

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

The meeting of the Long Range Planning Subcommittee was called to order by Chairman Rep. Robert Thoft on January 27, 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 44:A:000

RENEWABLE RESOURCE DEVELOPMENT

Caralee Cheney, Department of Natural Resources and Conservation (DNRC), gave the Long Range Planning Subcommittee a worksheet titled Projected Cash Flow for the RRD Account FY 1988-1989 (Exhibit #1).

City of Lakeside - Coal Severance Tax Loan Application:

George Thompson, Manager, City of Lakeside water system, said this is an emergency application. Mr. Thompson submitted a grant application summary (Exhibit #3). Mr. Thompson said Lakeside (Flathead Lake) depends on two wells and the proposal is to build a third. Mr. Thompson said the winter population is 200, and the summer population rises to 400. The highest water demand in July and August is three times the winter consumption of water.

The estimated cost of the new well is \$80,000. The current system is a lateral system. Chairman Thoft asked what the customers are paying now for water and what the new rate will be. Mr. Thompson said they are currently paying \$8/mo and that will go up to \$12.50/mo when the new system is installed.

Mr. Thompson said the City of Lakeside is requesting a \$33,000 loan/grant. Mr. Thompson said the voters of Lakeside gave their approval for a \$100,000 bond.

Timberland Improvement

Grant #3 University of Montana: (105)

Ms. Cheney said this project will demonstrate the beneficial effects of applying preferred timber management and forage improvement treatments to increase grazing capacity without harming other resources. The

implementation will be carried out by coordinated planning between the Forestry Division of the Department of State Lands (DSL), UM and the Cooperative Extension Service (CES). The UM will be responsible for planning, installing, and monitoring the demonstration areas and for reporting on wood and forage production and costs of management treatments. The CES will assist in coordination of workshops and training sessions to provide maximum transfer of knowledge to citizen and agency groups interested in practicing effective agro-forestry practices. The DSL will use the area as part of their Service Forestry program.

Carl Fiedler, said the treatments are planting new species of Ponderosa Pine, Douglas Fir, and Lodge Pole trees. Mr. Fiedler said the Ponderosa Pine are extremely fire resistant. Mr. Fiedler said they will introduce grasses by under burning the site during logging process.

Change of Scope Butte RIT Project (1985 Legislature): (245)

Don Peoples, said last session they were appropriated \$500,00 for cleaning up four ball fields and under \$100,00 is left over. Mr. Peoples said they would like to use the remainder of the funds to finish a ball field that during the last session was thought to be in conflict with Superfund, but has now resolved that issue.

Mr. Peoples said the Emma Mine ball field has always been their first priority because of the close proximity of highly populated low income areas, and because the field is environmentally unsafe.

Rep. Fritz Daily said he is in favor of the project because of the need to rid the Butte area from environmentally unsafe conditions. (374)

Rep. Daily said they are asking for \$240,000 of RIT funds in the 1989 biennium to reclaim land, build picnic shelters, and play ground equipment.

Sun Prairie - Coal Severance Tax Loan: (509)

Sen. Ted Neuman said the housing project was built in the late 1960's or early 1970's and since then the builder has gone out of business, so there is no liable party to repair the sewage lagoon. Sen. Neuman said Sun Prairie is requesting funds because the Lagoon is discharging sewage.

Ann Broadway, read her written testimony for the Long Range Planning Subcommittee (Exhibit #2). Ms. Broadway said the housing development is now paying \$24/mo.; with the loan it would raise to \$30/mo. Ms. Broadway said they have 290 accounts

of people that live there and 30 accounts of people who have lots there.

Sen. Walker said he has worked in the Sun Prairie area and believes it is a worth while project.

Ms. Broadway said there are 183 lots available in Sun Prairie by they can't be sold because the developer is tied up in Bankruptcy Court. (600)

Dan Stansbury said the banks of the lagoon will be rebuilt at an angle instead of the current vertical slope; this will help with the erosion that is contributing to the leaking of the sewage lagoon.

Ms. Broadway said lime and other minerals will be added to the soil to stabilize the high clay content and to prevent the soil from swelling.

Ms. Cheney, DNRC, they would qualify for a general obligation bond loan at 7% interest.

Executive Action

Discussion: Don Peoples said if they are able to use the remaining money from the previous project, they will withdraw their request for an RIT grant in the 1989 biennium.

Action: Rep. Bardanouve MOVED to APPROVE the request of using the remainder of the monies from the previous project with the contingency they retract their request for a 1989 RIT grant. The MOTION CARRIED unanimously.

ADJOURNMENT: There being no further business the Long Range Planning Subcommittee adjourned at 9:00a.m.



Chairman Rep. Bob Thoft

law

Projected Cash Flow for the
RRD Account+
FY 88-89

EXHIBIT 1

DATE 1-22-87

HB _____

*Income

Coal Severance Tax	\$ 770,494	Gov. Office Projection (\$377,584 + \$392,910)
Interest Income	72,000	(\$600,000 @ 6%)
Loan Repayments	<u>158,220</u>	(\$79,110 + \$79,110)
Total	\$1,000,714	

Expenditures

RRD Operations	\$ 127,000	(Similar to FY86-87)
Centralized Services Operations	13,000	(Similar to FY86-87)
Watershed Planning Cost Share to SCS	\$ 128,000	Similar to FY 86-87
Bond Debt	242,512	(\$122,937 + \$119,575)
Rangeland Resource Loan	<u>109,907</u>	[\$(1,000,714 - \$268,000) x .15]
Total	\$ 620,419	

Available for Grants [\$1,000,714 - \$620,419 = \$380,295]

47% to Water	= \$ 178,738
18% to Ag Land Improvements	= \$ 68,453
18% to Timber Improvements	= \$ 68,453
11% to Water Reservations	= \$ 41,832
6% to Other	= \$ 22,817

*Assumes no carryover from FY 87

Effective 1/12/87

VILLAGE WATER AND SEWER ASSOCIATION

EXHIBIT 2
DATE 12/7/87

Presentation to Legislative Sub-committee

RE: DNRC loan to repair wastewater lagoon

The total funding we're asking for is \$162,000. This is the estimated amount required to repair the two cell wastewater lagoon at Sun Prairie Village, Great Falls. Major repairs are needed to correct problems in the original design which have contributed to breaching in the past and predicted future breachings. Village Water and Sewer Association and Cascade County are currently facing litigation by the State of Montana (State ex rel. DHES v. Village Water and Sewer Association, Inc. and Cascade County; Cause No. ADV-85-454) as a result of previous breachings of the lagoon. Inclusive in conditions to be imposed resultant of a judgement would be a \$10,000. civil penalty.

The lagoon consists of a primary aerated cell and a secondary detention cell. We have experienced two breachings of the lagoon since its construction in 1977, one in 1982 and the last in 1985. Temporary repairs were effected for these incidents of breaching. It is our understanding that at the time of the construction of the lagoon in 1977 it met State requirements, however it appears that it was never inspected to ensure compliance.

Cascade County Commissioners are sponsoring us in this request for funding and are fully aware of the problems with the lagoon. If we are unable to acquire the funding for this project it will fall to Cascade County. Two banks and an investment firm have been approached but have expressed reluctance at this time to extend credit. As residents of the development we do not wish to be a liability to the county.

The bottom line is, that if the repairs to the lagoon are not accomplished it will have to be closed down. This will put 290 families in Cascade County without a sewage system...

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

EXHIBIT 3
DATE 1/27/87
HB _____

GRANT APPLICATION SUMMARY

I. APPLICANT INFORMATION

- A. Applicant Name Lakeside Water District
- B. Mailing Address Box 121
- C. City, State, Zip Lakeside, MT 59922
- D. Telephone Number(s): 857-3409
- E. Contact Person George Thompson
1. Address if different from
Project Sponsor Thomas, Dean & Hoskins, Inc.
3 Sunset Plaza, Kalispell, MT 59901
2. Telephone 755-5246

F. This grant is requested by a(n) (Check one)

- | | | |
|---|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> State government unit | <input type="checkbox"/> Rural improvement district |
| <input type="checkbox"/> Corporation for profit | <input type="checkbox"/> City, town or county | <input type="checkbox"/> Irrigation district |
| <input type="checkbox"/> Nonprofit corporation | <input checked="" type="checkbox"/> County water or sewer district | <input type="checkbox"/> Conservation district |
| <input type="checkbox"/> Partnership | | <input type="checkbox"/> Other (Specify) |
| <input type="checkbox"/> Association | | |

II. PROJECT INFORMATION

- A. Project Title Lakeside Water Well and Main Extension Project
- B. Brief Project Description Extension of 6" water mains on Stoner Creek Road and Construction of new water well.
- C. How long will it take to complete your project or activity?
Three months
- D. When do you plan to begin your project or activity?
03/87
month/year

