

MINUTES OF THE MEETING
LONG RANGE PLANNING SUBCOMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Long Range Planing Subcommittee was called to order by Chairman Rep. Robert Thoft on January 23, 1987 at 8:00 a.m., in Room 202B of the State Capitol.

ROLL CALL: All members of the Long Range Planning Subcommittee were present except Rep. Donaldson who was excused.

Tape 38:A:000

WATER DEVELOPMENT PROJECTS

Grant #12 Edgar Canal Project:

Rep. Spaeth said he was in favor of the project.

Grant #7 Mile High Conservation District: (116)

John Driscoll submitted a fact sheet to the Subcommittee (Exhibit #1).

Mr. Driscoll presented a video of the Berkley Pit for the Subcommittee.

Mr. Driscoll said the pit is filling at 10 feet per month. He stated the pit will be filled to the aquifer in 4-8 years. Mr. Driscoll said the water in the pit may be 570 feet deep, and there are 30-40 dirty water falls flowing into the pit. Mr. Driscoll stated one half of the water is coming from surface water and the other half is from underground springs. (267)

Kathy Hadley said they are trying to extract the minerals from the water to fund the cleaning of the water.

Ted Dodge said he is in favor of the project. (329)

Howard Peavey said the high metal concentration makes the acidity level too high for animals or people. He said there is technology available to clean the water. (411)

Mary Seccam said she is in favor of the project.

George Ochenski, Montana Environmental Information Center, said he is not in favor of the project.

Chairman Thoft asked if the surface water could be diverted away from the pit. Mr. Driscoll said that surface water is already contaminated and would not stop the problem. (499)

Rep. Bardanouve asked if this polluted water will end up in the Clark Fork River. Mr. Driscoll said yes. (560)

(38:B:000)

Grant #51 Sage Creek County Water District: (075)

Gerry Tempel said there are ten rural water users. Mr. Tempel said they are at a 75% capacity, so they have room for expansion to the south of the district.

John Season submitted two work sheets (Exhibits #2, #3).

Mr. Season said they want to renegotiate their current loan. He said their balance of the loan is \$606,000 and he said they would like a 5% loan over 30 years of \$39,000 a year.

Mr. Season said their current system is a 1 gallon per minute gravity fed system.

Mr. Tempel said the rates will increase in 1988.

Grant #50 Fish Wildlife and Parks
Grant #56 Fish Wildlife and Parks
Grant #57 Fish Wildlife and Parks:

Grant #50 Ashley Lake Dam Rehabilitation:

Don Hyppa, FWP, said FWP wants authorization to spend federal funds if available. Mr. Hyppa suggested that the department be authorized to spend FWP license fees.

Grant #56 McNeil Slough:

Mr. Hyppa said FWP asked for funds last session in the WD program, but did not make the funding cut off. (477)

(29:A:000)

COAL SEVERANCE TAX LOAN PROGRAM

Town of Browning: (024)

Sen. Del Gage said he is in favor of the project.

Wayne Juneau submitted written testimony of Bob Garvis and a fact sheet (Exhibit #4, #5)

Jay Billmeyer, Engineer, said the water users' average billing is just under \$9/mo. currently and will increase to \$17. Mr. Billmeyer said they qualify for a 2% instead of 1% because the median income is low (\$7,850/year).

Mr. Juneau said if they secure this loan from this Subcommittee, they will get other federal grants. (195)

City of Harlem: (275)

Ken Shell, Public Works Division, said \$13.76 is the average household water rate.

Rep. Bardanouve spoke in favor of the project. (330)

FWP - Gartside Dam: (499)

Jim Flynn, FWP, said FWP purchased private land in 1986.

\$257,000	Federal Land and Water Conservation
93,000	Federal Federal Park Revenue
<u>250,000</u>	Federal Land and Water Conservation Funds
\$600,000	Construction
24,000	Interest Over 3 Years

William Wyman said he is opposed to the project.

Sen. Tveit said he is in support of this project.

William Wyman said when the dam is in operation 35-40 acres of his land is saturated with water. (39:B:000)

Greg Wyman said he is opposed to the project. Greg Wyman said test wells were put in the wrong location. (40:A:000)

Orin Ferris, HKM Associates, said the water table may have fallen after the dam was breached in 1985. He said the drain system could be feasible if it dumped the water below the dam.

Don Hyppa said the dam is 31 feet high. Mr. Hyppa said FWP owns the dam and the property below the dam.

City of Helena: (295)

Richard Nisbet said Helena would like a loan of \$10,202,600 for the replacement of transmission lines. Mr. Nisbet said there is leakage due to mains. Mr. Nisbet said Helena has been under mandate from the Board of Health for eight years. Mr. Nisbet said Helena has higher water rates than any other city in Montana. He said DHES compliance order must be met by 1989. Mr. Nisbet said \$8 million was issued two years

ago to Helena (1984). Mr. Nisbet said the plant will take two years to construct. (436)

Milk River Irrigation Districts: (474)

John Overcast said he is in favor of the project. Mr. Overcast said Tiber Dam was originally built to irrigate west of Big Sandy, but people west of Big Sandy rejected the use of the water. Mr. Overcast said the water is reserved for the Milk River Irrigation Districts. (515)

(40:B:000)

Mr. Overcast said Montana Renewable Resources is working with New York investors.

Mark Echart submitted written testimony (Exhibit #5).

Jo Brunner spoke in favor of the project.

Rep. Bardanouve spoke in favor of the project. (077)

George Ochenski, Montana Environmental Information Center, said he opposed to the project and submitted a fact sheet. (Exhibit #6). Mr. Ochenski said there are three different projects all with different amounts of electricity generated. Mr. Ochenski said the Board of Health will not allow the project to remove water from the higher thermoclines, to the lower, due to effect of trout fisheries. Mr. Ochenski said \$5 million additional costs added to the project due to fishery management costs.

Jim Jensen, Montana Environmental Information Center, said there is no reason why this project can't go to the private sector for funding. Mr. Jensen said the City of Chester and Liberty County's project will be funded through the private sector.

Mr. Overcast said the water will be drawn from the bottom of the lake. Mr. Overcast said this will be a "run-of-the-river" plant. He said there will be no additional discharge, the Bureau of Reclamation controls the discharge.

Sen. Aklestad said the BOR has never guaranteed a minimum flow. (397)

Mill Creek Water and Sewer: (41:A:000)

Pete Storey said he is in favor of the project.

Marty Malone submitted a fact sheet (Exhibit #7). Mr. Malone said he is in favor of the project. (399)

Steve Kunz submitted a fact sheet (Exhibit #8).

(41:B:000)

Dave Rigler said he is in favor of the project.

West Yellowstone: (262)

Ken Davis said this is one phase of a \$6 million project. Mr. Davis said West Yellowstone has a 3% resort sales tax and will use the proceeds from the tax to repay the loan. Mr. Davis said House Bill #99 allows West Yellowstone to bond against the generated resort tax monies.

Jim Keller, Foresman Perkins Engeering, said the water users pay \$31 a month for water. Mr. Keller said water users will no longer need to operate their own wells. He said the rates will increase 50%.

ADJOURNMENT: There being no further business the Long Range Planning Subcommittee adjourned at 11:00 a.m.



Chairman Rep Bob Thoft

law

DAILY ROLL CALL

LONG RANGE PLANNING

SUBCOMMITTEE

DATE 1/23, 1987

[illegible]

EXHIBIT 1

DATE 1/23/87

HB

ORGANIZATIONAL CONCEPT: HRI

John Driscoll

On December 1, 1986, the final Articles of Incorporation and By Laws for the Headwaters Research Institute were submitted to the Montana Secretary of State. This paper is to briefly outline the principle concepts that underlie the organization's formation, and, by attachment, state the mission of the organization for this "Reindustrialization Project".

The major concepts that will be discussed in turn are: the economic "driver" and the "R&D community self development" approaches to economic development; the national need to apply advanced technology to basic human and industrial problems; a new technological era that may see an integrated approach to development processes so that harmful waste is addressed internally to the production process rather than at "the end of the pipe"; the chance to turn a perceived problem into an economic opportunity; the need to avoid past mistakes of history by establishing a structure for local initiative and direction; the need to develop a systematic organization and synthesis of technologies that will keep the Clark Fork River Basin clean and wealth being created long after the Superfund is exhausted; the need to coordinate the locality's, state's, and region's scarce technological resources; the need to encourage commercial spin-off activity; the need for a public interest driven coordinator of various agency activities; and the need for an organization that will look for an optimal solution to all related problems, rather than seize on one solution because of grant money availability in one area, or profitability in another.

1. President Kennedy's goal to put a man on the moon in the 1960's, or the U.S. Congressional effort to build parallel transcontinental railroads in the late 19th Century are two examples of seizing upon missions barely within reach, organizing scarce resources toward them, and using them as massive drivers in critical parts of the national economy. The mission to lead the redevelopment of the Butte Hill is barely within our reach, but achievable. The very difficulty of the mission, tells us its impact as a regional economic "driver".

2. The truly effective economic development programs for this region have traditionally been the Re-

source, Conservation and Development community self-help programs. Therein an individual or group with their "good idea" asks the advice and assistance of other members of the same community to learn the wisdom of local experience. This idea began as an RC&D Project with a single sponsor. Credible people with relevant experience have since helped to bring the idea to its present stage, in much the same way that a group of farmers and ranchers have often helped fellow farmer with his special project. The success of the project benefits all. Thus the need for, and existence, of a western tradition of cooperation. Considerably more collaboration and cooperation will be necessary before this mission is accomplished, but its here in the regional technical community to be had.

3. Nationally, we pride ourselves in our advanced technology (information age, biotechnical age, etc.), while, locally, we scold ourselves for being "anti-business" (a word that has prevented able Montanans from communicating intelligently about the nature of our real problem, and some possible solutions). Ironically, it appears that every part of the country is up against the same problems in their basic industrial sectors, and similarly wasting their time gnashing teeth about the "anti-business climate". It appears more accurate that our country has been unable to rapidly translate its edge in advanced technology into wealth creating activity in the basic industrial sectors. This very problem has been an important topic of discussion among members of the National Academy of Sciences. This project is intended to bridge that gap, and to bring existing or newly developing technology to bear in new combinations on traditional problems. On the ore processing side of the mission we are talking about breathing new technology into industrial activity that was rather unique to the Butte Anaconda area, or at least unique to an industry that has of late been on very hard times. On the water cleaning side of the mission, we are talking about developing or applying new technologies in an area that is rapidly gaining national significance: the cleaning of low grade non-organics from water.

4. The mission of this effort has been stated specifically to encourage redevelopment that will address potentially harmful waste in ways that are internal to the production processes. If we treat this new industrial effort as one that claims clean air and water as important and valuable products, we are more likely to attempt to achieve international market competitiveness without subsidizing that competitiveness with a dirty environ-

ment, or unsafe work place. The presence of Superfund incentives to actually develop technologies for mitigating environmental problems and cleaning up the Butte Hill, give us a better chance of actually producing clean water as an actual product. Beyond the immediate, however, it is clearly becoming an international goal to develop management styles and organizational approaches that will synthesize technologies to maximize wealth creation and minimize harmful side effects.

5. This is a major chance to turn a perceived problem into an opportunity. Its the old timers in Montana that first indicated their concern that we may be missing the chance to use the unchained water forces in the Butte Hill to accomplish old goals faster and cheaper, as well as develop new goals. These same veterans of the "Richest Hill on Earth" are as mindful of the enormous wealth that still waits to be converted in the environs of the Berkeley Pit. Certainly, the Berkeley Pit is a unique site for water cleaning technical development. Perhaps the presence of water also represents an opportunity to take some metals out of the rock more cleanly and efficiently. Likely, the approach to the opportunity will be much more convoluted, but it seems imperative to at least begin the creative and innovative processes.

6. One needs little familiarity with Montana, and Butte in particular, to understand the history of major decision making that was made in far away board rooms, be they San Francisco, St. Louis, or New York. The extractive industry bred a lifestyle that was paradoxically independent at the individual level, but very dependent at the economy level. New players in the Butte drama will replace names like Standard Oil and ACM, with names like ARCO and EPA. The goals will be Superfund cleanup, but the dependency on external decision makers could be essentially the same, unless a competent local organization is present to help guide the interplay of decisions that will certainly have great influence on life in Montana through the end of the century. The Headwaters Research Institute will hopefully serve as one of those competent local initiatives.

7. The By Laws of the Headwaters Research Institute set in motion a system of appointments by various branches of government that remove the dependence of the organization on personalities. Important Public institutions have the opportunity to alter appointments from year to year, as the research missions of the Institute change. The majority of appointments go to institutions that represent various levels of constituencies for the

Institute to insure that those public constituencies are represented properly, thereby serving the public interest, and insuring continuing and flexible public accountability.

8. The scarce technical resources of the region are represented on the Board in the form of appointments by governmental institutions that control technical capability, and, as well, by important non-profit research capability in the private sector. These appointments tie the organization to what is happening in the research sector across the board, thereby avoiding duplication.

9. Since this is a non-profit organization, the real wealth creation activity must come from the application of developed or modified technologies to raw situations by the private sector. This transition may occur with the assistance of transition type organizations, such as the Butte Business Incubator or the Butte Local Development Corporation, or it may occur with the use of Joint Ventures by Headwaters Research Institute. Technology protected to the degree that it can be licensed serves both to generate income to the research organization, and to make the application of the technology more attractive to the private sector.

10. There appears to be a need for a purely public interest driven organization to step into some Berkeley Pit related activities, where private liability or the limitations of agency jurisdiction prevent timely systematic initiatives. Boats, for example, are necessary for good sampling. What agency in Montana (with jurisdiction) has the need for boats? The water needs to be cleaned, but what agency has the mandate to advantage Montana of the opportunity to develop such technology right here in Montana (rather than, as inevitably happens, somewhere else)? To accomplish beneficial activity with the water seems to dictate that a right to the use of the water be acquired. What agency can do that? What private corporation with deep pockets wants to call the water its own with Superfund liability hanging over its head? While agencies are performing the direct enforcement roles, with which they are properly charged, who is cleaning up the water? More importantly, who is devising strategies to clean the water that blend with the entire area's unique combination of sunk resources and opportunities, and that will last longer than Superfund monies, and maybe even as long as the problem, or even the river drainage? An innovative organizational structure is needed to get the job done; Headwaters Research Institute is oriented to that purpose.

11. The most profitable opportunity to, for example, extract metals from the pit water may not be the best course of action. Conceivably a profitable course of action, if not critiqued, might result in even greater long term clean up costs. Given that we are trying to minimize waste, and measuring clean water as a desired product, the best solution is an optimal one. Profit making corporations will not seize the optimal solution in this situation. Rather they must each be part of an effort to generate a combination of activities that yields an optimum solution. An organization with a non-profit motive is best suited to such a task.

The mission of this project is attached, as is the initial makeup of the Board of Directors for the Organization. The goal is formidable but achievable, if there is enough will, creativity, cooperation, and professionalism. Failure is not possible, because we have begun the attempt; that by itself is the measure of success. Mission accomplishment is as possible in Montana, as anywhere in this country.

Attachments: HRI Action Paper 86-11 (Mission Statement);
Extracts of By Laws;

1. Purpose:

This Action Paper is to state the mission of Headwaters Research Institute for its activities under the "Reindustrialization Project".

2. Authority:

This activity comes under the Institute's Articles of Incorporation, ARTICLE III, Purpose (a):

"To aid the development of new technology, and the innovative application of existing technologies, in manners that will appropriately enhance the long term quality of life on the land."

3. Project Mission Statement:

"Lead and perform research and development to assist the redevelopment of the Butte, Montana mining region so that competitive production processes and waste control are addressed simultaneously and in an integrated manner. This will require an integrative management approach and a synthesis of technologies that enhances efficient ore production and processing on the one hand, and clean air and water on the other. For this project clean air, water, and new technology are considered economic products in importance equal to traditional and new mineral products and services."

4. Execution:

a. An expanded steering committee will generate the initial direction;

b. An interim project team will complete an action plan, based on the steering committee direction;

c. A technical advisory group, comprised of some members of the Board of Directors and technically oriented advisors, including some potential subcontractors, will review the plan;

d. An operational advisory group, comprised of the policy committee of the Butte Business Incubator will be asked to review the plan;

e. The Board of Directors will give final approval, and hire project management assistance, as well as task contractors as are necessary.

5. Co-operation:

This mission will be best served by maintaining the

highest level of scientific, technical and management proficiency. This also requires that duplication or competition be avoided where adequate products, services, and research already exists or is in progress.

6. Co-venturing:

Cooperative ventures with large research laboratories may be used if the effort fits the project workplan, or otherwise enhances the project mission.

Pooling funds, talent, facilities, and information will multiply the effectiveness of the collaborative resources guided by the Headwaters Research Institute Board of Directors. Co-venturing may be a way to, in addition attract, a diverse array of competent investigators able to further our accomplishment of the project mission.

7. Contract work:

Contract work by Headwaters Research Institute will be accepted only if it builds upon the work that the institute plans and executes toward its mission.

8. Commercialization:

Significant development benefits will result when technologies developed or modified by this effort are used commercially by the profit making sector. Accordingly, Headwaters Research Institute will insure that such products are available in a timely manner.

9. Financial Resources:

The resources that will be directed at this mission will consist of the collaborative efforts of able individuals and organizations, grant monies, income from the sale of prototype products and by products, licensing arrangements, contract work, publications, and, perhaps, the sale of cleaned water. Such income will be reinvested in the organization for further research toward this mission and the goals of Headwaters Research Institute.

10. Periodic Review.

An annual review of the Mission and the performance of this organization in light of the Mission will be prepared for each April meeting.

BYLAWS EXTRACT
HEADWATERS RESEARCH INSTITUTE

Section 3. Qualifications. The board shall at all times consist of a majority of publicly accountable individuals. The qualifications of the board shall be as follows.

- a. Legal Counsel;
- b. A representative of the Mile High Conservation District (public);
- c. A representative of the Executive Branch of Montana State Government, approved by the Governor's Office (public);
- d. An official elected to a position in Montana's State Government, and chosen by the Headwater's Board (public);
- e. A representative of the City of Butte/Silverbow, selected by the Office of the Chief Executive (public);
- f. A member of the teaching or research faculty of the Montana University System, selected by the Vice President for Research at Montana State University (public);
- g. A member of the teaching or research faculty of the Montana University System, selected by the Director of Research at the Montana School of Mineral Sciences and Technology (public);
- h. A representative of the Montana Energy Research and Development Institute (non-profit R & D);
- i. A representative of Battelle's Pacific Northwest Laboratories (non-profit R & D);
- j. A representative of the National Center for Appropriate Technology (non-profit R & D); and
- k. A representative of the Clark Fork Coalition (non-profit public interest).

Approved by Board Action November 27, 8
May be modified by Board action.

EXHIBIT 112
1/22/87

Resource Indemnity Trust Grants Program

Project Evaluations and
Recommendations for
1988 - 1989 Biennium and
1986 - 1987 Biennium
Status Report

January 1987

MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION



EXHIBIT 3
 12/23/87
 13

TABLE 1

SAGE CREEK COUNTY WATER DISTRICT REVENUES AND EXPENDITURES

FISCAL YEAR ENDING DECEMBER 31st

(without restructuring 1985 Loan)

(NO ADDITIONAL USERS, 2 RATE INCREASES)

REVENUES	(actual)	(projected)						
	1985	1986	1987	1988	1989	1990	1991	1992
Water Sales		52,800 ^a	52,800	75,660 64,020	75,660 64,020	81,900 ^b 69,300	81,900 69,300	81,900 69,300
Interest		3,500	2,800	2,000	2,800	1,800	1,200	800
TOTAL REVENUES:		56,300	55,600	77,660 66,020	78,460 66,820	83,700 71,100	83,100 70,500	82,700 70,100
<u>EXPENSES</u>								
Water Supt.		3,600	3,600	3,800	4,000	4,200	4,200	4,200
Fringe		700	700	800	900	1,000	1,000	1,000
Water Use Fee		3,000	3,000	3,000	3,000	3,000	3,000	3,000
Accounting		1,200	1,200	1,300	1,400	1,600	1,700	1,800
Liability Insurance		1,160	1,300	2,000	2,200	2,200	2,400	2,500
T & M		5,000	5,000	5,500	6,100	6,100	6,500	6,500
TOTAL EXPENSES:		14,660	14,800	16,400	17,600	18,100	18,800	19,000
NET OPERATING REVENUE		41,640	40,800	61,260 49,620	60,860 49,220	65,600 61,000	64,300 51,700	63,700 51,000
<u>DVRC LOAN PAYMENTS</u>								
1985 Loan	24,975	49,950	49,950	49,950	49,950	57,710	65,470	65,470
1988 Loan	—	—	—	6,750	13,500	13,500	13,500	13,500
TOTAL DEBT SERVICE:	24,975	49,950	49,950	56,700 49,950	63,450 49,950	71,210 57,710	78,970 65,470	78,970 65,470
CAPITAL RESERVE BAL.	\$50,000	\$41,690	\$32,540	\$37,100	\$34,510	28,900	14,230	(1,040)

- ^a Original rate: \$80/user/month, 55 users
- ^b Rate increase: \$97/user/month, 65 users
- ^c Rate increase: \$105/user/month, 65 users

LOAN ASSUMPTIONS

- 1985 Loan: \$623,000, 7.2% years 1-5, 10.2% year 6-30
- 1988 Loan: \$118,950, 10.0%, 20 years

\$32,210 \$31,480 \$34,770 \$21,000 \$6530

*In attached had copy of 2nd
 Sage Creek contract*

TABLE 1

SAGE CREEK COUNTY WATER DISTRICT REVENUES AND EXPENDITURES

FISCAL YEAR ENDING DECEMBER 31st

(without restructuring 1985 Loan)

(NO ADDITIONAL USERS, NO RATE INCREASES)

	(actual) 1985	1986	1987	(projected)		1990	1991	1992
REVENUES				1988	1989			
Water Sales		52,800	52,800	75,660 ^a 52,800	75,660 ^a 54,800	81,900 ^a 53,800	81,900 ^a 53,800	81,900 ^a 52,800
Interest		3,500	2,800	2,000	2,800	1,800	1,200	800
TOTAL REVENUES:		56,300	55,600	77,660 54,800	78,460 55,600	83,700 54,600	83,100 54,000	82,700 53,600
EXPENSES								
Water Supt.		3,600	3,600	3,800	4,000	4,200	4,200	4,200
Fringe		700	700	800	900	1,000	1,000	1,000
Water Use Fee		3,000	3,000	3,000	3,000	3,000	3,000	3,000
Accounting		1,200	1,200	1,300	1,400	1,600	1,700	1,800
Liability Insurance		1,160	1,300	2,000	2,200	2,200	2,400	2,500
O & M		5,000	5,000	5,500	6,100	6,100	6,500	6,500
TOTAL EXPENSES:		14,660	14,800	16,400	17,600	18,100	18,800	19,000
NET OPERATING REVENUE		41,640	40,800	61,260 38,400	60,860 38,000	65,600 36,500	64,300 35,200	63,700 34,600
DNRC LOAN PAYMENTS								
1985 Loan	24,975	49,950	49,950	49,950	49,950	57,710	65,470	65,470
1988 Loan	—	—	—	6,750	13,500	13,500	13,500	13,500
TOTAL DEBT SERVICE:	24,975	49,950	49,950	56,700 49,950	63,450 49,950	71,210 57,710	78,970 65,470	78,970 65,470
CAPITAL RESERVE BAL.	\$50,000	\$41,690	\$32,540	\$37,100	\$34,510	28,900	14,230	(1,040)

Original rate: \$80/user/month, 55 users

\$20,990 \$9040 <\$12,170> <\$42,440> <\$73,310>

Rate increase: \$97/user/month, 65 users

Rate increase: \$105/user/month, 65 users

LOAN ASSUMPTIONS

1985 Loan: \$623,000, 7.2% years 1-5, 10.2% year 6-30

1988 Loan: \$118,950, 10.0%, 20 years

THE TOWN OF BROWNING

Browning, Montana 59417

EXHIBIT 4

DATE 1/23

HB _____

Phone 338-2344

January 21, 1987

Good Morning Mr. Chairman:

I would like to take this opportunity to thank the Montana State Legislature Joint Sub-Committee on long range planning for considering the Town of Browning's Loan application.

I would like to apologize for the Mayor of Browning, Julene Pepion Kennerly, not being here today to present this testimony as she was unable to make it because of prevailing situations in Browning.

I have with me letters of support that I would like to submit for the record and as you can see, Water is imperative to the present and future development of the Town of Browning.

The letters of support are from Browning Public Schools, school district number 9, the Blackfeet Indian Housing Authority, the Indian Health Service, the Blackfeet Community College, a fully accredited institution of Higher Education, and a resolution of support from the Blackfeet Tribal Business Council all entities are in concurrence with the efforts of the Town of Browning.

To give you a brief historical overview of the development of the Town of Browning.

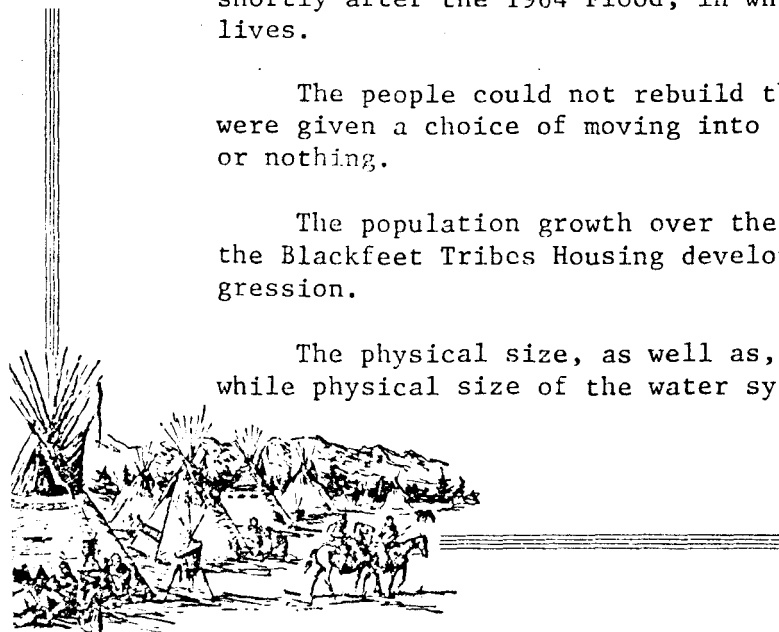
Browning was incorporated December 2, 1909 and is presently 77 years old. The town lies wholly inside the Interior Boundaries of the Blackfeet Indian reservation and is one of two incorporated Town's in Glacier County.

The present critical water shortage first started in earnest shortly after the 1964 Flood, in which hundreds of people lost their lives.

The people could not rebuild their homes at the former sights and were given a choice of moving into town and residing in cluster sights or nothing.

The population growth over the past 25 years is directly related to the Blackfeet Tribes Housing development and governmental agency progression.

The physical size, as well as, the population number's tripled while physical size of the water system stayed constant.



Page 2
January 21, 1987

This situation has not been addressed in earnest until the present administration put the critical water shortage into prospective.

We started from day one which was January 8, 1986 to find a solution to the ever growing problem.

From January 8, until March 15, 1986 the Town of Browning spent thousands of dollars from the reserve accounts which took 15 years to accrue.

To produce the study of the water system's, capabilities, and imperative need for development.

Since that study was completed and submitted, the Town of Browning conducted additional studies of the sole source known as Flat Crow Springs.

The additional study of the Springs validates our first impression's of the springs, in that, although were the springs developed further the water supply to the system would only be enhanced by one to two hundred gallon's per minute while the need is 2000 gallons per minute.

We have put together the best package that can be produced to meet the present and future water needs of the Town of Browning.

We respectfully request that our loan be granted and with that, I would like to conclude this portion of our testimony and thank the State Legislature for this time and answer any questions the sub-committee may have.

Thank you.

BLACKFEET NATION

P.O. BOX 850

BROWNING, MONTANA 59417

(406)338-7179

TRIBAL COUNCIL

EARL OLD PERSON, CHAIRMAN
ARCHIE ST. GODDARD, VICE CHAIRMAN
MARVIN WEATHERWAX, SECRETARY
ELOUISE C. COBELL, TREASURER

EARL OLD PERSON
ARCHIE ST. GODDARD
MARVIN D. WEATHERWAX
ROLAND F. KENNERLY
LANE KENNEDY
BERNARD ST. GODDARD
LEE WILSON
GEORGE KICKINGWOMAN
TED WILLIAMSON

R _ E _ S _ O _ L _ U _ T _ I _ O _ N

No. 184-87

- WHEREAS: The Blackfeet Tribal Business Council is the duly constituted governing body within the exterior boundaries of the Blackfeet Indian nation, and
- WHEREAS: The Blackfeet Tribal Business Council has been organized to represent, develop, protect and advance the views, interests, education and resources of the Blackfeet Indian Nation, and
- WHEREAS: During the summer of 1985 and 1986, the town of Browning experienced severe and prolonged shortages of water throughout the service area, and
- WHEREAS: A limited analysis of the water supply system was conducted by Bilmayer Engineering, which determined an inadequate water supply capacity. It was recognized that remedial improvements of the system is imperative, and
- WHEREAS: The antiquated water system presents serious safety hazards during the peak water demand periods in terms of inadequate water flow for the local fire department, and
- WHEREAS: The town of Browning is applying for a loan from the State Department of Natural Resources and Conservation for a water transmission line and treatment plant. This will adequately supply the present and future needs of the Browning Community, now
- THEREFORE BE IT RESOLVED: That the Blackfeet Tribal Business Council fully supports the town of Browning's loan from DNRC.

ATTEST:

THE BLACKFEET TRIBE OF THE BLACKFEET
INDIAN NATION

Marvin D. Weatherwax (acting)
Marvin D. Weatherwax, Secretary

Earl Old Person (acting)
Earl Old Person, Chairman

CERTIFICATION

I hereby certify tht the foregoing resolution was adopted by the Blackfeet Tribal Business Council in a duly called, noticed and convened Special Session assembled for business the 20th day of January, 1987, with Seven (7) members present to constitute a quorum and by a vote of Seven (7) members For and None Opposed.

Marvin D. Weatherwax (acting)
Marvin D. Weatherwax, Secretary
Blackfeet Tribal Business Council

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service
Health Resources and Services Administration

Indian Health Service Hospital
Browning, Montana 59417

January 21, 1987

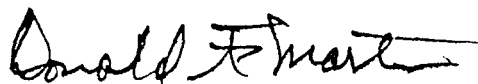
Ms. Julene Kennerly, Mayor
Town of Browning
Browning, Montana 59417

Dear Ms. Kennerly:

The Blackfeet Community Hospital supports your efforts to improve the community water system. The current water delivery and storage system is not adequate to meet the needs of this community. There have been repeated instances where the clinic has been closed due to no water. Also, equipment in the hospital which is dependent on sufficient water pressure for operation has had to be shut down there by limiting what services can be available to the community. For the safe and sanitary operation of the hospital facility it is imperative that sufficient water quantity and pressure be maintained at all times.

The Blackfeet Community Hospital strongly supports any effort to improve the water system in the Browning community.

Sincerely



Donald F. Martin
Service Unit Director



BLACKFEET COMMUNITY COLLEGE

BOX 819 — BROWNING, MONTANA 59417

Administration 406-338-5441
Library 406-338-7325

Faculty 406-338-5411
Student Services 406-338-5421

29 January 1987

**Ms. Julene Kennerly
Mayor
Town of Browning
Browning, Montana 59417**

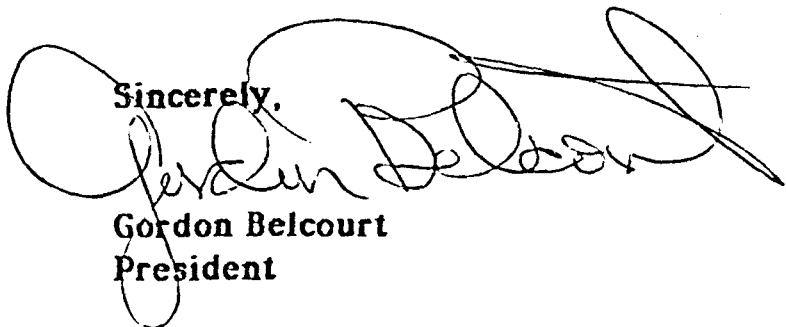
Dear Ms. Kennerly:

The Blackfeet Community College Supports your on-going efforts on behalf of your staff; the Aldermen; and the Town of Browning in up-grading the City Water System. The Current Water System is obviously inadequate in meeting the needs of the Browning Community and the College. In fact, the College has suspended growth projections and construction plans at the Current Site because of a Mandated City Moratorium on New Hook-ups on the City Water Supply. If the College is to Grow to meet increased Student and Community demands for Post-Secondary Services, we will need an adequate Water Supply to allow us to project new construction plans for additional class-room space for the Students which will exceed 1200 by the year 2000 from the present 300 students.

The Blackfeet Community College Strongly supports the City of Browning in its attend to secure needed Revenue from the State in Rectifying this serious Health, Service and Economic Obstacle to Growth of the Community of Browning.

We Thank you for your Consideration and Support.

Sincerely,



**Gordon Belcourt
President**

cc: J. Kennerly

Browning Public Schools

SCHOOL DISTRICT NO. 9

Browning, Montana 59417

January 20, 1987

Ms. Julene Kennerly, Mayor
Town of Browning
Browning, MT 59417

Dear Ms. Kennerly:

School District No. 9 supports your efforts to upgrade the city water system. The current system is obviously inadequate for our community. This is evident by the number of days missed by our school system due to the lack of water pressure and of the numerous incidents of school being dismissed early because of water problems.

The water problems are not only a disruption to our students education, it causes serious health concerns within the school buildings.

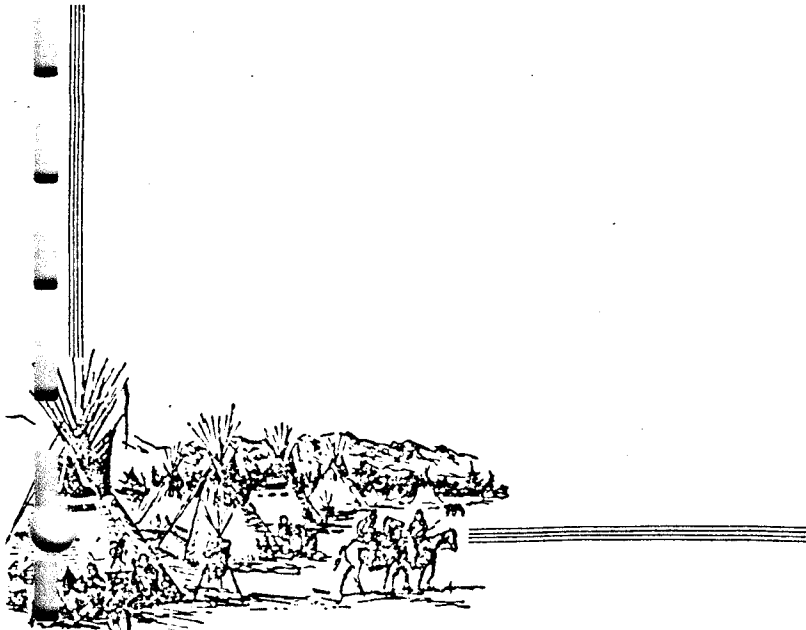
Again, School District No. 9 fully supports you in any efforts to improve the water system.

Sincerely,



Randy Johnson
Assistant Superintendent

RJ:ls



DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



TED SCHWINDEN, GOVERNOR

1520 EAST SIXTH AVENUE

STATE OF MONTANA

DIRECTOR'S OFFICE (406) 444-6699

HELENA, MONTANA 59620

MEMORANDUM

TO: Water Development Coal Severance Tax Loan Applicants

FROM: Caralee Cheney, Chief *cc*
Water Development Bureau

DATE: January 13, 1987

RE: Legislative Hearing Schedule

The Long-Range Planning Subcommittee of the Montana Legislature will hold hearings on the grant and loan applications submitted to the Water Development (WD) on January 19th through the 23rd.

The schedule below shows the approximate days when the grants and loans will be discussed.

January 19 - General Program Discussion
January 20 - WD Grants
January 21 - WD Grants and Loans Less Than \$200,000
January 22 - WD Grants and Loans
January 23 - WD Loans

Discussion of projects will occur in the order listed on page 94 of the Legislative Report you received last month.

Hearings will be held from 8:00 to 11:00 a.m. in Room 202-B of the state capitol. Because hearing dates and times are subject to change, please confirm them with the Legislative Council by calling their toll free number 1-800-332-3408 or 444-4853 prior to traveling to Helena.

Your attendance at the hearings is not required; however, often it is helpful to the committee members to have applicants available to answer questions about their specific proposals and projects. If you have any questions or need further information on the legislative review process feel free to call our office at 444-6668.

EXHIBIT 5

DATE 1/23

HB

TOWN OF BROWNING

FLAT IRON SPRINGS

SOURCE EVALUATION

B.30.3

October 1986



BILLMAYER ENGINEERING

2191 Third Avenue East ■ Kalispell, Montana 59901 ■ (406) 257-8708

TESTIMONY OF GEO. COHENSKI
Hi-Line Sportsman's Club MEIC

P.O. BOX 393
Chester, Montana 59522

September 15, 1986

Dr. McGregor - Chairman
Board of Health & Environmental Sciences
Capitol Station
Helena, MT 59620

EXHIBIT 6
DATE 1/23/87
HB

PETITION FOR CHANGE OF CLASSIFICATION

Re: Marias River below Tiber Dam: B-2 to B-1

Dear Dr. McGregor and Members of the Board of Health:

We have recently received the 1986 Circle Bridge water temperature records for the Marias River from Mr. Gardner of FWP. Attached is a copy of his correspondence and these records. Also attached is a chart showing the 1985 and 1986 water temperatures.

Based on these temperature records, the 1985 and 1983 records (none being available in 1984) we respectfully petition your board to change the classification of the Marias River from B-2 to B-1 for all of Liberty County. This request is based on the above water temperature records and also on the following points:

1. Operational years prior to 1983 do not give an accurate portrayal of the natural flow-temperature conditions due to floods, gate repairs, etc.

2. Since spring of 1985 and 1986, the river outlet (ROW) has been used exclusively or almost exclusively and there is no reason to believe this will not continue barring operational necessities of the Bureau of Reclamation or if a warm water hydroplant is installed in the auxiliary outlet (ROW) or if a mixing scheme is allowed.

3. The 1985 and 1986 records clearly establish summer water temperatures at and above Circle Bridge well below that needed to maintain salmonid growth even during the summer. There is no reason to ignore 1985 temperature readings since there is no indication that highest temperatures occurred during periods when recordings were not made. The Marias River in Liberty County is therefor now a defacto B-1 water course.

4. Regulation MAC 16.20.618 states as regards salmonids, only "growth and propagation of salmonid fishes..." marks a B-1 river. On the other hand, MAC 16.20.619 requires only "growth and marginal propagation of salmonid fishes..."

5. Sec. 75-5-301, MAC, requires a review of river classifications on a periodic basis. Now certainly is an appropriate time to perform this review before a hydroelectric project is installed.

6. There is precedent for classifying a river as B-1 below a dam when in fact, prior to the dam construction, the river was less than B-1. This is believed to be the case for the Big Horn River below Yellowtail Dam and others.

7. Testimony, evidence and arguments presented at the recent hearings before the Board support such a change of classification. The 1986 records which were not available at the hearing make it now quite clear that the river is a defacto B-1 river.

8. We believe that a failure to change the classification and to thereafter approve projects using a B-2 classification would be degregation of the Marias River.

THEREFORE, We respectfully petition the Board to change the classification of the Marias River in Liberty County below Tiber Dam from B-2 to B-1. We further request that this change be made prior to a final decision on water discharge 401 permits as to those applications proposing to use the upper dam outlet. The lower outlet proposal would not be effected by such a change.

Thank you for your consideration, and

Sincerely yours,

Charles Manska - President

CM/mw

enc

cc: Department of HES
James Flynn, FWP
Representative Dennis Iverson, EQC
Senator Allen Kolstad
Senator Gary Aklestad
Counsel of Record-Permit proceedings

Clean-water advocates win agency ruling

By TOM COOK
Gazette Helena Bureau

HELENA — Montana Renewable Resources' plan to build a hydroelectric plant at Tiber Dam has received a boost from the state Health Department in what environmentalists hailed as a victory for the quality of the state's rivers and streams.

The board also set the stage for a further showdown on how it will deal with questions of water degradation in the future by clearing the way for consideration of Stone Container's request to modify the discharge permit for its Frenchtown Mill in Missoula.

State laws basically prohibit the issuance of water permits that reduce existing quality of streams, but there are provisions allowing social and economic factors to be weighed in those decisions.

The so called "non-degradation" issue has raged for several years with no clear policy emerging from the board.

Friday's decision to require the most stringent proposal for a federal 401 permit for the proposed Tiber Dam hydroelectric plant "puts the board on record for a strict interpretation of non-degradation," Montana Environmental Information Center Executive Director Jim Jensen said.

But Water Quality Bureau Chief Steve Pilcher said the board's November decision on Stone Container's discharge permit will be more likely to set a non-degradation precedent.

"There's no question the

permit (for Frenchtown) does constitute a form of degradation," Pilcher said.

About two weeks ago, the department issued a permit for the Frenchtown mill that essentially would return it to 1982 conditions, when discharge was permitted only during spring runoffs.

Stone Container petitioned the board, asking that it also be allowed to discharge waste in the fall and winter, with certain exceptions such as when water temperatures exceed 65 degrees.

In ruling Friday that another environmental-impact statement on the Clark Fork isn't necessary, the board cleared the way for consideration of the modification in November.

The city of Gillette, Wyo.; the Milk River Irrigation District; and Montana Renewable Resources, which includes Chester and Liberty County governments, have all applied for federal permission to build a hydro plant at Tiber on the Marias River.

The Wyoming and Milk River proposals would divert water from upper levels of the reservoir, which would elevate downstream water temperatures and damage fisheries.

Montana Resources would draw water from lower levels and not change the water temperature downstream.

The board voted unanimously to require that water be taken from lower levels.

The federal government has the final decision on who gets the contract, but it must honor state 401 requirements.

Fishing group balks at Tiber Dam power proposals

By BERT LINDLER
Tribune Staff Writer

CHESTER — Trout fishing, turbines and thermoclines are the key issues in the continuing controversy over which of three applicants will be able to develop a hydroelectric plant at Tiber Dam.

For the past year the state Board

of Health has been embroiled in the controversy, which also has involved the Legislature, state Supreme Court, district court and Federal Energy Regulatory Commission.

The three applicants are Liberty County, the town of Chester and Montana Renewable Resources; eight Milk River irrigation districts;

and the city of Gillette, Wyo.

The applications were spurred by a change in federal law that encouraged development of small hydroelectric projects. The application process favors municipalities or public bodies. Consulting firms provided expertise to many municipalities after the law's passage, encouraging mul-

multiple applications for the most favorable sites.

At Tiber Dam, hydroelectric generation facilities can be added relatively inexpensively to a dam that was newly renovated. In recent years most of the water released from the new dam has been drawn from the bottom of the reservoir, providing cold water to the river below.

Temperatures have been near ideal for trout growth, although river level fluctuations have hindered reproduction, according to Al Wiperman, regional fisheries biologist for the Montana Department of Fish, Wildlife and Parks.

Hydroelectric generation could increase the river's temperature if warm surface water were discharged rather than the cold, deep water. This is the basis for the latest controversy, which will be argued be-

fore the state Board of Health at 10 a.m. Friday in Helena.

The Hi-Line Sportsman's Club, and Environmental Sciences originally granted water quality certifications to all three applicants, but Liberty County appealed to the board, alleging that the other two applicants would generate power in a way that would allow river temperatures to rise to unacceptable levels.

Gillette and the Milk River irrigation districts went to district court arguing that the board did not have the statutory authority to consider such an appeal. After the district judge ruled that the board did have the authority, the two applicants appealed his decision to the state Supreme Court, which heard the case Sept. 12 but has not ruled.

Meanwhile, the board has held a hearing on the appeal. Hearing officer Allen B. Chronister of the state attorney general's office has prepared a proposal for board consideration Friday that would allow water quality certification to be granted to any applicant that draws its water from deeper than 60 feet, or that generates power in such a way that the river between Tiber Dam and Circle Bridge stays at an average weekly temperature of 64 degrees or less.

In any year, the weekly average temperature could not exceed 66 degrees more than once and the high temperature at any time could not exceed 79 degrees more than once.

According to data compiled by FWP biologist Bill Gardner, the composite weekly average temperature of the Marias River at Circle Bridge was 59 degrees or less during 1952, '83, '85 and '86, the years after the dam's renovation, said Don Marble, the Chester attorney representing Liberty County. The ideal temperature for trout growth is 59 degrees, Marble said.

"There's a rather dramatic increase in temperatures that would be allowed," Marble said of Chronister's temperature criteria.

However, Woodside Wright, the Helena attorney representing the Milk River irrigation districts, said he felt the temperature criteria would work and were established with the well-being of trout and whitefish in mind.

The Milk River irrigation districts have worked from the beginning to meet appropriate Montana environmental standards, he said. Even if Liberty County were to draw its hydroelectric power from the river outlet, there's nothing to prevent the Bureau of Reclamation from spilling warm surface waters if it needs to, he said.

"All of us are going to have to live under that Bureau of Reclamation's overriding purpose for the dam," he said.

If river temperatures began to rise to the limits in the certification, the irrigation districts could mix colder water with warm surface water to generate power, or they could suspend power generation for awhile, he said.

"We obviously are going to have to operate so we don't have to violate the conditions, which means it will be a fairly conservative operation," he said.

It's likely that no matter what the Board of Health does Friday, the controversy will continue. The Federal Energy Regulatory Commission has the final authority to grant a permit for the facility and its review process is still underway.

The competing proposals are:

- Liberty County would use cold, deep water from the dam's river outlet to generate a maximum of eight megawatts of power. In 1982, a Liberty County commissioner suggested the project could mean \$100,000 a year in revenue for the county if everything went well.

- The eight Milk River irrigation districts are proposing to use water drawn from the dam's auxiliary outlet works to generate a maximum of 12 megawatts of power. Such water, which is drawn from depths of 10 to 30 feet, is warmer than deeper water during the summer, when a thermocline develops, separating warmer surface waters from cooler waters below. Revenues could be used to help pay for a project to pump water from Tiber Reservoir or the Missouri River to the Milk River, where irrigation water is often short.

- The city of Gillette would also use water drawn from the dam's auxiliary outlet, which would mean the water would be warmer than deeper water. It would generate a maximum of 14 megawatts of power.


TESTIMONY OF GEO. OCHENSKI
COPY MEIC

DEC 4 1984

Dear Mr. Seidlitz:

Thank you for your letter regarding the Water Development Advisory Council's action on the loan authority for the Milk River Irrigation District's proposal to retrofit Tiber Dam with hydropower.

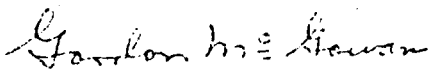
As you may know, this project is in somewhat preliminary stages and there are several hurdles yet to be crossed before bonds are sold to provide construction funds. Whoever constructs this project must have an operating permit from the Federal Energy Regulatory Commission (FERC). There are three competing applicants for this permit - the Milk River Irrigation Districts, the City of Chester, and the City of Gillette, Wyoming. The State Board of Health reviewed all three proposals and granted a conditioned permit to all three applicants.

At the time of the Advisory Council meeting, Larry Fasbender, the Director of the Department of Natural Resources and Conservation, indicated that it was his understanding that the water temperature problems associated with the hydropower projects were resolved. He has indicated to me since then that he was in error. The City of Gillette, Wyoming and the Milk River Irrigation Districts must now modify their plans to conform with the State Board of Health permit and FERC must choose among the three. 

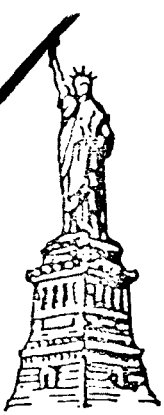
This issue is separate from our consideration and approval of a loan for the Milk River Irrigation Districts. They have asked to use Water Development Program funding should they be successful in obtaining an operating permit and in completing all the other steps necessary to construct and operate this project. We are not endorsing one of the three competing proposals over the other. We are saying that should the agencies which have regulatory authority over these matters choose the Milk River proposal, we can provide funding.

You also requested a copy of the minutes from the recent Advisory Council meeting. The minutes will be available next week and a copy will be sent to you then.

Sincerely,



Gordon McGowan
Chairman
Water Development Advisory Council



Liberty County Attorney

John E. Seidlitz, Jr.
County Attorney

Donald R. Marble
Deputy

Westland Building

P.O. Box 649

Chester, Montana 59522

(406) 759-5104

December 8, 1986

Senator Gordon McGowan
R.R. #1 - Box 97
Highwood, MT 59450

RE: Tiber Dam Hydro Funding

Dear Senator McGowan:

Thank you very much for sending the minutes.

Since the Board was incorrectly advised regarding temperature problems by Director Fasbender, we request the Board please reconsider this note.

We especially are unhappy with recommended funding of a project in Liberty County by an entity from completely out of this area. I am sure you can understand our frustration over this obvious usurpation of local interest by the Districts. It seems totally inappropriate for Legislature and DNR to condone this situation.

Thank you for your consideration.

Sincerely,

John E. Seidlitz, Jr.

JESJ/hc

cc: Senator Gary Aklestad(w/encs)
Senator Allen Kolstad(w/encs)
Representative Dennis Iverson(w/encs)
Steve Brown, Esq.(w/encs)
Montana Renewable Resources(w/encs)
Liberty County Commissioners(w/encs)
pc: EIC(w/encs)

John:

Just a note to say I am
sorry I did not get back to
you sooner. I was away from
home for a week & just got
my copy of the minutes Dec
3rd. I am sending my copy
of minutes to you. trusting this
will answer the question you
raised.

Gordon M. Gowen

RECEIVED

DEC 6 1936

LAW OFFICE OF
MARBLE & SEIDITZ

MILL CREEK WATER-USERS

PRAY, MONTANA 59065

EXHIBIT 7
DATE 1/23/87
HB _____

MILL CREEK GRAVITY PROJECT

Purpose: To insure an adequate water supply through the means of a gravity irrigation system. To eliminate water shortages which currently occur on an annual basis, especially to those with junior water rights. The project is designed to supply irrigation water to all individuals at a reasonable cost so that no one will be denied water and reduced crop production due to water shortages will be eliminated.

System: 3300 Irrigated acres 31 Users

The system will use a use a new ditch and new diversion point. The underground gravity irrigation pipes will take water from the ditch and deliver the water to each landowner. The soil in the area is ideal for sprinkler irrigation. The topsoil is sandy to gravelly loam and underlain by gravelly soils. The parent material is an alluvial plain.

Background:

	<u>PRESENT SITUATION</u>	<u>PROPOSED SYSTEM</u>
Acres	3300	3385
Water		
Diverted:	67 cfs (2680 in.)	41.4 cfs (1656 in.)
Ditch Loss:	39 cfs (1560 in.)	8.0 cfs (320 in.)
On-farm Loss:	22.4 cfs (896 in.)	15.3 cfs (612 in.)
Crop Use:	5.6 cfs	18.1 cfs
Efficiency	8 %	43%

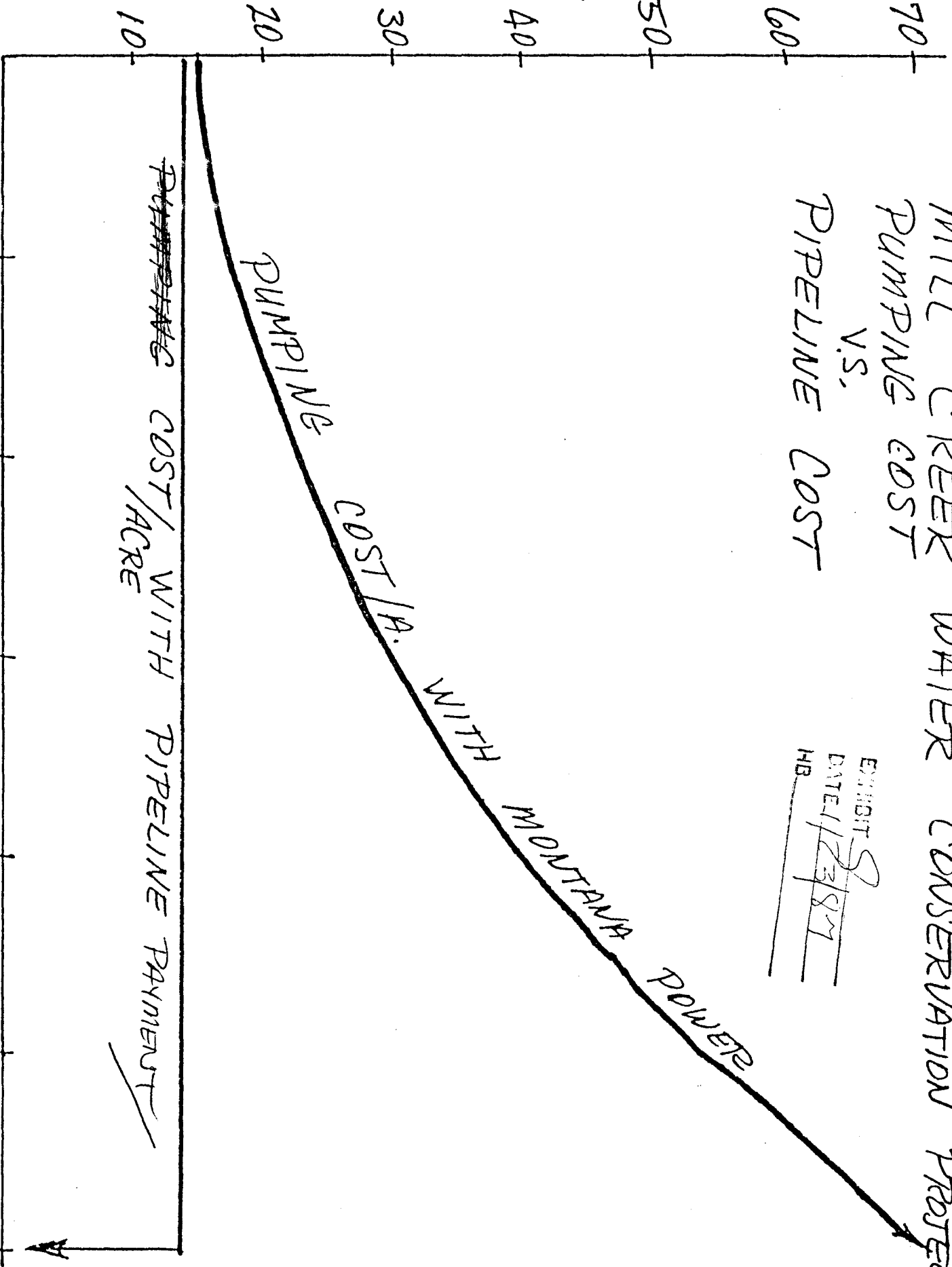
Benefits:

Reduced Water Diversion By 25.6 cfs (1024 in.)
Increased water delivered to crops by 3 times
Increased fish spawning are - presently Mill Creek is dewatered in August.
Eliminate crop damage due to lack of water
Reduced Electrical Usage

MILL CREEK WATER CONSERVATION PROJECT
PUMPING COST
VS.
PIPELINE COST

EXHIBIT 9
DATE 12/3/87
HB

COST PER ACRE



YEAR

1987 1992 1997 2002 2007 2012 2017

Public Service Commission of Montana

THE MONTANA POWER COMPANY

Sheet No. LTQF-86

Page 9 of 10

Cancelling Sheet No.

Name of Company)

LTQF-86

Schedule

LONG-TERM QUALIFYING FACILITY POWER PURCHASE

Service

TABLE III

Forecast Implicit Price Deflator Index*

Year	Forecast Implicit Price Deflator Index	Year	Forecast Implicit Price Deflator Index
1987	3.700%	2005	6.000%
1988	4.400%	2006	6.000%
1989	4.100%	2007	6.000%
1990	4.400%	2008	6.000%
1991	4.800%	2009	6.000%
1992	5.000%	2010	6.000%
1993	5.100%	2011	6.000%
1994	5.300%	2012	6.000%
1995	5.500%	2013	6.000%
1996	5.600%	2014	6.000%
1997	5.800%	2015	6.000%
1998	5.900%	2016	6.000%
1999	5.900%	2017	6.000%
2000	6.000%	2018	6.000%
2001	6.000%	2019	6.000%
2002	6.000%	2020	6.000%
2003	6.000%	2021	6.000%
2004	6.000%	2022-2031	6.000%

*Source: Data Resources Inc., U.S. Long Term Review, Winter 1985-86, page 24.

Note: Each year's Implicit Price Deflator Index is applied to that year's rate to get the following year's rate. For example, the 1988 rate is $(1.03700) \times$ (1987 rate).

(continued)

Issued

(Date)

By

(Signature of Officer of Utility)

Approved July 8, 1986

Effective for services rendered on and after

Docket #84-10-64;

(Date) Order #5091c

(Date) July 8, 1986

(Space for Stamp or Seal of Commission)

PUBLIC SERVICE COMMISSION OF MONTANA.

*Space below these lines for use of Commission only.

Secretary.

Gravity Flow Sprinkler System

EXHIBIT 9
DATE 1/23/87
BY _____

I am David Rigler , my brother Paul and I ranch together in Park

County in this proposed sprinkle svstem area. I am also a trusrtee for Park Electric Co-operative that sells K W H's to pumps that now irrigate part of this proposed ~~area~~^{acres}. I feel this project if ~~and~~^{accepted} then completed will be a loss to our R E A Cooperative. But this project is unique as in ~~most~~^{across the country} electric service areas, most ranches, and farms do not have the drop in elevation with the mountains close by to produce the pounds of pressure for sprinkler irrigation. If you don't have the rapid drop in elevation gravity irrigation systems require too lengthy pipe systems and become too expensive to be econ omical. In the electric business we ~~all~~ know hydro powered generators are by far the most economical, because you don't have to feed them expensive coal or gas and its clean, not poluting the air and hurting the enviornment.

This Mill Creek project will produce enough energy to sprinkle irrigate about 3300 acres of crop land without putting it through a generator, power transmission lines, and electric motors to run pumps to create enough pressure to operate sprinklers systems. This all can happen with out mining for coal or causing acid rain.

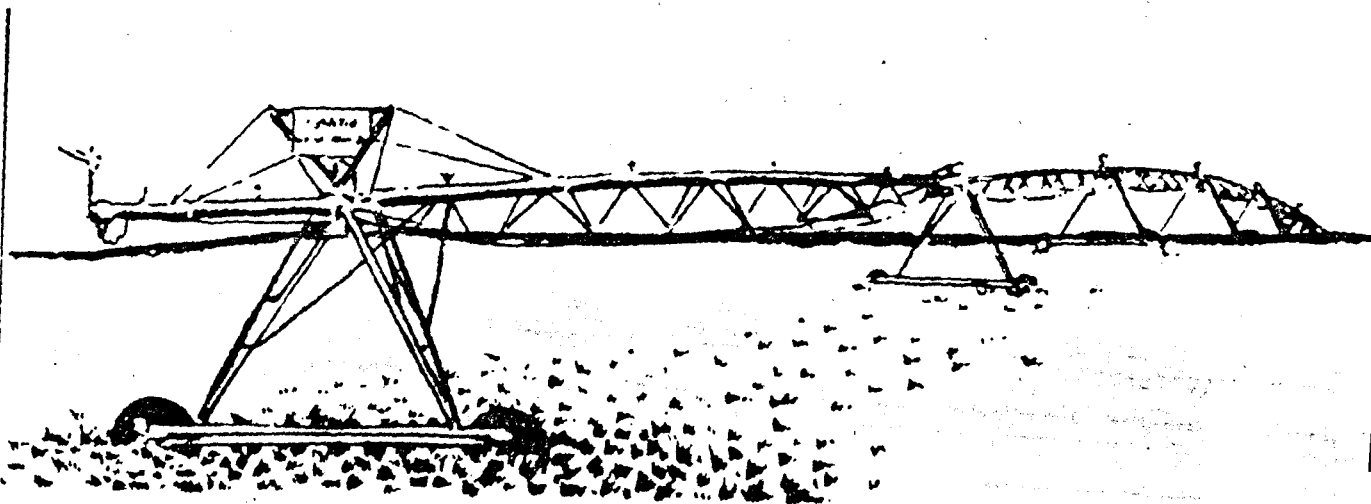
Also as the engâneers are reporting, watering the land more often and ending up using less water per acre, leaving water to flow down the creek into the Yellowston river improving the fish ^{spawning area} habitat. I 'm sure Park Electric Cooperative will pick up some more pumps to replace K W H sales lost by the Mill Creek project, ^{if it goes through} as soon as the economy improves. I feel this irrigation project is an excellent one if the money is available and the interst rate can be held down.

Thank You,

MILL CREEK *mm*
IRRIGATION PROJECT

A PROPOSED
GRAVITY
SYSTEM

EXHIBIT 10
DATE 1/23/87
HB _____



MILK RIVER IRRIGATION DISTRICTS

Box R

Malta, Montana 59538

Phone 654-1440

EXHIBIT 41

DATE 11/23/87

HB

MR. CHAIRMAN AND OTHER MEMBERS OF THE COMMITTEE:

We thank you for the opportunity to present testimony in support of the loan application by the Milk River Irrigation Districts for the development of the Tiber Hydro Project.

The Milk River Irrigation Districts represent close to 1,000 tax paying farm units under the Milk River Project and covers an area from Havre to Nashua.

Tiber Dam is an earth filled structure built across the Marias River and is 4,526 feet long and the Reservoir (or Lake Elwell) as it is called, has a maximum capacity of 1,368,158 acre feet. The Milk River Irrigation Districts have filed a Hydro-Power License Application with F.E.R.C. to develop a plant to produce an installed capacity of 12 megawatts of electricity, and produce about 75,000,000 kilowatts.

We are requesting a loan re-authorization to \$25,600,000. to fund the project and we feel that the coal tax fund was established to promote development of renewable resources and the Tiber Project would be an excellent utilization of the funding.

The development of this Project would provide jobs and income for State and local entities and individuals for most of northeast Montana by creating jobs during construction and after it is completed the additional revenues would be an extra benefit. The project develops Montana resources and is consistent with the State "Build Montana Program."

Therefore, we request and ask for your continued support of our funding.

Sincerely yours,

MILK RIVER IRRIGATION DISTRICTS

Malta Irrigation District
Box R
Malta, Montana 59538

Dodson Irrigation District
Box R
Malta, Montana 59538

Alfalfa Valley Irrigation District
84 Third Street
Chinook, Montana 59523

Fort Belknap Irrigation District
Chinook, Montana 59523

Glasgow Irrigation District
Box R
Malta, Montana 59538

Paradise Valley Irrigation District
Box 827
Chinook, Montana 59523

Zurich Irrigation District
236 Indiana
Chinook, Montana 59523

Harlem Irrigation District
Harlem, Montana 59526

VISITOR'S REGISTER

LONG RANGE PLANNING

SUBCOMMITTEE

AGENCY(S) _____

DATE January 23, 1987

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
Bob Gervais	Browning		
Cindy Logan	SUN PRAIRIE Village ^{Sevier-Dent} Water ^{West Falls}		
Walter F. Seneau	Town of Browning		
Ann M Broadway	Sun Prairie Village ^{Sevier West} Water ^{Sevier Road}		
Bob B Broadway	Sun Prairie Village Water		
KEN DAVIS	Town of West Yellowstone		
Jim Keller	" "		
Richard Nisbet	City of Helena		
Kathy Wallingford	Town of Browning		
Delton Busby	Mill Creek		
Kon Hake	Mill Creek		
Bruce Shimmer	Mill Creek		
Rich Pirtz	Mill Creek		
David Rigby	Livingston - Mill Creek		
Paul Wyman	Prone, MT		
Wm H Wyman	Lidney Montana		
ORZIN FERRIS	HKM Associates		
Sauct Jessup	City of Helena		
DON FREEMAN	Soil Cons. Service (Mill Cr)		
Paul Rigby	Livingston Mill Cr		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT.
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.

JOHN M. CIGON
JERRY TEMPEL
Riley Shimmie
STEVE KOONTZ
JAY BILLMAYER

SAGE CREEK COUNTY WATER DIST

" " " " "

MILL CREEK

MILL CREEK

TOWN OF BROWNING

VISITOR'S REGISTER

Long Range Planning

SUBCOMMITTEE

AGENCY(S) _____

DATE January 23, 1987

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
DON HYPPA	DFWP	X	
Sen Larry Treit	Gartside	X	
REP BING POFF	LI	X	
James D. Jensen	Self		+ Mill River
MARTY MALONE	MILL CREEK	X	
STEVE KOONTZ	" "	X	
Riley Shummin	" "	X	
David Rigler	Mill Creek	X	
Ken Hahn	Mill Creek	X	
DON FREEMAN	Mill Creek	X	
Darlan Busby	Mill Creek	X	
BRUCE SHUMMIN	MILL CREEK		
John G. Overcast	Mill River Irrig. Dist.		

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FORM CS-33A

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