u>REHABILITATION AND BETTERMENT STUDY</u>	50,000	
23	<u>BUTTE-SILVER BOW, GOVERNMENT OF</u>		
24	<u>BLACKTAIL CREEK RESTORATION</u>	100,000	
25	<u>LIBERTY COUNTY CONSERVATION DISTRICT</u>		
26	<u>SWEETGRASS HILLS GROUND WATER STUDY</u>	100,000	

1	<u>MISSOULA COUNTY CONSERVATION DISTRICT</u>		
2	<u>IRRIGATION DIVERSION ALTERNATIVES</u>	85,250	
3	<u>FALLON COUNTY</u>		
4	<u>BAKER LAKE EROSION CONTROL</u>		
5	<u>AND RECREATION PATH</u>	15,361	
6	<u>DARBY SCHOOL DISTRICT NO. 9</u>		
7	<u>DARBY SCHOOL PARK PROJECT</u>	25,300	
8	<u>MEAGHER COUNTY CONSERVATION DISTRICT</u>		
9	<u>SOUTH SIDE CANAL LINING PROJECT</u>	37,500	62,500
10	<u>NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF</u>		
11	<u>BATTLE CREEK STORAGE UNIT</u>	82,000	
12	<u>(4) TO THE ENTITIES LISTED IN THIS SECTION. THIS</u>		
13	<u>APPROPRIATION CONSTITUTES A VALID OBLIGATION OF THESE FUNDS FOR</u>		
14	<u>PURPOSES OF ENCUMBERING THE FUNDS WITHIN THE 1993 BIENNIUM PURSUANT</u>		
15	<u>TO 17-7-302.</u>		

NEW SECTION. Section 3. Opportunity to receive loans for projects that do not receive grants. Sponsors of recommended projects and activities on the prioritized lists in [sections 1 and 2] that are not recipients of available grant funds must be offered the opportunity to receive loan funds for up to the total recommended project amount, subject to the conditions described in [sections 1 through 12]. The interest rate applicable to these loans must be the rate paid on bonds issued pursuant to [sections 1 through 12].

NEW SECTION. Section 4. Approval of loans from bond

1 proceeds and completion of appropriation. (1) The legislature,  
 2 pursuant to 85-1-605, 85-1-606, and 90-2-107, hereby approves loans  
 3 to private sponsors approved by the department of natural resources  
 4 and conservation during the 1992-93 biennium and the loans for  
 5 projects and activities identified and described in [section 1] to  
 6 public entities from water development bond proceeds, interest  
 7 earnings on such proceeds deposited in the water development debt  
 8 service fund, and loans from renewable resource development bond  
 9 proceeds deposited in the renewable resource development account.  
 10 Bond proceeds may be used for the payment of bond issuance costs.  
 11 Funds are appropriated for these costs to a maximum of 4% of the  
 12 amount of each bond sale.

13 (2) The approval of specific loans completes an appropriation  
 14 of the coal severance tax proceeds allocated by 15-35-108 to the  
 15 water development bond account for the purpose of paying, in the  
 16 manner established by 85-1-619, principal of and interest and  
 17 redemption premiums on any water development bonds issued to  
 18 provide the proceeds for the loans to private and public entities  
 19 for projects and activities approved in [section 1], and it also  
 20 completes an appropriation to the renewable resource debt service  
 21 fund for the purpose of paying, in the manner established by 90-2-  
 22 123, principal of and interest and redemption premiums on any  
 23 renewable resource development bonds issued to provide the proceeds  
 24 for the loans to political subdivisions and local government  
 25 entities for projects and activities approved in [sections 1 and  
 26 2].

1 NEW SECTION. Section 5. Reauthorization of loans and  
 2 grants approved by ~~51st legislature.~~ (1) The 51st legislature, in  
 3 House Bill No. 775, Laws of 1989, approved loans and grants from  
 4 the water development and renewable resource development bond  
 5 accounts for the Cascade County RID No. 26, Sun Prairie, in the  
 6 amount of \$200,000; Carbon County/Roberts Water System Improvements  
 7 in the amount of \$142,500; City of Shelby in the amount of  
 8 \$100,000; Sage Creek County Water District in the amount of  
 9 \$158,600; Town of Cascade in the amount of \$200,000; City of  
 10 Belgrade in the amount of \$200,000; Town of Hysham in the amount of  
 11 \$200,000; and East Glacier Water and Sewer District in the amount  
 12 of \$116,380. Loans and grants for the entities described in this  
 13 section are hereby reauthorized.

14 (2) THE 50TH LEGISLATURE, IN HOUSE BILL NO. 7, LAWS OF 1987,  
 15 APPROVED A GRANT FROM THE RENEWABLE RESOURCE DEVELOPMENT ACCOUNT TO  
 16 EASTERN SANDERS CONSERVATION DISTRICT FOR \$86,300 FOR RECHARGE  
 17 ENHANCEMENT OF THE LITTLE BITTERROOT AQUIFER. AMONG THE  
 18 CONTINGENCIES CONTAINED IN THE GRANT AUTHORIZATION WAS A  
 19 REQUIREMENT THAT A COMMITMENT BE OBTAINED FROM THE U.S. BUREAU OF  
 20 RECLAMATION FOR FEDERAL MATCHING FUNDS. IT HAS SINCE BEEN  
 21 DETERMINED THAT THE FEDERAL MATCHING FUNDS WILL NOT BE FORTHCOMING.  
 22 THE GRANT FOR THE ABOVE DESCRIBED ENTITY IS HEREBY AUTHORIZED FOR  
 23 \$86,300, WITH THE CONTINGENCY FOR FEDERAL MATCHING FUNDING FROM THE  
 24 U.S. BUREAU OF RECLAMATION DELETED. FURTHER, THE ADDITIONAL  
 25 ADDITIONAL SAMPLING OF SURFACE WATER AND GROUND WATER FOR



HERRICIDES AND PESTICIDES MUST BE CONDUCTED.

NEW SECTION. Section 6. Reallocation of resource indemnity trust account interest income. Except for special departmental appropriation and notwithstanding any provisions of 85-1-604 to the contrary, all remaining interest income allocated to the water development state special revenue account from the resource indemnity trust fund by 15-38-202(2) during the 1992-93 biennium may be used only for the purposes set out in 85-1-604(3)(c).

NEW SECTION. Section 7. Emergency grants. There is appropriated to the department of natural resources and conservation up to \$125,000 from the water development state special revenue account to be used for emergency projects. If these funds are not needed for emergencies, they may be used for grants approved in [section 1].

NEW SECTION. Section 8. Conditions of loans and grants. Disbursement of funds under [sections 1 through 12] for both loans and grants is subject to the following conditions that must be met by project sponsors:

(1) approval of a scope of work and budget for the project by the department of natural resources and conservation. Reductions in a scope of work or budget may not affect priority activities or improvements.

(2) documented commitment of other funds required for project completion;

(3) satisfactory completion of conditions described in the recommendation section of the project narrative in the renewable resource and water development program's project evaluations and recommendations report for the 1992-93 biennium or, in the case of emergency applications, conditions specified at the time of written notification of approved loan authority;

(4) execution of a loan or grant agreement with the department; and

(5) accomplishment of other specific requirements considered necessary by the department to accomplish the purpose of the loan or grant as evidenced from the application to the department or from the proposal to the legislature.

NEW SECTION. Section 9. Conditions for grants. Notwithstanding the conditions described in [section 1], grant funds are disbursed in the order of priority listed in [section 1] as coal tax and resource indemnity trust account interest income revenues are received. No project approved by [sections 1 through 12] is entitled to receive grant funds not collected and allocated to the water development state special revenue account or the renewable resource development account.

NEW SECTION. Section 10. Conditions for loans. Each sponsor authorized for a loan from water development bond proceeds or renewable resource development bond proceeds may be required to pay to the department of natural resources and conservation a pro rata share of the bond issuance costs and the administrative costs

1 incurred by the department to complete the loan transaction.

2 NEW SECTION. Section 11. Private and discount purchase of  
 3 loans. Loans to political subdivisions and local government  
 4 entities and bonds, warrants, and notes issued in evidence thereof  
 5 may be made and purchased by and sold to the department of natural  
 6 resources and conservation at a discount and at private negotiated  
 7 sale, notwithstanding the provisions of any other law applicable to  
 8 such political subdivisions or local government entities.

9 NEW SECTION. Section 12. Appropriations established. For  
 10 any entity of state government that receives a grant or loan under  
 11 [sections 1 through 12], an appropriation is established for the  
 12 amount of the grant or loan upon award of the grant or loan by the  
 13 department of natural resources and conservation. GRANTS TO STATE  
 14 ENTITIES FROM PRIOR BIENNIUMS ARE REAUTHORIZED FOR COMPLETION OF  
 15 CONTRACT WORK.

16 NEW SECTION. Section 13. FUNDS AVAILABLE. IT IS THE INTENT  
 17 OF THE LEGISLATURE THAT THE WATER DEVELOPMENT GRANT PROGRAM BE A  
 18 MINIMUM OF \$1 MILLION AND THE RENEWABLE RESOURCES GRANT PROGRAM BE  
 19 A MINIMUM OF \$1 MILLION FOR THE 1993 LEGISLATIVE SESSION.

20 NEW SECTION. Section 14. Severability. If a part of [this  
 21 act] is invalid, all valid parts that are severable from the  
 22 invalid part remain in effect. If a part of [this act] is invalid  
 23 in one or more of its applications, the part remains in effect in  
 24 all valid applications that are severable from the invalid

1 applications.

2 NEW SECTION. Section 15. Effective date. [This act] is  
 3 effective on passage and approval.

4 -END-

HOUSE BILL NO. 6

INTRODUCED BY CONNELLY

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES

AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR LOANS AND GRANTS UNDER THE WATER DEVELOPMENT PROGRAM AND THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM; TO AUTHORIZE LOANS FROM WATER DEVELOPMENT BOND PROCEEDS, RENEWABLE RESOURCE DEVELOPMENT BOND PROCEEDS, AND APPROPRIATE FUNDS FOR DEBT SERVICE; TO REAUTHORIZE GRANTS AND LOANS APPROVED BY THE 51ST LEGISLATURE; TO REALLOCATE CERTAIN RESOURCE INDEMNITY TRUST ACCOUNT INTEREST INCOME FOR WATER DEVELOPMENT PROGRAM GRANTS DURING THE BIENNIUM ENDING JUNE 30, 1993; TO PLACE CERTAIN CONDITIONS UPON GRANTS AND LOANS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Appropriations from the water

development state special revenue account. (1) Because the legislature cannot appropriate individual grants to private entities, there is appropriated to the department of natural resources and conservation ~~\$106,500~~ \$72,208 from the water development state special revenue account during the 1992-93

biennium for grants to private persons for water development projects and activities pursuant to the provisions of Title 85, chapter 1, part 6. This appropriation is from money available in the water development state special revenue account for grants for water development projects and activities under 85-1-604(3)(c) and according to priorities established in subsections (3) and (4) of this section.

(2) There are appropriated to the department the interest earnings from the proceeds of water development bonds and renewable resource development bonds issued to finance loans authorized by [sections 1 through 12]. Interest earnings must be deposited in the water development debt service fund and the renewable resource development account, respectively.

(3) There are appropriated to the department all other funds not appropriated under subsection (1) and available for grants to political subdivisions and local government entities from the water development state special revenue account during the 1992-93 biennium. This appropriation is from money available in the water development state special revenue account and renewable resource development account for grants and from the water development or renewable resource accounts for loans for water development projects and activities under 85-1-604(3)(c) and [sections 1 through 12]. The funds appropriated in this section must be awarded by the department to the named entities for the described purposes and in the described grant amounts set out in subsection (4), subject to the conditions set forth in [sections 1 through 12] and

1 the contingencies described in the renewable resource and water  
 2 development program's January 1991 report. The legislature,  
 3 pursuant to 85-1-605, approves the grants listed in subsection (4),  
 4 with grants to be made in the order indicated in the prioritized  
 5 list of projects and activities. Funds must be awarded up to the  
 6 amounts approved in this section in order of priority until  
 7 available funds are expended. Funds not accepted or used by higher  
 8 ranked projects and activities must be provided for projects and  
 9 activities further down the priority list that would not otherwise  
 10 receive funding. If the total expenditure of funds appropriated  
 11 under this section results in a cutoff that ends at a point at  
 12 which more than one project or activity is ranked equal in  
 13 priority, the decision regarding which project or projects will  
 14 receive funding must be made by the department. Any projects that  
 15 are funded by the reclamation and development grants program may  
 16 not be funded under [sections 1 through 12]. Actual rank and score  
 17 of the various projects and activities are contained within the  
 18 renewable resource and water development program's project  
 19 evaluations and recommendations report for the 1992-93 biennium.

20 (4) The following are the grant and loan prioritized projects  
 21 and activities:

22 WATER DEVELOPMENT PROGRAM

23	<u>Recommended Funding</u>	
24 <u>Applicant\Project</u>	<u>Grant</u>	<u>Loan</u>
25 CHINOOK IRRIGATION DISTRICT		
26 Milk River Water Supply Project	\$100,000	

1 LOWER MUSSELSHELL CONSERVATION DISTRICT		
2 River Management Tools	72,539	
3 GLASGOW IRRIGATION DISTRICT		
4 Improving Water Use Efficiency	100,000	
5 GREENFIELDS IRRIGATION DISTRICT		
6 Greenfields Gravity Sprinkler Planning	100,000	
7 MONTANA STATE LIBRARY		
8 Drought Monitoring System	58,364	
9 JOCKO, MISSION, AND FLATHEAD IRRIGATION		
10 DISTRICTS, JOINT BOARD OF CONTROL		
11 Flathead Irrigation Information System	92,000	
12 LEWIS AND CLARK COUNTY CONSERVATION DISTRICT		
13 Nilan Water Conservation Project	100,000	
14 PRIVATE APPLICANT		
15 Ruby Creek Dam Feasibility Study	14,708	
16 <u>PRIVATE APPLICANT</u>		
17 <u>WASTEWATER COLLECTION AND</u>		
18 <u>TREATMENT SYSTEM</u>	<u>50,000</u>	<u>\$150,000</u>
19 FORT SHAW IRRIGATION DISTRICT		
20 Rehabilitation of Headworks and "A"		
21 System Diversion	50,000	<u>50,000</u>
22 DUTTON, TOWN OF		
23 Dutton Water Storage Reservoir	91,319	
24 <u>PRIVATE APPLICANT</u>		
25 <u>Wastewater Collection and</u>		
26 <u>Treatment System</u>	<u>50,000</u>	<u>\$150,000</u>

1	<del>PRIVATE APPLICANT</del>		
2	<del>Fishery Improvement and Sediment</del>		
3	<del>Reduction</del>	<del>15,000</del>	
4	PHILLIPS CONSERVATION DISTRICT		
5	Moisture Monitoring Project	53,382	
6	<del>MONTANA BUREAU OF MINES AND GEOLOGY</del>		
7	<del>Hydrogeologic Controls on Selenium</del>		
8	<del>Mobility in Southcentral Montana</del>	<del>99,778</del>	
9	<del>GRANITE CONSERVATION DISTRICT</del>		
10	<del>Demonstration Ice Block</del>	<del>67,787</del>	
11	<del>PRIVATE APPLICANT</del>		
12	<del>Cherry Creek Flood Control</del>	<del>21,880</del>	
13	<del>PRIVATE APPLICANT</del>		
14	<del>River Road Stabilization</del>	<del>5,000</del>	
15	<del>PRIVATE APPLICANT</del>		
16	<u>SUN RIVER WATER SYSTEM</u>	<u>7,500</u>	<u>7,500</u>
17	<u>CHINOOK, TOWN OF</u>		
18	<u>MILA RIVER WEIR REPLACEMENT</u>	<u>200,000</u>	
19	<u>BELT, TOWN OF</u>		
20	<u>SEWAGE SYSTEM IMPROVEMENTS</u>	<u>100,000</u>	
21	<u>GLASGOW, TOWN OF</u>		
22	<u>GLASGOW WATER AND WASTEWATER</u>	<u>80,950</u>	
23	<u>MISSOULA CITY/COUNTY HEALTH DEPARTMENT</u>		
24	<u>LINDA VISTA SEWER INTERCEPTOR</u>	<u>100,000</u>	
25	<u>FAIRFIELD, TOWN OF</u>		
26	<u>FAIRFIELD WATERWAY</u>	<u>14,169</u>	

1 ~~(5) TO THE ENTITIES LISTED IN THIS SECTION. THIS~~  
 2 ~~APPROPRIATION CONSTITUTES A VALID OBLIGATION OF THESE FUNDS FOR~~  
 3 ~~PURPOSES OF ENCUMBERING THE FUNDS WITHIN THE 1993 BIENNIUM PURSUANT~~  
 4 ~~TO 17-7-302.~~

5 NEW SECTION. Section 2. Appropriations under renewable  
 6 resource development program -- eligibility. (1) There are  
 7 appropriated to the department of natural resources and  
 8 conservation all available funds from the renewable resource  
 9 development account during the 1992-93 biennium for projects under  
 10 the renewable resource development program.

11 (2) The department shall award grants to the named entities  
 12 for the described purposes and in the described amounts set out in  
 13 subsection (3). The legislature, pursuant to 90-2-111, approves the  
 14 listed grants, with grants to be made in order of priority ranking,  
 15 except renewable resource development grants for water development  
 16 projects and activities that must be made in the order of priority  
 17 listed in [section 1]. Projects and activities sponsored by public  
 18 entities listed in [section 1] that do not receive water  
 19 development funding are eligible for renewable resource development  
 20 funds on the basis of the renewable resource development program  
 21 priority ranking criteria. Any project or activity listed in  
 22 [section 1] that receives water development funds is not eligible  
 23 to compete for renewable resource development funds. Projects and  
 24 activities listed in this section that do not receive renewable  
 25 resource development funding are eligible for water development

1 funds on the basis of the water development program priority  
 2 ranking criteria. A project or activity listed in this section that  
 3 receives renewable resource development funds is not eligible to  
 4 compete for water development funds. Funds not accepted or used by  
 5 higher ranked projects must be provided for projects further down  
 6 the priority list that would not otherwise receive funding. If the  
 7 total expenditure of funds appropriated under this section results  
 8 in a cutoff that ends at a point at which more than one project is  
 9 ranked equal in priority, the decision regarding which project or  
 10 projects will receive funding must be made by the department.  
 11 Actual rank and score of the various projects are contained within  
 12 the renewable resource and water development program's project  
 13 evaluations and recommendations report for the 1992-93 biennium.

14 (3) The following are the grant and loan prioritized projects  
 15 and activities:

16 RENEWABLE RESOURCE DEVELOPMENT PROGRAM

17 Applicant\Project	18 Recommended Funding	
	19 Grant	20 Loan
21 JEFFERSON VALLEY CONSERVATION DISTRICT		
22 Cereal-Legume Energy Efficient		
23 Crop Rotations	\$ 48,677	
24 YELLOWSTONE COUNTY CONSERVATION DISTRICT		
25 Streambank Reinforcement	100,000	
26 MONTANA STATE LIBRARY, NATURAL RESOURCE		
INFORMATION SYSTEM		
Montana Water Information System	99,866	

1 NEIHART, TOWN OF		
2 Neihart Water System Improvements	50,000	150,000
3 MONTANA STATE UNIVERSITY, MONTANA WATER		
4 RESOURCES CENTER		
5 Public Education in Water Management	100,000	
6 EKALAKA, TOWN OF		
7 Water Supply and Storage Project	49,975	100,000
8 MONTANA STATE LIBRARY, NATURAL RESOURCE		
9 INFORMATION SYSTEM		
10 Montana Natural Heritage Program	99,760	
11 POLSON, CITY OF		
12 Wellhead Protection Program	76,055	
13 STILLWATER CONSERVATION DISTRICT		
14 Evaluation of Plastic Lining and		
15 Fabrication Process	56,848	
16 THREE FORKS, TOWN OF		
17 Water System Improvements	100,000	
18 BUTTE SILVER BOW, GOVERNMENT OF		
19 Blacktail Creek Restoration	100,000	
20 BROADWATER CONSERVATION DISTRICT		
21 Irrigation Water Management		
22 Demonstration Project	100,000	
23 FALLON COUNTY		
24 Baker Lake Erosion Control and		
25 Recreation Path	15,361	
26 MONTANA STATE UNIVERSITY, LOCAL		

1 ~~GOVERNMENT CENTER~~

2 ~~Solid Waste Information and~~

3 ~~Assistance Center~~ ~~88,000~~

4 ~~NATURAL RESOURCES AND CONSERVATION,~~

5 ~~DEPARTMENT OF, WATER MANAGEMENT BUREAU~~

6 ~~Beaverhead County Ground Water Study~~ ~~100,000~~

7 ~~FORT SHAW IRRIGATION DISTRICT~~

8 ~~Rehabilitation and Betterment Study~~ ~~50,000~~

9 ~~DARBY SCHOOL DISTRICT NO. 9~~

10 ~~Darby School Park Project~~ ~~25,300~~

11 ~~LIBERTY COUNTY CONSERVATION DISTRICT~~

12 ~~Sweetgrass Hills Ground Water Study~~ ~~100,000~~

13 ~~MISSOULA COUNTY CONSERVATION DISTRICT~~

14 ~~Irrigation Diversion Alternatives~~ ~~85,250~~

15 ~~OUTLOOK COUNTY WATER AND SEWER DISTRICT~~

16 ~~Water Well Connection~~ ~~7,875~~

17 ~~MILES CITY, CITY OF~~

18 ~~Miles City Community Recycling Program~~ ~~96,513~~

19 ~~MISSOULA COUNTY~~

20 ~~Aquifer Monitoring and Remediation~~ ~~85,929~~

21 ~~CARBON COUNTY, STILLWATER COUNTY,~~

22 ~~AND BIG TIMBER, CITY OF~~

23 ~~Integrated Waste Management in~~

24 ~~Southcentral Montana~~ ~~45,437~~

25 ~~MEAGHER COUNTY CONSERVATION DISTRICT~~

26 ~~South Side Canal Lining Project~~ ~~37,500~~ ~~62,500~~

1 ~~BELT, TOWN OF~~

2 ~~Belt Sewage System Improvements~~ ~~25,000~~ ~~75,000~~

3 ~~TETON COUNTY CONSERVATION DISTRICT~~

4 ~~Alternative Diversion Sites~~ ~~11,780~~

5 ~~CHINOOK, CITY OF~~

6 ~~Milk River Weir Replacement~~ ~~50,000~~ ~~150,000~~

7 ~~COLUMBUS, TOWN OF~~

8 ~~Columbus Recreation Project~~ ~~99,906~~

9 ~~GLASGOW, TOWN OF~~

10 ~~Water and Wastewater Comprehensive Plan~~ ~~80,950~~

11 ~~BIG SKY SEWER DISTRICT~~

12 ~~County Water and Sewer District~~ ~~33,750~~

13 ~~MISSOULA CITY COUNTY HEALTH DEPARTMENT~~

14 ~~Linda Vista Sewer Interceptor Project~~ ~~100,000~~

15 ~~CASCADE AND TETON COUNTY CONSERVATION~~

16 ~~DISTRICTS~~

17 ~~Muddy Creek Erosion Control Project~~ ~~100,000~~

18 ~~FAIRFIELD, TOWN OF~~

19 ~~Fairfield Waterway/Pipeline~~ ~~14,169~~

20 ~~MONTANA STATE UNIVERSITY EXTENSION SERVICE~~

21 ~~Natural Resource Management Education~~

22 ~~Program~~ ~~49,280~~

23 ~~YELLOWSTONE COUNTY CONSERVATION DISTRICT~~

24 ~~STREAMBANK REINFORCEMENT~~ ~~\$100,000~~

25 ~~JEFFERSON VALLEY CONSERVATION DISTRICT~~

26 ~~CEREAL-LEGUME ENERGY EFFICIENT~~

1	<u>CROP ROTATIONS</u>	48,677	
2	<u>NEIHART, TOWN OF</u>		
3	<u>NEIHART WATER SYSTEM IMPROVEMENTS</u>	50,000	\$150,000
4	<u>EKALAKA, TOWN OF</u>		
5	<u>WATER SUPPLY AND STORAGE PROJECT</u>	49,975	100,000
6	<u>MONTANA STATE UNIVERSITY, MONTANA WATER RESOURCES CENTER</u>		
7	<u>PUBLIC EDUCATION IN WATER MANAGEMENT</u>	100,000	
8	<u>STILLWATER CONSERVATION DISTRICT</u>		
9	<u>EVALUATION OF PLASTIC LINING</u>		
10	<u>AND FABRICATION PROCESE</u>	56,848	
11	<u>BROADWATER CONSERVATION DISTRICT</u>		
12	<u>IRRIGATION WATER MANAGEMENT</u>		
13	<u>DEMONSTRATION PROJECT</u>	100,000	
14	<u>NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF, WATER MANAGEMENT</u>		
15	<u>BUREAU</u>		
16	<u>BEAVERHEAD COUNTY GROUND WATER STUDY</u>	100,000	
17	<u>POLSON, CITY OF</u>		
18	<u>WELLHEAD PROTECTION PROGRAM</u>	76,055	
19	<u>THREE FORKS, TOWN OF</u>		
20	<u>WATER SYSTEM IMPROVEMENTS</u>	100,000	
21	<u>FORT SHAW IRRIGATION PROJECT</u>		
22	<u>REHABILITATION AND BETTERMENT STUDY</u>	50,000	
23	<u>BUTTE-SILVER BOW, GOVERNMENT OF</u>		
24	<u>BLACKTAIL CREEK RESTORATION</u>	100,000	
25	<u>LIBERTY COUNTY CONSERVATION DISTRICT</u>		
26	<u>SWEETGRASS HILLS GROUND WATER STUDY</u>	100,000	

1	<u>MISSOULA COUNTY CONSERVATION DISTRICT</u>		
2	<u>IRRIGATION DIVERSION ALTERNATIVES</u>	85,250	
3	<u>FALLON COUNTY</u>		
4	<u>BAKER LAKE EROSION CONTROL</u>		
5	<u>AND RECREATION PATH</u>	15,361	
6	<u>DARBY SCHOOL DISTRICT NO. 9</u>		
7	<u>DARBY SCHOOL PARK PROJECT</u>	25,300	
8	<u>MEAGHER COUNTY CONSERVATION DISTRICT</u>		
9	<u>SOUTH SIDE CANAL LINING PROJECT</u>	37,500	62,500
10	<u>NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF</u>		
11	<u>BATTLE CREEK STORAGE UNIT</u>	82,000	
12	<u>(4) TO THE ENTITIES LISTED IN THIS SECTION, THIS</u>		
13	<u>APPROPRIATION CONSTITUTES A VALID OBLIGATION OF THESE FUNDS FOR</u>		
14	<u>PURPOSES OF ENCUMBERING THE FUNDS WITHIN THE 1993 BIENNIUM PURSUANT</u>		
15	<u>TO 17-7-302.</u>		
16	<u>NEW SECTION. Section 3. Opportunity to receive loans for</u>		
17	<u>projects that do not receive grants. Sponsors of recommended</u>		
18	<u>projects and activities on the prioritized lists in [sections 1 and</u>		
19	<u>2] that are not recipients of available grant funds must be offered</u>		
20	<u>the opportunity to receive loan funds for up to the total</u>		
21	<u>recommended project amount, subject to the conditions described in</u>		
22	<u>[sections 1 through 12]. The interest rate applicable to these</u>		
23	<u>loans must be the rate paid on bonds issued pursuant to [sections</u>		
24	<u>1 through 12].</u>		
25	<u>NEW SECTION. Section 4. Approval of loans from bond</u>		



1 proceeds and completion of appropriation. (1) The legislature,  
 2 pursuant to 85-1-605, 85-1-606, and 90-2-107, hereby approves loans  
 3 to private sponsors approved by the department of natural resources  
 4 and conservation during the 1992-93 biennium and the loans for  
 5 projects and activities identified and described in [section 1] to  
 6 public entities from water development bond proceeds, interest  
 7 earnings on such proceeds deposited in the water development debt  
 8 service fund, and loans from renewable resource development bond  
 9 proceeds deposited in the renewable resource development account.  
 10 Bond proceeds may be used for the payment of bond issuance costs.  
 11 Funds are appropriated for these costs to a maximum of 4% of the  
 12 amount of each bond sale.

13 (2) The approval of specific loans completes an appropriation  
 14 of the coal severance tax proceeds allocated by 15-35-108 to the  
 15 water development bond account for the purpose of paying, in the  
 16 manner established by 85-1-619, principal of and interest and  
 17 redemption premiums on any water development bonds issued to  
 18 provide the proceeds for the loans to private and public entities  
 19 for projects and activities approved in [section 1], and it also  
 20 completes an appropriation to the renewable resource debt service  
 21 fund for the purpose of paying, in the manner established by 90-2-  
 22 123, principal of and interest and redemption premiums on any  
 23 renewable resource development bonds issued to provide the proceeds  
 24 for the loans to political subdivisions and local government  
 25 entities for projects and activities approved in [sections 1 and  
 26 2].

1 NEW SECTION. Section 5. Reauthorization of loans and  
 2 grants approved by ~~51st legislature~~. (1) The 51st legislature, in  
 3 House Bill No. 775, Laws of 1989, approved loans and grants from  
 4 the water development and renewable resource development bond  
 5 accounts for the Cascade County RID No. 26, Sun Prairie, in the  
 6 amount of \$200,000; Carbon County/Roberts Water System Improvements  
 7 in the amount of \$142,500; City of Shelby in the amount of  
 8 \$100,000; Sage Creek County Water District in the amount of  
 9 \$158,600; Town of Cascade in the amount of \$200,000; City of  
 10 Belgrade in the amount of \$200,000; Town of Hysham in the amount of  
 11 \$200,000; and East Glacier Water and Sewer District in the amount  
 12 of \$116,380. Loans and grants for the entities described in this  
 13 section are hereby reauthorized.

14 (2) THE 50TH LEGISLATURE, IN HOUSE BILL NO. 7, LAWS OF 1987,  
 15 APPROVED A GRANT FROM THE RENEWABLE RESOURCE DEVELOPMENT ACCOUNT TO  
 16 EASTERN SANDERS CONSERVATION DISTRICT FOR \$86,300 FOR RECHARGE  
 17 ENHANCEMENT OF THE LITTLE BITTERROOT AQUIFER. AMONG THE  
 18 CONTINGENCIES CONTAINED IN THE GRANT AUTHORIZATION WAS A  
 19 REQUIREMENT THAT A COMMITMENT BE OBTAINED FROM THE U.S. BUREAU OF  
 20 RECLAMATION FOR FEDERAL MATCHING FUNDS. IT HAS SINCE BEEN  
 21 DETERMINED THAT THE FEDERAL MATCHING FUNDS WILL NOT BE FORTHCOMING.  
 22 THE GRANT FOR THE ABOVE DESCRIBED ENTITY IS HEREBY AUTHORIZED FOR  
 23 \$86,300, WITH THE CONTINGENCY FOR FEDERAL MATCHING FUNDING FROM THE  
 24 U.S. BUREAU OF RECLAMATION DELETED. FURTHER, THE ADDITIONAL  
 25 ADDITIONAL SAMPLING OF SURFACE WATER AND GROUND WATER FOR

1 HERBICIDES AND PESTICIDES MUST BE CONDUCTED.

2 NEW SECTION. Section 6. Reallocation of resource indemnity  
3 trust account interest income. Except for special departmental  
4 appropriation and notwithstanding any provisions of 85-1-604 to the  
5 contrary, all remaining interest income allocated to the water  
6 development state special revenue account from the resource  
7 indemnity trust fund by 15-38-202(2) during the 1992-93 biennium  
8 may be used only for the purposes set out in 85-1-604(3)(c).

9 NEW SECTION. Section 7. Emergency grants. There is  
10 appropriated to the department of natural resources and  
11 conservation up to \$125,000 from the water development state  
12 special revenue account to be used for emergency projects. If these  
13 funds are not needed for emergencies, they may be used for grants  
14 approved in [section 1].

15 NEW SECTION. Section 8. Conditions of loans and grants.  
16 Disbursement of funds under [sections 1 through 12] for both loans  
17 and grants is subject to the following conditions that must be met  
18 by project sponsors:

19 (1) approval of a scope of work and budget for the project by  
20 the department of natural resources and conservation. Reductions in  
21 a scope of work or budget may not affect priority activities or  
22 improvements.

23 (2) documented commitment of other funds required for project  
24 completion;

1 (3) satisfactory completion of conditions described in the  
2 recommendation section of the project narrative in the renewable  
3 resource and water development program's project evaluations and  
4 recommendations report for the 1992-93 biennium or, in the case of  
5 emergency applications, conditions specified at the time of written  
6 notification of approved loan authority;

7 (4) execution of a loan or grant agreement with the  
8 department; and

9 (5) accomplishment of other specific requirements considered  
10 necessary by the department to accomplish the purpose of the loan  
11 or grant as evidenced from the application to the department or  
12 from the proposal to the legislature.

13 NEW SECTION. Section 9. Conditions for grants.  
14 Notwithstanding the conditions described in [section 1], grant  
15 funds are disbursed in the order of priority listed in [section 1]  
16 as coal tax and resource indemnity trust account interest income  
17 revenues are received. No project approved by [sections 1 through  
18 12] is entitled to receive grant funds not collected and allocated  
19 to the water development state special revenue account or the  
20 renewable resource development account.

21 NEW SECTION. Section 10. Conditions for loans. Each  
22 sponsor authorized for a loan from water development bond proceeds  
23 or renewable resource development bond proceeds may be required to  
24 pay to the department of natural resources and conservation a pro  
25 rata share of the bond issuance costs and the administrative costs

1 incurred by the department to complete the loan transaction.

2 NEW SECTION. Section 11. Private and discount purchase of  
 3 loans. Loans to political subdivisions and local government  
 4 entities and bonds, warrants, and notes issued in evidence thereof  
 5 may be made and purchased by and sold to the department of natural  
 6 resources and conservation at a discount and at private negotiated  
 7 sale, notwithstanding the provisions of any other law applicable to  
 8 such political subdivisions or local government entities.

9 NEW SECTION. Section 12. Appropriations established. For  
 10 any entity of state government that receives a grant or loan under  
 11 {sections 1 through 12}, an appropriation is established for the  
 12 amount of the grant or loan upon award of the grant or loan by the  
 13 department of natural resources and conservation. GRANTS TO STATE  
 14 ENTITIES FROM PRIOR BIENNIUMS ARE REAUTHORIZED FOR COMPLETION OF  
 15 CONTRACT WORK.

16 NEW SECTION. Section 13. FUNDS AVAILABLE. IT IS THE INTENT  
 17 OF THE LEGISLATURE THAT THE WATER DEVELOPMENT GRANT PROGRAM BE A  
 18 MINIMUM OF \$1 MILLION AND THE RENEWABLE RESOURCES GRANT PROGRAM BE  
 19 A MINIMUM OF \$1 MILLION FOR THE 1993 LEGISLATIVE SESSION.

20 NEW SECTION. Section 14. Severability. If a part of {this  
 21 act} is invalid, all valid parts that are severable from the  
 22 invalid part remain in effect. If a part of {this act} is invalid  
 23 in one or more of its applications, the part remains in effect in  
 24 all valid applications that are severable from the invalid

1 applications.

2 NEW SECTION. Section 15. Effective date. [This act] is  
 3 effective on passage and approval.

4 -END-