

MINUTES OF THE MEETING
LONG RANGE PLANNING SUBCOMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Long Range Planning Subcommittee was called to order by Chairman Rep. Robert Thoft on February 16, 1987 at 9:00 a.m., in room 202B of the State Capitol.

ROLL CALL: All members of the Long Range Planning Subcommittee were present except Rep. Donaldson who was excused.

Tape 76:A:000

RIT PROJECTS

Grant #4 Department of Fish Wildlife and Parks
Grant #11 Department of Fish Wildlife and Parks:

Jim Flynn, Department of Fish Wildlife and Parks, said both projects are in the Butte - Boulder area.

Mr. Flynn said when completing the application they consulted the Department of Health and the Department of State Lands to make sure they approved.

CAPITAL CONSTRUCTION PROJECTS

Grant #44 Boat Facilities Program: (127)

Mr. Flynn said the Dingle-Johnson federal excise tax is on fishing equipment. He also said the Wallop-Brow federal amendments apply the tax to motor boats to generate monies for fishing access. Mr. Flynn said the FWP has not spent all of the fishing access monies that were appropriated by the 1985 Legislature. The current request would fund boating facilities at Fort Peck, in Billings and at Laurel City Park on the Yellowstone River, at Canyon Ferry, and at Somers on Flathead Lake.

Grant #45 Develop Property: (221)

Mr. Flynn said the Real Estate Land Trust receives funds from the sale of surplus properties, or royalties paid from timber sales, or other department property. Mr. Flynn said the trust has \$1 million and will grow by \$600,000 in the 1989 biennium.

FY 1987	\$247,000	Mt. Hagan Timber Sales
	75,000	Crop Leases
	100,000	FWP Property
	<u>\$422,000</u>	Total

Mr. Flynn said the Mt. Hagan timber sales will continue to grow into the next biennium. Mr. Flynn said there are 56,000 acres involved. (416)

Mr. Flynn said there are restrictions on the expenditure of the FWP accounts. He said there is a federal statute concerning the FWP general license account that will not allow for the diversion of state FWP funds without penalty. Mr. Flynn said the Real Estate Trust Interest Earnings are available but the same "diversion" problem exists. Mr. Flynn stated there is no general fund in the FWP budget.

(76:B:000)

Don Hyyppa, FWP, said the operational budget is \$3.8 million; of those monies \$1.8 million will go to park maintenance.

Mr. Flynn said the Game Range Acquisition monies appropriated by the 1985 Legislative Session has been spent. (134)

Mr. Flynn said the department has used \$50,800 of the funds appropriated during the 1985 Legislative Session for the purchase of land from Champion International. (237)

Grant #47 Fishing Access Site Protection: (312)

Mr. Flynn said he is in favor of this project.

Grant #48 Creston hatchery Supplemental: (332)

Mr. Flynn said this project was approved during the 1983 Legislative Session for \$455,000, and he said FWP needs an additional \$225,000.

Grant #49 Improve Regional Headquarters: (361)

Mr. Flynn said there the headquarters in Great Falls and Bozeman are in need of repair. Mr. Flynn said the Great Falls headquarters needs repair on concrete work, walkways, and gravel. Mr. Flynn said the Bozeman headquarters needs repair on gutters, gravel, and parking lot, and needs to install curbs and a meat hoist.

Grant #50 Land Transfer, Region 3 Headquarters: (419)

Mr. Flynn said the Bozeman FWP headquarters has moved on to the MSU campus, where they can be hooked up to MSU's computers. Mr. Flynn said FWP would like an \$108,700 appropriation to pay MSU for the land and to sell their own property. Mr. Flynn said FWP expects that they will make \$50,000 in selling their property.

(77:A:000)

Grant #51 Helena Office Mechanical Supplemental: (040)

Mr. Flynn said the 1985 Legislature appropriated \$112,000 to renovate the HVAC system at the Helena headquarters, but will need an additional \$65,000.

Grant #51 Construct Region 1 Headquarters, Kalispell
Grant #52 Construct Region 5 Headquarters, Billings: (071)

Mr. Flynn showed the Subcommittee pictures of the two headquarters. Mr. Flynn said there are seven headquarters in Kalispell, Missoula, Glasgow, Great Falls, Billings, Bozeman, and Miles City. (179)

Grant #54 Improve Warehouse Complex:

Mr. Flynn said there are 90 acres in the Helena Valley and they would like to sell all but ten acres, and then fence in the ten acres at a cost of \$34,000.

Grant #55 Improve Water Fowl Habitat: (282)

Mr. Flynn said FWP had a contest for artists to create a print and a collector stamp with water fowl on them. Mr. Flynn said the project will generate \$65,000. The proceeds will be used to purchase and improve water fowl habitat.

Grant #56 Bighorn Sheep: (409)

Mr. Flynn presented a video for the Subcommittee on Big Horn Sheep. The department wants to buy Big Horn Sheep habitat near Mt. Hagan. The area is for sale and may be developed for logging if FWP does not buy it.

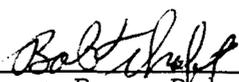
(77:B:000)

Grant #57 Centennial Display, Capitol Complex:

Mr. Flynn said FWP proposes to redesign the flower display in front of the Capitol to look like the Centennial Logo.

Mr. Flynn said there are a total of 270 full time employees in the Department of Fish wildlife and Parks.

ADJOURNMENT: There being no further business the Long Range Planning Subcommittee adjourned at 11:47 a.m.



Chairman Rep. Bob Thoft

The general approach of the study is good, ie. minesoil characterization and vegetation performance. However it is not clear how this study will lead to successful reclamation or methods that are less costly than at present. A major obstacle being experienced by the bentonite industry in general, is the low profit margin inherent to the mining of bentonite. Reclamation failures increase the operating costs and decrease the viability of a struggling Montana industry. It would be useful to conduct a study of this type that identifies those reclamation methods that are most cost effective, as well as those that are most effective in reclaiming bentonite mine disturbances. As the bentonite mining industry would be the prime benefactor from the results of this study, reviewers felt it appropriate to seek partial funding of this project from the companies.

FINANCIAL ASSESSMENT:

The budget appears reasonable for the 2-year study. It includes \$50,975 for personnel, \$6,880 for associated administration costs (travel, per diem, lodging, computer time), and \$6,156 for other costs (materials and supplies, lab analysis). No funds would be contributed by the mining companies.

ENVIRONMENTAL ASSESSMENT:

There would be no adverse impact on the environment as a result of this study.

PUBLIC BENEFITS ASSESSMENT:

This study would produce a report for the bentonite mining industry, regulatory agencies, and consultants. This text would detail procedures, techniques and activities that have been most consistently successful on a wide scale throughout the bentonite fields of southeastern Montana. It could be used by industry to guide the preparation of mine permit applications and possibly by regulatory agencies to aid in their evaluation of permit applications.

RECOMMENDATION:

A grant of up to \$53,342 is recommended for this project contingent on: 1) DNRC approval of the project scope of work and budget; 2) contribution of at least 10% of the total project cost by the companies involved in this study; and 3) an economic assessment, including a cost benefit analysis of each reclamation practice and technique studied.

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<u>APPLICANT NAME:</u>	Environmental Quality Council
<u>PROJECT/ACTIVITY NAME:</u>	Long Range Plan for Developing a Center of Excellence for Water Resources Research and Education in Montana
<u>AMOUNT REQUESTED:</u>	\$63,250
<u>OTHER FUNDING SOURCES AND AMOUNTS:</u>	None
<u>TOTAL PROJECT COST:</u>	\$63,250

PROJECT DESCRIPTION:

Legislative hearings and the final committee report by the Select Committee on Water Marketing to the 1985 Legislature concluded that there was a need to explore means "by which state water research can be better coordinated to serve the important policy development needs of the state" (p. V-54). The Water Policy Committee established by the 1985 Legislature has been conducting an analysis of water research in Montana. Among its conclusions are that: (1) current water research efforts are limited and fragmented, (2) the University System Water Resources Center is the logical organization to coordinate and promote water research and educational programs in the state, and (3)

the Center lacks sufficient resources to develop a strategic plan to take advantage of opportunities or to attract additional funds to the Center.

An escalating matching requirement for federal funds available to state water resource centers is mandated by the federal Water Resources Research Act of 1984. While the previous match was one non-federal dollar for each two dollars of federal funds received, this match escalates to two non-federal dollars for each dollar of federal funds received in FY 1988. It is unlikely that the eventual two-to-one match can be met.

This proposal would investigate opportunities and resources necessary for strengthening the role of the Water Resources Center in coordinating research and education programs in Montana. The investigation would be carried out by: (1) identifying the nature of Montana's needs relating to water research and education, (2) determining the appropriate role and structure of the Water Center, (3) investigating the feasibility of different research and educational opportunities for Center programs, and (4) developing a plan to implement the results of the above investigation.

TECHNICAL ASSESSMENT:

The project would be undertaken in two phases. In the first phase, a hired consultant would complete a report to an interdisciplinary, inter-institutional advisory committee regarding the above objectives. In the second phase, the consultant would work with the advisory committee and the state's higher education institutions to develop recommendations to the 1989 Legislature regarding restructuring of the Water Center. Final products will include a consultant's report to the advisory committee and a set of committee recommendations to the 1989 Legislature regarding restructuring of the Water Center.

Participants will be (1) an approximately 12-member advisory committee selected by EQC and consisting of representatives from the involved schools, legislators, Governor's Office, private sector, affected state and local agencies, and the Commissioner of Higher Education, (2) a consultant hired by the Environmental Quality Council based on recommendations of the advisory committee, and (3) EQC staff for coordination of the study.

The projected time frame for project completion is January of 1989, allowing one year for the consultant's work and 18 months for efforts of the advisory committee.

Two alternatives to the present proposal were considered. These were (1) continuing with the present system, and (2) going directly to the 1987 Legislature with recommendations and a proposal for funding. The first alternative would not realize the full potential of the Water Center. The second alternative could potentially address the major points of this proposal, but would not allow a thorough analysis of data or issues. This proposal would allow sufficient time for analyzing the full range of issues related to restructuring of the Water Center, and also allow time for building a consensus of needs and opportunities among a range of individuals prior to introduction to the Legislature.

While this proposal would facilitate development of additional funding sources and strengthening of the Water Resources Center, it should attempt to avoid duplication of effort between the present Coordinating Council and advisory committee and an additional advisory committee under EQC coordination. Any shift from current funding of broad-based research efforts to more focused research on water management and policy issues should be carefully evaluated.

FINANCIAL ASSESSMENT:

Of the total project cost, all is allotted toward professional services, with no construction costs. Professional services are composed of personnel costs of \$47,140, contract administration costs of \$14,110, and \$2,000 for report printing.

The project is economically feasible as proposed. Out-of-state travel expenses may be over-estimated, given that some consultation with governmental agencies and private firms could be conducted by telephone or correspondence.

ENVIRONMENTAL ASSESSMENT:

The project involves no construction and will have no direct impact on the environment. Final results of the project would benefit the environment through more effective use of water resource research results and educational programs.

PUBLIC BENEFITS ASSESSMENT:

The public will benefit from a thorough analysis of water-related research and educational needs of the state, and definition of the opportunities available to the Water Center in meeting those needs. This project would lay the foundation for an effective, coordinated research program that will provide vital information to Montana's water policy makers, water users, and managers. This project would strengthen Montana's research and educational programs pertaining to river basin and interjurisdictional water management, water-use efficiency, interdisciplinary water resource management, and water-related effects of pollutants from mining and other natural resource development.

RECOMMENDATION:

A grant of up to \$63,250 is recommended for this project, contingent on DNRC approval of project scope of work and budget. Before finalizing study objectives, project scope should be expanded to include coordination with all state and federal agencies dealing with the identification, research, and planning of water-related issues.

Water Development Program
Coal Severance Tax Loans
1989 Biennium

	Loan Recommended	Terms	Subsidy	Committee Action
Bitterroot Irrigation District	North Hamilton Heights Gravity Irrigation \$ 622,120	(4)	\$ 533,377	
Town of Browning	Water Treatment Facilities 1,294,900	(1)	74,228	
City of Harlem	Water System Improvements 403,125	(2)	46,243	
City of Helena	Ten Mile Water Improvements 10,202,600	(2)	1,170,346	
Town of Lima	Water System Improvements 250,000	(2)	24,396	
Milk River Irrigation Districts	Tiber Dam Power Project 25,600,000	(5)	-0-	
Mill Creek Water and Sewer	Gravity Sprinkler Irrigation 999,223	(4)	865,688	
Department of Fish, Wildlife & Parks - Gartside Dam		(5)	-0-	
Town of West Yellowstone	Water Systems Improvement 1,500,000	(2)	172,066	
Roosevelt Co. Rural Water District	Rural Water System		-0-	
Trail Creek Water Association	Irrigation District Renovation		-0-	
Yellowstone County	Emerald Hills Water District		-0-	

Total \$41,294,433
 =====
 H1,436 969

\$2,094,527
 =====
 2,877,344

- (1) 1% below the bond rate for five years and at bond rate for 15 years.
- (2) 2% below the bond rate for five years and at bond rate for 15 years.
- (3) 3% below the bond rate for five years and at bond rate for 15 years.
- (4) 3% for 30 years
- (5) Equal to the bond rate for 20 years

Note: The calculation of interest subsidies assumes that bonds are issued at 7 percent

