

MINUTES OF THE MEETING
NATURAL RESOURCES SUBCOMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 8, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on February 8, 1985 at 8:05 a.m. in Room 132 of the State Capitol building.

ROLL CALL: All members were present.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

(Water Resources Division)

Larry Fasbender, Director, DNRC, said a 7% rate was used to determine Vacancy Savings. Mr. Fasbender said they have saved about \$33,000 in the first six months of this year. This is less than 2% of their total budget.

Using the 4% Vacancy Savings under the OBPP they would have had to take out \$139,500 and using the LFA's 7% it would have been \$241,000. They would have to keep 6 - 10 FTE's vacant each year under the OBPP's proposal and 10 - 15 vacant under the LFA's proposal.

Ground Water Advisory Council and Reserve Water Rights Compact Commission: They are requesting \$10,000 for per diem.

(Contracted Services)

Mr. Fasbender (49:A:030) said they requested about \$165,000 in FY '86 and \$170,000 in FY '87.

Mr. Fasbender said there was money reduced for work done on printing of the preliminary decrees that are coming in.

Mr. Fasbender said there is an additional amount of money requested for Private Legal Council.

Bond Council Services: Mr. Fasbender said these will increase dramatically because they now have the RRD Loans, the Bond Anticipation Loans and the other work connected with getting the loans ready to go.

Supplies and Materials: Mr. Fasbender said the LFA kept this at current level. They are about \$12,400 in FY '86 and \$6,370 in FY '87 below the OBPP budget.

Mr. Fasbender said they would need about \$15,000 for aerial photo's for verification under the Water Adjudication Program and the Compact Commission will be needing additional maps and photo's for the work they will be doing.

Travel: Mr. Fasbender said the OBPP reduced their request and the LFA increased it about \$8,000 per year more than they requested.

Rent: Mr. Fasbender said they requested about \$9,000 per year for software rental that was not approved by the OBPP or the LFA.

Other Expenses: Mr. Fasbender said they belong to the Western States Water Council and the Missouri Basin State's Association. The National Water Resource Association is a group that some farm organizations requested they include in their request.

Water Development money: Mr. Fasbender said the LFA used \$2,018,000 to put into operations. Mr. Fasbender said the Committee should decide whether or not to use this money to operate the Department or be used for projects.

Mr. Fasbender said it was determined in advance they would not use any Water Development money for operation of the Department. Mr. Fasbender said an error was made and about \$700,000 of Water Development money was used for operation of the Department in the original budget that was set up.

Mr. Fasbender (49:A:099) said the amount of money that would be available to go into on the ground projects would vary between the LFA and the Department. The LFA has about \$900,000. The Department would have about \$833,000 available for state projects and \$3,000,000 available for grant projects.

(Reserve Water Rights Compact Commission)

Gordon McOmber, Director, Compact Commission, said the Commission was established by the Legislature to attempt to negotiate a qualification of the Reserve Water Rights the Indians own and were given at the time the Reservations were established.

Mr. McOmber said this was necessary to complete the adjudication process because of the question of how much water did belong to the Indians. The Commission has been negotiating with eight tribes, the Forest Service and the Parks Service.

Mr. McOmber said they are negotiating with all the tribes except the Blackfoot.

Mr. McOmber said they are going to need a full time secretary with the increased work load. They have been borrowing a secretary from the DNRC.

Mr. McOmber said they have a Negotiator that works with them now and they are going to be needing him much more than they have in the past. Mr. McOmber said if there were a cut back in the Special Counsel's salary it would hurt them severely.

Mr. McOmber said if the per diem for the Commission members were reduced it would hurt them, also, as they are dealing with the tribes and Federal agencies.

Mr. McOmber said they will need funds for aerial photos for determining where the water is and to determine the non-Indian water users on the Reservations.

Senator Boylan asked Mr. McOmber if they could contract for a secretary? Mr. McOmber said if they were available on a full time basis he would have no problem with contracting a secretary.

Bob Robinson said this would cause a problem with the Legislative Auditor if this person worked in the building. They would be better off getting a full time FTE.

Discussion was held.

Mr. Fasbender (49:A:396) said they need a reappropriation of \$75,000 on Cooney Dam and \$4.1 million for the Middle Creek Rehabilitation Project.

Gary Fritz, Administrator, Water Resources Division, said part of the Cooney Dam project involved raising reservoir levels and they had to buy additional land around the reservoir that would be flooded. They are still negotiating on some land around that area and have about \$75,000 left for the acquisition. There is one piece of property they are hoping to purchase before the end of this Fiscal Year.

In the reappropriation of the \$75,000, if the money is not used for land acquisition it would be used to pay off the debt that the water users are paying to them and the Bureau of Reclamation.

Discussion was held.

Mr. Fritz (49:A:589) said the Middle Creek Dam is a State owned project that is on Forest Service land south of Bozeman. The project is unsafe and needs to be rehabilitated.

Mr. Fritz said the irrigators involved with the project agree that the project should be enlarged and they would be willing to pay part of the cost of the enlargement.

This project was initially put in the Coal Severance Tax Bonding portion of the Water Development fund. Since that time the water users in the city of Bozeman and the Department have decided a better way to go may be with a U.S. Bureau of Reclamation small project loan. This is interest free for the irrigators. The municipality of Bozeman would have to pay some interest on the loan.

Mr. Fasbender said if they are successful in getting the loan from the Bureau of Reclamation the request from the Coal Severance Tax would be dropped.

Discussion was held.

Jo Brunner, Montana Water Development Association (MWDA), said the Montana Water Development Association requested some funding be handled through the DNRC for their National Affiliated organization.

Ms. Brunner said the Montana Water Development Association is assessed by the National Association according to how many irrigators there are in Montana and if they belong to the MWDA.

Ms. Brunner said they are requesting \$12,242 for the biennium for dues.

Modified:

Mr. Fasbender said they are requesting 1 FTE for a Hydrologist to do technical analysis of certain decreed basins in the State and handle the applications for the closure of several water basins. This Hydrologist would cost about \$28,000 in FY '86 and \$27,800 in FY '87.

Mr. Fasbender said there is also a request for 2 additional FTE's in the Water Development program. One of the FTE's would be for an Engineer in the Water Development Bureau to evaluate applications, to direct and assist people who are bringing in potential applications and proposals, and to monitor the approved projects as they are developed.

The other FTE would be a Project Evaluator to examine and rate applications for Water Development loans and grants and monitor approved projects that are under construction and monitor them after construction. This person would also do some financial monitoring.

The total cost for these two positions would be about \$51,900 per year.

Travel Funds: Mr. Fasbender said they are requesting about \$11,000 per year from General Fund for travel and to maintain vehicles for some of the required field investigations requested by the Water Courts after the preliminary decrees are issued and objections are raised.

Mr. Fasbender said they have sold three series of bonds. The first series of GO bonds was sold at about 8%, the second series of GO bonds was sold at about 9% and the Coal Severance Tax bonds were sold at about 9 or 10% interest. The loans on the Coal Severance Tax bonds had interest rates set by the Legislature. Some of these loans were at 3% to irrigation districts, some went at the bond rate and some went at 5%.

Discussion was held.

(Conservation Districts)

.20 FTE Clerk Typist: The funding for this would be General Fund. Discussion was held.

Senator Smith made a motion to approve \$3,053 over the LFA in FY '86 and \$3,056 over the LFA in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Range Land Resource Loans: Curt Nichols (49:B:361), Principal Analyst, said these loans are funded from the Renewable Resource Development account and there is some money from the loan repayments. The LFA did not put this in their figures because it was not part of the base budget appropriated last session. This is Coal Tax money.

The Department is requesting authorization to loan out money that comes in.

Representative Spaeth made a motion to approve the authority to loan \$175,150 in FY '86 and \$195,150 in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Travel Increase: This increase would be for the additional person in the Miles City Office.

Senator Lane made a motion to approve the travel increase of \$3,716 in FY '86 and \$3,716 in FY '87. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Miscellaneous and Inflation: Senator Boylan made a motion to approve the Governor's budget of \$816 in FY '86 and \$1,702 in

FY '87 over the LFA current level for Miscellaneous and \$2,560 in FY '86 and \$1,728 in FY '87 over the LFA current level for Inflation. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Modified:

Corp. of Engineers sharing office: These would be Federal Funds.

Representative Spaeth made a motion to approve \$2,607 in FY '86 and \$2,703 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

Triangle Saline Seep Project: Senator Smith made a motion to approve \$75,000 in FY '86 and \$75,000 in FY '87 for this project. Representative Spaeth seconded. A Voice vote was taken and the motion carried unanimously.

Vacancy Savings: Discussion was held.

Senator Smith made a motion to not take Vacancy Savings on this program. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

(Oil and Gas Conservation)

Vacancy Savings: Representative Spaeth made a motion to go with the Governor's recommendation and not take Vacancy Savings in this. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Private Legal Counsel: Mr. Nichols said this is an increase over the current level of about \$18,000. They would bring this up to \$26,000.

Discussion was held.

Representative Spaeth made a motion to approve the LFA's budget of \$26,100 in FY '86 and \$26,100 in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Travel Increase: The Division had no out of state travel in the base year even though they did have spending authority for out of state travel.

Discussion was held.

Representative Swift made a motion to approve \$6,000 per year for travel. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Senator Smith made a motion to approve \$8,000 per year for travel and rescind the previous motion. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Gasoline: The base year was \$9,580 and the Governor's budget recommended they go to \$17,445 in FY '86 and about \$19,900 in FY '87.

Discussion was held.

Senator Smith made a motion to approve the additional \$6,600 in FY '86 and \$9,600 in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Software Rent: Discussion was held.

Representative Swift made a motion to approve an additional \$6,021 in FY '86 and \$4,521 in FY '87.

Discussion was held.

Representative Swift rescinded his motion.

The Committee decided to act on this after they decide if they are going to allow the purchase of additional equipment or not.

Equipment: Discussion was held on vehicles.

Representative Swift made a motion to approve the Governor's budget of \$24,630 in FY '86 and \$28,700 in FY '87. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Miscellaneous: Senator Smith made a motion to approve an additional \$145 in FY '86 and \$1,883 over current level in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Inflation: Representative Nathe made a motion to approve the LFA's budget of \$3,880 less in FY '86 and \$155 less in FY '87 than the Executive budget. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Modified:

Dee Rickman (50:A:427), Assistant Administrator, Oil and Gas Conservation Division, said they would like to increase travel \$2,500 in FY '86 and \$5,000 in FY '87. There would be one inspector coming on in FY '86 and two inspectors in FY '87.

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Senator Smith made a motion to approve \$2,500 in FY '86 and \$5,000 in FY '87 for travel for the inspector's and this should be line itemed this money be spent only for this purpose. Representative Nathe seconded. A Voice vote was taken and the motion carried unanimously.

Meeting adjourned at 10:35 a.m.

 *Ch.*
Representative Rex Manuel
Chairman

DAILY ROLL CALL

NATURAL RESOURCES SUBCOMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2-8-85

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NATURAL RESOURCES SUB COMMITTEE

DATE February 8, 1985

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.