

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By CHAIR MARY ELLEN CONNELLY, on February 6, 1991, at 7:00 a.m.

ROLL CALL

Members Present:

Rep. Mary Ellen Connelly, Chair (D)
Sen. Bob Hockett, Vice Chairman (D)
Rep. Francis Bardanouve (D)
Sen. Ethel Harding (R)
Sen. J.D. Lynch (D)
Rep. Bob Thoft (D)

Staff Present: Jim Haubein, Principal Fiscal Analyst (LFA)
Jane Hamman, Senior Budget Analyst (OBPP)
Claudia Montagne, Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

EXECUTIVE ACTION ON CULTURAL AND AESTHETICS GRANT PROGRAM

Tape 1:A;005

Jim Haubein distributed a sheet indicating the result of the committee action on the Challenge grants, removing the \$23,400 for the Oral History Program from the Challenge grants on a pro-rata basis. **EXHIBIT 1** He also distributed two possible amendments providing for matching funds for federal rural arts money. The first is a language amendment taking the reverted funds from this biennium up to \$150,000 to be used for match. The second amendment addresses the \$63,000 remaining, adding it to the \$35,000 for Rural Arts Organization and Artists in the Schools project handled by the Montana Arts Council (MAC). This money is used as a match for federal funds.

Motion/Vote: REP. BARDANOUVE moved to approve the first amendment. Motion **CARRIED** unanimously.

Mr. Haubein reported that Greg Petesch, Legislative Council, had reviewed the two amendments proposed by MAC. He recommended these be put in a committee bill, and not HB9 since it is inappropriate for substantive changes to be included in an appropriations bill. The draft request is in.

HEARING ON WATER DEVELOPMENT AND
RENEWABLE RESOURCE DEVELOPMENT GRANT PROGRAMS

Tape 1:A:160

Karen Barclay, Director, Dept. of Natural Resources and Conservation (DNRC); introduced staff members who would be presenting the programs: Ray Beck, Division Administrator, John Tubbs, Bureau Chief, Anna Miller, Financial Advisory, Mark Marty, engineer, and Jean Doney, Contract Administrator. She distributed an overview of the amounts of money available for the grant programs. **EXHIBIT 3** All Department expenditures were approved in the Natural Resources Subcommittee, so these figures are accurate and would fluctuate only as percentages of RIT and General Fund change. This assumes that the Water Storage Bill would pass.

REP. BARDANOUVE asked how that Water Storage program would work. **Ms. Barclay** said the same people who handle the grant programs would handle this. No monies would be available this biennium because rules would have to be adopted. Money would be available for state-owned and private projects. She was not prepared to say if these grants would have to be authorized by the Legislature.

SEN. HOCKETT asked about the \$991,000 allotted for State Water Projects. **Ms. Barclay** said that \$991,000 for State-owned dams was determined by the State Water Plan Advisory Council to be inadequate to meet the rehabilitation needs. There is an estimate up to \$200,000,000 in costs to rehabilitate state-owned projects alone.

REP. BARDANOUVE asked if some of these private water projects to be funded out of this new program would become the property of the Department. **Ms. Barclay** said no, that she opposed the State taking on additional liabilities.

REP. BARDANOUVE suggested that it would be wise for the Legislature to review the water storage projects to take the Department off the hot seat. **Ms. Barclay** said that was an excellent idea.

John Tubbs described the process by which the applications are solicited, reviewed, evaluated and presented to the Legislature.

REP. THOFT asked what it would take to combine the WD and RRD Programs. **Ms. Barclay** said they had considered this. There are differences in the two programs. By maintaining three separate programs, there may be an advantage in retaining RIT funds at a more adequate level. She also suggested setting a minimum level of funds in the accounts.

REP. BARDANOUVE suggested that if an applicant is applying for funds from more than one funding source, all those sources should be addressed in one presentation by the applicant.

SEN. HOCKETT asked if it was because of the raids on the RIT that Ms. Barclay was suggesting setting minimum levels. Ms. Barclay said that was the Department's concern. She distributed and reviewed a list of legislative decisions to date impacting the RIT Fund. EXHIBIT 4

REP. BARDANOUVE asked if the LFA and the OBPP agree on the amounts available for grants. Mr. Haubein said revenues are not that far off, but net revenues are sizably different.

REP. THOFT asked for clarification of the \$377,000 line item for the State Library. EXHIBIT 3 Ms. Barclay said it was the Governor's decision to fund the State Library off the top rather than out of the grant programs. They are currently in the grant program and would be removed. REP. THOFT commented that legislative discretion had been removed from NRIS and Heritage programs. Ms. Barclay said the Governor had acted upon a history of decision making of the subcommittee.

Mr. Tubbs reviewed the organization of the Department responsible for the administration of the grant programs. The Resource Development Bureau administers four programs, three of which come before this committee: Water Development Grant and Loan Program, Renewable Resource and Development Grant and Loan Program, Reclamation and Development Grant Program and the State Waste Water Treatment Revolving Fund Program. There are 12.5 FTE's with all but one in Helena. There are three components to the WD Program: grants/small loans (HB 6), large public loans backed by Coal Severance Taxes (HB 7), and the private loan program, administered by the Department. He overviewed the program.

Mr. Tubbs reviewed the RRD Program, established in 1975 to develop the renewable natural resources while insuring the quality of existing public resources so that they are not significantly diminished. Only public entities are qualified to apply for grants under this program. These are similar programs, and are administered together, with projects ranked under both programs. Applications from public entities can be moved between the two accounts for greater funding flexibility. In 1990, 62 applications were received for these two programs, 53 of which were public and private grant/loan applications, water related. The grant requests, totalling \$3,500,000, exceeded the estimated revenues. The top ten ranked water projects were placed in the WD Program. The next highest ranking group, including non-water related projects, were placed in the Renewable Resource Development Program. Another nine lower ranking projects were placed in the WD Program, and the rest were placed in RRD.

Tape 1:B:000

REP. BARDANOUVE asked the definition of private as used by the Department. Mr. Tubbs said the broadest definition was used: individuals, corporations, partnerships. REP. BARDANOUVE said there was a question on the legality of appropriating to a private entity, but the issue had never been brought to court.

Mr. Tubbs distributed and reviewed the book on the programs, WD and RRD. EXHIBIT 5 He also distributed a hearing schedule for the day and briefly reviewed the projects to be heard. EXHIBIT 6 The projects are not ordered according to rank, but according to region to facilitate testimony.

Lewis and Clark County Conservation District: Nilan Water Conservation Project

1:B:320

Dave Donaldson, Past President, Lewis and Clark County Conservation District, introduced Dick Artz, President, Nilan Water Users Association and Warren Kellog, District Conservationist, Soil Conservation Service (SCS). He testified on their project, WD 7, the Nilan Water Conservation Project, a cooperative project of the Conservation District, the Water Users Association and the SCS to install 9200 feet of lining on the east outlet canal leading from the Nilan Reservoir near Augusta.

Mr. Donaldson reported that the highly permeable canal bed results in a 35 to 40% loss of water through canal seepage and a 25 to 50% reduction in crop yields during the critical growing season. This situation has been exacerbated by the drought. The two objectives of the project are to reduce the water seepage in the East Canal by installing types of linings and to evaluate the on-farm irrigation systems and enhance the efficiency of these existing systems. A qualified person would be employed by the Conservation District to conduct the detailed evaluations.

Mr. Donaldson said the Nilan Water Users Association has shown a commitment to this project by contributing up to \$72,000, coming from special assessment levies. Also there is SCS cost share money and in-kind services from the SCS and the Water Users Association.

Questions from Subcommittee Members:

REP. BARDANOUVE asked the life expectancy of the material.

Mr. Kellog said this will provide 20 to 30 years, perhaps 50, of protection. He described the process of laying the plastic. SEN. HOCKETT asked how much work on the system would be left after this. Mr. Kellog said this would complete the work on the excessively leaking canal. He emphasized that this project would also address the entire 3900 acres, with the delivery system and on-farm irrigation. REP. BARDANOUVE asked the source of the water. Mr. Kellog said it came out of the Rocky Mountain Front, the Scapegoat Wilderness.

Greenfields Irrigation District: Greenfields Gravity Irrigation

650

Jerry Nypen, representing the Greenfields Irrigation District, described their project to plan and design gravity pressurized sprinkler systems, WD 4. The irrigation district takes water out of the Sun River for the watering of 80,000 acres. They have an elevated source of water, Gibson Dam, and a series of canals to deliver the water to various bench lands. Some of the open ditches would be replaced with pipelines, a closed system producing pressure for water delivery with sprinklers without the use of power. Benefits include water savings,

Mr. Nypen said Federal, State and Irrigation District funds would be pooled to accomplish the job. The grant before the subcommittee in the amount of \$100,000 would go to the Bureau of Reclamation, which has programs to help fund this project - the Pick-Sloan Program in this case. He reviewed the financial arrangements for the project, which has costs totalling \$297,000.

Questions from Subcommittee Members:

REP. THOFT asked what the current O&M cost was. Mr. Nypen said it was \$11.10 per acre now, and would increase by an additional \$60 to \$70 per acre with this project. With federal funding, this cost could be reduced to reasonable level. REP. THOFT asked where the waste water drains. Mr. Nypen said 50 to 65% goes into the Muddy Creek Drainage. This project will enhance natural drainage to the Sun River.

REP. BARDANOUVE asked about the total eventual cost of the project. SCS and the Bureau of Reclamation has studied the project and projected a \$9,000,000 price tag. The areas to be developed first are definite benches adjacent to the source of the water. REP. THOFT expressed concern about the potential problem of wells going dry once sprinkling is started. Mr. Nypen said they were aware of the fragile situation with a perched water table.

SEN. HOCKETT asked if a \$9,000,000 expenditure, representing a cost of \$400 per acre/foot of water, was cost effective. Mr. Nypen said it was cost effective if you consider the cost of building a storage facility.

Fort Shaw Irrigation District: Rehabilitation of Headworks and "A" System

1195

Larry LaRocque, rancher in the Sun River Valley and Board Member, Fort Shaw Irrigation District, spoke in support of their grant application, WD 9. He showed slides of the project area and reviewed the projects: to construct a jetty in the Sun River, install new gates in the diversion structures, and install a 3,500 foot diversion pipe designed to carry 80 cfs of irrigation

water. The district is 10,000 acres in size with 177 farm units. The present rock diversion in the river is damaged regularly by ice, a problem which could be solved by the installation of the jetty. Fluctuations in the water level would be better controlled by the new gates, allowing for a constant flow of water into the irrigated areas.

Fort Shaw Irrigation District: Rehabilitation and Betterment Study

2:A:050

Mr. LaRocque testified on their RRD grant, RRD 16, which is a feasibility study, required by the Bureau of Reclamation before this aforementioned projects can be started. Without the study grant, they cannot begin. Study costs are high. A recent study for a similar project of \$200,000 cost \$80,000. Other up front costs include: U.S. Fish and Wildlife, \$15,000; Farm Budget Study, \$15,000; engineering estimates, \$15,000; and Environmental Assessment, \$5,000.

Questions from the Subcommittee Members:

SEN. HOCKETT asked about the \$700,000 interest free loan from the Bureau of Reclamation. Mr. LaRocque said they would repay this over a 25 to 30 year period at a cost of an additional \$3.50 acre. Their present O&M is \$11.70. They had just completed paying off a smaller R&B Loan from the Bureau of Reclamation and were ready to start another project on the district.

Cascade and Teton County Conservation Districts: Muddy Creek

Jean Doney reported that the applicants, in considering the Department recommendation and their ranking on the priority list (33rd), had decided not to come in and testify for their project. Mr. Tubbs said there had been a lot of studies on this project similar to this proposal for a \$100,000 grant, matched by another \$122,000 in outside funding, to investigate the information available in previous studies and prepare an environmental statement on the erosion control project.

A discussion followed on the process. SEN. LYNCH asked why the Department recommends funding when there is no money. Ms. Doney said there were \$3,500,000 in applications, and not nearly enough money to cover all of those. Mr. Tubbs explained the ranking process, in which technical feasibility is determined first. At this point funding is recommended based upon these evaluations. Finally, the projects are prioritized based upon the benefits to the resource, with the top 1/3 of the technically feasible projects able to be funded. SEN. LYNCH suggested that the Department indicate clearly to the committee whether or not the recommended projects are in the funding.

Ms. Barclay clarified that the grant amount is an estimate which could change based upon revenues received in the biennium. Also, during the funding cycle, some grant recipients could withdraw their applications, thus freeing up additional money. The committee has traditionally looked at the estimated amount and made their recommendations, and then gone beyond that with a few additional projects in the event there are additional funds available later in the biennium.

Liberty County Conservation District: Sweetgrass Hills E. Butte Groundwater Study

550

Arlo Skari introduced proponents of this project: residents of Liberty County and Toole County, the Supervisor of the Conservation District, and residents and interested parties who live surrounding the Sweetgrass Hills watershed. He showed slides of the study area and testified in support of their project, RRD 18. EXHIBIT 7

2:B:000

REP. GARY FELAND, HD 12, Shelby, Liberty County, testified in support of the project, reporting that there is not much potable water in the area except that which flows out of the Sweetgrass Hills.

SEN. GARY AKLESTAD, SD 6, Galata, testified in support of the project. It is a unique area of recharge for the aquifer. \$50,000 in-kind contributions are being offered. He asked the committee's consideration.

REP. BARDANOUVE spoke in support of the project, stressing the short supply of water in that region of the state.

John Duncan, member, Board of Trustees of the Sage Creek County Water District, testified in support of the project. EXHIBIT 8

David Hofer, Eagle Creek Hutterite Colony, submitted testimony in support of the project. EXHIBIT 9

Questions from the Subcommittee:

REP. BARDANOUVE asked if the water could be taken out without establishing the water rights. John Duncan said Sage Creek Water District has the first water rights on Sage Creek for human consumption. Mr. Skari clarified that this was just a sampling project to analyze the water in order to establish a baseline water quality data base in the event mining resumes in the region. They did not need water rights to sample the water.

SEN. HOCKETT asked how many sampling sites there were. Mr. Skari said there were 195 farmsteads, with 155 wells, in the study area. The number of sites depends upon the hydrologist's decision and how much money they have. They will also check

springs and streams, and will incorporate all previous analyses from the area.

REP. BARDANOUVE asked if any wells were contaminated at the present time with herbicides. Mr. Skari said he was not sure about herbicides, but saline seep had ruined a lot of wells. Marvin Miller, Montana Bureau of Mines and Geology, addressed the issue of sampling for pesticides, which is an ongoing project with the Dept. of Agriculture. However, there are only six sampling sites around the state, with some detection of chemicals. Long term monitoring was the intent of this project. Several sites would be chosen to look for agricultural chemicals as well as chemicals related to mining. The Sweetgrass Hills are unique in that the recharge is limited in this area. Therefore, the groundwater needs to be protected. The further away from the hills, the ground water and surface water quality deteriorates rapidly. The project would identify sources of pollution, in response to which management practices could be changed or corrected. This would also provide a basis for proof of future damage to a water source.

REP. BARDANOUVE asked, assuming contaminants are found, if this information could be used to substantiate the need to build a pipeline for another source. Mr. Skari did not see why it could not, although it was not the intent of this study.

Sun River Water Users Association: Sun River Water System

Engard Knudsen and Craig Nowak, Delta Engineering, Great Falls, representing the Sun River Water Users Association, testified in support of the project, WD 18. They had worked for about one year with a new potential water users group, consisting of about 50 rural residents in the Sun River Valley and 50 persons in the community of Sun River. The grant and loan application was not recommended for funding because it was felt that more documentation was needed. Rather than begging for money, they asked for assistance for a study to develop the additional documentation and data for a grant in the next biennium.

The project consists of developing a water supply for the members of the association. The individuals either have no water supply, or their current supply from shallow wells is unsuitable for drinking. The development of surface water supply is cost prohibitive, the shallow surface water is contaminated, and the deeper water is geologically contaminated. Two springs and one shallow well have been found that could serve as possible sources. He asked for the committee's approval for \$7500 for study funds to establish a data base. Documentation would cover testing to determine the long term yield and quality of these springs, ownership and groundwater rights, the creation of a water district, and the exploration of other scenarios for alternative water sources and some representative costs.

SEN. JERRY NOBLE, SD 21, including Sun River and Fort Shaw, spoke in support of the project.

Questions from the Subcommittee:

SEN. HARDING asked the Department where the project stood if there was insufficient information for approval of the application. Mr. Knudsen said there were 50 scattered rural households without drinking water in addition to the community of Sun River. More information needs to be collected. Cost per user was a factor in their negative recommendation; however, the number of rural residents is 50, not 28. Mr. Tubbs said the need is clear. The question was whether the development of the springs designated was the best choice for a new water supply and a wise investment of \$1,000,000 a significant figure for even 100 residents. The decision to re-evaluate their application and to opt for more data was considered by the Department to be a good idea and speaks well for the water users. The study could cost more, but some work has been done.

Teton County Conservation District: Alternative Diversion Sites

Dale Johnson, representing the Teton County Conservation District, testified in support of their project, RRD 26, to develop six alternative test sites. Between 150,000 and 200,000 acres of either crop, hay or pasture land are irrigated in Teton County. The problem is getting water to those irrigators. Over the years, gravel diversions used to divert water are washed out in high water, resulting in 30-50 310 applications per year. This study on alternative diversions would provide a possible solution to this problem. He distributed and reviewed diagrams of the alternative diversion structures they plan to evaluate. EXHIBIT 10 The schools and the students would be involved in the welding of these structures.

3:A:060

REP. JANE DEBRUYCKER, HD 11, Dutton, representing parts of Teton, Pondera and Counties, testified in support of the project. It would help keep the streams clean, conserve water and utilize agricultural classes and youth.

SEN. GARY AKLESTAD, SD 6, Galata, testified in support of the project, saying it would result in less disturbance of the creek bed.

Town of Fairfield: Fairfield Waterway

Jean Doney, DNRC, said no one had come since their project ranked so low. She referred the committee to the report in the book, and testified that this project's best element was safety. However, it still did not fit within the guidelines of the program, and was therefore ranked very low and out of any possibility of funding.

ADJOURNMENT

Adjournment: 12 noon

M. E. Connelly

MARY ELLEN CONNELLY, Chair

Claudia Montagne

CLAUDIA MONTAGNE, Secretary

MEC/cm

HOUSE OF REPRESENTATIVES
LONG-RANGE PLANNING SUBCOMMITTEE

ROLL CALL

DATE 2-6-91

NAME	PRESENT	ABSENT	EXCUSED
REP. FRANCIS BARDANOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. BOB HOCKETT, VICE-CHAIRMAN	✓		
SEN. J.D. LYNCH	✓		
REP. BOB THOFT	✓		
REP. MARY ELLEN CONNELLY, CHAIR	✓		

HR:1991
CS10DLRLCALONGRP.MAN

Long Range Committee Reduction of Challenge Grants
to Provide Funding for Oral History Program

EXHIBIT 1
DATE 2.6.91
HB 9

Challenge Grants	Grant #	Committee Recommend	LRBC Recommend	Difference
Alberta Bair Corp.	0458	\$10,000	\$8,767	\$1,233
Big Fork Center for Perf. Arts	0401	20,000	\$17,534	2,466
Glacier Orchestra & Choir	0386	25,000	\$21,917	3,083
Beall Park Arts Center	0427	10,000	\$8,767	1,233
Billings Symphony Society	0394	15,000	\$13,150	1,850
Yellowstone Arts Center	0441	20,000	\$17,534	2,466
Clack Museun Foundation	0370	15,000	\$13,150	1,850
Gallatin County Hist. Soc.	0445	10,000	\$8,767	1,233
MSU Shakespeare in the Parks	0383	20,000	\$17,534	2,466
Great Fall Symphony Assn.	0482	25,000	\$21,918	3,082
Bitterroot Public Library	0381	19,770	\$17,332	2,438
Totals		\$189,770	\$166,370	\$23,400

Amendments to House Bill 9

Page 8 Following Line 2. Insert: (5) An amount of up to \$150,000 is appropriated from money that may revert from appropriations made in Section 1(2) to the Montana Arts Council to be used to match Federal Endowment of the Arts funds. These funds may only be used for rural and other underserved programs throughout the state.

Page 3 line 4 strike: "35,000" Insert: "98,000"

This amendment would utilize the remainder of the available Cultural and Aesthetics funds as matching funds for federal funds which in turn would be used to provide funds and services to cultural and arts programs throughout the state.

EXHIBIT 3

DATE 2-6-91

HB RIT Grants

Long Range Planning

Resource Indemnity Trust Interest Accounts
1993 Biennium

	Water Development 30%	Renewable Resources 8%	Reclamation & Development 46%
Beginning Balance	810,949	0	604,812
Projected Revenues			
RIT Interest *	4,967,303	1,324,614	7,616,531
Coal Tax	359,597	359,597	0
Broadwater Income	200,000		
Middle Creek Dam Savings	491,000		
Loan Repayments	950,670	129,869	0
Other Sources	453,400	0	0
	<hr/>		
Total Funds Available	8,232,919	1,814,080	8,221,343
Appropriation			
Debt Service	1,229,964	380,231	0
DNRC	3,119,830	441,997	2,706,154
State Water Projects	991,000	0	0
Tongue River Dam	400,000	0	0
Reserved Water Rights	0	0	584,261
State Lands	0	0	1,607,235
Water Courts	948,125	0	0
State Library	0	200,000	177,000
EQC	0	0	26,451
Reorg. Costs	31,976	0	109,674
Pay Plan	196,449	21,858	334,771
	<hr/>		
Total Disbursements	6,917,344	1,044,086	5,545,546
Available Grant Funds	986,681	577,496	2,675,797
Water Storage	328,894	192,499	
Fund Balance	0	0	0

DECREASE IN GRANT FUNDS AVAILABLE

	Water Development		Renewable Resources		Reclamation & Development	
	Grants	Water Storage	Grants	Water Storage	Grants	
Subcommittee Decisions to date:						
1. Water Courts (38,960 over E.B.)	957,461	319,154	NA	NA	NA	
2. DSL Reclamation						
Pay Exceptions (50,000 over E.B.)	NA	NA	NA	NA	2,625,797	
Proposed Legislation						
1. HB 199 (242,000)	932,231	310,744	562,976	187,659	2,564,477	
2. HB 215 (75,000)	969,806	323,269	572,996	190,999	2,641,297	

OTHER BILLS ?

EXHIBIT 4
DATE 2.6.91
HB RTT Grants
Long Range Planning

Renewable Resource and Water Development Programs

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

PROJECT EVALUATIONS
AND RECOMMENDATIONS
FOR 1992-1993 BIENNIUM
AND STATUS REPORT
FOR 1990-1991 BIENNIUM

EXHIBIT 5
DATE 2-6-91
HB Long Range Planning

Presented to the Fifty-Second
Montana Legislature

January 1991



QAD-16
WD-10

TESTIMONY SCHEDULE
FY 1992-93 Cultural and Aesthetic Project Grants
Special Projects

February 6, 1991

EXHIBIT 6
DATE 2-6-91
HB Long Range Plan

Water Development and Renewable Resource Development Projects

Rank	Page No.	Project Sponsor	Project Name	Amount Requested	Amount Recommended	Committee Action
WD4	✓ 14	Greenfields Irrigation District	Greenfields Gravity Irrigation	\$100,000	\$100,000	
WD7	✓ 22	Lewis and Clark County Conservation District	Nolan Water Conservation Project	100,000	100,000	
WD9	✓ 26	Fort Shaw Irrigation District	Rehabilitation of Headworks and "A" System	100,000	50,000	
RRD16	✓ 100	Fort Shaw Irrigation District	Rehabilitation and Betterment Study	50,000	50,000	
RRD33	✓ 133	Cascade and Teton County Conservation Districts	Muddy Creek	100,000	100,000	
WD18	✓ 43	Sun River Water Users Association	Sun River Water System	100,000	0	
RRD18	✓ 103	Liberty County Conservation District	Sweetgrass Hills E. Butte Groundwater Study	100,000	100,000	
RRD26	119	Teton County Conservation District	Alternative Diversion Sites	12,980	11,780	
RRD34	135	Town of Fairfield	Fairfield Waterway	14,169	14,169	

DATE

2.6.91

1 Rho START
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The purpose of this groundwater study would be to establish a baseline database sufficient to detect changes in aquifer water quality and possibly yield due to impacts by present & future development, whether it be agriculture, petroleum, mining, recreational or whatever. RRD 18

We here today feel we have an extremely valuable resource and we want it protected. The Sweetgrass Hills watershed is considered to be a sole source aquifer. From talking to groundwater experts, we know that it is much cheaper and feasible to keep pollution from entering the groundwater system than to correct it after it has happened. We don't want to happen to our area what has happened to northeastern Glacier County where their wells have went bad for various reasons. Glacier County CD is now applying for a grant to study the feasibility of developing a pipeline to bring water from the Red River area along the Alberta border.

Slide 1: Map of north-central Montana--This is for those of you who may not be familiar as to where the Sweetgrass Hills are. They lie along the Alberta border in northern Liberty and Toole counties. (point out).

Slice 2: map of study area in northern Liberty County and an adjacent area in northeastern Toole County. The study area comprises about 20 townships surrounding East Butte. Because of time and financial limitations, we were not able to include the remainder of the Hills (Middle & West Buttes) located in Toole county into the grant proposal but we do have permission from the Toole county CD and the respective water districts to sample from their two major rural pipelines originating in the Hills.

There are three major water lines originating in the Hills:

1. The Oilmont County Water district Line coming out of a spring near West Butte runs for approx. 100 miles.

2. The Galata county Water district Line coming from two wells near Middle Butte (on the bank of Strawberry Creek which drains out of East Butte) runs for approx. 200 miles of line in both Liberty & Toole County.

3. Sage Creek County Water Line comes out of East Butte from an underground spring and runs for approx. 96 miles into northeastern Liberty County and northwestern Hill County.

Slide 3: view of the Hills from the south, near the Hellinger farm, about 30 miles distant. This area has no significant groundwater and the residents have hauled their water since homestead days. It is now on the Galata line and it is considered a Godsend. West Butte, Middle Butte and East Butte all about 7000

Slide 4: West Butte--point out black shale area. This is fractured rock from the Madison formation. Precipitation falling on this rocky area generally goes directly into the groundwater system and a major reason why the Hills provide much water out of proportion to their size.

Slide 5: Source of water for Oilmont District pipeline on the Tomsheck ranch. Supplies excellent quality water to 90 hookups including the villages of Oilmont, Ferdig and four-Corners. This is called an infiltration Gallery.

Slide 6: Middle or Gold Butte-has history of gold mining dating back to the 19th century. Photo taken from Galata pipeline well site.

Slide 7: Galata County Water District well site on banks of strawberry Creek which drains out of East Butte which is in background.

slide 8: East Butte-most extensive of three buttes and entirely within the study area. The tops of these buttes receive approx. three times rainfall of surrounding area.

Slide 9: Closeup of fractured shale on top of East Butte. All buttes like this.

Slide 10: Area Sage Creek Water Line feeds taken from top of East Butte, looking east into Hill County.

Slide 11: Underground spring (again called an infiltration gallery) for the Sage Creek county Water District. Serves approx. 55 farms and ranches in Liberty and Hill counties, approx. 250 people. Excellent quality water, cost about \$650,000, System contains no pumping equipment but only pressure reducers and chlorinators. We will be sampling many other springs in addition to these.

slide 12: We will also be sampling streams and there are about 20 streams flowing out of East Butte--most go underground after a few miles in the dry season. This one is Tootsie Creek, a popular recreational area near Devil's Chimney Cave.

Slide 13: Windmill probably built during homestead days or before. We will be sampling approx. 150 to 175 wells, selected wells more often than others, depending on the hydrologist's decision. Approx. 195 farmsteads containing about 625 people in study area.

Slide 14: Shots of a couple of farms indicating size of many of

many farmssteads have a lot of groundwater taking in from an aquifer to employees. Grassy Butte Farms.

slide 15: Eagle Creek Hutterite colony, one of two colonies in the study area. Eagle Creek has 88 people at present, has high tech operations such as Hog, dairy, chicken, geese-ducks, etc. in addition to a large grain farm.

They use approx. 35,000 gallons daily in the busy season and get it from three wells at a depth of 250 to 350 feet from the Eagle formation. the study will be primarily concerned with two principal shallow aquifers that produce most of the groundwater in the project area. The first is a series of outwash channels that braid throughout the area (Galata District wells) and the second is a porous bedrock aquifer (Eagle formation) that covers most of the region. The study will be done over a tow year period.

Threats to groundwater:

Slide 16: closeup of Saline seep on Laird creek which drains into sage creek. A serious problem in this area.

Slide 17: Aerial photo of saline seep in this area. This has been a serious threat to wells and streams. Montana Salinity Control (their slide) has done much work in this area and we now feel we have a handle on this problem but it must be constantly monitored.

Slide 18: Ag chemicals in creek. We have become very aware of improper handling of pesticides and this situation should be a thing of the past.

slide 19: Plane spraying. Also ground spraying. One of the reasons for the study is to detect any pollution from this source.

slide 20: View of an oil well; there are approx. 1009 petroleum wells in Liberty County with the majority of them in the study area.

There have been 20 injection wells drilled since 1986, all in the Sage Creek area of northeast Liberty County. We presume this is properly done but we are aware of the Red Creek situation.

Slide 21: Mining exploration on East Butte about 2 miles from Sage Creek County's infiltration gallery. Took place in 1986 on Tootsie Creek.

Slide 22: View of Zortman Mining Company operation on Little Rockies. A successful gold strip mine producing gold from extremely low grade ore-this type contemplated for East Butte. this is the most serious threat to date to the water shed.

Slide 23: Cyanide pond at Zortman. Always a threat to groundwater

Slide 7 p. 3
2-6-91
Long Range Planning

Slide 24: Pie graph showing the breakdown of expenditures: First I will give the DNRC grant expenditures--Large pink pie on left is the DNRC laboratory costs at \$56,400. DNRC grant salaries at \$30,000 is the lower left purple and the green section is the DNRC grant administrative costs. The in-kind expenditures, within the dark lines is as follows: the blue section as volunteer services at \$10,000, administrative costs at \$27,400, and associated costs at \$12,600. We expect a lot from our local citizenry.

EXHIBIT 8

DATE 2.6.91

HB 6 RRD 18

EXISTING WATER POLLUTION IN THE EAST BUTTE AREA

Feb 2, 1991

Our pollution comes from alkali, nitrate, ~~cyanide and caustic acids~~, water injection in oil wells and we can add agrichemicals to this list also. We are reaping the destruction that was done 30 to 50 years ago by oil and gas development in this East Butte area. Seismic exploration down on the flats are responsible for this trouble by leaving all their seismic holes open at that time, causing the various surface veins of water to mix together. This problem was speeded up by the summerfallow system of farming. All our shallow wells have gone bad, can't be used. There are quite a few of our deeper wells have gone bad also. This is just starting, it takes time for this to develop, as water in this area only travels 1" to 2" in 24 hours.

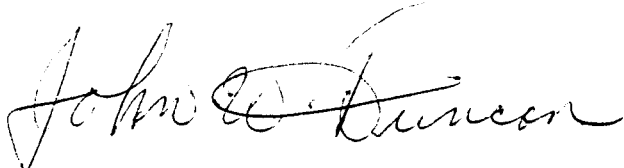
and state
There seems to be no plan or system to protect our water supplies on BLM land for the future. We are in trouble. Lets have a study on the water we still have in the high country of East Butte that hasn't been affected by these operations as yet. Let's not let greed destroy what little good usable water we have left in the high country above all this pollution. Thank God water runs down hill. Who pays the taxes on all of the land that these water systems keep supplied? Farmers and Ranchers do!

You can't drink oil or gold very satisfactorily--results are bad. Good quality water is one commodity we have to have to exist on this earth. Let's take care of it.

This is why I have been on the Montana Land & Minerals board for 20 years--trying to keep in contact with things to protect our land owners. Agriculture is the backbone of our nation. I am also a trustee of the Sage Creek County Water District. Mr. Bardanouve, if you remember, I testified for this water line in 1983 or 84 and we got it. I thank you for your help. It has been a big boost to our community.

I endorse this plan of the Sweetgrass Hills East Butte Groundwater Study.

John W. Duncan
Rt. 1 Bx 33
Joplin, Mont. 59531



Pamphlets on Water:

Water Quality and Agrichemicals in Montana

Montana Rural Water System

Sweetgrass Hills Protective Association

Rural Water Systems, a clipping from Liberty County Times

Washington Report on Costs Coming Up

all these articles show how important water is to people. One of our big troubles is, we take it all for granted. "oil" to drink & burn it to heat

EXHIBIT 9
DATE 2.6.91
HB 6, RRD 18
- Long Range Planning

Long Range Planning Joint Sub. Committee
Room 317
State Capitol
Helena, MT. 59620

David Hofer
Eagle Creek Colony
R.R. North
Galata, Montana 59444
Feb. 11 1991

Madame Chairperson Rep. Mary Ellen Connelly and All Committee Members.

RE. Grant Application : Sweetgrass Hills Groundwater Study.

My appearance before this Committee on Feb.4th was a 1st, time experience, enjoyable and educational.

I hereby ask for your kind consideration of a statement which I did not make at the Hearing, due to time constraints.

I would like to voice my support for this application. I would also like to reemphasize the importance and long term benefits this proposed study would have to maintain the safety of our only fresh water supply.

Your committee is well aware of the Safe Water Drinking Act (SWDA) enacted by the U.S. Congress in 1974 and amended in 1986. This act mandates each state adopt rules and regulations no less stringent than rules and regulations prescribed in the S W D A . Each state is answerable to E.P.A. The number of water related bills (upwards of 60) already introduced in the 52'd Legislative session again points to widespread concerns in preserving the safety of our water.

In response to Sen. Harding's question at the Hearing as to the benefits from such a study:

Madame Sen. Harding & Committee members: The issuance of Grant monies (to be supplemented by In-Kind contributions from the concerned & supportive local populace), would help meet the guidelines set by the S.W.D.A.

The study would be of tremendous importance to help identify point source of contamination of the water supply. The sampling of the water would be done by qualified & knowledgeable personnel and proper sampling procedures would be followed. The analysis would be used to establish a Base Data. This information could then be compared with later analysis to detect changes in the overall quality of the water.

Geological information obtained from test holes, shows the Sweet Grass Hills and surrounding areas have fragile geological formation, highly vulnerable to contamination. This fragile recharge area needs to be protected by monitoring the surrounding wells. Monitoring the water now, could certainly

prevent expensive future decontamination practices. If indeed, decontamination would still be possible.

The Safe Water Drinking Act requires Public Water system to supply safe water to its users. I do not hereby try to fault the S.W.D.A., quite the contrary. I agree that we need to do our utmost to insure the safety of our water resources for now and the future.

As a member and in behalf of Eagle Creek Hutterite Colony (A Public Water System) and all other water users of the area, I wish to thank the full Committee for the opportunity to be heard. I have full confidence and trust in your fair judgement.

Sincerely

David Hofer

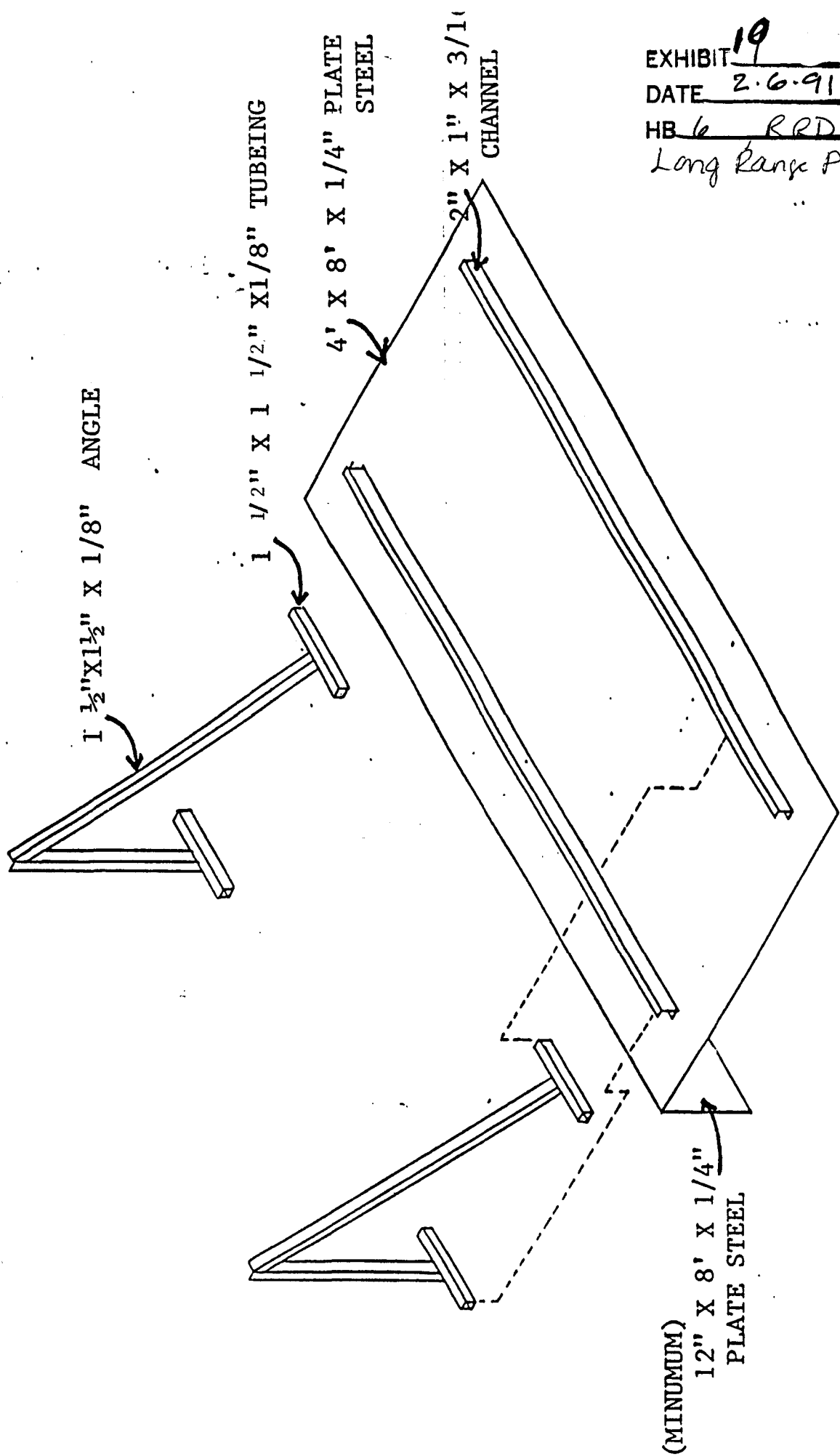
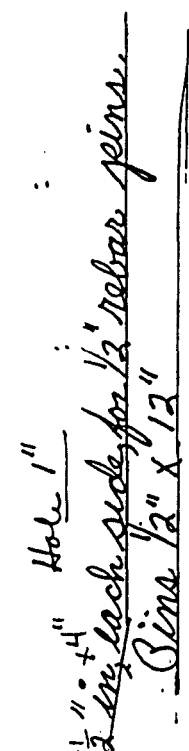


EXHIBIT 19
 DATE 2.6.91
 HB 6 RPD 26
Long Range Planning

1. PLANS SUBJECT TO REVISION.
2. DETAILED DRAWINGS MAY BE SUBMITTED IF REQUESTED.

Brace about $\frac{2}{3}$ way up for support.



1. PLANS SUBJECT TO REVISION.
2. DETAILED DRAWINGS MAY BE SUBMITTED.
IF REQUESTED.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Antelope Planning SUBCOMMITTEE DATE 2-6-91
DEPARTMENT(S) DNRC - RIT Grants DIVISION _____

PLEASE PRINT

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NAME	REPRESENTING	
<u>John Smith</u>	<u>DNRC</u>	
<u>Karen Barclay</u>	<u>DNRC</u>	
<u>James J. Doney</u>	<u>DNRC</u>	
<u>Mark Hat</u>	<u>DNRC</u>	
<u>Roy Beck</u>	<u>DNRC</u>	
<u>Ann H. Miller</u>	<u>DNRC</u>	
<u>Dave Donaldson</u>	<u>Lewis & Clark Conservation Dist</u>	
<u>Warren Hellogg</u>	<u>Soil Conservation Service</u>	
<u>Berkend H. Art</u>	<u>Julien Water Users Association</u>	
<u>LARRY LaRocque</u>	<u>Fort Shaw Terr. Dist.</u>	
<u>Jerry Wyper</u>	<u>Greenfield Jurisdiction Dist</u>	
<u>Mervin Miller</u>	<u>MT. Bur. of Mines & Geology</u>	
<u>Ernest Fourn</u>	<u>MT ST RLg TRADES</u>	
<u>Arlo Shaver</u>	<u>Lib. Co. Cons. Dist.</u>	
<u>John W. Duncan</u>	<u>Lib. Co. Cons. Dist</u>	
<u>EDITH Hodges</u>	<u>Liberty Co. Cons. Dist</u>	
<u>RODY KEBMAN</u>	<u>" " " "</u>	
<u>Gail Ciron</u>	<u>" " " "</u>	

**PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT
FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.**

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long Range Planning

SUBCOMMITTEE

DATE

2-6-91

DEPARTMENT(S)

DNRC = RIT Grants

DIVISION

PLEASE PRINT

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NAME	REPRESENTING	
<i>Martha Jane Thielges</i>	<i>Sel Liberty Co.</i>	
<i>Dan Wolery</i>	<i>Lib. Co. Cons Dist</i>	
<i>Larry Hendrickson</i>	<i>" "</i>	
<i>RUDY CICON</i>	<i>LIBERTY CO.</i>	
<i>Eric Jeannette Brown</i>	<i>Liberty Co.</i>	
<i>E. Dan Brown</i>	<i>Liberty Co.</i>	
<i>Martin Hefner</i>	<i>" "</i>	
<i>Peter J. Hefner</i>	<i>" "</i>	
<i>Richard Thielges</i>	<i>Liberty Co.</i>	
<i>Jane DeBruycker #D11</i>	<i>Teton & Fording Caemty</i>	
<i>Nate Johnson</i>	<i>Teton by Cons Dist (Hoteau)</i>	
<i>Larry Knudson</i>	<i>Sun River Water Users</i>	
<i>Craig Nowak</i>	<i>Sun River Water Users</i>	
<i>David Hefner</i>	<i>Liberty Co.</i>	
<i>Joseph Hefner</i>	<i>Liberty Co.</i>	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.