

HOUSE NATURAL RESOURCES COMMITTEE MINUTES
January 21, 1983

The House Natural Resources Committee convened in Room 224K of the State Capitol, at 12:30 p.m. on January 21, 1983, with Chairman Hal Harper presiding and all members present except Rep. Nordtvedt, who was absent. Chairman Harper opened the meeting to a hearing on HB 108.

HOUSE BILL 108

REPRESENTATIVE REX MANUEL, District 11, chief sponsor, read the title of the bill. He had an amendment which had been omitted in bill drafting which he offered: line 15, page 1 should read "from the resource indemnity trust account, not to exceed \$300,000 yearly, is allocatd to ..." He introduced the following speaker.

JOHN P. ANDREWS, Muddy Creek Project Coordinator, used a map to indicate where the Muddy Creek drainage was located. He had other pictures showing the problems related to the Muddy Creek drainage. A copy of his testimony is Exhibit 1 of the minutes.

JAMES W. BAUDER, Cooperative Extension Service, representing Muddy Creek Project, spoke in support of the bill. He said in the last three years the Extension Service has been actively involved in implementing the program. He said they provide educational programs and resources to help implement the programs. He said they have had an increase in cooperators using their irrigation scheduling and who have seen that timed water applications uses less water and fertilizer and increases yields. He said the Muddy Creek Project is their most significant impact in the state. He hoped the project can continue as it is only in the beginning.

KENNETH M. KELLY, Montana Water Development Association, said they support the bill without reservation. He said they believe the project is not only desirable but necessary and will be an investment rather than a liability.

EVAN VERWICK, Fairfield, representing Muddy Creek, said he supported the program. He said he farms ten miles of the Muddy Creek and help is definitely needed on the bench.

ROY KONEN, Fairfield, representing Muddy Creek, said he supported the bill.

DALE ZONHEIM, Fairfield, representing Muddy Creek, said he supported the bill.

ROBERT KRAUSE, Fairfield, said there is a lot of work to be done yet. He said farmers need a long-range funding program to get these farm projects done.

NEAL JOHNSON, Power, said he was a farmer that operated 320 acres. He said he was one of the major contributors to the problem. He said he recognized this but couldn't afford to solve it. He said it would cost \$17,000 at \$320 an acre.

RANDY PARKER, Sun River, said he farmed on the east and their ASCD had helped to get things started.

RICHARD OSTBERG, Power, representing Muddy Creek, said he concurred with the bill.

JO BRUNNER, representing Women Involved in Farm Economics, spoke next and a copy of her testimony is Exhibit 2. She left testimony from Jeanne Rankin, Montana Farm Bureau, expressing their concurrence in the bill (Exhibit 3).

REPRESENTATIVE TED NEUMAN expressed his support of the bill. He said a project like this to serve an area that has been damaged is the purpose for which the resource indemnity trust account fund was created.

REPRESENTATIVE TONI BERGENE said she wished to go on record as supporting the bill.

LEO BERRY, Administrator, Department of Natural Resources and Conservation, said they support this very worthwhile project, but he wished to bring up one item and that was the source of funding. He said during the last legislative session the total amount in the RIT fund was incorporated into the budgets of the Department of State Lands and the Department of Natural Resources and Conservation to replace general funds. Therefore, no RIT funds are available for projects like this.

STEVE MEYER, Montana Agricultural Conservation Districts, said in a recent gathering 59 conservation districts approved continued funding of Muddy Creek projects.

MARVIN MILLER, Montana Bureau of Mines and Geology, said they have worked with farmers for better irrigation efficiency. He said ground water and surface water interaction is much of the problem. He felt it could be solved in the future.

REPRESENTATIVE REX MANUEL in closing questioned that the present use of RIT funds was the correct one.

Questions were asked by the committee. Rep. Mueller asked about the RIT funds. Mr. Berry explained it was done by the last legislature and is carried over into this session. Rep. Manuel said in the LFA budget \$1,400,000 was budgeted to the State Lands for some water projects that may not be funded, and that makes this money available. In response to another question Mr. Berry said the project has received \$300,000 from the Renewable Resource Development fund but this is not an ongoing source. He said

\$125,000 has been recommended for the project under RRD this time.

It was brought out that Cascade Conservation District has volunteered to coordinate this account and handle the allocation. Rep. Addy asked if they would bear the administrative costs. Mr. Andrews said 12 percent would be used for administrative costs.

Exhibit 4 is a statement supporting from a farmer who forgot to sign the statement.

HOUSE JOINT RESOLUTION 2

REPRESENTATIVE CAL WINSLOW, District 65, chief sponsor, said the bill is a request for an endorsement from the legislature asking the Tax Oversight Interim Committee to contact and visit with a similar committee formed in North Dakota to see what the plans are and what impacts could be expected if the Wibaux-Beach area is developed as planned by Tenneco.

DENNIS SANDBERG, Tenneco Oil Co., Tenneco Coal Co., showed a map of the Wibaux-Beach area, and said since the project overlaps the state line, cooperation is needed between the two states and it is timely to do this early. He said the project centers around a proposed plant that would convert lignite to a gas with essentially the same properties as the natural gas we use to heat our homes. He said there are logical mining units on both sides of the line with sufficient coal to meet the needs of a full size gasification plant for 80 years. Seventy percent of the coal is in Montana. In November, 1982, Tenneco Coal Co. completed its final drilling program for the federal lease sale that is scheduled to take place July, 1983 and July, 1984. He said approximately 70 percent of the coal is owned by the federal government. The negotiations for the privately held minerals are mostly complete. He said their draft EIS statement was filed December 22, 1982. He said in their information packet is a brief comment on some of the more familiar issues raised. A copy of this is Exhibit 5 of the minutes. He said Tenneco has a thirty percent equity in the coal gas project at Beulah/Great Plains. He said they are close enough to completion to be projecting gas delivery by December, 1984. He said Tenneco needs one year of successful operating experience from the Great Plains plant before they go forward with construction at Beach-Wibaux project. Construction could start as early as 1987. He said they plan to file under MFSA in 1984 and they will then work closely with state and local governments. He said Interstate 94 connects this area and the community growth would be distributed along a 120 mile corridor. He said Tenneco expects the plant to have a positive effect as there will be additional employment, increase in the tax base and reduction in youth migration among other benefits. He said they will need the full support of the two states and as the merits of the project are realized the necessary support will become available. He said they had met with the North Dakota committee on four occasions in the past two years and had met with our Coal Board and the Oversight Committee. He said to prepare for the

decisions that will be needed it would be beneficial to have a committee formed and for the two states to get together.

JIM MOCKLER, Montana Coal Council, spoke in support. He said this would set a fine precedent and could help mitigate the impacts if a major facility is built.

LEO BERRY, Director of the Department of Natural Resources and Conservation, spoke next in support and a copy of his testimony is Exhibit 6.

DON REED, Montana Environmental Information Center, spoke in opposition and a copy of his testimony is Exhibit 7 of the minutes.

DENNIS UNSWORTH, Glendive Field Office of the Northern Plains Resource Council, spoke in opposition and a copy of his testimony is Exhibit 8 of the minutes.

REPRESENTATIVE WINSLOW in closing said the bill is only talking about meeting with a similar group in North Dakota and has nothing to do with an EIS statement. An EIS will still have to be funded. He said the bill just asks for direction so that the Coal Tax Oversight Committee can sit down with a similar group from North Dakota and discuss the project and perhaps put our fingers on what is happening. He said the North Dakota Resolution requests a committee and is funded to study the impacts area. He read the North Dakota Resolution. He said Mr. Berry's suggestion to have an executive member present is an excellent idea but they would need to pay their own way. He said they do not need any additional funds.

Questions were asked by the committee. Rep. Hand asked if there was a question about there being a market for the gas. Mr. Sandberg said they would not be doing this if they didn't expect the market to be there.

Rep. Acey asked if the committee needed this additional authority to do what they were asking. Rep. Winslow said they felt this should be brought before the Legislature as having two states involved in such a meeting has not been done before.

Rep. Addy asked what they would explore. Rep. Winslow said they would see which side will be the most impacted and what the impacts would be. He said they should have a handle on what is going to happen.

Rep. Curtiss asked Mr. Reed if they approve of the activity of the Oversight Committee. Mr. Reed said they do. Rep. Curtiss asked if determining the impacts now wouldn't be better than doing them after the fact. Mr. Reed said to do this kind of resource planning activity they would need to have the facts and figures on hand.

Rep. McBride said she was more and more confused as to what the study would do and what the review of impacts could do prior to an EIS. She questioned if there could be some other motive. Rep. Winslow said this is not a study and there is no other motive. He said they just want permission to meet with North Dakota. Rep. McBride said the resolution says study. Rep. Winslow said they are not requesting funds to do a study. He said make amendments to further bring out the intent that it is not a study but to establish a dialogue with North Dakota.

Rep. Jensen asked if they didn't have this resolution couldn't they still do that. Rep. Winslow said if the resolution is not passed we are saying as a state that we are not concerned about the impacts happening in North Dakota. Rep. Jensen said on page 1, lines 2 and 3 the language indicates the intent of the North Dakota Legislature is to have a study. Rep. Winslow said they are looking at other places in their state and do not plan to spend their whole time on this project.

Rep. Harper asked if this would be taking the place of the MFSA in North Dakota. Rep. Winslow said it wouldn't be taking the place of ours.

Rep. Harper asked Mr. Berry if North Dakota has a MFSA facsimile. Mr. Berry responded that they do not have a process that is comparable to our MFSA.

Rep. Harper said the committee is concerned with what happens to the coal-gas plan. Would passing this bill indicate that we are in agreement with this? Rep. Winslow said this is not the intent that all the committee wants is a direction to meet with the North Dakota committee.

Sending letters opposing HJR 2 were:
Irene Moffett, Fallon, Exhibit 9
Dawson Resource Council, Exhibit 10

Chairman Harper closed the hearing on HJR 2 and opened the meeting to executive session.

EXECUTIVE SESSION

HOUSE BILL 68 The researcher, John Carter, discussed the amendments. A copy of these is Exhibit 11 of the minutes. Rep. McBride asked if the amendments would take care of the white water river boats. She said she would not like to see something passed that would put them out of business. Mr. Carter said he believed the gentleman from Great Falls classified his boat as an air boat and the proposal takes care of the problem.

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Rep. Brown raised the question of people in the trapping business that would not comply. Chairman Harper said most of those he was familiar with would comply.

Rep. Curtiss said she felt we would be doing the people a better service if we would give them the ability to zone themselves on the local level rather than giving the department the discretion to do this. Chairman Harper said he would hesitate to open up zoning laws on noise emission. He said boat manufacturers want to know they are looking at state guidelines statewide.

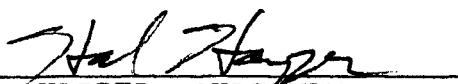
Question was called on the amendments and they passed unanimously with those present (Reps. Fagg and Nordtvedt absent)

Rep. Addy moved the statement of intent (Exhibit 12) and the motion carried unanimously with those present (same absent).

Rep. Addy moved the bill AS AMENDED DO PASS. The motion carried with Reps. Curtiss, Hand and Neuman voting no and Reps. Fagg and Nordtvedt absent.

The meeting adjourned at 2:30 p.m.

Respectfully submitted,


HAL HARPER, CHAIRMAN

Emelia A. Satre, Sec.

MUDDY CREEK PROJECT

IMPLEMENTATION

1980 - 1983

PROJECT AREA AND PROBLEM

The Muddy Creek Special Water Project encompasses approximately 240,000 acres and is 10 miles west of Great Falls, Montana. Eighty-thousand acres of this is irrigated land of malted barley (65%), alfalfa (25%), and wheat (10%). Imported irrigation water could be better used and approximately 65% of it is being lost in the irrigation process. This is resulting in uncontrolled irrigation water draining into Muddy Creek, increasing its historic flows by 8-10 times, from 10 to 80,000 acre feet yearly. This is causing massive streambank failures and major stream alterations in Muddy Creek. Presently, approximately as much as 250,000 tons of sediment are being washed annually into the Sun and Missouri Rivers.

The Project is jointly sponsored by the Cascade and Teton County Conservation Districts, and the Muddy Creek Landowners Association. Centralized administration began with the hiring of a Project Coordinator in April 1980.



Cascade County Conservation District
1211 Northwest Bypass Great Falls, Montana 59404 - Phone (406) 727-3603

Board of Supervisors

January 21, 1983

DALE MARXER, Chm.
Millegan Route, 59401

JOE HEPP, V-Chm.
Route 1 W, Box 120, 59401

EINAR HOVLAND, Treas.
Route 1, Box 207, 59401

LOUIS MUNDT
Belt, 59412

TED NEUMAN
Vaughn, 59487

Associates

JIM DAWSON
Belt, 59412

ROD PRIBYL
Eden Rte, 59401

DAVE SHANE
Floweree, 59440

Urban Supervisors

JIM MIREHOUSE
300 Central Ave.
Great Falls, 59401

JOHN ST. JERMAIN
4611 2nd Ave. No.
59401

HB-108

MUDDY CREEK PROJECT

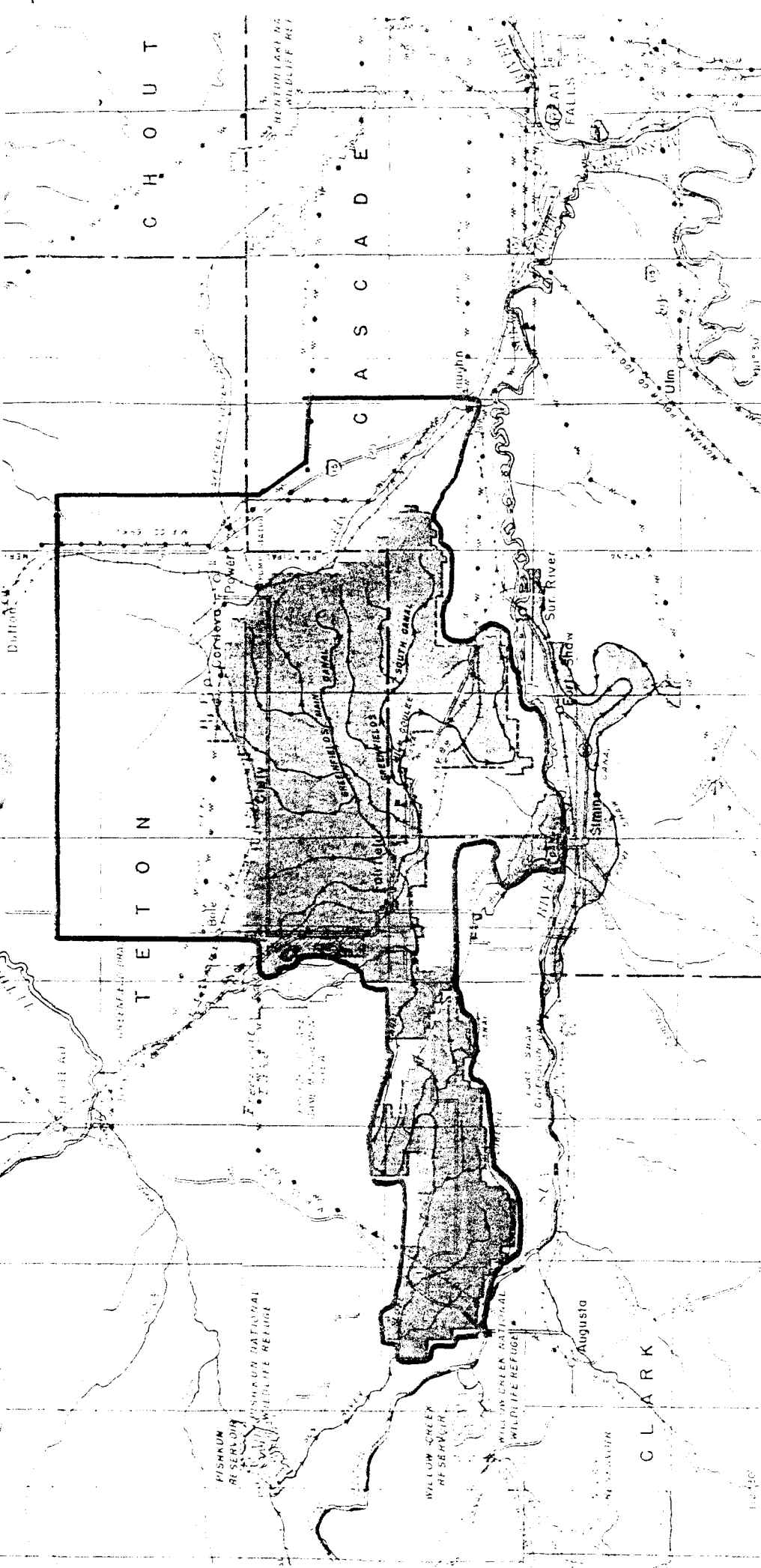
Suggested Amendment:

Because of an omission in Bill drafting, the following amendment
is submitted:

Line 15, page 1, should be changed to read:

"from the resource indemnity trust account, not to exceed \$300,000
yearly, is allocated to..."

John P. Andrews
Muddy Creek Project
Coordinator



- EXPLANATION**
BUREAU OF RECLAMATION
COMPILED AND AUTHORIZED WORKS
- DAM
 - CANAL
 - LATERAL
 - TUNNEL
 - SIPHON
 - TRANSMISSION LINE
 - SUBSTATION
 - PROJECT HEADQUARTERS
 - AREA BENEFITED BY PROJECT WORKS
 - STREAM GAGE STATION



Muddy Creek Special Project

irrigated lands

OUTLINE OF
MUDDY CREEK PROJECT FUNDING AND IMPROVEMENTS
1980 - 1983

I.	<u>Project Administration (6 % of total funds)</u>	\$ 135,000
	a. Coordinator's salary, room rent, travel	\$ 87,000
	b. Conservation District Admin./Tech. services	48,000
	c. SCS Small Watershed Administration (1983-1993)	\$ 160,000
II.	<u>Project Studies, Research</u>	\$ 260,000
	a. (GID) Field inflow-outflow measuring	\$ 10,000
	b. (BR) Water surge control studies	40,000
	c. (CES) Irrigation scheduling, nitrate studies	55,500
	d. (BOM) Irrigation runoff, well depth monitor.	136,500
	e. (CD) Flood irrigation automation	18,000
III.	<u>On-Farm Irrigation Improvements</u>	\$ 2,300,000
	a. ASCS ACP Program (land leveling, canal lining, mainlines)	\$1,300,000
	b. OWRC Supplemental grant (ACP)	200,000
	c. SCS Small Watershed (50% cost-share sprinkler/flood improvements)	800,000
IV.	<u>Farmer Participation (60-70% of total costs*)</u>	\$6-7,000,000
	a. Farmers being benefited (1/3 irrigators)..	150
	b. Acres improved (26% of irrigated land) ...	21,000
	* Under ACP program, and now, Small Watershed, farmers will initially receive from 20-50% of costs for improvements. His total costs, after retiring 10-year loan = 60 to 80% of all costs.	

Program Description

Funding

83

82

81

80

Agency

1. Agriculture Conservation Cost-share Program (ACP) Reallocation of statewide funds to Muddy Creek Project. Includes small farm program, and
2. Special Project Funding.

T 360,000
C 84,000

240,000
79,000

205,000
50,000
200,000

65,000
25,000

1. Old West Regional Commission Supplemental Grant - to parallel ACP and include cost-share portion of that program for specific irrigation improvements.
2. Water Monitoring.

(10,000 SCS)

152,000
38,000
9,800

Bureau of Reclamation - Rehabilitation and Betterment Program - concrete lining of main canals and automation of water volume control devices.

\$8.3 million (1978 - 1983)

1. Soil Conservation Service - Technical Service - On-farm management improvements.
2. Small Watershed Program, PL-566 (10 yrs) SCS 50% cost-share program.

(1983-1993)
\$800,000

1. Montana Department of Natural Resources and Conservation - Renewable Resources Development Program (RRD) - State grant for monitoring irrigation water use, farmer-cooperative program of irrigation scheduling, and construction feasibility for surge-relief structures. Involves one federal and three state agencies plus the Greenfields Irrigation District (GID).
2. Title III Funds - computer/IRMA.

300,000
(56,000)

(244,000)

15,000

Montana Department of Health and Environmental Sciences - Provided funding for project administration. Includes Coordinator's salary, and benefits plus room and car rentals.

33,000

25,000

29,000

1. Local In-kind Services - for matching 25% funds to support the DHES grant. Included services of a secretary and technician. Special grant to conservation districts from DNR&C.
2. HB-223 - Teton County CD/Technician Support

10,600

5,000

9,600

5,000

18,000

TOTAL PROJECT FUNDING: \$9,700,000

\$474,000 \$633,400 \$770,600 \$890,000

PROJECT ACCOMPLISHMENTS

The area receiving our assistance is the irrigated landholdings of 80,000 acres in the Greenfields Irrigation District. Fifty-thousand acres of this lies on the Fairfield Bench, which drains into Muddy Creek and is the critical area contributing to Muddy Creek's erosion.

1. Administration-Technical Services

Of the \$2.7 million granted to the Project in three years, only \$87,000 were used for Project Coordinator expenses. This includes salary, benefits, room rent and travel expenses. As Project sponsors, the Cascade and Teton County Conservation Districts supplied administrative services equalling approximately 30 percent of the Coordinator's expenses, or \$30,000. An additional \$18,000 was used for land-leveling services. Coordinator and Conservation Districts are only 6 percent of the total Project funding.

The Soil Conservation Service (SCS) Small Watershed Program will be committing approximately \$800,000 for physical irrigation improvements over a ten-year period from 1983 to 1993. Their administrative costs are calculated to be 20 percent of this, or \$160,000.

2. Project Studies

The majority of a \$300,000 Renewable Resource Development (RRD) Grant is being used for groundwater/irrigation relationship research. These funds are being used to:

- a. Drill and monitor approximately 25 wells for groundwater fluctuations, depth, and chemical makeup.
- b. Measure flows in drainways entering Muddy Creek.
- c. Monitor irrigation water into selected fields and the surface runoff.
- d. Teach irrigator-cooperators how to determine optimum water amounts and delivery times for increased crop yields and water savings through irrigation scheduling.

e. Promote automation of flood irrigation systems.

f. Complete feasibility studies on control of surplus water causing Muddy Creek's erosion.

Most of the data-gathering is completed and the findings are being summarized. The irrigation scheduling has been so successful that it will be extended through the 1983 growing season.

3. On-Farm Improvements

The remaining funds, or \$2,300,000, have been directly applied to irrigation improvements. The Agricultural Stabilization and Conservation Service (ASCS) has contributed approximately \$1.1 million in special project funds to Muddy Creek. This was augmented by a special \$200,000 grant from the Old West Regional Commission in 1981 that, in some cases, doubled the cost-share amount to irrigators. Presently, slightly less than \$1 million is being committed by the SCS for an innovative irrigation improvement program directly benefiting 5,000 of the Bench's 50,000 irrigated acres. Under this program, the SCS will supply up to 50 percent of the costs of installing concrete ditches, leveling land, and using sprinkler and automated flood irrigation systems.

The ASCS program and its companion aid grants are regularly benefiting approximately 100 farmers, with about 10-12 "new" cooperators signing-up yearly. This means that we effectively reach 112 farmers yearly with physical improvements, or approximately 25 percent of the irrigators. An average of 80 acres per irrigator is improved yearly. Since the program's inception, we have directly affected 17,000 acres and expect an increase of approximately 4,000 acres in this with successful implementation of the SCS Small Watershed Program. Many of these improved landholdings need complementary construction and management improvements in order to completely update irrigation systems. Sprinkler mainlines, concrete ditches, and land leveling comprise most improvement projects.

Since 1980, we have aided in providing:

Sprinkler mainlines - 23 miles serving 6,000 acres (60-70 sprinklers)

Concrete ditches - 12 miles serving 3,850 acres (50 fields)

Leveling - 1,700 acres (35 fields)

This equals approximately 150 farmers, or 30 percent of the Project irrigators.

Stepped-up lining of field ditches indicates that farmers see that field seepage is not good management. Ditch lining alone has reduced irrigation time by up to 50 percent. Less water is being used in fields and some irrigators say that more water was available in the Project as a result of this and the lining of main supply canals.

a. Old West Regional Commission Program (OWRC)

The use of OWRC funds with the Agricultural Conservation Program (ACP) greatly accelerated improvements. With the use of these funds, we were able to, in many cases, double the \$3,500 normally available under the ACP cost-share program. Making this available to the irrigators resulted in a four-fold increase in irrigation improvement.

b. Cooperative Extension Service (CES) - Irrigation Scheduling

An increase in use of irrigation scheduling (from 4 to 50 cooperators) has shown that irrigators are discovering that timed water application uses less water and fertilizer and does increase yields. Approximately 3,500 acres were benefited with this scheduling.

(1) Most cooperators will continue to use scheduling.

(2) Some said they had 5-20 bushels per acre increase in grain.

(3) Increases ranged from \$5 to \$40 per acre and up to \$4-5,000 for total crop value increases.

(4) Over half of these would pay for a crop management advisor.

c. SCS Small Watershed Program

Approximately \$800,000 will be provided through this program for

cost-sharing up to 50 percent of the cost of concrete ditches, leveling, automating flood irrigation, and installing sprinkler systems. Approximately 40 farmers and 5,000 irrigated acres were selected for this 10-year pilot program. For the first time, "portable" irrigation systems such as sprinklers will be cost-shared.

d. Irrigation Automation

There is increasing interest in automating flood irrigation systems. One field is automated with water turnouts that are pre-timed to open and close. Several others want portable automated check dams and plastic gated pipe to replace field ditches. We also have a demonstration project using weighted gates that open and close.

4. Farmer Contributions

Although our funding for these improvements has been in the form of grants, the majority of total costs are borne by the farmer. At least 60 percent of any irrigation improvement is paid by the farmer. An average improvement will cost an irrigator between \$11,000 and \$17,000. The maximum cost-share he can now receive is \$3,500 yearly, only a small part of the total cost. The \$2.3 million to be used in cost-share funds will generate approximately \$6-7 million in farmer contributions, or result in approximately an \$8-9 million program.

Generally, there is recognition on the part of many irrigators that changes are taking place as a result of the Muddy Creek Project. With the completion of the SCS Small Watershed Program, a total of approximately 21,000 acres will be improved.

THE MUDDY CREEK PROJECT AND HB 108Project Location/
Problem:

This project, now three years old, starts 10 miles west of Great Falls, extends north to Dutton, and west to Augusta. This includes 80,000 irrigated acres, Montana's largest single irrigation land tract. Surplus irrigation runoff from this tract has artificially increased Muddy Creek's flow, drastically altering its channel and dumping 250,000 tons of sediment yearly into the Sun and Missouri Rivers.

Previous Commit-
ments/Improve-
ments:

A total of \$2.7 million has been committed by the project, the majority of it (\$2.3 million) being utilized for direct irrigation improvements to more efficiently use irrigation water. Only 6 percent has been used for administration. Approximately 12 local, state and federal agencies have been involved in financial and/or technical support.

We have completed more than 35 miles of concrete canal lining and sprinkler water supply lines and leveled 1,700 acres for improved water distribution. Irrigation scheduling (Cooperative Extension Service) is reaching more than 50 cooperators, saving fertilizers and increasing crop yields. In only two and-a-half-years, 150 farmers have benefitted, or 30 percent of the project irrigators.

Why State Aid is
Needed:

Water conservation is becoming one of Montana's major issues. Irrigation alone withdraws 97 percent of the state's water. Proven irrigation improvements can save 50 percent of that, resulting in the only major method of conserving water. The Muddy Creek Project is the only centrally administered agricultural water conservation effort in the state. Thus, state assistance is needed to continue an already successful project.

Mechanics of
HB 108:

The 50 percent cost-share means that an irrigator could receive half the cost of an improvement, but no more than \$10,000. He must first apply for the \$3,500 from the federal ACP program; we'll supply the rest, not exceeding 50 percent. A \$20,000 improvement could receive the maximum of \$3,500 ACP/\$6,500 state assistance = \$10,000.

Five percent in Resource Indemnity Trust Funds (RITF) = \$215,000, \$260,000 and \$300,000 in 1984, 1985 and 1986 respectively. An average of 12 percent will be used for the Coordinator's expenses. Approximately \$2 million will be used in seven years, benefitting 40-50

WITNESS STATEMENT

Name JAMES W. BAUDER Committee On _____
Address 806 LEON JOHNSON, MSU Date 1/21/83
BOZEMAN
Representing Muddy Creek Project Support _____
Bill No. HB-108 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name James M. Kellogg Committee On Natural Resources
Address Helena Date 1/21/83
Representing Mont. Water Development Assn. Support X
Bill No. HB 103 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. *The Montana Water Development Assn. supports this bill without reservation. We believe the project is*
2. *not only desirable but necessary and will be an investment rather than a liability.*
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

WITNESS STATEMENT

Name Ray Konev Committee On Muddy Creek
Address Fairfield, Mont. Date 1-21-83
Representing _____ Support yes
Bill No. H 108 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. ACP funding is not enough to assistance
for the size & cost of our projects.
- 2.
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Exhibit 2

WIFE Women Involved In Farm Economics

WITNESS STATEMENT

NAME Jo Brunner BILL NO. HB 108
ADDRESS 563 3rd St. Helena DATE Janaury 21/83
REPRESENT Women Involved in Farm Economics
SUPPORT X OPPOSE

Mr. Chairman, members of the committee, my name is Jo Brunner and I represent the members of the Women Involved in Farm Economics Organization. We wish to concur with House Bill 108.

Mr. Chairman, House Bill 108 would continue a program for conservation of water running off an irrigation district, hopefully ~~eliminate~~ a great deal of the run-off from that district. This project was funded last session, and it would seem that to eliminate the funding now would not have given the program adequate time to prove itself. It is the opinion of the W.I.F.E. organization that this program would prove a great deal of worth in similiar conservation programs around the state, as a pilot program, and as such would certainly be beneficial through time and money savings.

Mr. Chairman, with the approval of the W.I.F.E. organization, I would like to continue with personal testimony. I live on the Greenfields Irrigation ^{district} where my family farms. We farm on the east end of the bench and some of the first concrete liners and underground drains that our Irrigation district put in, within the extensive conservation program that we pay for ourselves, ran through our farm. Before the liner was put through our field, we had a seep spot, caused by the continual ~~run~~ ^{seeping} run of water to our neighbors in the irrigation ditch. Each year it got larger and eventually it not only would not allow us to harvest that piece when we did the rest, it took up valuable land that did not produce as it should have. Within a year, ^{after the liner was put in} we were harvesting that seep spot with the rest of the crop. That same ditch carries water $1\frac{1}{2}$ miles in about 15 minutes where it used to take at least a $\frac{1}{2}$ of a day. Its not hard to figure out that there is less evaporation, less seepage, less weed control on the liners than on the dirt ditches. Where underground pipe has been installed those problems decrease even more noticeably. And its not a rare thing to see, yet the 2 to 300 hundred feet of restored cropland

"Hell has no fury like a woman scorned"



WIFE Women Involved in Farm Economics

Jo Brunner W.I.F.E. HB 108

running through ~~our~~ fields, where there used to be open ditches and drains.

I realize that this ~~request for funding for~~ the "Muddy Creek" project is separate from the Irrigation District Program, but in a sense, it is a continuation of conservation measures already started. Not only through the previous two years or more of work on this project, but through comparable work by the District, again paid for by the individual farmers involved.

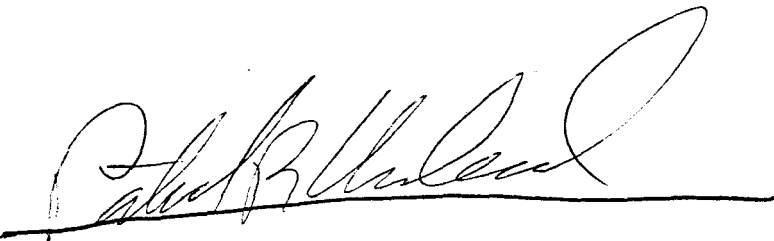
Thank you.

WITNESS STATEMENT

Name Jeanne Rankin Date 21 Jan 83
Address 502 S. 19 BOZEMAN, MT. 59715 Support ? ☒
Representing MONTANA FARM BUREAU Oppose ? ☐
Which Bill ? HB 108 Amend ? ☐

Comments:

THE PROVISIONS ON THIS PROJECT
AND THIS BILL ARE IN LINE WITH
THE POLICY THE MONTANA FARM
BUREAU HAS DEVELOPED UNDER
NATURAL RESOURCES. WE ARE
IN FAVOR OF HB 108 AND GO
ON RECORD AS A PROPOVENT.



Please leave prepared statement with the committee secretary.

VISITOR'S REGISTER

HOUSE NATURAL RESOURCES

COMMITTEE

BILL HB 108DATE 1/21SPONSOR Rep. Manuel

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
K.M. Keller	Helena	Montana Water Devl.	X	
K.D. Ellis	Helena Valley	Mont. Water Devl.	X	
Steve Meyer	Helena	MACD	X	
Neel Johnson	Power	Muddy Creek	X	
Bob Krause	Fairfield	Muddy Creek	X	
Illyria Adcock	Fairfield	" "	X	
Evon Verwick	Fairfield	" "	X	
Lamin Van Sitter	Fairfield	" "	X	
Don Honeg	"	" "	X	
William J. Fisher	"	" "	X	
Maurice R. Miller	Butte	Mt. Bureau of Mines & Geology	X	
Richard D. Olters	Power GNT	Muddy Creek	X	
Dougline	Fairfield M.I.	Muddy Creek	X	
Don Knight	"	"	X	
Randy Bailler	Sun River	Muddy Creek	X	
Paul Bremer	Power	Muddy Creek	X	
Randy Brady	Fairfield	Muddy Creek	X	
Roger Buck	"	" "	X	
J.W. Brader	Bozeman	MONT. COOP. EXT. SER.	X	
Len Barry	DW	DURC	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE Nature's Resources

COMMITTEE

BILL NB 108

DATE 1/6/

SPONSOR R. Mancoske

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Chairman - Hal Harper
Bob Ream

Natural Res. Comm.
Exhibit 4

Being limited to 320 acres of irrigated land per man & wife until last year, I have been very conscientious about making every move profitable. If I can save \$10 an acre on fertilizer by not irrigating too much, or too long, I will do it.

Through irrigation scheduling, that I have been working with through the cooperative extension service, I feel I can accomplish this.

By leveling my land I can save labor and also increase my yield by getting an even crop over the whole field. Before I leveled I had high knolls that wouldn't grow anything and undrainable holes that drowned out the crop. Leveling my land also saves water. 70 acres of land, seeded to barley, has taken me 168 hours to irrigate with a 3 cfs head of water before leveling. After leveling it has been cut to 96 hours with the same 3 cfs head. This is 4.3" of water per acre per irrigation. almost equivalent to a wheel line sprinkler.

②
system except you have no electric bill to pay. This is a 38% savings in water and time. Time I can use to irrigate a few more acres of crop. The way our economy is going, with our expenses up and income down, I need more acres of crop to break even.

I had my 2 fields ~~that~~ leveled the same year. One was through the ACP program with a \$3500⁰⁰ maximum limit. I couldn't have leveled the other one until the next year if it wasn't for funds available through the Old West Regional Supplemental Grant. Even though ACP pays 75% of expenses on each project, it has a \$3500⁰⁰ maximum limit that still leaves the farmer with 70% of the total expenses to pay himself when he levels an average size field. As long as I am willing to double up on my share of the cost to get my cement ditches and leveling done sooner, I feel the Muddy Creek funds should be available to me.

(3)

These two fields have been monitored for the past two years by measuring the water being delivered to it and also the runoff at the bottom. This is where I have the proof of how much water savings there is on leveled land, and through irrigation scheduling. More studies are being done on this field with the 2 wells that were drilled to measure the changes in the water table below. They have been monitoring these wells for 2 years to see if the table will lower since I have been using ~~almost~~ only $\frac{1}{2}$ the water ^{as before} to irrigate.

Besides costs of leveling our own fields, the farmers on the Greenfield Irrigation Dist. voted and past to spend 8.3 million on improvements such as cementing ditches & canals and burying pipe. We pay this back through water charges each year. These projects being done by the District are also saving water.

Next spring I am to have a cement ditch with 2 or 3 different types of new

(4)
automated headgates installed. Mainly to see which types are the most efficient and adaptable to different installations. This is being done with the SCS's and Muddy Creek Coordinator's guidance. Automation should leave me more time for other things plus also save water. The less water we need for our irrigation the more water, already held in reservoirs, there will be for other uses, to sell or use for transportation.

In conclusion, I am saying I need another program, to kind of piggy back our ACP program. The costs of doing anything toward the improvement and betterment of our system is expensive and the \$3500⁰⁰ limit on cost share doesn't go far. As soon as we can control our water better, the ~~sooner~~ we will be able to return the little excess of water to the San River by way of Muddy Creek almost sediment free, but no way can I do this without 50 to 70% assistance on total costs of these improvements. — Thank You —

WITNESS STATEMENT

Name DENNIS SANDBERG
Address P.O. 491 GLEN DIXE, VT
Representing ZENNECO
Bill No. HSR-2

Committee On _____
Date 1/21/82
Support X
Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. *Project overlaps state line*
2. *Need Cooperation both states*
3. *Kindly to begin the meetings*
4. *Details of proposal*

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Ex. 5

I. Introduction
Tenneco Coal, Tenneco Coal Gasification, and Intake Water Co.

II. Opening
TCGC plans to file under Montana's Major Facility Siting Act on April 1, 1984.
Great Plains is approximately 39% complete employing 3,100.

III. Tenneco Coal Gasification Co. Status
We need at least one year of successful operation at Great Plains.
Most of the community growth induced by our project is expected to be distributed along this 100 mile corridor from Glendive to Dickinson.

IV. Intake Water Co. Status
The Draft Environmental Statement on the Yellowstone Diversion Project was filed with the EPA December 22, 1982.

V. Tenneco Coal Co. Status
Approximately 70% of the coal is in Montana, 30% in North Dakota.

VI. Transportation System
Plans are to transport the pipeline quality gas from Great Plains in 1984 and from Beach-Wibaux in the early 1990's through the new Northern Border Pipeline to markets in the Midwest.

VII. Summary
Montana has an excellent opportunity to have the nation's second commercial size coal gasification project.

III. Closing
This project needs the support of both states before it can become a reality.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
ENERGY DIVISION

Ex. 6



TED SCHWINDEN, GOVERNOR

32 SOUTH EWING

STATE OF MONTANA

(406) 449-3780 ADMINISTRATOR & PLANNING AND ANALYSIS BUREAU
(406) 449-3940 CONSERVATION & RENEWABLE ENERGY BUREAU
(406) 449-4600 FACILITY SITING BUREAU

HELENA, MONTANA 59620

TESTIMONY ON HOUSE JOINT RESOLUTION #2

My name is Leo Berry, Director of the Department of Natural Resources and Conservation.

A cooperative effort by North Dakota and Montana is practically a necessity because Tenneco's proposed plant near Wibaux will create impacts in both states. Therefore, I endorse the concept of a joint study. I would like to suggest the cooperative undertaking can be enhanced by including the Department and its counterpart in North Dakota as active participants.

Tenneco must comply with the Major Facility Siting Act (MFSA) should they decide to construct a coal gasification plant in Montana. The provisions of MFSA require Tenneco to submit an application and pay a filing fee to the Department. The Department will review the impacts of the proposed facility and submit a report and recommendations on the project to the Board of Natural Resources and Conservation, which makes the decision to certify or deny a project. Tenneco's filing fee will be used to finance the Department's studies on the impacts of the project. These studies will include the development of mitigation strategies.

The Department can make a significant contribution to the joint venture with North Dakota because we have expertise in analyzing impacts. If the joint study includes the plant siting agencies along with legislators from both states, unnecessary and costly duplication of studies between Montana and North Dakota can be avoided. Further, if Tenneco is willing to work with this group and plan for the impacts of its plant, many of the impacts may be mitigated.

House Joint Resolution 2

Testimony presented to the House Committee on Natural Resources presented by the Montana Environmental Information Center January 21, 1983.

MEIC opposes HJR 2 because it would set a bad precedent for state policy on environmental impact mitigation.

The Montana Major Facility Siting Act (MFSA) requires the applicant--in this case Tenneco--to cover the upfront costs which the state incurs in preparing an Environmental Impact Statement in order to make a wise decision on the facility. In that document, the applicant must identify the "substantial local impacts" (referred to on line 14, page 1, of HJR 2) and study those impacts.

Funding for this impact study is provided for under 75-20-215 MCA of the MFSA. HJR 2 would dilute the authority of the Department of Natural Resources to require the applicant to fund a complete study of a facility's impact. HJR 2 circumvents this funding clause by committing the state to supply its own funding and technical support for the study. Such a precedent would be detrimental to future applications governed by the MFSA and would seem contrary to existing Montana policy of requiring permit applicants to fund the impact studies for their own projects.

WITNESS STATEMENT

Name Jim Mockler Committee On _____
Address 2301 Colonial Dr Date ~~1/20~~ 1/21/82
Representing NIT Coal Council Support ☒
Bill No. HJR 2 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Mr. Chairman and members of the Committee. My name is Dennis Unsworth. I am from the Glendive Field Office of the Northern Plains Resource Council. I am here to represent the Dawson Resource Council, an organization of 30 farm families from the Dawson County area. At a meeting in Glendive last night, Dawson Resource Council passed a resolution opposing HJR2. A copy of that resolution is being mailed to the committee today.

The Dawson Resource Council is opposed to HJR2, which would set up a study of impacts of the proposed Tenneco Synfuels project.

Our opposition is based on the following:

--It duplicates existing law. By filing an application under the Major Facility Siting Act, Tenneco submits a filing fee and the necessary information to assess impacts of building it's project. This Resolution is a poor substitute for the Major Facility Siting Act.

--We believe it is Tenneco's responsibility to pay the costs of its development, including planning which the Major Facility Siting Act requires them to do.

--Without the thorough information required in an application, it is inappropriate for the state to expend funds trying to guess the full range of impacts.

--If Tenneco files an application, there is still sufficient time to consult with North Dakota to evaluate interstate impacts. We don't want to commit taxpayer dollars for support services, the need for which has not been established.

(more)

The first whereas of HJR 2 page 1, lines 11 & 12 is absurd. It indicates ~~poorly~~ disguised wishful thinking, ~~which~~ may not be bad in and of itself, but has no place in a legislative resolution. In 1981 Tenneco applied for \$3.8 billion in financial assistance from the Federal Government. They were turned down and declined to submit additional information for the second phase of the Synthetic Fuels Corporation solicitation. In a letter dated August 1981 Tenneco notified the State of Montana of a year "slippage" in their project. It is important to remember that Tenneco's project was planned at a time when the federal government projected an end to Natural Gas supplies by the end of the century. Today there is a surplus. The surplus in this case is not so much a result of the depressed economy as it is the result of new technology advances in the last few years that have led to the discovery of huge reserves of "new" natural gas. The Natural Gas Policy Act of 1978 ^{has} provided numerous incentives to find and develop new gas reserves.

Coal gasification like that proposed by Tenneco faces extraordinary resistance from market forces. It seems apparent to Tenneco and others that the only way to make the project fly is through subsidies.

To summarize. We disagree that Tenneco construction is likely. We disagree that some outside the Department of Natural Resources & Conservation in concert with Tenneco should study impacts and we disagree that government should fund necessary efforts of a private corporation.

Cooperation with North Dakota is a good idea, but not in the context of HJR 2.

THANK YOU. I will be happy to answer any questions you might have.

Ex. 9

Hal Harper
Chairman
House Natural Resources Committee

January 20, 1983

Dear Chairman Harper:

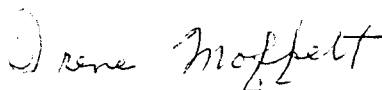
My name is Irene Moffett. I am a ranch wife in Dawson County. I request that this letter be placed in the hearing record as against House Joint Resolution Number 2.

If Tenneco is going to construct a coal gasification plant near Wibaux, Montana, it is their responsibility according to the Major Facility Siting Act to pay for a study of the probable impacts of their project.

To my knowledge, Tenneco hasn't filed for a permit under the Major Facility Siting Act. Isn't it a bit early to pass this resolution, when Tenneco has not made any firm commitment to this plant? Wouldn't it be a matter of paying for a study of something that we do not know will happen? Tenneco, and not the state, should be paying for this study.

I urge a "Do Not Pass" recommendation on House Joint Resolution #2.

Sincerely,



Irene Moffett
Fallon, Montana

VISITOR'S REGISTER

HOUSE NATURAL RESOURCES COMMITTEE

BILL HRJ 2

DATE 1/21

SPONSOR REP. WINSLOW

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Ex. 10

The Dawson Resource Council is opposed to HJR 2, which would set up a study on the proposed Tenneco plant impacts for the following reasons:

1. It would duplicate the existing law. By filing an application under the major facility siting act Tenneco will have to submit a filing fee plus all the necessary information to assess the impacts of building its gasification plant.

This resolution is a poor substitute for the major facility siting act. We believe it is Tenneco's responsibility to pay the cost of its development.

Planning. The siting act requires them to do so.

3. Without the thorough information that must be included in an application it is inappropriate for the state to expend funds trying to guess the full range of impacts.

4. If Tennessie files an application there is still sufficient time to sit down with North Dakota to evaluate interstate impacts.

5. We do not want to commit taxpayer dollars for support services, the need for which is not established.

We are opposed to HJR 2
which asks for a study on
the combined impact on
Montana and North Dakota.
Reasons are attached.

R. J. Walker

E. A. Walker

Opela V. Eaton

Donald Muffett

Robert H. H. H.

Robert E. H.

Lynia M. H. H.

David H. H.

Ralph F. H.

F. H. H.

L. H. H.

Norm H.

L. H. H.

F. H. H.

Miss Bird Stevenson Rancher Farmer

Lowell Stevenson

Lowell Stevenson

Ex. 12

MR. SPEAKER:

WE, YOUR COMMITTEE ON NATURAL RESOURCES, HAVING HAD UNDER
CONSIDERATION HOUSE BILL NO. 68, FIRST READING COPY (WHITE),
ATTACH THE FOLLOWING STATEMENT OF INTENT:

STATEMENT OF INTENT
HOUSE BILL NO. 68

A statement of intent is required for this bill because it delegates rulemaking authority to the Department of Fish, Wildlife, and Parks to adopt rules prescribing:

(1) the manner of certification by manufacturers of outboard motors and other marine engines manufactured after January 1, 1982, as having been tested and found to comply with the noise level limit in section 1;

(2) the testing procedures employed to determine compliance on a voluntary basis by owners of outboard motors and other marine engines manufactured before January 1, 1982;

As prescribed in section 2 of the bill, the testing procedures employed to determine outboard and marine engine noise must comply with the exterior sound level measurement procedure for pleasure motorboats recommended by the society of automotive engineers in its recommended practice designated SAEJ34. The Department shall establish a program throughout the state whereby boaters can voluntarily have their motorboats checked for compliance with the noise level limit in section 1.

(3) the guidelines for the issuance of permits by local public entities excepting certain motorboat operators from compliance with the noise level restrictions contained in sections 1 through 5; the department's guidelines shall only pertain to permit application procedures, permit fees, and duration of permit validity; and

(4) the procedures employed to determine whether or not a motorboat is technologically capable of complying with the noise level limits established in section 1.

As prescribed in section 4 the department shall establish a manner of certification of motorboats that are determined to be technologically incapable of complying with section 1.

January 25,

19 83

MR. **SPEAKER:**We, your committee on **NATURAL RESOURCES**having had under consideration **HOUSE** Bill No. **68****First** reading copy **(white)**
Color

A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING NOISE EMISSIONS FROM MOTORBOATS; PROVIDING MAXIMUM NOISE LEVELS; REQUIRING TESTING AND CERTIFICATION OF OUTBOARD MOTORS AND MARINE ENGINES; PROHIBITING REMOVAL OF NOISE SUPPRESSION DEVICES; ALLOWING CERTAIN EXCEPTIONS; PROHIBITING CONTRADICTORY REGULATIONS; AMENDING SECTION 23-2-502, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

Respectfully report as follows: That **HOUSE** Bill No. **68**
be amended as follows:

1. Page 3, lines 10 and 11.

Following: "airboat"

Strike: "when used by a utility company in the course of business"

Insert: "(5) a motorboat that is certified by the department as being technologically incapable of complying with the noise levels prescribed in [section 1]"

2. Page 3, lines 12 and 13.

Strike: "Contradictory regulations prohibited."

Insert: "Local government authority. (1)"

3. Page 3, line 19.

Following: "5]"

Insert: "(2) The department shall adopt rules which establish guidelines for the issuance of permits by local public entities under [section 4] and no permit may be issued that does not comply with the department's rules."

XXXXX

DRAFT IS AMENDED

DO PASS

STATEMENT OF INTENT ATTACHED

HAL HARPER,

Chairman

January 26,

83

19

MR. **SPEAKER:****NATURAL RESOURCES**

We, your committee on

HOUSE JOINT RESOLUTION

having had under consideration

Bill No. **2****First** reading copy (**white** color)

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THAT THE COAL TAX OVERSIGHT SUBCOMMITTEE STUDY THE IMPACTS ON MONTANA AND NORTH DAKOTA OF THE PROPOSED TENNECO COAL GASIFICATION PLANT AT WIBAUX AND METHODS FOR COOPERATING WITH NORTH DAKOTA TO MITIGATE SUCH IMPACTS.

HOUSE JOINT RESOLUTION

Respectfully report as follows: That

Bill No. **2****be amended as follows:****1. Title, line 6.****Strike: "STUDY"****Insert: "EXAMINE"****Following: "ON"****Insert: "STATE AND LOCAL GOVERNMENT SERVICES IN"****2. Page 1, line 11.****Strike: "will"****Insert: "may"****3. Page 1, line 14.****Strike: "local"****Following: "on"****Insert: "state and local government services in"****4. Page 1, line 15.****Strike: "communities"****XXXXXX
DO PASS**

January 26, 1983

5. Page 1, line 21.

Following: "plant"

Insert: "upon the provision of state and local government services"

6. Page 1, line 25.

Strike: "study"

Insert: "examine"

7. Page 2, line 1.

Following: "on"

Insert: "state and local government services in"

8. Page 2, line 3.

Strike: "study"

Insert: "examine"

9. Page 2, line 4.

Following: "upon"

Insert: "state and"

10. Page 2, line 5.

Strike: "governments"

Insert: "government services"

11. Page 2, line 8.

Strike: "accomplished"

Insert: "coordinated"

AND AS AMENDED
DO PASS

HAL HARPER

Chairman.

STANDING COMMITTEE REPORT

February 11

19 83

MR. SPEAKER:

We, your committee on NATURAL RESOURCES

having had under consideration HOUSE Bill No. 106

First

white

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOCATE TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION 5 PERCENT OF THE INTEREST FROM THE RESOURCE INDEMNITY TRUST ACCOUNT FOR USE BY THE CASCADE COUNTY CONSERVATION DISTRICT TO SHARE THE COST OF A 7-YEAR FLOOD CONTROL AND IRRIGATION IMPROVEMENT PROGRAM FOR THE MUDDY CREEK SPECIAL WATER PRO-
JECT AREA AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That HOUSE Bill No. 106

DO PASS...