

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

March 12, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on March 12, 1985 at 4:45 p.m. in Room 132 of the State Capitol.

ROLL CALL: All members were present with the exception of Representative Nathe and Senators Smith and Boylan, who were excused.

FISH, WILDLIFE AND PARKS

Representative Swift (79:A:010) made a motion to line item \$75,000 to go to the Natural Heritage Information System program if they could get funding from other sources. Representative Spaeth seconded. A Voice vote was taken and the motion carried unanimously.

HOUSE BILL NO. 740: Hearing commenced on House Bill No. 740. Representative Ed Grady, District #47, sponsor of the bill, stated that the purpose of this bill is to appropriate \$12,242 for the years 1985 and 1986 for the Montana Water Users Development Association.

Chairman Manuel called for proponents of House Bill 740.

Jo Brunner, Director, Montana Water Development Board, said they are requesting \$12,242 for dues for the National Water Resource Association. See Exhibit "DDDDDD".

Ken Kelly, (79:A:96) Montana Water Development Association, testified in support of this bill.

Chairman Manuel called for opponents to House Bill 740. There being none, Chairman Manuel called for questions from the Subcommittee.

Discussion was held.

There being no further discussion on House Bill 740, the hearing was closed.

Chairman Manuel turned the chair over to Representative Spaeth at this time.

HOUSE BILL NO. 909: Hearing commenced on House Bill No. 909. Representative Rex Manuel, District #11, sponsor of the bill, said this bill is by the request of the House Appropriations Committee.

Larry Fasbender, Director, Department of Natural Resources and Conservation, said House Bill 909 relates to the Alternative Energy Program. See Exhibit "EEEEEE".

Rose Levitt, representing the League of Women Voters of Montana, testified in support of House Bill 909.

Chairman Spaeth called for any opponents to House Bill 909. There being none, Chairman Spaeth called for questions from the Subcommittee.

Senator Lane (79:A:311) asked if there are any matching funds for this. Mr. Fasbender said the program as it is set up, provides grants for research and development for programs that would eventually be eligible for commercialization.

Mr. Fasbender said in this bill they would give out fewer grants and loans. They would direct most of the money into retrofitting State buildings for energy conservation, demonstration purposes and to save the State money.

Mr. Fasbender said they have about \$2.3 million out in loans right now from the grant and loan program. Mr. Fasbender said they would have about \$200,000 a year going out in loans per year under this bill.

Mr. Fasbender said the grant program is funded from a 4.5% tax on the Coal Severance Tax.

Mr. Fasbender said depending on how much money is available in the Alternative Energy program, in excess of \$1 million would be available for retrofitting in the biennium.

There being no further discussion on House Bill 909, the hearing was closed.

Meeting adjourned at 5:20 p.m.


Representative Rex Manuel
Chairman

NATURAL RESOURCES SUBCOMMITTEE

Date 3-12-85

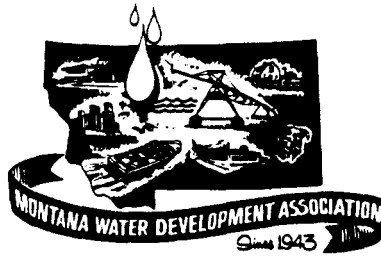
CS-30

Richard Kennedy, President
806 S. Washington
Dillon, MT 59725

Ron Schofield, Vice President
3840 N. Montana Avenue
Helena, MT 59601

Leroy Gabel, Vice President
Huntley, MT 59037

Robert Ellis, Treasurer
1735 Sierra Road East
Helena, MT 59601



D. Keith Williams, Secretary - NWRA Director
P.O. Box 2538
Billings, MT 59103

Mark Etchart, Alternate NWRA Director
Box 229
Glasgow, MT 59230

K. M. (Ken) Kelly, Executive Secretary
P.O. Box 5744
Helena, MT 59604

(406) 458-5861

Mr. Chairman, members of the committee, for the record, my name is Jo Brunner and I am a director on the Montana Water Development Board and speak in that capacity at the hearing today.

Mr. Chairman, I would first like to give you some background on the Montana Water Development Association.

The MWDA is comprised of members from just about every segment of industry in Montana. Our membership is made up of Irrigation Districts, Montana Power Company, Electric Cooperatives, members of banking systems, besides individual memberships, and farm organizations. Our membership is open to anyone interested in the water of Montana.

We have a board of directors elected from the membership, and pretty well includes at least one person from the various interests.

The MWDA is not only interested in Montana water, we are actively involved in using that water beneficially, in lobbying for bills in the best interest of our interests.

Mr. Ken Kelly, who will speak further is our Executive Secretary and our lobbyist and I am sure that some of you may have been approached from time to time on a bill for the Montana Water Development Association.

The MWDA is the only state-wide organization concerned solely with water issues---the only citizen participation organization in the State of Montana. And as indicated previously, our directors and members are widely diversified, to provide a broad scope of interest and informational material.

State dues are assessed each member, according to the category of their membership, and while we would like all irrigation districts and all ag. organizations to belong, they do not. For many of the small irrigation districts it is simply not practical, because of their size or because they are only paper organizations---too small and unorganized to charge dues or have officers.

DIRECTORS

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Ballantine, MT

ED LENHARDT
Billings, MT

JOHN SAUNDERS
Arlee, MT

JO BRUNNER
Power, MT

ROBERT LePROWSE
Milltown, MT

FAYE SEEL
Malta, MT

ANGELLO CRISAFULLI
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LYLE McKENNA
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DIRECTORS EMERITUS

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Helena, MT

TED WILLIAMS
Bozeman, MT

HAROLD ZENT
Hysham, MT

National dues are set up according to how many irrigators ^{ad levels} there are in the state.

Montana has several members serving on various boards at the National level: Mark Etchardt, Kieth Williams, Ken Kelly, Dick Kennedy, Robert LeProwse and John Saunders.

These people are either funded by the businesses they work for, such as Mr. Lee Prowse by Champion, and until recently, due to some adverse problems with Montana Power, that company funded Mr. Williams.

Others who attend National Conventions or Board meetings are either funded organizations---when I attend, National W.I.F.E. pays my expenses, or they may have their irrigation districts, if they are on the board pay, or it comes out of their own pockets.

This request is simply and only for the dues assessed by the National Water Resource Association to the Montana Water Development Association.

National Water Resource Association covers 15 Mid-western states, mostly I believe those covered by the Reclamation Act. Several of those states, Wyoming, Oklahoma, Kansas, New Mexico and I think Idaho are funded at the National level either partially or completely by the state government. And this also allows participation by DNRC or their equivalent, in the NWRA.

Our state organization, and actually the state in general, is recipient of a great deal of help from NWRA in one form or the other. NWRA maintains an Executive secretary; lobbyist full time in D.C.--who does a great deal of research work for the various congressional committees and has regular contact with both the House and Senate through the various NWRA committee chairmen, and through the exec. secretary/lobbyist.

In the very recent past, or currently, Montana projects receiving help from NWRA include the Greenfields irrigation district that I live on and where we just put in about \$8 million of R & B work---the East Bench out of Dillon, Buffalo Rapids project and currently one of the utmost of importance to those who live on the Milk--participation in finding a solution to that problem.

Reaching out a little further, NWRA is immediately concerned with the Garrison project in North Dakota, especially with the problems that came up with the formation of the committee to study the Garrisons feasibility, and the apparent effort to circumvent the Pick-Sloane.

Mr. Chairman, the Montana Water Development Association is quite able to take care of expenses incurred in the state, as to organizational expenses and to participating and working on water projects beneficial to all the population of Montana.

However, we are unable to continue to finance the burden of the National organization. In the Past we have borrowed money to operate on in order to pay the National assessment, we find that this is just not feasible any longer. We have on occasion managed to get our assessment lowered somewhat but that is no longer possible, and were informed that we would no longer have a vote on the National level if we did not pay in full.

We entered this bill in the hopes that the Legislature could see the benefit the state as a whole derives from the Montana Water Developments

involvement with the National Association and recognize that several of our sister states do realize the benefits to their state, through Department of Natural Resource affiliation and through the help their various projects receive from the national level.

We realize the crunch the state finds itself in at this time, and that there are a lot of requests for large and small fundings,. We do ask that you consider our request for \$12,242.00 for the years 1985 and 1986.

Thank you.



December 17, 1984

OTHER DIRECTORS:

J.A. (Ted) Riggins, Jr.
Phoenix, AZ

John Sayre
Denver, CO

Robert T. Chuck
Honolulu, HI

John Rosholt
Twin Falls, ID

Ray E. Cudney
Haviland, KS

D. Keith Williams
Billings, MT

Homer Leutzenheiser
North Platte, NE

Dale Schulka
Reno, NV

Vern Fany
Bismarck, ND

R. G. Johnson
Clinton, OK

Jeff Nelson
Madison, SD

Lynn S. Luelow
Orem, UT

Joe Horrall
Seattle, WA

Merl Rissler
Casper, WY

Linus Tumbleson
Associate Members

INVOICE

To: Ken Kelly
Executive Director
Montana Water Development Association
P.O. Box 5744
Helena, Montana 59604

From: Litsa Deck
Executive Assistant
National Water Resources Association

1985 State Dues

Due and Payable:

\$ 6,121.00

Method of Payment:

Full _____ Quarterly _____ Semi-annual _____

NOTE: All funds are due and payable to NWRA by January 31, 1985, unless otherwise notified. Those states wishing to pay on a quarterly basis must have half of their total assessment paid by June 28, 1985 and the final half by September 30, 1985. Any state not following the recommendations of the Board of Directors will not be allowed to cast their vote at the upcoming meeting. (Exception being those states with state appropriated funds.)

cc: D. Keith Williams
Wayne Cunningham

The Montana Water Development Association
is concerned with the following:

MONTANA WATER DEVELOPMENT ASSN.

P.O. BOX 5744
HELENA, MT 59604

**MONTANA
WATER DEVELOPMENT ASSOCIATION
GOALS**

1. Adjudication of water rights.
2. Irrigation - flood and sprinkler.
3. Indian water rights.
4. Blue ribbon trout streams.
5. Recreation provided by all water projects.
6. Priority of water rights.
7. Point source discharge.
8. Non-point source discharge Sec. 208 PL 92500.
9. Adequate low-cost electrical power for agricultural uses.
10. Municipal and industrial water supply.
11. Reasonable claims for water.
12. Ground water conservation and beneficial uses.
13. Pollution control.
1. Protect and enhance water resources for the benefit of the people.
2. Assure orderly planning of water projects.
3. Protect Montana State and individual water rights.
4. Provide open forum for discussion and decision on proposals for development within all stream basins.
5. Participate with local, state and federal agencies in planning development of land and water resources.
6. Sponsor meetings for fair and full discussions involving water conservation and irrigation practices.
7. Cooperate with and support organizations working for same objectives on area, state, regional or national basis.
8. Promote federal and state legislation of importance to state water interests.
9. Provide state's share of National Water Resources Association's budget for securing broad support for reclamation projects.
10. Reduce stream and lake pollution.
11. Prevent flood disasters.

Water measurements:

1 cubic foot = 7.48 gallons
1 acre foot = 325,900 gallons
1 acre foot of water supplies a family for one year.

PLACE
STAMP
HERE

How does the Association accomplish its goals?

1. By legislative action.
2. By Congressional action.
3. By holding public meetings.
4. By use of the news media.
5. By affiliation with the National Water Resources Association.
6. By keeping the membership informed of developments which may adversely affect their well being.

Specific Actions taken in Montana

1. Successfully supported sprinkler tax equality bill.
2. Supported off-stream storage development in Yellowstone drainage.
3. Opposed wilderness lockup of Montana lands.
4. Support funding for additional development on Sun River, Tongue River and Milk-Marias Projects.
5. Revised small reservoir permits to allow fast construction.

Actions taken re Federal Government

1. Information meetings with new Congressmen.
2. Successfully opposed Indian water codes as adverse to public interest.
3. Requested Congressmen to support and clarify navigable streams re PL 92-500, Sec 404 to dredge & fill permits.
4. Developed and actively supported changes to modernize the 1902 Reclamation Act.

Who belongs to the Montana Water Development Association?

Irrigators, ranchers, dry-land farmers, bankers, lumbermen, well drillers, chambers of commerce, large and small industries, irrigation districts, irrigation companies, transportation companies, attorneys, professors, private individuals — anyone or any business concerned with sound enhancement of our natural resources, the preservation and protection of our water rights, or the development of specific water projects. The membership is extremely diverse with representatives from all groups.

How are the members represented?

1. Officers consist of a President, First Vice President, Second Vice President, Secretary, Treasurer, Executive Secretary, NWRA Director.
2. Twenty-four Directors
3. And 35 Advisors

All are selected for their interest and willingness to give of their time to promote the Association's objectives.

Other activities.

1. MWDA is engaged in an active publicity program.
2. Provide a representative at the legislature when in session.
3. Quarterly meetings are held except when the legislature is in session then monthly.
4. News Bulletin.

MONTANA WATER DEVELOPMENT ASSOCIATION MEMBERSHIP APPLICATION

Return to: MWDA, P.O. Box 5744, Helena, MT 59604

Amount enclosed

Address
Street or P.O. Box

City

State

Zip

Name

Occupation

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

ENERGY DIVISION



TED SCHWINDEN, GOVERNOR

32 SOUTH EWING

STATE OF MONTANA

(406) 444-6697 ADMINISTRATOR & PLANNING AND ANALYSIS BUREAU
(406) 444-6696 CONSERVATION & RENEWABLE ENERGY BUREAU
(406) 444-6812 FACILITY SITING BUREAU

HELENA, MONTANA 59620

TESTIMONY FOR HOUSE BILL 909

My name is Larry Fasbender, Director of the Department of Natural Resources and Conservation. The Department supports HB 909.

This bill will permit funding of energy conservation retrofits of state buildings through the Renewable Energy and Conservation Program (RECP), provide for repayment of the funds while preserving the research, demonstration, commercialization and information aspects. Adding conservation retrofit grants will strengthen the current program (RECP) and provide long term energy and cost savings to the state and therefore, the taxpayers in Montana.

Last year, state agencies paid over \$12 million dollars for electricity and natural gas in its facilities. The state owns over 1,000 buildings larger than 4,500 square feet and literally hundreds of smaller ones. State buildings include offices, warehouses, dormitories, retail stores, food services and hospitals. Retrofits of these buildings would demonstrate the cost effectiveness of conservation and its applicability to similar commercial buildings throughout the state.

Under this proposal Renewable Energy funds will be awarded in FY86 and 87 to reduce the energy needs of state buildings in the future. State agencies will repay the grants in regular scheduled payments based on the expected energy savings, or payback potential of the retrofit. Thus, not increasing the agencies projected energy bills. These funds will be returned to the account and reused to provide more retrofits which will provide additional energy and subsequent dollar savings. While some retrofits may pay for themselves quickly the primary benefit of this program will be long term energy cost savings.

In 1975, when the Legislature created this program, it anticipated a future in which energy was a critical concern. The Legislature envisioned renewable energy and conservation as the most viable long-term solution to these energy problems. Their vision was accurate. Energy costs have increased in the past ten years placing economic hardships on agricultural and other businesses, industry, local government and residential consumers. Montana is heavily dependent on fossil fuels. Even today, with a relative abundance of electricity and natural gas available to us, the nation still imports a significant amount of its energy needs. It would only take one international incident, or the failure to complete planned generating units in the Northwest, or even the strong development of new industries for the current energy surplus to evaporate.

It is clear that the development of conservation and renewable energy technologies is vital to the well being of this state. Maintaining a diversity among our energy sources is tremendously important. The Legislature allocated a portion of the coal severance tax to develop these renewable technologies.

March 11, 1985

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This set a policy to use proceeds from coal, a finite resource, to develop new energy resources and energy industries. This was a wise and prudent decision. Montana needs to continue to promote a forward looking energy policy.

During this time of relative energy surplus it is critical not to lose the capability to effectively deliver programs. Conservation is the most cost-effective energy source that can be acquired to serve future energy needs. For a conservation program to be successful, the commercial or residential energy consumer must be aware of the significance of conservation and knowledgeable of the ways to conserve. HB 909 will further educate and demonstrate these techniques to the public.

Unlike a street lighting program that can be developed and put on hold, public education, information and current state-of-the-art technologies cannot be turned off during an energy surplus and expected to be effective and current when it is turned on again several years later.

The program will continue to award grants for research into new technologies that show promise in Montana and make more efficient use of Montana's existing agricultural and timber resources. Loans to establish and foster new businesses and activities to inform consumers about renewable energy and conservation will also be continued.

The Renewable Energy and Conservation Program's purpose has been examined and reexamined by every legislature since it was established in 1975 when the 44th Montana Legislative Session passed Senate Bill 86. Almost every session since has attempted to improve the program by amending various sections to accommodate for changing technologies, or emerging new businesses or encouraging commercialization or some other factor associated with the agonizing growing pains of a maturing new industry. But the subsequent amendments including the one we are supporting today are fine tuning measures to keep a tremendously important program running. After countless hours of debate and discussion over the years the decision has always been that the original intent of the program is still sound; that the wisdom of the 44th Legislature was indeed commendable and that while legislative priorities and membership might change over the years, legislative wisdom does not. It is still wise to plan for the future and to learn from the past. The RECP is and continues to be a cornerstone to Montana's energy future. It forms the foundation for future generations to build upon.

I have no crystal ball or special knowledge of circumstances that have yet to occur. But I believe we cannot afford to be a "now" Legislature concerned only about our immediate needs and shortcomings. We have always had a sense of continuity and concern for future generations. HB909 and the expansion of the Renewable Conservation and Energy Program reaffirms that commitment and concern.

VISITORS' REGISTER

COMMITTEE

BILL NO. HB 940DATE 3-12

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
K.M. Kelly	Helena MWDA	✓	
W. J. ...	Helena MWDA	✓	
HB 909			
Rose Lepvitt	LWV of Int. - Helena	✓	
Bob Robinson	DNRC - Helena	✓	
J. ...	DNRC - Helena	✓	
Larry ...	DNRC - "	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.