

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION**

#### **JOINT SUBCOMMITTEE ON NATURAL RESOURCES**

**Call to Order:** By **CHAIRMAN ROGER DEBRUYCKER**, on February 13, 1995, at 8:00 a.m. in Room 402 of the State Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Roger Debruycker, Chairman (R)  
Sen. Thomas F. Keating, Vice Chairman (R)  
Sen. Judy H. Jacobson (D)  
Sen. Loren Jenkins (R)  
Rep. John Johnson (D)  
Rep. William R. Wiseman (R)

**Members Excused:** none

**Members Absent:** none

**Staff Present:** Mark Lee, Legislative Fiscal Analyst  
Florine Smith, Office of Budget & Program  
Planning  
Debbie Rostocki, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: Department of Natural Resources & Conservation  
- Department overview  
- Water Resources Division  
Executive Action: none

#### **HEARING ON Department of Natural Resources & Conservation Department Overview**

Department of Natural Resources and Conservation (DNRC) Director **Mr. Mark Simonich** introduced **Susan Cottingham**, Program Manager for the Reserved Water Rights Compact Commission; **Ray Beck**, Conservation and Resource Development Division Administrator; **Gary Fritz**, Administrator of the Water Resources Division; **Wayne Wetzel**, Deputy Director of DNRC; **Robin Harper**, Assistant Administrator for the Water Resources Division; **Van Jamison**, Administrator of the Energy Division; and **John Armstrong**, Administrator of the Centralized Services Division. He then gave an overview of DNRC.

The nine-member Reserved Water Rights Compact Commission ("Compact Commission") is attached to the Governor's office by statute but has always been housed in DNRC, which provides administrative support. The Board of Oil and Gas Conservation has a similar relationship with the department, but they do their own hiring and budgeting.

The Centralized Services Division has two bureaus: the Fiscal Bureau and the Information Technology Bureau. In 1993 there were four bureaus but due to reorganization the Information Technology Bureau incorporated three bureaus into one.

The three bureaus in the Energy Division are the Planning and Analysis Bureau, the Facilities Siting Bureau and the Conservation and Renewable Energy Bureau. The Rock Creek Advisory Council is also attached to the Energy Division. This private council was created as a result of a lawsuit filed by several environmental organizations regarding the 500 kilovolt powerline which runs through the State. The Bonneville Power Administration (BPA) and others created a trust as part of the settlement of that lawsuit, and the Board of Natural Resources is the trustee. The Advisory Council is the entity that actually spends the funds from the trust, but the Board determines whether or not to approve the expenditures. The department is in the process of trying to privatize the Advisory Council, since it is a private trust containing only private money.

The Conservation and Resource Development Division has two bureaus: the Resource Development Bureau and the Conservation Districts Bureau.

The Water Resources Division has four bureaus: the Water Rights Bureau, the State Water Projects Bureau, the Water Management Bureau and the Water Operations Bureau, which includes the Board of Water Well Contractors. This Board was moved from the Department of Commerce to DNRC so that licensing and construction standards could become integrated.

DNRC's mission is to ensure the wise management, development, conservation and use of some of Montana's natural resources in a manner that is consistent with environmental quality; to sustain and improve the benefits derived from Montana's water, soil and rangeland; to encourage energy conservation and the use of renewable energy resources; to promote conservation of oil and gas and prevent resource waste; and to make certain energy and water projects are developed with minimal adverse environmental impacts.

In the past fifteen years there have been some fairly broad swings in the size of DNRC. In the early 1980's part of the Forestry Division (now in the Department of State Lands) was in DNRC. Since it was removed, the department has maintained about 250 FTE. The current budget proposal recommends a staffing level of 228.5 FTE, a record low number since the creation of DNRC, and

a net reduction of almost nine FTE department-wide. The budget is requesting almost a \$2.3 million increase over the 1994 base, with about \$1.2 million of that in spending authority-only increases, mainly related to the Oil and Gas Conservation Division's attempt to get primacy in the Underground Injection Control program (UIC) and in the Energy Division regarding the Rock Creek Trust. In the case of UIC authority the money is federal; the Rock Creek Trust money is private. The other area of fairly large spending authority increases is regarding Montana Environmental Policy Act (MEPA) and Major Facilities Siting Act (MFSA) compliance. These costs are paid for by the applicant but DNRC needs the spending authority in order to avoid slowing down the process.

**Tape No. 1:A:000**

Regarding the Resource Indemnity Trust (RIT), **Mr. Simonich** stated that about 30% of the DNRC budget is derived directly from the interest generated by the trust and through direct tax proceeds which were diverted through **HB 608** in 1993 to shore up the Grant and Loan programs. The funding of **HB 608** "shorted the agencies." The Compact Commission is exclusively funded with RIT funds and the Conservation and Resource Development Division, Centralized Services Division and Water Resources Division receive substantial funding from the RIT.

In the past the RIT has been used to balance the state budget when insufficient general fund monies were available. DNRC's 1996-7 budget shows a \$3.6 million decrease in the RIT money in its budget with that much more general fund in the budget due to a projected \$6 million shortfall in the availability of RIT funds. A funding switch from RIT to general fund was made in DNRC's Conservation and Resource Division (\$640,000), Water Resource Division (\$1,400,000), Centralized Services Division (\$525,000), and Compact Commission (\$340,000), for a department-wide \$3.6 million funding switch. He brought to the committee's awareness that in addition to the funding switch, DNRC had reduced its proposed spending request by almost \$1 million. This had been done before the state budget was finalized and therefore did not show up as a reduction in the budget before the committee.

The third part of the Executive's plan to make up the RIT shortfall occurs in the area of the metal mines tax. **HB 608** was intended to divert money out of each of the tax accounts that go into the RIT trust, and through an error DNRC missed tapping into the metal mines tax. **LC 1322** will soon be introduced and will correct the error. He estimated that this would generate an additional \$1.5 million. Even with all three "fixes", he estimated that the State budget would be about \$700,000 short with RIT and the agencies the shortfall occurs in besides DNRC include the Department of State Lands, the Water Court, the Natural Resource Information System at the State Library, the Flathead Basin Commission, and the Environmental Quality Council.

He stated that for the time being the Executive preferred to "backfill" the \$700,000 with general fund as well.

### HEARING ON DNRC Water Resources Division

**Mr. Gary Fritz**, Administrator of the Water Resource Division, gave an overview of the Division's activities. There are four bureaus and 112.5 FTE (36 fewer than in 1985) and eight (previously nine) regional offices within the Division. The Water Projects Bureau employs about 18 FTE and is in charge of state-owned water projects. The Water Management Bureau is responsible for water planning and policy activities, drought response and assistance at the local level with planning efforts. The Water Operations bureau is concerned with flood plain management, the Montana Dam Safety program, the Water Measuring program and the Board of Water Well Contractors. The Water Rights Bureau employs about 20 FTE and handles over 8,000 water rights transfers per year.

**Mr. Fritz** said the division has had to change its philosophy about the way it does business due to the FTE reductions it has experienced. Seven section supervisors have been eliminated from the division. He clarified that the positions are "not necessarily gone", but the supervisory authority was. Two top-level management positions have also been eliminated.

**Tape No. 2:A:000**

They have closed the Miles City regional office and reduced staff and made the Glasgow office a satellite of the Havre regional office due to the lack of Water rights activity in the eastern part of the state. Staff from these offices were transferred to the western part of the state. One water planning staffperson has been moved from Helena to Lewistown as well and has worked with the local people to solve the chronic water shortage problems in the Musselshell River Basin.

All water right permitting process authorities have been transferred from the Helena office to the regional offices as one more way to deal with staff shortages. He said that these changes have not been well-received.

Regarding the Broadwater Hydropower project (Toston Dam), they have attempted to develop hydropower potential in order to produce revenue which could be used to repair other water projects. They have installed a ten-megawatt hydropower facility, which connects into the Montana Power Company (MPC) grid, on the Broadwater/Missouri Irrigation project, an irrigation dam built in 1940.

**Mr. Wayne Wetzel**, DNRC Deputy Director, gave a history of the dam. A financial summary of the project was distributed as well; **EXHIBIT 1**. Beginning in 1987, bonds were set up to finance the

project and accounts were set up to achieve this as well as provide for operation, maintenance, repairs and rehabilitation. The renewal and replacement account has a cap of \$600,000.

**Mr. Wetzel** said the flows on the Missouri River at Toston have been well below average since the project's inception, and this has made it necessary to borrow from some of the other accounts in order to make the bond payments. Since the ability to make the bond payments increases over time, he felt that they were now "ahead of the curve" in this regard. However, in 1995 the project will be shut down for two to three months in order for the contractor to rebuild the gear box in the speed increaser. Because of an improper start-up the gears were scuffed, and they need to be replaced by the end of the year. Although the gear boxes are supposed to last 30 years this is the second time they have had to replace the pinion gear. In addition, the contractor will rectify botched maintenance on the generator and do numerous other small things in order to complete their contract. The department has been in arbitration regarding this. It was determined that DNRC caused the contractor about \$200,000 worth of delay and that the contractor had caused DNRC about \$800,000 worth of damages and although the arbitration is still open, DNRC has been awarded \$600,000. Spending authority is being requested to provide for the final arbitration terms. Any additional monies received by the department would be used either in the plant or to reduce the bonds.

**REP. WILLIAM WISEMAN** wanted to know what the present level of bond indebtedness was. **Mr. Wetzel** said they had sold \$26 million in bonds. \$22.2 million of that amount is tax-exempt and they have only had to pay interest on this portion of the money. They are in year six of paying off the remaining \$3.8 million, which is in ten-year bonds. At present these are the only two bonds they are paying on. **REP. WISEMAN** calculated they had about \$24 million left to pay. **Mr. Wetzel** said they got a 7.5% rate on the tax-exempt bonds.

In response to **SEN. LOREN JENKINS**, **Mr. Wetzel** said that \$11 million was swept at the end of each year, in compliance with Internal Revenue Service regulations, into the State Project Hydroearnings account. The funds are allowed to accumulate and are used for rehabilitation of other state-owned projects. If DNRC gets additional revenue from arbitration it can be applied to the bond account. **REP. WISEMAN** explained that tax-free bonds by covenant could not be paid off early. Once the bond call date arrives, part of the income stream could be used to pay bonds off. Taxable bonds, which don't have call protection, can be paid off early. **SEN. JENKINS** submitted that if the excess money in the bond account was used to pay off bonds, there wouldn't be excess money to sweep into the hydroearnings account, and paying off the bonds would then be getting the priority. **Mr. Wetzel** said that DNRC's agreement with the water users specified that whenever more than \$400,000 was swept into the hydroearnings

account, 25% of that money, up to \$1 million, would go into their account.

**Tape No. 2:B:000**

**Mr. Wetzel** said that in 1987 the Public Service Commission lowered the "avoided costs" rate Montana Power could charge, which then made building the Broadwater project feasible. Two other projects which had been considered for similar modifications were determined not to be feasible: Painted Rocks Dam and Deadman's Basin. **SEN. JENKINS** wanted to know why the work on the Tongue River project couldn't incorporate installation of a hydropower facility. **Mr. Fritz** responded that it was mainly due to insufficient water, which would keep it from producing enough revenue to be more than "on the edge" of financially feasible. The Tiber is the most feasible hydropower project in the state but it is federally owned. There is a company presently pursuing development of it and which has gotten a Federal Energy Regulatory Commission (FERC) permit. **SEN. JENKINS** pointed out that the company was from out of state and had beaten out the town of Chester, which had also applied.

**CHAIRMAN ROGER DEBRUYCKER** wanted to know if there would be any compensation for lost revenues when the contractor does the repair work at Broadwater. **Mr. Wetzel** said this would be included in the arbitration discussions. Discussion then took place regarding plans and details concerning the work at Broadwater. Since all the gears had been scuffed, replacing only the pinion gear was only a temporary fix. The gear box has been running in a failing condition for almost six years now. If it fails, MPC would just "crank up Kerr Dam."

**Mr. Fritz** then reviewed the Tongue River Dam project, which had been built in the 1930's by the State Water Conservation Board for the purpose of irrigation, and which is now used for recreation as well. If even only a relatively small flood went over the top of the project and it failed, it could cause up to \$500 million worth of damage downstream (Miles City) as well as the loss of human lives. The State has known about this problem since 1968. He outlined the problems with the project, which center around a poor spillway design and the prohibitive cost of rehabilitation.

**Tape No. 3:A:000**

The Compact Commission negotiated a compact with the Northern Cheyenne Indian Tribe whereby the spillway on the Tongue River project will be raised by about four feet and this additional 20,000 extra acre feet of water will be for the tribe's use, along with 12,000 acre feet of the natural flow, as long as their use does not adversely affect the existing non-Indian water users. The U.S. Congress provided \$31.5 million, the tribe loaned the State \$11.5 million, and Montana provided \$5 million, to fund the project. In addition, the federal government

provided a \$10 million grant to the Northern Cheyenne Tribe. The water users will repay \$5 million of the \$11.5 million loan and the excess revenues from the Broadwater Hydropower project will be used to repay the balance of this 39-year zero-interest loan. **SEN. KEATING** wanted to know what the source of the revenue was on the State's share of the cost. **Mr. Fritz** said it basically was RIT money. \$1.1 million will come from the Department of Fish, Wildlife and Parks (FWP) for federally required fish and wildlife enhancement and is appropriated in **HB 5**, which also includes an unrelated \$1.5 million appropriation to FWP for the Tongue River Campground. As a result of DNRC convincing the federal government that the project didn't need as big a spillway as had been originally mandated, the estimated cost of the project went from upwards of \$150 million down to \$48 million for construction costs not including covering the embankment with concrete.

In response to **CHAIRMAN DEBURYCKER**, **Mr. Fritz** said that the flood in 1978 had been the worst one since the project had been built, and that a "100-year flood" would be sure to cause the project to fail. Two alternatives for fixing the project's problems include altering the spillway's hourglass configuration and to cover the embankment with roller-compacted concrete.

**Tape No. 3:B:000**

**Mr. Fritz** said that \$52.2 million had been statutorily appropriated by the federal government for the project, with 65% to be paid by the federal government and 35% to be paid by the state. DNRC had opted not to hire the Bureau of Reclamation to oversee the construction of the project because their overhead charges were 40%. Not only did DNRC save \$4.2 million by choosing to oversee the construction themselves but this amount was also credited towards the state's 35% share of the cost for the project.

**SEN. KEATING** wanted to know about the Crow Indian Tribe's involvement in the Tongue River project. **Mr. Fritz** said the Crow Tribe had objected to the terms of the compact because they feel they own the 30,000 acre feet of water which comes out of the Yellowtail Reservoir and feeds the Tongue River project. The Northern Cheyenne Tribe, the federal government and the Crow Tribe have reached an statutory agreement whereby a ten-year moratorium would be put on the use of the 30,000 acre feet by the Northern Cheyenne Tribe, assuming that their water rights would be negotiated and finalized during that period. It was also laid out that if, once the moratorium ended, the Northern Cheyenne were going to sell a part of the 30,000 acre feet, the Crow Tribe would have "first option" on the water. He felt that the Crow Tribe's concerns have been met at this point in the process, and the federal reserved water rights settlement adjudication decree would soon be finalized by the Water Court.

**Mr. Fritz** said that the compact would probably have to be amended because it calls for DNRC to be able to deliver water out of the dam by the end of 1997 and it will probably be 1999 before this

will happen. In response to **SEN. JENKINS**, he said that DNRC would probably complete the required Environmental Impact Statement (EIS) by the end of 1995. When this is completed they will be able to receive the federal funds. **Mr. Simonich** stated that DNRC had tried to commit federal enhancement funds under the Long Range Building Plan so that the enhancement projects related to the Tongue River Dam project could be started on prior to the beginning of actual construction.

**Mr. Fritz** then discussed the privatization of DNRC's water projects. Legislation authorizing the transfer of twelve State-owned water projects to the private water users was passed in 1993 and only four agreements remain to be negotiated. The legislation provides that if the users refuse to take over ownership, DNRC will be authorized to charge the users for administrative costs. In addition, if the users agree to take the projects over, one year's worth of costs for operation and maintenance will be provided by the State. Legislation is currently being considered which would help facilitate the sale of as many as fifteen inactive State-owned water projects.

The Ruby River fish kill, one of the largest kills in the history of the state, was then discussed. In August 1994 the water users were almost out of reservoir water and they went ahead and completely drained the reservoir. When this happened, Ruby River carried the mud from the bottom of the reservoir downstream, which resulted in a total oxygen depletion for several miles below the dam. About 15,000 fish suffocated and about 90% of them were rainbow trout, which had previously only been found in the reservoir. This is an example of the "downside" of the staff reductions which DNRC has experienced, which have resulted in less supervision of state-owned water projects and a resulting increase in State liability.

**Tape No. 4:A:000**

The introduction of rainbow trout into brown trout territory resulted in competition for food and to solve this about 3,000 rainbows were shocked and then carried by bucket and released back into the reservoir. To prevent this kind of thing from ever happening again, DNRC appointed a task force made up of local irrigators, local conservation district representatives, local environmental community representatives and **Mr. Fritz**. The general sentiment is that the less government is involved in the process, the better. As a result of the efforts of the task force, for the first time in the history of that valley seven different regions of the River were set up with representatives who work together to ensure that the reservoir water will be used as efficiently as possible. **Ted Turner** has agreed to transfer his contracts from the reservoir to the local water users' association and they have agreed to pay for that water and keep it in the reservoir. He added that there was about 3,000 cubic yards of mud that still needed to be flushed out of the river but the measures the local people plan to take will probably be



sufficient to avoid being fined for this water quality violation.

In response to **SEN. JENKINS**, **Mr. Fritz** said that he'd heard that when the reservoir had been drained in the past, a "dead pond" of water had naturally been left in the reservoir. Since then it had apparently filled in with mud. Discussion took place regarding whether or not water rights would be threatened if the users didn't use their water in order to keep the river running and **Mr. Fritz** did not think this would ever be an issue. He added that part of the water shortage in the river was probably due to an increase in sprinkler irrigation over ditch irrigation, which had provided for a return flow of water to the river.

**Mr. Fritz** then reviewed the Petrolia Dam project, which was built in the late 1930's and which provides about 5,000 acre feet of water for irrigation as well as recreational opportunities. The spillway is too small and the land under it is unstable. An auxiliary spillway needs to be excavated as well as repairs made to the main spillway. In addition seepage problems need to be fixed; the total estimated cost for the project will be about \$1.4 million. The Long Range Planning Committee feels that the users should shoulder part if not all of the cost for this work. The final decision provides that the State pay \$1,000,073 and the users pay \$358,000 via a 4.5% coal tax loan. About a dozen people would benefit from this. The Long Range Planning Committee will put language in **HB 8** which will encourage DNRC to turn the project over to those water users; they have already been operating the project for years. He said that the users are not enthusiastic about this proposal but DNRC is.

**Tape No. 4:B:000**

**Mr. Simonich** stated the \$1.5 million cost of repairing the project would come from RIT funds (Renewable Resource account). **SEN. KEATING** broached the possibility of breaching the project. **Mr. Simonich** stated that because there are recreational benefits provided by many of these projects, the State has been able to justify spending funds for this purpose. DNRC is attempting to divest itself of the projects which are "single purpose."

**SEN. KEATING** questioned spending \$1 million to benefit twelve families. In response to **SEN. JENKINS**, **Mr. Fritz** said that Petrolia was DNRC's toughest project out of all their projects which need fixing. He felt that the users could only afford to pay about \$15 per acre foot for the water. He stated that FWP was not paying any money into this project. Discussion took place regarding the most cost-effective way to deal with this project. **Mr. Fritz** said the cost of breaching the project would equal if not exceed the cost of repairing it. **Mr. Simonich** said the department hoped to minimize its liability and get rid of the project.

**Mr. Fritz** then reviewed the Water Rights Adjudication program; **EXHIBIT 2**. The program was designed to adjudicate all water rights claims in the state which were filed by 1982; late claims

continue to trickle in. About 202,000 claims were filed and an additional 3,500 late claims have been filed as well as about 10,000 declarations, for a total of about 216,000 claims. About six basins and 15,000 claims are in final decree; 9,000 and six basins in preliminary decrees; 36 basins with temporary preliminary decrees; and DNRC is currently examining claims in about 16 basins. They have not started examining the claims in 23 basins. He estimated they will complete the claims examination part of the program in about 15 years, and he suspected it would take the Water Court at least another 15 years to adjudicate the claims. The program was begun in 1979. He added that most states typically recognize that the process will probably "go on forever." **Governor Racicot** has offered to review the program, if there is grassroots support for this, and DNRC is in support of this so that legislation might be introduced to help speed up the process. **SEN. KEATING** questioned what good the program would ultimately do. **Mr. Fritz** said that adjudicating water rights was one of the most important things the state can do but perhaps the job could be done in a more effective way. **Mr. Simonich** said the department had suggested cutting the Water Court budget as a way of cutting the budget for the 1993 special legislative session, and this has "come back to haunt him ever since." Legislation which has been introduced to deal with the late claims issue also directs the Supreme Court to do a judicial review of the adjudication program. In addition the legislation would allow late claims to be filed until the completion of adjudication. He added that some basins had no desire for adjudication to take place while other water right holder feel strongly that adjudication is absolutely necessary in order to protect their water rights.

Tape No. 5:A:000

In response to **SEN. KEATING**, **Mr. Fritz** said that the initial legislation had indicated that even those water rights claims which had previously been decreed needed to be re-decreed, to guarantee the opportunity for objection. **CHAIRMAN DEBRUYCKER** questioned how an area could be decreed before the surrounding drainage was examined. **Mr. Fritz** replied that the Legislature had determined that the Water Court would proceed with the program sub-basin by sub-basin. The question of how to "bring it all together" has not been answered. **SEN. JENKINS** wanted to know why old claims had to be re-filed and why they could not just be adjudicated using the information already on file. **Mr. Fritz** said the reason the state got involved in the first place was because lawsuits had been filed on basins where there were Indian Reservations to have the federal government adjudicate the Indian water rights. The state had to have a comprehensive adjudication plan in order to be allowed to adjudicate the Indian claims. **Mr. Simonich** said that many of the water rights decrees recorded prior to 1973 were not all recorded the same and the state had not been responsible for maintaining a central record system for all those water rights. Everyone was required to re-file so that the Water Court would have the most complete claims file as possible.

**Mr. Fritz** then discussed the Middle Creek project, a state-owned dam on Forest Service land south of Bozeman. The state raised the level of the project and put in a new spillway to help provide the city of Bozeman with more water. The total cost of the project was \$4.6 million. The water users are repaying \$3.1 million of this amount; a federal grant was received for \$800,000; and the State contributed about \$700,000. He submitted that this completed project was one of DNRC's "success stories."

**Questions:** **SEN. KEATING** was told that the funding listed on Table 5, p. C-110 of the budget under Renewable Resource RIT for State Water Projects was used for administrative purposes for a number of different programs within the division. **SEN. KEATING** said he would like a listing of all of the Renewable Resource projects and Reclamation and Development projects which were being considered under Long Range Planning.


**Mr. Lee** then gave his overview. He referred the committee to p. C-97 and said that if the total executive budget were approved there would be an excess appropriation of the Renewable Resource and Reclamation and Development (R & D) accounts. The amount of the over-appropriation will be reduced if some proposed legislation is approved (**LC 1322**). A portion of the metal mines tax would be allocated into these two accounts and also the \$240,000 per year allocation for Montana State University, Northern would be doubled under this proposed legislation. The question of whether or not to make up for the over-appropriation by backfilling with general fund or by reducing budgets needs to be addressed, and if the latter option is chosen, the decision needs to be made whether or not to reduce only DNRC's budget or to reduce all the agencies' budgets which would receive Renewable Resource and/or R & D funding. **Mr. Simonich** pointed out that even with the passage of the proposed legislation, DNRC still expected a \$700,000 shortfall.

**Tape No. 5:B:000**

**SEN. KEATING** wanted to know if the potential allocation of the Metal Mines tax included the adjustment in the ground water assessment program. **Mr. Lee** said that it didn't, but it was the same kind of allocation procedure. The potential allocation represents a diversion from the trust. **SEN. KEATING** submitted that the diversion was taking almost half of the metal mines tax proceeds. **Mr. Lee** pointed out that although this was correct, the proceeds represented just the 15% of the total metal mines tax proceeds which went into the trust.

ADJOURNMENT

Adjournment: 12:03 a.m.

  
\_\_\_\_\_  
ROGER DEBRUYCKER, Chairman

  
\_\_\_\_\_  
DEBBIE ROSTOCKI, Secretary

RD/dr

This meeting was recorded on five 60-minute audiocassette tapes.

EXHIBIT 1  
DATE 2/13  
HB \_\_\_\_\_

## BROADWATER POWER PROJECT FINANCIAL SUMMARY

ACCOUNT	DEPOSITS	EARNINGS	DISBURSEMENTS	BALANCE
Oper. and Main.	\$1,516,000.00	\$45,059.00	\$1,475,002.00	\$86,057.00
Renew & Replce.*	\$644,158.00		\$309,599.00	\$334,559.00
Bond Repayment**	\$9,486,181.00	\$1,259,889.00	\$10,388,123.00	\$444,564.00
Project Rehab.	\$345,803.00			\$345,803.00
Water Users Rehab.	\$0.00			\$0.00

\* Investment earnings from Renewal and Replacement Account are deposited in Bond Account

\*\* Balance is not equal to Deposits + Earnings – Disbursements because of Annual Sweep to Project Rehabilitation Account, a 1992 Bond Refunding, and a one time reduction of the O&M account of \$139,000 to make a Dec. 1992 Bond Payment.

### Missouri River at Toston Flows as a percentage of Normal

USGS Streamgage I.D. # 06054500

Compiled by month for years 1989–1994

Month	1989	1990	1991	1992	1993	1994	Average
January	74	86	75	77	72	99	81
February	60	79	84	79	72	77	75
March	96	83	71	80	100	93	87
April	92	86	61	62	76	92	78
May	72	47	81	37	115	61	69
June	48	65	105	29	104	32	64
July	38	52	63	79	171	33	73
August	78	88	51	54	205	49	88
September	73	67	70	63	123	41	73
October	73	71	74	76	106	66	78
November	95	84	89	80	100	78	88
December	81	69	85	70	92	78	79
Average	73	73	76	66	111	67	78

# Montana General Adjudication

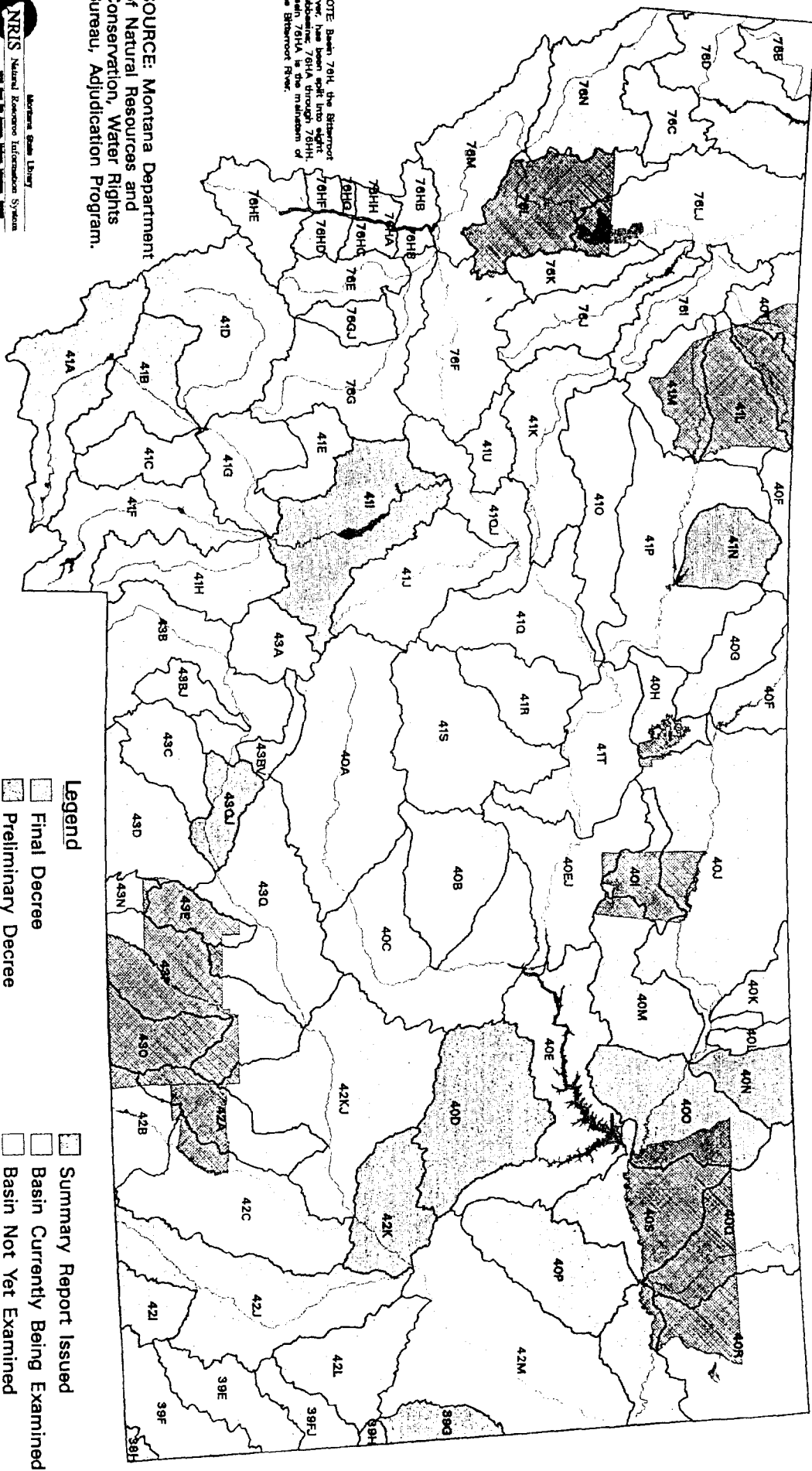
## Status As Of December, 1994

EXHIBIT 2  
DATE 2/13  
HB \_\_\_\_\_

SOURCE: Montana Department of Natural Resources and Conservation, Water Rights Bureau, Adjudication Program.

NOTE: Basin 79H, the Bitterroot River, has been split into eight sub-basins: 76HA through 76HH. Basin 76HA is the mainstream of the Bitterroot River.

- Legend**
- ☐ Final Decree
  - ☐ Preliminary Decree
  - ☐ Temporary Preliminary Decree
  - ☐ Summary Report Issued
  - ☐ Basin Currently Being Examined
  - ☐ Basin Not Yet Examined
  - ☐ Indian Reservation



HOUSE OF REPRESENTATIVES  
VISITOR REGISTER

Natural Resources Sub- COMMITTEE

BILL NO. \_\_\_\_\_

DATE 2/13 SPONSOR(S) \_\_\_\_\_

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>Donna White</i>	<i>SNIC</i>	<i>-</i>	
<i>Gary P. De</i>	<i>"</i>	<i>✓</i>	
<i>MARK Simons</i>	<i>DNRC</i>	<i>-</i>	

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