

## **MINUTES**

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

#### **COMMITTEE ON NATURAL RESOURCES**

**Call to Order:** By Rep. Dick Knox, Chairman, on March 3, 1995, at 3:00 pm.

#### **ROLL CALL**

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

Rep. Dick Knox, Chairman (R)  
Rep. Bill Tash, Vice Chairman (Majority) (R)  
Rep. Bob Raney, Vice Chairman (Minority) (D)  
Rep. Aubyn A. Curtiss (R)  
Rep. Jon Ellingson (D)  
Rep. David Ewer (D)  
Rep. Daniel C. Fuchs (R)  
Rep. Hal Harper (D)  
Rep. Karl Ohs (R)  
Rep. Scott J. Orr (R)  
Rep. Paul Sliter (R)  
Rep. Jay Stovall (R)  
Rep. Emily Swanson (D)  
Rep. Lila V. Taylor (R)  
Rep. Cliff Trexler (R)  
Rep. Carley Tuss (D)  
Rep. Douglas T. Wagner (R)

**Members Excused:** Rep. Robert Story, Jr. (R)

**Members Absent:** None

**Staff Present:** Michael Kakuk, Environmental Quality Council  
Alyce Rice, Committee Secretary

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

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

Hearing: SB 153, SB 147, SB 78, SB 204  
Executive Action: SB 203 Be Concurred In

Tape 1, Side A

HEARING ON SB 153Opening Statement by Sponsor:

SEN. VIVIAN BROOKE, Senate District 33, Missoula, said that SB 153 was requested by the Department of Health and Environmental Sciences (DHES). The bill is a proposal to conform certain definitions to the federal Safe Drinking Water Act and authorizes the Board of Health and Environmental Sciences to establish requirements by rule for voluntary programs for cross-connections and to specify the water supply, sewage and waste systems that require review and approval of plans and specifications by DHES. It modifies the laws to require certified operators for nontransient, noncommunity water systems. It also allows voluntary participation in a wellhead protection program and authorizes county governments to adopt wellhead protection area ordinances.

Proponents' Testimony:

Jim Melstad, DHES, Water Quality Division, distributed a fact sheet on the Water and Wastewater Operator Certification Law and the Public Water Supply Law and reviewed the contents with the committee. EXHIBIT 1 Mr. Melstad also distributed a sheet that showed the communities that have begun wellhead protection projects and communities that are interested in getting started. EXHIBIT 2 Mr. Melstad said a nontransient, noncommunity public water system is a system that serves 25 or more people at least six months of the year, which would typically be schools and businesses that have their own sources of water. The reason for requiring certification of the operators for those systems is because they service a vulnerable population consisting of children in schools and people working for the businesses. The Senate amended the bill to include schools only.

Dan Keil, Montana Rural Water System Association, supported SB 153.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

REP. SCOTT ORR asked Mr. Melstad to define the 20 wells that are not going to be regulated and the 200 wells that are going to be regulated. Mr. Melstad said the 20 to 25 public water systems that would no longer be regulated would be, for example, a small public system serving ten homes near Ennis. There are ten connections and less than 25 people using the system. REP. ORR asked if the small water systems are actually wells. Mr. Melstad said in most cases they are. REP. ORR asked Mr. Melstad what kinds of contamination could get into a well. Mr. Melstad said

there are many sources of contamination, such as leaking sewer pipes, septic systems and underground storage tanks.

REP. AUBYN CURTISS asked Mr. Melstad if \$30 and four hours of training was all that was required to certify an operator. Mr. Melstad said currently the requirements are a \$30 annual certification fee, a \$5 examination fee and four hours of continued education every year.

REP. KARL OHS asked Mr. Melstad what rural schools would be required to do under the legislation that they weren't required to do before. Mr. Melstad said the schools that have their own water system and serve 25 or more students will have to retain a certified operator or contract with a certified operator.

REP. CURTISS asked Mr. Melstad how many instances of significant contamination of a water supply have there been in the past several years. Mr. Melstad said the major problem in the state is the micro-biological quality of the water systems.

Tape 1, Side B

REP. CURTISS asked Mr. Melstad if there would be increased sampling or reporting requirements for the schools. Mr. Melstad said there would not be any increased sampling or reporting requirements.

REP. JON ELLINGSON asked Mr. Melstad to describe cross-connection devices and their purposes. Mr. Melstad said they run from something as simple as a copper-brass device that has two check valves that would be used on a water tap and costs about \$25, all the way up to a six or eight inch pipe that is two feet long that would be used to protect a public water supply system from a serious hazard and is very expensive.

REP. DOUG WAGNER asked John Arrigo, DHES, Ground Water Section, to describe the Wellhead Protection Program. Mr. Arrigo said the program has minimum criteria that a community would have to meet to have its wellhead program certified by the state. For example, the criteria ensures that Missoula's wellhead program is as safe as Livingston's wellhead program. A committee has to be formed to analyze where the ground water that is going into the public wells originates. An inventory of the sources of pollution in the area has to be taken and there has to be a management plan to deal with the sources of pollution. The management plan has to be implemented to address the future needs of the community and emergency situations.

REP. WAGNER asked Mr. Arrigo how much it would cost to implement the program. Mr. Arrigo said it would depend upon the complexity and size of the system. In Missoula, the Mountain Water Company contributed approximately \$70,000 to have some hydro-geologic models prepared to determine where the water that was going into its wells originated. The county and the local water quality

district is working to implement protective measures. An area, such as a trailer court, could implement a smaller wellhead protection program that would only involve drawing a 100 foot circle around the water supply well and ensuring that there aren't chemicals that could contaminate the well and that septic system owners don't dump paint waste down their drains.

Tape 2, Side A

REP. BILL TASH asked Mr. Arrigo how hospitals would be affected. Mr. Arrigo said currently it is illegal for a hospital or anyone else to drill a well and connect it to its system if the system is already connected to the public water supply system unless the well is approved in advance by the department.

Closing by Sponsor:

SEN. BROOKE urged the committee to support SB 153.

HEARING ON SB 147

Opening Statement by Sponsor:

SEN. JOHN HERTEL, Senate District 47, Moore, said SB 147 was requested by the Department of Natural Resources and Conservation (DNRC). The bill proposes the revision of the water resource administration of state water project laws. The first 11 sections of the bill establish a self-supporting lease management program for state-owned land associated with state water projects. The program will not be supported by tax dollars. The lease holders would support the administrative costs which would include such things as renewals, enforcing lease provisions, resolving access disputes and responding to lease complaints. There are cabin sites on some of the state-owned lands and the lessees have expressed concern about allowing the department to competitively bid project lands. The department agrees that the competitive bid process should not be used when leases are being renewed by the current lessees or when transferred to a party of the current lessee's choice.

As an example of the affect the bill would have on some Montana citizens, SEN. HERTEL described a situation in the Deadman's area which is a state-owned water project area and located between Harlowton and Ryegate. In that area there is an irrigation reservoir with approximately 46 cabin sites surrounding it. Some of the people have leased the sites for many years and have made many improvements. The cost of leasing the sites is approximately \$200 annually. The leases are for a ten-year period and lease fees cannot be increased more than two percent per year. The lessees cannot be forced out of their cabin sites by someone else because competitive bidding on the sites is not allowed.

The bill would allow the department to dispose of inactive state-owned water projects without going through the expensive process of determining market value. The inactive projects are those in which no water purchase contracts are managed, no money is collected and in some cases, no organized use of water for irrigation or other purposes takes place. The state wants to return these lands to the landowners in those specific areas which would include water and mineral rights.

Proponents' Testimony:

Mark Simonich, Director, DNRC. Written testimony. EXHIBIT 3

Opponents' Testimony:

Christi Erickson, Cabin Owner, Deadman's Basin. Written testimony. EXHIBIT 4

Mike Murphy, Montana Water Resources Association, expressed concern about the areas of the bill that propose elimination of the board from involvement in the decision making process of the sale or lease of water.

Larry Brown, Agricultural Preservation Association, said the association had the same concern expressed by Mr. Murphy.

Sharon Camp, Cabin Owner, Deadman's Basin, said ten years ago lessees in the area were paying \$35 annually to lease cabin sites. The Department of Fish, Wildlife and Parks decided the lease fee wasn't adequate and paid \$80,000 for a state-wide appraisal. Ms. Camp said as a result of the appraisal, her annual lease fee is \$280. Forty-seven leases at approximately \$200 per lease annually would amount to approximately \$8,000 annually, which should be enough to administer the costs.

Informational Testimony: None

Questions From Committee Members and Responses:

REP. JAY STOVALL asked Mr. Simonich if the present leases would be canceled when the bill takes effect. Mr. Simonich said the Department of Fish, Wildlife and Parks, in essence, cancelled the lease contracts when it notified the department that it would no longer manage the leases. DNRC immediately notified all lessees that their contracts would be extended to March 1996. The intent is not to cancel the contracts. REP. STOVALL asked if the department would establish full market value and if the department intended to get the full market price when the leases are renewed in March. Mr. Simonich said the department would probably contract a real estate appraiser for appraisal of the sites which would not include the cabins. The department intends to do appraisals in the site areas to establish the market value before the next lease renewals. The leases would be staggered.

The bill limits lease fee increases to a certain percentage within a period of time.

REP. LILA TAYLOR, asked Mr. Simonich if there are other cabin sites in addition to Deadman's Basin. Mr. Simonich said there are two other projects with cabin sites. They are the Tongue River Reservoir and Painted Rocks. REP. TAYLOR asked Mr. Simonich who manages the leases on fishing concessions on the sites. Mr. Simonich said the Department of Fish, Wildlife and Parks still manages those leases.

REP. CLIFF TREXLER asked Mr. Simonich if the appraiser could possibly determine that the cabin sites are worth \$2,000 a year. Mr. Simonich said there is always that possibility. REP. TREXLER asked Mr. Simonich if it wouldn't be to the lessees' benefit for the department to adopt the two percent per year increase cap immediately. Mr. Simonich agreed and said it was not the intent of the legislation to increase fees in order to bring in a lot of money. The intent is to establish reasonable fees.

Tape 3, Side A

REP. DAVID EWER asked Mr. Simonich if it was the department's intent to accept applications for cabin sites. Mr. Simonich said that was not the department's intention. REP. EWER asked Mr. Simonich if he would be adverse to amendments that would put into statute that the department wouldn't expand the cabin sites, or if it were to do so, it would be done in a way that everyone would have a chance to have a piece of waterfront property. Mr. Simonich said the department isn't adverse to anything that would be suggested in order to clarify what the state policy should be in terms of management.

Closing by Sponsor:

SEN. HERTEL said many of the concerns expressed during the hearing could be worked out to make SB 147 acceptable to everyone.

EXECUTIVE ACTION ON SB 203

Motion: REP. HAL HARPER MOVED SB 203 BE CONCURRED IN.

Discussion:

REP. LILA TAYLOR said she was concerned that SB 203 would close the basin in Big Horn Canyon to any hydro-electric activity, which means that nobody would be able to develop any kind of business in that area and asked SEN. LORENTS GROSFIELD to respond. SEN. GROSFIELD said the Crow Tribe's water rights would not be affected by the bill. If a large scale project wanted to move into that area the Crow Tribe would be extremely interested if it felt it might have some impact on their water rights. REP.

**TAYLOR** expressed concern that not one non-Indian landowner, whose water rights would be affected, was on the notification list and asked **Barbara Cosens, Legal Counsel, Reserved Water Rights Compact Commission**, to respond. **Ms. Cosens** said the commission looked into a number of ways of notifying the people that would be affected in the area. A notification to all water rights holders would not include someone that is developing land and wants to get future water rights. The notification process is expensive. The mailing list includes conservation districts, representatives and county commissioners in the areas. Public hearings were also held.

**REP. JAY STOVALL** asked **Ms. Cosens** if the compact affected small hydro-electric plants on ranches. **Ms. Cosens** said it did not.

Tape 3, Side B

**REP. DOUG WAGNER** said he didn't like water compacts. Water in the state belongs to the State of Montana. The federal government has not shown a need for that amount of water. Montana should keep its water.

**REP. EMILY SWANSON** said the purpose of the Compact Commission was to negotiate the reserved water rights rather than having to fight it out in court. Montana doesn't have those water rights. They were reserved for the tribes and federal government before many of the private water right holders filed.

**REP. AUBYN CURTISS** asked **SEN. GROSFIELD** to respond to **REP. WAGNER'S** comments. **SEN. GROSFIELD** said the purpose of the Compact Commission is to negotiate water rights, but its mission is to represent the State of Montana and its interests. The commission found that the Park Service was very willing to respond to Montana's interests. During the negotiations, the commission secured some future water use in the Big Horn Canyon National Recreation area. If that had been litigated there would have been a chance that Montana would have ended up with no future water use. **REP. CURTISS** asked **SEN. GROSFIELD** if it was his opinion that should the parties resort to litigation the case would end up in the Ninth District Circuit Court of Appeals and the tribes would win. **SEN. GROSFIELD** said this particular compact is not a tribal compact, but he didn't want to predict what the courts might do with respect to litigation with any of the compacts.

**REP. TAYLOR** asked **SEN. GROSFIELD** why the commission didn't negotiate with the Crow Tribe before it negotiated with the Park Service. **SEN. GROSFIELD** said the commission had already been dealing with the Park Service for the past several years on a previous compact and had developed a good working relationship. The Crow Tribe negotiation process will take several years.

**REP. HAL HARPER** said he had been involved in water issues for a long time in the Legislature which entails dealing with the

federal government, state government, local governments, individual water rights, and Indian tribes and is very complicated. If the compact commission wasn't there to negotiate, the state would be in federal court and an individual water right holder wouldn't have much power.

REP. WAGNER said he believed that the state had more control over its water than it realizes and it's falling prey to the federal government without challenging it.

Tape 4, Side A

Vote: Voice vote was taken. Motion to Be Concurred In carried 13 to 5. REP. DANIEL FUCHS, REP. LILA TAYLOR, REP. DOUG WAGNER, REP. PAUL SLITER and REP. SCOTT ORR voted no.

#### HEARING ON SB 78

##### Opening By Sponsor:

SEN. LORENTS GROSFIELD, Senate District 13, Big Timber, said SB 78 was requested by the Department of Health and Environmental Sciences (DHES). The bill is the result of an audit of the department by the legislative auditor. The audit was critical of the Water Quality Bureau in certain areas. It was recommended that the Water Quality Bureau initiate better management strategies. SB 78 is a proposal to modify certain requirements for the water pollution control advisory council, revise fee requirements for holders of a permit or authorization under the water quality laws, and to revise the enforcement provisions of the water quality laws to clarify existing enforcement authority.

##### Proponent's Testimony:

Steve Pilcher, Water Quality Bureau, DHES, said SB 78 allows the department to reduce permit fees to people who are in compliance with the permit in recognition of their efforts. The bill also defines the department's enforcement options and has added one important feature. The additional feature is that unless there is an imminent threat to public health the department must notify a potential violator or an alleged violator by written notice that the department thinks there is a problem and provide the violator with an opportunity to address the problem before the department invokes enforcement action.

Larry Brown, Agricultural Preservation Association, supported SB 78.

Mike Murphy, Montana Water Resources Association, supported SB 78 as amended.

Jeff Barber, Northern Plains Resource Council, supported SB 78.



Opponents' Testimony: None

Informational Testimony: None

Tape 4, Side B

Questions From Committee Members and Responses:

REP. HAL HARPER asked SEN. GROSFIELD how much time the department would give an alleged violator to respond. SEN. GROSFIELD said he didn't know.

REP. DANIEL FUCHS asked Mr. Pilcher if more FTEs would be required for the department to carry out its enforcement actions. Mr. Pilcher said the department did request additional FTEs which included an attorney and an administrative support person for the enforcement section. That was part of the budget before the results of the audit were known.

REP. DAVID EWER said page 10, line 3 of the bill states that if a person fails to respond to the department's letter, the department "may" take further action. He asked Mr. Pilcher why the word was "may" instead of "shall." Mr. Pilcher said his interpretation was that "may take further action" merely reflects the requirement to first issue a written notice to the violator. Once that requirement has been satisfied, the department may proceed with the other enforcement responses as defined in section 1 of the bill. REP. EWER said he didn't agree with Mr. Pilcher's rationale.

REP. BILL TASH asked Mr. Pilcher if the department's authority to bring judicial action against a violator was an authority the department didn't have before the proposed legislation. Mr. Pilcher said the department has always had that authority under the provisions of the Water Quality Act. REP. TASH asked Mr. Pilcher if it was common for the department to take judicial action prior to initiating any administrative action. Mr. Pilcher said generally the sequence would be an informal notification and if that doesn't work there would possibly be an administrative order or penalty. Depending on the nature and severity of the violation, the department may seek judicial penalties or criminal penalties right away.

REP. HARPER said the language on page 10 of the bill states that if a person fails to respond to the department's letter the department can take further action and asked Mr. Pilcher what the department would do if a violator responded to a notification of violation but didn't come into compliance. Mr. Pilcher said the violator would have to respond to the required corrective actions listed in the letter. Mr. Pilcher said the department should seek legal clarification on the statement.

Closing by Sponsor:

SEN. GROSFIELD closed.

Tape 5, Side A

HEARING ON SB 204

Opening by Sponsor:

SEN. LORENTS GROSFIELD, Senate District 13, Big Timber, said SB 204 was requested by the Department of Health and Environmental Sciences (DHES). The bill clarifies existing enforcement authority under the public water supply laws and requires the department to consider established criteria when seeking civil or administrative penalties.

Proponents' Testimony:

Steve Pilcher, Water Quality Bureau, DHES, said SB 204 is the department's response to the Legislative Audit Committee's recommendations and urged the committee to support it.

Larry Brown, Agricultural Preservation Association, supported SB 204.

Mike Murphy, Montana Water Resources Association, supported SB 204.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses:

REP. CLIFF TREXLER said the bill states that the department and court shall consider the violator's ability to pay the \$10,000 per day civil penalty and asked SEN. GROSFIELD how the department would make that determination. SEN. GROSFIELD said to require \$10,000 per day from a person who can only afford to pay \$200 would be like trying to get blood out of turnip and wouldn't do any good. The intent is to give the department flexibility in making that determination.

Closing by Sponsor:

SEN. GROSFIELD closed.

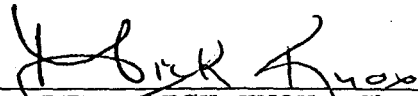
HOUSE NATURAL RESOURCES COMMITTEE

March 3, 1995

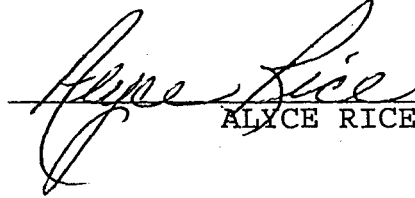
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ADJOURNMENT

Adjournment: 7:00 pm



REP. DICK KNOX, Chairman



ALICE RICE, Secretary

DK/ar

# HOUSE OF REPRESENTATIVES

## Natural Resources

ROLL CALL

DATE 3-3-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Dick Knox, Chairman	✓		
Rep. Bill Tash, Vice Chairman, Majority	✓		
Rep. Bob Raney, Vice Chairman, Minority	✓		
Rep. Aubyn Curtiss	✓		
Rep. Jon Ellingson	✓		
Rep. David Ewer	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		
Rep. Karl Ohs	✓		
Rep. Scott Orr	✓		
Rep. Paul Sliter	✓		
Rep. Robert Story			✓
Rep. Jay Stovall	✓		
Rep. Emily Swanson	✓		
Rep. Lila Taylor	✓		
Rep. Cliff Trexler	✓		
Rep. Carley Tuss	✓		
Rep. Doug Wagner	✓		



## HOUSE STANDING COMMITTEE REPORT

March 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report that Senate Bill 203 (third reading copy -- blue) be concurred in.

Signed: Dick Knox  
Dick Knox, Chair

Carried by: Rep. Swanson

Committee Vote:  
Yes 3, No 5

520802SC.Hdh

FACT SHEET  
SB 153

Water and Wastewater Operator Certification Law

- Amends the definitions of water and wastewater systems to be consistent with the revisions described in the proposed amendments to the Public Water Supply Law (see below).
- Requires that individuals that operate non-transient noncommunity (NTNC) public water supplies (PWSs) serving schools be certified. NTNC PWSs are those that serve the same non-resident populations for at least 6 months of the year (schools, businesses). This requirement was included in the Safe Drinking Water Act reauthorization bills that passed the US House and US Senate last year. Currently, only water systems that serve resident populations and those that serve industries are required to have certified operators.

Public Water Supply Law

- Revises the definition of public water supply system to be consistent with the federal Environmental Protection Agency (EPA) definition. State definition is 10 or more service connections or 25 or more people for at least 60 days of the year. Federal definition is 15 or more service connections or 25 or more people for at least 60 days of the year. Approximately 20 very small public water supplies would no longer be regulated as public water supplies. The definition of public sewage system is proposed to be similarly changed.
- Establishes voluntary minimum standards for cross-connection control programs for public systems. Currently, cross-connections of sources of contamination with a public water supply are illegal, but the department has not adopted minimum state standards for cross-connection control devices. Water suppliers would not be required to adopt cross-connection control ordinances, but could adopt the minimum state standards at their option.
- Voluntary certification of wellhead protection areas and for verification of wellhead protection area ordinances. The provisions are primarily intended to increase local authority for establishment of wellhead protection areas for public water suppliers. The amendments require adherence to existing related state and local statutes, zoning and ordinances and require that local wellhead protection ordinances comply with the Department of Health and Environmental Sciences (DHES) wellhead protection program approved by EPA. The amendments do not make wellhead protection mandatory.
- Clarifies the types of prohibited activities related to construction and operation of water supply and wastewater systems without prior DHES approval.

# Montana Wellhead Protection Program

## Water Quality Division

Department of Health and Environmental Sciences

Cogswell Building, Room B-201

Helena, MT 59620

Phone: (406) 444-5492

Fax: (406) 444-1374

January 19, 1995

### Advisory Committee Members

Carolyn Colman  
Mayor  
West Yellowstone

Valerie Counts  
Planning Director  
Park County  
Livingston

Diana Day  
Business Woman  
Harlowtown

Ethel Harding  
State Senator  
Polson

Vern Heisler  
Environmental Engineer  
Billings

Arvid Hiller  
General Manager  
Mountain Water Company  
Missoula

Ed Hillman  
Owner/Operator  
ESD, Inc.  
Livingston

Debi Madison  
Environmental Engineer  
Fort Peck Tribes  
Poplar

Lyle Quick  
Board Member  
NPRC  
Circle

Sam Rodriguez  
Regional Manager  
DNRC Water Resources  
Lewistown

Gerald Smith  
Farmer/Rancher  
Certified Water Operator  
Galata

Ward Swanser  
Attorney  
Billings

Melissa Tuemmler  
Cascade County Sanitarian  
Ulm

Wayne Van Voast  
Research Division Chief  
MBMG  
Butte

### Communities that have begun wellhead protection projects:

Missoula  
Sheridan  
East Helena  
Deer Lodge  
Bridger  
Belgrade  
Plains  
Hamilton  
Livingston  
Manhattan

Polson  
Clyde Park  
Choteau  
Ramsey  
Bonner Elementary School  
Desmet Elementary School  
Eureka, Midvale Water System  
Augusta High School  
Source Giant Springs Bottling Company  
Giant Springs State Park

### Communities interested in getting started on wellhead protection projects:

Sidney  
Broadus  
Huntley  
Thompson Falls  
Musselshell  
Three Forks  
Lolo Water District  
Lewistown

Sage Creek Water District  
Galata Water District  
Oilmont Water District  
Hungry Horse  
Twin Bridges  
Fromberg  
Basin Water District

DEPARTMENT OF NATURAL RESOURCES  
BEFORE THE HOUSE NATURAL RESOURCES COMMITTEE  
MARCH 3, 1995

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE WATER RESOURCE ADMINISTRATION OF STATE WATER PROJECT LAWS; ESTABLISHING A SELF-SUPPORTING LEASE MANAGEMENT PROGRAM FOR WATER PROJECT LANDS; ALLOWING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO TRANSFER OR DISPOSE OF AN INACTIVE STATE WATER PROJECT WITHOUT A DETERMINATION OF MARKET VALUE; CLARIFYING THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION'S DUTY TO MAINTAIN FINANCIAL RECORDS OF STATE WATER PROJECTS; AMENDING SECTIONS 85-1-202, 85-1-204, 85-1-206, 85-1-209, 85-1-210, 85-1-211, AND 85-1-215, MCA; AND PROVIDING AN EFFECTIVE DATE."

My name is Mark Simonich. I am the Director of the Department of Natural Resources and Conservation.

Senate Bill 147 was introduced at the request of the Department. I appreciate Senator Hertel's willingness to sponsor this bill for the agency.

The first 11 sections of the bill establish a lease management program for state-owned lands associated with our state water projects. While we have general land management authorities in current statutes, Senate Bill 147 represents direct legislative policy and guidance on the administration of project lands.

Cabin site lessees have expressed concern that the Department would charge them for costs not associated with cabin site leases. Let me clarify our position on this issue. Lessees will only be charged for those costs associated with the administration of cabin site leases. Administrative costs include such things as renewing leases, enforcing lease provisions, resolving disputes, and responding to lessee complaints.

SB 147 envisions the department adopting rules consistent with this act in order to administer the lease program. Cabin site lessees have also expressed concern about item number four under rulemaking that the department to competitively bid project lands.



HOUSE OF REPRESENTATIVES

ABSENTEE VOTE

Date

3-3-96

Mr. Chairman/Mr. Speaker:

I, the undersigned member, hereby vote absentee on:

SB Bill No. 203

Representative

*Robert A. Baskin*

voting

aye  
(aye or no)

**The department proposes the following amendments to SB 147.**

**1. Page 2, lines 1 through 4.**

**Strike:** subsections (2) and (3) in their entirety

**Renumber:** subsequent subsections

**2. Page 3, lines 11 and 12.**

**Strike:** subsection (2) in its entirety

**Renumber:** subsequent subsections

These amendments eliminate lease restrictions on who can lease state water project lands.

***Department response to these amendments:***

1. These amendments reflect a recent request from the Decker Coal Company to lease state water project lands near the Tongue River Reservoir.

2. In addition, it is possible that agricultural corporations or partnerships may want to lease project lands. The amendments would allow the department to lease land to those parties.

## HOUSE OF REPRESENTATIVES

## VISITOR'S REGISTER

COMMITTEE

BILL NO.

SB 147

DATE

3-3-95

SPONSOR(S)

Senator Heitel

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Harley Sundquist	CABIN OWNER	147	X	
DeLores Sundquist	CABIN OWNER	147	X	
Christi Erickson	CABIN OWNER Deadman's Basin	147	X	
Irene Heiken	Cabin Owner - Deadman's Basin	147	X	We support Sen. Cole's Amendments
Carl Heiken	Cabin Owner - Deadman's Basin	147	X	- "
mark Simonich	DNRC	SB 147		X
Gary Fritz	DNRC	SB 147		X
Nick V. CLOS	MRWS MT. RURAL WATER	147		X
Larry Brown	Ag Pres. Assoc	147	X	

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

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

House Natural Resources COMMITTEE BILL NO. SB 204  
DATE 3-3-95 SPONSOR(S) Senator Grassfield  
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Daniel J. Elf	Montana Rural Water System	X	
Steve Pichea	MDHEC	X	
John Fitzpatrick	Pegasus Gold	X	
NICK V. CLOS	M.R.W.S. MT. RURAL WATER	X	
LARRY BROWN	Ag. Pres. Assoc	X	
MIKE MURPHY	MT. WATER RES ASSN		

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