

MINUTES OF THE MEETING
LONG-RANGE PLANNING SUBCOMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 19, 1985

The meeting of the Long-Range Planning Subcommittee was called to order by Chairman Robert Thoft on February 19, 1985 at 7:37 a.m. in Room 420 of the State Capitol.

ROLL CALL: All members were present.

HOUSE BILL 509: Representative Rex Manuel (59:B:012) introduced Jon West who gave a slide presentation on the proposal for an agricultural museum at Fort Benton. House Bill 509, sponsored by Representative Manuel, will appropriate funds for the purchase of a museum site. Mr. West was unable to give his slide presentation at the hearing on February 15, 1985 because he had car trouble.

Representative Manuel (59:B:147) said the slide presentation showed the committee what is available for the agricultural museum. He said the long-range cost of this project will be \$800,000 and the Community Improvement Association in Fort Benton has a history of completing long-range projects. He said the amount being requested in House Bill 509 has been reduced from \$350,000 to \$250,000. Representative Manuel said the group has found a way around the back taxes. He said he feels agriculture is the basic industry of this state and it is honored in very few projects. Representative Manuel said Fort Benton is the birthplace of Montana and requested that the committee give the bill favorable consideration.

Representative Ernst (59:B:182) asked if the \$250,000 for the project will be split evenly between the Long-Range Building Cash Account and the Coal Tax money for park acquisitions. Representative Manuel said they need the funding and it is up to this committee to decide where the funds should come from.

Senator Van Valkenburg (59:B:191) asked what the interior of the buildings are like. Jon West described the interior of the buildings. He said there will have to be some modifications made to the buildings. He said the shop is an open area of about 25,000 square feet and this will be used for the museum area. Senator Van Valkenburg asked how the buildings are heated. Mr. West said the office building and one other building are heated with propane or natural gas. The rest of the buildings currently have no heating

system in them. Representative Bardanouve (59:B:217) asked if the buildings are insulated. Mr. West said the ceilings are and the walls are cinder blocks without insulation.

WATER DEVELOPMENT PROJECTS, COAL SEVERANCE TAX LOAN PROGRAM

Yellowstone County, Oxbow Area Water Supply, Group A, Project 1

Caralee Cheney (59:B:251), Chief, Water Development Bureau, Department of Natural Resources and Conservation (DNRC) gave a brief description of this project by reading from page 132 of the program book (Exhibit 1, 2-12-85).

Proponents: Senator Esther Bengston (59:B:282), District 49, said the Oxbow subdivision is on the edge of her district, but she has worked with these people and directed them to the Water Development Program. She said water resources are a long-term problem in her district.

She said for this reason she would like to be recorded as a proponent of two other projects in addition to this one. The other two are: 1) Yellowstone County, Cedar Park Water System, Group A, Project 8: and 2) Worden/Ballentine Yellowstone County, Reservoir Construction, Group B, Project 7. She said the water problems in these areas exist because of urbanization of agricultural areas.

She said in the Oxbow area the groundwater aquifer has dropped because of the amount of growth in the area. She said fire protection is inadequate and because of this residents pay very high insurance rates.

In the Cedar Park Subdivision the applicants want to explore the possibilities of putting an infiltration gallery in the river or tying into another subdivision's water source. Senator Bengston said fire protection is also a major concern with this project.

She also spoke on behalf of the Worden/Ballentine project which deals with a water expansion problem. The two towns will be combined into an overlay water district. These two towns have a good water source, but the communities are growing rapidly and their water systems need to be expanded.

Senator Bengston said she is proposing some amendments to the funding of these projects. She said the

applicants would like the loans to run for a longer period of time, 30 years. She said she can foresee this area coming back for funding from the Water Development Program because water quality and quantity is not available.

Chairman Thoft (59:B:360) asked if there were proponents of the Cedar Park Subdivision project. No one was present to give testimony on this project other than Senator Bengston.

Senator Bengston (59:B:384) asked for proponents of the Worden/Ballantine project. Dan Krum (59:B:386), President, Worden/Ballantine Yellowstone County Water/Sewer District submitted written testimony (EXHIBIT 1).

Representative Ernst (59:B:485) asked what percentage of people in this district are financially distressed. Mr. Krum said they have not actually done a study on this, but he estimated the percentage is between 30% to 40%. He said both towns are becoming retirement communities.

Senator Tveit (59:B:503) asked how the Oxbow Subdivision will get water for its reservoir. Senator Bengston said they will get it from wells and cisterns. She said residents in this area are talking about forming a groundwater control district because as new subdivisions spring up the groundwater gets lower and lower in the area. Senator Tveit asked if there will be a problem in the future with getting water. Senator Bengston said no because the Oxbow people are working with the Billings Heights Subdivision for water and the Billings Heights water comes from the town of Billings.

Senator Van Valkenburg (59:B:539) asked what the interest subsidy is on the Oxbow project for the first 7 years. Ms. Cheney said \$359,000. Senator Van Valkenburg asked how the advisory council decided what the interest rate should be on loans. Ms. Cheney said the department presented several options to the advisory council with the cost of the interest subsidy projected. She said the package which the council decided on will cost the Coal Tax Fund about \$400,000 a year in interest subsidy. She said in order to make all the projects viable or feasible the interest subsidy cost would have been much higher.

Senator Van Valkenburg (59:B:574) asked if the 20 year loan repayment plan is a statutory requirement. Ms. Cheney said no, the department decided on this by policy and it has been discussed with the advisory

council. She said they tried to match the length of the loan to the debt service on the coal tax bonds, which is for a 20 year period.

Descriptions of the Cedar Park project and the Worden/Ballantine project can be found on pages 142 and 152 of the program book.

Lakeside County Sewer District, Wastewater Treatment Facility, Group B, Project 3

Ms. Cheney (59:B:608) introduced this project which is on page 147 of the program book.

Proponents: Senator Matt Himsl (59:B:634), District 3, said this is a collective sewer system project for the north end of Flathead Lake. He said the project is concentrated in the area of Lakeside where there are about 400 homes. He said originally the sewer district thought it would be able to use the air force base system for partial filtration of the sewer. But after the planning phase, the district found out the air force base system did not meet the necessary requirements for the sewage filtration. Senator Himsl said engineers have discovered that the sewer will have to be pumped 7 miles up the lake, which will mean eventually that the whole north end of the lake can be brought into the Lakeside County Sewer District.

Senator Himsl described the sewer system which will be installed with the water development money. The new system will pump the sewage up to collection bases and then the effluent will be sprayed as fertilizer.

He said this project is innovative and needed around the lake. There is population pressure around the lake and if the sewer system is not installed the lake will lose its water quality. Senator Himsl said this is a good pilot project for other clear water lake systems in the state.

Senator Fuller (60:A:021) asked if the other communities at the north end of the lake have formally signed agreements to come into the district or if they are just planning to do this. Senator Himsl said they asked to be included in the district in the past, but the district could not be enlarged because of the time frame involved in the project application.

Senator Fuller asked if the air force base could be plugged into the sewage system. Senator Himsl said no. He said if they want to connect to the new system they will have to join the district.

Town of Drummond, Fire and Water Project, Group A,
Project 2

Caralee Cheney (60:A:066) explained this project which is on page 133 of the program book.

No one was present to testify on behalf of this project.

Town of Dutton, Water Supply Construction, Group A,
Project 3

Ms. Cheney (60:A:082) described this project on page 135 of the program book.

No one was present to give testimony on this project.

Senator Fuller (60:A:101) asked how the community was going to repay the loan. Ms. Cheney said it will issue revenue bonds.

East Bench Irrigation District, McHessor - Dry Gulch
Gravity System, Group A, Project 4

Ms. Cheney (60:A:104) introduced this project which is on page 136 of the program book.

Proponents: Bob Redfield (60:A:131) said this project proposal will eliminate 15 pumps and result in 1,000,000 kilowatt hours of savings to seven different land owners. Irrigating will be done by a gravity fed system because of ever increasing energy cost.

Mr. Redfield said the interest rates on a loan from the Farm Home Administration were prohibitive for the project. He said under the Water Development Program the project would be feasible with a 30 year loan repayment on \$978,971 and at a 3% loan interest rate. This type of loan would result in a feasible repayment of \$21.95 per irrigated acre.

The advisory council's recommendation for funding is a 20 year loan, for \$1,317,295, at an interest rate 4% below the bond rate for the first 7 years and at the bond rate for the last 13 years. This will result in an annual repayment of \$43.00 per acre for the first 7 years and \$54.00 for the last 13 years. Under these loan terms the project is not financially feasible for the land owners.

Mr. Redfield said the East Bench District would like the committee to consider amending the appropriations bill which deals with the Water Development Program in

the following ways: 1) reduce the interest rates for all applicants by 2 additional percentage points; 2) set the bond subsidy for all municipalities at 20 years; and 3) set the bond subsidy for agricultural projects at 30 years. Mr. Redfield said under these amendments the proposed cost of this project would be \$28.40 per acre which is feasible.

Senator Fuller (60:A:194) asked if a cost benefit analysis has been done on this project to see what the long-term effect will be of cost increases. Mr. Redfield said with projected cost increases in electricity, the cost of irrigating will go up to \$26.00 or \$28.00 per acre.

Chairman Thoft asked if their original application requested a loan at a 3 percent interest rate. Ms. Cheney said yes. Chairman Thoft asked what the additional interest subsidy would be for this project if the loan was at a 3 percent interest rate. Ms. Cheney said she will get this information.

Evergreen Water and Sewer District/Flathead County,
Sewer System, Group A, Project 5

Caralee Cheney (60:A:221) explained this project which is on page 137 of the program book.

Proponents: Louis Gates (60:A:240) submitted written testimony on the project (EXHIBIT 2).

Senator Matt Himsl (60:A:313), District 3, said this particular project is not in his district, but it is in his county and he is very familiar with it. He said this area is becoming very populated and the groundwater level is very shallow. The sewage system in this area is terrible. The local residents have already put in a water system.

Senator Himsl said several years ago a study was done in this area to determine pollution points around the lake. Once these points of pollution were determined the county health department was to ensure that they were eliminated. He said the study revealed that there was no point-source pollution in the area. But there was pollution coming down the river and into Flathead Lake from farm lands and timber lands upstream. He said the poor sewage system in Evergreen just adds further to the collective pollution problem around the lake. Senator Himsl said he hopes the committee can find funding for this project because it addresses a health problem to people who live around the lake.

Senator Van Valkenburg (60:A:372) asked if Evergreen can be hooked up to the Kalispell sewer system since it is so close. Senator Himsel said Kalispell would have to annex Evergreen into the city limits and the city commission does not want to increase the size of Kalispell. He also said the Kalispell sewer system cannot handle its own sewage problems let alone Evergreen's.

Louis Gates (60:A:416) said the 201 Study that Senator Himsel referred to in his testimony included Woodland Park, Evergreen and South Kalispell. The study indicated that Woodland Park and South Kalispell should be included with the Kalispell sewage system. Evergreen was not recommended to be included because it was not economically feasible or practical.

Senator Tveit (60:A:428) asked if there is tentative approval of the project by voters in the district. Mr. Gates said the project has user support and the business community's support. He said some of the local people have voiced opposition to high user rates, but the loan will help to reduce the rates.

City of Glasgow, Water Supply Source, Group A, Project
7

A description of this project is on page 141 of the program book.

Proponents: Representative Ted Schye (60:A:466), District 18, said the 1981 Legislature appropriated funds for a study of the water supply for Glasgow. This project will fund the end results of the 1981 study.

Willie Zeller (60:A:481), Mayor, City of Glasgow appeared as a proponent of the project.

Matson Bailey (60:A:489), Executive Director, Valley County Development Council used a map to illustrate the two possible sources of water for Glasgow.

One source is from the Missouri River to the old Glasgow Air Force Base. Since the housing at the air force base has been sold the federal government's restrictions on the water line have been released. Mr. Zeller said the applicants did not know about this line being available at the time they submitted their application. He said the estimated cost of using the air force line is \$2.5 million. Mr. Zeller gave committee members a map showing the course of the air force water line (EXHIBIT 3).

If the city of Glasgow should be unsuccessful in acquiring the air force line they will return to their second source for water. The original project application was for a gravity-fed water system from the Fort Peck Dam. The cost of this project will be \$5,662,000. Mr. Zeller used a map to illustrate this water system to members.

Mr. Zeller used a diagram to show the confined aquifer currently being used as a source of water for Glasgow. He said the water quality from Fort Peck Reservoir or the Missouri River is much better than the quality of the water in this limited aquifer.

Representative Schye (60:A:611) said he was a member of the committee which did the interim study on a water supply. He said the committee discussed both options for water and feels the air force line is more feasible, if it can be acquired.

Chairman Thoft (60:A:624) asked the age of the air force line. Representative Schye said it is 25 years old. Mr. Zeller said the line is concrete reinforced with steel and the life expectancy of this kind of line is 75 to 100 years.

Senator Fuller (60:A:655) asked who is running the air force base now. Mr. Bailey said the Valley Industrial Park, Inc. He also said the city and the county have a verbal agreement on the use of the air base line.

Senator Tveit (60:A:667) asked if the city is going to go with one or the other of the sources. Mr. Bailey said the air force line was not considered originally because the federal government still owned the base housing. The housing is now privately owned and, therefore, the federal government's restrictions on the line have been reduced.

Representative Schye said the city wants to look into the use of the base line more carefully because it appears it will be a much cheaper source of water.

Mr. Bailey explained that the water pumped from the power house will be a more expensive solution. He said the Core of Engineers originally wanted to charge the city \$30.00 per acre foot for water taken from the dam. He said this would have set a precedent for charging municipalities for storage of water. Currently they do not charge municipalities for storage. The \$30.00 per acre foot charge is what industries pay. He said the city was able to get the per acre foot charge down to \$25.00. Mr. Zeller (60:B:030) said the Core of

Engineers cannot charge Glasgow for the water pumped in the air force line because it comes from below the dam.

Roger Larsen (60:B:047) said voters are against the Fort Peck Dam proposal because of the expense of the project. Due to this opposition the city is considering connecting to the air base line.

Senator Fuller (60:B:069) asked if the city has considered going deeper into the present aquifer for a water source. Mr. Bailey showed the committee a newspaper article on the groundwater aquifers below Glasgow. The article said that other aquifers below Glasgow contain water not fit for human consumption.

Senator Tveit (60:B:091) asked if a purifying plant will be needed for the water from the Missouri. Mr. Bailey said the city has one now and only a few modifications will be needed for the new system.

Senator Tveit said the city is really asking for a \$2.5 million loan. Mr. Larson said they are still requesting \$5.6 million in case they are unable to obtain the base line and will need to utilize the Fort Peck option. If the base line does become available then the size of the loan can be reduced.

City of Fort Benton, Water System Improvement, Group B, Project 2

Ms. Cheney (60:B:126) introduced this project which is on page 145 of the program book.

Proponents: Rob Jonanovich (60:B:136), Mayor, Fort Benton said the city currently has a problem getting a discharge permit for backflushing of their water filters into the river. They have until February of 1987 to rectify this problem.

He said in the planning process, the city discovered the backwash problem would be very expensive to solve. The city contracted with Peccia and Associates to study the problem and recommend solutions.

Mr. Jonanovich said Peccia came up with four options to the problem and the Ranney Method was selected as the best. It is an induced infiltration system and the overall cost and maintenance will be much more economical than the other options. It is a more reliable system because it does not depend on chemicals for purification. Mr. Jonanovich said this system will improve the water quality for Fort Benton. He said this is the first system of this kind to be installed

in Montana. The city of Fort Benton is currently negotiating with the town of Geraldine to supply them with water once this new system is in place.

Alden Beard (60:B:194), Sanitary Engineer, Peccia and Associates explained the Ranney Method of Collector Wells (EXHIBIT 4).

Town of Poplar, Water System Improvement, Group B,
Project 5

Ms. Cheney (60:B:276) described this project which is on page 150 of the program book.

Proponents: Representative Dorothy Cody (60:B:291), District 20, said water is the number one commodity in this part of the state. She said Poplar has been very conservative with their funding request. She said she believes the proposal is well thought out and she would very much like to see it funded.

Senator Ed Smith (60:B:310), District 10, said there is a real problem in Northeastern Montana with water supplies for people and livestock. He said the community of Poplar is growing rapidly and the project is necessary for the needed water system improvements.

Randy Riley (60:B:338), Mayor, Poplar said the city has done a water rate study since applying for the water development money. The study revealed the city was losing revenue through water which was not being metered and billed. He said the city is now recovering 20 percent of the lost revenue and by this summer will be recovering 30 percent. Mr. Riley said the city should not have to sell bonds or raise water rates because of the increase in water revenue. He said the city also supplies ANS Industries with water and they use 28.7 percent of the daily water rate. Mr. Riley said without an adequate water supply for the industry the city will lose a considerable amount of revenue and local residents will lose about 400 jobs.

Margaret Simons (60:B:379), Roosevelt County Sanitarian/Planner, said the county did a needs assessment study and this project ranked high in the study. She said Roosevelt County is in support of this project.

Senator Fuller asked what it will cost the average home owner in Poplar to repay the water development loan. Ken Loveland (60:B:392), Interstate Engineering said the city has raised its rates to the maximum that the Public Service Commission will allow. This increase

will help pay back the loan and the additional water revenue will also create \$2,200 more per month for loan repayment. Mr. Loveland said he did not have the figure for the exact rate with him.

Town of Lima, Water Facilities Update, Group B, Project 4

Caralee Cheney (60:B:413) described this project which is on page 148 of the program book.

Proponents: Louise Seybold (60:B:424), Mayor of Lima, submitted written testimony on this project (EXHIBIT 5).

Roosevelt County Rural Water District, Rural Water System, Group B, Project 6

Ms. Cheney (60:B:497) explained this project by reading from page 151 of the program book.

Proponents: Margaret Simons (60:B:511), Roosevelt County Sanitarian/Planner, submitted written testimony on the project (EXHIBIT 6). She also submitted a letter written by Glen Larsen, to Governor Schwinden, concerning the problems with the water in the Culbertson area (EXHIBIT 7).

Senator Larry Tveit (60:B:596) said he would like to be recorded as a proponent of this project.

Yellowstone County, Oxbow Area Water Supply (cont.)

Proponents: Gerald Graham (60:B:614) said he represents approximately 135 families in the Oxbow area. Mr. Graham said he would like to point out some additional factors for consideration with the Oxbow project discussed earlier this morning. The additional factors are: 1) the present lots in this area cannot be divided up into smaller sizes which would be more economically feasible for a public water system; 2) some residents are currently paying between \$40.00 to \$120.00 a month for cistern water; 3) the quality of the water being used is not that good; and 4) the project needs to be subsidized even though there is local support for the project. Mr. Graham said if the project is not subsidized it will not get off the ground and a new water supply never developed.

ROOSEVELT COUNTY RURAL WATER DISTRICT (cont.)

Senator Van Valkenburg (60:B:697) asked Ms. Simons what the people in Froid are paying for their water. She

said they are not metered and they pay a flat fee of \$10.00 a month. Senator Van Valkenburg asked if other people in the district pay more than this. She said no, the people in this area cannot afford to pay any more than \$77.00 a month for a user fee. Senator Van Valkenburg asked if the user rates will be going from \$10.00 to \$77.00 a month. Ms. Simons said yes and these rates only apply if the DNRC loan is at a 2 percent interest rate.

Senator Van Valkenburg (61:A:007) moved the committee deem the other projects heard on the basis of the information contained in the program book.

The motion passed unanimously.

There being no further business before the subcommittee the meeting was adjourned at 9:58 a.m. (61:A:010).

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ROBERT THOFT, Chairman

DAILY ROLL CALL
LONG RANGE PLANNING SUB COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 19, 1985

[illegible]

2-19-85

I would like to thank you for taking the time to hear our plans and for giving us consideration for this loan thru DNRC.

The Worden/Ballantine Yellowstone County Water and Sewer District, which is now in place, was set up to take over the operation and maintenance of the Worden Water Users Association, Sewer District 308 and Sewer District 504 under one entity and to be able to expand our water system. The expansion is needed to provide better fire protection and more water storage for both Ballantine and Worden.

We have a four million dollar school system in Worden and at the present our storage capacity limits our Fire Department tremendously. If they had to fight any fires, 60,000 gallons of water would not go very far and would not put out a very big fire. We have been very fortunate in that we have not needed to use all of this small water storage supply. We are taking steps now to alleviate any problems by building a larger storage tank and as funds permit, increase the size of our water lines.

Worden and Ballantine are located about $1\frac{1}{2}$ miles apart and are using the same water and sewer system. We are located in an agriculture environment, approximately 21 miles east of Billings and have land for Real Estate Development all around us. We have been unable to expand our system, because of the lack of water storage, for the past three years. There have been several requests for water hookups, including two real estate developments and a 32 unit development for handicapped and senior citizens. We have been unable to accommodate them. Through this expansion, which includes a 540,000 gallon storage tank, we will be able to expand our system and grow. At present there are approximately 700 people and 260 hookups within the District and as you have heard, expansion

is on the near horizon. With this expansion at hand, we have made a Master Study of our system and water supply and have made plans for upgrading our water lines and expanding our water supply. This further expansion and upgrading will be accomplished as funds become available through regular operations.

Our communities have many senior citizens and widows plus numerous unemployed individuals, which we feel might have an impact on this project. Our payback ability shouldn't be hindered, but with the numerous widows, senior citizens and unemployed, we feel we are eligible for a grant, regardless, if the overall project is over \$200,000.00. Our board feels that there should not be a differentiation on the dollar value of any project as to who gets grants or loans. More consideration should be given to the economic and financial resources for each project and possibly this should be incorporated into all applications sent to this program. After reviewing this program and taking a look at all applicants, we are trying to figure out why government entities can get money from this program, as we are paying taxes to supposedly take care of these entities. This takes the much needed funds away from other water and sewer projects and decreases the availability of funds with which to adequately support projects that rely heavily on a grant rather than an interest rate reduction. We felt a grant would be better financially and be more beneficial during the term of the loan. We realize there is only so much money available, but would like to see a larger interest subsidy for the term of the loan, 5% instead of 3%, or at least 5% for the seven years. If we can get more help at the start of our project, it would be more beneficial financially, because of our small number of users. As the project is completed and we can once again start water hookups, our increase in numbers would be able

to help cover the increase in payments after the interest subsidy ended. With a loan of this magnitude and the size of our communities, it would be more beneficial to have the loan extended to a thirty year term to decrease our payments. With telephone and electrical rates increasing at a fast pace, along with the increase in living, we feel the longer term on the loan would decrease the payments sufficiently and therefore would not hinder our senior citizens, widow and the unemployed from making their monthly payments.

In review, more consideration, should be given to pay back ability due to economic or financial reasons. A longer term, high interest subsidies or grants and less government involvement on the receiving end should be given higher consideration.

Daniel L Krum
President
Warden/Ballantini Yellowstone
County Water & Sewer District

Exhibit #2
2-19-85

WITNESS STATEMENT

NAME Louis B. Gates BILL NO. _____
ADDRESS 352 Helena Flats Rd. Kalispell DATE 2/19/85
WHOM DO YOU REPRESENT? Evergreen Water & Sewer Dist.
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

My name is Louis B. Gates. I am a member of the Board of Directors of the Evergreen Water and Sewer District, Kalispell, MT, and I speak in their behalf.

Our district is located North and East of Kalispell, and has a ~~population~~ ^{households} of approximately 1,840. We have provided water since 1964, but sewage disposal is by individual septic tanks and drain fields.

Soil conditions in the area are very porous, and the water table is very high, so the ground water is becoming contaminated from the large concentration of individual septic tanks. This contamination is affecting area wells and may be contributing to the added nutrients plaguing Flathead Lake.

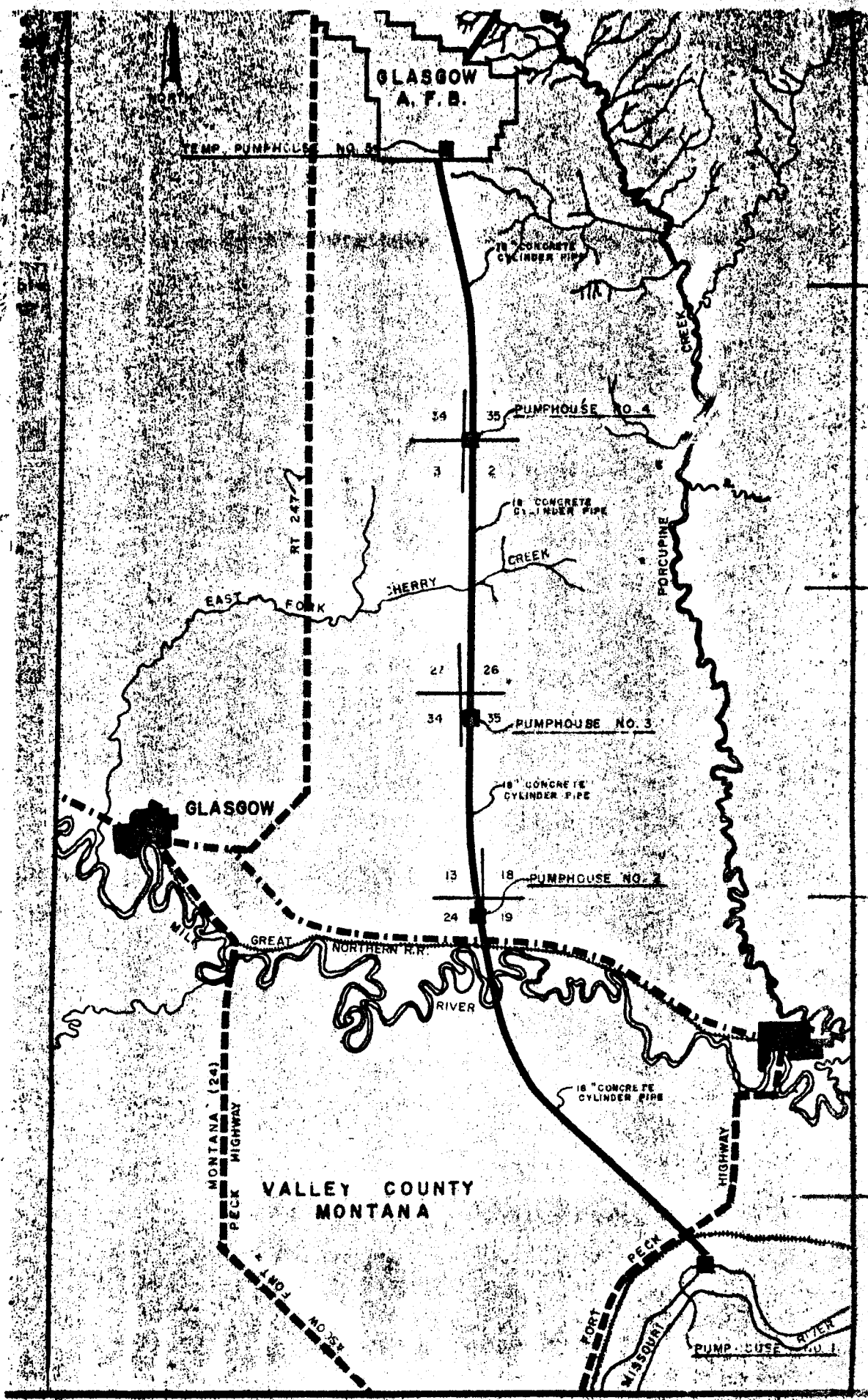
In order to alleviate these problems, we propose to construct a complete sewage collection, treatment and disposal system. A preliminary engineering study has been completed under the EPA funded Supplemental Kalispell Vicinity 201 Facility Plan and has been submitted to the Water Quality Bureau for approval. This engineering study addresses itself to alternative plans for feasibility and cost effectiveness.

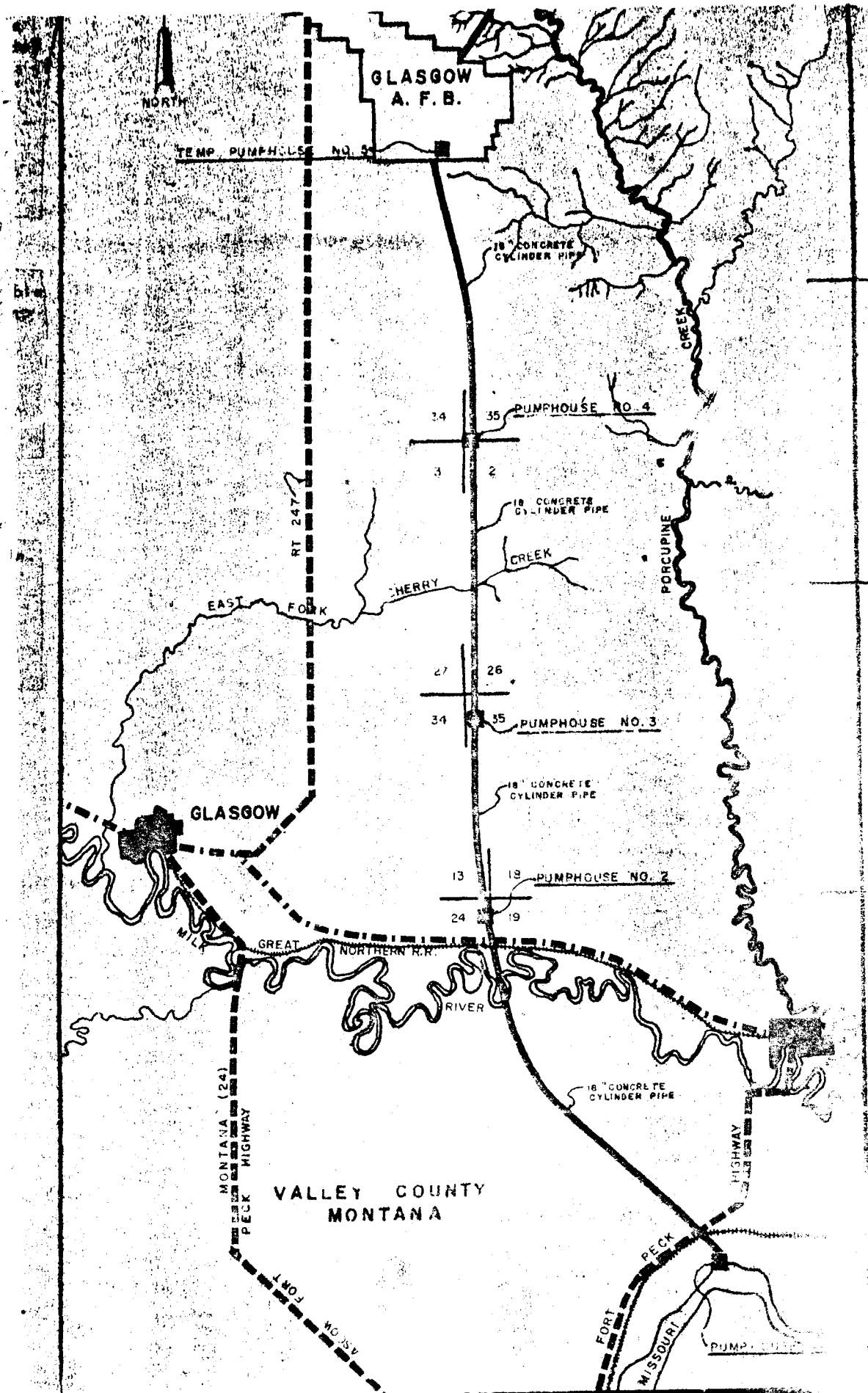
The alternative we propose consists of retaining the individual septic tanks, but replacing the drainfields with small diameter pipe and pumping the effluent to an aerated lagoon/slow rate land application (irrigation) site located in a farming area East of the Flathead river.

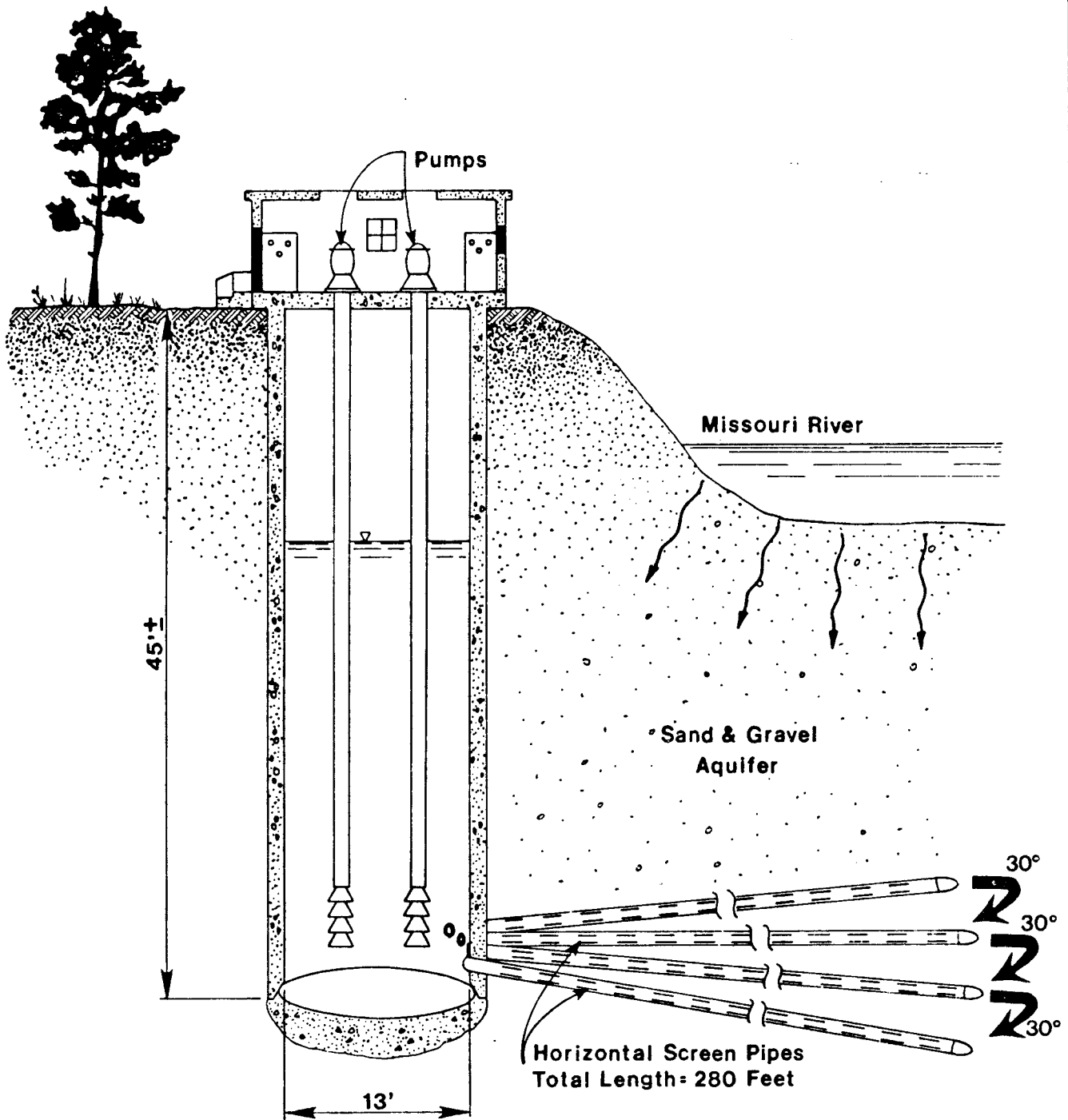
The adverse impacts from this proposal will be the minor, short term ones usually associated with construction, and those will be minimized by the small diameter pipe, requiring less excavation. The crossing of the Flathead River will be accomplished by an insulated force main attached to the existing highway 35 bridge and will not affect the river.

Area residents and groundwater users will directly benefit from this project through the prevention of disease and improved water quality. Elimination of the sources of present contamination will benefit the Flathead River system and Flathead Lake.

The total cost of this project is estimated at \$10,666,600. Of this, approximately \$9,289,600 is for construction and contingencies, \$178,000 for land aquisition and \$1,199,000 for engineering and administration. We are on the 1985 funding priority list to receive \$7,439,700 in construction grant matching funds from the Environmental Protection Agency. In order to receive these funds, we must have the local share of project costs in hand. Therefore, we are applying for a grant of \$100,000 and a Coal Severance Tax Bond loan of \$3,126,900.







**Ranney Method
Collector Wells**

2-19-85

WITNESS STATEMENT

NAME Louise Seybold BILL NO. _____
ADDRESS Box 87 Lima Mont. DATE 2/19
WHOM DO YOU REPRESENT? Town of Lima
SUPPORT _____ OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

On loan factor of DNRC program.

Loan for Town of Lima not feasible.

Not appraised of the fact of \$200,000 limit and put
into cool savings program.

We at Lima school bonds for \$750,000 and the taxes
are coming up in 1985. The town is approximately
(60-70 retired people on pension. The council doesn't
feel we can raise the mill levy by bonding for
\$365,000 at this time or in the future.
A loan factor of 1.26 is ample if we can
receive grant money either from DNRC or C.D.B.L.

Exhibit #6
2-19-85

WITNESS STATEMENT

NAME Margaret M Simons, Roosevelt Co Planner BILL NO. _____
ADDRESS Wolf Point MT DATE 2/19/85
WHOM DO YOU REPRESENT? Roosevelt County Rural Water District
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We have a serious problem with poor quality water in Eastern Roosevelt County.

The Area is rural & low in income
the max affordable rate for water
would be a base rate of around \$40
(\$77 with water) To reach this goal
more grant \$ + lower interest rates are
needed

Long Range Bld. Jan 202

Roosevelt County Rural Water District

Problems with present Water Sources

Town of Froid - ^{well} water contains *
250 mg/l Sodium⁺ (MTDMS says 20mg/l harmful to persons on a ^{low} sodium diet)

4.56 mg/l Iron - 15 times recommended max of 0.3mg/l

0.51 mg/l Manganese - 10 times rec. max of 0.05mg/l

571 mg/l Sulfates

645 mg/l Hardness - considered extremely hard

Froid Residents spend up to \$20/month to treat water
low income persons can't afford to treat the water

Dane Valley Well Used by 40 Families

in McCabe (unincorp. town)

Well declared unsafe for human consumption

by Water Quality due to high Nitrates & bacterial contamination
hazardous to babies, [↓] preg women, can cause cattle abortions

Fort Kipp well water

926 mg/l Sodium

0.92 mg/l Iron - 3 times rec max of 0.3mg/l

1,180 mg/l Sulfates

Water tastes so bad that people won't drink it, ~~it~~ is also extremely hard

Rural Areas - more of the same

Some water is so bad that cattle won't drink it

* Safe max. levels of Sodium not established

* Does not effect health - "only" causes problems - except

town does not treat the water

4:20 7:30

Area to be served includes the 3 communities mentioned & a large surrounding rural area.

The water supplied by the project would be for human & stock consumption.

Using ^{the} water for stock will improve the local economy, because more cattle could be put on the range if a good water supply was available.

Area is low income (about \$2,000 less than County median income of \$16,000).

Also many retired Farmers, & widows living in Froid. Due to several years of drought many Farmers are struggling to survive or going broke.

Financial

Total Cost 2.2 million

Offered via DNRC / Legislative Council 1982:

\$100,000 grant

\$100,000 loan at current interest rates

\$1.79 million at 6.5% interest

because of
↑ rest on loans
↓

Funds were adequate for construction but user rates would have been too high at

\$105 per household/month (base rate \$67, no water)

↑ This amount is 9% of median income

(1980 census) of \$13,986 in Water District.

Residents of the district can not afford to pay more than \$77 / month or a base rate (no water) of \$40 / month

Applied to...

FmHA - Won't consider project we are "ineligible" A similar project in North Dakota & similar income levels was funded by ND FmHA.

CDBG - didn't get funded - maybe next year?

We ^{reapplied} asked ^{DNRC} For a ~~loan~~ grant of \$555,000 and a loan of \$1664,124 (a higher proportion of

DNRC Recommended \$2,219,124 loan

unless this loan is at 2% interest the District can not afford to accept it or build the project

With their recommendation for a loan assuming 9% ^{interest} user rates would be \$125 / month?

Margaret M. Simons RA
Roosevelt County Sanitarian / Planner

Dane Valley Well

*Roosevelt Co
Rural Water
District*

*File Copy
made*

*Submitted by
Margaret Shilons
Exhibit #7
2-19-85*

GLEN LARSEN
HC 60, BOX 36
CULBERTSON, MT. 59218

September 14, 1984

Govenor Ted Schwinden
State of Montana
State Capitol
Helena, Montana 59620

Dear Govenor Schwinden,

On August 26, 1984 I talked to you at the Dean Harmon for Senate Fund Raiser in Culbertson regarding some of the problems we have been having with our drinking water for household and livestock.

The water in the Dane Valley Well where we get our drinking water has been condemned due to the increase in nitrates and bacteria, (Please see enclosed report on Dane Valley Well and the letters I have received from the Sanitarian) about forty families haul their drinking water from this well. Other wells in the area have gone bad making them unfit for people to use. Some water is so bad that it will either kill livestock or they will not drink it.

I think we have an emergency here with our water. The drought conditions that we have experienced the last four out of five years has really hurt. This year yields in our community were one third of normal. Crop prices have really been depressed and we are wondering how we can afford water bills of over \$100 per month if the Roosevelt County Rural Water District is able to put in a pipeline to bring drinking water from Culbertson to our farms. The County Planner and the County Agent have been making applications to Farmers Home, Community Block Grant, and the States' Water Development Program administered by the DNRC. The State Legislature did pass legislation in 1983 to give us a small grant and a \$ 1.79 million loan at 6.5% interest but the County Agent tells me that average rates will be over \$100 per month for water for my household. I can't afford this rate along with the other expenses I have to pay to continue to live and farm on my place. There are other families in my community that would have real difficulty in paying \$100 per month for drinking water. We need some decent water at an affordable price. Water rates need to be brought down to a minimum rate of \$35 per month.

Glen Larsen letter

Page 2

Unfortunately I understand that in Montana \$100 per month for water is considered "reasonable" by Farmers Home and other financing agencies, while not more than seventeen miles from my farm, in North Dakota any minimum rate over \$35 or \$40 is considered too much for people to pay by Farmers Home.

With the lack of a decent supply of water the only alternative we have in our community is a supply of water which we can't afford.

We need cooperation among the financing agencies in the State and quick action to help us solve this emergency. Sizable grants and/or lower interest loans than what is presently available is needed to make a Rural Water System affordable.

I have enclosed copies of the applications that our County Planner and County Agent have put together. These applications explain the project and what is needed for financing it.

If you need more explanation on this project contact the County Planner (653-1590, Ext. 22), County Agent (787-5312) or give me a call at 787-5501.

Anything you can do to help us solve this emergency would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Glen Larsen".

Glen Larsen

Enclosures

GL:cds

WITNESS STATEMENT

NAME Robert Redfield BILL NO. _____
ADDRESS Twin Bridges DATE 2.19
WHOM DO YOU REPRESENT? McHesso & County JRR.
SUPPORT _____ OPPOSE _____ AMEND ✓

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: To Amend DNRC WATER Resources
Division Proposed Bill

VISITORS' REGISTER

LONG-RANGE PLANNING SUB COMMITTEE

COAL SEVERANCE TAX

BILL NO. BOND PROGRAM-WATER DEVELOPMENT DATE FEBRUARY 19, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Louise Seybold	Lima, Mont.		
Robert Redfield	Twin Bridges		
Margaret M Simons	Roosevelt Co Rural Water Wolf Point Dist	X	
DANIEL L. KRUN	WORDEN, MT. 59088	X	
Joe Jacobine	Worden Mt 59088	X	
Louis B. Gafes	Kalispell		
Eugene A. Thompson	Energy Water Development Kalispell	X	
Paul J. Stokes	Kalispell	X	
Allen Beard	Elliston	X	
Ronald S. Jousnowich	Fort Benton, MT	X	
Jon G. West	Four Bears, Mt.	X	
Chas. E. Baderob.	Ballantine Int.	X	
Jack Light	Ballantine Int.	X	
Harold Ketterling	Ballantine Int.	X	
Ken Loveland	Peplar Mt.		
Howard Smith	Peplar, Mt.		
Randall Ritey	Peplar, Mt.		
Keith Stone	Twin Bridges	X	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

LONG-RANGE PLANNING SUB COMMITTEE

BILL NO. BOND PROGRAM - WATER DEVELOPMENT DATE FEBRUARY 19, 1986

SPONSOR _____

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.