MINUTES

MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By Rep. Ernest Bergsagel, Chairman, on February 9, 1993, at 7:05 AM.

ROLL CALL

Members Present:
Rep. Ernest Bergsagel, Chair (R)
Sen. Bob Hockett, Vice Chair (D)
Rep. Francis Bardanouve (D)
Sen. Ethel Harding (R)
Sen. Eleanor Vaughn (D)
Rep. Tom Zook (R)

Members Excused: None

Members Absent: None

Staff Present: Jim Haubein, Legislative Fiscal Analyst
John Huth, Office of Budget & Program Planning
Sandra Boggs, Committee Secretary

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

Committee Business Summary:

Hearing:	HB 5, DEPT. OF CORRECTIONS & HUMAN SERVICES, and DEPT. OF MILITARY AFFAIRS; AND HB 7, RECLAMATION AND DEVELOPMENT GRANTS
Executive Action:	HB 5, DEPT. OF CORRECTIONS & HUMAN SERVICES; HB 5, DEPT. OF MILITARY AFFAIRS; HB 5, DEPT. OF CORRECTIONS AND HUMAN SERVICES; AND UNIVERSITY SYSTEM

ANNOUNCEMENTS/DISCUSSION

The Montana Wildlife Federation provided a written request for committee reconsideration of executive action taken on the Department of Fish, Wildlife and Park's wildlife habitat appropriation. **EXHIBIT 1.**

CHAIRMAN ERNEST BERGSAGEL informed the committee that executive action would be taken on long range building projects today. SEN. JUDY JACOBSON requested that the committee consider termination of any projects that impact the General Fund.

HEARING ON HB 5; DEPT. OF CORRECTIONS & HUMAN SERVICES; and DEPT. OF MILITARY AFFAIRS

Tape No. 1:A:035

Informational Testimony: **Jim Haubein, Legislative Fiscal Analyst,** provided a summary of building projects and the debt service for all new projects. **EXHIBIT 2.** He pointed out that the Women's Correctional Facility and the Libby Armory had no funds appropriated out of Long-Range Building Fund for the design and planning of the buildings. The Department of Administration had to make General Fund loans to borrow the money to do that work. Therefore if these projects are terminated, funds must be included in HB 5 to take care of those General Funds.

Questions, Responses, and Discussion: **REP. FRANCIS BARDANOUVE** asked if this debt was in addition to the General Fund debt service for new building projects on page one of Exhibit 2. **Mr. Haubein** stated that page one is the General Fund debt service impact. Page two of Exhibit 2 contains information on debt service owed by the LRBF and is in addition to the debt on page one.

Informational Testimony: **Mr. Haubein** stated that loans from the General Fund have to be repaid. One way to do this is to reduce funds appropriated for all long-range building projects by the amount owed. The committee could also try to find a new source of funding to repay the loans.

Tom O'Connell, Architecture and Engineering, Department of Administration, provided the committee with a handout that outlines where the funds have come from for each project. **EXHIBIT 3.**

BUDGET ITEM EASTERN MONTANA VETERAN'S HOME:

Tape No. 1:A:250

Informational Testimony: **Mr. Haubein** stated that the remaining $1,630,389 in LRBF set aside for the Eastern Montana Veteran's Home could be used for other projects if the project is terminated. Unless the money is used for other projects, the money will remain the Capital Projects Fund. **REP. BARDANOUVE** stated it could also be transferred to the General Fund. **REP. TOM ZOOK** stated the money could also be transferred to in-home health care for veterans.

Mr. Haubein reminded the committee that if all the building projects are cancelled, the design costs would have to be paid off with the $1,630,389 or other funds from HB 5. A net savings of $764,000 would be realized if all the projects were terminated.

Questions, Responses, and Discussion: **SEN. BOB HOCKETT** asked where funds come from for operating veterans homes. **Mr. Haubein** replied that they receive funds from the Veteran's

Administration, the state, and the General Fund. The state assessment is dependent on the individual's ability to pay. The General Fund then has to pick up any additional fees that cannot be collected from public or private sources. **REP. JOHN JOHNSON, HD 23, Dawson,** said that currently 50% of the veterans are paying for their own care at the Columbia Falls Veteran's Home. For each of them there is a diminished amount of state assessment given to the home. He stated that if individuals go into a private nursing home, the Veteran's Administration provides funds for only six months.

REP. ZOOK asked if the veterans were eligible for another assistance program after the funds were terminated at six months. **REP. JOHNSON** stated that he was told they were not eligible for any other programs.

Bob Anderson, Special Services, Department of Corrections and Human Services, stated that it currently costs $75/day for veteran care at the Columbia Falls Home. The VA pays approximately $27/day. The remaining balance is paid by the general fund unless the individual has the ability to pay all or part of the balance. The General Fund picks up almost one-third of the operations of the Columbia Falls home, approximately $1 million. The projected budget for the Eastern Montana Veteran's Home is based on the home becoming operational in phases. This means that in the beginning the impact on the General Fund will be greater because the home will not be generating as much revenue. Once the facility has operated fully for one year the budget will closely resemble the Columbia Falls home.

REP. ZOOK asked if there were any open beds at Columbia Falls right now. **Mr. Anderson** replied that there is one currently open. There are four names on the waiting list so it will not remain open for long.

SEN. HOCKETT asked if the Veterans Administration program assistance funds would be lost to veterans if the Eastern Montana Veterans Home project was terminated. **Mr. Anderson** replied that it would not be available to the veterans.

SEN. HOCKETT asked Mr. O'Connell how much of the $2.7 million in already appropriated and committed funds would be lost if the building projects were terminated. **Mr. O'Connell** said that all money that has been expended will be lost. If the projects are delayed, perhaps only some of the money will be lost. Some of the encumbered money will be lost as well because invoices are received on a continual basis.

<u>BUDGET ITEM WOMEN'S CORRECTIONAL CENTER</u>:

Tape No. 1:A:978

<u>Discussion</u>: **SEN. HOCKETT** asked Mr. Gamble if the incarcerated women could be moved to Wyoming. **Mickey Gamble, DCHS,** replied that the department is waiting to see what happens this

legislative session. The women could probably remain at Warm Springs, but moving them to Wyoming is a possibility.

BUDGET ITEM MONTANA STATE PRISON:

Tape No. 1:A:989

Informational Testimony: **CHAIRMAN BERGSAGEL** asked Mr. Gamble to address the downsized building request for the Montana State Prison. **Mr. Gamble** stated that the executive branch has recommended not building additional housing units at MSP. DCHS has proposed alternatives for inside MSP, but is not quite ready to discuss them. DCHS wants to see what happens with the Women's Correctional Center and then deal with the MSP. DCHS wants to see if inmate labor can be used on some projects to realize a significant savings in costs. The MSP does have some major areas that need to be addressed.

Questions, Responses, and Discussion: **SEN. EHTEL HARDING** asked if prison labor would be able to accomplish the proposed projects. **Mr. Gamble** stated that if a prison labor bill were passed, the majority of these projects could be accomplished with inmate labor.

SEN. HARDING asked if DCHS would prevent dangerous criminals from being put out into the community programs. **Mr. Gamble** said that the community programs to be initiated by the DCHS would place all criminals into the community eventually. Anyone who leaves the prison will have received some level of programming if possible. The first preference will always be to move non-dangerous criminals to community programs; however, they hope the majority of criminals released will be non-dangerous.

SEN. ELEANOR VAUGHN asked if funding would be made available to to help with community programs. **Mr. Gamble** said that is being addressed in the Institutions Subcommittee.

REP. BARDANOUVE asked if the Institutions Subcommittee is still considering shutting down Swan River Forest Camp. **Mr. Gamble** replied that DCHS has proposed turning the Swan River facility into a boot camp, instead of just shutting it down. This alternative will require no additional construction. The current work force could probably be reduced by 30% if it was turned into a boot camp. This camp would become a diversion project, allowing people to do 90- or 120-day programs instead of a full year. A boot camp is an intensive program similar to military boot camp. The inmates would participate in programming from 4:00 AM until 9:00 PM with direct supervision at all times. Eighteen states currently have boot camp programs.

SEN. HARDING asked how rehabilitation programs at the Women's Prison compares with the programs for men. **Mr. Gamble** stated that the programs are not equitable on paper. The quality of the programs received by the women, however, are superior to the mens programs. He stated that if he had his choice, he would choose

to be included in the women's rehabilitation programs.

SEN. HARDING presented the committee with information provided by REP. VIVIAN BROOKE. **EXHIBIT 4.**

BUDGET ITEM UNIVERSITY SYSTEM:

Tape No. 1:B:003

Discussion: **SEN. HOCKETT** asked what commitment the universities have to return private donations given for the two university buildings that may not be authorized for construction. **Mike Malone, President, Montana State University,** stated that a $950,000 bricks and mortar donation has been received from the National Science Foundation which must be spent by February 1997. That money is the university's main concern.

REP. BARDANOUVE asked Dr. Hutchinson which of the two university facilities is the highest priority to the Board of Regents. **John Hutchinson, Commissioner, Office of Higher Education,** replied that is very difficult for him to answer. The first building on the Regent's priority list is the MSU Engineering and Physical Sciences building. He asked the committee to consider that the business program is one of the most prominent programs on the University of Montana campus. The surge of student enrollment at the Univ. of MT has caused overcrowding in the current Business Administration building, and he believes it would be terrible if they were not allowed to pursue construction of a new building at some point in the future.

Dr. Hutchinson stated that if the buildings are cancelled it will do tremendous violence to fundraising efforts of the universities. The universities went out in good faith and raised private funds to trigger the sale of bonds. If the buildings are canceled, the ability of the universities to go back to those donors in the future will be severely compromised.

Sheila Stearns, University of Montana, stated that she does not believe there are any contingency return provisions in the fundraising that the Univ. of Montana has done. Interest from the first gift of $1 million has been used to pay for some of the architecture and engineering plans. Most of the private funds were to enable planning to proceed and therefore are now encumbered. The donors are not planning on getting the funds back. Loss of construction authority would be a real blow to the university's fundraising efforts.

SEN. HARDING asked what the affect would be on fundraising efforts if the buildings were only postponed and not cancelled. **Dr. Stearns** stated that she does not know how discouraging that would be, but it would certainly be negative. **Dr. Malone** stated that an architectural firm has calculated that a two year delay would incur a 5% inflation rate and $1.7 million in lost purchasing power.

SEN. HARDING stated that the legislature's concerns include ongoing operational costs in addition to construction costs. She asked if the universities have considered providing operational costs for the buildings. **Bill Rose, Facilities Manager, Montana State University,** stated that MSU would demolish 60,000 square feet of old space that is out of code compliance and is deteriorating. MSU will build an additional 150,000 square foot facility, and gain 90,000 square feet of new space. MSU will also renovate five other buildings on campus for laboratory facilities. MSU's building program includes some significant maintenance treatment, as well as the demolition of old facilities and construction of new facilities. MSU expects to receive funds from the legislature for operating budgets. The University's current budget cannot cover it. If existing space was not being eliminated the net increase in operating costs would be more severe. No operating costs will be incurred this biennium if the construction schedule is followed. **Mr. Rose** stated that estimated operating costs for the new facility in FY96 would be $560,000.

REP. BARDANOUVE commented that it is difficult for him to authorize new facilities when the state cannot take care of existing buildings.

BUDGET ITEM LIBBY ARMORY :

Tape No. 1:B:425

Informational Testimony: **Lt. Col. Ken Cottrill, Facilities Manager, National Guard, Department of Military Affairs,** reminded the committee that the DMA is currently leasing a facility for the Libby Armory. The operating costs for a new facility would be close to the current operating costs of this leased facility. He stated that the DMA always operates their facilities at the low cost of approximately $12,000/year per facility. There are no state employees at armories. The state only pays utilities and repair/maintenance costs on armories. The federal government pays all other expenses. **Lt. Col. Cottrill** provided the committee with information on the Libby Armory's financial impact on the community of Libby. **EXHIBIT 5.**

Lt. Col. Cottrill stated that due to code compliance regulations and health requirements, an additional $300,000 is needed to construct the armory. The building will now cost approximately $1.5 million to $1.6 million to construct. The city of Libby has offered to provide water and sewer hook-ups to the site at a cost of $60,000. The federal government is increasing its appropriation by 20% or $165,000. The DMA has completed two previously authorized construction projects under budget, and therefore has $110,000 to move into the Libby project. The DMA feels that with this additional money the project can be accomplished.

SEN. VAUGHN asked if the land will be lost if this project is delayed. **Lt. Col. Cottrill** stated the land is a gift from the

county, and a covenant in the deed says an armory must be built within six years. That deadline was passed on September 15, 1992. An extension for one year has been granted by the County Commissioners. He stated two things will happen if the project is stalled for two years: 1) The federal money will be lost; and, 2) The land will be lost.

Gene Prendergast, Adjutant General, National Guard, DMA, stated that he has just returned from Washington D.C. He feels that the National Guard is in a very stable condition. Congress and governors have sent the president a resolution stating that they want to keep the guard at 422,000 across the nation. If that happens Montana should remain at its current status. The Community Base Military Force is a new initiative to get the National Guard more involved in state and community infrastructure work.

Gen. Prendergast stated that there is concern about the Libby Armory because it has been on the docket since 1986. While in Washington D.C. he emphasized his belief that the National Guard belongs in small communities, not just large ones. He stated that he believes a military force should be present in the northwestern corner of the state. The unit could be moved to Kalispell if the construction project is terminated, and another location to lease cannot be found.

SEN. VAUGHN asked if the armory would be available for community events. **Gen. Prendergast** stated that the armory is important to the community of Libby for housing community events.

BUDGET ITEM EASTERN MONTANA VETERAN'S HOME:

Tape No. 1:B:777

Proponent's Testimony: SEN. BETTY BRUSKI-MAUS, SD 12, Wibaux, explained that she is very concerned about what the termination of the Eastern Montana Veteran's Home will do the veterans in that area. She is more concerned about the veterans than she is with the economy. Most WWII veterans are over 70 years old and will be in need of care.

Willie Day, Eastern Montana Coalition, stated that the $1.6 million appropriated for the veteran's home was set aside as a result of a vote by the people of Montana. The people of Montana voted to support the building of a veteran's home. He stated that he would work with the committee to help raise additional funding for operation and maintenance of the veteran's home.

EXECUTIVE ACTION ON DEPT. OF CORRECTIONS & HUMAN SERVICES

Tape No. 1:B:850

CHAIRMAN BERGSAGEL informed the committee that he will be voting to terminate all projects if there is a tie.

BUDGET ITEM NEW WOMEN'S CORRECTIONAL FACILITY:

Tape No. 1:B:855

Motion: **SEN. HARDING** moved to continue with the current construction schedule for a new Women's Correctional Facility in Billings.

Discussion: **SEN. HARDING** stated that anyone who has visited the Warm Springs facility would know that a new women's prison is needed. She believes they need better rehabilitation programs, and the Billings community is willing to participate in those programs. She introduced a letter of support from REP. VIVIAN BROOKE. **EXHIBIT 4.**

REP. ZOOK stated that he does not support the motion. At this time in Montana history, difficult decisions have to be made. There is one project out of all these projects that is fully funded and ready to go, but he will not be able to support that either. The women's prison should be delayed, not terminated.

SEN. HOCKETT asked SEN. HARDING if more is known about the construction site in Billings. **SEN. HARDING** stated that she does not know any more than what was provided to the committee.

REP. BARDANOUVE stated that Yellowstone County and Billings have agreed to put up approximately 50% of the costs necessary to build a suitable foundation for the prison. They will provide approximately $185,000.

SEN. JUDY JACOBSON, SD 36, Butte, asked Mr. Gamble what the modified proposal is for the number of FTEs at the new prison. **Mr. Gamble** stated that if the building is built to house 120 inmates, up to 80 additional FTE would be utilized. DCHS is proposing a down-sized facility and a reduced number of FTEs. He did not have budget figures with him.

CHAIRMAN BERGSAGEL stated that if this project is terminated, the DCHS will be able to downsize their budget.

SEN. VAUGHN stated that the goal of corrections is to rehabilitate criminals and place them back in communities. The community programs that Billings will provide will not cost the state. The long-term effects of this program will pay off by having the inmates go back into the community with the skills to take care of themselves. This will not happen if the women are left in Warm Springs or shipped to Wyoming. She stated that having five women to a room at Warm Springs is enough to make criminals out of people rather than make good citizens.

REP. BARDANOUVE stated that he will not support this motion, although that vote will not reflect what he believes in. If another $4 million or $5 million has to be cut from Institutions, he believes it is wrong to put funds into future correctional facilities.

Vote: **MOTION FAILED WITH REP. ZOOK, CHAIRMAN BERGSAGEL, REP. BARDANOUVE AND SEN. HOCKETT VOTING NO.**

Motion/Vote: **SEN. HARDING** moved that construction on the new Women's Correctional Facility be postponed for two years. **MOTION CARRIED WITH CHAIR BERGSAGEL VOTING NO.**

EXECUTIVE ACTION ON HB 5, DEPT. OF MILITARY AFFAIRS

Tape No. 2:A:003

BUDGET ITEM LIBBY ARMORY:

Tape No. 2:A:007

Motion: **SEN. VAUGHN** moved to continue with the current construction schedule for the Libby Armory.

Motion: **REP. ZOOK** made a substitute motion to postpone construction of the Libby Armory for two years.

Discussion: **SEN. HOCKETT** reminded the committee that testimony heard today explained that a delay could mean the loss of land donated by the county. He asked Lt. Col. Cottrill if the federal money for this project would be lost. **Lt. Col. Cottrill** replied that federal funding is good for five years after appropriated, and it was appropriated in 1990. The federal funding will not be there after 1995. In addition, all states work out of the same pot of money; therefore, the higher costs associated with waiting, including the current 20% override, is taken out of this pot and away from other projects.

EXHIBIT 5 explains the National Guard's impact on the town of Libby, Montana.

Vote: **MOTION FAILED WITH SEN. HOCKETT, SEN. VAUGHN, AND SEN. HARDING VOTING NO.**

CHAIRMAN BERGSAGEL stated that the committee would now vote on the first motion.

Vote: **MOTION FAILED ON A TIE VOTE.**

CHAIRMAN BERGSAGEL stated he would entertain a motion to terminate construction of the armory.

SEN. HOCKETT asked if the project would die if the committee took no action. **CHAIRMAN BERGSAGEL** stated that the project would continue as planned if the committee took no action.

Motion/Vote: **REP. ZOOK** moved to reconsider the motion to postpone the construction of the Libby Armory for two years. **MOTION CARRIED UNANIMOUSLY.**

Motion: **REP. BARDANOUVE** moved that construction of the Libby

Armory be postponed for two years.

Discussion: **SEN. HOCKETT** stated that the committee is killing the project if they delay it for two years. The federal funds and the land will not be there in two years. **REP. BARDANOUVE** said that in 1996 the Libby Armory will have the chance to compete for federal funds again. **SEN. VAUGHN** stated the federal funds may not be there if somebody else has taken it.

Vote: **MOTION CARRIED WITH SEN. VAUGHN AND CHAIRMAN BERGSAGEL VOTING NO.**

CHAIRMAN BERGSAGEL clarified that construction on the Libby Armory has been delayed for two years.

EXECUTIVE ACTION ON HB 5, DEPT. OF CORRECTIONS AND HUMAN SERVICES
Tape No. 2:A:238

BUDGET ITEM EASTERN MONTANA VETERAN'S HOME:
Tape No. 2:A:238

Motion: **SEN. HOCKETT** moved to continue the current construction schedule for the Eastern Montana Veteran's Home.

Discussion: **REP. ZOOK** stated that he worked very hard for the Eastern Montana Veterans Home. He is a smoker and he voted to put the cigarette tax on himself. There are no bonds to float for this project; the money is there to build it. For him to be consistent, however, he will have to vote against this motion. **REP. ZOOK** stated that the funds must be preserved for the veterans and not go into someone else's pocket. He believes the veterans in Montana can be served by using these funds in a different way. Perhaps using these funds for care in their own communities would be a better use of the funds. He would love to support this motion but in order to have credibility he will have to vote against it.

SEN. HARDING stated that the need for care is there, and asked what REP. ZOOK meant when he said the money could be used in another way. **REP. ZOOK** replied that the funds could be transferred to the in-home care program of the Department of Social and Rehabilitative Services. That is a good program. There are open beds at state care facilities around the state. The hospital in Miles City had plans to expand and build room for more beds, but now due to low occupancy, that expansion decision is being reconsidered.

SEN. HARDING asked if veterans are eligible for in-home care. **CHAIRMAN BERGSAGEL** stated that the $1.6 million could be used to subsidize in-home care. There are approximately 100,000 veterans in Montana, 25,000 of which are WWII veterans being approximately seventy years old or older. A 100-bed facility will not address the real needs of the veterans. Home health care will allow veterans to be at home with their families. It is his personal

opinion that the money will be better spent that way, and would serve a lot more people at less cost. The $1.6 million would be used to provide funds specifically for veterans.

REP. ZOOK stated that the Bush Administration had directed that surgical services be removed from the Veteran's Hospital, and the new administration has cancelled that order. There are no guarantees that in the future the new administration won't agree with the Bush Administration's order. If the surgical unit is removed it can be turned into more beds for veterans.

SEN. VAUGHN stated that many veterans do not have anyone in the home to take care of them. More and more veterans are reaching an elderly age that requires care; if there aren't enough in-home care services available, these veterans will suffer. In addition, she wondered what would happen when the $1.6 million is used up but the veterans are still needing in-home care. **CHAIRMAN BERGSAGEL** stated that his only response is that a 100-bed facility cannot serve 20,000 veterans.

REP. BARDANOUVE stated that commitments were made to the veterans. If it were clearly proven to him that veterans are not receiving care elsewhere he would support the motion; however, he does not feel that they are lacking care.

Vote: **MOTION FAILED WITH REP. ZOOK, SEN. HARDING, REP. BARDANOUVE, AND CHAIRMAN BERGSAGEL VOTING NO.**

Motion: **REP. BARDANOUVE** moved to postpone construction of the Eastern Montana Veteran's Home for two years and to obligate the $1.6 million for construction of the veteran's home.

Discussion: **CHAIRMAN BERGSAGEL** commented that if the committee chooses to pass this motion, the funds will not be available for in-home care of veterans.

SEN. HOCKETT asked if federal funds would be lost if construction is delayed two years. **Mr. Anderson** stated that as long as half of the state match remains intact, the federal funds will remain obligated. If the state funds do not remain obligated by September 30, 1993, federal funds for FY93 would be lost. If the federal government were told that construction would begin in FY94 and the state had the required match, the project would be high on the federal funding priority list. Once the $1.6 million is used and the state match is gone, the project will fall to the bottom of the priority list.

REP. BARDANOUVE stated that his motion obligates the $1.6 million for the next biennium, but the correct legal language needs to be incorporated into the bill.

Mr. Haubein reminded the committee that in 1991, the legislature passed HB 454 which automatically continues all long-range projects until their completion. Therefore, this project is

continued by statute, and language is needed only to delay the project for two years. the money would remain obligated.

Vote: **MOTION FAILED ON A TIE VOTE.**

Motion/Vote: **SEN. VAUGHN** moved to reconsider the committee's action on delaying the construction of the Eastern Montana Veteran's Home. **MOTION CARRIED UNANIMOUSLY.**

Motion/Vote: **REP. BARDANOUVE** moved to postpone construction of the Eastern Montana Veteran's Home for two years and to obligate the $1.6 million for construction of the veterans home. **MOTION CARRIED WITH CHAIRMAN BERGSAGEL VOTING NO.**

BUDGET ITEM MONTANA STATE PRISON:

Tape No. 2:A:745

Discussion: **CHAIRMAN BERGSAGEL** reminded members that $19,360,745 in bonding was previously approved by this committee. A motion is needed to remove that bonding authority, and $1.2 million can be added back in for improvements at the prison.

REP. BARDANOUVE clarified that enlargement of the prison is being abandoned, and a motion is needed for the smaller scale improvements at the prison.

Motion/Vote: **REP. BARDANOUVE** moved to not build an enlarged Montana State Prison. **MOTION CARRIED UNANIMOUSLY.**

Discussion: **CHAIRMAN BERGSAGEL** asked Mr. O'Connell if the $1.2 million is enough to do the planned improvements. **Mr. O'Connell** stated that $1.2 million is the figure included in the executive budget, but a revised estimate of $1.3 Million is needed to do all the improvements. If inmate labor is authorized for work on those projects the figures could be adjusted down.

REP. BARDANOUVE asked how important the improvements, especially the kitchen improvements, are to the prison and the morale of the prisoners. **Mr. Gamble** replied that it is a difficult question to answer. The prison has functioned without the improvements, but they are needed. There is some risk involved in the continuation of operations without the improvements.

Motion/Vote: **REP. ZOOK** moved approval of $1.3 million in bonding authority for Montana State Prison expansion and improvements. **MOTION CARRIED WITH CHAIRMAN BERGSAGEL VOTING NO, AND REP. BARDANOUVE ABSTAINING.**

EXECUTIVE ACTION ON UNIVERSITY SYSTEM

Tape No. 2:A:967

BUDGET ITEM MONTANA STATE UNIVERSITY ENGINEERING & PHYSICAL SCIENCES BUILDING:

Tape No. 2:A:967

Motion: **REP. ZOOK** moved that construction on both university buildings be delayed for two years.

Motion: **REP. BARDANOUVE** made a substitute motion that separate action be taken on each university building.

CHAIRMAN BERGSAGEL stated that the committee will do each building project individually.

Motion: **REP. ZOOK** moved to delay construction for two years on the $2.4 million Engineering and Physical Sciences building at Montana State University.

Discussion: **SEN. HOCKETT** asked Mr. Lewis if he thought delaying construction was not the best choice in regards to financial considerations. **Dave Lewis, Director, Office of Budget and Program Planning,** replied that this is a policy decision. If the bonds are issued and principal and interest payments were delayed for two years, an additional cost of approximately $1.4 million will be incurred. If construction is delayed for two years, it is not known how inflation will affect the projects.

REP. BARDANOUVE stated that he has decided to support one university facility. The MSU facility has been planned for years, and the university has raised a tremendous amount of money and a delay would raise costs considerably. He will oppose a motion to postpone construction of this project. Education is the foundation of Montana, and the committee should do something for education this session.

REP. ZOOK commented that he believes this is a valuable project to the state of Montana, but believes MSU will require bonding for work on their heating system. He would rather support that bonding issue. **Mr. Malone** stated that MSU will bring an amendment before the committee requesting that bonds be issued on electricity savings. The project is for a steam generating facility to generate their own electricity. No new revenues would be needed from the state, and he does not think that project conflicts with this one. The bonds could be paid off with energy savings if the current energy budget is kept constant.

SEN. HOCKETT believes that something positive should be done for the university system. He supports building at least this one building.

Vote: **MOTION FAILED WITH REP. BARDANOUVE, SEN. VAUGHN, SEN. HOCKETT AND CHAIRMAN BERGSAGEL VOTING NO.**

No further committee action was taken.

BUDGET ITEM UNIVERSITY OF MONTANA BUSINESS ADMINISTRATION BUILDING:

Tape No. 2:B:047

Motion/Vote: **REP. ZOOK** moved to delay construction of the University of Montana's new Business Administration Building for two years. **MOTION CARRIED WITH REP. BERGSAGEL VOTING NO.**

ANNOUNCEMENTS/DISCUSSION

Mr. Haubein stated that committee action has impacted the funds spent for planning the building. The General Fund loans taken out by the Department of Administration are only good for two years. The committee will need to take action at a later date to authorize funds for paying off those loans.

REP. BARDANOUVE stated that he wants to cooperate with the majority in the House of Representatives, but will try to find more money for some of the projects that failed to get approval today. He believes the 99/99 budget solution will not work and that the legislature will have to reappraise the budget. The 99/99 solution is too harsh on the operations of government agencies such as institutions and universities.

REP. ZOOK stated that he hoped this situation is not considered partisan. He believes both parties can achieve common goals through compromise and have already begun that process. He sees no reason why government needs to be fed more and more money every year than required by an individual. The current situation of expenditures exceeding revenues cannot continue, and this budget is attempting to fix that.

CHAIRMAN BERGSAGEL announced that executive action on building projects is complete and that an amendment will be put in HB 5 to address committee action taken today. Language will be clarified to ensure that $1.6 million will remain obligated to the Eastern Montana Veterans Home.

Mr. Haubein informed the committee that he had mistakenly told them the previous day that SB 177 and SB 305 both contained $1,113,000 in funds from the cigarette tax. He has since learned that those funds were contained in a special section of law passed during the special session in July. The current bill does not take $1,113 million out of the budget. That action was already taken, and is already allowed for in the long-range building fund. Therefore, the only impact of these two bills would be the reduction in the sale of cigarettes. This reduction in sales will create a reduction in revenues to the Capital Projects fund. The fiscal note on SB 177 contains an estimated reduction of $169,000 for FY95.

REP. BARDANOUVE stated that some Senate bills will take a substantial part of funds for repairs from the Long Range Planning Committee. The LRP committee should resist that as much as possible.

SEN. HARDING asked if SB 305 takes funds from the existing revenues of the cigarette tax. **Mr. Haubein** replied that SB 305

doubles the cigarette tax. When the price of cigarettes increases the result is a loss in sales and, therefore, a loss in revenues to the Capital Projects Funds. SB 305 still places 5.3 cents of the tax into the Capital Projects Funds. SB 177 would increase the cigarette tax by 10 cents. The fiscal note estimates a loss of $169,000 for FY95. He reminded the committee that the remaining Capital Projects balance is only $83,000; if revenue projections hold, there will not be enough money to fund the projects currently in HB 5.

SEN. HARDING asked where SB 305 is sending the extra tax funds. **Mr. Haubein** stated they would go to Medicaid programs.

HEARING ON HB 7, RECLAMATION AND DEVELOPMENT GRANTS
Tape No. 2:B:354

BUDGET ITEM PROJECT #1 MONTANA BOARD OF OIL & GAS CONSERVATION:
Tape No.2:B:420

BUDGET ITEM PROJECT #2 MONTANA BOARD OF OIL & GAS CONSERVATION:
Tape No. 2:B:354

Informational Testimony: **Tom Richmond, Administrator and Petroleum Engineer, Montana Board of Oil and Gas Conservation,** spoke in support of a $299,000 grant for the Kevin-Sunburst Plugging and Reclamation Project. **EXHIBIT 6.** Testimony also included information on the $214,810 grant for the Cat Creek Plugging and Reclamation Project. **EXHIBIT 7. Jim Halverson, Montana Board of Oil and Gas Conservation,** presented slides of the oil field to the committee. A list was provided of each individual well and the estimated cost of plugging them. **EXHIBIT 8.**

Questions, Responses, and Discussion: **REP. BARDANOUVE** asked why acres of unplugged wells were allowed to be abandoned. The state will have to spend millions to plug these wells, and the past owners should be responsible for that cost. **Mr. Richmond** stated that these are extremely old wells and the companies that drilled them have been out of business for a long time. There is now a bonding requirement before a well can be dug, and there is closer supervision to try and enforce regulations. These particular wells were regulated by the old Montana Railroad Commission. He does not think they had a bonding requirement. None of the wells in this project were dug after 1943.

REP. BARDANOUVE asked how many unplugged wells exist. **Mr. Richmond** stated that an estimated 1,056 non-producing, unplugged, non-bonded wells exist. The average cost to plug the shallow Kevin-Sunburst wells is $11,500. Wells that are deeper cost substantially more to plug. Plugging wells can cost from $5,000 up to $80,000 per well.

REP. BARDANOUVE stated that the state could easily have a liability of $15 million to $20 million. **Mr. Richmond** stated

that the condition of 3,379 wells is not known, and that number is in addition to the 1,056 known wells. Those wells may not be a problem, but some percentage of them probably will be.

BUDGET ITEM PROJECT #4 TOWN OF WALKERVILLE:

Tape No. 2:B:798

Proponent's Testimony: **REP. FRED "FRITZ" DAILY, HD 69, Butte Silver-Bow,** spoke in support of the Walkerville Reclamation Project. He stated that the people of Walkerville would appreciate the state's help in this project.

REP. DAN HARRINGTON, HD 68, Butte Silver-Bow, spoke in support of the Walkerville Reclamation Project. He stated that the old baseball field had been shut down and condemned because of the heavy metal contamination of the soil. The field was historically used for many sporting events and he urged the committee to support the project.

Informational Testimony: **John Ries, Council member, Town of Walkerville,** spoke on behalf of a $75,569 grant for the Walkerville Reclamation Project. **EXHIBIT 9.** He provided written testimony. **EXHIBIT 10.**

Bernard Harrington, Mayor, Town of Walkerville, spoke regarding the DNRC comments on the grant application. **EXHIBIT 11.**

Proponent's Testimony: **SEN. JOHN "J.D." LYNCH, SD 35, Butte,** spoke in support of this reclamation project. RDG fund was begun with this type of project in mind. This is a perfect example of a project trying to fix the results of mining activity. He encouraged the committee to support the project.

Marci Kerner, County Commissioner, Butte-Silver Bow County, spoke in support of the Walkerville Reclamation Project. **EXHIBIT 12.**

Sara Weinstock, U.S. Environmental Protection Agency, spoke in support of the Walkerville Reclamation project. She stated that the role of Superfund in the communities of Butte and Walkerville has caused the loss of several areas once used for recreational purposes. Reclamation activity addressed the environmental hazards at the old ball field site but eliminated a public resource: the only ball field in Walkerville. A grant from the RIT fund will enable Walkerville to begin to reclaim these lost recreational areas.

Tape 3:A:003

Ms. Weinstock read a letter of support from Sandy Stash, the ARCO Montana Superfund Manager. **EXHIBIT 13.**

Questions, Responses, and Discussion: **REP. BARDANOUVE** asked who would own the ball field after it is constructed. **Mr. Harrington**

stated that the town of Walkerville would own the park. The land was deeded to them by the mining company.

Closing Statement: **REP. DAILY** stated that this is a good project and that Walkerville just needs some help with the project.

BUDGET ITEM MONTANA SALINITY CONTROL ASSOCIATION:

Tape No. 3:A:145

Informational Testimony: **Jane Holzer,** spoke in support of a $300,000 grant for the Soil and Water Nonpoint Source Pollution Control and Management Project. **EXHIBIT 14.** She provided a fact sheet, and letters in support of this project. **EXHIBIT 15.** She informed the committee that memorandums of understanding to utilize MSCA services with the Soil Conservation Service, the Department of State Lands, and the Department of Fish, Wildlife, and Parks help prevent duplication of salinity control work. This committee has urged MSCA to acquire long-term funding, and MSCA has been working with the Natural Resources Subcommittee to do that. MSCA would like to be included as a line item in the DNRC's budget. If sufficient funding is received this year, the RRD grant would not be necessary and the funds would be returned. She requested that the committee fund the project as a high priority because it is not known at this time if the MSCA will be funded through DNRC.

Proponent's Testimony: **Dale Keil, Chair, Bullhead Water Quality Association,** spoke in support of MSCA grant. He stated that continued funding for the MSCA is necessary to continue work on the complex problem of saline seep.

Ron Long, Highwood Alkali Association, spoke in support of the MSCA grant. He stated that most of the saline seep on his farm has been eliminated by utilizing the technology provided by the MSCA. This program is really needed.

Alvin Boxwell, Cut Bank, spoke in support of the MSCA grant. He stated that at one time 150 acres of his farm were out of production because of saline seep. Last year he was able to harvest barley off those acres.

Lee Lane, Yellowstone County Conservation District Supervisor, member of Board of Directors, Montana Salinity Control Association, spoke in support of the MSCA grant. He stated that he is using MSCA technology on his land, and urges committee support of this grant.

Tom Johnson, Cut Bank, stated that he supports this project.

Lloyd Berry, spoke in support of the MSCA grant application, and urged the committee to grant funding to this project.

Ed Erskin, Blaine County Conservation District, Supervisor, stated that he has used the techniques and expertise of the MSCA,

and urged the committee to support the grant application.

Dan Hybner, Hill County Conservation District Supervisor, stated that he has used the MSCA techniques on his land, and appreciates the committee's support of this project.

SEN. HOCKETT stated that he supports this grant request. He was a supervisor of a conservation district for 25 years, and is a former employee of the Soil Conservation Service. As a farmer/rancher he has used the MSCA services and believes it is a very positive program that has done a great deal of benefit to the state of Montana.

BUDGET ITEM GLACIER COUNTY CONSERVATION DISTRICT:

Tape No. 3:A:864

Informational Testimony: **Tom Ellison, Glacier County Conservation District,** spoke on behalf of a $214,059 grant for a Comprehensive Evaluation of Groundwater Contamination, Red River Drainage project. **EXHIBIT 16.** He provided a fact sheet on the project and a map of the drainage area. **EXHIBIT 17.**

Questions, Responses, and Discussion: **SEN. HOCKETT** asked if the Conservation District is working with the Board of Oil And Gas Conservation. **Mr. Ellison** stated that they have been in contact with the Board, but they have not been involved in the project.

Proponent's Testimony: **SEN. DELWYN GAGE, SD 5, Cut Bank,** spoke in support of this grant application. He stated that this is a badly needed project. As a result of the activities started by the Conservation District, there has been increased interest in doing a better job of preventing further groundwater contamination. He encouraged the committee to support this project.

Alvin Boxwell, Cut Bank, stated that he is in support of this project because he personally knows what happens when no one deals with the problem. He currently has to haul drinking water to his farm because his water well turned to gas and oil.

Mike Vilesky, Executive Vice-President, Montana Association of Conservation Districts, spoke in support of all Conservation District proposals heard by the committee today and in the future.

Bruce Bradley, stated that he lives at the head of the drainage and has seen his water evolve from very soft water to very hard water. It is not known what is happening to the water and this project will hopefully answer some of those questions and allow something to be done about the problem.

Gloria Masen spoke in support of this grant application. She stated that she lives south of this drainage. She informed the committee that Canadian neighbors just across the border are in support of this project. The aquifer involved serves landowners

in both the United States and Canada, and the Canadians are very concerned about groundwater contamination.

Questions, Responses, and Discussion: **SEN. HOCKETT** asked if the EPA is involved in the project, and how many people are affected by this project. **Mr. Ellison** replied that approximately 150 people would be served in addition to livestock. Quite a few Canadians will also benefit from the project. He stated that because it is not known at this point what the problem is or who is causing it, the EPA has not been asked to help correct the situation. The EPA has helped clean up some oil spills that occurred in the area but has not addressed the groundwater quality of the drainage.

REP. BARDANOUVE asked if it was likely that the U.S. was contaminating the Canadian water.

Tape 3:B:009

Mr. Ellison stated that it was more likely that was happening than that the Canadians are contaminating U.S. water.

REP. BARDANOUVE stated that the Board of Oil and Gas Conservation should be more involved in this project. **Mr. Ellison** stated that the Board has become more active and more interested in the project and certainly does not oppose the project. The current problem is that agricultural producers say the oil wells are ruining the groundwater, and the oil producers blame the agricultural industry for the contamination. This project will figure out just why the problem is occurring.

REP. BARDANOUVE asked if the oil wells are abandoned wells. **Mr. Ellison** stated that there are several abandoned wells in the area, but the recent wells have been plugged under current regulations.

REP. ZOOK stated that DNRC has criticized the Conservation District for assessment fees of $74 for rent and utilities. The DNRC had no justification for this fee. **REP. ZOOK** asked for a response to the criticism. **Mr. Ellison** stated that the fee covers workshops, speakers, educational meetings, and local administrative costs. The Glacier County Conservation District shares office space with the SCS, and therefore cannot share space with additional non-federal staff. Should the project be funded, rent and utilities will need to be paid to house the operation.

SEN. HARDING asked if the $26,000 travel budget was for travel in just two counties. **Marvin Miller, Montana Bureau of Mines and Geology,** stated that the travel is for professional staff to travel to Butte and Glacier County several times. In addition, 200-300 miles per day will be traveled as the oil well inventory is conducted. The budget also includes money for personnel from the Conservation District to participate in the inventory and

learn of the problems. The project emphasizes community involvement so that the community can begin to correct the problem.

SEN. HARDING asked what type of help would be contracted for under the Contracted Services budget. **Mr. Miller** stated that several types of contracted services would be utilized, including professional hydrologists and analytical analysis services.

SEN. HOCKETT stated that he is frustrated that there are so many state agencies attempting to deal with groundwater contamination, and asked who coordinates these state efforts to avoid duplication. He is concerned that a lot of money is being spent, but nothing is being accomplished. **Mr. Ellison** replied that some agencies have site-specific budget allocations that cannot be utilized on other projects. This project does not fit into any of those projects.

SEN. HOCKETT asked what would be done after the study is completed, and if there is money to correct the problem. **Mr. Ellison** stated that there is no money to correct the problem. However, he believes there are enough concerned people willing to work on a solution and prevent further contamination.

Mr. Boxwell asked the committee to consider that this oil field is one of the earliest areas drilled for oil in the United States, and the state is now paying for the problems leftover from that time.

CHAIRMAN BERGSAGEL stated that the committee is just concerned and frustrated that studies are being conducted, but the problems are not being corrected. **Mr. Ellison** stated that he also felt the same frustration.

Kate Miller, Montana Bureau of Mines and Geology, stated that at this time funding for clean up of environmental problems is non-existent across the nation. It would be cost-prohibitive to clean up every one of the identified sites of groundwater contamination; however, the Glacier County Conservation District has taken the best and most progressive step in preventing further contamination. They want to prove exactly which land-use practices are causing the degradation of their local shallow groundwater. She stated that once this is done, the community will be very strong supporters and sponsors of educational workshops. The land users and land managers need to learn how to change their practices because there is no government regulating authority that will come in and do this for the community. This will be a grassroots effort to deal with this problem.

<u>BUDGET ITEM TOOLE COUNTY</u>:

Tape No. 3:B:303

<u>Informational Testimony</u>: **Dennis Freeland, County Commissioner, Toole County,** spoke on behalf of a $298,284 grant for the North

Toole County Oil Field Reclamation Project. **EXHIBIT 18.** The oil drill sites that have been reclaimed to date are ones for which no responsible parties could be found. He assured the committee that without grant funding these sites would never be reclaimed.

Ward Marshall, Toole County, presented a slide show of the oil field in North Toole County. Information on the project was provided to the committee. **EXHIBIT 19.**

Questions, Responses, and Discussion: **SEN. HARDING** asked how many sites would be reclaimed in this project, and if the project is on state land. **Karen Boumans, Toole County,** replied that eleven sites would be reclaimed in this project, and that so far 60 sites have been reclaimed. **Mr. Marshall** stated that some of the sites are on state land. The project addresses the worst sites or the sites that will have the most impact once reclaimed. A few of the sites have also been on federal land.

SEN. HARDING asked if this project is being done because the area is unsightly or because there are health and safety concerns in the area as a result of the current condition. **Mr. Marshall** stated that there are a substantial number of safety hazards to be considered. Many of the old oil tanks have rotten roofs and floors, so there are also safety issue concerns.

SEN. HARDING asked why the state is having to finance $300,000 for reclamation that should have been provided for by the guilty parties. **Mr. Marshall** stated that he believed the reclamation was provided for by RIT taxes on the oil that came out of the Toole County oil field. **CHAIRMAN BERGSAGEL** stated that most of these wells were drilled before the need for reclamation was recognized. The current residents are left with the mess created by now absent oil producers. **Mr. Freeland** stated that many of the wells were drilled prior to 1952. He stated that some people did make a valiant effort to clean up the mess, but the cost was prohibitive.

SEN. HOCKETT asked if the current private landowners would contribute to the reclamation project. **REP. GARY FELAND, HD 12, Toole,** informed the committee that the old leases on the oil and gas drills were abandoned when oil prices dropped. There is now no responsible person to go after to clean the sites up. Some parties have bought up the old leases and put the wells back in production; however, the new lease holders do not have the money for the clean up. He stated that current lease holders have done a lot of clean up, but most of the mess was not theirs to begin with. The current landowner does not really have a responsibility to assist with the clean up. The present landowner had nothing to do with the earlier operations that caused the current problems.

SEN. HOCKETT stated that if he buys an abandoned farmstead, it is his responsibility to clean up that land. He does not see much difference between that situation and this one. He wants to know

what the present surface owner will contribute towards cleaning up the area. **REP. FELAND** stated that much of this land was in production for many years, and the ground is in such a mess that it can't be farmed. **Mr. Marshall** stated that mineral stakes take precedence over surface stakes. Many of the production facilities belong to the oil producers and do not belong to the surface owners. This project brings together the land owner and the mineral rights owner to reclaim the area. Seventy percent of the oil wells are out of production, and therefore the owners cannot contribute to the reclamation.

SEN. HOCKETT asked why 28% of the budget goes toward engineering costs. **Lowell Hansen, Engineer,** stated that the last two reclamation projects had $2,400 in engineering costs per site. That includes preparation of a site map and an inventory of all surface activities such as agricultural and oil activities. The engineer meets with the producers to find out what is abandoned and what is needed to maintain continuing operations. The engineer also prepares a bid document for public contracting procedures.

Mr. Tubbs informed the committee that because these wells were constructed before the Oil and Gas Board was created, under current law there is no responsible party for those damages. A current producer would not take on the liability of previous producers.

REP. BARDANOUVE stated that ARCO inherited the liability of previous producers and has had to pay millions for damages. **Mr. Tubbs** stated that the difference between that case and this one is due to ARCO being regulated under the Superfund program. That program's statute governs completely back to the very first producers. The statutes that govern the clean up of oil production facilities are much less rigorous and only cover from 1954 and after.

SEN. HOCKETT asked if it was necessary to have that much engineering work done; it adds up to 25% of the cost of each program. **Mr. Freeland** stated that the engineering work is required by law. **Ms. Boumans** stated that competitive bids are sought for the engineering work, and this is the least costly alternative they had.

Proponent's Testimony: **REP. FELAND** stated that current producers that take over an old lease are required by the state to post a bond for these wells. The current producers have no legal ownership of the surface equipment that this project would clean up. The current producers only buy what they actually use, so much of the abandoned equipment is not theirs. This project does a very good job of cleaning up this oil field. The oil industry is assessed one-half of one percent for the RIT fund. The tax was sold to the oil producers with the understanding that the funds would be used to do this type of clean up. He urged the committee to support the grant application.

SEN. HARDING commented that she pays into the RIT fund, but also pays her own reclamation work. **REP. FELAND** stated he does his own too.

Closing Statement: **Mr. Freeland** stated that final clean up work on seven sites will be completed this spring. Numerous sites have the required engineering work completed, and only lack of funds has prevented their clean up. The clean up projects have made significant improvements in Toole County. He stated that it has been extremely beneficial to have an inspector on-site to facilitate public relations, construction efforts and site location. He requested that funding be allocated for an on-site inspector, and asked the committee's continued support for this worthwhile project.

Questions, Responses, and Discussion: **REP. BARDANOUVE** asked how many more sites remain to be reclaimed after this project is completed. **Ms. Bauman** stated that perhaps only one-third of the oil field has been reclaimed. Not all of the oil field is in need of such dire reclamation as many of the sites to date. **Mr. Tubbs** stated that the technical assessment estimated that perhaps 21% of the total land had been reclaimed by this project to date.

BUDGET ITEM PROJECT #9 TOWN OF COLUMBUS AND TOWN OF JOLIET :
Tape No. 4:A:010

Informational Testimony: **Jess Wilson, Town of Columbus,** spoke on behalf of a $220,084 grant for a Waste Stream Reduction--Oil Recycling project. **EXHIBIT 20.** He stated that the DNRC gave a favorable recommendation for only the oil recycling portion of the three-phase project, and he urged the committee to consider funding the other two phases of the project. He presented the committee with a diagram drawing of the Oil Recycling System to be used. **EXHIBIT 21.**

Questions, Responses, and Discussion: **REP. ZOOK** stated that last session a law was passed requiring every outlet selling oil to post a sign informing consumers of where to take oil for recycling. He is surprised that this project would have to place signs in businesses. The law apparently is not being enforced.

SEN. HOCKETT asked how anti-freeze and other contaminants would be kept out of oil brought to the recycling centers. **Martha Havercamp, Chair, Joliet City Council,** stated that other oil recycling centers currently in operation have reported no trouble with receiving contaminated oil. The public will be informed that they must be careful to avoid contamination.

Closing Statements: **Ms. Havercamp** said that the state is facing a lot of problems and needs to cut the budget. This project will assist in that process by removing potential hazardous waste from solid waste. This project extends the life of the landfill, protects groundwater, and actually re-uses a natural resource.

BUDGET ITEM PROJECT #11 CARBON COUNTY CONSERVATION DISTRICT:

Tape No. 4:A:395

Informational Testimony: **Sue Olsen, Montana Resource Conservation and Development Association,** spoke on behalf of a $300,000 grant for the Affecting Change Through Local Leadership project. **EXHIBIT 22.** She provided the committee with a 1992 Annual Report. **EXHIBIT 23.**

Proponent's Testimony: **Kenneth Firebaugh, Carbon Conservation District, Beartooth RCD,** spoke in support of this grant for the state RCD organization. He stated that local communities want more control to express their needs more vigorously, rather than letting the federal government dictate local needs. He noted that the state RCD staff offer technical and organizational advice that is very valuable for local RCD organizations. The new funds will assist in completing the formation of regional RCD organizations, and will augment and enhance the present abilities of the state RCD to help local organizations.

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** asked why so many half-time positions were needed. **Judy Tilman, Coordinator, Headwaters RCD Association,** replied that federal support for the RCD organizations does not cover clerical help. The seven clerical staff are needed to help with the economic development plan and coordinate the project. The regional RCD organizations will be expected to fund half of the clerical positions. This grant will provide the other half so that each organization has a full-time clerical position. One of the seven positions will be working with the state-wide RCD Association.

CHAIRMAN BERGSAGEL asked who would provide the additional $300,000 required for the project. **Ms. Tilman** stated that the balance would be provided through SCS funds and local contributions.

BUDGET ITEM CROW TRIBE:

Tape No. 4:A:860

Informational Testimony: **Kenneth Spotted, Reclamation Specialist, Crow Tribal Council,** spoke on behalf of a $299,090 grant for the Lodge Grass School--Coal Mine and Gravel Pit Reclamation project. **EXHIBIT 24.** He provided written testimony. **EXHIBIT 25.** This project was not recommended for funding by DNRC.

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** asked how the project area would be reclaimed. **Mr. Spotted** stated that a fence would be placed alongside the road to discourage children

from crossing the road to play in the pit. There have been several accidents in that area. The playground would be re-graded to make a safer playground.

REP. BARDANOUVE asked if the Mine Reclamation Law would provide funds for this project. **Mr. Spotted** stated that the Tribe's appropriation for those funds can only be used for abandoned coal sites.

CHAIRMAN BERGSAGEL asked if the Crow Tribe has a construction department. **Mr. Spotted** stated that the Tribe has some ability to participate in construction projects, but only does heavy construction projects such as roads. The reclamation work is done with labor-intensive techniques, not heavy equipment to increase employment.

BUDGET ITEM PROJECT #13 BUREAU OF MINES AND GEOLOGY:
Tape No. 4:A:214

John Wheaton, Hydrogeologist, Montana Bureau of Mines and Geology, spoke on behalf of a $297,245 grant for the Acid Mine Drainage Prevention, Control, and Treatment Technology Development for the Stockett/Sand Coulee Area project. **EXHIBIT 26.** He provided a packet of updated information on the project. **EXHIBIT 27.**

Mr. Wheaton stated that this project will not duplicate other projects such as the Crystal Mine demonstration project. That project deals with a hard rock mine which is hydrologically and geologically different than a soft rock or coal mine. The chemical reactions and water flows are different in each setting. The U.S. Bureau of Mines has now funded a demonstration project that will occur in the same area as this project. This provides a valuable opportunity for a cooperative effort between the state and federal agencies. The U.S. Bureau of Mines is going into the field this summer. If the state can coordinate efforts with the federal agency, the accomplishments possible with state funds can be increased. He asked that the committee consider raising the funding level of this project so that the state can get into the field along with the U.S. Bureau of Mines. In addition, he asked that the committee remove the DNRC recommendation that RDG grant funds be matched 1:1 with funds from the EPA's Mine Waste Pilot Program. The Mine Waste Pilot Program is limited to hard rock mining operations, and will not be available to this project.

Questions, Responses, and Discussion: **CHAIRMAN BERGSAGEL** asked what the federal project will demonstrate. **Mr. Wheaton** stated that the federal demonstration project will pump clay down into the mine in an attempt to divert the water before it becomes exposed to the contaminants. The state's project can help determine where the water should go once it is diverted.

Proponent's Testimony: **Gary Amestoy, Administrator, Reclamation Division, Department of State Lands,** stated that DSL is

responsible for the Abandoned Mine Reclamation program. DSL will provide technical expertise to the Montana Bureau of Mines and Geology on this project to ensure that this project is consistent with DSL efforts to eliminate acid-mine drainage. He encouraged the committee to support the project.

Questions, Responses, and Discussion: **REP. BARDANOUVE** stated that millions have been spent in an attempt to clean up contaminated water, and asked how this project could hope to do that with comparatively few funds. **Mr. Wheaton** stated that this is the first project to go to the source of the contamination and attempt to prevent that initial contamination.

REP. BARDANOUVE wondered what the results were of past MBMG studies, and stated that he has never heard back from them concerning how the studies were used. **Mr. Wheaton** stated that reports are written at the completion of every study. The reports are used by the consumers of the water studied. **Mr. Tubbs** stated that DNRC requires two copies of every report produced. DNRC keeps one report, and makes the other report available to other agencies. He stated that the Reclamation and Development Grants Program Report to the Legislature contains a summary of all active and closed projects since 1987. Exhibit 3 of February 1, 1993.

BUDGET ITEM PROJECT #18 DNRC WATER MANAGEMENT BUREAU:

Tape No. 4:B:360

Informational Testimony: **Chuck Dalby, Water Management Bureau, DNRC,** spoke on behalf of a $229,989 grant for an Arsenic Transport and Mobility in Surface Water, Irrigated Soils, and Shallow Groundwater of the Upper Missouri River Basin project. **EXHIBIT 28.** He provided a fact sheet on the project. **EXHIBIT 29.**

Questions, Responses, and Discussion: **REP. BARDANOUVE** asked what could possibly be done about such a massive problem. **Mr. Dalby** replied that Rep. Bardanouve is asking a legitimate question. He stated that the extent of the problem is not known and this project will characterize the arsenic hot spots along the Missouri River. This will be particularly helpful to agricultural communities with domestic well water supplies that may be at risk. The project will also determine if agricultural use of arsenic-contaminated water contributes to better water quality downstream or if it actually concentrates the arsenic and compounds the problem. The goal of the project is to determine the scale of the problem and identify management strategies to deal with the problems.

ADJOURNMENT

Adjournment: 12:50 PM

ERNEST BERGSAGEL, Chair

SANDRA BOGGS, Secretary

EB/sb

HOUSE OF REPRESENTATIVES

LONG - RANGE PLANNING **SUB-COMMITTEE**

ROLL CALL **DATE** 2/9/93

NAME	PRESENT	ABSENT	EXCUSED
SEN. BOB HOCKETT, VICE-CHAIR	✓		
REP. FRANCIS BARDONOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. ELEANOR VAUGHN	✓		
REP. TOM ZOOK	✓		
REP. ERNEST BERGSAGEL, CHAIR	✓		

DATE 2-5-93

MONTANA WILDLIFE FEDERATION

P.O. Box 1175, Helena, MT 59624 406-449-7604

1990 Outstanding State Affiliate of the National Wildlife Federation

February 5, 1993

TO: Long Range Planning Subcommittee
RE: Request for Reconsideration of Action Regarding Wildlife Habitat Appropriation

The Montana Wildlife Federation requests that the Long Range Planning Subcommittee reconsider its action to not appropriate funding for the wildlife habitat protection program.

The funds for the program have been paid by sportsmen for the express purpose of making long term investments in wildlife habitat, which will help secure the future of wildlife and hunting in Montana. The program was conceived, developed, advocated and is funded by hunters. This is not a case of an agency seeking expansion, but of citizens pushing for implementation.

The habitat program authorizes leasing or purchasing of land or acquiring easements for wildlife habitat. Each method has proper application. Leases and easements allow prompt response to a narrow "window of opportunity" for securing important habitat on a short term basis. Purchasing land is a better, more cost-effective means for long term investment in habitat. From the sportsmen's perspective, acquiring habitat, as in the private sector, is better business than leasing. Also, landowners considering the program usually are more interested in selling than in leasing or easements.

The last page of the enclosed brochure shows that since inception of the habitat program, 62,000 acres have been leased or put under easement, while only 44,000 acres have been purchased. The Department is not a significant landowner. The entire wildlife management holdings in Montana total only 251,000 acres.

In reality, the arguments against acquiring habitat have little merit. The brochure shows that loss of tax revenues is negligible; likewise there is little loss of private jobs and economic income.

Whether by purchase, lease or easement, in some situations landowners near a wildlife management area may suffer forage loss or property damage. We need to address these problems on a case-by-case basis, using management measures or easements to minimize or mitigate losses. But these problems are not reasons to undermine or eliminate the habitat program.

Because the Montana Wildlife Federation represents the constituency that pays for the program and wants a voice in how the money is spent, I respectfully ask for the opportunity to discuss the habitat program with the Subcommittee in hopes that it will reconsider its previous action.

Sincerely,

Jim E. Richard
Legislative Lobbyist

Fifty-seven Years of Preserving the Last of What's Best .....

EXHIBIT 1
DATE 2-1-93
HB

MONTANA'S WILDLIFE HABITAT PROTECTION PROGRAM

The Montana Wildlife Habitat Protection Program is a unique program developed and advocated by Montana sportsmen and conservationists.

The Habitat Program is a means for sportsmen and women to make long term investments in wildlife habitat, and thus to help secure the future of wildlife and hunting in Montana.

Montana Wildlife Federation

WILDLIFE HABITAT PROJECTS

PROJECT	ACRES Purchase	ACRES Lease/Ease	COST	TAX IMPACT* DFWP	TAX IMPACT* Other	COUNTY
Dreyer	2,960	18,650	$1,471,000	$3,100	$2,210	Powell
Brewer	17,845	16,416	$1,119,100	$7,135	$ 484	Cu/PR/Car
Mt Silcox (Wilson)	1,552		$ 687,465	$1,274		Sanders
Dome Mtn (Nelson)	2,098	160	$1,630,310	$ 441		Park
Waples	656		$ 457,150	$ 383		Carbon
Grady Ranches		16,317	$ 350,000			Lew/Clark
Rogers	1,893		$ 785,650	$ 363		Jud Basin
Robb Ledford	17,290	10,657	$2,042,000	Not Avail		Madison
TOTAL	**44,294**	62,200	$8,572,675	$12,696	**$2,694**	

* DFWP makes payments to the county and school districts in lieu of taxes on land and improvements. "Other" represents property taxes that would have been paid on livestock and machinery if the property had remained as private agricultural.

MONTANA WILDLIFE HABITAT PROTECTION PROGRAM

• **OVERVIEW:** A portion of sportsmen's hunting license dollars are placed in a trust fund, administered by the Department of Fish, Wildlife and Parks, for use in leasing or purchasing land or acquiring easements for wildlife habitat. The program operates within the free market system, in which a willing buyer and willing seller reach an agreement on a lease, easement or purchase.

• **BENEFITS TO WILDLIFE AND SPORTSMEN:** Throughout Montana, private properties provide habitats that are essential as security, wintering, and calving areas. Many of these crucial private properties face threats from land development, logging, mineral extraction and other activities that would diminish the land's value as wildlife habitat. Securing habitat through leases, easements or purchases helps ensure protection of habitat into the future. Also, in most cases, secured habitat offers the opportunity for public hunting and recreation access.

• **BENEFITS TO LANDOWNERS:**

- Land available for public hunting relieves private landowners of some pressure from hunters seeking access;
- The program enhances property values, both because the market is expanded and because the presence of wildlife makes land more attractive and valuable.

-Unlike the situations with foreign, celebrity or out-of-state buyers, landowners have some control over the management of wildlife management areas because of they can participate in Fish, Wildlife and Parks policy setting.

• **EXAMINING ARGUMENTS OPPOSING THE PROGRAM:** The agriculture community historically has held an ideological opposition to public agencies owning land. In particular, ranchers and farmers have stridently objected to DFWP owning land. The common arguments against this program include:

- Tax revenues are lost as private land becomes public;
- Adjacent landowners suffer loss and damage by wildlife;

Loss of Property Tax Revenues is Negligible. Each year, the DFWP makes payments in lieu of property taxes equal to the assessments by the county and local school districts on land and improvements. The only potential for lost tax revenues is the assessments on livestock and machinery. Because of reductions on taxation on livestock, a cow represents a total tax payment to the county and school districts of approximately $5 per head. Most farm machinery and equipment has been depreciated and represents little taxable value.

Adjacent Landowners May Suffer Loss or Damage. Forage loss and property damage by wildlife can be real problems for landowners adjacent to or near wildlife areas. **These impacts can, and should be, dealt with on a case-by-case basis, using applicable management measures or easements. The potential for these problems is not sufficient reason to undermine or discontinue the wildlife habitat program.**

The following page shows a list of the projects that have been protected under the wildlife habitat program. **A total of only 106,000 acres are involved, and of those less than 45,000 total acres have been purchased. The net loss in tax revenues to counties and school districts totals only $2,700.**

Debt Service for New Building Projects

Fiscal Year	MSP Expan. $1,200,000	Womens' Corr. Cntr $10,075,600	Libby Armory $400,000	MSU Eng. Sc Bldg $18,401,510	UM Bus Admin Bldg $13,022,975	Total Debt Service
1994	$122,666	$280,714	$40,946	$512,681	$362,831	$1,319,838
1995	122,652	1,022,330	40,946	1,867,126	1,321,388	4,374,442
1996	122,604	1,019,552	40,946	1,862,052	1,317,797	4,362,951
1997	122,214	1,017,713	40,946	1,858,694	1,315,421	4,354,988
1998	122,757	1,013,315	40,946	1,850,662	1,309,736	4,337,416
1999	122,358	1,016,437	40,946	1,856,363	1,313,771	4,349,875
2000	122,266	1,011,859	40,946	1,848,003	1,307,854	4,330,928
2001	122,473	1,009,825	40,946	1,844,288	1,305,225	4,322,757
2002	122,334	1,010,109	40,946	1,844,807	1,305,592	4,323,788
2003	122,517	1,007,775	40,946	1,840,543	1,302,575	4,314,356
2004	122,298	1,007,622	40,946	1,840,265	1,302,378	4,313,509
2005	122,862	1,004,032	40,946	1,833,707	1,297,737	4,299,284
2006	122,369	1,006,850	40,946	1,838,854	1,301,379	4,310,398
2007	122,645	1,000,902	40,946	1,827,991	1,293,692	4,286,176
2008	122,458	1,001,274	40,946	1,828,670	1,294,172	4,287,520
2009	0	997,726	0	1,822,191	1,289,587	4,109,504
						0
Totals	$1,837,473	$15,428,035	$614,190	$28,176,897	$19,941,135	$65,997,730

EXHIBIT 7
DATE 2-3-93
HB

LRBF for Planning and Design–New Building Projects

	MSP Expan.	Womens' Corr. Cntr	Libby Armory	MSU Eng. Sc Bldg	UM Bus Admin Bldg	East MT Vets Home	Total
Appropriated–LRBF	$877,500	$0	$0	$452,765	$183,606	$1,991,897	$3,505,768
Spent/Committed	940,539	730,410	72,503	452,765	183,606	361,508	$2,741,331
Over/(Under) Approp	($63,039)	($730,410)	($72,503)	$0	$0	$1,630,389	$764,437

Additional Operating Costs

	MSP Expan.	Womens' Corr. Cntr	Libby Armory	MSU Eng. Sc Bldg	UM Bus Admin Bldg	East MT Vets Home	Total
General Fund – FY 1994		$77,864	N/A			$278,729	$356,593
FY 1995		$1,036,420				$1,274,019	$2,310,439
Total Biennium		$1,114,284				$1,552,748	$2,667,032
Estimated Annual Copsts	$3.6 million	$2.5 million		$0.3 million	$0.6 million	$2.7 million	

EXHIBIT 13
DATE 3-9-93
HB

EXHIBIT 2
DATE 2-9-93

November 13, 1992

ENGINEERING/PHYSICAL SCIENCES COMPLEX - MSU

Appropriation Summary:

$18,401,510	LRBP Bonds
452,765	LRBP Cash (Planning)
3,380,725	Private
$22,235,000	Total

Highlights:

1. CTA Architects/Engineers of Billings was appointed by Board of Examiners.

2. The Architectural program and schematic design have been completed.

3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.

4. The Special Session eliminated unspent LRBP cash for planning, the general fund portion of the appropriation, and increased the private funds required for the project.

5. The Department of Administration provided framework by which MSU could reinitiate the planning on July 31, 1992.

6. MSU submitted proposal to complete the design development with private funds (approx. $350,000) on October 19, 1992, which has subsequently been approved by the A/E Division.

7. MSU anticipates that they will have private funds ($700,000) available upon completion of the design development which will allow the planning to immediately continue through the construction document phase.

8. If the private funds for planning are available as per MSU estimates, the plans will be completed in August, 1993.

9. MSU believes they will have the balance of the private funds necessary for construction committed in time to schedule an October, 1993 bid date. (this will be formalized in a financial plan agreement between the University System and the Director of the Department of Administration.)

EXHIBIT 5
DATE 2-9-93
HB

10. $18,401,510 of bonds will be issued in October, 1993 (as per HB #2 from the July Special Session they cannot be issued before July 1, 1993.)

11. Assuming an October, 1993 bond sale, the debt service will commence in April, 1994, with an interest payment of $512,681 and in October, 1994 with a principle and interest payment of $1,867,126 based on current interest rates.

12. Construction of the new facilities will be completed in October, 1995 while the completion of the renovated spaces will be approximately nine months later in July, 1996.

EXHIBIT 2
DATE 2-9-93
HB
November 13, 1992

BUSINESS ADMINISTRATION BUILDING - U OF M

Appropriation Summary:

$13,022,975	LRBP Bonds
183,606	LRBP Cash (Planning)
2,279,419	Private
$15,486,000	Total

Highlights:

1. L'Heureux, Page, Werner Architects of Great Falls was appointed by Board of Examiners.

2. The architectural program and schematic design have been completed.

3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.

4. The Special Session eliminated unspent LRBP cash for planning and increased the private funds required for the project.

5. The Department of Administration provided framework by which U of M could reinitiate the planning on July 31, 1992.

6. U of M requested to complete the planning process with private funds (approx. $870,000) on August 12, 1992, which has subsequently been approved by the A/E Division.

7. Plans will be completed in July of 1993.

8. UM believes they will have the balance of the private funds necessary for construction committed in time to schedule a September, 1993 bid date. (This will be formalized in a financial plan agreement between the University System and the Director of the Department of Administration.)

9. $13,022,975 of bonds will be issued in September, 1993 (as per HB #2 from the July Special Session they cannot be issued before July 1, 1993).

EXHIBIT
DATE 2-9-93
HB

10. Assuming a September, 1993 bond sale, the debt service will commence in March, 1994 with an interest payment of $362,831 and in September, 1994 with a principle and interest payment of $968,399 based on current interest rates.

11. Construction of the facility will be completed in June, 1995.

EXHIBIT 2
DATE 2-9-93
HB

November 13, 1992

WOMEN'S CORRECTIONAL CENTER - BILLINGS

Appropriation Summary:

$10,075,600 LRBP Bonds

Highlights:

1. Miller-Levine Architects of Billings was appointed by Board of Examiners.
2. The Architectural program has been completed and work is progressing on the schematic design.
3. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.
4. The Special Session did not take any action that modified or changed the project.
5. The Department of Administration reinitiated the project on July 20, 1992.
6. Since no planning funds (cash) were appropriated, design costs are being paid by means of a general fund loan to be repaid when bonds are sold.
7. Plans will be completed in June of 1993.
8. A bid opening is scheduled for August, 1993, and $10,075,600 of bonds will be issued at that time.
9. Assuming a September, 1993 bond sale, the debt service will commence in March, 1994 with an interest payment of $280,714 and in September, 1994 with a principle and interest payment of $749,230 based on current interest rates.
10. With the sale of bonds the general fund loan for planning (approx. $730,000) will be repaid from bond proceeds.
11. Construction of the facility will be completed in January, 1995.

EXHIBIT 2
DATE 2-9-93
HB

November 13, 1992

MAJOR EXPANSION, MONTANA STATE PRISON - DEER LODGE

Appropriation Summary:

$19,360,745	LRBP Bonds
877,500	LRBP Cash (Planning)
$20,238,245	Total

Highlights:

1. Architects Design Group of Kalispell was appointed by Board of Examiners.

2. The Architectural Program has been completed for the entire expansion project.

3. The Schematic Design has been completed for Bid Package I (housing, recreation, education) which has an estimated cost of approximately $10.75 million.

4. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.

5. The Special Session did not take any action that modified or changed the project.

6. The Department of Administration reinitiated the project on July 20, 1992.

7. In September of 1992, Governor Stephens in conjunction with the Department of Corrections and Human Services, announced a plan to explore community based programs as an alternative to the major expansion at the Prison.

8. Design development for the Bid Package I will continue and is scheduled to be completed in February of 1993.

9. Design development and construction documents will continue for support buildings (Bid Package II) which will be needed regardless of whether or not additional beds are constructed at the Prison.

10. Plans for Bid Package II, (estimated to cost approximately $1,200,000 and including the low security kitchen, the bus repair facility, and the high security vocational industries building) will be completed in February of 1993.

11. A bid opening for Bid Package II scheduled for March of 1993.

EXHIBIT 2
DATE 2-9-93
~~HB~~

12. $1,200,000 of bonds will be issued in March of 1993.

13. Assuming a March, 1995 bond sale, the debt service will commence in September, 1993 with an interest payment of $33,433 and in March, 1994 with a principle and interest payment of $89,233 based on current interest rates.

14. Construction for all of the facilities in Bid Package II will be completed in January of 1994.

15. No bid date is scheduled and no bonds will be issued for Bid Package I until the 53rd Legislature has an opportunity to review recommendations of the Department of Corrections and Human Services and of the Governor.

EXHIBIT 2
DATE 2-9-93
HB

November 13, 1992

EASTERN MONTANA VETERANS' HOME - GLENDIVE

Appropriation Summary:

$ 1,991,897	LRBP Cash
3,699,237	Federal Funds
$5,691,134	Total

Highlights:

1. CTA Architects/Engineers of Billings was appointed by Board of Examiners.

2. The Architectural Program, preliminary design, and construction documents have been completed.

3. The Federal Fund (65% of project costs) are available for construction.

4. The final plans are currently being reviewed by the Veterans' Administration, and all other interested parties.

5. A February, 1993, bid date is anticipated with construction to begin in the Spring.

6. Construction of the facility will be completed in April of 1994.

EXHIBIT 2
DATE 2-9-93
HB

November 13, 1992

CONSTRUCT LIBBY ARMORY

Appropriation Summary:

$ 400,000	LRBP Bonds
827,000	Federal Funds
$ 1,227,000	Total

Highlights:

1. Architects Northwest of Kalispell was appointed by the Board of Examiners.

2. The project was suspended by the Department of Administration on June 19, 1992, to provide the July Special Session an opportunity to review the project.

3. The Special Session did not take any action that modified or changed the project.

4. The Department of Administration reinitiated the project on July 20, 1992.

5. The Federal funds are available for construction.

6. Since no planning funds (cash) were appropriated, design costs are being paid by means of a general fund loan to be repaid when the bonds are sold.

7. The Construction Documents will be completed in December of 1992.

8. A February, 1993 bid date is anticipated with construction to begin in April, 1993. Bonds will be sold in conjunction with the Montana State Prison bond sale in March, 1993.

9. Assuming a March, 1993 bond sale, the debt service will commence in September, 1993 with an interest payment of $11,144 and in March, 1994, with a principle and interest payment of $29,744 based on current interest rates.

10. With the sale of bonds, the general fund loan for planning (approximately $43,000) will be repaid from bond proceeds.

11. Construction of the facility will be completed in about April of 1994.

EXHIBIT 2
DATE 2-9-93
HB

Obligations To Date - Bonded Projects And Eastern Montana Veteran's Home
As of 02-08-93

Project	Budgeted	Expended	Encumbered	Balance
Women's Correctional Center				
Bonds	10,075,600	309,602	420,808	9,345,190
Montana State Prison				
Bonds	19,360,745		63,039	19,297,706
LRBPF	877,500	786,232	91,268	0
	20,238,245	786,232	154,306	19,297,706
Business Administration Bldg				
Bonds	13,022,975			13,022,975
LRBPF	183,606	183,606		0
Private	2,279,419	214,055	661,986	1,403,378
	15,486,000	397,661	661,986	14,426,353
Engineering/Physical Sciences Complex				
Bonds	18,401,510			18,401,510
LRBPF	452,765	452,765		0
Private	3,380,725	18,003	236,305	3,126,417
	22,235,000	470,768	236,305	21,527,927
Libby Armory				
Bonds	400,000	25,202	47,301	327,497
Federal	827,000			827,000
	1,227,000	25,202	47,301	1,154,497
Eastern Montana Veterans' Home				
LRBPF	1,991,897	229,998	131,510	1,630,389
Federal	3,699,237			3,699,237
	5,691,134	229,998	131,510	5,329,626
Montana Developmental Center				
Bonds	8,665,000	128,364		8,536,636

EXHIBIT 4
DATE 2-9-93
HB

The Big Sky Country

MONTANA HOUSE OF REPRESENTATIVES

REPRESENTATIVE VIVIAN M. BROOKE

HOME ADDRESS:
1610 MADELINE AVENUE
MISSOULA, MONTANA 59801
PHONE: (406) 728-3438

HELENA ADDRESS:
CAPITOL STATION
HELENA, MONTANA 59620
PHONE: (406) 444-4800

DATE: **February 9, 1993**

TO: **Long Range Building Subcommittee**

FROM: **Rep. Vivian M. Brooke, HD #56**

RE: **Proposed new construction for Women's Correctional Center**

==========

I am writing you this morning to urge you to consider the following criteria in making your decision regarding the construction of a new Montana Women's Correctional Center.

1. The site selection process was done in a thoughtful, fair-minded manner giving the rehabilitation of the woman offender the highest priority in the selection process. (See attached news clippings)

2. At the present time the current "temporary" Warm Springs facility is noted to be "constitutionally deficient" in the following ways:
   a. Vocational Programs
      1. Women trained for low paying menial positions in fields traditionally occupied by women.
      2. Facilities not as good or complete as the men's prison
      3. Little or no apprenticeship training
      4. Little or no prison industries
      5. Absence of work pass or work release programs from women.
      6. Less chance to earn money.
      7. Little or no vocational training release
   b. Issues Relating to Release
      Women have less chance to earn good time because of lack or work and educational programs. Thus, a woman may serve more time than a man for the same crime and same sentence.
   c. Conditions of confinement.
      a. Physical plant and overcrowding
      b. Visitation - The men in the men's prison have greater visitation rights than the women.

EXHIBIT 4
DATE 2-9-93
HB

d. Access to Courts - This has been very successful in the courts.
   a. Lack of sufficient library and library hours.
   b. Lack of legal assistance

Equal Protection Challenges to Conditions -- Courts have been receptive to challenges to conditions in women's prisons based upon equal protection grounds.

What Equal Protection is - The equal protection clause of the 14th Amendment requires parity and therefore, "male and female inmates must receive substantially equal facilities and conditions while in prison."

3. To date Montana is the only state planning to build without going through a lengthy and costly legal battle. The states who have litigated, lost and then built have run into millions of dollars in court costs plus the construction costs.

4. The schedule for the bonding issue and the beginning payments on those bonds should be looked at in light of today's market, our total bonded indebtedness, and the construction calendar we are now on.

5. Consideration of construction costs and site selection costs already incurred, plus inflation factors and the political realities of redoing the site selection all have to be weighed in the decision.

6. Finally, the consideration of the actual start up and operating costs need to weighed against those costs in any of the proposed alternative community correction plans. With these alternatives, it is necessary to realize that the judicial system demands a secure facility for violent offenders as well as those women who the courts deem need to serve time.

I urge you to give the construction of the new Women's Correctional Center the highest priority among all of the construction projects you have before you.

EXHIBIT 4
DATE 1-9-93
HB

Prison panel did good job

The Women's Prison Site Selection Committee and all those involved in Helena's efforts to locate the new women's prison have certainly earned our bouquet of the day.

AN IR VIEW

After it was announced that the committee had picked Billings as the site for the women's prison some Helenans said they felt Helena had a natural disadvantage because we already are the center of government. Helena Area Chamber of Commerce Executive Director David Hemion, in a Your Turn elsewhere on this page, says the selection process was not perfect.

Nothing is perfect, but we think the selection committee's process was about as close to perfect as you can get.

Site selection committee chairwoman Jane Lopp of Kalispell did an excellent job of organizing the committee, conducting the hearings and establishing the site selection process.

It's the first statewide selection process that we know of that has drawn praise from numerous officials for avoiding back-room politics and letting communities compete solely on their merits.

On the day the site selection was made the 11-member committee was divided into small groups. Each group hammered out number values corresponding to 28 basic criteria and the community's "willingness and quality" to provide each of the criteria.

Each of the 28 criteria had been weighted for importance before the meeting. The day of the meeting each criterion was given a number value that was based on the assigned weight. Then another number was added that represented the group's decision on the quality of the specific criterion and the willingness exhibited by the community to provide it.

Finally, all of the number values were added up and the community with the most points was the winner — in this case Billings.

Locally, the chamber coordinating committee, city and airport officials and the numerous social service and educational groups who helped prepare Helena's presentation deserve a special thanks.

Helena ranked number one in the state for actual site location, according to state Sen. Mignon Waterman, D-Helena. "They were very impressed wth its proximity to the airport," she said.

Unfortunately, even though the prison would have been close to the airport, Helena didn't rank well in air and bus transportation. However, we did rank number two on programs.

Maybe we didn't get the airport, but the com-

EXHIBIT 4
DATE 2-9-93
HB

Prison selection was a fair process

Billings is to be congratulated. Community leaders did excellent job preparing that city's successful proposal f women's correctional center.

The selection process was fair and non-political. Becaus that, Great Falls people have no reason to feel bad that city's proposal fell just short of being the top bid.

The value of the process has not been lost, either.

City and county officials have worked closely with e nomic development groups and legislators in the past f years. That has resulted in successful drives for the F Flight Service Station, an expanded McLaughlin Resea Center, the recently-announced ethanol plant and oth projects.

Great Falls is on the move. If there is any disappointme over the women's prison, it should be directed to nailin down the next opportunity that means jobs and a strong tax base for this city.

9/22/91 GFT

EXHIBIT 3
DATE 2-9-93
HB

DEPARTMENT OF MILITARY AFFAIRS

MARC RACICOT, GOVERNOR

P.O. BOX 4789

STATE OF MONTANA

OFFICE OF THE ADJUTANT GENERAL
(406) 444-6910

HELENA MONTANA 59604-4789

MONTANA ARMY NATIONAL GUARD
FINANCIAL IMPACT, LIBBY, MT
DET 1 HHC 2-163D CAV

Military Payroll		
IDT	$96,386	
Other cat (ADSW)	42,774	
Sub Total		$139,160
AGR Payroll		
Pay and Allowances	$57,841	
Medical Care	1,054	
Recruiter Per Diem	462	
Sub Total		59,357
Local Purchases		
Subsistence	$6,966	
Laundry	383	
Chemical Toilet Rental	360	
Sub Total		7,709
TOTAL		**$206,226**

DATE 2-9-93

HB

APPENDIX TO RECLAMATION AND DEVELOPMENT GRANTS PROGRAM

REPORT TO THE LEGISLATURE

PROJECT EVALUATIONS AND RECOMMENDATIONS

These evaluations are based on the Department of Natural Resources and Conservation's review of the projects. The evaluations are presented in the order of their ranking. To find any particular evaluation quickly, just consult the Table of Contents at the beginning of this appendix for an alphabetical listing by the names of the applicants.

- 1 -

APPLICANT NAME : Montana Board of Oil and Gas Conservation

PROJECT/ACTIVITY NAME : Kevin-Sunburst Plugging and Reclamation Project

AMOUNT REQUESTED : $ 299,000

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor $ 5,300

TOTAL PROJECT COST : $ 304,300

PROJECT ABSTRACT (Prepared and submitted by applicant)

The purpose of this grant request is to provide funding to properly plug and perform surface reclamation of twenty-six oil or gas test wells in the Kevin-Sunburst Field and adjacent areas within Toole and Liberty Counties. These wells were drilled prior to the existence of the Board of Oil and Gas Conservation's regulatory program. All of the unplugged wells in this application have the potential to create surface damage and groundwater contamination, and the surface disturbance associated with many of the sites impedes or prevents the land use common to the areas adjacent to the sites.

EXHIBIT 6
DATE 2-9-93
HB

TECHNICAL ASSESSMENT (Prepared by DNRC)

This application involves plugging and restoration of twenty-five well locations in Toole County and one well in Liberty County. Included in the list are several open holes containing a fluid column, wells from which gas is venting to the atmosphere, and numerous unplugged wells with little or no information available concerning current down-hole condition.

In order to protect groundwater and surface water, stop well flow, if any, and isolate subsurface porous intervals, the Board of Oil and Gas Conservation (BOGC) proposes to re-enter each well bore, stabilize the well's hydrostatic condition, and plug the well with cement or cement and mechanical plugs. Any junk or debris associated with the locations would be properly disposed of, and the well sites would be leveled, returned to natural contour, and re-vegetated.

The work would be performed by qualified contractors, and BOGC would provide on-site supervision by its own staff members. Special engineering or supervisory services may be required for the more difficult or complex wells.

This project addresses a statewide need to reduce the potential adverse impacts of improperly abandoned wells on the water resources, land use, and mineral values of the state. The project reflects the ongoing concern for potential point source degradation of groundwater.

Unfortunately, in many instances BOGC's well records do not reflect accurate well information or methods of plugging (if any plugging was attempted) for wells drilled before BOGC was established in 1954. BOGC should be commended for electing to pursue an ongoing project of seeking out such problem wells and has received previous DNRC contracted services money to perform the initial records examination and develop an inspection list for the purpose of physically locating and reviewing each of these old wells. The proposed project includes wells that were found as a result of field inspections made using the list prepared under a BOGC/DNRC contract.

The proposed project and the wells to be plugged are similar in nature to those other projects that have been successfully completed. It is BOGC's intention to continue to plug, reclaim, and otherwise mitigate damage caused by oil and gas development for which no responsible party can be found. Of the two grant applications submitted by BOGC this cycle, this proposal is of higher priority.

FINANCIAL ASSESSMENT

Generally, those wells that have visible surface casing, are not located in a wet area created by well flows, and have reasonably reliable well information on casing size,

weight, grade, and setting depths are estimated as the least costly to plug. Plugging wells where little is known about the well-bore configuration is estimated at a substantially higher cost by BOGC staff because a worst-case for well conditions would be assumed by drilling contractors bidding on these types of projects.

Although it is reasonable to anticipate that all of the included wells could be plugged for the amount requested in this grant application, there is the potential for cost overruns on one or more wells due to mechanical problems that become apparent only after a well is re-entered. Such circumstances could limit the total number of wells that could be plugged and restored for a fixed amount of money. Therefore, the activities at each well site would be undertaken as an individual project, and the balance of money remaining at the finish of that project would be available for the next well on the priority list. This progression would continue until all wells are plugged or the grant monies are exhausted.

The costs of plugging are based on the estimated time to plug, the cost of plugging materials, and the cost of dirt work done in preparation for re-entry of the well and restoration of the location upon completion of the project. Costs of third-party services, including trucking of water and materials, logging or other wire line services, and renting specialized equipment such as fishing tools, are also included in the estimate.

Well plugging projects would normally be undertaken in the order listed in the application. Some flexibility to change priorities is needed, however, because well-bore conditions can change dramatically. In some instances it may be necessary to substitute a newly discovered problem well in lieu of or ahead of a well already on the project list. This change in priority may be indicated by the potential for surface water or groundwater damage; wells would be prioritized based upon the estimated severity of damage likely to occur if the well is left un-plugged. Therefore, in some cases cost estimates may prove inaccurate by the time the well work is scheduled. In short, there is no guarantee that all of the wells listed can be plugged for a cost at or under the maximum requested funding.

The total estimated cost of $304,300 is reasonable for the type of work to be performed.

ENVIRONMENTAL EVALUATION

The proposed project would include remediation and cleanup efforts at twenty-six well sites within the Kevin-Sunburst Field. Activities at the sites would require disturbance to enter and plug the wells and to reclaim each location. These adverse impacts would be short-term, depending on whether the methods and procedures used reflect conditions present at each site. For example, the extent of soil contamination from oil at each site is unclear. Cleanup measures should address whether removal of contaminated soil would be necessary in order to ensure revegetation success and eliminate surface water and groundwater pollution sources at the site. The project should result in long term beneficial impacts at these sites if reclamation is successful.

As a condition of funding if this project is approved, DNRC would require a more detailed description of the measures and, if necessary, a reclamation plan for each site. The information should address the method for and level of desired surface cleanup and reclamation to be achieved at each site.

PUBLIC BENEFITS ASSESSMENT

The greatest public benefit to be achieved would be the elimination of potentially severe groundwater and surface water contamination by non-potable or lower quality water and hydrocarbons from deeper formations. In some cases potentially commercial mineral-bearing zones (including oil and gas zones) may be protected from damage by extraneous water and hydrocarbons. Systematic cleanup and proper plugging of abandoned oil and gas wells would benefit not only the environment, but all Montanans.

RECOMMENDATIONS

A grant of up to $299,000 is recommended for this project, contingent upon DNRC approval of the project scope of work and budget.

APPLICANT NAME : Montana Board of Oil and Gas Conservation

PROJECT/ACTIVITY NAME : Cat Creek Plugging and Reclamation Project

AMOUNT REQUESTED : $ 214,810

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor $ 2,000

TOTAL PROJECT COST : $ 216,810

PROJECT ABSTRACT (Prepared and submitted by applicant)

The purpose of this grant request is to provide funding to properly plug and perform surface reclamation of three oil test wells in the Cat Creek Field area of Petroleum County, and to reclaim the location of an adjacent plugged oil well. These wells were drilled prior to the existence of the Board of Oil and Gas Conservation's regulatory

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As a condition of funding if this project is approved, DNRC would require a more detailed description of the measures and, if necessary, a reclamation plan for each site. The information should address the method for and level of desired surface cleanup and reclamation to be achieved at each site.

PUBLIC BENEFITS ASSESSMENT

The greatest public benefit to be achieved would be the elimination of potentially severe groundwater and surface water contamination by non-potable or lower quality water and hydrocarbons from deeper formations. In some cases potentially commercial mineral-bearing zones (including oil and gas zones) may be protected from damage by extraneous water and hydrocarbons. Systematic cleanup and proper plugging of abandoned oil and gas wells would benefit not only the environment, but all Montanans.

RECOMMENDATIONS

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Project Sponsor $ 2,000

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PROJECT ABSTRACT (Prepared and submitted by applicant)

The purpose of this grant request is to provide funding to properly plug and perform surface reclamation of three oil test wells in the Cat Creek Field area of Petroleum County, and to reclaim the location of an adjacent plugged oil well. These wells were drilled prior to the existence of the Board of Oil and Gas Conservation's regulatory

program. All of the existing unplugged wells have the potential to create surface damage and substantial groundwater contamination.

TECHNICAL ASSESSMENT (Prepared by DNRC)

The wells and locations included in this application are in or near the floodplain of the Musselshell River in Petroleum County. One well is allowing water and a small amount of oil to reach the surface very close to the river channel. The second well, located within a hay meadow, is leaking a small amount of oil to the surface. The third well has no obvious surface contamination; however, the subsurface conditions may pose problems.

In order to protect groundwater and surface water, stop well flow, and isolate subsurface porous intervals in the three wells, the Board of Oil and Gas Conservation (BOGC) proposes to re-enter each well bore, stabilize the well's hydrostatic condition, and plug the well with cement or cement and mechanical plugs. Such techniques are standard.

Any junk or debris associated with the locations would be properly disposed of, and the well sites would be leveled, returned to natural contour, and re-vegetated. In conjunction with the plugging and restoration project for the three well sites, a tank and miscellaneous debris would be removed from a fourth old well location, and the surface would be restored and revegetated.

The names and locations of the three wells are:

1. Charles #1 — NW¼, Sec. 21, T15N, R30E, Petroleum County
2. Jackson #1-A — NW¼, Sec. 27, T15N, R30E, Petroleum County
3. Charles #4 — NW¼, Sec. 21, T15N, R30E, Petroleum County

The fourth plugged well location is located in the NE¼ of Sec. 21, T15N, R30E.

The work would be performed by qualified contractors, and BOGC would provide on-site supervision by its own staff members. Special engineering or supervisory services may be required for the more difficult or complex wells.

This project addresses a statewide need to reduce the potential adverse impacts of improperly abandoned wells on the water resources, land use, and mineral values of the state. The project reflects the ongoing concern for potential point source degradation of groundwater.

Unfortunately, in many instances BOGC's well records do not reflect accurate well information or methods of plugging (if any plugging was attempted) for wells drilled before BOGC was established in 1954. BOGC should be commended for electing to pursue an ongoing project of seeking out such problem wells and has received a previous DNRC contracted services money to perform the initial records examination and develop an inspection list for the purpose of physically locating and reviewing old wells. The proposed project includes wells that were found as a result of field inspections made using the list prepared under a BOGC/DNRC contract.

The proposed project and the wells to be plugged are similar in nature to those other projects that have been successfully completed. It is BOGC's intention to continue to plug, reclaim, and otherwise mitigate damage caused by oil and gas development for which no responsible party can be found. Of the two grant applications submitted by BOGC this cycle, this proposal is of lesser priority.

FINANCIAL ASSESSMENT

Generally, those wells that have visible surface casing, are not located in a wet area created by well flows, and have reasonably reliable well information on casing size, weight, grade, and setting depths are estimated as the least costly to plug. Plugging wells where little is known about the well-bore configuration is estimated at a substantially higher cost by the BOGCs staff because a worst-case for well conditions would be assumed by drilling contractors bidding on these types of projects.

The costs of plugging are based on the estimated time to plug, the cost of plugging materials, and the cost of dirt work done in preparation for re-entry of the well and restoration of the location upon completion of the project. Costs of third-party services, including trucking of water and materials, logging or other wire line services, and renting specialized equipment such as fishing tools, are also included in the estimate. The costs BOGC has estimated for each individual well appear reasonable; the total cost would be $216,810.

The well-plugging projects would normally be undertaken in the order listed; however, some flexibility to change priorities is needed because well-bore conditions can change dramatically. In some instances it may be necessary to substitute a newly discovered problem well in lieu of or ahead of a well already on the project list. This change in priority may be indicated by the potential for surface water or groundwater damage; wells would be prioritized based upon the estimated severity of damage likely to occur if the well is left unplugged. Therefore, in some cases cost estimates may prove inaccurate by the time the well work is scheduled. In short, there is no guarantee that all of the wells listed can be plugged for a cost at or under the maximum requested funding.

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ENVIRONMENTAL EVALUATION

The proposed project would include remediation and cleanup efforts at three oil well sites and an oil storage tank site within the Cat Creek Field. Activities at the sites would require disturbance to enter and plug the wells and to reclaim each location. These adverse impacts would be short-term, depending on whether the methods and procedures used reflect conditions present at each site. For example, the extent of soil contamination from oil at each site is unclear. Cleanup measures should address whether removal of contaminated soil would be necessary in order to ensure revegetation success and eliminate surface water and groundwater pollution sources at the site. The project should result in long-term beneficial impacts at these sites if reclamation is successful.

As a condition of funding if this project is approved, DNRC would require a more detailed description of the measures and, if necessary, a reclamation plan for each site. The information should address the method for and level of desired surface cleanup and reclamation to be achieved at each site.

PUBLIC BENEFITS ASSESSMENT

The greatest public benefit to be achieved would be the elimination of potentially severe groundwater and surface water contamination by non-potable or lower quality water and hydrocarbons from deeper formations. In some cases potentially commercial mineral-bearing zones (including oil and gas zones) may be protected from damage by extraneous water and hydrocarbons. Surface restoration and cleanup and proper plugging of abandoned oil and gas wells would benefit not only the environment, but all Montanans.

RECOMMENDATIONS

A grant of up to $214,810 is recommended for this project, contingent upon DNRC approval of the project scope of work and budget.

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KEVIN-SUNBURST PLUGGING PROJECT

TN	TD	RN	RD	S	Q3	Q2	Q1	OPERATOR	WELL	EST. COST
33	N	4	E	24	C	NE	NE	CHIEF EXPLORATION	ORAW #1	$38,000
33	N	1	W	9	C	NW	NW	COOLIDGE & COOLIDGE, INC.	BENJAMIN #1	$25,000
33	N	1	W	17	C	SW	SE	EMPIRE UTILITIES	EMPIRE #2	$9,000
34	N	1	W	10	SW	NW	NW	CALIF. PETROLEUM CORP.	CAGHEY #1	$7,500
34	N	2	W	1	W2	SW	SE	DIDSBURY SYNDICATE	STEELE #1	$10,000
34	N	2	W	2	SE	NE	NW	BIG WEST OIL CO.	STEELE #3	$10,000
34	N	2	W	2	NE	SW	SW	CASPER T. OIEN	SHOEMAKER	$7,500
34	N	2	W	4	NW	NE	SE	L.J. YEALY	NORUM #4	$8,000
34	N	2	W	7	SE	NE	NW	WESTERN STATES OIL CO.	CRAWFORD #1	$7,500
34	N	2	W	7	C	SE	SE	RAY SORRELL	SORRELL #3	$10,000
34	N	2	W	7	SE	SE	SE	RAY SORRELL	SORRELL #2	$12,500
34	N	2	W	7	SE	SE	SW	PMK PETROLEUM CO.	STATE #5	$7,500
34	N	2	W	8	NE	NE	NW	PFABE & ENGELKING	HURLEY #2	$10,000
34	N	2	W	8	C	SE	SW	WENOAH-SUNBURST SYNDICATE	HURLEY #3	$7,500
35	N	1	W	4	SW	NW	NE	E. MCCLURE/VAN BUSKIRK	VAN BUSKIRK #1	$8,000
35	N	1	W	18	SE	SE	SE	IMPERIAL CRAIG CO.	MARTIN #11	$7,500
35	N	1	W	21	NE	NE	NE	POTLATCH O & R CO.	WHITE #1	$8,000
35	N	1	W	33	C	SW	NW	CHICAGO CONSOLIDATED	HASKINS #6	$7,500
35	N	2	W	34	W	SW	NE	BARMAC PRODUCTION CO.	LASHBAUGH #1	$10,000
35	N	2	W	35	SW	NW	NW	FERDIG SUNBURST OIL CO.	ABELL #4	$7,500
35	N	3	W	1	SW	SE	SE	V.F. DAHL	KIMBALL #1	$17,500
35	N	3	W	16	N	SW	SE	BLACK MAGIC OIL CO.	GOEDDERTZ #1	$20,000
35	N	3	W	22	SW	SE	SE	MAHARG OIL CO.	GOEDDERTZ #6	$12,500
35	N	3	W	23	N2	NW	NW	JOS A. OIEN	GOEDDERTZ #24	$10,000
35	N	3	W	25	E	NE	NE	KESUN OIL CO.	STEWART #7	$8,000
35	N	3	W	25	E2	NW	NE	OH BOY OIL CO	STEWART #3	$12,500
									TOTAL REQUEST	$299,000 $11,500

CAT CREEK FIELD PLUGGING PROJECT

TN	TD	RN	RD	S	Q3	Q2	Q1	OPERATOR	WELL	EST. COST
15	N	30	E	21		SE	NW	ARRO OIL AND REFINING CO.	CHARLES #1	$192,300
15	N	30	E	27	C	SW	NW	BRAGG AND JOHNSON	JACKSON 1-A	$10,260
15	N	30	E	21		SE	NW	PACIFIC PETROLEUM LTD.	CHARLES #4	$10,250
15	N	30	E	21		SW	NE	TANK & JUNK REMOVAL	NONE	$2,000
									TOTAL REQUEST	$214,810 $70,937

participants design the dispute resolution process, jointly define problems, and seek "mutual gain" rather than "win-lose" solutions. They develop ownership to both the process and its outcome, and thereby have a vested interest in implementation.

Alternative, consensus-building approaches are designed to supplement, not replace, existing decision-making and dispute resolution processes. The goal is to create a comprehensive decision-making system with complementary dispute resolution methods. This approach to resolving natural resource and other "public disputes" in Montana may lead to more viable agreements, increase public participation in decision-making, improve community relations, and improve trust and confidence in government.

RECOMMENDATION

A grant of up to $127,667 is recommended for this project, contingent upon DNRC approval of the project scope of work and budget.

APPLICANT NAME : Town of Walkerville

PROJECT/ACTIVITY NAME : Walkerville Reclamation Project

AMOUNT REQUESTED : $ 75,569

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 2,500
ARCO	$ 6,900
New Butte Mining	$ 6,900
Butte-Silver Bow Government	$ 6,900

TOTAL PROJECT COST : $ 98,769

PROJECT ABSTRACT (Prepared and submitted by applicant)

From 1881 until 1959, the area around the Town of Walkerville was the site of virtually continuous mining and milling activity. The Alice Mine was primarily mined for silver, and the amalgamation process utilized large amounts of mercury. The waste materials from the mining, milling, and amalgamation processes were consolidated in dump areas, which are found throughout the community.

The Walkerville Ball Field was created in the late 1930s as a recreational facility for the community's children. The ball field was constructed by leveling off a section of the waste dumps. The facility was used by the residents through 1986.

In March 1986, soil sampling of the Walkerville Ball Field by the Montana Bureau of Mines and Geology indicated the following elevated levels of metals: 107 parts per million (ppm) cadmium, 11,000 ppm lead, and 2,500 ppm mercury at a depth of 1.5 to 1.8 feet. Free elemental mercury was evident at this depth. Because of the elevated levels of heavy metals, the EPA conducted the 1988 Walkerville Time-Critical Removal Action. The Atlantic Richfield Company (ARCO), a potentially responsible party for this action, consolidated contaminated material from several areas in Walkerville at the ball field site. The entire area was capped, vegetated, and fenced. This cap precludes public use of the area.

The Walkerville Ball Field had been used continuously by the citizens of Walkerville for over 50 years. Since 1988, the children of Walkerville have had no place that is close to their homes to play softball. Softball is a major spring and summer activity throughout Butte and Walkerville. Leagues and teams exist throughout the city for people of all ages from "T-Ball" to "Old Ozzies and Old Dollies." The fields throughout the community of Butte are used continuously all summer. It is also not unusual to see "pick-up" games in any vacant area.

The Town of Walkerville was given a grant deed from New Butte Mining for a site to construct a new baseball field. This was as a result of the direct action of mining activity. The former ball field was a smelter site. New Butte Mining as a major property owner in Walkerville determined that it would give the city the land to replace the ball field. A partnership of all parties involved resulted in the deed of land, and money for paving the road came from ARCO and Butte-Silver Bow. The Job Corps has participated as well, providing assistance with leveling and site preparation.

The money requested from the Reclamation and Development Grant Program (RDGP) is for the following items:

1. Construct a fence, backstop, dugouts, mound, parking lot, and playground
2. Landscape
3. Install a sprinkler system
4. Construct a water line to the baseball field
5. Construct a power line for the facility

The new ball field will be located at the west end of Walkerville, north and east of Ryan Road. It will occupy an area of 160,000 square feet and will take four months to complete once the grant has been received.

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The Walkerville Softball Field Project is an excellent example of public/private partnership. Private companies and various local, state, and federal agencies have contributed to the completion of this project. It will provide an opportunity for the youth of the community to play in a safe environment. Walkerville has seen a marked increase in the number of young people in recent years. This facility will allow the people of this community a unique opportunity to enjoy America's favorite sport once more.

TECHNICAL ASSESSMENT (Prepared by DNRC)

Recent reclamation of mining wastes in Walkerville has improved the environmental quality of the area, but eliminated its recreational opportunities. There are no current plans by EPA to replace the former ball field. This project would mitigate destruction of the town's former ball field facility by constructing a new facility at an environmentally safe location. Soils at the proposed site have been sampled for elevated levels of heavy metals and are below EPA action levels. The reclamation proposed would help to improve and protect the health of area youth and the environment and further RDGP's goal of mitigating damage to public resources caused by mineral development. Funding of this project would complete the reclamation process.

RIT funding would allow completion of the Walkerville Baseball Field by the end of 1993, thus, replacing the area's single most important recreational facility approximately five years after its removal. It would also fulfill the efforts of the citizens of Walkerville and private industry to replace the community's ball park with a new and environmentally safe recreational facility for the entire Butte-Silver Bow area, in which demand for existing facilities in Butte is already at a very high level.

Without funding from the RIT grant, further delays in the completion of the proposed baseball field would be realized by the citizens of Walkerville, which may potentially erode the accomplishments of the project's efforts to date. Site preparation by the Anaconda Job Corps will be completed during the summer of 1992, allowing construction of the facility to begin during the construction season of 1993. However, completion of the project would remain in doubt, and frustration of the citizens of Walkerville would continue to grow unless additional funding of the proposed Walkerville baseball facility could be obtained.

EXHIBIT 9
DATE 2-9-93
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FINANCIAL ASSESSMENT

RDGP funds are requested for the following:

Fence, backstop, dugout	$ 10,626
Water line	$ 2,792
Power line	$ 2,000
Sprinkler system	$ 12,500
Sod	$ 32,166
Playground equipment	$ 7,985
Parking lot	$ 7,500
TOTAL	$ 75,569

New Butte Mining, ARCO, and Butte-Silver Bow have contributed $20,700 for road paving; Walkerville is donating $2,500 for engineering design work.

The proposed costs of building a new baseball facility and playground area in Walkerville are within the anticipated range of costs for a project of this size and design. The total costs of the project have been minimized because of donations by private industry and community organizations. Site preparation in advance of construction of the facility has been provided at no cost to the project by the Anaconda Job Corps. The grant requested to complete construction of the facility is reasonable in the context of the proposed design of the facility. Adequate funding is requested to accomplish the tasks necessary to complete the proposed baseball field. Although Walkerville is a community of approximately 600 persons, the ball park would benefit a broad population base incorporating the Butte-Silver Bow area.

Approximately 42.5 percent ($32,166) of the estimated RDGP costs are attributed to purchasing and installing sod. It is recommended that the costs and effectiveness of seeding versus those of installation of sod be analyzed in order to determine if similar results could be achieved at less cost. A dry turf seed mix would cost approximately $2.20 per pound, and coverage criteria would require approximately 100 to 200 pounds of seed per project acre. The proposed Walkerville baseball field and playground would involve approximately 2.5 acres; thus, the costs to the project for grass seed would be approximately $1,100. Obviously, other costs associated with seeding should be included in the analysis before a fair comparison can be achieved.

ENVIRONMENTAL EVALUATION

The construction of the Walkerville Baseball Field would not produce an adverse environmental impact to the Walkerville area. As designed, the proposed ball park should alleviate existing environmental concerns by providing effective dust control, remediating an exploration trench and exploration pits identified on site, controlling

growth of noxious weeds, alleviating unlawful dumping practices currently observed at the site, and controlling erosion of soil through development of a good turf coverage and a newly surfaced parking facility.

Land development, such as paving the access road and parking area, will likely increase the volume of storm runoff from portions of the site during local storm events. Adequate routing of surface water flow from parking areas and roadways should be implemented in the design and construction of the facility to minimize the impact of erosion downgradient from the field.

The proposed site was chosen because it is not considered a former mining site, and the disposal of mining wastes has apparently not occurred at the site during the history of mining development in the Walkerville area. New Butte Mining has indicated that ore is not present in the subsurface beneath the site; thus, natural background levels of heavy metals are thought to occur throughout the topsoil at the site. Analysis of soil samples collected at the site confirms that levels of lead are low in the topsoil. Furthermore, the development of a layer of turf at the site should provide adequate stability and a buffer of protection from other metals potentially contained in the topsoil at the site.

Short-term environmental impacts may be realized during site preparation and actual construction of the ball park. Emission of dust particulates may increase during construction activities, prior to the development of a cover of grass. Dust control techniques should be implemented during excavation and grading of the site such as spraying water on affected areas. Runoff control to minimize erosion should also be considered and implemented during construction operations.

PUBLIC BENEFITS ASSESSMENT

Designed to mitigate damage to public resources caused by mining, this project would provide an environmentally safe and well-designed area for the citizens of Walkerville and Butte-Silver Bow to recreate. Fencing the facility would supply added safety. Funding of the project would allow completion of the Walkerville Reclamation Project, which has already involved great time and expense from the people and organizations in the Walkerville and Butte-Silver Bow area.

Local support and planning are well documented through the efforts of the Walkerville mayor, Walkerville Baseball Committee, citizens of Walkerville, Anaconda Job Corps, and Butte-Silver Bow officials. Private industry's involvement and support are also evident through donations to the proposed facility by ARCO and New Butte Mining. State and federal support and planning are shown through efforts to verify that the levels of metals in soils at the proposed site are below current residential action levels, and through provision of a site inspection of the proposed field location during the site selection process.

EXHIBIT 9
DATE 2-9-93
HB

RECOMMENDATION

A grant of up to $75,569 is recommended for this project, contingent upon DNRC approval of project scope of work and budget.

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APPLICANT NAME : Montana Department of State Lands (DSL)

PROJECT/ACTIVITY NAME : Well Assessment and Abandonment-Oil and Gas

AMOUNT REQUESTED : $ 211,800

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor $ 6,089

TOTAL PROJECT COST : $ 217,889

PROJECT ABSTRACT (Prepared and submitted by applicant)

The well assessment project will be conducted in Section 36 of Township 35 North, Range 2 West. This tract of land is located 1 mile east of the Town of Oilmont. Currently, several wells are emitting hydrogen sulfide gas. A common scene near the wells is to find a ring of native animals that have perished as a result of the gas. This gas poses a threat to domestic livestock, as well as human life. Additionally, the wells in this section and within Toole County have corrosion problems. This means that the casing is deteriorated and will allow commingling of water with the producing zones and vice versa. Montana statute requires the prevention of this commingling and preventing the contamination of aquifers as well as preventing the contamination of oil and gas zones. The project is intended to plug these problem wells. The project can be completed in three months' time.

TECHNICAL ASSESSMENT (Prepared by DNRC)

Completion of this project would allow the Department of State Lands (DSL) to assess the condition of existing well bores in Section 36 (which is state-owned), properly abandon those wells that are in unsatisfactory condition (because of leaks, corrosion, defective casing, etc.) or no longer producible, and cap those wells that are capable of future production. MCA 82-11-123 requires preventing the escape of oil and/or gas from one stratum into another and preventing the intrusion of water into oil and/or gas strata. The law also requires restoration of the surface to its previous grade and productive capability after a well is plugged and necessary measures to prevent adverse

EXHIBIT 10
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Over the past decade Walkerville has been the scene of major environmental projects. These activities have been conducted by provite companies, Montana State Agencies, and the E.P.A.

IN March of 1986, soil sampling of the Walkerville Ballfield by the Montana Bureau of Mines and Geology indicated elevated levels of cadmium, chromium, iron, lead, manganese, zinc, and arsenic. This ballfield had been used by the citizens of Walkerville for over 60 years.s

In 1988 the EPA issued an Administrative Order on Consent to the Potentially Responsible Parties (PRP'S), despite community objections, to complete various reclamation activities in Walkerville. This action was a partnership between the PRP's and the EPA. Portions of the action were completed by the EPA and portions by the PRP'S. The community was concerned because the former ballfield site was eliminated by these reclamation activities. The old field was used as a waste repository site, covered with sixteen feet of fill, contoured to a four to one slop, revegetated and fenced. This made the site unusable.

The Town of Walkerville was ther given a grant deed from New Butte Mining for a site to construct a new baseball field. The Town of Walkerville had the property serveyed and the plans for construction drawn up. Meeting with representatives from ARCO and Butte Silver Bow an agreement in principle for paving the road from Walkerville Drive to the new site was reached. In addition, the Town of Walkerville contacted the Araconda Job Corps in 1989 to ask their assistance with leveling the land and site preparation. The Job Corps accepted the project and started construction activities in the fall of 1991. It is estimated that Jct Corps activities cost $30,000. Job Corps completed their work in the fall of 1992 and the site is presently ready for completion.

The money requested from the Reclamation and Development Grant Program is for the following items:

1) Construct a fence, backstop, dugouts, mounds, parking lot, and playground;
2) Landscape;
3) Install a sprinkler system;
4) Construct a water line to the baseball field; and
5) Construct a power line for the facility.

The new ballfield will be located at the west end of Walkerville north and east of the Ryan Road. It will occupy an area of 160,000 square feet and will take four months to complete once the grant has been received.

EXHIBIT 10
DATE 2-9-93
HB

The Walkerville Softball Field Project is an excellent example of public-provite partnership. Private companies and various local, state, and federal agencies have contrubuted to the completion of this project. It will provide an opportunity for the youth of the community to play in a safe environment. Walkerville has seen a marked increase in the number of young people in recent years. This facility will allow the people of this community a unuque opportunity to enjoy America's favorite sport once again in safety.

Thank you for your time and consideration.

John Ries

EXHIBIT 11
DATE 2-9-93
HB

Ladies and Gentlemen of the Long-Range Planning Committee. My presentation will address the D.N.R.C. comments on the proposed grant. I will explain why we chose to use sod on the field. The site of the project is at six thousand one hundred and fifty feet (6150) above sea level. The soil at the site was very shallow from 2 to 6 inches thick. When the Job Corps start working on the field they stockpiled the top soil then after level the site the top soil was put back on the site. The soil is now about 3 inches thick. A locals landscapter said that for grass seed to grow the field would need 2 to 4 inches of additional soil. He could not give a estimate on the cost of soil. At the present time soil is between $10.00 and $15.00 per cubic yard deliverd then you have to add the cost of level the soil. The availability of soil depend on how much reclamation work is going on during during our propose construction time the more soil need for Reclamation the high the price. If the grass seed is planted in July as the plans call for the field can not be used until the next year. One problem with seed is it tend to wash out around the sprinkler head and will need reseeding the next year adding more delay to the time when the field can be ready for use . The landscapter said that sod it the best way to go because of the short growing season in the Butte Walkerville area and because the sod has about 1 to 1 1/2 inches of soil. The sod field could be ready for some late season use by September if the sod is in place in early July.

EXHIBIT
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HB

It has been six (6) years since the old baseball field was slope and caped. We would like to get the new field ready to use as soon as possible after this project is funded.

We have try to keep the cost down by not have lights and bleachers included in the project.

We respectively request that you consider fund the grant at the requested amount.

Thank you for this opportunity to appear be for this committee

If you have any question I will try to answer them.

Bernard Harrington

EXHIBIT 12
DATE 2-9-93
HB

February 9, 1993

Long Range Planning Subcommittee:

I am speaking in support of the Walkerville Ball Field project. Not only will this project replace the former ball field taken away from the community of Walkerville, it will help fill the need for additional ball fields in the entire Butte-Silver Bow area. At the present time there are no ball fields for adult use north of Park Street.

Upon completion of this project, not only will a safe recreational area be provided - but other benefits will be felt as well. The area chosen for the new ball field has been plagued by noxious weeds, dust, erosion, drainage problems and illegal dumping. The new construction will eliminate all of these problems.

In the past five years, several new houses have been built in Walkerville and many citizens are refurbishing their homes and businesses. This project will ensure the continuation of this resurgence of community pride. This pride and this project will benefit all of Silver Bow County.

Marci Kerner
County Commissioner
Butte-Silver Bow County

DATE 2-9-93
HB

February 9, 1993

To Long Range Planning Committee:

ARCO fully supports the Walkerville ball field project. ARCO views this project as a good public/private partnership, and as such contributed $6,900 to the effort.

Sandy Stash
ARCO Montana Superfund Manager

EXHIBIT 14
DATE 2-9-93
HB

ENVIRONMENTAL EVALUATION

The oil collection phase of this project should result in direct improvement to the environment (soil, air, water, and vegetation) through elimination or reduction of indiscriminant oil disposal practices. Collection centers must be properly managed and controlled to prevent accidental spills and introduction of potentially hazardous wastes or unwanted (unmarketable) substances. If oil would be collected from other than do-it-yourselfers, then permits from the DHES Solid and Hazardous Waste Bureau may be required. The collection and transport of the oil should pose no risk to the environment if properly conducted by certified waste haulers.

PUBLIC BENEFITS ASSESSMENT

The recycling of used motor oil is an important step in the prevention of groundwater and soil contamination and the wasting of a valuable finite resource. A successful program could provide impetus for development of similar programs in other areas of Montana. The addition of more convenient drop-off locations for waste oil would enhance efforts made by the state to recycle this portion of the waste stream.

RECOMMENDATION

A grant of up to $41,172 is recommended for this project's oil recycling phase only, contingent upon DNRC approval of the project scope of work and budget.

APPLICANT NAME : Montana Salinity Control Association

PROJECT/ACTIVITY NAME : Soil and Water Nonpoint Source Pollution Control and Management

AMOUNT REQUESTED : $ 300,000

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 177,225
DNRC/CDB	$ 200,000

TOTAL PROJECT COST : $ 677,225

PROJECT ABSTRACT (Prepared and submitted by applicant)

The Montana Salinity Control Association (MSCA) is composed of three organizations representing 33 Montana counties. These sponsoring conservation districts designate an executive board to provide supervision and local input to the MSCA field staff.

Nonpoint source pollution (NPSP) prevention, reclamation, and education, along with improvement of soil, vegetation, fauna, and water quality, are the principal goals. Reclamation techniques will continue to be used to mitigate NPSP from oil and mineral exploration and extraction activities. Educational efforts focus on soil and water conservation practices that benefit the environment, agriculture, industry, fish, wildlife, and citizens of Montana, as well as those of surrounding states and Canada.

The MSCA interdisciplinary technical field team has developed a proven reclamation technique for NPSP from agricultural watersheds utilizing alternatives to summer fallow cropping. Work is completed on a watershed or site-by-site basis using local experience, labor, and dollars. MSCA uses state-of-the-art methods in hydrogeologic site characterization; recharge area identification; soil, vegetation, and water quality sampling; and monitoring. Emphasis is placed on watershed management to prevent NPSP and promote soil and water quality conservation.

Twenty-one new applications for assistance are currently on file, and 345 reclamation plans are completed. These applications reflect a variety of entities concerned about NPSP control, including the City of Havre, individual farmers, and the U.S. Fish and Wildlife Service. Additionally, a group of landowners has formed the Bullhead Water Quality Association (BWQA). BWQA has requested MSCA's technical and administrative assistance and also is actively seeking additional technical and financial support to address major NPSP problems on a 68-square-mile watershed north of Conrad. Individual site plans will be developed for 45 cooperators.

All of the above cooperators are willing to pay part of the cost to determine the sources and solutions for NPSP reclamation. New applications are continually being generated by MSCA education programs; Soil Conservation Service; conservation planning efforts; other federal, state, and private entities; and word of mouth among farmers and the public.

MSCA is dedicated to the reclamation of natural resources adversely impacted by NPSP and also to proactive conservation practices to prevent environmental degradation. MSCA proposes to offer services to conservation districts and other entities concerned about soil and water conservation throughout the state. Watershed management planning for cropland, rangeland, riparian areas, and wildlife habitat will be conducted to prevent, control, and reclaim NPSP. Recharge area identification for dryland and irrigated salinity reclamation will be a priority. Vegetation, soil, and water quality sampling; environmental assessments; and wellhead protection are a few of the services that will be provided upon request. MSCA seeks funding to initiate and complete such fieldwork and planning on 30 new sites and to provide follow-up and educational programs to current cooperators and the public at large.

MSCA has developed a unique database of shallow ground water quality, water level monitoring, and land management information. These data, along with new information

collected from funding requested here, will be provided to the Montana Ground Water Assessment and Monitoring Programs administered by the Montana Bureau of Mines and Geology.

Preventing, controlling, and reclaiming surface and ground water quality requires long-term management. Agricultural NPSP control is difficult and often requires coordinated resource management planning among several entities. Successful management must focus and coordinate resources on a watershed scale. MSCA is an existing soil and water quality management resource utilized by farmers, landowners, environmental organizations, private businesses, public schools, rural and urban communities, and federal, state, and local government agencies. A continuing education and follow-up program is an integral part of its reclamation effort. MSCA funding is also generating additional federal matching dollars for the State of Montana under Section 319 of the Clean Water Act.

TECHNICAL ASSESSMENT (Prepared by DNRC)

MSCA's methods to reduce saline seep are sound, thoroughly documented, and supported by professionals in this field. The project is well presented, and the need is convincingly documented. MSCA's efforts have been successful in publicizing the causes and costs of saline seep in Montana. Past efforts to correct the current problem are satisfactorily discussed. MSCA receives support from many other agencies and has many cooperating agencies.

Saline seep is an ongoing problem and will not be eliminated in the near future. The Triangle Conservation District (forerunner of MSCA) has been working on saline seep since 1979. Saline seep increased from more than 200,000 acres in the 1980s to 300,000 acres in the 1990s. The rate of saline seep increase is faster than MSCA can keep up with.

According to MSCA, the reclamation plan implementation rate is approximately 85 percent. The reasons this rate is not higher may be that the solution is labor-intensive, is too expensive for some farmers, and requires long-term attention to prevent future seeps. In addition, the alternative agricultural practices used in reclamation result in forage products that are not currently as marketable as the cereal grain crops generally grown in these areas.

There is some concern about MSCA's intention to expand and provide statewide assistance. According to the Soil Conservation Service, saline seep problems in the western one-third of Montana are insignificant. MSCA would most likely be working on reclamation plans dealing with nonpoint pollution caused by sedimentation, fertilizers, and pesticides. There is concern that this would duplicate efforts by the Soil Conservation Service, the MSU Extension Service, and the local conservation district's Nonpoint Source Pollution Control Program.

EXHIBIT 14
DATE 2-9-93
HB

FINANCIAL ASSESSMENT

The average cost to develop a reclamation plan in 1989-1990 was $1,467, or an average cost of $109 per acre. The breakdown of the RDGP budget request for fiscal years 1995-1996 is listed below.

Salaries and wages	$ 110,000
Fringe benefits	$ 24,000
Contracted services	$ 4,000
Supplies and materials	$ 40,000
Communications	$ 10,000
Travel	$ 6,500
Rent and utilities	$ 7,000
Equipment	$ 64,500
Miscellaneous	$ 34,000
TOTAL	$ 300,000

Expenditures for supplies and materials include well construction materials, vehicle repairs and operations, field and planning supplies, and office supplies and repairs. Equipment expenditures include a 4x4 pickup, vehicle communication system, geographic positioning system equipment, non-nuclear moisture probe, soil sampling and analysis equipment, well construction equipment, well sampling kit, 10 water level recorders, image recorder (to make slides for computer graphics), computer hardware and software, and office furniture. Miscellaneous expenses are comprised of administration costs, professional training, educational materials (displays, tours, video, and bulletins), and insurance.

There appear to be enough funds to complete the work outlined. Reviewers commented that the salaries in this budget are high and should be more closely aligned to the state government pay scale. The state is asked to contribute 74 percent of the total budget, or 44 percent from RDGP and 30 percent from the Conservation District Bureau. According to RDGP rules, program monies are not intended to be a continuous source of funding for long-term projects or programs more appropriately funded through the state budget process (ARM 36.19.105). It is important that MSCA not continue to rely on RDGP funds and move toward becoming more self-sustaining.

MSCA has received four RDGP grants for nonpoint pollution control since 1985. Since 1988, when the first RDGP contract was written, it has spent $581,196 of the $800,000 in approved RDGP funds. As of September 1992, MSCA had $268,804 remaining to spend in currently allotted RDGP funds. MSCA's 1991 grant requires 40 percent landowner contributions; it should be noted that MSCA has been conscientious about collecting the required landowner match.

EXHIBIT 14
DATE 2-9-93

ENVIRONMENTAL EVALUATION

It is not possible to assess the direct effects of individual projects funded through this program because they are not fully known. Adverse environmental impacts are not expected to result from continuing this program. The major beneficial effects on the environment are listed below in the Public Benefits Assessment.

PUBLIC BENEFITS ASSESSMENT

This project protects and reclaims soil and water resources. Improvement of soil and water resources results from crop types and rotations that prevent soluble salts and trace minerals from being transported to the upper soil horizon, groundwater, and surface water. The perennial crop rotations also prevent erosion, which minimizes sediment movement to riparian areas. Wildlife benefit from increased forage, and aquatic life profit from improved water quality. Agricultural land is reclaimed, drinking water supplies are maintained, and infrastructures are protected.

The number of jobs created by this project is not substantial: seven people are employed by MSCA. Private landowners receive the main benefits from this program through increased production and higher returns from reclaimed lands. Statewide public benefits result from soil and water resource improvements.

RECOMMENDATION

MSCA has secured funding to carry it through Fiscal Years (FY) 1993 and 1994. The recommended amount will allow MSCA to continue its present level of operation through FY1995.

A grant of up to $172,250 is recommended contingent on the following:

1. DNRC must approve the project scope of work and budget.

2. The amount must be matched by landowner contributions of at least $68,900. This equals 40 percent of the recommended RDGP grant.

MONTANA SALINITY CONTROL ASSOCIATION
JANUARY, 1993

SOIL AND WATER NONPOINT SOURCE POLLUTION CONTROL AND MANAGEMENT
DNRC/RECLAMATION AND DEVELOPMENT PROGRAM
APPLICATION FACT SHEET

EXHIBIT 15
DATE 2-9-93
HB

DNRC RANKING: 10TH OUT OF 29 APPLICATIONS

DNRC RECOMMENDED FUNDING LEVEL: $172,250.00

BACKGROUND: The Montana Salinity Control Association (MSCA) is composed of three organizations representing 33 counties. The sponsoring conservation districts designate an executive board to provide supervision and local input to the MSCA field staff. The program began in 1979 with nine counties.

Nonpoint source pollution (NPSP) prevention, reclamation and education, along with improvement of soil, vegetation, fauna, and water quality are the principal goals. Reclamation techniques will continue to mitigate NPSP from oil and mineral exploration and extraction activities. Educational efforts focus on soil and water conservation practices that benefit the environment, agriculture, industry, fish, wildlife, and citizens of Montana, as well as those of surrounding states and Canada.

Saline seeps are recently developed saline springs resulting from an interaction of geologic, climatic and land use factors. Seeps range in size from an acre to entire watersheds. Water quality is rarely useable for domestic or agricultural use, with salt levels approaching or exceeding sea water, and high nitrate and metal concentrations. Management problems occur when land ownership changes between the recharge area and the discharge or affected area.

New applications for assistance are currently on file, and 345 reclamations plans are completed. These plans reflect entities including City of Havre/Hill Co, individual ag producers, and the US Fish & Wildlife Service for Benton Lake Refuge. Additionally, a group of producers formed the Bullhead Water Quality Assoc. and utilize MSCA's technical and administrative resources. Through their efforts the first federal Water Quality Incentive Program have been received in MT for the major NPSP problems on a 68-sq. mi. watershed near Conrad.

All of the above cooperators are willing to pay part of the cost to determine the sources and solutions for NPSP reclamation. New applications are continually generated by MSCA education programs; Soil Conservation Service; conservation planning efforts; and other federal, state and private entities, and word of mouth among producers.

TECHNIQUE: The MSCA interdisciplinary technical field team has developed a proven reclamation technique for NPSP from agricultural watersheds utilizing alternatives to summer fallow cropping. Work is completed on a watershed or site-by-site basis using local experience, labor and dollars. MSCA uses state-of-the-art methods in hydrogeologic site characterization; recharge area identification; soil, vegetation and water quality sampling; and monitoring. Emphasis is placed on watershed management to prevent NPSP and promote soil and water quality conservation. MSCA's methods to reduce saline seep are sound, thoroughly documented, and supported by professionals in this field.

OBJECTIVES: MSCA is dedicated to the reclamation of natural resources adversely impacted by NPSP, and to proactive conservation practices to prevent environmental degradation. Watershed management planning for crop and range land, riparian areas and wildlife habitat will be conducted to prevent and control NPSP. Recharge area identification for dryland and irrigated salinity will be a priority. MSCA seeks funding to initiate and complete such fieldwork and planning on 30 new sites, and to provide followup and educational programs to current cooperators and the public at large. MSCA will document or mitigate NPSP from oil and gas exploration and extraction activities, as requested.

EXHIBIT 15
DATE 2-9-93
HB

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

STAN STEPHENS, GOVERNOR

COGSWELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

May 8, 1992

Karen Barclay-Fagg, Director
Department of Natural Resources and Conservation
1520 East 6th Avenue
Helena. MT 59620

Dear Karen,

The Department of Health & Environmental Sciences, Water Quality Bureau would like to voice our support of the RDGP application being submitted by the Montana Salinity Control Association (MSCA). The MSCA has long been a proponent of water quality protection and improvement in Montana.

As you know, the Bureau is the lead agency for nonpoint source pollution (NPS) control in the state. We have been implementing a proactive NPS management program for the past three years and have had a cooperative relationship with MSCA since the Association was formed. In fact, we recently funded the Bullhead groundwater improvement project under the direction of MSCA as a component of our FY 1992 and 1993 NPS workplans. However, there remains much groundwater protection work to be done. Salinity is the forth largest source of NPS pollution in Montana's streams according to our 1992 305(b) assessment report, and one of the largest sources of ground water contamination throughout the Northern Great Plains region of Montana.

By providing continued funding to MSCA's salinity control efforts, the DNRC will be making a significant contribution to the control of NPS pollution in Montana. We encourage your favorable consideration of the Association's grant proposal.

Sincerely,

Jack Thomas

Jack G. Thomas
Environmental Programs Supervisor/
NPS Coordinator
Water Quality Bureau

AX
DATE # PGS 1
Jane Holzer
FAX#
Jack Thomas
AVERY FX-10

"AN EQUAL OPPORTUNITY EMPLOYER"

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION VIII, MONTANA OFFICE
FEDERAL BUILDING, 301 S. PARK, DRAWER 10096
HELENA, MONTANA 59626-0096

Ref: 8MO

May 7, 1992

Ms. Karen Barclay Fagg, Director
Montana Department of Natural Resources & Conservation
1520 East Sixth Avenue
Helena, Montana 59620

Re: Montana Salinity Control Association

Dear Ms. Barclay Fagg:

This letter is in support of the Montana Reclamation and Development Grant Program (RDGP) application by the Montana Salinity Control Association (MSCA).

The MSCA has been the lead agency addressing Montana's important saline seep water quality problems. The MSCA has worked with the U.S. Environmental Protection Agency (EPA) over the last few years in Montana's Nonpoint Source Pollution Management Program. EPA has provided $193,000 Section 319 Clean Water Act funds over the last three years for the MSCA's Bullhead Water Quality/Saline Seep Abatement Project in Pondera County, Montana. We encourage the Montana Department of Natural Resources & Conservation to support the MSCA.

Thank you for the opportunity to comment. If you have any questions please feel free to call me in Helena at 449-5486.

Sincerely,

Stephen M. Potts

Stephen M. Potts, P.E.
Environmental Engineer

EXHIBIT 15
DATE 2-9-93
HB

Montana Department of Fish, Wildlife & Parks

1420 East Sixth Avenue
Helena, MT 59620
May 8, 1992

Ms. Karen Barclay, Director
Department of Natural Resources
1520 E. 6th Avenue
Helena, MT 59620

Dear Ms. Barclay:

The Montana Salinity Control Association (MSCA) has submitted a grant proposal for your consideration. The loss of productive lands and waters from saline seeps is a resource issue which Montana must recognize and address.

The MSCA is the most active group with a commitment to the development of effective control measures and eventual reclamation of areas already damaged. While the efforts of the association focus on interaction with agricultural producers, the public benefits of clean water and productive soil cannot be ignored.

Because the Department of Fish, Wildlife and Parks manages wildlife habitat on the basis of perpetuating soil and water conservation, we find our goals overlapping in part with those of MSCA. At the present time, through the department's upland game bird habitat enhancement program, we are working through a cooperative agreement to further these goals.

The department supports the association's request with the belief that their efforts will result in a wiser management of Montana's soil and water resources.

Sincerely,

Don Childress

Don Childress, Administrator
Wildlife Division

508.1
cc: Montana Salinity Control Association

DEPARTMENT OF STATE LANDS
NORTHEASTERN LAND OFFICE

STAN STEPHENS, GOVERNOR

STATE OF MONTANA

(406) 538-7789

613 N. E. MAIN
P.O. BOX 1021
LEWISTOWN, MONTANA 59457-1021

May 18, 1992

Ms. Karen Barclay Fagg, Director
Dept. of Natural Resources & Conservation
1520 East Sixth Avenue
Helena, MT 59620-2301

RE: Montana Salinity Control Association Application for Grant From the Reclamation and Development Grant Program

Dear Ms. Fagg:

The Montana Department of State Lands, Northeastern Land Office, regularly solicits assistance from the Montana Salinity Control Association's (MSCA) staff of professional and technical specialists for land management recommendations to mitigate water quality, forage, and crop production losses associated with established or developing salinity conditions on state trust lands. Many plans have been implemented "on the ground" that involve state and often times associated private lands. I am convinced that most of these plans would not be working today had it not been for the MSCA's systematic approach of evaluating, monitoring and developing realistic reclamation options for landowners and state lessees to implement.

Because of the outstanding cooperation and reliable recommendations I have received during the past dozen years from MSCA, I am confident that you will give their grant proposal every consideration possible.

Sincerely,

Craig E. Roberts

CRAIG E. ROBERTS
Area Manager
Northeastern Land Office

CER:cbf

(1-)

MONTANA STATE UNIVERSITY
1893•CENTENNIAL•1993

Extension Service
Department of Plant and Soil Science
Montana State University
Bozeman, MT 59717-0312
Telephone 406-994-4601
Telefax 406-994-3933

EXHIBIT 15
DATE 2-9-93
HB

May 13, 1992

Karen Barclay Fagg, Director
Montana Department of Natural Resources
and Conservation
1520 East Sixth Avenue
Helena, MT 59620-2301

Dear Director Fagg:

I am writing this letter of support on behalf of the Montana Salinity Control Association (MSCA), which I understand has applied for a grant from the Reclamation and Development Grant Program of DNRC. I have known of and work both informally and formally on a cooperative basis with MSCA for the past 12 years. I believe the MSCA fills a significant void in the technology application/transfer arena, relative to farm-scale management and reclamation of saline seep and associated non-point water quality degradation of agricultural land. As an Extension Soil Scientist at MSU I find my relationship with staff of MSCA to be professionally rewarding and mutually beneficial. Consequently, I believe the request of MSCA for funding should be given serious consideration.

Respectfully,

James W. Bauder

James W. Bauder
Professor and Extension Specialist

cc: Jane Holzer, MSCA

MONTANA Association of Conservation Districts
501 North Sanders, Suite 2
Helena, MT 59601
(406) 443-5711
FAX (406) 449-0119

May 7, 1992

Karen Fagg, Director
Department of Natural Resources
and Conservation
1520 East Sixth Avenue
Helena, MT 59620

Dear Karen:

On behalf of the Montana Association of Conservation Districts I am expressing our support of the application to the Reclamation and Development Grant (RDG) Program from the Montana Salinity Control Association (MSCA) for funding of their program. MSCA works with 33 conservation districts in Eastern Montana through a cooperative working agreement and they also provide technical assistance to the other conservation districts as the need arises. The technical expertise of the MSCA program and staff is in high demand by the conservation districts.

Saline seep affects approximately 300,000 acres of land in Montana and both ground and surface water are affected. Also, in the near future Montana will have to implement new Federal legislation such as the Clean Water Act. Conservation districts will be called upon to help with that and the MSCA will be able to provide the districts with good technical assistance on many of the projects.

We encourage the full funding of the Montana Salinity Control Association's program through the RDG Program because the resource problems MSCA work with need to continue to be addressed through technical and educational efforts.

Sincerely,

Robert Schroeder
President

MONTANA STATE UNIVERSITY
1893•CENTENNIAL•1993

College of Agriculture
Agricultural Experiment Station
Office of the Dean and Director

Montana State University
Bozeman, MT 59717
406-994-3681 FAX: 406-994-6579

EXHIBIT 15
DATE 2-9-93
HB

May 8, 1992

Karen Barclay Fagg, Director
Department of Natural Resources
and Conservation
1520 East 6th Avenue
Helena, MT 59620-2301

Dear Ms. Fagg:

I am writing this letter in support of the grant proposal being submitted by the Montana Salinity Control Association for funding from the Reclamation and Development Grant Program. Over the years of the existence of this Association, they have worked in close association with many of the scientists employed by the Montana Agricultural Experiment Station. The research that our people do often has had direct applicability to the programs carried out by the Salinity Control Association. We are continuing to support research on the production of crops under conditions of environmental stress such as we have in Montana. This includes work on crop sequencing, residue management, and the development of new crop varieties that produce well under these conditions. I would look forward to continued association with the Salinity Control Association in the future should your organization continue funding of this program.

Sincerely yours,

Don E. Mathre
Acting Associate Dean for Research
Montana Agricultural Experiment Station

DM:jj
2Fagg.662

pc: Jane Holzer

STAN STEPHENS
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE
AGRICULTURAL AND BIOLOGICAL SCIENCES DIVISION
AGRICULTURE/LIVESTOCK BLDG.
CAPITOL STATION
HELENA, MONTANA 59620-0205

EVERETT M. SNORTLAND
DIRECTOR
(406) 444-3144

FAX 406-444-5409

GARY GINGERY
ADMINISTRATOR
(406) 444-2944

May 8, 1992

Ms. Karen Barclay Fagg
Director
Dept of Natural Resources & Conservation
Capitol Station
Helena, MT 59620

Dear Ms. Barclay Fagg:

The Department of Agriculture wishes to express our support of the Montana Salinity Control Association (MSCA) in their efforts to prevent further degradation of Montana's land and water resources from the affects of saline accumulation. The department supports the MSCA project proposal for a Reclamation and Development Grant Program. Through the work and perseverance or MSCA, thousands of acres of farm and rangeland have been rehabilitated using agricultural practices pioneered by MSCA supported research. Moreover, the ability of MSCA to form working alliances between disparate public and private interest groups speaks well for the staff and philosophy of MSCA.

At a time when agricultural producers in Montana are being asked to modify their practices to become more environmentally responsive, the need for guidance and technical support from objective, knowledgeable sources becomes even more important. Therefore, we believe that it is in the best interest of all Montanans that MSCA be allowed to continue their work at a level commensurate with the needs of agriculture to treat this serious problem. The MSCA has provided valuable assistance to this department in implementing the Montana Agricultural Chemical Ground Water Act.

Sincerely,

Gary L. Gingery
Administrator

wp51\tsb\fagg.pj

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To Jan HOLZER	From GINGERY
Co.	Co. Dept. of Ag
Dept.	Phone #
Fax # 272 2937	Fax #

EXHIBIT 15
DATE 2-9-93
HB

Alberta
AGRICULTURE
Irrigation and Resource
Management Division

Agriculture Centre, Lethbridge, Alberta, Canada T1J 4C7

CONSERVATION & DEVELOPMENT BRANCH
(403) 381-5153 FAX: 381-5765

May 8, 1992

Mrs. Karen Barclay Fagg, Director
Department of Natural Resources & Conservation
1520 East 6 Avenue
Helena, Montana 59620-2301

Dear Mrs. Barclay Fagg:

My name is Don Wentz and I am Provincial Soil Salinity Specialist with Alberta Agriculture. Alberta and Montana signed a Memorandum of Agreement about 10 years ago to share information on soil salinity. Even before that, we have had a synergistic relationship with our Montana counterparts.

The relationship continues today with the staff of the Montana Salinity Control Association (MSCA). Jane Holzer has been invited to speak at several provincial and inter-provincial conferences and seminars. These include the Alberta Conservation Tillage Society Conference with about 500 attendees, the Provincial Soil Science Workshops which include most of Alberta's scientific community, and the Prairie Province Salinity and Sustainable Agriculture Workshop which includes everyone in Western Canada who works on soil salinity.

Jane has also presented technical information at several producer seminars and has often been guest speaker at the annual Dryland Salinity Control Association meeting. The information presented is always important in that it also flags issues on the horizon that require planning and forethought. Examples include the affect soil salinity is having on groundwater and surface water quality and the impact salinization is having on urban communities.

The MSCA staff has also served as hosts, touring staff and producers to areas where controls have succeeded in revising the salinity problems. We hope this information exchange can continue in the future.

Yours truly,

DON WENTZ, P. Ag.

DJW/jc

DRYLAND SALINITY CONTROL ASSOCIATION

P.O. BOX 274 WARNER, ALBERTA T0K 2L0 381-5467, 642-3884

May 11, 1992

Karen Barclay Fagg, Director
Department of Natural Resources and Conservation
1520 East 6 Avenue
Helena, Montana
59620-2301

Dear Mrs. Barclay Fagg:

Over the years, the Montana Salinity Control Association (MSCA) has had a positive impact on salinity control in the northern Great Plains. It is a result of their efforts that the Dryland Salinity Control Association (DSCA) in Alberta, Canada was formed. The DSCA is very grateful for the relationship and sharing of information that has taken place with our American neighbours over the years.

The MSCA has hosted numerous seminars and tours in Montana that were well attended by western Canadian researchers and farmers. In turn, employees from the Montana group have attended and spoke at workshops, seminars and tours in western Canada to share with us the knowledge they have gained over the years. The DSCA was patterned from the MSCA and it is their methods of salinity control that we have learned and are using successfully today. Before salinity control methods were known, Alberta farmers looked at saline land as a nuisance that could not be cured and had to be lived with. Without the help and encouragement from the MSCA, this could still be the attitude today.

Salinity is one of the greatest soil degradation problems that is plaguing farmers in the northern Great Plains. Considerable work has been done to control the problem but the battle is not won. Millions of dollars a year in revenue is lost due to salinity's affect on crop production. We western Canadians are watching our American neighbours and your example has an effect on our salinity control issue. We hope that the American government will continue the high priority status that salinity control and the MSCA holds.

Sincerely,

DSCA BOARD OF DIRECTORS

Darryl Mann, Coordinator

DATE 2-9-93
HB

United States Department of Agriculture
Soil Conservation Service
Federal Building, Room 443
10 East Babcock Street
Bozeman, MT 59715

January 26, 1993

Ms. Jane Holzer, Director
Montana Salinity Control Association
Post Office Box 1411
Conrad, Montana 59425

Dear Ms. Holzer,

I would like to reaffirm our commitment to the *Memorandum of Understanding* between the Soil Conservation Service and the Montana Salinity Control Association. The Soil Conservation Service in Montana does not have the resources to provide investigative drilling and saline seep assessment reports for Montana's agricultural producers. We continue to look to the association for the assistance as outlined in the *Memorandum of Understanding*.

For the producers we work with in development of resource management plans, the saline seep assessment report continues to be an essential ingredient in solving resource concerns on these units. We look forward to our continued cooperative effort with you, your team, and the association.

Sincerely,

RICHARD J. GOOBY
State Conservationist Acting

EXHIBIT 16
DATE 2-9-93
HB

PUBLIC BENEFITS ASSESSMENT

If native indigenous cultivars could be made available for use on drastically disturbed areas, then reclamation attempts would be more successful and, in most cases, less expensive. Successful revegetation of acid/heavy metal-affected land would benefit Montanans by improving the quality of surface water and subsurface water within the affected watershed, increasing vegetative production, and improving recreational and visual quality.

RECOMMENDATION

A grant of up to $137,700 is recommended for this project, contingent upon DNRC approval of the project scope of work and budget.

APPLICANT NAME : Glacier County Conservation District

PROJECT/ACTIVITY NAME : Comprehensive Evaluation of Groundwater Contamination, Red River Drainage

AMOUNT REQUESTED : $ 214,059

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 16,407
MBMG	$ 83,454

TOTAL PROJECT COST : $ 313,920

PROJECT ABSTRACT (Prepared and submitted by applicant)

Glacier and Toole Counties in northwestern Montana contain thousands of oil and gas wells and as such are one of the leading producers of oil and gas in Montana. The area is also a major producer of dryland wheat and barley. These activities have caused numerous complaints of groundwater contamination as a result of saline seep, leaking brine pits, faulty seals between production piping and casing, etc.

The Glacier County Conservation District proposes to document the extent of groundwater contamination due to oil field and agricultural activities in the 55,000 acres surrounding the Red River Valley drainage. This project will evaluate current groundwater quality and compare it with historical data to determine the presence or

absence of water quality trends. The evaluation will also provide baseline data to assist in the evaluation of future groundwater impacts due to oil field and agricultural activities.

Water wells, oil wells, and injection wells will be inventoried and mapped, and hydrogeologic investigations will be performed at selected sites. Groundwater occurrence, flow, and pollution vulnerability will be assessed with particular emphasis on those aquifers used as a drinking water supply. Where water supplies are judged to be vulnerable, water samples will be collected and analyzed. A final report will include program accomplishments, conclusions, and recommendations for remediation with statewide applicability. All activities and reporting will be carefully coordinated to augment or assist existing programs by the Montana Salinity Control Association (MSCA), Montana Department of Health and Environmental Sciences (DHES), Montana Department of Agriculture (MDOA), Montana Department of Natural Resources and Conservation (DNRC), and Montana Department of State Lands (DSL). Public information dissemination will be accomplished through local conservation districts by coordination with the Statewide Resource Conservation and Development organization.

TECHNICAL ASSESSMENT (Prepared by DNRC)

The needs assessment by the applicant consisted of a field tour and two-day meeting attended by 75 people in 1989 and reference to two reports on water quality. Details on the technical information gathered as a result of the two-day meeting were not given in the application. One of the problems this project would address is a lack of technical information concerning the groundwater in this area. The applicant mentions reports of leaking brine pits, breaching of pit safety berms, and bursting of crude oil production mains. Landowner interviews conducted by the project sponsor to document these types of problems would aid, to some extent, in pinpointing problem areas and verifying the severity of the problem.

Alternatives to the proposed technical design were not thoroughly explored. One appropriate alternative would be to conduct the inventory aspects of the evaluation before outlining costs of specific hydrogeologic investigations. Results of the inventory work would provide a more convincing case of the need for this evaluation and give sound cost estimates of site-specific investigations. This project could be split into two grants or at least into two distinct phases.

Several reviewers thought the project goals and objectives could have been better developed. The project objectives may be too broad or involve too large an area to be reasonably attained. Overall, reviewers thought the actual investigations/assessment portion of the project was adequately designed, with one exception. The applicant lists the activities to be accomplished; however, details on conducting field verification were lacking. There is concern that this project may duplicate activities available in this area

under the DHES Wellhead Protection Program and the nonpoint source pollution control programs administered by DHES and MSCA.

Computer modeling of the aquifer system and the geochemistry would improve a study like this. Modeling was not included in the application. This information could be incorporated into a compilation of all the saline-related studies in northern Montana and entered into a Geographic Information System where the data could be further manipulated. This project would provide more specific data and should be coordinated with the Groundwater Information Center, Groundwater Steering Committee, and Groundwater Assessment and Monitoring Program. A statewide groundwater monitoring program was established in the 1991 legislature, giving MBMG funds to monitor quality and quantity of groundwater across the state.

The applicant should incorporate a plan to use the evaluation results in developing and funding actual cleanup projects. Who will be responsible for actual cleanup activities, and how will these activities be funded? The applicant should consider organizing a water quality district. The district board could be made up of local landowners, a CD representative, representatives from the oil and gas industry and from agricultural interest groups, etc. This make up would facilitate cooperation among local groups. The district could take steps to raise funds locally for site-specific studies and/or for remediation measures.

FINANCIAL ASSESSMENT

The RDGP budget summary is shown below:

Salaries and wages	$ 72,440
Employee benefits	$ 15,431
Contracted services	$ 79,070
Supplies and materials	$ 10,400
Communications	$ 1,000
Travel	$ 26,168
Rent and utilities	$ 7,450
Equipment	$ 2,100
TOTAL	$ 214,059

Several of the budget items need clarification.

1. The estimates for monitoring well construction and water quality analyses appear to be largely hypothetical at this point. This is understandable since well drilling and some sampling would be a part of the site-specific investigations and would be determined by the initial inventory. However, the budget narrative should

present some basis for the estimates of numbers of water samples and feet of drilling. Estimates should also be revised for all activities following inventory work, as the nature of site-specific investigations is developed.

2. The conservation district's charging $7,450 for rent and utilities lacks justification.

3. Detail and estimates on the rental of equipment are lacking, and costs appear high.

Technical review indicated that several budget items could be reduced. One reviewer commented that the two-year time to do the inventory could be shortened. Lessening the duration of the project would allow reducing the costs of salaries and fringe benefits.

ENVIRONMENTAL EVALUATION

This project would have minimal environmental impact. Drilling of groundwater monitoring wells would cause minor surface damage, and the monitoring wells could themselves pose a threat of groundwater contamination. Proper methods used in drilling, operating, and abandoning the monitoring wells should mitigate this potential for impact.

PUBLIC BENEFITS ASSESSMENT

Public support for this project was not well documented. The tour and public meeting were mentioned, but details were not given. Several other methods of assessment such as landowner surveys or polls would be helpful in documenting need and public support. The coordination of this project appears to have been between MBMG, MSCA, and the conservation district. Other agencies such as EPA, the Montana Board of Oil and Gas Conservation, and the U.S. Geologic Survey should be involved.

The applicant states that the first step toward mitigation of environmental damage to public groundwater resources due to oil field and agricultural activities is the assessment of the extent of groundwater contamination. The final product of this project would be a groundwater evaluation of the area. According to technical reviewers, this project would be useful for identifying existing water quality problems and locating land use areas with the potential to cause such problems.

The applicant lists long-term benefits of improving and ensuring the quality of groundwater, protecting drinking water supplies, safeguarding fish and wildlife from contaminated groundwater discharge to surface water, and protecting or reclaiming agricultural lands and wildlife habitat. Because the product of the proposed project would be data, the proposal could not directly accomplish these results. To realize the on-the-ground benefits envisioned by the applicant, two things are necessary.

First, the data that would result from the study must be communicated. A strong plan of how to get the results of this study out to the necessary parties and how the information can be put to practical use is necessary. Glacier County Conservation District's hosting a workshop is the only activity planned to disseminate information. A statewide public education program and several agencies are mentioned, but it is unclear if this is an actual objective to be carried out by the applicant.

Second, mechanisms are needed to translate the study data into management changes in order for the project benefits listed by the applicant to be achieved.

Possible benefits would be received mainly by the residents in the study area. One full-time and three part-time jobs would be filled during this study.

RECOMMENDATIONS

A grant of up to $214,059 is recommended, subject to the following contingencies.

1. DNRC must approve the project scope of work and budget. The scope of work must incorporate a plan to organize and obtain funding for cleanup activities. Budget items must be clarified, and documentation of estimates must be given when the scope of work is drafted. Estimated items needing documentation are well drilling, water sampling, printing costs, and equipment rental. Rent and utility costs must be justified.

2. Project activities must be coordinated with the MBMG Groundwater Information Center and the Statewide Groundwater Assessment and Monitoring Program.

EXHIBIT 17
DATE 2-8-93
HB

COMPREHENSIVE EVALUATION OF GROUNDWATER CONTAMINATION IN THE RED RIVER DRAINAGE OF GLACIER AND TOOLE COUNTIES, MONTANA

FACT SHEET

Glacier and Toole Counties in Northwestern Montana contain thousands of oil and gas wells and are one of the leading producing areas of oil and gas in Montana. This area is also a major producer of dryland wheat and barley. These activities have caused numerous complaints of groundwater contamination as a result of saline seep, leaking brine pits, faulty seals between production piping and casing, etc.

Public response to the October 1989 meeting and field tour sponsored by the Glacier County Conservation District illustrates the high level of local commitment to solving the water quality problems. The meetings drew a crowd of over 75 concerned citizens, state officials, and representatives of various interest groups. Those attending included Canadian neighbors, farm producers, oil producers, representatives from Environmental Quality Council, Dept. of Health & Environmental Sciences, MT Bureau of Mines & Geology, Dept. of Natural Resources, MT Oil and Gas Commission, U.S. and Montana Senators, Extension Service, MT Assoc. of Conservation Districts, MT Salinity Control Assn., MT Dept. of Ag, plus the news media.

The Glacier County Conservation District proposes to document the extent of groundwater contamination due to oilfield and agricultural activities in the 55,000 acres surrounding the Red River drainage. This project will evaluate current groundwater quality and compare with historical data to determine the presence or absence of water quality trends. The evaluation will also provide baseline data to assist in the evaluation of future groundwater impacts due to oilfield and agricultural activities.

Water wells, oil wells, and injection wells will be inventoried and mapped and hydrogeologic investigations will be performed at selected sites. Groundwater occurrence, flow, and pollution vulnerability will be assessed with particular emphasis on those aquifers used as a drinking water supply. Where water supplies are judged to be vulnerable, water samples will be collected and analyzed. A final report will include program accomplishments, conclusions, and recommendations for remediation with statewide applicability. All activities and reporting will be carefully coordinated to augment or assist existing programs by the Montana Salinity Control Association, Montana Department of Health, Montana Department of Agriculture, Montana Department of Natural Resources and Conservation, and the Montana Department of State Lands. Public information dissemination will be accomplished through local conservation districts by coordination with the Statewide Resource Conservation and Development organization.

AMOUNT REQUESTED	$214,059
OTHER FUNDING SOURCES:	
GLACIER CO. CONS. DIST.	16,407
MT BUR. MINES & GEOLOGY	83,454
TOTAL PROJECT COST	$313,920

EXHIBIT 18
DATE 2-9-93
HB

APPLICANT NAME : Toole County

PROJECT/ACTIVITY NAME : North Toole County Oil Field Reclamation Project

AMOUNT REQUESTED : $ 298,284

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor $ 13,692

TOTAL PROJECT COST : $ 311,976

PROJECT ABSTRACT (Prepared and submitted by applicant)

In northern Toole County, extensive development of oil production facilities began in 1922. It is estimated that several thousand wells were drilled prior to 1954, when regulations for management of the Kevin-Sunburst Field became effective. Frequently, well placement was 10 wells per 40 acres over a total area of about 54,000 acres. There were no regulations at that time addressing environmentally safe methods of disposal of waste oil and brines. Therefore, these wastes were commonly dumped on the land surface. Also, as oil production decreased, the population declined, leaving many facilities abandoned. The result today is the presence of dilapidated structures and the remains of production equipment scattered over the land. Soils contaminated by past dumping of wastes remain unproductive. The condition of this oil field is a significant threat to public health, soil productivity, water quality, and economic opportunity in the area. Removal of structural debris and reclamation of impacted soils are needed.

The objectives of this ongoing project are to continue inventory and assessment of sites needing reclamation work, characterize groundwater quality in the area, and accomplish removal and burial of abandoned buildings and equipment.

To date, debris removal has been accomplished at 43 sites. Soil reclamation research has been initiated at two of the sites. Monitoring of these sites will continue, and the most effective treatments will be applied to larger areas at the new sites. Abandoned debris and structures have been removed from 9,510 acres, more or less. Monies available through a series of RIT grants have been spent on inventory and reclamation of these reclaimed sites, along with additional sites proposed for cleanup.

The North Toole County Reclamation Project is administered by a five-member board representing agricultural and oil industry interests. The reclamation procedure includes site assessment, removal and burial of structures and debris (performed by contracts

awarded through public bid), drilling of monitoring wells, and application of soil treatments, with reseeding as necessary. A final product of this project will be a reclamation planning guide that will be applicable to similar sites in Montana.

TECHNICAL ASSESSMENT (Prepared by DNRC)

The application is well documented, and the methods proposed are technically sound. Continuation of this ongoing project would result in cleanup and reclamation at 11 sites (approximately 1,990 acres). When added to the 43 sites completed, cleanup would be realized on approximately 11,500 acres, or approximately 21 percent of the total 54,000 acres slated for eventual cleanup. The county expects to have the remaining affected acreage reclaimed in the next five years. To ensure project success, it is critical that the county continue coordination of project activities with the U.S. Environmental Protection Agency, Montana Department of Health and Environmental Sciences, Montana Department of State Lands, Montana Salinity Control Association, U.S. Soil Conservation Service, MSU Extension Service, Montana Board of Oil and Gas Conservation, industry, residents, and landowners. Toole County would continue to have the project designed, inspected, and implemented by private contractors, as provided by state law.

FINANCIAL ASSESSMENT

The engineering costs for this project appear high (28 percent of construction), given the nature of work and supplemental inspection performed by Toole County. Toole County would benefit by specifying in the consultant selection process exactly what design services are required and by assigning experienced personnel to the negotiation process. Any funds saved should be targeted for cleanup activities. The inspector position hired directly by the county has proven valuable in coordinating project activities with landowners, contractors, and agencies, and the position should be retained.

The RDGP budget is divided as follows:

Salaries and wages (Toole County)		$ 16,798
Contracted services		$ 242,600
Supplies and materials		$ 3,000
Communications		$ 1,200
Travel		$ 5,290
Miscellaneous		$ 2,280
Construction contingency		$ 27,116
	TOTAL	$ 298,284

Toole County is providing a total of $13,692, consisting of employee benefits ($1,892), supplies ($1,000), communications ($1,200), rent and utilities ($6,600), and equipment ($3,000).

EXHIBIT 18
DATE 2-9-93
HB

ENVIRONMENTAL EVALUATION

Several short-term impacts are envisioned in the reclamation of the 11 sites. Most notable are those that would result from heavy equipment usage (i.e., dust, noise, and soil and vegetative disruption), disposal of oil sludge material, burning of debris or other material, excavation of burial pits, disposal of contaminated soils, and saline seep reclamation. Impacts from all of these activities could be mitigated through consultation with respective regulatory authorities, incorporation of approved reclamation methods in the bid plans and specifications, and on-going inspection of cleanup progress. The expected impacts would be of short duration, provided the project is carefully designed and implemented. While complete elimination of impacts to the physical environment would not be possible, those that would result are expected to be minor to moderate.

PUBLIC BENEFITS ASSESSMENT

Public benefits would include reduced health and safety hazards; improved soil, water, and revegetation resources; and enhanced economic opportunity on reclaimed lands. A systematic, logical approach to abate the adverse impacts created by abandoned oil and gas operations benefits all Montanans.

RECOMMENDATIONS

A grant of up to $298,284 is recommended for this project, subject to the following contingencies.

1. DNRC must approve of the project scope of work and budget.

2. All cleanup must be coordinated with and approved by the Montana Department of Health and Environmental Sciences and the Board of Oil and Gas Conservation.

EXHIBIT 19
DATE 2-9-93
HB

NORTH TOOLE COUNTY

RECLAMATION PROJECT

1993 Legislature

Toole County
EXHIBIT 19
DATE 2-9-93

Legislative Budget Summary

Grant I	298,130.00	
	63,618.51	administrative
	234,511.49	construction
Grant II	150,000.00	
	0.00	administrative
	150,000.00	construction
Grant III	299,040.00	
	6,171.17	administrative
	292,868.83	construction
Grant IV	105,000.00	
		administrative undetermined
		construction undetermined

10,030 acres - Administrative cost per acre $ 6.96
Construction cost per acre $74.49

60 sites - Administrative cost per site $ 1,163.16
Construction cost per site $11,289.67

EXHIBIT 19
DATE 2-9-93

Project Budget

I. Contract Administration
   A. Personnel Services:
      Assistant Administrator
      Accountant
      Attorney
      Executive Secretary

   B. Associated Costs:
      Include as appropriate office rent, equipment, office supplies, telephone, postage, travel. This figure may be provided in a lump sum.

      Project Inspector
      Misc. Office Supplies
      Travel Advisory Board
      Communications

Total Administration Costs		$ 63,618.51
II. Professional/Technical		
MSCA	32,204.14	
Delta Engineering	6,500.00	
Damschen & Associates	36,031.42	
L.C. Hanson Co. (1991 15 sites)	20,711.83	
Total Prof./Tech. Costs		$ 95,447.39
III. Construction		
Renco Const.	18,000.00	
Richmond	12,416.21	
Pankowski	89,841.44	
Group II Rebid	13,000.00	
Miller	3,659.00	
Misc.	2,147.45	
Seeding		
Signing		
Slides etc.		
Total Construction Costs		$139,064.10
Total Project Costs		$298,130.00
Grant Balance		$ 0.00

EXHIBIT 9
DATE 2-9-93

Project Budget

I. Contract Administration
   A. Personnel Services:
      Assistant Administrator
      Accountant
      Attorney
      Executive Secretary

   B. Associated Costs:
      Include as appropriate office rent, equipment, office supplies, telephone, postage, travel. This figure may be provided in a lump sum.

      Project Inspector
      Misc. Office Supplies
      Travel Advisory Board
      Communications

Total Administration Costs		$ 0.00
II. Professional/Technical		
MSCA	11,391.42	
Total Prof./Tech. Costs		$ 11,391.42
III. Construction		
Pankowski Excavating	50,370.00	
Montgomery Construction	83,902.03	
Misc.		
Seeding(5 rebid sites)	4,336.55	
Total Construction Costs		$138,608.58
Total Project Costs		$150,000.00
Grant Balance		$ 0.00

EXHIBIT 19
DATE 2-9-93
~~SB~~

Project Budget

I. Contract Administration		
A. Personnel Services:		
Project Coordinator	$00.00	
Accountant	$00.00	
Attorney	$00.00	
Executive Secretary	$00.00	
B. Associated Costs: Include as appropriate office rent, equipment, office supplies, telephone, postage, travel. This figure may be provided in a lump sum.		
Project Inspector	$ 4,092.06	
Misc. Office Supplies	$ 108.92	
Travel Advisory Board	$ 110.39	
Other	$ 1,859.80	
Total Administration Costs		$6,171.17
II. Professional/Technical		
L. C. Hanson Company	$ 68,128.18	
Total Prof./Tech. Costs		$ 68,128.18
III. Construction		
Pankowski Excavating	$ 54,681.51	
Montgomery Construction	$150,847.97	
Chip Miller	$ 2,933.67	
Ward Marshall	$ 15,727.50	
Misc. - Seed	$ 550.00	
Total Construction Costs		$224,740.65
Total Project Costs		$299,040.00
Grant Balance		$ 0.00

EXHIBIT 20
DATE 2-9-93
HB

APPLICANT NAME : Town of Columbus and Town of Joliet

PROJECT/ACTIVITY NAME : Waste Stream Reduction--Oil Recycling

AMOUNT REQUESTED : $ 220,084

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 7,060
Soil Conservation Service	$ 13,972
Participating Farmers	$ 4,000

TOTAL PROJECT COST : $ 245,116

PROJECT ABSTRACT (Prepared and submitted by applicant)

In this project the applicant will provide alternatives to reduce the waste stream, reduce potential water pollution, and provide a means for producing organic fertilizer from organic wastes. This material can be used as a soil amendment for lands affected by mining activity.

There are three parts to this project. Part 1 is a demonstration of bioconversion technology that produces organic fertilizer from organic waste. Four differently sized prototypes will be used to demonstrate the effectiveness from backyards to dairies and sawmills. Part 2 is a pilot waste-oil collection project. Part 3 contains a means to improve the markets for recyclables. The project will last for about 18 months.

Bioconversion of organic wastes is an alternative to landfilling, incinerating, or composting 18 percent of the waste stream. It is estimated that by 1996 all organic yard wastes will have to be removed from the waste stream. The State of Montana is rewriting its solid waste management plan at this time. Because of this update we have an opportunity to try alternative means to reduce the waste stream. Bioconversion will be shown to be an efficient, cost-effective, and environmentally safe means to recycle a valuable resource.

Waste oil needs to be recycled because of its very harmful effects on the environment. Used oil from a single oil change carelessly dumped into a waterway can ruin a million gallons of fresh water. This is the equivalent of a year's supply for 50 people.

A recycling market assistance program can assist communities and recycling businesses by providing research on potential volumes of materials, studying technological advantages, researching financial returns for equipment and personnel, and helping to carry out a long-range strategy for rural Montana communities.

TECHNICAL ASSESSMENT (Prepared by DNRC)

Waste management is becoming increasingly important to the preservation of Montana's environment. The areas of organic waste, waste oil, and recycling must be addressed before any waste management program can be successful. The concern is whether the activities proposed here are the best alternatives to manage these waste streams.

The present proposal is a follow-up to an educational and recycling effort funded by RDGP in 1991. The first phase of the project, bioconversion, is inadequately detailed. Information on the likelihood of people using this process if technically feasible, the nature and market potential of the fertilizer, the through-put rates of the bioconverters, and the reasoning as to why bioconversion is the preferred alternative over other options e.g.--composting--is needed to assess technical and financial feasibility adequately.

The second phase of the project, oil collection, seems to be a more workable program. Convenient opportunities are needed for people to dispose of this oil properly. The markets for rerefined and reprocessed oil look promising and should continue to be available for the communities' collected oil. Some initial information should be gathered to determine people's attitude and receptiveness toward the proposed handling charge of $1.25/gallon, however. (Disposal costs through the Montana Department of Administration's Procurement Division are 30¢/gallon.) Education and publicity can then be directed to overcome any negative attitudes and misconceptions before the project begins.

Regarding the third phase of the project, hiring a marketing broker/consultant, there are definite needs to fill. However, activities that are currently underway may soon fill these needs.

The Montana Environmental Information Center (MEIC) has a data base about existing recycling efforts throughout Montana. MEIC also has an information hot line for people throughout Montana to call to obtain information about where their reclaimed material can be taken.

In addition to this, MEIC in conjunction with the DNRC Energy Division and the Department of Health and Environmental Sciences' Solid and Hazardous Waste Bureau are in the process of forming a Montana Association of Community Recyclers. If successful, this association would serve many of the functions this project is trying to accomplish. These functions include documenting the successes and failures of recycling efforts in Montana, coordinating a data base about available markets, coordinating

marketing and transportation efforts among communities, providing information on available funding, networking with recycling associations in neighboring states, and perhaps serving some sort of lobbying role.

The Montana State University Extension Service performs an educational and training function. It provides educational materials and other services statewide. Also, the Extension Service is beginning to provide training about solid waste management aimed at landfill operators.

In summary, there are a number of questions to be answered before the entire project should be funded. The second phase, oil collection, however, does show promise if the potential for contamination can be controlled and negative perceptions can be overcome.

FINANCIAL ASSESSMENT

The RDGP budget, which would be administered by Beartooth RC&D, consists of the following:

Salaries and wages	$ 3,145
Benefits	$ 1,223
Contracted services (broker/consultant)	$ 61,600
Supplies and materials	$ 216
Travel	$ 4,500
Equipment	$ 105,000
Miscellaneous	$ 44,400
TOTAL	$ 220,084

The bulk of the proposed request is for phase one, bioconversion (equipment--$69,000; workshop materials--$10,000; contracted services--$60,000; plus a portion of salaries and miscellaneous costs). Given the uncertainty of public acceptance and technical feasibility of this phase, the level of expenditure is unwarranted.

Phase two should be funded as follows:

One-third of salaries and benefits	$ 1,456
Test materials (oil)	$ 216
Six oil collection centers	$ 36,000
Education, printing, and materials	$ 3,500
TOTAL	$ 41,172

No funds are recommended for phase three, recycling.

EXHIBIT 20
DATE 2-9-93
HB

ENVIRONMENTAL EVALUATION

The oil collection phase of this project should result in direct improvement to the environment (soil, air, water, and vegetation) through elimination or reduction of indiscriminant oil disposal practices. Collection centers must be properly managed and controlled to prevent accidental spills and introduction of potentially hazardous wastes or unwanted (unmarketable) substances. If oil would be collected from other than do-it-yourselfers, then permits from the DHES Solid and Hazardous Waste Bureau may be required. The collection and transport of the oil should pose no risk to the environment if properly conducted by certified waste haulers.

PUBLIC BENEFITS ASSESSMENT

The recycling of used motor oil is an important step in the prevention of groundwater and soil contamination and the wasting of a valuable finite resource. A successful program could provide impetus for development of similar programs in other areas of Montana. The addition of more convenient drop-off locations for waste oil would enhance efforts made by the state to recycle this portion of the waste stream.

RECOMMENDATION

A grant of up to $41,172 is recommended for this project's oil recycling phase only, contingent upon DNRC approval of the project scope of work and budget.

APPLICANT NAME : Montana Salinity Control Association

PROJECT/ACTIVITY NAME : Soil and Water Nonpoint Source Pollution Control and Management

AMOUNT REQUESTED : $ 300,000

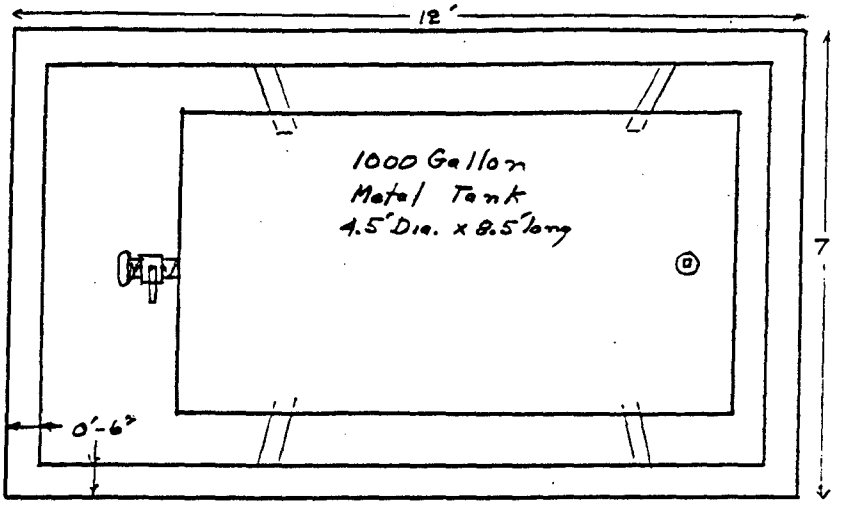
OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 177,225
DNRC/CDB	$ 200,000

TOTAL PROJECT COST : $ 677,225

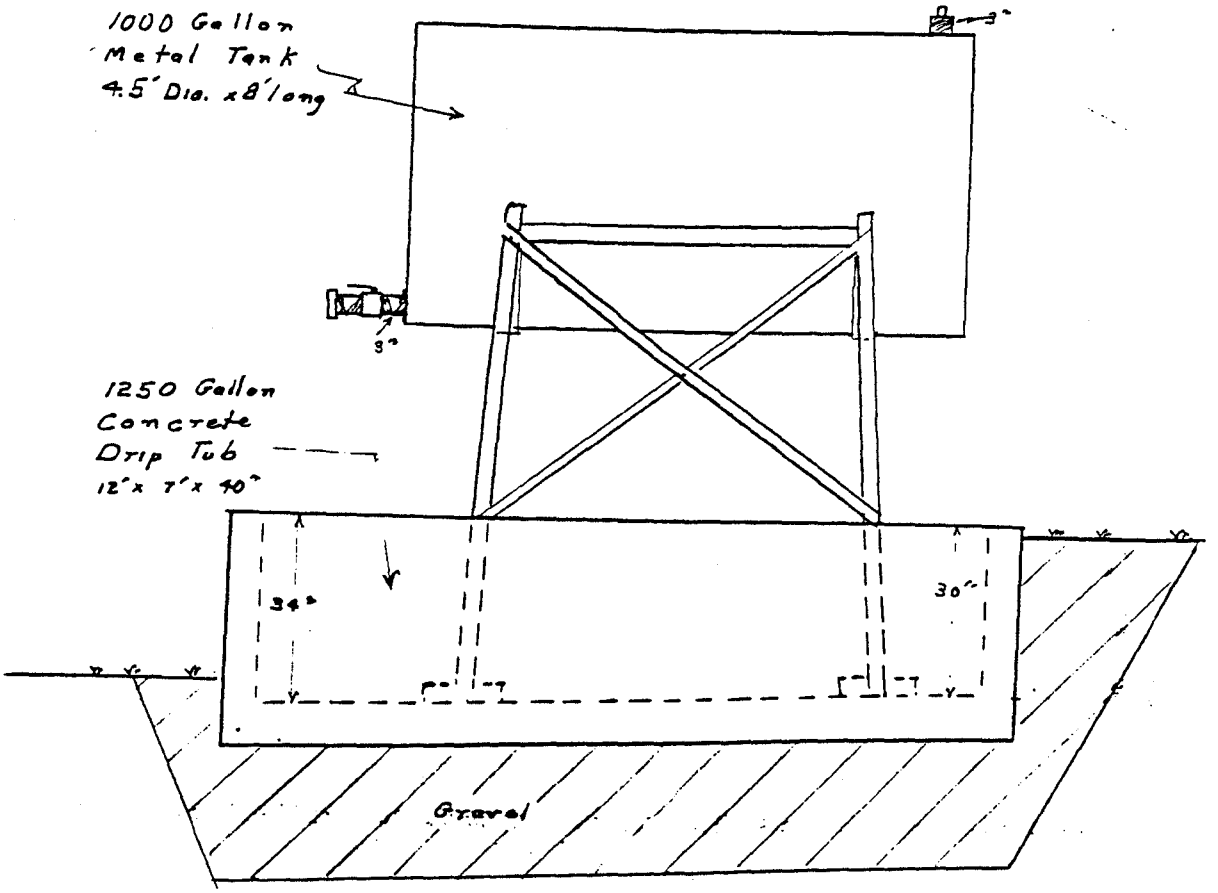
PROJECT ABSTRACT (Prepared and submitted by applicant)

The Montana Salinity Control Association (MSCA) is composed of three organizations representing 33 Montana counties. These sponsoring conservation districts designate an executive board to provide supervision and local input to the MSCA field staff.



PLAN VIEW

EXHIBIT 21
DATE 2-9-93
HB



SIDE VIEW

OIL RECYCLING SYSTEM

EXHIBIT 22
DATE 2-9-93
HB

APPLICANT NAME : Carbon County Conservation District

PROJECT/ACTIVITY NAME : RC&Ds Affecting Change Through Local Leadership

AMOUNT REQUESTED : $ 300,000

OTHER FUNDING SOURCES AND AMOUNTS :

Local RC&D/SCS Operations $ 301,270

TOTAL PROJECT COST : $ 601,270

PROJECT ABSTRACT (Prepared and submitted by applicant)

Like many states throughout the United States, Montana continues its roller coaster ride with major structural economic change. With declining financial resources at federal, state, and local levels, this change calls for increased involvement and leadership from Montana citizens. In order to embrace and manage this change, this proposal will outline a program designed to build Montana citizens' involvement and leadership by utilizing an already existing program known as the Resource Conservation and Development (RC&D) Program.

RC&D areas are local non-profit corporations that draw their leadership from local communities. Within the organizational structure are councils that are charged to direct the program at the local level by combining a planning and implementation process that addresses their objectives. Depending on the area, the council makeup includes representatives of conservation districts, county commissioners, city and town councils, planning boards, local economic development authorities, Indian tribes, and other interested groups. Montana currently has five RC&D areas.

Nationwide, RC&D programs are administered by the U.S Soil Conservation Service (SCS). Montana RC&D areas have a strong partnership with SCS and the Montana Department of Natural Resources and Conservation (DNRC), each of which contributes resources to further the RC&D process.

Since the mid 1980s, Montana RC&Ds in partnership with the SCS and the Montana DNRC have been attempting to address the need for a sustained, coordinated, locally-led effort positioned to bring to bear all the needed resources on the problems facing rural Montana. This proposal requests RDGP funds to continue the local institutional development, utilizing the RC&D program to increase the radius of trust and a sense of control over destiny in rural Montana.

EXHIBIT 22
DATE 2-5-93
HB

Rather than attempting to create another rural economic development program or spend limited state and local funds on a handful of projects, the RC&D area in each region of Montana will position itself as a locally-led rural economic development vehicle that focuses its efforts through a regional rural economic development plan. The councils will not attempt to duplicate existing federal, state, and/or local programs, but will assist in the delivery of existing programs when requested to do so.

TECHNICAL ASSESSMENT (Prepared by DNRC)

The overall goal of this program is to establish the RC&D program as Montana's regional rural economic development delivery vehicle through local leadership, coordination, and technical assistance. Currently Montana has five established RC&D areas, with an additional area scheduled for start-up in the winter of 1994. Through a series of planning workshops, area RC&Ds and the Montana RC&D Association intend to develop area and statewide planning documents by July 1995.

The RC&D councils would provide assistance by establishing an area plan. Problems in the area would be assessed and prioritized. Broad goals and specific objectives would be set, and proper courses of action would be determined. Although each RC&D council has its own locally developed goals, the general aim of RC&D projects includes rural economic development, community improvement, natural resources improvement, forestry, recreation and tourism, water quantity and quality, and information and education.

The area plans would focus on identifying local needs, developing local solutions, and coordinating available resources. Regional plans with potential statewide impact would be developed by the RC&D Association. The plans would be followed by development of an estimated 35 projects statewide.

The creation of regional rural economic plans and a state plan is a worthy effort that would likely complement rather than duplicate similar activities being conducted by other agencies, including the Department of Commerce. RC&Ds are effective organizations for dealing with rural development issues.

FINANCIAL ASSESSMENT

The application lists the following RDGP budget categories and amounts:

Salaries and wages	$ 102,648
Employee benefits	$ 28,741
Contracted services	$ 112,611
Supplies and materials	$ 7,000
Communications	$ 14,000
Travel	$ 28,000
Miscellaneous	$ 7,000
TOTAL	$ 300,000

The budget is difficult to assess. First, the involvement of and need for seven half-time clerical/program assistants for two years ($131,389) at this juncture is not clear. It is possible that, given the regional/statewide focus of this program, a portion of the duties/responsibilities of these positions could be consolidated. This should be explored by the applicant. Also, if the clerical/program assistant positions are found to be largely clerical in nature, the possibility of hiring temporary, contracted clerical personnel should be likewise investigated. As the program matures, the need for and duties of these positions should become clearer.

Secondly, as stated by the applicant, contracted services for market and feasibility studies and workshops cannot be predicted with any degree of certainty until projects are identified. The figure of $112,611, however, appears low (38 percent of the grant), considering their importance to fulfilling the overall program goal. Assuming savings in salaries and wages, these areas should be given increased emphasis.

The cost of supplies and materials seems reasonable, as does the cost of communications. Travel costs are not documented ($4,000/RC&D x 7 = $28,000). Neither the number of council members nor trip details were provided to allow an accurate assessment of their inclusion.

In short, the budget needs more documentation on how costs were derived and need. The need for and detail of all costs must be thoroughly examined in the context of the success to date in defining, prioritizing, and implementing projects under the 1991 grant award ($170,000). This will likely occur during contract negotiations for this request.

ENVIRONMENTAL EVALUATION

Impacts to the environment cannot be assessed until actual plans are formulated. Site-specific analyses to include potential effects on the physical and human environments must be performed.

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PUBLIC BENEFITS ASSESSMENT

Benefits of this project include providing funding for regional organizations to assist local efforts aimed at saving and creating jobs, adding value to local resource commodities, building and maintaining infrastructure, and demonstrating new technologies. Some of the projects completed or underway through RC&Ds deal with business incubators, a government procurement program, reclamation, recycling, forestry, agricultural development, water quality, loan pools, marketing, weed control, and business development.

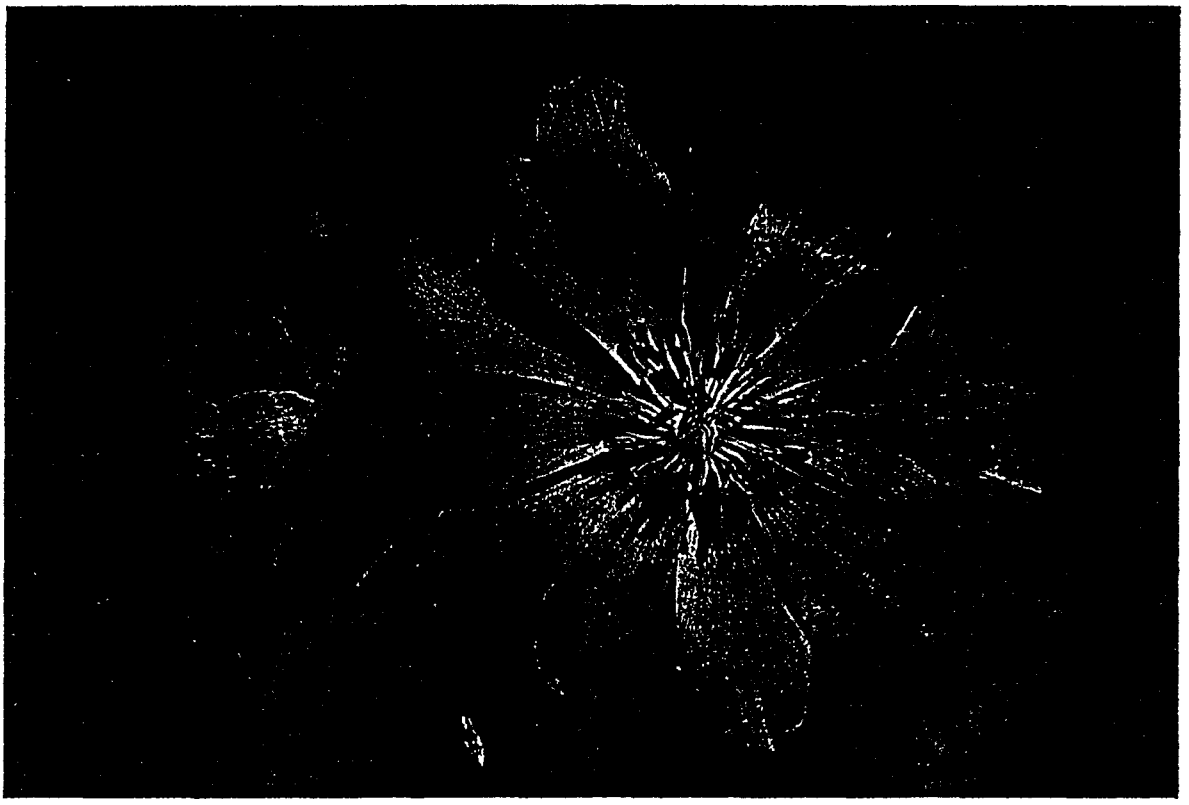
RECOMMENDATIONS

A grant of up to $300,000 is recommended for this project subject to the following contingencies.

1. DNRC must approve the project scope of work and budget.

2. The project sponsor must conduct a reexamination of project costs and priority elements/tasks in the context of the 1991 grant award, under which, at the time of this writing, projects are just commencing.

EXHIBIT 23
DATE 2-9-93
HB



MONTANA RC&D ASSOCIATION

1992 ANNUAL REPORT

EXHIBIT 24
DATE 2-9-93
HB

PUBLIC BENEFITS ASSESSMENT

The applicant lists the elimination of urban blight and deterioration within the central Butte subsidence area and associated neighborhoods as the most important public benefit. The likelihood of attaining this benefit as a result of this project, as proposed, seems small.

RECOMMENDATION

No funding is recommended for this project.

APPLICANT NAME : Crow Tribe

PROJECT/ACTIVITY NAME : Lodge Grass School--Coal Mine and Gravel Pit Reclamation

AMOUNT REQUESTED : $ 299,090

OTHER FUNDING SOURCES AND AMOUNTS :

None

TOTAL PROJECT COST : $ 299,090

PROJECT ABSTRACT (Prepared and submitted by applicant)

This project involves the reclamation of lands owned by Lodge Grass School District and located near the Lodge Grass Public School within the Town limits of Lodge Grass. A portion of the property (as well as adjacent private property) contains an abandoned gravel pit and abandoned underground coal mine identified as the Lodge Grass Mine. The coal mine was closed in 1921 and the mine openings sealed after the death of a miner and a local teenager. The extent of mine adits and drifts are unknown, but they are assumed to extend to, and possibly underneath, the Lodge Grass Public School building.

Located atop the underground mine is a gravel pit which has had excavations occurring since about 1930. Most of the gravel has been removed with no efforts to reclaim the pit.

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The mine adits are not identified and need to be located and mapped. Although subsidence is not currently a problem, future subsidence is imminent and could jeopardize existing structures. The ±5-acre surface disturbance needs to be regraded, with slopes stabilized and revegetated to eliminate environmental concerns. The mine adits need to be backfilled to prevent subsidence. A fence needs to be constructed to control access. The following project phases, objectives, and dates are desired.

Phase I : Construct a permanent chain link fence along the west side of the disturbed area, and provide a sidewalk and crosswalk with appropriate school signage. Complete in July and August 1993.

Phase II : Complete environmental assessment, exploratory drilling, and design plans and specifications of the reclamation area. Complete during August through October 1993.

Phase III : Complete reclamation work. Complete during the period from March 1994 through October 1994.

The coal mine and gravel pit are submitted under the "crucial state need" category due to the potential threat to public health and safety. There were two deaths prior to 1921 directly resulting from the mine area. On April 30, 1992, another nearly fatal accident occurred as an indirect result of the area. The problem arises from the daily occurrence of school children playing in the gravel pit and mine area. Children dart back and forth across a busy highway going to and from the adjacent school and housing area. The highway is congested with automobiles traveling at excessive speeds. A blind hill causes poor sight distance. Eight traffic accidents in the vicinity have occurred since December 1989, resulting in two injuries.

TECHNICAL ASSESSMENT (Prepared by DNRC)

The applicant's argument for the proposed design is not convincing. Discussion is needed that includes analysis and comparison of alternatives other than the one proposed. A preferred approach would be for the tribe to re-examine the need for intensive labor of the scale proposed, the unit prices of heavy equipment usage on this type of project, and the need for, design of, and costs of the proposed drilling program. The scale and complexity of the proposed work appear out of balance with the funding request, resulting in reviewer concern with project cost-effectiveness.

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FINANCIAL ASSESSMENT

The proposal lacks sufficient technical detail to assess the implementation plan adequately.

For instance, additional detail is necessary to evaluate the Phase I fencing, sidewalk, and school safety signage. It is not clear why roughly 1,070 man-hours (Crow Tribe) would be needed to construct a 1,000-foot fence and 40-cubic-yard sidewalk. This phase would also include two vehicles for 30 days travel at a cost of $1,080, which is excessive. No alternatives are discussed.

Phase II, would include $53,110 for an exploratory drilling program to locate purported underground mine voids. A previous OSM drilling program is briefly mentioned and would assist in evaluating the need for the proposed drilling, noting any conclusions or recommendations for follow-up work. Because this phase would mostly be done by contracted services, the need for 430 hours (salaries and wages Crow Tribe) is unclear. No alternatives are discussed.

Phase III would consist of regrading, revegetating, and fencing and include 27 Crow Tribe laborers' salaries and benefits ($125,077.05), inspection ($12,133), travel ($3,960), supplies ($3,651), rent ($3,080), and bulldozer work ($52,500). This work could be done by heavy equipment at considerably less cost.

Based on the labor, material, and equipment costs of similar projects conducted by the Department of State Lands, DNRC, Department of Health and Environmental Sciences, and others, it is hard to justify the project's expense. The amount of RDG funds requested does not seem warranted for the level of work proposed.

ENVIRONMENTAL EVALUATION

The proposed project would have short-term impacts on the environment, primarily those associated with noise, dust, and emissions from heavy equipment operation. No other adverse impact is predicted on the air, soil, water, or vegetative resources. There may be some disruption of local traffic patterns during construction. No long-term adverse impacts are foreseen. Some uncertainty exists over the extent of underground adits and the potential they have for subsiding. A cultural inventory is planned by the tribe, as well as an environmental assessment before work commences.

EXHIBIT 24
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HB

PUBLIC BENEFITS ASSESSMENT

The primary benefits associated with this project would be the elimination of a potential safety hazard by fencing and grading of the site and the injection of dollars into the distressed local economy.

RECOMMENDATION

No funding is recommended for this project.

APPLICANT NAME : Gallatin County Road and Bridge Department

PROJECT/ACTIVITY NAME : West Gallatin River--Flood Control

AMOUNT REQUESTED : $ 300,000

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor $ 24,360

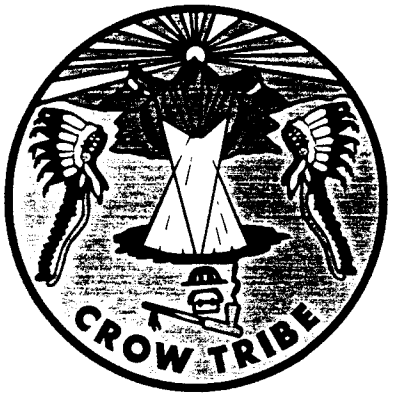
TOTAL PROJECT COST : $ 324,360

PROJECT ABSTRACT (Prepared and submitted by applicant)

This twofold plan consists of (1) conducting a comprehensive engineering study of the West Gallatin River (in Gallatin County) to determine the best design criteria whereby a "stable" channel flow may be attained, and (2) thereafter prioritizing and implementing the proposed construction plans. The result of this long-term plan will be correction and maintenance of many areas along the river that in the past have been repeatedly subject to flooding and have the potential to seriously endanger public and private roads, bridges, agricultural lands, private homes, and human life.

The "action plan" encompasses 45.2 miles of the West Gallatin River, which over the last 20 years has undergone drastic westerly channel alterations. The last floodplain study of the river was conducted in 1972. Presently, there are 124 permanent homes in this study area. The land use is agricultural, divided as follows: 75 percent - pasture ground, and 25 percent cultivated ground. Twelve major and several small canals have their headgates in this area, and each has the potential of becoming a tributary to the West Gallatin if a high discharge situation were to occur. Overflow channels along the West

EXHIBIT 25
DATE 2-9-93
~~HB~~



Crow Country

CROW TRIBAL COUNCIL

CROW TRIBE OF INDIANS
P.O. BOX 460
CROW AGENCY, MONTANA 59022

February 9, 1993

Montana Department of Natural
Resource and Conservation
1520 East Sixth Avenue
Helena, Montana 59620-2301

Re: Crow Tribe of Indians Application for a Reclamation and Development Grant - Lodge Grass School Coal Mine and Gravel Pit Reclamation Project

Gentlemen,

My name is Kenneth, spotted Reclamation Specialist for the Crow Tribe of Indians at Crow Agency, Montana. I am here today representing the Crow Tribe of Indians in conjunction with the Lodge Grass School Coal Mine and Gravel Pit Reclamation Project.

Please understand that the title of this project is somewhat misleading. Although an abandoned coal mine and gravel pit exists, the purpose of this project is to protect school children and other Lodge Grass, Montana residents from present safety problems exist. A paved county road which is adjacent to Lodge Grass Public School poses a high hazard for school children walking to and from the school and for children playing in the vacant lots across from the school.

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There have been traffic fatalities as a result of poor site distance and the fact that school children dart back and fourth across the road from the site.

This project would provide a minimum level of roadside improvements, such that access onto the pavement would be restricted to a crosswalk. Additionally, site grading would discourage the present playground impact which currently exists.

The Crow Tribe of Indians continues attempts to obtain Abandoned Mine Land funds for this project, however, previous attempts have been rejected. It is our hope to accelerate the completion of this project before additional traffic fatalities occur.

Thank you for your consideration of this Lodge Grass School Coal Mine reclamation project.

Sincerely,

Kenneth Spotted

Kenneth Spotted
Crow Tribe of Indians
P.O. Box 460
Crow Agency, Montana 59022
406-637-2894

remainder of streams affected are left to be treated on a voluntary basis. In some instances BMPs may qualify for federal cost-share programs such as USDA Great Plains Contracts. However, in some cases BMPs must be entirely paid for by the landowners. Any widespread effect on water quality will depend on the success of the demonstration projects and efforts of the conservation districts, Water Quality Bureau, and DNRC in convincing landowners to install or implement best management practices. The likelihood of the voluntary implementation of these practices could be explored through polls, questionnaires, interviews with landowners, research of existing information, and public forums.

RECOMMENDATION

A grant of up to $300,000 is recommended for this project, contingent upon DNRC approval of the project scope of work and budget.

APPLICANT NAME : Montana Bureau of Mines and Geology (MBMG)

PROJECT/ACTIVITY NAME : Acid Mine Drainage Prevention, Control, and Treatment Technology Development for the Stockett/Sand Coulee Area

AMOUNT REQUESTED : $ 297,245

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 101,638
Department of State Lands	$ 28,429

TOTAL PROJECT COST : $ 427,312

PROJECT ABSTRACT (Prepared and submitted by applicant)

Millions of dollars have been spent trying to remediate acid mine drainage in the Stockett/Sand Coulee coal field a few miles south of Great Falls. To date, the techniques used have focused on managing and containing mine waters, rather than designing technologies that would prevent acid mine drainage. Consequently, acidic drainage from abandoned underground coal mines continues to degrade surface water and groundwater resources in the area. Possible prevention techniques must be evaluated and documented to ensure that future control and remediation are effective and efficient.

The drainage from mines in the Stockett/Sand Coulee area has pH values between 2 and 3. While the total volume of acid drainage is not known, it is estimated to exceed 600 acre-feet per year (nearly 400 gallons per minute), based on data gathered at several sites during 1983 through 1985. Most of the alluvial aquifers in Sand Coulee and Stockett creeks have been contaminated by acid mine drainage. In a Montana Bureau of Mines and Geology (MBMG) project, nearly 50 percent of the private bedrock wells that were tested (7 out of 16 wells) showed some degree of acid mine drainage contamination (Osborne et al. 1987). Neither the acidity of the discharge nor the quantity of the discharge will decrease naturally in the foreseeable future. The Abandoned Mine Reclamation Bureau of the Department of State Lands has replaced private wells with public water supply systems in several communities. Wells have been drilled to the Madison Limestone for replacement water, and in every case the government expenses have been significant.

Elimination of acid mine drainage is based on the successful implementation of one or more of the following three approaches:

1. INTERCEPTION of recharge to the acid-producing area
2. CONTROL of the acid-producing reactions
3. TREATMENT of the acidic discharge

Interception and control techniques must be designed for specific settings, based on a thorough understanding of the local hydrologic system. A technique or combination of techniques for the Stockett/Sand Coulee area, as in the other areas of acid mine drainage, must be developed that will drastically reduce or eliminate the acid drainage. Techniques must be designed that last for a very long time and that are not prohibitively expensive.

The feasibility of all possible techniques for interception, control, or treatment of acid mine drainage will be evaluated to some degree. The most appropriate and promising treatments will be implemented and documented at one mine, the Number 6 mine, also called the Cottonwood Creek mine. Techniques that will be evaluated include (1) installation of horizontal and vertical drainage wells to intercept and reduce recharge to the mine, (2) injection of bactericide to control sulfide-oxidizing bacteria, (3) injection of rock phosphates to neutralize acid and isolate ferric ions, (4) injection of alkaline material to neutralize acidity, (5) installation of weeping wells to allow acidic mine water to move into the highly buffering Madison Limestone, and (6) construction of wetlands areas to receive the acid mine drainage flow, thus buffering and treating the water. The emphasis of the project will be on techniques that reduce the flow and the acidity of the mine drainage. Weeping wells and drainage wells will be evaluated, but not implemented during this project. All evaluations will include protection of existing water rights (both quality and quantity).

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TECHNICAL ASSESSMENT (Prepared by DNRC)

The problem of acid mine drainage (AMD) in the Stockett/Sand Coulee area is well documented. A number of past attempts by the Department of State Lands (DSL) to remediate the problem--e.g., wetlands, mine sealing, vegetative measures, etc.--have been unsuccessful. The applicant argues that a thorough understanding of the vicinity's hydrogeological system is necessary to increase the chances for success. DNRC agrees with this stated study emphasis and supports a detailed investigation of the mine hydrology and local hydrogeologic system.

Considerably less clear, however, is what work would actually be implemented at the site, given a particular set of hydrogeological results. Apparently the applicant feels that two AMD preventive technologies--i.e., bactericide injection and phosphate injection--show particular promise. Why these two technologies were singled out, over a host of other preventive AMD technologies, is not clear. It appears, however, that these technologies have been possible candidates for site remediation by DSL for several years. DSL's technology screening and selection methodology is not mentioned.

The applicant further considers evaluating (1) the possibility of treating the AMD by alkaline injection, (2) the potential of vermiculite and zeolite injections, and (3) installation of weeping wells to drain acid water to the buffering Madison Limestone aquifer. Specifics as to why each of these treatment technologies was selected over other possible alternatives are not well documented. Simply funding these options at this stage, without increased specificity as to why they are incorporated into the study, seems premature, particularly given the acknowledged importance of the hydrogeological assessment in designing effective control and treatment measures.

This is not to imply that the study is without merit. The applicant has identified and will attempt to define solutions to an extremely adverse situation in the Stockett/Sand Coulee area.

It is DNRC's opinion that the situation demands the full resources of an interdisciplinary team composed of representatives from MSU, DSL, MBMG, Montana Tech, WASTEC of Butte, OSM, USBM, DHES, and EPA. In 1991, DNRC recommended and the legislature approved start-up funds for WASTEC. The screening, identification, and implementation of projects combating AMD is a major priority of WASTEC. The knowledge and experience of WASTEC, affiliated staff and researchers, and regulatory/funding agencies committed to funding cost-effective solutions to AMD in Montana cannot be ignored.

As stated in the recommendation below, DNRC is recommending that this project be co-sponsored by the WASTEC program. Because of the requirement of a WASTEC funding match of 50 percent, MBMG would have to coordinate its efforts with WASTEC efforts. This would reduce the potential for duplication and, if full funding is provided, should lead to the greatest benefit to the site.

FINANCIAL ASSESSMENT

The budget is difficult to assess. An integral part of assessing its reasonableness involves defining in precise terms what work/activities will be accomplished, associated cost, and necessity. Each of these three areas presents definite concerns. For example, a majority of projects costs (salaries, contracted services, materials, equipment, travel) would be directly tied to the investigative aspect of the study; yet, until analysis of the hydrogeological investigation is complete there is lessened confidence that the technologies proposed will be selected for evaluation and implementation. Other alternatives may be more feasible, both technically and financially, resulting in lower overall cost.

Considerable federal money has been expended addressing the Stockett/Sand Coulee AMD problem with very limited benefit. It would appear prudent to draw on these experiences and develop viable alternatives based on previous and current research, hydrogeological results gained here, and a wide array of professional AMD experience. An excellent forum for technology selection and implementation would be through the WASTEC program in Butte. Subjecting this project to the rigorous selection and evaluation criteria of WASTEC would increase its likelihood of success.

ENVIRONMENTAL EVALUATION

The proposal fails to emphasize safety controls to prevent the bactericide from entering surface waters. An event such as this would kill animal forms such as fish and insects, and the potential adverse impacts should be addressed. The release of acidic water during hydrologic assessment (well tests) also was not discussed. How any pumped water would be disposed of should be identified in the scope of work submitted in the contract.

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PUBLIC BENEFITS ASSESSMENT

There is an immediate need and urgency to develop and implement successful control and treatment technologies for acid mine drainage. Success here would probably be applicable to other mines in the area, and possibly statewide. Federal funds are available to apply proven technology to other mines in the Great Falls-Lewistown Coal Field.

Acid mine drainage has been occurring in the area for many years, progressively increasing the impact to area groundwater. As the damage extends outward, beneficial uses of uncontaminated water are lost, and more people have to seek alternative domestic water sources. The impact is significant on both the human and physical environment.

This project envisions development of technology to lessen the severity of AMD. If successful, this technology would reduce unacceptable environmental damage, help improve public resources, help prevent property damage, and help protect public health, safety, and welfare. All Montanans would benefit from a successful project.

RECOMMENDATIONS

A grant of up to $148,623 (one-half the requested amount) is recommended for this project, subject to the following contingencies.

1. DNRC must approve the project scope of work and budget.

2. RDGP funds must be matched on at least a 1:1 basis from EPA's Mine Waste Pilot Program in Butte.

3. This state (RDGP) match is valid until June 30, 1995.

EXHIBIT 27
DATE 2-9-93
HB

MONTANA BUREAU OF MINES AND GEOLOGY

EMC-Campus Box 112
1500 North 30th Street
Billings, Montana 59101

February 9, 1993

This package pertains to the Reclamation and Development Grant Program project titled "Acid-Mine Drainage Prevention, Control, and Treatment Technology Development for the Stockett/Sand Coulee area." The attached pages consist of: 1) an executive summary; 2) a replacement budget section; and 3) a letter of support from the U. S. Bureau of Mines. The replacement budget section is based on the funding level of $148,623, as recommended by the Department of Natural Resources and Conservation.

John Wheaton
Hydrogeologist

EXHIBIT 27
DATE 2-9-93
HB

ACID-MINE DRAINAGE PREVENTION, CONTROL, AND TREATMENT TECHNOLOGY DEVELOPMENT FOR THE STOCKETT/SAND COULEE AREA

Executive Summary

submitted by
the Montana Bureau of Mines and Geology
with cooperation from
The Department of State Lands

Extremely acidic water is continually discharging from abandoned coal mines in the Stockett/Sand Coulee area, near Great Falls at an estimated rate of greater than 600 acre-feet per year (about 350 to 400 gallons per minute). Due to its extreme acidity, this water is unusable and it is contaminating other water supplies. Most of the local alluvial aquifers have already been contaminated, and nearly 50 per cent of the private wells that were tested during the mid-1980's showed some degree of contamination. Significant government money has been spent replacing water supplies due to the magnitude of this problem.

This waste of a valuable resource can be brought under control, but only by developing techniques that will prevent the formation and control the discharge of the acidic water. The discharge will not naturally decrease in the foreseeable future. Through the implementation of this proposal to the Reclamation Development and Grants Program, the correct techniques for the prevention and control of the acid-mine drainage can be identified and developed. Then, with the correct techniques identified, federal money from the Office of Surface Mining Reclamation and Enforcement can be brought into Montana to implement the remediation.

The first step in solving this problem is to develop a thorough understanding of the hydrogeologic setting and the geochemical reactions that are controlling the formation of the acid-mine drainage. This proposed project is designed to do just that. Through this project, the geologic, hydrologic and chemical factors that control the production of the acid-mine drainage, and the location of these reactions, will be identified. Once the hydrogeological mechanisms that generate and control the rate of generation of acid-mine drainage are identified, then the potential treatment techniques can be evaluated. Possible treatment techniques will be modeled, and the affects determined. Several of the techniques that will be evaluated for future implementation are shown graphically on the backside of this page.

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~~HB~~

Section P Budget

The total budget is estimated at $ 210,845, for the three year duration of the project. This includes $ 48,007 in matching funds provided by MBMG, $14,215 from outside sources, and $148,623 in requested RDGP grant funds.

Personnel costs are based on projected 1994 salaries. Benefits are figured at 33 percent of salary, except for students. Students benefits are figured at 10%. Two research hydrologists are budgeted to work a total of 15 months on the project at $2,900 per month. A research aid is budgeted for 2 months at $1,600 per month. The reclamation supervisor from DSL is budget for 2.25 months per year at $2,375 per month with salary and benefits paid by DSL as a contribution to the project. The senior hydrogeologist is budgeted for 1.5 months at $4,100 per month. Student research assistants will be employed during the project, and are budgeted for a total of 735 hours at a wage rate of $6.50 per hour.

Contracted services include drilling and coring services. Times and estimated costs are based on recent contracts and bids between the MBMG and drillers. Drilling and coring times are estimated on past experience. A total of 210 hours of drilling and coring time is budgeted at $121.50 per hour. Non-drilling rig time, which includes setting casing and pumping annular seals, is budgeted for 30 hours at an estimated rate of $ 90 per hour. Mobilization is budgeted at $1.80 per mile for 200 miles. Analytical services include 40 major and trace ion analyses of water quality samples at $175 each, 20 bacteria analyses of water quality samples at $25 each, and 90 acid/base accounting analyses of core material at $25 each. Map and report copying and final report publication costs are budgeted at $5,500.

Total supplies and materials costs are budgeted at $ 8,804. Well installation and drilling supplies includes 3,500 feet of 4 inch, schedule 40, PVC casing at $1.25 per foot, 525 feet of perforated PVC casing at $3.00 per foot, bentonite material for annular seals at a total of $1,770, plus neoprene packers, well covers and core boxes estimated at an additional $889. Water sampling and tracer are estimated at $500. No treatment materials are included in this reduced budget. Unforeseen field supply expenses are estimated at $400. Office supplies are estimated at $1,100 per year for three years.

Communications expenses are budgeted at a total of $1,200. Telephone expenses are estimated at $900 per year, and postage costs are estimated at $300 per year.

Travel costs are budgeted for a total of $ 6,330 for the project. Mileage is estimated at $0.28 per mile for administrative and light duty vehicles, and at $0.38 per mile for pick-up trucks. Travel is estimated at 8 round trips between Billings and Great Falls for administrative vehicles and 12 round trips for pick-up trucks. Estimated mileage per trip is 500 miles. Additional daily

EXHIBIT 27
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BUDGET DETAIL SHEET

CATEGORY	RDGP	APPLICANT CONTRIBUTION	OUTSIDE SOURCES	TOTAL
1. SALARIES AND WAGES				
Hydrogeologist	42,962			42,962
Research Aide	3,200			3,200
Reclamation Supervisor			10,688	10,688
Senior Hydrogeologist (MBMG)		6,150		6,150
Student Assistant (MBMG)	4,780			4,780
TOTAL SALARIES AND WAGES	50,942	6,150	10,688	67,780
2. FRINGE BENEFITS				
33% MBMG Salaries except 10% for student assistant	15,714	2,030	3,527	21,271
TOTAL FRINGE BENEFITS	15,714	2,030	3,527	21,272
3. CONTRACTED SERVICES				
Drilling and mobilization	28,575			28,575
Analytical Service	9,750			9,750
Report and Reproduction Costs	5,500			5,500
10% Contingency	4,383			4,383
TOTAL CONTRACTED SERVICES	48,208			42,208

EXHIBIT 2
DATE 2-9-93
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BUDGET DETAIL SHEET (continued)

CATEGORY	RDGP	APPLICANT CONTRIBUTION	OUTSIDE SOURCES	TOTAL
4. SUPPLIES AND MATERIALS				
Well and drilling materials	6,804			6,804
Water Sampling materials	500			500
Office Supplies	1,100			1,100
Other field supplies	400			400
Testing materials	- 0 -			- 0 -
TOTAL SUPPLIES AND MATERIALS	8,804			8,804
5. COMMUNICATIONS				
Telephone	900			900
Postage	300			300
TOTAL COMMUNICATIONS	1,200			1,200
6. TRAVEL				
Mileage	3,380			3,380
Per Diem	2,550			2,550
Conferences	400			400
TOTAL TRAVEL	6,330			6,330
7. RENT AND UTILITIES				
Office rental		3,906		3,906
Warehouse	390			390
Computers	1,080			1,080
Equipment Rental	5,520			5,520
TOTAL RENT AND UTILITIES	6,990	3,906		10,896

EXHIBIT 27
DATE 2-9-93

BUDGET DETAIL SHEET (continued)

CATEGORY	RDGP	APPLICANT CONTRIBUTION	OUTSIDE SOURCES	TOTAL
8. EQUIPMENT				
Monitoring	1,000			1,000
Injection equipment	-0-			-0-
Testing equipment	800			800
Drilling equipment	1,000			1,000
Flume	350			350
Equipment repairs	900			900
Field equipment	1,359			1,359
TOTAL EQUIPMENT	5,409			5,409
9. MISCELLANEOUS				
MCMST Overhead (48% of Salaries & Benefits		35,921		35,921
3.5 % Contingency	5,026			5,026
TOTAL MISCELLANEOUS	5,026	35,921		40,947

EXHIBIT 27
DATE 2-9-93

PROJECT BUDGET SUMMARY SHEET

	RDGP COST TOTAL (FROM BUDGET DETAIL SHEETS)	APPLICANT CONTRIBUTION	OUTSIDE SOURCES	TOTAL
W GES	$ 50,942	$ 6,150	$10,688	$ 67,780
E EFITS	$ 15,714	$ 2,030	$ 3,527	$ 21,271
ERVICES	$ 48,208			$ 48,208
IA S	$ 8,804			$ 8,804
I NS	$ 1,200			$ 1,200
	$ 6,330			$ 6,330
I TIES	$ 6,990	$ 3,906		$ 10,896
	$ 5,409			$ 5,409
OUS	$ 5,026	$35,921		$ 40,947
	$148,623	$48,007	$14,215	$210,845

EXHIBIT 27
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EXHIBIT 28
DATE 2-9-93
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APPLICANT NAME : Montana Department of Natural Resources and Conservation/Water Management Bureau

PROJECT/ACTIVITY NAME : Arsenic Transport and Mobility in Surface Water, Irrigated Soils, and Shallow Groundwater of the Upper Missouri River Basin

AMOUNT REQUESTED : $ 229,989

OTHER FUNDING SOURCES AND AMOUNTS :

Project Sponsor	$ 38,333
Montana State University	$ 89,387
U.S. Bureau of Reclamation	$ 220,500
U.S. Geological Survey	$ 158,325

TOTAL PROJECT COST : $ 736,534

PROJECT ABSTRACT (Prepared and submitted by applicant)

Water of the Madison and upper Missouri rivers has elevated concentrations of arsenic that frequently exceed the federal drinking water standard of 50 micrograms/liter. In the Madison drainage, long-term irrigation with river water having arsenic concentrations in the 50- to 80-microgram range has resulted in a two- to three-fold increase in shallow groundwater arsenic concentrations. In order to minimize public health risks, there is a need to evaluate the occurrence, mobility, and transport of arsenic in existing irrigated soils and shallow groundwater of the Madison and Missouri River basins.

Recently, the Montana Department of Health and Environmental Sciences (DHES) adopted ambient surface-water standards for arsenic that prevent any new irrigation in Montana where consumptive use of water will increase concentrations of arsenic in surface water or groundwater. The Board of Natural Resources and Conservation conditioned Missouri River water reservations such that an applicant must demonstrate that the project will not violate Montana water quality standards or other applicable laws. Resource managers (including DNRC, USBR, and DHES) need the ability to predict effects that changes in land and water management will have on arsenic transport and mobility in surface water, irrigated soils, and shallow groundwater of the upper Missouri River basin.

EXHIBIT 28
DATE 2-5-93

The goals of this project are to:

1. Measure existing concentrations of arsenic in shallow groundwater and soil profiles or representative irrigated fields and evaluate factors controlling arsenic mobility and distribution (in the Madison drainage and Missouri drainage between Townsend and Three Forks) (PHASE I)
2. Collect field data to develop and test empirical and theoretical models of arsenic mass balance in irrigated soil profiles and fields and predict the short-term (first 5 years) and long-term (>30 years) mobility and transport rates of arsenic supplied by irrigation water (PHASE II)
3. Collect surface-water quality data to calibrate and verify an arsenic transport model for the upper Missouri River basin above Canyon Ferry and evaluate the effects land and water management options may have on arsenic concentrations in the Madison and Missouri rivers (PHASE III)

This project will be conducted as a cooperative effort of the U.S. Bureau of Reclamation (USBR), Department of Natural Resources and Conservation (DNRC), Montana State University (MSU), and U.S. Geological Survey (USGS). In Phase I, a reconnaissance-level, soil and shallow groundwater sampling investigation will be conducted by USBR to provide a preliminary evaluation of factors (land use, geology, soil type) controlling arsenic mobility in existing irrigated soils of the Madison and Missouri River drainages. A more intensive investigation of soil chemical and physical processes controlling arsenic transport and mobility and measurement of the arsenic budget (mass balance) of representative irrigated fields will be conducted by MSU and USGS in Phase II. In Phase III, surface-water quality data pertinent to arsenic transport will be collected by USGS at nine stations on the Madison/Missouri mainstem over an 18-month period, and this information will be used by DNRC and USBR to calibrate and verify an arsenic transport model. Several scenarios representing alternative water allocations and management will be developed and effects on arsenic concentrations in surface water and municipal water supplies will be modeled.

Results of the project will benefit all water users in the upper Missouri basin. Domestic water users who rely on groundwater supplies will benefit from knowledge of existing arsenic contamination problems. In addition, it may be possible, depending upon management goals, to minimize further contributions of arsenic from existing contaminated soils and groundwater through development of alternative irrigation-water management strategies. Given the strong likelihood of a more stringent arsenic drinking water standard and the associated treatment costs, municipalities will benefit from an evaluation of arsenic in existing and anticipated future water supplies. A more complete understanding of the upper Missouri basin arsenic cycle will enhance the ability of state and federal agencies to evaluate and manage public health risks resulting from exposure to arsenic.

EXHIBIT 28
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TECHNICAL ASSESSMENT (Prepared by DNRC)

The major goal of this proposal is to evaluate the occurrence, mobility, and transport of arsenic in existing irrigated soils and shallow groundwater of the Madison and Missouri River basins. Arsenic concentrations are above current state and federal water quality standards in both river systems. This poses both a human health risk and an environmental problem. An understanding of arsenic transport would help land and water managers reduce or prevent environmental degradation from increased arsenic concentrations in groundwater and protect human health and safety by controlling arsenic concentrations in domestic and municipal water supplies.

Reviewer support for this proposal was mixed, with discussion focusing on the modeling approach proposed. This project would produce an abundance of data that then must be generalized and simplified in order to produce the model. Given that arsenic adsorption isotherms can vary radically within a single field, choosing "representative" sample sites and soil profiles may be extremely difficult. The applicability of these results to other fields and aquifers is questionable.

The competing role of phosphate is mentioned as a controlling factor in arsenic transport, but the model does not address past fertilizing history. The application also does not mention past pesticide use, although many pesticides contain arsenic. It is not clear that total recoverable arsenic will be analyzed in the groundwater and soil solution extracts. The proposal discusses irrigation but does not clarify the exact nature of the irrigation. Watering thoroughly and infrequently, instead of often and lightly, may create oxygen deficient conditions that, in turn, influence arsenic mobility. Fluctuating water tables also influence the fundamental factors (pH, redox, and competing ions) that control arsenic mobility. An emphasis on these fundamental factors would simplify this study.

The model would address arsenic transport in the Madison River basin and the Missouri River basin above Canyon Ferry. It would not address arsenic in the Missouri below Canyon Ferry. It is likely that more work would need to be done to address arsenic transport below Canyon Ferry.

EXHIBIT 28
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FINANCIAL ASSESSMENT

Project costs to be covered by the RDGP grant are broken down by phase as follows:

PHASE I	-0-
PHASE II	$ 163,443
PHASE III	$ 66,546
TOTAL	$ 229,989

The budget is well documented and clear. For the level of work being proposed, it appears to be reasonable. Non-RDGP funds provide nearly 69 percent of the total project cost.

ENVIRONMENTAL EVALUATION

The project potentially would indirectly have a major beneficial impact on water quality in the upper Missouri River basin by allowing reliable evaluation of the effects of land and water management alternatives on arsenic concentrations. In turn, this could potentially have major positive effects on health and human safety. With the exception of minor, short-term disturbances that are associated with data collection (for example, well installation, and soil sampling), there would not be an adverse impact on the environment from this project.

PUBLIC BENEFITS ASSESSMENT

An increased understanding of arsenic transport would help water managers reduce damage to public resources and protect the public health, safety, and welfare. Most Montanans would benefit from this knowledge because high arsenic concentrations affect water quality in a large portion of Montana. This knowledge may help to reduce damage to agricultural lands.

Project benefits are not certain because of the modeling difficulties presented by soil and water variability. A successful model would have long-term benefits.

There is an urgent need to develop management plans for arsenic based on a thorough understanding of its mobility and transport characteristics because of the existing federal and state water quality standards. A large area of Montana is affected by this problem, as well as a large portion of the population.

RECOMMENDATION

A grant of up to $50,000 is recommended for this project contingent on DNRC approval of the project scope of work and budget. Funds shall be used to collect and analyze additional water quality data for water quality model calibration and verification.

EXHIBIT 27
DATE 2-9-93
HB

ARSENIC TRANSPORT AND MOBILITY IN SURFACE WATER, IRRIGATED SOILS, AND SHALLOW GROUNDWATER OF THE UPPER MISSOURI RIVER BASIN

Project Sponsor: Water Management Bureau, DNRC
Contact: Chuck Dalby 444-6644

Project Goals:
Water of the upper Missouri/Madison river system frequently exceeds state and federal standards for arsenic. This poses public health risks and limits future development of water resources--arsenic standards appear to close the basin to further irrigation development. Accordingly the department, in cooperation with U.S. Bureau of Reclamation, U.S.Geological Survey, and Montana State University developed this cost-share proposal which has three goals:

1. Inventory existing arsenic concentrations in shallow groundwater and irrigated soils of the upper Missouri basin.

2. Develop predictive models of arsenic movement in irrigated fields that can be used to predict effects of proposed new irrigation on arsenic concentrations (will it violate arsenic standards or not?)

3. Collect new water-quality data and develop an arsenic management model. The model can be used to evaluate effects of land and water management options on arsenic concentrations in surface water.

This 1992 proposal asked for about $230,000 in grant money and includes about $500,000 of funds from outside sources (USBR,USGS,MSU).

Relationship to 1990 RDGP Arsenic Proposal:
In 1990 we submitted a similar proposal for consideration by RDGP. The project ranked near the funding limit and it appeared that it would not be funded this biennium. We decided to try again and submitted the modified 1992 proposal. It now appears that we will receive the $180,000 requested by the initial 1990 proposal.

The two projects have similar goals, however the '92 project has an expanded scope and would cost about $50,000 more. Because the 1992 proposal is more up to date, we plan to use its scope of work as a guide for contracting. As a result, DNRC recommended a grant of up to $50,000 for the 1992 proposal.

If we don't receive the $50,000, we will be able conduct the investigation but will have to sacrifice a similar amount of matching funds. In addition project results will have less widespread applicability, due to the reduced level of data collection. We don't want to appear greedy, but we could put the money to good use.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Long Range Planning SUBCOMMITTEE DATE 2/9/93

DEPARTMENT(S) DNRC, DMA, DCHS DIVISION

PLEASE PRINT **PLEASE PRINT**

NAME	REPRESENTING	
Beatrice Foster	HD 38	for VA Hospitals
Ralph DeCunzo	A E D N.	
Mick Gamble	DCHS	
Robert W Anderson	DCHS	
Shula Stearns	UM	
JOHN E. PRENDERGAST	DEPT OF MILITARY AFFAIRS	
HARLEY WARNER	ASSOC. OF CHURCHES	
Betty Brucki-Mann	SD 12	for VA NM
Willie Day	Eastern Mt. Coalition	for VA NM
CHERYL HUMANN	A & E DIVISION	
JOHN HUTCHINSON	CHE	
Tom JOHNSON	Montana Salinity Control Assoc. (MSCA) Glacier Co Cons. Dist.	
Ron Long	MSCA Highwood Alkali Assn.	
Chris E. Boxwell	MSCA Great Beacon MT	
Jo Boxwell	Cut Bank, Mt. MSCA	
Dale L. Tail	Bullhead Water Qual Ass MSCA	
Michael Habets	MSCA Bullhead Water Quality Assoc.	
Dan Hybner	MSCA Hill County Conservation District	

RDGP

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

RDGP

HB 7

Long Range Planning COMMITTEE BILL NO. ______

DATE 2/9/93 SPONSOR(S) ______

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Bernard Harrington	Town of Walkerville	X	
Kelly Sullivan	Town of Walkerville	X	
Dan Powers	Town of Walkerville	X	
Marci Kerner	Walkerville Butte-Silver Bow	X	
Kenneth Spotted	CROW TRIBE OF INDIANS	X	
James Patrick	Walkerville Butte Silver Bow	X	
Stephne Jennings	CDM/Federal for EPA	X	
SARA WEINSTOCK	US EPA, Walkerville	X	
TIM POWERS	TOWN OF WALKERVILLE	X	
[illegible signature]	State Rep Dist 68		
[illegible signature]	" " Dist 71		
[illegible signature]	Mt. Assoc. of Cons. Dist.	X	
Scott Brown	Montana Salinity Control Assoc.		

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Long Range Planning

HOUSE OF REPRESENTATIVES
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____ COMMITTEE BILL NO. HB 7

DATE 2/9/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
John Ries	Town of Walkerville	X	
Bernie HARRington Mayor	Town of Walkerville	X	
MARCI KERNER	Butte/Silver Bow Walkerville	X	
SARA WEINSTOCK	U.S. Environmental Protection Agency Walkerville	X	
Sandy Stash	ARCO, Walkerville	X	
TD Lynch	SD 35, Walkerville	X	
Ed Erskine	Blaine Co Cons Dist, MSCA	X	
Loyd Berry	Hardin, area CD, MSCA	X	
Lee Lane	MSCA, Yellowstone C.D.	X	
Michael J Kropke	Glacier County Conservation Dist	X	
Kate Miller	MBMG, Glacier C.D.	V	

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Long Range Planning COMMITTEE BILL NO. HB7

DATE 2/9/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
HELENA, MT LOWELL HANSON	TOOLE CO. COMM.	✓	
Jess Wilson Box 365 Columbus, Mt.	Towns of Columbus & Joliet Oil Recycling	✓	
MARTHA L. HAVERKAMP Box 394 Joliet, Mt 59041	Towns of Columbus & Joliet Oil Recycling	✓	
KENNETH L. FIREBAUGH Box 311 RED LODGE MT 59068	Carbon Conservation District Beartooth R.C.&D. RED LODGE	✓	
Sue M. Olson Roundup Mt 59072	State R.C.&D. Assoc. Carbon Conservation Dist. grant	✓	
Judith Gilbert	State R C & D Assoc. (Carbon C.D)	✓	
John W. Hendrickson	MT Bureau of Mines and Geology	✓	
Gary Amestoy	Dept of State Lands	MBMG Ag & Min Diamond Support	
Chuck Daly	DNRC Water Mgmt	DNEC Arsenic project	

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Long Range Planning COMMITTEE BILL NO. HB 7

DATE 2/9/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Kenneth Spotted	Crow Tribe		

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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

RDGP

Long Range Planning COMMITTEE BILL NO. ~~SB 93~~

DATE 2/9/93 SPONSOR(S) _____

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Mel Daff	Water Dist #5	✓	
Kate Miller	MBMG, Glacier Co. CD	✓	
Ben Bradley	GCCD, Glacier Co. CD	✓	
Glenis Mason	Glacier Co. Cons Dist	✓	
ALVIN D. BOXWELL	" "	✓	
Jo Boxwell	" " " "	✓	
Michael J. Koepke	" " " "	X	
Mark Denzi	" "	✓	
Tom R Johnson	Glacier Co. Cons. Dist.		
Marvin Miller	Glacier Co. C.D. MT. Bur of Mines & Geol.	✓	
~~KAREN~~ BOOMANS	N TOOLE COUNTY REC	✓	
DENIS FREELAND	"	✓	
WARD MARSHALL	"	✓	
GARY FELAND	REPRESENTATIVE DIST 5	✓	

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