

MINUTES OF THE MEETING OF THE NATURAL RESOURCES COMMITTEE
FEBRUARY 2, 1981

The House Natural Resources Committee convened in Room 437 of the Capitol Building on Monday, February 2, 1981, at 12:30 p.m. with CHAIRMAN DENNIS IVERSON presiding and sixteen members present (excused was REP. KEEDY and absent was REP. COZZENS).

EXECUTIVE SESSION HOUSE BILL 479 REP. CURTISS moved DO PASS with REP. MUELLER seconding.

REP. SHELLEN questioned whether or not "zone b" sufficiently defined sheetflooding. REP. HUENNEKENS explained that zone b type water is slow motion, stagnating water. He felt also that there will be a definite effect in some areas of the state.

HB 479 PASSED with REPS. HUENNEKENS, NEUMAN, and HARP opposing.

HOUSE BILL 397 REP. BERTELSEN moved DO PASS. REP. CURTISS provided a substitute motion of DO NOT PASS.

REP. CURTISS reiterated on some of the problems had by Vigilante Electric in trying to obtain a permit for the Toston Dam project. We should be able to utilize these sites but what we are doing is granting the Department of Natural Resources the right to decide who will and who won't get these permits.

REP. BERTELSEN asked who should do this. REP. CURTISS replied that it should be granted by the Federal Energy Regulatory Commission (FERC). It should not be considered by the department. REP. BERTELSEN said that would tie the hands of the department. Somebody should be responsible for the water leases. This bill would make it clear what is expected of the department.

REP. BROWN said he didn't see anything the department cannot already do being provided. He commented that Vigilante Electric didn't get the application because they missed the first deadline. He felt agricultural interests must come first and the power is the secondary use of that water.

REP. CURTISS agreed that agricultural interests should come first. The department was assisting Vigilante Electric with the application. The department did file the day after the deadline. REP. BROWN replied that Vigilante came to some energy people in Butte for help but not until the first deadline was about up. There wasn't much cooperation between the two.

REP. HUENNEKENS said the dams belong to the people of Montana and are there to serve the agricultural industry. Someone has to make a decision as to how and when hydroelectric development is placed at the dam. There is no point in cluttering up the process. We need to get going on it sometime.

REP. SALES questioned who decides you must have an application in and when. DEBBIE SCHMIDT, staff researcher, explained that is controlled by FERC. They determine the terms of the license. It is a federal program and not something the state controls. In order to generate power, you must have a license.

REP. SALES asked who decides to check out a dam and make the examination. Money is needed to do that. REP. BERTELSEN said the state already controls all of these dams. That is part of the department's responsibility. They in turn will receive revenue from whomever puts in the power. Some money will be paid to the state. REP. BROWN said the original money for the Toston Dam project came out of grant funds from the energy department.

REP. SHELDEN said it seemed the state had an interest in that particular dam. It really doesn't matter who operates it. This bill attempts to address the policy needed.

REP. ASAY said the legislature needs to delegate the authority and then monitor the agency in charge.

REP. QUILICI stated that the predominant use is for agriculture and that it is hard to use as firm power because of the primary function i.e. agricultural.

REP. NORDTVEDT asked what we cannot now do that this bill will allow.

REP. BERTELSEN explained that the policy is broad and just not as clear as it should be. In the original action that set up the dams, agricultural was the primary purpose.

REP. CURTISS withdrew her DO NOT PASS motion. REP. BERTELSEN moved on the amendments and REP. MUELLER seconded. The amendments were PASSED. DO PASS on the bill PASSED with REPS. BURNETT, HARP, ROTH, CURTISS, and NORDTVEDT opposing.

HOUSE BILL 398 Motion of DO PASS made by REP. HARP.

REP. QUILICI discussed some of the amendments proposed. The first one would allow funds to be spent for demonstration purposes.

REP. BROWN objected to amendment 3 which in part stated that funds could not be allowed for previous commitments of a similar nature which were not productive. He felt that sometimes it takes many efforts before it comes out right.

REP. CURTISS asked to segregate amendment 2.

Natural Resources
February 2, 1981
Page 3

REP. ROTH felt amendment 3 was meaningless. They can make the choice now. REP. NORDTVEDT said it gives the appearance of the department being tough but will not change anything.

REP. QUILICI wants evaluation of the projects. We must give the department some discretion. The legislature cannot run the program and there is a committee that meets to decide the issues.

REP. NORDTVEDT asked to segregate amendment 3.

Motion to DO PASS on amendments 1 and 4 PASSED.

Motion made on amendment 2 to strike "very good" and received DO PASS with REPS. CURTISS, ROTH, SALES, BURNETT, NORDTVEDT, MUELLER, and ASAY opposing.


Amendment 3 received a DO NOT PASS motion from REP. ROTH. REP. BERTELSEN said it is giving the department more direction. CHAIRMAN IVERSON said the committee should not simply strike it out. It would be better to replace it because without, there is no guidance.

Substitution motion of DO PASS on amendment 3 PASSED unanimously.

REP. CURTISS made a motion to reconsider amendment 2 striking "very good" on page 2, line 21. She asked to strike "very" only. DO PASS on amendment 2.

Motion to DO PASS AS AMENDED passed with REP. HART opposing.

Respectfully submitted,


DENNIS IVERSON, CHAIRMAN

Ellen Engstedt, Secretary