

MINUTES OF THE MEETING
NATURAL RESOURCES SUBCOMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

The meeting of the Natural Resources Subcommittee was called to order by Chairman Swift on January 30, 1987 at 8:05 a.m. in Room 317 of the State Capitol.

ROLL CALL: All members were present at the meeting with Senator Smith arriving late. Also in attendance were Carl Schweitzer of the LFA, Karen Volstedt of OBPP, and Denise Thompson, secretary.

DEPARTMENT OF NATURAL RESOURCES:

(49:A:020) Mr. Fasbender stated they would be finishing the presentation on Water, and Centralized Services.

Mr. Gary Fritz, Director of Water Resources Division, continued with the Modifications.

Powder River Negotiation with state of Wyoming - Two projects that Wyoming has identified as top priority are in the Powder River basin. The reports that they have put out indicate that they want to take the best quality river in the Powder River in Wyoming and store it, and use it for their own use. Montana would get the worst quality water. The department after last session when SJR 16 was passed, and the governor executed order number 5-85, which set up a Powder River Water Management Team consisting of legislators, irrigators from the Powder River area and executive personnel; we have met with Wyoming a number of times and it is very obvious that they have no intention of complying with water quality standards in Montana and have no interest in modifying any of their plans to help mitigate the question of water quality in Montana. This request would basically help extend the life of that Management Team and allow them to prepare to go to battle with Wyoming over their use of water in the Powder River. Funds are broken down in the following way: 1) maintain a water quality monitoring gage where the Powder River comes into Montana for a cost of \$18,000; 2) the travel costs for the negotiating team for about \$11,500; 3) to prepare strategy on how to approach Wyoming costing approximately \$6,000, which equals the amount of the modified request of \$35,500.

CENTRALIZED SERVICES DIVISION:

Mr. John Armstrong, Administrator for the Centralized Services Division, Department of Natural Resources and Conservation presented to the committee a brief summary of

the division. The program has three components: 1) Director's Office; 2) The Board of Natural Resources and Conservation; and 3) Central Support Services.

The Director's Office contains a legal unit, provides public information services and personnel functions, coordinates intergovernmental reviews, and coordinates the board meetings.

Central Support Services - They provide a variety of support services to the other divisions of the department. Some of the major services they provide are: 1) centralized accounting functions such as payment of vendor claims, payroll preparation and health insurance, SBAS maintenance, collection and deposit of revenue, purchasing and inventory control, loans, grants, and contract monitoring. Currently they are monitoring the accounting records and maintaining those accounting records for over 350 grants totaling \$27 million. They also have over 144 loans totaling \$18 million. The fiscal bureau also works with state and federal auditors when audits are performed; 2) Publications and Photography bureaus prepare all types of DNRC publications and information documents. They provide editing and technical writing, graphic and mapping services, layout and drafting services. 3) Data Processing bureau provides data entry, systems analysis design and development, system testing and implementation, maintenance of the computer system, coordinating word processing and data processing, train personnel in utilizing the computer system, and recommend the acquisition of data hardware and software. 4) Budget Preparation and Coordination, budget analysis, fiscal notes, building maintenance supervision. 5) A research center that provides data for other divisions, and miscellaneous duties that are not a part of any other division.

Mr. Schweitzer asked if Mr. Armstrong could go over the number of people that are in each part of the program.

1.	Director's Office	12.5
	Legal staff	6.0
	Director & Deputy	2.0
	Exec. Secretary	1.0
	Secretaries	2.0
	Receptionist	.5
	Personnel/Pub. Infor	1.0
2.	Central Support Svs.	27.5
	Administrative	4.5
	Fiscal Bureau	7.0
	Publications	4.0
	Photography	4.0
	Data Processing	8.0

OIL AND GAS Work Session (49:A:250)

Mr. Schweitzer reviewed for the committee the differences in the Oil and Gas Program (Exhibit 1).

1. LFA Eliminated 2.2 Vacant Positions - Rep. Devlin moved to ACCEPT the LFA with inserted language that the current level in 90-91 biennium will still be back at the 1986 current level and allow them to hire the additional 2.2 positions only if the activity picks up to warrant that.

Rep. Devlin revised his motion to read ACCEPT the executive with the condition that language be inserted to allow the 2.2 FTE with the understanding that they would leave current level at the level it is now in 90-91 biennium. Rep. Manuel called the question. The motion CARRIED unanimously.

2. Legal Fees for start up legal fees.

3. Microfilming for filming of old production records. These are researched frequently and it is necessary to protect those old records. They also take up a lot of space in the building.

4. Training - safety training for field inspectors.

EXECUTIVE ACTION:(49:B:060)

Rep. Spaeth moved to take the executive on items 2, 4, and 5, and item 3 to modify the executive to allow \$20,000 expending authority for the biennium, and item 2 for \$5,000 for the biennium. Rep. Manuel called the question. The motion CARRIED unanimously.

Conservation District Program -

1. Application costs of \$900 for Renewable Resource Dev. Funds.

2. New Typewriter for Miles City Office in 1989 for \$956.

3. Conservation District Grants with a difference between LFA and executive in Coal Severance Tax monies (Exhibit 2).

Range Land Loan Program - \$500,000 that is included as part of the operating expenses.

(49:B:152) Sen. Story moved to take the \$500,000 out of the appropriation bill, put language in that authorizes them to make loans up to \$500,000, and add \$2,000 into the operating expenses, that would not be funded with general fund but with range land loan funds. Rep. Spaeth called the question. The motion CARRIED unanimously.

Funding- RIT or General Fund to finance the program. Sen. Story moved that RIT funds be used to fund the Range Land Loan Program. Sen. Boylan called the question. The motion CARRIED unanimously.

Rep. Spaeth moved to use the executive on 1, 2, and 3, and include sub-paragraph two as part of Issue number 3, which reads: "The Conservation District Division is authorized to distribute additional grant funds that may be received by reversion of unexpended grant funds or additional funds received over the 1987 coal tax estimates." Rep. Manuel called the question. The motion CARRIED unanimously.

Vacancy Savings - Rep. Manuel moved to recommend to the full committee that the Conservation Districts Division have no vacancy savings taken out. Sen. Boylan called the question. The motion CARRIED unanimously.

There was discussion as to what the intent of vacancy savings was and it was repeated that the full appropriations committee had instructed the subcommittees to use a less than 20 people as a zero vacancy savings and over 20 FTE to a 4 percent vacancy savings. Both LFA and Executive budgets followed this practice by size of department.

(50:A:077) Authority to Spend Funds - The Conservation Districts Division asked for authority to expend funds in 1989 RIT funds for reclamation of streambanks damaged by placer mining, because funds are not available until next spring. (SEE NOTE ON Program 23-Page 1 of blue book). Mr. Fasbender asked that the authorization to spend those funds, from last biennium's RIT program be included in the grants from state sources as an addition to that so they would have authorization to spend those funds as they were approved last time.

Rep. Spaeth moved that as long as it is understood that what we do is spending authority and not funding authority. Rep. Devlin called the question. The motion CARRIED unanimously.

Reserved Water Rights Compact Commission - The department is asking for additional funding pursuant to SB 92 passing which would extend the life of the Compact Commission to 1993. Just authorization not appropriation on the bill. This is General Fund and RIT. Rep. Spaeth asked why is mix

changed. Mr. Fasbender stated this was done in conjunction with the budget office and by the department to fund half of the Compact Commission with RIT funds. Just a matter of allocating funds to different programs, and they felt it was an appropriate program to be using RIT funds to fund.

Rep. Spaeth moved to APPROVE the funding for the Reserved Water Rights Compact Commission as is requested in the executive budget or we recommend to the full committee that it be approved pursuant to SB 92 passing as is listed in the governor's budget. Rep. Boylan called the question. The motion CARRIED unanimously.

ADJOURNMENT:

The meeting was adjourned at 9:30 a.m.



Rep. Bernie Swift, Chairman

DAILY ROLL CALL

NATURAL RESOURCES

SUBCOMMITTEE

DATE 11/30/87

NAME	PRESENT	ABSENT	EXCUSED
Senator Boylan	✓		
Representative Devlin	✓		
Representative Manuel	✓		
Senator Smith	✓	late	✓
Representative Spaeth	✓		
Senator Story	✓		
Representative Swift	✓		

Subcommittee Action
Agency: Natural Resources and Conservation **Program: Oil and Gas**

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	22.00	19.80	2.20	22.00	19.80	2.20
Personal Serv.	\$568,073	\$520,762	\$47,311	\$567,822	\$520,940	\$46,882
Operating Exp.	236,801	216,607	20,194	231,175	217,155	14,020
Equipment	10,434	10,434	-0-	31,992	7,592	24,400
Non-Operating	<u>3,170</u>	<u>3,170</u>	<u>-0-</u>	<u>2,905</u>	<u>2,905</u>	<u>-0-</u>
Total Exp.	<u>\$818,478</u>	<u>\$750,973</u>	<u>\$67,505</u>	<u>\$833,894</u>	<u>\$748,592</u>	<u>\$85,302</u>

Funding

State Spec. Rev.	<u>\$818,478</u>	<u>\$750,973</u>	<u>\$67,505</u>	<u>\$833,894</u>	<u>\$748,592</u>	<u>\$85,302</u>
------------------	------------------	------------------	-----------------	------------------	------------------	-----------------

Add to (Subtract From)
LFA Current Level

<u>Differences</u>	LFA Current Level		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. LFA Eliminated 2.2 Vacant Positions	\$47,311	\$46,882	_____	_____
2. Legal Fees	5,000	-0-	_____	_____
3. Microfilming Cost	15,000	15,000	_____	_____
4. Training Costs	1,500	1,500	_____	_____
5. Vehicles	-0-	24,400	_____	_____

Subcommittee Action

Agency: Natural Resources and Conservation

Program: Conservation Districts

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	5.20	5.20	0.00	5.20	5.20	0.00
Personal Serv.	\$ 140,660	\$ 140,454	\$ 206	\$140,619	\$140,297	\$ 322
Operating Exp.	616,065	616,201	(136)	116,777	116,310	467
Equipment	200	200	-0-	1,156	200	956
Non-Operating	<u>386,250</u>	<u>292,734</u>	<u>93,516</u>	<u>386,250</u>	<u>298,785</u>	<u>87,465</u>
Total Exp.	<u>\$1,143,175</u>	<u>\$1,049,589</u>	<u>\$93,586</u>	<u>\$644,802</u>	<u>\$555,592</u>	<u>\$89,210</u>

Funding

General Fund	\$ ---	\$352,552	\$(352,552)	\$ ---	\$352,505	\$(352,505)
State Spec. Rev.	1,140,472	694,334	446,138	642,099	200,384	441,715
Federal	<u>2,703</u>	<u>2,703</u>	<u>-0-</u>	<u>2,703</u>	<u>2,703</u>	<u>-0-</u>
Total Funding	<u>\$1,143,175</u>	<u>\$1,049,589</u>	<u>\$ 93,586</u>	<u>\$644,802</u>	<u>\$555,592</u>	<u>\$ 89,210</u>

Differences	Add to (Subtract From)		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Application costs for Renewable Resource Dev. Funds	\$ -0-	\$ 900	_____	_____
2. New Typewriter for Miles City Office	-0-	956	_____	_____
3. Conservation District Grants	93,516	87,465	_____	_____

Subcommittee Action
Agency: Natural Resources and Conservation **Program: Water Resources**

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	146.22	136.59	9.63	147.22	136.59	10.63
Personal Serv.	\$3,740,306	\$3,466,692	\$ 273,614	\$3,763,920	\$3,466,171	\$ 297,749
Operating Exp.	1,304,262	1,002,661	301,601	1,271,869	1,000,573	271,296
Equipment	73,160	65,492	7,668	46,315	47,492	(1,177)
Non-Operating	<u>4,306,434</u>	<u>69,934</u>	<u>4,236,500</u>	<u>65,893</u>	<u>70,393</u>	<u>(4,500)</u>
Total Exp.	<u>\$9,424,162</u>	<u>\$4,604,779</u>	<u>\$4,819,383</u>	<u>\$5,147,997</u>	<u>\$4,584,629</u>	<u>\$ 563,368</u>

Funding

General Fund	\$3,031,231	\$3,201,229	\$ (169,998)	\$3,044,180	\$3,190,708	\$(146,528)
State Spec. Rev.	2,883,361	1,360,750	1,522,611	2,061,017	1,351,121	709,896
Federal	<u>3,509,570</u>	<u>42,800</u>	<u>3,466,770</u>	<u>42,800</u>	<u>42,800</u>	<u>-0-</u>
Total Funding	<u>\$9,424,162</u>	<u>\$4,604,779</u>	<u>\$4,819,383</u>	<u>\$5,147,997</u>	<u>\$4,584,629</u>	<u>\$ 563,368</u>

<u>Differences</u>	Add to (Subtract From) LFA Current Level		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Water Well Bd & Water Dev.				
Advisory Counsel Per Diem	1,550	1,550	_____	_____
2. LFA Eliminated Grants	4,241,000	-0-		
3. Executive Eliminated (1.37) FTE	(40,000)	(40,000)	_____	_____
4. LFA eliminated RIT grant psn	25,000	25,000	_____	_____
5. USGS Water Testing	13,300	13,300	_____	_____
6. Legal Council - Water Well	4,462	4,462	_____	_____
7. Water Development bond Council	8,000	8,000	_____	_____
8. Flood Plains Hearing Officers	9,300	9,300	_____	_____
9. Septic Tank Pumping & Water Repair	2,800	2,800	_____	_____
10. Capital Outlay	(4,500)	(4,500)	_____	_____
11. Travel	6,898	6,495	_____	_____
12. Building Supplies	(9,000)	(9,000)	_____	_____
13. MOD - Reserved Water Rights Commission	229,767	229,479	_____	_____
14. MOD - Missouri River Reservaiton Program	174,407	174,358	_____	_____
15. MOD - Dam Safety	127,563	140,452	_____	_____
16. MOD - Powder River Negotiations	35,500	-0-	_____	_____

CS1:sanrc.

EXECUTIVE CURRENT LEVEL

	GENERAL FUND	WATER WELL	WATER DEVELOPMENT	RENEWABLE RESOURCES	RIT INTEREST	WATER RIGHTS	FEDERAL FUNDS	TOTAL PROGRAM
ADMINISTRATION	90,000	0	90,000	0	106,199	0	0	286,199
WATER WELL BOARD	6,000	30,000	0	0	0	0	0	36,000
WATER RIGHTS	2,410,347	0	0	0	0	75,000	0	2,485,347
WATER MANAGEMENT	250,000	0	0	0	331,057	25,770	0	606,827
WATER DEVELOPMENT	0	0	335,438	65,000	0	0	0	400,438
WATER ENGINEERING	160,000	0	598,314	0	0	0	42,800	801,114
TOTAL FUNDS	2,916,347	30,000	1,023,752	65,000	437,256	100,770	42,800	4,615,925

LFA CURRENT LEVEL

	GENERAL FUND	WATER WELL	WATER DEVELOPMENT	RENEWABLE RESOURCES	RIT INTEREST	WATER RIGHTS	FEDERAL FUNDS	TOTAL PROGRAM
ADMINISTRATION	166,413	0	99,483	8	0	8	0	265,912
WATER WELL BOARD	6,236	30,000	0	0	0	0	0	36,236
WATER RIGHTS	2,421,096	0	0	0	0	75,000	0	2,496,096
WATER MANAGEMENT	607,195	0	0	0	0	0	0	607,195
WATER DEVELOPMENT	0	0	324,981	65,000	0	0	0	389,981
WATER ENGINEERING	0	0	766,286	0	0	0	42,800	809,086
TOTAL FUNDS	3,200,940	30,000	1,190,750	65,008	0	75,008	42,800	4,604,506

There are two issues which the subcommittee can address:

1. Use of \$437,256 of RIT interest to replace general fund. This is an executive recommendation.
2. Use of \$160,000 of Water Development Funds to replace general fund. This is part of the LFA current level.

Subcommittee Action
Agency: Natural Resources and Conservation **Program: Energy Planning**

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	39.00	32.00	7.00	39.00	32.00	7.00
Personal Serv.	\$1,073,527	\$ 919,447	\$ 154,080	\$1,070,032	\$ 919,346	\$ 150,686
Operating Exp.	3,288,152	3,282,866	5,286	1,479,751	1,489,475	(9,724)
Equipment	7,904	5,224	2,680	10,005	5,224	4,781
Non-Operating	<u>89,400</u>	<u>822,500</u>	<u>(733,100)</u>	<u>158,600</u>	<u>812,500</u>	<u>(653,900)</u>
Total Exp.	<u>\$4,458,983</u>	<u>\$5,030,037</u>	<u>\$(571,054)</u>	<u>\$2,718,388</u>	<u>\$3,226,545</u>	<u>\$(508,157)</u>

Funding

General Fund	\$ 472,152	\$ 494,355	\$ (22,203)	\$ 485,118	\$ 494,149	\$ (9,031)
State Spec. Rev.	1,240,512	2,084,670	(844,158)	1,239,399	2,077,585	(838,186)
Federal	<u>2,746,319</u>	<u>2,451,012</u>	<u>295,307</u>	<u>993,871</u>	<u>654,811</u>	<u>339,060</u>
Total Funding	<u>\$4,458,983</u>	<u>\$5,030,037</u>	<u>\$(571,054)</u>	<u>\$2,718,388</u>	<u>\$3,226,545</u>	<u>\$(508,157)</u>

Add to (Subtract From)

<u>Differences</u>	<u>LFA Current Level</u>		<u>Subcommittee Action</u>	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Executive eliminated 0.5 FTE which was the monitored energy consumption	\$ (14,433)	\$ (14,409)	_____	_____
2. Executive eliminated 0.30 FTE from Facility Siting Bureau plus \$3,500 for legal costs	(12,008)	(12,517)	_____	_____
3. Energy audits on state building	(63,030)	(51,635)	_____	_____
4. Alternative Energy Grants	(792,500)	(792,500)	_____	_____
5. Reduction in contracted services	(22,500)	(22,500)	_____	_____
6. MOD Residential Const. Demo. Proj.	220,194	264,042	_____	_____
7. MOD Technical Assistance Prog.	72,639	72,585	_____	_____
8. MOD - BPA Coordination Agreement	15,000	15,000	_____	_____

Subcommittee Action

Agency: Natural Resources and Conservation Program: Centralized Services

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	41.00	40.00	1.00	41.00	41.00	0.00
Personal Serv.	\$1,133,859	\$1,111,567	\$ 22,292	\$1,178,879	\$1,156,970	\$ 21,909
Operating Exp.	439,405	427,543	11,862	413,833	376,735	37,098
Equipment	<u>3,975</u>	<u>4,775</u>	<u>(800)</u>	<u>2,275</u>	<u>3,275</u>	<u>(1,000)</u>
Total Exp.	<u>\$1,577,239</u>	<u>\$1,543,885</u>	<u>\$ 33,354</u>	<u>\$1,594,987</u>	<u>\$1,536,980</u>	<u>\$ 58,007</u>

Funding

General Fund	\$1,185,780	\$1,059,111	\$126,669	\$1,229,050	\$1,054,318	\$174,732
State Spec. Rev.	261,202	323,592	(62,390)	260,683	322,201	(61,518)
Federal	<u>130,257</u>	<u>161,182</u>	<u>(30,925)</u>	<u>105,254</u>	<u>160,461</u>	<u>(55,207)</u>
Total Funding	<u>\$1,577,239</u>	<u>\$1,543,885</u>	<u>\$ 33,354</u>	<u>\$1,594,987</u>	<u>\$1,536,980</u>	<u>\$ 58,007</u>

Add to (Subtract From)

LFA Current Level

Subcommittee Action

<u>Differences</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Insurance for two part-time positions	\$1,380	\$1,380	_____	_____
2. Payroll changes	8,050	8,050	_____	_____
3. LFA reduction because of loss of federal interest	-0-	25,000	_____	_____
4. MOD - Loan Grant Audit	24,786	24,552	_____	_____
5. Funding of Program				
A. Oil and Gas	14,000	13,500	_____	_____
B. Alternative Energy Funds	62,500	63,300	_____	_____
C. Federal	31,200	55,500	_____	_____

Subcommittee Action
Agency: Natural Resources and Conservation

Program: Energy Planning

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	39.00	32.00	7.00	39.00	32.00	7.00
Personal Serv.	\$1,073,527	\$ 919,447	\$ 154,080	\$1,070,032	\$ 919,346	\$ 150,686
Operating Exp.	3,288,152	3,282,866	5,286	1,479,751	1,489,475	(9,724)
Equipment	7,904	5,224	2,680	10,005	5,224	4,781
Non-Operating	<u>89,400</u>	<u>822,500</u>	<u>(733,100)</u>	<u>158,600</u>	<u>812,500</u>	<u>(653,900)</u>
Total Exp.	<u>\$4,458,983</u>	<u>\$5,030,037</u>	<u>\$(571,054)</u>	<u>\$2,718,388</u>	<u>\$3,226,545</u>	<u>\$(508,157)</u>

Funding

General Fund	\$ 472,152	\$ 494,355	\$ (22,203)	\$ 485,118	\$ 494,149	\$ (9,031)
State Spec. Rev.	1,240,512	2,084,670	(844,158)	1,239,399	2,077,585	(838,186)
Federal	<u>2,746,319</u>	<u>2,451,012</u>	<u>295,307</u>	<u>993,871</u>	<u>654,811</u>	<u>339,060</u>
Total Funding	<u>\$4,458,983</u>	<u>\$5,030,037</u>	<u>\$(571,054)</u>	<u>\$2,718,388</u>	<u>\$3,226,545</u>	<u>\$(508,157)</u>

Add to (Subtract From)

LFA Current Level

Subcommittee Action

<u>Differences</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Executive eliminated 0.5 FTE which was the monitored energy consumption	\$ (14,433)	\$ (14,409)	_____	_____
2. Executive eliminated 0.30 FTE from Facility Siting Bureau plus \$3,500 for legal costs	(12,008)	(12,517)	_____	_____
3. Energy credits on state funding	(63,030)	(51,635)	_____	_____
4. Alternative Energy Grants	(792,500)	(792,500)	_____	_____
5. Reduction in contracted services	(22,500)	(22,500)	_____	_____
6. MOD Residential Const. Demo. Proj.	220,194	264,042	_____	_____
7. MOD Technical Assistance Prog.	72,639	72,585	_____	_____
8. MOD - BPA Coordination Agreement	15,000	15,000	_____	_____

Subcommittee Action

Agency: Natural Resources and Conservation Program: Centralized Services

	----- Fiscal 1988 -----			----- Fiscal 1989 -----		
	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>	<u>Executive</u>	<u>Current Level</u>	<u>Difference</u>
FTE	41.00	40.00	1.00	41.00	41.00	0.00
Personal Serv.	\$1,133,859	\$1,111,567	\$ 22,292	\$1,178,879	\$1,156,970	\$ 21,909
Operating Exp.	439,405	427,543	11,862	413,833	376,735	37,098
Equipment	<u>3,975</u>	<u>4,775</u>	<u>(800)</u>	<u>2,275</u>	<u>3,275</u>	<u>(1,000)</u>
Total Exp.	<u>\$1,577,239</u>	<u>\$1,543,885</u>	<u>\$ 33,354</u>	<u>\$1,594,987</u>	<u>\$1,536,980</u>	<u>\$ 58,007</u>

Funding

General Fund	\$1,185,780	\$1,059,111	\$126,669	\$1,229,050	\$1,054,318	\$174,732
State Spec. Rev.	261,202	323,592	(62,390)	260,683	322,201	(61,518)
Federal	<u>130,257</u>	<u>161,182</u>	<u>(30,925)</u>	<u>105,254</u>	<u>160,461</u>	<u>(55,207)</u>
Total Funding	<u>\$1,577,239</u>	<u>\$1,543,885</u>	<u>\$ 33,354</u>	<u>\$1,594,987</u>	<u>\$1,536,980</u>	<u>\$ 58,007</u>

<u>Differences</u>	Add to (Subtract From)		Subcommittee Action	
	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>
1. Insurance for two part-time positions	13,800	13,800	_____	_____
2. Payroll changes	8,050	8,050	_____	_____
3. LFA reduction because of loss of federal interest	-0-	25,000	_____	_____
4. MOD - Loan Grant Audit	24,786	24,552	_____	_____
5. Funding of Program				
A. Oil and Gas	14,000	13,500	_____	_____
B. Alternative Energy Funds	62,500	63,300	_____	_____
C. Federal	31,200	55,500	_____	_____

Water Development Program
Projected Cash Flow for the
Water Development Special Revenue Account
1988-1989 Biennium

*Income

Project Revenues	\$ 440,000	Similar to FY 86-87
Loan Repayment	729,772	(9/86)
RIT	4,110,900	Gov. Office Projection (1/87)
Coal Severance Tax	770,494	(1/87) (377,584 + 392,910)
WD Interest	<u>100,000</u>	(1/87)
Total	\$6,151,166	

Expenditures

Water Courts	\$1,080,000	Similar to FY 86-87
Centralized Services Division	200,000	Similar to FY 86-87
DNRC Operations	2,047,000	Governor's Budget
Project Rehab.	800,000	Similar to FY 86-87
Bond Debt	<u>1,187,315</u>	Similar to FY 86-87
Total	\$5,314,315	

Available for Grants	\$ 836,851
Emergency Grants	- 125,000
RRD Earmarked for Water	+ <u>170,200</u>
Total	\$ 881,151

*Assumes no carryover from FY 87

Effective 1/28/87

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

2/28 1/30/87

Natural Resources Subcommittee
Exhibit 3



TED SCHWINDEN, GOVERNOR

1520 EAST SIXTH AVENUE

STATE OF MONTANA

DIRECTOR'S OFFICE (406) 444-6699

HELENA, MONTANA 59620

CONSERVATION DISTRICTS DIVISION
OF
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

The Conservation Districts Division is responsible under state law (76-15-101 through 810) to assist Montana's 59 conservation districts and 30 state grazing districts. Montana's conservation districts are legal subdivisions of state government responsible by law for soil and water conservation work within their boundaries. State grazing districts are also formed under Montana statute that gives them the power to lease or purchase grazing lands to develop and manage district controlled lands and to allocate grazing preferences among members and nonmembers.

The Conservation Districts Division has five full time employees. Four in the Helena office and one person stationed in Miles City. The division also contributes funding equivalent to a .2 position towards a secretary position in Miles City. There are 10 main categories of responsibility administered by the division.

A. Conservation Districts Supervision and Assistance

The division is responsible by law to assist and supervise local conservation districts. Approximately 75 percent of the division's man hours and budget are spent in this category.

Although the division has some supervisory powers, our efforts are mainly program assistance. Since basically all of Montana is included in conservation districts, the concerns, projects, and activities vary greatly across the state. District responsibility requires them to develop and carry out long-range programs that will result in the conservation and improvement of our soil and water resources, to provide assistance in the planning and application of conservation measures, and to encourage maximum participation of the general public and all local public and private agencies to fulfill this purpose.

Conservation districts represent about 15,000 cooperators totaling around 44 million acres. These numbers are increasing significantly because of the Food Security Act and responsibilities placed on districts.

By 1990, any agricultural producer that is farming marginal lands must have a district approved conservation plan before they are eligible for agricultural assistance programs. Also, 7 million acres have been targeted in Montana to be included into the Conservation Reserve Program. Districts play a big role in both of these programs as well as the sod buster portion of the Act. Districts are looking to us for increased financial and technical assistance to address these responsibilities, both of which we are having difficulty providing. The brighter side of this is that the CRP could bring in 400 to 700 million dollars to the state over the next 10 years. Using a multiplying factor of 7 for every dollar a farmer or rancher spends, this program has the potential to generate 2.8 to 4.9 Billion dollars in our communities.

Districts are receiving an increased amount of requests for assistance from urban and developing areas as well. Approximately 430 units of state and local governments receive assistance annually from districts. (Soil surveys, water inventories, assistance with waste disposal, services to builders, contractors, planning commissions, municipal officials, schools, hospitals, industries, small landowners)

Our assistance comes in the form of technical help with projects or problems dealing with wind erosion, water and stream bank erosion, flooding, water pollution, water quality assessments, water reservations, range activities, timber management, streambed and land preservation permits, mining impacts, public meetings, pipeline routing, weed control, wilderness studies, urban activities, legal opinions, supervisor and employee training, budgeting, and the list goes on.

The division personnel are called upon by districts to generally assist supervisors in carrying out their powers, programs and responsibilities and securing the cooperation and assistance of the federal, state, and local government.

B. Rangeland Management Coordination

The Conservation Districts Division is responsible by law to serve as an advisor, counselor, and coordinator for and between persons and agencies involved in range management in Montana. We are directed to create understanding and compatibility between the many users of rangeland including sportsmen, recreationists, ranchers, and others, and to promote and coordinate the adoption and implementation of sound range management plans to minimize conflicts between governmental agencies and private landowners.

Currently there are 22 active range committees. During 1986, these committees sponsored over 25 individual events including range tours, range rides, county range camps, range workshops and seminars, Montana Range Days, and Montana Youth Range Camp.

C. Grazing District Supervision and Assistance

The Conservation Districts Division is responsible for the administration of the Montana Grass Conservation Act (Grazing District Law), acting in an advisory capacity to the districts; to supervise and coordinate the formation and operation of grazing districts incorporated under the law; and for the purpose of working out uniform plans for the use of lands within the boundaries of the districts to conform with recognized conservation practices. This includes assistance to 30 state grazing districts who in turn represent 1,353 permittees covering 10,501,070 acres of land.

The division requests and handles records and fees submitted by the districts, advises district staff on district operation and laws, submits expenditure reports to the districts and administers the incorporation or, extension of, and dissolution of districts.

D. Loan and Grant Programs

The Conservation Districts Division administers a low interest rangeland improvement loan program. Funding for this program was provided from the Renewable Resource Development fund and authorized by the 1979, 1981, and 1983 legislative sessions.

To date, 119 applications have been received totaling \$1,701,235. Fifty-two loans have been completed for \$744,191. Total acres improved equal 301,095 with improvements completed or in progress including:

14 stockwater wells	6,775 acres reseeding
89.2 miles stockwater pipeline	65 spring developments
2,180 acres mechanical renovation	165 stockwater tanks
3,355 acres brush/weed control	8 new grazing systems
101.6 miles fencing	158 wildlife habitat
28 stockwater reservoirs	301,095 acres improved

The division administers the conservation districts project grant program. This program is made possible from funding received from 1/2 of 1 percent of the coal tax, which was authorized by the legislature in 1981. To date, 129 projects have been funded from this program including:

- 28 conservation tillage
- 5 saline seep
- 15 weed control
- 18 streambank stabilization
- 7 erosion control
- 14 water management
- 15 technical assistance
- 10 administrative assistance
- 5 education, range camps

- 8 soil surveys
- 2 pasture reclamation & management
- 1 forest management
- 1 farmland protection (preservation)

The division also administers funds authorized by the legislature to be used for administration of individual districts. The funds are being distributed through an application process and are used for: salaries, 85 percent; education, 6 percent; meetings, 2 percent; per diem and travel, 3 percent; and supplies and equipment 4 percent.

Because of low county mill levys, these funds are very important to the districts for day to day operations, required activities under state law, (310, water reservations, stream access, soil and water conservation, and protection activities as required by law) and federal law (conservation compliance, CRP, sodbuster, swampbuster).

E. Watershed Planning

The Conservation Districts Division works through a cooperative agreement with the Soil Conservation Service on multipurpose water development projects in Montana under Public Law 566.

At the present time, three watershed projects are being developed under the agreement.

- 1 Pasture Creek, McCone County, flood prevention project (planning stage)
2. Mill creek, Park County, gravity pressure irrigation project (design stage)
3. Lower Birch Creek, Pondera County, water conservation and rehabilitation of structures.

Ten other projects have been completed under this program. They include:

- Lower Willow Creek, Granite County, irrigation reservoir
- Box Elder Creek, Sheridan County, flood control (dam)
- Jaw Bone Creek, Wheatland County, flood control (dam)
- Sidney Water Users Assn, Richland County, irrigation (pump out of Missouri)
- City of Shelby, Toole County, flood control (dam)
- Big Spring Creek, Fergus County, flood control (several dams)
- Newland Creek, Meagher County, irrigation (dam)
- Alkali Creek, Yellowstone County, flood control (dam)
- Cedar Creek, Flathead County, flood control - M & I water
- Baker Lake, Fallon County, flood control (dam)

F. Conservation District Water Reservation

The 1973 Montana Water Use Act gave conservation districts the authority to reserve water for future beneficial use (MCA, 85-2-316). Districts must apply to the Board of Natural Resources and Conservation to reserve water. The Board granted agricultural water reservations to 14 conservation districts in the Yellowstone River basin in December 1978. These districts have developed implementation plans and continue to put reserved water to beneficial use.

In the Clark Fork River basin, Granite County Conservation District has submitted an application to store reserved irrigation water in two tributary reservoirs. In addition, Mile High conservation district has conducted a county water resources survey and is considering the possibility of applying for reserved water.

The 1985 legislature passed HB 680 (85-2-331) which called for a basin-wide water reservation proceeding in the Missouri basin similar to that done in the Yellowstone. Also, districts along the Little Missouri have expressed interest in reserving water. This was not included under HB 680.

The role of the CDD in the water reservation process is to inform CDs of the process to assist them in the application process, to assist with DNRC review of reservation applications, to assist CDs in contracting with consultants, and to provide funding and technical assistance for implementing existing reservations.

G. Coordinated Resource Management Planning (CRMP)

CRMP is a process wherein planning and resource management on lands with intermingled ownership is undertaken regardless of ownership boundaries. Eight agencies are involved in the process through a memorandum of understanding. They include the Bureau of Land Management, Forest Service, Department of State Lands, Department of Fish, Wildlife and Parks, Extension Service, Soil Conservation Service, MT Association of Conservation Districts, and DNRC. The Conservation Districts Division personnel currently chair both the state executive group and state task group for CRMP.

H. Interagency Land Use Coordination

The CDD is directed in MCA, 76-15-105(4) to "secure the cooperation and assistance of the United States and the agencies of this state in the work of the districts."

To fulfill these duties, the division:

1. Reviews federal and state land exchange proposals on behalf of CDs.

2. Coordinates interagency efforts associated with CD special projects (i.e., the Milk River study; the Double Fork Ranch project, etc.).
3. Participates on the Governor's Planning Task Force, which reviews federal agency land use plans, on behalf of DNRC and CDs.
4. Participates on the Governor's Wilderness Committee, which has helped develop the Governor's recommendations on the RARE II and SB 393 issues.

I. Conservation Education

Conservation district law (76-15-105) directs the CDD to assist the CDs in carrying out their programs and to disseminate information throughout the state concerning the activities and programs of the CDs.

The division is involved in the following conservation education activities:

1. The division has been involved with the Agriculture in Montana Schools Program since its start. This includes providing the program with conservation education materials, assistance in the preparation of soil monoliths for the classroom, informing the CDs of AMS activities, and encouraging CD involvement.
2. Presenting conservation education information in the monthly division information sheet and during CD workshops.
3. Working with CDs and other agencies on a project intended to develop computer software for teaching soil and water conservation in the public schools and 4-H programs.
4. Assisting in conservation education activities such as Youth Range Camp, Montana Range Days, etc.


J. Riparian Management Program (RMP)

The division received \$39,000 from the RRD program in the fall of 1985. The objective of the program is to implement demonstration projects that utilized primarily nonstructural riparian area protection/stabilization measures including establishment of vegetative cover, grazing management, sloping, fencing, log cribbing, root balls, etc. In some cases, limited amounts of riprap may be included in the projects, but this must be kept to a minimum. The demonstration projects should be able to show that there are other, inexpensive methods that will protect or stabilize streambank areas as an alternative to the placement of riprap or other structural protection methods.

To date, one project has been completed. This is the Rocky Creek II project in Gallatin County at a cost of \$11,383.67. The results of this project have been very favorable.

The spending plan for the remaining \$27,616.33 is as follows:

Prairie Co. CD - \$4,500 - BLM/DNRC Ten Mile Creek Project
Meagher Co. CD - \$7,000 - Smith River Projects (3)
Deer Lodge Valley CD - \$7,000 - Little Blackfoot River Project
Dawson Co. CD - \$2,000 - Yellowstone River Project
Flathead CD - \$7,000 - Ashley Creek/Spring Creek Project


Ray Beck

WATER RESOURCES DIVISION

OBPP FUNDING RECOMMENDATIONS (BY SUBPROGRAM)

	<u>GF</u>	<u>RIT</u>	<u>RIT</u>	<u>WR</u>	<u>WD</u>	<u>RRD</u>	<u>WWC</u>	<u>FPRA</u>	<u>F.FLOOD</u>	<u>TOTAL</u>
	<u>01100</u>	<u>02027</u>	<u>02104</u>	<u>02430</u>	<u>02435</u>	<u>02436</u>	<u>02825</u>	<u>03034</u>	<u>03094</u>	<u>TOTAL</u>
FY 1988										
Administration	-0-	-0-	106,199	-0-	178,634	-0-	-0-	-0-	-0-	284,833
Engineering	11,350 ¹	224,204	-0-	-0-	1,306,938	-0-	-0-	3,466,770	42,800	5,052,062
Water Development	-0-	-0-	-0-	-0-	338,180	65,000	-0-	-0-	-0-	403,180
Water Management	504,855	106,853	-0-	-0-	-0-	-0-	-0-	-0-	-0-	611,708
Water Rights	2,365,842	-0-	-0-	75,000	-0-	-0-	-0-	-0-	-0-	2,460,842
Water Wells	14,300	-0-	-0-	-0-	-0-	-0-	30,000	-0-	-0-	44,300
TOTAL	2,916,347	331,057	106,199	75,000	1,823,752	65,000	30,000	3,466,770	42,800	8,856,925
FY 1989										
Administration	-0-	-0-	105,757	-0-	179,000	-0-	-0-	-0-	-0-	284,757
Engineering	11,350 ¹	216,484	-0-	-0-	506,932	-0-	-0-	26,875	42,800	804,441
Water Development	-0-	-0-	-0-	-0-	339,000	65,000	-0-	-0-	-0-	404,000
Water Management	522,188	87,420	-0-	-0-	-0-	-0-	-0-	-0-	-0-	609,608
Water Rights	2,382,602	-0-	-0-	75,000	-0-	-0-	-0-	-0-	-0-	2,457,602
Water Wells	13,300	-0-	-0-	-0-	-0-	-0-	30,000	-0-	-0-	43,300
TOTAL	2,929,440	303,904	105,757	75,000	1,024,932	65,000	30,000	26,875	42,800	4,603,708

¹ Debt Service

VISITOR'S REGISTER

NAT Resources

SUBCOMMITTEE

AGENCY(S) DNRC

DATE 1-30-87

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
<i>John Penitong</i>	DNRC	✓	
<i>[Signature]</i>	"	✓	

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



VISITORS' REGISTER

COMMITTEE

BILL NO. H.B. 408

DATE 1-30-87

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
RAE K...	1735 Siergaard Rd Helena MT (MWDN)	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

COMMITTEE

BILL NO. HB 358

DATE 1-30-87

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
<u>R. H. Ellis</u>	<u>1775 Sierra Road Palmdale, Mt. Palomar</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.