

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By CHAIR MARY ELLEN CONNELLY, on February 21, 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.

Announcements/Discussion:

EXECUTIVE ACTION ON RECLAMATION AND DEVELOPMENT GRANT PROGRAM

Tape No. 1:A:000

Jim Haubein handed out a schedule of projects the committee had singled out for attention, **EXHIBIT 1**, and a balance sheet outlining the availability of funds for the three grant programs. **EXHIBIT 2** The LFA and OBPP agreed except for one area of revenue projection in the Reclamation and Development account. He said the LFA projection was the most conservative. The estimates included all anticipated subcommittee action.

Karen Barclay, Director, DNRC, said that although this estimate represented the results of subcommittee action to date, there were still bills outstanding that would impact the fund. While the Department had designated a funding line cut-off point, a number of other projects could be authorized by the committee in the event of additional funds becoming available, either due to projects dropping out, or collection of additional revenue.

Mr. Haubein distributed and reviewed a list of legislation impacting the RIT Grant Funds - HB 199, HB 215, HB 437, HB 565, And SB 313. **EXHIBIT 3** Ms. Barclay said there was another bill, an Urban Reforestation Project, HB 939, which would divert

\$100,000 in RIT interest per year. She questioned the need for a separate program since this type of project was currently eligible for grants. **Ms. Hamman** said that SB 313, besides allocating 25% of the RIT monies for water storage projects, would, beginning in 1994, allocate 25% of receipts in excess of \$100,000,000. **Ms. Barclay** said that had been amended out of the bill the previous night.

Ms. Hamman commented that because of HB 199, and the increase in the Oil and Gas Damage Mitigation Account, it would be logical for the committee to authorize considerably more projects below the funding line so that some of those projects to be funded out of that account could be replaced with others. Likewise with SB 313, which sets aside the \$328,000 in WD and \$192,000 in RRD, if that bill were not to pass, there would be those monies available to the WD and RRD Grant Programs for totals of \$1,315,575 (WD Grant Program) and \$769,995 (RRD Grants). She suggested that the committee authorize projects below the funding line. **Ms. Barclay** said that if the SB 313 passed as currently amended, there would not be a new mechanism. However, water storage projects would not be eligible under the grant program, but under this earmarked account. **REP. THOFT** commented that the committee had discussed consolidating the programs, and instead more were being created.

Mr. Haubein explained that in HB 199, 20% of the tax would be diverted from the trust account starting now. In HB 565, the trust account would continue to receive all of the tax money until it reaches \$100,000,000, and then funds over that amount would go into the Reclamation and Development Account.

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Mr. Haubein distributed a listing of each grant in the Reclamation and Development Program in their rank order as they appear in the bill. **EXHIBIT 4** He pointed out that priority 7, Montana State Library had withdrawn their request since they were funded directly by the subcommittee out of this account. Priority 21 was withdrawn, since they had received other funds; priority 25 was also withdrawn.

Mr. Haubein noted the money available for Reclamation and Development Grants as stated on **EXHIBIT 2**, \$2,675,797, which would take committee action down through priority 15, and partially through priority 16, the cutoff point based on cash projection.

SEN. HOCKETT asked about the Toole County Reclamation Project, priority 14, and their balance of \$300,000 from last biennium. The Department continued to recommend funding when they had not expended their grant from the previous session. **Greg Mills**, Program Officer, Resource Development Bureau, replied they were intending to go out for bid within the next month, and to spend the money by the end of this year. **John Tubbs** added due to the nature of the fund, often the interest earnings are not available to the applicant until late in the biennium. The lower ranking

projects do not receive their money until late in the biennium, or first of the next biennium. **SEN. HOCKETT** asked if HB 199 were to pass, would money be specifically allocated for Oil and Gas Reclamation projects and when would that money be available to applicants. **Ms. Barclay** said if that bill passed, the monies would be available this biennium, and some of the projects recommended within the RDG program, such as 5, 6, 13, 14, 16 and 19 would be withdrawn from this list and would receive their money from that new funding source.

REP. THOFT commented on priority 3, the Community-Led Rural Development project whose purpose was to implement the organization of four new Resource Conservation and Development (RC&D) areas, stating that RC&Ds had been set up without any state funding in the past. **Ray Beck, Administrator, Conservation and Resource Development**, said during the last biennium, the first effort in central Montana had been funded. This was an application from that six county effort in central Montana to assist with 16 counties in eastern Montana as well as the Shelby area in establishing the same RC&D effort. These were originally funded with federal monies, but there was limited federal funding for new areas. **REP. THOFT** asked if these communities could set up their RC&D without state funds, and **Mr. Beck** said yes, but they would need some funding source for assistance, training and coordination in order to pull the multi-county efforts together.

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CHAIR CONNELLY asked if any members of the committee wished to discuss any project in particular and referred them to **EXHIBIT 1**. **SEN. HARDING** said it was her understanding that the chair had heard from tribal members on Water Development project priority 1, and that they no longer had reservations on the project. **Mr. Haubein** said that only the last project on that list was pertinent to the day's action.

REP. THOFT expressed concern about the Clark Fork Basin Coordinator, priority 23, saying it was an important project in order to keep tabs on what is happening in that drainage. He said they only needed one year's funding to get through the biennium with a person on board. **Ms. Barclay** said they had been funded with \$100,000 for the past biennium for two years of funding; this biennium, they had requested \$171,00 for two years. **REP. THOFT** asked for an explanation for that difference, and **Mr. Mills** said that increase could be attributed to the more detailed review of designs required as they advance in the Superfund process.

SEN. HOCKETT asked why all the Butte projects could not be tied together within the WASTEC project since they all related to the same thing. He commented that with WASTEC's projected permanent administrative and operational force of 100 to 150 people, one of those people could be a coordinator for the Clark Fork. **Ms. Barclay** replied the Department had received two separate applications, and evaluated them independently. She described WASTEC as more of a research, development and demonstration

operation, while the Clark Fork Coordinator is more of a watch dog who provides technical expertise in the EPA and state technical studies as well as assistance to local governments. She did not know if the two could be combined, but had ranked the WASTEC highest.

REP. THOFT agreed with **Sen. Hockett** that fast track projects could be funded under WASTEC, and suggested that WASTEC, instead of the grant program, fund projects such as Priority 24, the Pilot Plant Treatment of Contaminated Water from the Pit. However, he did not suggest that WASTEC fund the Clark Fork Coordinator. **Ms. Barclay** agreed, and suggested moving the Clark Fork Coordinator to the end of the funding line, since it would not require money until the end of the biennium. She also suggested questioning the substantial increase from \$50,000 to \$85,000 per year.

Motion: **REP. THOFT** moved to accept Priority 23, the Upper Clark Fork River Basin Coordinator, as Priority 16, renumbering subsequent projects, and to insert \$60,000 as the recommended funding.

Discussion: **Ms. Hamman** asked the Department if Butte-Silver Bow Government still had a balance left through December of 1991 for the Clark Fork Coordinator position. **Mr. Tubbs** replied that roughly half, or \$50,000 remains. **REP. BARDANOUVE** commented on the projects. **CHAIR CONNELLY** asked if an amendment could be put into the WASTEC recommendation directing them to fund projects such as 23 and 27, the Coordinator and the Detoxification of Acid Mine Drainage from the Pit. **Ms. Barclay** said WASTEC was more of a Department of Energy/Environmental Protection Agency joint project with the State of Montana to look at technologies which could be transferred all over the country, and would have as its mission the review of the many technologies such as that in Priority 27. The Clark Fork Coordinator was an arm of local government to interface with EPA and the state, primarily the Solid and Hazardous Waste Bureau, on specific cleanup activities all along the Clark Fork. The amendment to include the projects would be appropriate.

Vote: Motion CARRIED, 3 to 1, **REP. BARDANOUVE** and **SEN. LYNCH** absent and **SEN. HOCKETT** voting no.

CHAIR CONNELLY asked that such an amendment be prepared, directing WASTEC to fund such projects. **REP. THOFT** said the issue was that WASTEC would have to scientifically evaluate all of these projects, but that the amendment would be a nice gesture.

Mr. Haubein said the committee could act on the amendment conceptually, and he could work with the Department and bring the formal language into the committee at a later date. **SEN. HOCKETT** said he would oppose the motion, not being convinced that they needed the person. **REP. BARDANOUVE** expressed concern about the

amount of EPA money going into the Butte area when other projects not in the area received nothing.

Motion/Vote: CHAIR CONNELLY moved to reconsider on the Clark Fork Coordinator motion. Motion CARRIED 4 to 1, REP. THOFT voting no.

Discussion: SEN. HOCKETT said he was opposed to Rep. Thoft's motion because of the Department's comments that there should be many people employed already by the local government in Silver Bow performing these duties. The duplication of effort was questioned, especially when there are so many other projects out there in the state that do not have that kind of support unless these grants fund them. He did not question the need for coordination of effort, but wondered if it could be met within the local government structure. REP. BARDANOUVE reiterated the comments of Sen. Hockett.

1:B:000

REP. THOFT said it was for a mere \$60,000, and since he proposed to move it below the funding line, it wouldn't scratch the levels of those other projects below the funding line.

Motion/Vote: REP. THOFT moved as in his original motion - to move Priority 23, the Upper Clark Fork River Basin Coordinator, up to ranking number 16, renumbering subsequent projects, and to insert \$60,000 as the recommended funding. Motion FAILED 2 to 3, with REP. CONNELLY, REP. BARDANOUVE and SEN. HOCKETT voting no.

Motion: REP. BARDANOUVE moved to accept the Homestead Acres Water and Sewer District project, Bootlegger Mine Reclamation Project, ranking 30, in the amount of \$25,000.

Discussion: REP. BARDANOUVE said he did not intend to give them their full amount requested, \$300,000. He suggested giving them \$25,000 to help them get something going, and perhaps influence the county to help them further. The county had been remiss, and the people in the area had gotten a bum deal. REP. BARDANOUVE suggested putting the project right below project 16, the funding cutoff. This would be encouragement in addition to the letter that was being sent to the county commissioners about this project. This would be money spent on action, and not reports that would gather dust in a library.

SEN. HARDING said she agreed, but reminded the committee that they were short in information and did not come in with the proper requirements for their application. REP. BARDANOUVE said that was his best argument for the project. These are rural civilians who are not professionals; they are amateurs who have a real problem, but have never dealt with the bureaucracy and can't get any help.

SEN. HOCKETT asked what would happen if they were given \$25,000, and started but did not accomplish anything. Ms. Barclay said the evaluation of the application indicated that a lot of money

was needed to get started. If the \$25,000 was approved, they would have to come back to the Department with a scope of work describing what they would do with that amount. **REP. BARDANOUVE** agreed, saying they could call it Phase 1. **SEN. HOCKETT** asked what it would then cost the Department to go out and evaluate a \$25,000 potential project. **Ms. Barclay** said traditionally, they spend close to the same amount of time on a large project as on a small project due to the amount of administrative time spent on contract preparation, evaluation of documents, and monitoring. **SEN. HOCKETT** commented that he would rather wait until they come back with a better plan.

Vote: Motion **FAILED**, 4 to 2, with **REP. BARDANOUVE** and **SEN. LYNCH** voting aye.

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Motion: **REP. THOFT** moved to take \$60,000 out of Priority 3, the Community-Led Rural Development project, and to insert that amount in Priority 16 for the Clark Fork Coordinator.

Discussion: **REP. THOFT** commented that he did not think the Resource Conservation and Development (RC&D) areas needed \$170,000, project 3, proposed by Judith Basin Conservation District. **SEN. LYNCH** spoke in favor of the motion, saying that if the legislature could not fund the Clark Fork Coordinator, which is directly involved in reclamation, but could fund 1/2 of DNRC's budget, something was wrong with the process. He said Butte/Silver Bow was not capable of doing it all themselves, and that the Clark Fork and its tributaries formed the mouth of the whole river system.

SEN. HOCKETT said he could not disagree with the scope of the problem in the Butte area, but hated to have him fund those projects on the backs of the rural people in most of the eastern part of Montana. He opposed the motion, at least to the extent that the money was extracted from this particular project.

REP. THOFT withdrew the motion.

Motion: **REP. THOFT** moved to move Priority 23, the Upper Clark Fork River Basin Coordinator, up to ranking number 16, renumbering subsequent projects, and to insert \$60,000 as the recommended funding.

Discussion: **REP. THOFT** said it was below the funding line, but that there was a good possibility that there would be money there by the time the money was needed for this position. **Ms. Barclay** said that was true if some of the pending legislation did not pass. **REP. BARDANOUVE** said a motion to reconsider was necessary. **REP. THOFT** agreed.

Motion/Vote: **REP. THOFT** moved to reconsider the committee's action on his previous motion on the Clark Fork Coordinator. Motion **CARRIED** 4 to 2, with **REP. BARDANOUVE** and **REP. CONNELLY**

voting no.

Motion/Vote: REP. THOFT moved to move Priority 23, the Upper Clark Fork River Basin Coordinator, up to ranking number 16, renumbering subsequent projects, and to insert \$60,000 as the recommended funding. Motion CARRIED 4 to 2, with REP. BARDANOUVE and REP. CONNELLY voting no.

Ms. Hamman reminded the committee that if HB 199 passed, there would be additional projects that could be funded up to the amount of \$1,400,000. The committee should look at some of the projects below the present funding line, set some amount recommended, and thus authorize those so that those projects could be funded if the money materializes. Mr. Haubein said an additional \$60,000 for the Clark Fork Coordinator would bring the total authorized to \$4,000,000, and that HB 199 could add another \$2,000,000. He said if the \$2,000,000 were added to the projected cash balance, there would be a total of \$4,700,000 million to spend. Therefore, the amount that could be spent on additional projects would be \$700,000 if HB 199 passed.

REP. BARDANOUVE said projects had been considered and recommended for funding by the Department. Any leftover monies be left for the next biennium. To begin putting projects in without Department recommendation was not wise use of always short money.

SEN. LYNCH disagreed, questioning why the committee was here if the Department was going to tell them what to do. SEN. HOCKETT said he would be willing to trust the judgment of the Department, and gave examples of comments made by the Department regarding projects which were not funded. He would prefer putting the money in an account, upon which to draw interest, for funding future projects.

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Motion: SEN. HARDING moved to accept funding projects the Department has recommended through Priority 22.

Discussion: REP. THOFT said he would like to prioritize the projects with a favored priority going to those that do something. He asked to take a ten minute break so that the Department could come up with such a list. SEN. HARDING said she believed the Department had done that. REP. BARDANOUVE supported the motion. SEN. LYNCH mentioned that Priority 21 had been withdrawn, and said that it was not asking too much to just look at it over a ten minute break. REP. THOFT said he was concerned that the available money is put into active projects. Ms. Barclay clarified that the Department had technical problems with some of the projects receiving no funding. They could, over a ten minute break, identify those projects which weren't feasible, leaving those which could be recommended for funding if money was available.

SEN. HARDING withdrew her motion until after the break.

Further Discussion: After the break, Ms. Barclay pointed out that Priority 23, Clark Fork Coordinator, was now ranked 16, from previous committee action. She suggested next taking the project on Arsenic in the Upper Missouri River Basin as number 17, and Well Assessment and Abandonment as number 18, with the remainder of the list down through Sheridan County Conservation District remaining the same. The committee had discussed Priority 24, Montana Tech's Pilot Plant Treatment, as being eligible for the WASTEC project. Therefore, it would have coordinating language added without any recommended funding. Priority 26, Construction of Artificial Bogs and Wetlands, had technical problems, and therefore was not recommended for funding. Priority 27, like 24, would have coordinating language to be eligible for funding under WASTEC. There were technical problems with Priority 28, and she recommended \$50,000 for the Yellowstone County LIS/GIS project. The next project without technical problems was Priority 32, Trout Stream Restoration, which the Department thought was over-designed. They recommended cutting that by 50% to \$45,500.

Ms. Barclay said they would suggest to these applicants, if there was money available, to come in with a more appropriate application. Beyond Priority 32, no funding was recommended. This added less than \$100,000 in terms of recommendations, \$50,000 for Yellowstone, and \$45,500 for Trout Stream Restoration. Final computations were that in addition to the \$3,943,773 expended, there was \$60,000 for Clark Fork Coordinator, and the \$95,500 mentioned above. She said that with the projects as recommended, the additional total would be \$1,095,000.

970

Motion/Vote: REP. BARDANOUVE moved to adopt this list, saying he saw the handwriting on the wall. Motion CARRIED unanimously.

Motion/Vote: REP. THOFT moved to approve the Reclamation and Development Grant Program projects as amended. Motion CARRIED unanimously.

EXECUTIVE ACTION ON COAL SEVERANCE TAX LOANS

1:B:1039

Mr. Haubein distributed a list of the loan projects to be authorized, EXHIBIT 5, which contained 5 loans. Ms. Barclay said there was one addition, the Mill Creek Water and Sewer District, which was authorized and funded last biennium. She said their bids came in over the funding amount, so were asking an increase of about \$200,000, which represented half their increase. She asked to discuss it first since SEN. GROSFIELD wished to speak on the project. Mr. Tubbs said they underestimated the cost by \$400,000, and have an agreement to get SCS cost share of about 50%, which is forthcoming. They had remaining authority from their original loan of approximately

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\$49,000, which left a difference of \$151,000. They were requesting additional authority from this committee to get the \$151,000 loan. Other pertinent information included was that this was originally a 30 year loan at 3% interest.

REP. BARDANOUVE asked if the committee would give the additional amount at the same 3% interest. Mr. Tubbs said that was their request, but they would be willing to negotiate.

Informational Testimony: SEN. GROSFIELD, SD 41, said the bottom line was that they needed the money, and had already spent almost \$2,000,000, and needed this to finish this. Their present funding was at 3%, while average funding was at 8%. SEN. HOCKETT asked what kind of loan they had now. Mr. Tubbs said it was for \$950,000 at 3% for 30 years, which represented a 4% subsidy, and they had received approximately \$1,000,000 from the SCS.

SEN. HOCKETT asked how many people the project served, and SEN. GROSFIELD said it served an area around the Mill Creek drainage, where there were 35 people and about 3,000 irrigated acres. Mr. Tubbs said the project moved the water from a current flood system to a gravity sprinkler system, resulting in significant energy savings and increased water efficiency. Mill Creek is one of the tributaries DFWP is concerned about for in-stream flows. SEN. GROSFIELD said this was one of the three streams being looked at under the Water Leasing Program passed last session.

1:B:1241

Motion: REP. BARDANOUVE moved to approve the loan with a subsidy at the rate of 6%.

Discussion: SEN. LYNCH asked for clarification of the amount. Mr. Tubbs commented that usually loans were authorized in terms of the bond rate. Ms. Barclay suggested if the committee wished to propose a small increase in the rate, and a decrease in the subsidy, they could authorize the loan at 2% below the bond rate. REP. BARDANOUVE commented that the Legislature had already given them a subsidy of 4% for a long period of time, one of the biggest subsidies ever authorized. He wished to keep the rate at 6% or the bond rate.

Substitute Motion/Vote: REP. BARDANOUVE made a substitute motion to approve the loan of \$151,000 at 6% or at the bond rate, whichever is lower. Motion CARRIED unanimously.

Mr. Haubein distributed an amendment of the Seeley Lake-Missoula County Water District loan project for a Water Treatment Plant, which would allow the deferral of the principal payment on this loan for three years. EXHIBIT 6 Originally they had asked if this could be done without an amendment.

2:A:000

However, without this language, the Department would have to go after them on default. This would represent no additional cost in interest to the state, since the interest would be adjusted to

reflect the deferral. SEN. HOCKETT said that it was his understanding that this amendment would allow the community to maintain the same level of payment for services at no cost to the state.

REP. BARDANOUVE asked what the interest rate was, and if there was an interest subsidy. It would cost the state some additional money if it is subsidized interest. Ms. Barclay said they were correct, and that it would require the Coal Severance Tax to pick up the deferral, and that the subsidy was 2% below the bond rate for the first 5 years. Mr. Tubbs said the principal payment deferral on the loan was for the first three years, and that this amendment would not extend the interest subsidy period. Ms. Barclay said the Coal Severance Tax fund would make those payments for the first three years, with those payments collected at the end of the loan period. Mr. Tubbs said it was his understanding that there was 2% subsidy, and the district would be making interest payments, but not principal. He agreed that the first three years of principal payments would be made by the Coal Severance Tax Fund, but in the subsequent 17 years, the applicant would re-fund that amount, so that within the 20 year bond period, the trust would be whole.

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Motion: REP. BARDANOUVE moved to amend the Seeley Lake loan project. EXHIBIT 6 Motion CARRIED unanimously.

Motion: REP. BARDANOUVE moved to approve the City of Columbia Falls loan for Water Improvements.

Discussion: Mr. Haubein asked for the correct amount. Ms. Doney clarified that the correct amount was \$1,163,720. Mr. Beck added that the city of Columbia Falls had filed for bankruptcy against SIDs. He assured the committee that before this loan would be made, the Department would make sure it was comfortable with the lawsuit and the community's ability to repay the loan. CHAIR CONNELLY said the SID was on a separate subdivision, and was not included in this loan. She said D.A. Davidson said it would not affect this loan.

Motion: REP. BARDANOUVE made a substitute motion to approve the project, contingent upon resolution of all legal issues.

Discussion: Mr. Tubbs said the Department's bond counsel was scrupulous and would never sell a bond for a project where there was a large degree of uncertainty. Mr. Haubein asked if Rep. Bardanouve wanted that contingency language in the bill, and Mr. Beck said it was not necessary and that the Department was in full agreement with the intent of Rep. Bardanouve and the committee. REP. THOFT clarified that approval of this project did not mean the Department had to make the loan. Mr. Tubbs described the process of rigorous analysis of the repayment capability of each loan recipient before selling a bond and loaning the money. REP. BARDANOUVE agreed that the language would not be necessary.

Vote: Motion CARRIED unanimously.

Motion/Vote: REP. THOFT moved to accept the City of Forsythe's project, a loan for Water Treatment Plant Improvements. Motion CARRIED unanimously.

Motion/Vote: SEN. HOCKETT moved to approve the Huntley Project Irrigation District's loan request for the Rehabilitation and Reconstruction of Diversion Structures and Canal. Motion CARRIED unanimously.

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CHAIR CONNELLY announced the next project was the Beaverhead County Red Rock River Water/Sewer District's loan request for the rehabilitation of the Lima Dam. REP. BARDANOUVE expressed concern with the setting of the precedent of rebuilding high hazard dams. If the legislature began this process, there would be no end. Rebuilding all of the high hazard dams in the state would take all of the coal money and more, costing several hundred million dollars, money which the state did not have. He questioned the fairness of funding of one dam out of all the dams needing attention. He might see it differently if there were a real crisis, but there were no more crises on this river than on any other. He gave an example of the three or four dams on the Prison Ranch that the state did not know what to do with, and they were not asking for money for those. Moreover, these were Montana dams, and he made reference to his and Rep. Thoft's discussions on this issue as members of the Prison Ranch Advisory Committee. REP. BARDANOUVE mentioned the high hazard Montana dams needing attention, and said that he could not support this loan request.

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SEN. HOCKETT shared the reservations expressed by Rep. Bardanouve, and asked the Department for their rationale for recommending this type of loan. This loan subsidy would result in the loss of a large amount of interest money to the state. He asked if this was the type of project that was going to come in each session, and mentioned the Tongue River project which was ongoing. Ms. Barclay said the State Water Plan spent much time evaluating storage projects in the state and recommending priorities, and it was their consensus of all of the participants that state monies should be spent to rehabilitate high hazard, unsafe facilities. It was this consensus that prompted the Department to suggest earmarking the 25% for water storage projects (SB 313) in order to build a fund for loans and grants. These monies would fund private, state-owned, and local government-owned projects. She mentioned the liability inherent in these unsafe structures, both in terms of loss of life and property damage.

Ms. Barclay said that when the Department received the application for the Lima Dam Rehabilitation, they thought it was

consistent with the recommendations of the State Water Plan. It was a high hazard, unsafe dam, whose breaching would have significant impacts on not only people, but property and the environment as well. The 0% was recommended because, in the Department's analysis of the private landowner's repayment capacity on a per acre basis, there would be a substantial increase in O and M costs. In considering the facts that this was a loan, not a grant application, and that there would be considerable, broad environmental enhancement features, the Department supported the subsidy.

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REP. BARDANOUVE asked if the Department reviewed all of the high hazard dams in Montana, and prioritized them. Ms. Barclay said that had been done for DNRC dams, but had not prioritized private dams across the state. It was not the Department's responsibility to privatize rehabilitation efforts for private dams. However, through the State Water Planning Process, and the specific storage legislation to rehab state and private dams, that would obviously be a fallout, since the Department would have to evaluate them in terms of worthiness and priorities. Ms. Barclay said this particular project would be very high on the list of priorities, if not the highest. In addition to the reasons she had already stated, the timing was right, since the reservoir is currently at 20 to 30% average storage capacity as a result of the drought in southwestern Montana.

REP. BARDANOUVE commented if Ms. Barclay could predict rainfall, she was the smartest person in Montana. He reminded the Department and the committee that before the dam project was completed, it could be running over. The argument that the dam is low is one that could be used anywhere in Montana. Ms. Barclay said she was not trying to predict rainfall, but that it would take a number of years to refill that reservoir with average or even above average flows.

REP. BARDANOUVE suggested that Rep. Swysgood present this as an amendment on the floor in order to give the Legislature the opportunity to debate the issue - whether or not the Legislature wants to begin this process and set this precedent. He reiterated the gravity of establishing this precedent without it being well thought out, and the number of high hazard Montana dams for which the state is absolutely responsible. The state's liability on those dams should cause those to take precedent over the private dams.

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REP. THOFT asked if the Legislature had approved money for engineering in a previous session. Ms. Barclay said a \$60,000 grant had been approved in the 1987 session for the feasibility study, with the local people contributing \$43,000. That study was completed, which was why this project was before the committee now. REP. THOFT commented that the subcommittee had in fact prioritized this project by approving that grant. REP. BARDANOUVE disagreed, saying that approving a review of a dam did

not give them a priority, especially when so many Montana dams had not even been looked at.

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Motion: SEN. LYNCH moved approval of the Lima Dam Rehabilitation project, a loan as recommended by the Department.

Discussion: SEN. HOCKETT opposed the motion, saying a precedent was being set that would come back to haunt the members of the committee and the state. He commented on the other projects, the costs incurred by citizens, and the problems with water quality and water use. He also stated that he did not think approval of a preliminary planning study for the University System building project constituted an automatic approval of the building.

SEN. HARDING asked about the State Water Plan, and whether or not these dams had been prioritized within this process. Ms. Barclay described the State Water Planning Process, the purpose of evaluating storage, and the state's storage policy. They established a list of criteria for looking at storage, both rehabilitation and new storage, as a tool to resolve water management problems in the state, and listed priorities for the utilization of state monies. The priorities for expenditures were: first, high hazard dams; second, low hazard dams; and three, other storage projects. She added that they were explicit in recommending that those monies not be used exclusively for state-owned projects. They recommended the creation of an account for the earmarking of funds for these purposes. Ms. Barclay said the recognition was that even in these private facilities, the state may potentially be liable for damage from the breaching of these dams.

SEN. HARDING commented that based upon this information, approval of Sen. Lynch's motion, the committee would be following the recommendation of the State Water Plan. REP. THOFT said there were two issues: the economics and the water district's ability to repay, and the impact of a breaching of the dam should nothing be done. He disagreed that this particular project should be debated on the floor. REP. BARDANOUVE said the key issue was whether or not to begin this process, setting a precedent that would cost hundreds of millions of dollars, and it should be decided on the floor. REP. THOFT disagreed, saying that was a policy decision, not a Lima Dam issue.

REP. BARDANOUVE asked the Department how they, as administrators and custodians of state property, including Montana dams, could not recommend those high hazard dams for funding, while funding this private project which would cost the state \$4,300,000 in lost interest. Ms. Barclay said she had been concerned over the lack of commitment to the state-owned water projects, which had been allowed to deteriorate over a period of 20 years. They did have a six year plan to rehabilitate the DNRC water projects, complete with priorities and costs, which would be laid out before the Legislature. She said in the Natural Resources Appropriations Subcommittee, a plan was set in place to complete

the Middle Creek Rehabilitation Project, as well as to initiate some other DNRC projects including the Ruby, the North Fork of the Smith River, and the Tongue River Dam.

Ms. Barclay said the Department would also be bringing forward in the Appropriations Bill a project that was sent two years ago by the Governor to the Congressional Delegation - a ten point plan which largely consisted of the Tongue River Rehabilitation, and the negotiation of the Reserve Water Right Settlement.

960

REP. SWYSGOOD, HD 73, said the 0% was there for a reason. This would be the cheapest dam the state would have to fix. He predicted that the state would have to pick up the tab on most of the other dams, and they would cost considerably more. He distributed a cost analysis on interest figures and return on equity for the project which was prepared by the engineering firm. EXHIBIT 7 These people who own this dam are shouldering the responsibility of meeting the requirements of the 1985 Dam Safety Act, and at the same time trying to pay for this. He said federal support has been ruled out since their monies have a stipulation of 320 acres, with the average acres on this project being 600 acres. The cost for the additional acreage is extreme, and they cannot afford it. These ranchers raise one crop, hay, which is recycled through the animal. The application before the committee is the last resort for funding this project. He commented on the environmental and wildlife benefits of the project, which in effect makes this a Montana dam. REP. SWYSGOOD said the 0% interest request is based upon the ability to pay, and referred the committee to the exhibit to illustrate the impact of just a couple of percentage points. He asked for the committee's support.

REP. BARDANOUVE said he agreed with Rep. Swysgood, but that the same arguments could be made about every dam in Montana. There was very limited bonding capacity in the Coal Trust, and the state would soon be reaching the capacity to bond against the Coal Trust. Funding this project would deprive very worthwhile projects across the state in water, sewer and other dam projects. REP. THOFT commented that there was a problem all across Montana, and he was not sure what the answer was. However, there was a project before the committee that was engineered and ready to go. They had not disagreed with the project when the applicants first came in for their feasibility study. He suggested that at that time, the debate should have taken place.

Motion: REP. THOFT made a substitute motion to approve the project at 2% interest.

Discussion: SEN. HOCKETT echoed Rep. Bardanouve's comments about the lack of priority setting in light of the comparatively high water costs and sewer rates of other applicant projects, many of which are not recommended for funding. He had a problem with the Department's assessment of need in the state. There were only 28 ranchers served by this project, while the high hazard status was

another matter.

REP. THOFT said the hazard issue was the reason this project was recommended. SEN. HOCKETT said that may be true, but said an assessment of the entire state was needed before a given project was recommended. REP. BARDANOUVE reiterated strongly that there had been no assessment and no prioritizing. Four years ago, upon approving the feasibility study, the committee had not been told that the applicants would be in for a 100% loan with no interest. He speculated that if the committee had been told that, they would not have approved it. REP. THOFT said the interest subsidy reflected the repayment ability.

2:B:000

Vote: Motion FAILED on a 3 to 3 vote, CHAIR CONNELLY, REP. BARDANOUVE, and SEN. HOCKETT voting no.

Motion/Vote: SEN. HOCKETT moved to return to the original motion of Sen. Lynch, approving the project at 0%. Motion FAILED on a 3 to 3 vote, CHAIR CONNELLY, REP. BARDANOUVE, and SEN. HOCKETT voting no.

Motion: REP. THOFT moved to not approve the Lima Dam project.

Discussion: REP. THOFT said he wanted the committee on record of saying they did not approve the project, so that if the dam washes out, it can be seen who is responsible for the problem.

REP. THOFT withdrew his motion of withdrawing the project.

115

Motion/Vote: REP. THOFT moved to approve the Lima Dam project at 3% interest. Motion CARRIED on a 4 to 2 vote, with CHAIR CONNELLY, REP. THOFT, SEN. LYNCH, and SEN. HARDING voting aye.

WATER DEVELOPMENT PROGRAM LOAN RE-AUTHORIZATIONS

2:B:230

Mr. Haubein referred committee members to the exhibit distributed on 2/20/91 entitled Requests to Re-Authorize Loans. EXHIBIT , 2/20/91. Mr. Tubbs said that along with that brief description of each loan, there was a rate schedule. EXHIBIT 4 In answer to a question of Rep. Thoft regarding the need to discuss the subsidy since the bond rate is lower now than it was two years ago, Mr. Tubbs said that there is a contingency in HB 7 which says that if the loan amount is reduced, it necessitates a recalculation of the subsidy. However, that does not address the question of subsidy re-calculation. REP. THOFT said that in effect, the subsidy was going to be greater on every re-authorized loan. Mr. Tubbs said the subsidy rate would remain the same, but the payment of the people would be smaller. Mr. Beck said it still may be two or three years down the road when the bonds were sold on some of these projects, and was not sure how to address the question.

Mr. Tubbs reviewed some of the projects. Dutton had a dramatic

change in scope which had been approved in the last session. The Evergreen Project could be stricken, and the Somers loan request was originally to hook up with the Lakeside district. He said that was still the scope of work to be re-authorized today.

422

Motion/Vote: REP. BARDANOUVE moved to re-authorize the large public loans numbered 1 through 11, with the understanding that project 5 would be deleted if the bill to authorize it passes. EXHIBIT , 2/20/91 Motion CARRIED unanimously, 5 to 0, SEN. LYNCH absent.

Mr. Tubbs continued working from the exhibit and said the remaining seven projects were grant/loan combinations, all of which had maintained their original scope of work with the exception of Hysham. He directed the committee to the memo from Mark Marty on the last page of the exhibit. EXHIBIT , 2/20/91 They had 3 loans pending, with this loan being their back-up source of funding in the event the other two loans not materializing. It would be unlikely that this loan would ever be made.

REP. BARDANOUVE asked about the Sun Prairie loan and their re-payment capacity. Mr. Tubbs said those people had made significant progress in their financial standing.

570

Motion: REP. BARDANOUVE moved to re-authorize the small loans with language incorporating the change in scope as discussed in the memo regarding the Hysham loan request.

Discussion: Mr. Tubbs raised the question of change in scope of work on the Dutton project since 1989 (a loan already approved in the previous motion). Marvin Miller, Bureau of Mines and Geology, said initially the money was appropriated to hook up with the Tiber Water District, but that option did not prove to be economically feasible. At the present time, the preferred option is to build a storage tank for the community. He said Dutton's current CDBG Grant of \$375,000 reflects this, as does their request for re-authorization of \$150,000 in loan from DNRC.

Anna Miller, DNRC, raised a question on the town of Wibaux, again a loan already authorized in the previous motion. She said they had bonds outstanding, the balance of which is \$22,500. In order to issue the Department's bonds with those, she said they would like those bonds on parity, but the person holding those bonds will not allow this. She suggested the committee authorize an additional \$22,500 to this loan request so that the Department could pay off those bonds outstanding.

Vote: Motion CARRIED on the seven small loans 5 to 0, SEN. LYNCH absent.

Motion/Vote: REP. THOFT moved to reconsider the committee action on the large public loans. Motion CARRIED 5 to 0, SEN. LYNCH

absent.

Motion/Vote: SEN. HARDING moved to incorporate the language authorizing an additional \$22,500 for the Wibaux loan, with the understanding that the Department would draft the suitable language. Motion CARRIED 5 to 0, SEN. LYNCH absent.

Motion/Vote: SEN. HARDING moved to accept all 11 projects, with the exception of the Evergreen project, as amended. Motion CARRIED 5 to 0, SEN. LYNCH absent.

**EXECUTIVE ACTION ON RENEWABLE RESOURCE DEVELOPMENT
AND WATER DEVELOPMENT GRANTS**

2:B:885

Mr. Haubein distributed a list of the Renewable Resource Development and Water Development grant applicants. EXHIBIT 8 & 9 Ms. Barclay said because many of the projects could be funded under one or the other of the two grant programs, Water Development or Renewable Resource Development, the Department had developed a new list combining all of the recommendations, and prioritizing them, with a combined total amount of dollars. EXHIBIT 10

REP. BARDANOUVE called attention to project 20, EXHIBIT 10, the private water dam feasibility study, and asked what it was for. Ms. Barclay said it was a recommendation for the Ruby Dam in southwestern Montana. He said that Rep. Thoft would argue that approving this grant would constitute appropriating money for the dam. REP. THOFT agreed. REP. BARDANOUVE said he would not be able to support the project if that was the policy of the committee.

CHAIR CONNELLY asked what impact combining the two lists had on project rankings on the individual lists. Ms. Barclay said they had looked at the two lists from a variety of approaches, and that only one project was impacted by the combining. She said this was because it wasn't eligible under one program, and therefore could not be at the top of the list.

Tape 3:A:019

Motion: REP. BARDANOUVE moved to delete project 20, the private water dam feasibility study.

Discussion: Mr. Tubbs said the \$14,000 grant amount represented 25% of the cost of the feasibility study. REP. BARDANOUVE said all of the money in Montana could not be put in the southwest corner. He commented on the loan with the lowest rate given that area for a multi-million dollar sprinkler system. If the committee approved this, two years from now, the committee would be told to build the dam. REP. THOFT opposed the motion.

Vote: Motion CARRIED 3 to 2, with CHAIR CONNELLY, REP. BARDANOUVE, and SEN. HOCKETT voting aye, and SEN. LYNCH absent.

REP. THOFT recommended getting the full committee together for these actions.

SEN. HOCKETT said he was concerned about the Sweetgrass Hills East Butte Groundwater Study, project 21, which was one below the funding line. He was very much in favor of that project.

305

Motion: REP. BARDANOUVE moved to accept the projects, prioritized on EXHIBIT 10, for funding as far down the list as possible, exclusive of project 20.

Discussion: REP. BARDANOUVE asked the Department if the motion cleared with them. Mr. Tubbs said the motion did reflect previous committee action, but it was his understanding that the committee was waiting for Sen. Lynch to return to revisit that vote.

REP. BARDANOUVE withdrew the motion.

INFORMATIONAL HEARING ON THE BATTLE CREEK STORAGE SITE

Ms. Barclay asked to discuss an item not on the list, the Battle Creek Border Storage Site. Gary Fritz, Administrator, Water Resources Division, described the project, which was in negotiation at the time the deadlines for the projects were due. He said this was a joint Montana/Saskatchewan Storage Project. Montana worked with the government of Saskatchewan, the Saskatchewan Water Corporation, and both identified 9 potential storage sites which would benefit both entities. They jointly agreed to the Battle Creek site. Mr. Fritz said the storage site is to be 3200 acre feet in size, with 1250 acre feet going to Canada for 6500 acres, and 1000 acre feet going to the U.S. for 4300 acres. The cost would be \$4,000,000 (Canadian) or \$3,500,000 (U. S. dollars).

Mr. Fritz said the Canadians were interested in going ahead with the project without Montana input; if that would occur, Montana would lose the water that Canada has historically let go down the stream. Some of this is their share under an international agreement, and some of it has been lost to them at high flow times. The loss to Montana would be 800,000 acre feet per year. The water users in the area were very interested in the joint effort to build this project. Mr. Fritz said negotiations had been going on since the middle part of last year, with the latest Montana counter proposal being a commitment to pay \$82,000 up front for a share of the feasibility costs plus construction, plus \$16,000 on an average per year. He said the net present value of the Montana payments under that scheme is \$250,000, which would amount to \$5 per acre foot at the border, and \$15 per acre foot at the headgate. Based on the total cost of the project of \$3,500,000, the Canadians would have to pick up over \$3,000,000. He said this would be a Canadian owned project, with Montana leasing water from Saskatchewan Water Corporation.

Mr. Fritz said another reason the Department was interested in coming to an agreement with Saskatchewan is because of the Preliminary International Agreement on the Poplar River which is about 12 years old. In the negotiations on the Battle Creek Storage Site, Montana has said that Saskatchewan Province must agree finally and formally to that Poplar River agreement as a condition of U.S. involvement. He asked that the Legislature appropriate \$82,000 to the Department for this project if there is more money is available. The appropriation should be contingent upon: (1), reaching agreement with Saskatchewan Water Corporation on the cost share; (2), establishing the cost share of the Battle Creek Water Users; and (3), the finalization of the Poplar River Apportionment. He suggested that if this project were to be approved, the committee could put it at the bottom of the list.

REP. BARDANOUVE asked if the Department had looked at the situation in the Milk River Valley, where the Department had refused to allow any more diversions of water. He questioned the irrigating of more acreage with this storage project, when downstream users in the valley could not irrigate due to the lack of water. **Mr. Fritz** agreed that the main stem of the Milk River was closed, but said the entire Milk River Basin was not. He added that this would not irrigate new land; it was merely providing the water users with a better water supply. They had considered water rights, and had talked with the Milk River irrigators. Those people did not see a problem with the project because it is a small amount, and they like the concept of storage. There still was the potential of objection on the part of the Fort Belknap tribe and the Federal Government.

Mr. Fritz clarified the situation with the Fort Belknap tribal members, and said they had been involved. He said these objections, as well as water rights, could stop the project.

REP. BARDANOUVE described the critical situation with water availability, especially on the lower Milk River, and said he had to look at the total impact of the project. **Mr. Fritz** said their approach had been to help these people increase the efficiency of their use. **REP. THOFT** asked if there were flood waters to fill this storage site. **Mr. Fritz** said detailed hydrologic studies had been done of this site, and there were certainly high flood waters in Battle Creek. However, there would be times when this reservoir could store water that the Milk River irrigators might be using. That is what raises the potential water right problem. All he could say is that everyone had talked, and no conclusion had been reached. However, initial reactions indicated that the Milk River people did not care if the project went through.

REP. BARDANOUVE said the problem was that the Milk River is now over appropriated.

Ms. Barclay said they were trying to protect the water users both on Battle Creek and Milk River, and their concern is that

Saskatchewan would go forward without Montana with a greater impact on the irrigators.

SEN. HARDING commented that it would be prudent to cooperate on the project, or take the chance of losing 800 acre feet of water that couldn't be stored anyway. REP. BARDANOUVE said that water was wasted at times, but when the river flow is low it is not wasted.

Mr. Fritz said if the committee was interested in putting this project at the bottom of the list, the Department would provide a summary of the project and language.

REP. BARDANOUVE asked for a postponement of action until he contacted people on the Milk River.

SEN. AKLESTAD, SD 6, asked to address the committee for the purpose of clarification. He asked where the bottom of the list was, and was told it was the bottom of the money line. He continued, saying that represented a significant change. He said the other applicants had applied for their funding, and had their hearings. In particular, he mentioned the Liberty County project which was just below the line. He hated to see a project come in that would supersede that project. SEN. AKLESTAD strongly supported the Liberty County project, and suggested that the imaginary line be drawn elsewhere.

Mr. Fritz said the committee had traditionally designated a list of approved projects below the anticipated funding line, since there was almost always more money. He said his suggestion was that this project be put at the bottom of that list.

Jo Brunner, Montana Water Resources Association, agreed that it was a worthy project, and wanted to see it on the list, but did not want it to supersede other projects.

1282

Motion/Vote: REP. THOFT moved to reconsider the committee's action on project 20, the Private Water Dam Feasibility Study. Motion CARRIED 5 to 1 with REP. BARDANOUVE voting no.

CHAIR CONNELLY asked if Rep. Bardanouve wished to make another motion. A heated discussion followed on parliamentary procedure and the funding of private dam projects without Department prioritization.

3:B:000

REP. BARDANOUVE again questioned the committee's decision to fund a multi-million dollar loan to a small corner of Montana, and their forthcoming decision to approve another project that would come in for funding in two to four years, in the same corner of Montana. He questioned why one little area of Montana should get all the dam money when there were hundreds of dams that needed help. He again asked for a setting of priorities.

SEN. HOCKETT agreed, and said the Department seemed to be choosing specific projects without consideration for the total needs of dam rehabilitation. **Ms. Barclay** said the committee was confusing two separate issues. There was a group within DNRC, the Water Management Division, responsible for state-owned water projects and assistance to others on the Dam Safety Program. The people here today, John Tubbs, Jean Doney, and Greg Mills, were responsible for administering a grant and loan program. She added that this group does not establish priorities, but responds to applications presented to them.

Ms. Barclay said the Department was not attempting to provide pork barrel dollars to a particular part of this state, but had performed an independent and objective evaluation of applications received. **REP. BARDANOUVE** claimed that over the years, this particular area in Beaverhead County had received the most favorable consideration of any small area in Montana.

Motion/Vote: **REP. BARDANOUVE** moved to remove project 20, the Private Water Dam Feasibility Study. Motion **FAILED** on a tie vote with **SEN. LYNCH**, **REP. THOFT**, and **SEN. HARDING** voting no.

Discussion:

A discussion followed about how many additional projects could be authorized below the funding line, contingent upon more money becoming available. **Mr. Haubein** confirmed that should SB 313 fail, the funding line would fall at project 30, or at about \$2,085,000 in expenditures.

SEN. HOCKETT requested re-visiting the Salinity Control Associations grant amount, which had been approved earlier in the day in the Reclamation and Development Grant Program. It was agreed that the committee would reconsider its action on that program on 2/22/91.

REP. THOFT expressed concern, as the committee reviewed **EXHIBIT 1** for projects to insert under the funding line, that monitoring projects such as the Phillips Conservation District project did not supplant health and safety projects. **SEN. HOCKETT** said these monitoring projects would in fact increase water efficiency in areas experiencing critical water shortages. **Mr. Tubbs** agreed.

SEN. HARDING commented that projects 50, 51 and 53 all represented a serious need, but had been recommended for 0 funding. **Mr. Tubbs** said the Lakeside County project was not recommended because that was for grant money to pay off a loan. The Sun River Water System was not recommended for technical deficiencies in their application; however, when they presented before the committee, they changed the scope of their work and asked for study funds. Regarding project 53, Flaxville, he said the grant request was for loan repayment.

485

Motion/Vote: **SEN. HARDING** moved project 51, the Sun River Water System, up on the list to become project 30, and inserted the

recommended funding amount of \$7500 for the study. Motion CARRIED 5 to 0 with REP. BARDANOUVE absent.

Motion/Vote: SEN. HOCKETT moved to place the Battle Creek Storage Site as project 31, for an amount of \$82,000. Motion CARRIED 5 to 0 with REP. BARDANOUVE absent.

Motion: SEN. HARDING moved to approve the combined Water Development/Renewable Resource Development list up through project 31.

Discussion: Mr. Haubein requested clarification as to where the line was, and SEN. HARDING said it was her intent to request funding through project 31, as amended, dependent upon money available.

Vote: Motion CARRIED, 5 to 0, with REP. BARDANOUVE absent.

Ms. Barclay asked if this motion had included approval of the loan amounts for Niehart, Ekalaka, Stockett, and Meagher County, shown on EXHIBIT 10. SEN. HARDING said that was her intention because these loans go with the grants. Mr. Tubbs listed the specific numbers: Project 9, Niehart; Project 11, Ekalaka; Project 22, Stockett Water Users; and Project 29, Meagher County.

Motion/Vote: SEN. HARDING moved to approve those four loans as listed by Mr. Tubbs. Motion CARRIED 5 to 0 with REP. BARDANOUVE absent.

Mr. Tubbs asked the committee to consider the town of Chinook's request that if they did not receive the \$50,000 grant, they could receive a loan for \$200,000 at the bond rate.

Motion/Vote: REP. THOFT moved to approve the loan for \$200,000 at the bond rate for the Town of Chinook's Milk River Weir Replacement Project. Motion CARRIED 5 to 0 with REP. BARDANOUVE absent.

ADJOURNMENT

Adjournment: 12:15 p.m.



MARY ELLEN CONNEALLY, Chair



CLAUDIA MONTAGNE, Secretary

EXHIBIT 1
DATE 2-21-91
HB DNRC
*Reclamation and
Development Grant*

RIT PROJECTS

WD-1 Flathead Irrigation System - Request by member representative of Salish-Kootenai Tribe that committee hold action until tribe had a chance to review project.

WD-13 Phillips Conservation District - Requested full funding (\$100,000) an increase of \$46,618 over recommended amount.

WD-18 Sun River Water System - Wanted at least \$7,500 for study funds to do water testing, establish water rights, and set up a water district.

✓ PL-4 Lima Dam Rehabilitation - Wants a 30 year interest-free loan for the project. Loan of \$3 million. Interest cost to coal tax fund will be \$4.3 million in subsidy.

RRD-25 Belt Sewer System - Possible leakage of sewage in Belt Creek during flooding.

RRD-36 Lakeside County Sewer District - Extremely high sewer costs per user.

RRD-38 Town of Flaxville - New water wells contaminated. Wells drilled with DNRC loan funds. Older shallow wells had nitrate contamination.

✓ RD-17 DNRC Water Mgmt. Bureau - Arsenic concentrations in upper Missouri River area.

2/6/91

Resource Indemnity Trust Interest Accounts
1993 Biennium

2
DATE 2/21/91
HB DNRC

Reclamation and
Development
Fund.

	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
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
Total Disbursements	6,917,344	1,044,086	5,545,546
Available Grant Funds	986,681	577,496	2,675,797
Water Storage 66 313	328,894	192,499	
Fund Balance	0	0	0

HB 3
 HB 199-217
 HB DNRC
 Reclamation and
 Development Grants

Legislation Affecting RIT Grant Funds

Other Legislation	Water Development 30 %	Renewable Resources 8 %	Reclamation 46 %	Total
B 199	(\$72,600)	(\$19,360)	(\$111,320)	(\$203,280)
	HB 199 would allocate up to \$2,000,000 of tax to the Oil and Gas Damage Mitigation Account and is statutory appropriated. This could replace some of the Reclamation Grants			
B 215	(\$22,500)	(\$6,000)	(\$34,500)	(\$63,000)
B 437	Allocates all RIT tax to the Conservation District Fund when the RIT Trust reaches \$100 million. After FY 1996			
B 565	Allocates all RIT tax to the Reclamation and Development Grants Fund when the RIT Trust reaches \$100 million. After FY 1996			
B 313	Allocates 25 % of Grants Monies for Water Storage Projects			

Reclamation and Development Grants Program Ranking of and Funding Recommendations for Projects Proposed to the 1991 Legislature

February 21, 1991

DATE 2-21-91
HB Reclamation & Development Grants

Rank	Page No.	Project Sponsor	Project Name	Amount Recommended	Est. Cumulative Funds Available	Committee Action
1	7	Butte-Silver Bow Government	WASTEC	\$296,113	\$ 296,113	
2	11	Chinook Division Irr. Association	Rehab. & Betterment Element of Milk River	300,000	596,113	
3	14	Judith Basin Conservation District	Community-Led Rural Development in Montana	170,000	766,113	
4	18	DHES/Cent. MT Health District	ARRO Refinery Sludge Cleanup	300,000	1,066,113	
5	21	MT Board of Oil and Gas Cons.	Abandoned Well Plugging Project "A"	300,000	1,366,113	
6	25	MT Board of Oil and Gas Cons.	Abandoned Well Plugging Project "B"	295,000	1,661,113	
7	28	Montana State Library	NRIS, Emphasis on the Nat. Herit. Progr. & GIS	0	1,661,113	
8	32	Montana Salinity Control Association	Soil & Water Nonpoint SRC Poll. Control & Mgmt.	137,500	1,798,613	
9	35	MSU/Reclamation Research Unit	Effect of Sodium, Chlorine, & Total Salts	82,885	1,881,498	
10	39	Carbon County, et al	Integrated Waste Management in Southcentral MT	45,437	1,926,935	
11	43	DHES/Water Quality Bureau	Nonpoint Pollution Control Project	146,620	2,073,555	
12	47	Bureau of Montana Mines & Geology	Downhole Geo Logging Tech/Well	39,749	2,113,304	
13	50	Montana Board of Oil & Gas Cons.	Abandoned Well Plugging Project "C"	144,000	2,257,304	
14	54	Toole County	N. Toole County Reclamation Project	105,000	2,362,304	
15	58	Pesticide Co. Cleanup Committee	Pesticide Contamination Cleanup	300,000	2,662,304	
16	61	Department of State Lands	Well Assessment and Abandonment	300,000	2,962,304	
17	64	DHRC/Water Mgmt. Bureau	Arsenic in Upper Missouri River Basin	179,330	3,141,634	
18	67	Department of State Lands	Comet Mine Wetlands Development	250,700	3,392,334	
19	71	Glacier County Conservation District	Comprehensive Eval. of Groundwater Contamination	197,453	3,589,787	
20	74	DHES/Water Quality Bureau	Hydrogeo, Land Use & Chemical Qual. of Water	218,250	3,808,037	
21	77	Fort Peck Assin/Sioux Tribes	Extent, Mag., & Mvmt. of Contamination	Withdrawn	3,808,037	
22	81	Sheridan Co. Conservation District	Extent of Oil-Field Waste Contamination	134,736	3,942,773	
23	87	Butte-Silver Bow Government (NF)	Upper Clark Fork River Basin Coordinator (\$171,806)	0		
24	89	Montana Tech (NF)	Pilot Plant Treatment of Cont. Water from Pit (\$299,879)	0		
25	93	Department of State Lands	Cataract Creek Reclamation Project	Withdrawn		

**Reclamation and Development Grants Program
Ranking of and Funding Recommendations
for Projects Proposed to the 1991 Legislature**

February 21, 1991

Rank	Page No.	Project Sponsor	Project Name	Amount Recommended	Est. Cumulative Funds Available	Committee Action
26	96	Montana Tech (NF)	Const. Art. Bogs and Wetlands (\$239,877)	0		
27	99	Montana Tech (NF)	Detoxification of Acid Mine Drainage from Pit (\$269,710)	0		
28	102	MSU/Animal & Range Sci. Dept. (NF)	Pyrite Amndmts. to Improve Plant & Animal Nutr. (\$96,114)	0		
29	106	Yellowstone County (NF)	Yellowstone Co. LIS/GIS Project (\$284,633)	0		
30	109	Honestead Acres Water & Sewer (NF)	Bootlegger Mine Reclamation Project (\$300,000)	0		
31	112	Judith Basin Co. (NF)	Development of Iron Ore Deposit (\$297,100)	0		
32	114	MSU/Biology Department (NF)	Trout Stream Restoration (\$91,438)	0		
33	116	Bureau of MT Mines & Geology	Hydrogeologic Char. of Landfill Sites in MT (\$226,767)	0		
34	119	Deer Lodge Valley Conservation District	Feasibility Study of Wood Wastes (\$59,535)	0		
35	121	Yellowstone Co. Conservation District	ZooMontana Construction Fund Drive (\$300,000)	0		
36	124	Town of Hot Springs	Re-Util. of Hot Springs Mineral Water Res. (\$300,000)	0		
37	127	Sweetgrass Co. Conservation District	Accelerate Soil Survey Prog. for MT (\$298,080)	0		
38	130	Stillwater Conservation District	Field Eval. of Plastic Lining & Fab. Process (\$89,400)	0		
39	132	Glacier Co. (NR)	Glacier Co. Experimental Lateral Drilling Proj. (\$232,240)	0		

February 21, 1991

HB 2-21-91
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HB 2-21-91

Rank	Page No.	Project Sponsor	Project Name	Amount Recommended	Committee Action
PL1	51	City of Columbia Falls	Water Improvements	\$1,163,720	
PL2	52	City of Forsyth	Water Treatment Plant Improvements	1,948,916	
PL3	54	Huntley Project Irrigation District	Rehab & Reconst of Diversion Structure & Canal	749,797	
PL4	57	Beaverhead Co. Red Rock River Water/Sewer Dist	Lima Dam Rehabilitation	3,040,000	
PL5	60	Seeley Lake-Missoula Co. Water District	Water Treatment Plant	922,150	

EXHIBIT. 6
DATE 2-21-91
HB DNRC
HB 7

Amendments to House Bill 7

Page 2, following Line 16. Line 17 Insert: "The principal portion of the debt service payment of the loan for the Seeley Lake-Missoula County Water Project will be deferred for a period of three years. The interest on the loan will be adjusted for the deferral."

PRINCIPAL = \$3,040,000

OPERATION AND MAINTENANCE =

\$1.25 /ac/yr

TOTAL ACREAGE = 16,221.5 ac

PROJECT OPERATION AND MAINTENANCE =

\$20,277

EXHIBIT 7

DATE 2-21-91

HB DNEC 487

ANNUAL DISTRICT REPAYMENT (Includes \$20,277 in Operation and Maintenance)

TERM	INTEREST RATE							
	0%	1%	2%	3%	4%	5%	6%	7%
30 yrs	\$121,610	\$138,071	\$156,013	\$175,375	\$196,080	\$218,033	\$241,130	\$266,260
20 yrs	\$172,277	\$188,739	\$206,193	\$224,613	\$243,965	\$264,214	\$285,318	\$307,231
10 yrs	\$324,277	\$341,246	\$358,710	\$376,658	\$395,081	\$413,971	\$433,315	\$453,104

ANNUAL PER ACRE PAYMENT (Includes \$1.25/ac Operation and Maintenance)

TERM	INTEREST RATE							
	0%	1%	2%	3%	4%	5%	6%	7%
30 yrs	\$7.50	\$8.51	\$9.62	\$10.81	\$12.09	\$13.44	\$14.86	\$16.35
20 yrs	\$10.62	\$11.64	\$12.71	\$13.83	\$15.04	\$16.29	\$17.59	\$18.94
10 yrs	\$19.99	\$21.04	\$22.11	\$23.22	\$24.36	\$25.52	\$26.71	\$27.93

PER AVERAGE 600 ACRE FARM

NET FARM INCOME (Without Cost of Water) = \$31,983
MINUS LABOR (\$14,000)
MINUS MANAGEMENT (\$3,198)

RETURN ON EQUITY (Without Cost of Water) = \$14,785
-Buildings, Improvements, Machinery
-Livestock, Real Estate

RETURN ON EQUITY (After Deducting the Cost of Water)

TERM	INTEREST RATE							
	0%	1%	2%	3%	4%	5%	6%	7%
30 yrs	\$10,287	\$9,678	\$9,014	\$8,298	\$7,532	\$6,720	\$5,866	\$4,974
20 yrs	\$8,413	\$7,804	\$7,138	\$6,477	\$5,761	\$5,012	\$4,232	\$3,421
10 yrs	\$2,791	\$2,163	\$1,517	\$853	\$172	(\$527)	(\$1,242)	(\$1,974)

Renewable Resource Development Program 1991 Project Recommendations

February 21, 1991

DATE 2-21-91
HB DNRC #36

<u>Rank</u>	<u>Page No.</u>	<u>Project Sponsor</u>	<u>Project Name</u>	<u>Amount Recommended</u>	<u>Est. Cumulative Funds Available</u>	<u>Committee Action</u>
RRD1	69	Jefferson Valley Conservation District	Cereal-Legume Rotating	\$ 48,677	\$ 48,677	
RRD2	71	Yellowstone County Conservation District	Streambank Reinforcement	100,000	148,677	
RRD3	73	Montana State Library/NRIS	Montana Water Information System	0	148,677	
RRD4	74	Town of Neihart	Neihart Water System	Grant 50,000 Loan 150,000	198,677	
RRD5	77	MSU/Montana Water Course	Montana Water Course	100,000	298,677	
RRD6	79	Town of Ekalaka	Water Supply and Storage	Grant 49,975 Loan 100,000	348,652	
RRD7	81	Montana State Library/NRIS	Heritage Program	0	348,652	
RRD8	82	City of Polson	Wellhead Protection Program	76,055	424,707	
RRD9	85	Stillwater Conservation District	Evaluation of Plastic Lining	56,648	481,355	
RRD10	87	Town of Three Forks	Water Systems Improvements	100,000	581,355	
RRD11	89	Butte-Silver Bow Government	Blacktail Creek Restoration Project	100,000	681,355	
RRD12	91	Broadwater Conservation District	Irrigation Water Management Demonstration	100,000	781,355	
RRD13	93	Fallon County	Baker Lake Erosion Control/Recreation Path	15,361	796,716	
RRD14	95	MSU/Local Government Center	Solid Waste Information/Assistance	88,000	884,716	
RRD15	97	DNRC, Water Management Bureau	Beaverhead Groundwater Study	100,000	984,716	
RRD16	100	Fort Shaw Irrigation District	Rehabilitation and Betterment Study	50,000	1,034,716	
RRD17	101	Darby School District No. 9	School Park	25,300	1,060,016	
RRD18	103	Liberty County Conservation District	Sweetgrass Hills Groundwater Study	100,000	1,160,016	
RRD19	105	Missoula County Conservation District	Irrigation Diversion Alternatives	85,250	1,245,266	
RRD20	107	Outlook County Water and Sewer District	Water Well Connection	7,875	1,253,141	

Renewable Resource Development Program 1991 Project Recommendations

February 21, 1991

Rank	Page No.	Project Sponsor	Project Name	Amount Recommended	Est. Cumulative Funds Available	Committee Action
RRD21	109	City of Miles City	Recycling Program	\$ 96,513	1,349,654	
RRD22	111	Missoula City/County Health Dept.	Aquifer Monitoring/Remediation	85,929	1,435,583	
RRD23	113	Carbon County, et al	Integrated Waste Management	45,437	1,481,020	
RRD24	115	Meagher County Conservation District	South Side Canal Lining Project	Grant 37,500	1,518,520	
RRD25	117	Town of Belt	Belt Sewage System Improvements	Loan 62,500		
RRD26	119	Teton County Conservation District	Alternative Diversion Sites	Grant 25,000	1,543,520	
RRD27	120	City of Chinook	Milk River Weir Replacement	Loan 75,000		
RRD28	122	Town of Columbus	Columbus Recreation Project	Grant 11,780	1,555,300	
RRD29	124	DNRC, Water Resources Division	GIS Project (\$99,623)	50,000	1,605,300	
RRD30	126	Town of Glasgow	Water and Wastewater	Loan 150,000		
RRD31	128	Big Sky Sewer District	County Water & Sewer District	80,950	1,786,156	
RRD32	130	Missoula City-County Health Department	Linda Vista Sewer Interceptor Project	33,750	1,819,906	
RRD33	133	Cascade and Teton County CD	Muddy Creek Study	100,000	1,919,906	
RRD34	135	Town of Fairfield	Fairfield Waterway	100,000	2,019,906	
RRD35	137	MSU - Extension Service	Natural Resource Education	14,169	2,034,075	
RRD36	139	Lakeside County Sewer District	Loan Repayment (\$100,000)	49,280	2,083,355	
RRD37	141	Montana Bureau of Mines & Geology	Water Education Program (\$95,207)	0	0	
RRD38	143	Town of Flaxville	Loan Repayment (\$39,353)	0	0	
RRD39	145	Montana State University	Evaluation of Ditch Linings (\$62,084)	0	0	
RRD40	147	Dawson County Conservation District	AquaFarm Water Feasibility Study (\$30,000)	0	0	
RRD41	148	MSU-Eastern Agricultural Station	Movement of Nitrates (\$17,460)	0	0	

Water Reliability and 1991 Project Recommendations

DATE 2/9/91
HB DNRc H&B

February 21, 1991

Rank	Page No.	Project Sponsor	Project Name	Amount Recommended	Est. Cumulative Funds Available	Committee Action
WD1	8	Chinook Irrigation Division Association	Milk River Supply Project	\$100,000	\$100,000	
WD2	10	Lower Musselshell Conservation District	River Management Tools	72,539	172,539	
WD3	12	Glasgow Irrigation District	Improving Water Use	100,000	272,539	
WD4	14	Greenfields Irrigation District	Greenfields Gravity Irrigation	100,000	372,539	
WD5	16	Montana State Library	Drought Monitoring System	58,364	430,903	
WD6	19	Joint Board of Control-Jocko Irrig. Dist. et al	Irrigation Information System	92,000	522,903	
WD7	22	Lewis & Clark County Conservation District	Nolan Water Cons. Project	100,000	622,903	
WD8	24	Private Applicant	Dam Feasibility Study	14,708	637,611	
WD9	26	Fort Shaw Irrigation District	Rehab Headworks and "A" System	50,000	687,611	
WD10	28	Town of Dutton	Dutton Water Reservoir	91,319	778,930	
WD11	29	Private Applicant	Wastewater Treatment/Collect System	50,000	828,930	
WD12	31	Private Applicant	Fishery Improvement Project	15,000	843,930	
WD13	33	Phillips Conservation District	Moisture Monitoring Project	53,382	897,312	
WD14	35	Montana Bureau of Mines and Geology	Hydrologic Control Re: SE Mobility	98,778	996,090	
WD15	36	Granite Conservation District	Demonstration Ice Block	67,787	1,063,877	
WD16	39	Private Applicant	Cherry Creek Flood Control	21,800	1,085,677	
WD17	41	Private Applicant	River Road Stabilization	5,000	1,090,677	
WD18	43	Private Applicant	Sun River Water System (100,000)	0	0	
WD19	44	Private Applicant	Crow Creek Lining Project (100,000)	0	0	

DATE 2-21-91

RE DNRC #34

WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT PROGRAMS

COMBINED PROJECT RECOMMENDATION LIST

APPLICANT	PROJECT NAME	RECOMMENDED FUNDING	ACCUMULATIVE TOTAL
1 CHINOOK IRR DISTRICT	MILK RIVER WATER SUPPLY PROJ	\$100,000	\$100,000
2 LOWER MUSSELSHELL CD	RIVER MGMT TOOLS FOR MUSSELSHELL RIVER	\$72,539	\$172,539
3 GLASGOW IRRIGATION DISTRICT	IMPROVING WATER USE	\$100,000	\$272,539
4 YELLOWSTONE COUNTY CD	STREAMBANK RE-ENFORCEMENT & EROSION CONTROL	\$100,000	\$372,539
5 GREENFIELDS IRRIGATION DIST	GREENFIELDS GRAVITY IRRIGATION	\$100,000	\$472,539
6 MT ST LIBRARY	DROUGHT MONITORING SYSTEM	\$58,364	\$530,903
* 7 JEFFERSON VALLEY CD	CEREAL-LEGUME CROPPING ROTATIONS	\$48,677	\$579,580
8 FLATHEAD JOINT BD OF CONTROL	FLATHEAD IRRIGATION INFORMATION SYSTEM	\$92,000	\$671,580
9 NEIHART, TOWN OF	NEIHART WATER SYSTEM	\$50,000	\$721,580
10 L&C COUNTY CD	NILAN WATER CONSERVATION PROJECT	\$100,000	\$821,580
11 EKALAKA, TOWN OF	WATER SUPPLY & STORAGE PROJECT	\$49,975	\$871,555
12 MSU/MT WATERCOURSE	MONTANA WATERCOURSE	\$100,000	\$971,555
13 STILLWATER CONSERVATION DIST	EVAL OF PLASTIC LINING/FABRICATION PROCESS	\$56,848	\$1,028,403
14 BROADWATER CD	IRRIGATION WATER MGMT; CONSTRUCTION PROJECT	\$100,000	\$1,128,403
15 DNRC/WATER MGMT/Hydrosiences	BEAVERHEAD CO GROUNDWATER STUDY	\$100,000	\$1,228,403
16 POLSON, TOWN OF	WELLHEAD PROTECTION PROJECT	\$76,055	\$1,304,458
17 THREE FORKS, TOWN OF	THREE FORKS WATER SYSTEM IMPROVEMENTS	\$100,000	\$1,404,458
18 FORT SHAW IRRIGATION DISTRICT	R&B STUDY	\$50,000	\$1,454,458
19 BUTTE-SILVER BOW GOVERNMENT	BLACKTAIL CREEK RESTORATION PROJECT	\$100,000	\$1,554,458
20 PRIVATE	WATER DAM-FEASIBILITY STUDY	\$14,708	\$1,569,166
21 LIBERTY COUNTY CD	SWEETGRASS HILLS E. BUTTE GROUNDWATER STUDY	\$100,000	\$1,669,166
22 PRIVATE	WASTEWATER COLLECTION TREATMENT SYSTEM	\$50,000	\$1,719,166
23 FORT SHAW IRRIGATION DISTRICT	REHAB OF HEADWORKS & "A" SYSTEM	\$50,000	\$1,769,166
24 MSLA CO CD	IRRIGATION DIVERSION ALTERNATIVES	\$82,250	\$1,851,416
25 FALLON COUNTY	BAKER LAKE EROSION CONTROL & REC PATH	\$15,361	\$1,866,777
26 DUTTON, TOWN OF	DUTTON WATER RESERVOIR	\$91,319	\$1,958,096
* 27 DARBY SCHOOL DISTRICT NO. 9	SCHOOL PARK	\$25,300	\$1,983,396
28 PHILLIPS CD	MOISTURE MONITORING PROJECT	\$53,382	\$2,036,778
29 MEAGHER COUNTY CD	SOUTH SIDE CANAL LINING PROJECT	\$37,500	\$2,074,278
* 30 MSU/LOCAL GOVERNMENT CENTER	SOLID WASTE INFORMATION & ASSISTANCE CENTER	\$88,000	\$2,162,278
31 MSLA CITY/CO HEALTH DEPT	AQUIFER MONITORING/REMEDATION	\$85,929	\$2,248,207
32 TETON CO CD	ALTERNATIVE DIVERSION SITES	\$11,780	\$2,259,987
33 PRIVATE	FISHERY IMPROVEMENT PROJECT	\$15,000	\$2,274,987
* 34 MILES CITY, TOWN OF 35	MILES CITY RECYCLING PROGRAM	\$96,513	\$2,371,500
35 MT MINES & GEOLOGY, BUREAU OF	HYDROLOGIC CONTROLS ON SE MOBILITY	\$98,778	\$2,470,278
36 GRANITE CO CD	DEMONSTRATION ICE BLOCK	\$67,787	\$2,538,065
37 CHINOOK, TOWN OF	MILK RIVER WEIR REPLACEMENT	\$50,000	\$2,588,065
38 BELT, TOWN OF	BELT SEWAGE SYSTEM IMPROVEMENTS	\$25,000	\$2,613,065
* 39 CARBON COUNTY, ETAL	INTEGRATED WASTE MANAGEMENT, SO CENTRAL MT	\$45,437	\$2,658,502
40 PRIVATE	CHERRY CREEK FLOOD CONTROL & WATER CONS	\$21,800	\$2,680,302
41 GLASGOW, TOWN OF	GLASGOW WATER & WASTEWATER	\$80,950	\$2,761,252
42 BIG SKY SEWER DISTRICT	COUNTY WATER & SEWER DISTRICT FOR BIG SKY	\$33,750	\$2,795,002
43 PRIVATE	RIVER ROAD STABILIZATION	\$5,000	\$2,800,002
* 44 COLUMBUS, TOWN OF	COLUMBUS RECREATION PROJECT	\$99,906	\$2,899,908
45 CASCADE & TETON CO CD'S	MUDDY CREEK	\$100,000	\$2,999,908
46 MISSOULA CITY/CO HEALTH DEPT	LINDA VISTA SEWER INTERCEPTOR	\$100,000	\$3,099,908
47 FAIRFIELD, TOWN OF	FAIRFIELD WATERWAY	\$14,169	\$3,114,077
* 48 MSU - EXTENSION SERVICE	NATURAL RESOURCE MGMT EDUCATION	\$49,280	\$3,163,357
49 DNRC/WATER RESOURCES DIV	G/S PILOT PROJECT	\$0	\$3,163,357
50 LAKESIDE CO SEWER DIST (NF)	LAKESIDE WASTEWATER COLL & TRMT FACILITY	\$0	\$3,163,357
51 PRIVATE (NF)	SUN RIVER WATER SYSTEM	\$0	\$3,163,357
52 MSU (NF)	TESTING/EVALUATION OF LININGS	\$0	\$3,163,357
53 FLAXVILLE, TOWN OF (NF)	FLAXVILLE LOAN PAYMENT	\$0	\$3,163,357
54 PRIVATE (NF)	CROW CREEK DITCH LINING	\$0	\$3,163,357
55 DAWSON CD DEV COUNCIL (NF)	AQUAFARM WATER PROJECT FEASIBILITY STUDY	\$0	\$3,163,357
56 DNRC/WATER RIGHT BUREAU (NF)	WATER RIGHTS VIOLATION INVESTIGATION PILOT	\$0	\$3,163,357
57 MT MINES & GEOLOGY, BUREAU OF (NF)	WATER EDUCATION PROGRAM	\$0	\$3,163,357
58 MSU/EAST AG RESRCH CNTR (NF)	MOVEMENT OF NITRATES	\$0	\$3,163,357

"PRIVATE" projects are eligible only under the Water Development Program.

* Non-water projects are eligible only under the Renewable Resources Development Program.

EXHIBIT 10

DATE 2-21-91

HB DNRC 106

WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT PROGRAMS

COMBINED PROJECT RECOMMENDATION LIST

APPLICANT	PROJECT NAME	RECOMMENDED FUNDING	ACCUMULATIVE TOTAL
1 CHINOOK IRR DISTRICT	MILK RIVER WATER SUPPLY PROJ	\$100,000	\$100,000
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6 MT ST LIBRARY	DROUGHT MONITORING SYSTEM	\$58,364	\$530,903
* 7 JEFFERSON VALLEY CD	CEREAL-LEGUME CROPPING ROTATIONS	\$48,677	\$579,580
8 FLATHEAD JOINT BD OF CONTROL	FLATHEAD IRRIGATION INFORMATION SYSTEM	\$92,000	\$671,580
9 NEIHART, TOWN OF	NEIHART WATER SYSTEM	\$50,000	\$721,580
10 L&C COUNTY CD	NILAN WATER CONSERVATION PROJECT	\$100,000	\$821,580
11 EKALAKA, TOWN OF	WATER SUPPLY & STORAGE PROJECT	\$49,975	\$871,555
12 MSU/MT WATERCOURSE	MONTANA WATERCOURSE	\$100,000	\$971,555
13 STILLWATER CONSERVATION DIST	Eval of PLASTIC LINING/FABRICATION PROCESS	\$56,848	\$1,028,403
14 BROADWATER CD	IRRIGATION WATER MGMT; CONSTRUCTION PROJECT	\$100,000	\$1,128,403
15 DNRC/WATER MGMT/Hydrosciences	BEAVERHEAD CO GROUNDWATER STUDY	\$100,000	\$1,228,403
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23 FORT SHAW IRRIGATION DISTRICT	REHAB OF HEADWORKS & "A" SYSTEM	\$50,000	\$1,769,166
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* 44 COLUMBUS, TOWN OF	COLUMBUS RECREATION PROJECT	\$99,906	\$2,899,908
45 CASCADE & TETON CO CD'S	MUDDY CREEK	\$100,000	\$2,999,908
46 MISSOULA CITY/CO HEALTH DEPT	LINDA VISTA SEWER INTERCEPTOR	\$100,000	\$3,099,908
47 FAIRFIELD, TOWN OF	FAIRFIELD WATERWAY	\$14,169	\$3,114,077
* 48 MSU - EXTENSION SERVICE	NATURAL RESOURCE MGMT EDUCATION	\$49,280	\$3,163,357
49 DNRC/WATER RESOURCES DIV	G/S PILOT PROJECT	\$0	\$3,163,357
50 LAKESIDE CO SEWER DIST (NF)	LAKESIDE WASTEWATER COLL & TRMT FACILITY	\$0	\$3,163,357
51 PRIVATE (NF)	SUN RIVER WATER SYSTEM	\$0	\$3,163,357
52 MSU (NF)	TESTING/EVALUATION OF LININGS	\$0	\$3,163,357
53 FLAXVILLE, TOWN OF (NF)	FLAXVILLE LOAN PAYMENT	\$0	\$3,163,357
54 PRIVATE (NF)	CROW CREEK DITCH LINING	\$0	\$3,163,357
55 DAWSON CD DEV COUNCIL (NF)	AQUAFARM WATER PROJECT FEASIBILITY STUDY	\$0	\$3,163,357
56 DNRC/WATER RIGHT BUREAU (NF)	WATER RIGHTS VIOLATION INVESTIGATION PILOT	\$0	\$3,163,357
57 MT MINES & GEOLOGY, BUREAU OF (NF)	WATER EDUCATION PROGRAM	\$0	\$3,163,357
58 MSU/EAST AG RESRCH CNTR (NF)	MOVEMENT OF NITRATES	\$0	\$3,163,357

*Present for
series**# 31
is funding
line provide
there is
more money
in it #51
as number 30,
and Battle Cree
Storage site
as number 31*

"PRIVATE" projects are eligible only under the Water Development Program.

Non-water projects are eligible only under the Renewable Resources Development Program.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long Range Planning SUBCOMMITTEE DATE 2-21-91
DEPARTMENT (S) Spec. Act. DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
Julie Lethert	DHES	
Loren Bahls	DAES	
Jim Thomas	NRIS/MSL	

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