

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 20, 1997, at 8:00 A.M., in Room 201

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Thomas F. Keating, Vice-Chairman (R)
Sen. Larry L. Baer (R)
Rep. John Johnson (D)
Sen. Linda J. Nelson (D)
Rep. William R. Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Legislative Fiscal Division
Theda Rossberg, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: DNRC - FORESTRY DIVISION
OIL & GAS ASSOCIATION

Executive Action: FORESTRY DIVISION

Tape 1,A
Speed 4.8

HEARING OIL & GAS ASSOCIATION

Larry Brown, Montana Oil and Gas Association stated that it was his understanding that the EPA granted \$100,000 for the Underground Injection Well Program and some of that funding may not have been passed into DEQ.

He stated his concern was the \$200 assessment on each injection well which was supposed to remain the same. There were rumors that the assessment may go up to \$300 per well.

Discussion:

{Tape: 1; Side: A; Approx. Time Count: 2.5; Comments: Mr Brown's continued discussion concerning Underground Injection Wells.}

CHAIRMAN DEBRUYCKER stated they would ask Tom Richmond, Administrator of Oil & Gas Division to come to the committee meeting and explain the problems presented by Mr. Brown.

EXHIBIT 1. Roger Lloyd, Legislative Fiscal Division reviewed the status sheet from the last meeting.

{Tape: 1; Side: A; Approx. Time Count: 9.4; Comments: .}

HEARING FORESTRY DIVISION

Mr. Lloyd reviewed some of the changes in the Forestry Division.

EXHIBIT 2. Bud Clinch, Director Department of Natural Resources and Conservation reviewed some funding adjustments with the committee.

Don Artley, Administrator Forestry Division said the division wash located in Missoula and had a 185 acre complex. He explained what that property consisted of.

EXHIBIT 3. Pages C-184 and C-185. Mr. Artley gave an overview of the Forestry Division.

Mr. Artley reviewed a chart showing the fire protection areas.

Questions and Responses:

SEN. NELSON asked what the fire fighters do when they are not fighting fires.

Mr. Artley replied they were hired in the middle of June and required training and then were assigned to different attack stations. They would be hired until early September.

Tape 1,B
Speed 2.4

{Tape: 1; Side: B; Approx. Time Count: 0; Comments: Mr. Artley's continued to SEN. NELSON'S question.}

Mr. Artley discussed fire protection with the Counties that are not under a rural fire district.

He mentioned that Granite and Powell County were interested in joining the county program. Missoula County will join the program this year.

{Tape: 1; Side: B; Approx. Time Count: 8.3; Comments: .}

Mr. Artley reviewed a map showing the counties where the fire fighting vehicles were located.

He talked about how the Forestry Division received surplus military property and refurbished them for fire fighting use. They visit military bases and tag equipment they could use. Last year they were able to get \$1.4 million of list price equipment. The property is only on loan to the Forestry Division and they will periodically check to see where that equipment is located.

Questions and Responses:

Questions as to where equipment was located.

{Tape: 1; Side: B; Approx. Time Count: 23.1; Comments: Mr. Artley discussed the fees charged to landowners.}

Mr. Artley said the assessment rate will be set after the legislature approves the rate. They do have a surplus of funds, but they don't receive their fire monies until after the property taxes were paid in November and need that surplus as a carry-over.

SEN. KEATING asked if there was additional funding for the large fires.

Mr. Artley replied that was correct. The assessments only pay one-third or their budget to prepare to fight fires. The over-time and large fires are paid under a supplemental which was general fund monies. Several hundred dollars can be returned to the general fund from fire billings from responsible parties. They billed Plumb Creek Timber over \$1 million for starting a fire from slash burning.

SEN. KEATING asked for a comparison of funds that go back into the general fund vs. general fund pay-outs.

{Tape: 1; Side: B; Approx. Time Count: 35.5; Comments: Mr. Artley discussed the cost of refurbishing equipment.}

Mr. Artley stated they had an equipment repair shop located in Missoula where they refurbished used equipment.

CHAIRMAN DEBRUYCKER asked how the department handles let-burn fires that get out of control.

Mr. Artley said the federal government reimburses them for fires on federal lands that they have to fight. The federal government was paying one hundred percent for the Augusta fire.

Discussion:

REP. WISEMAN said with the heavy snow pack, that should help the fire season.

Mr. Artley responded that the snow pack or wet springs had little affect on the fire season because of the extreme growth of grasses followed by the dry weather from July to September there could be worse fire conditions.

Questions and Responses:

SEN. KEATING asked if Plumb Creek and other timber companies were still hiring crews to clean out the underbrush to keep the forest clean of that fuel.

Mr. Artley replied when they were thinning out growth and after logging they would hire extra help for clean-up. Some of the brush and debris does provide for habitat of wild animals, etc. Those who would try to groom a forest to look like a park would find themselves at odds with some environmental groups.

Mr. Artley said their goal was to hold all fires to ten acres or less and they have reached 95% of that goal at a cost of approximately \$1,600 per fire. Larger fires could cost into the millions of dollars.

Tape 2,A
Speed 2.4

{Tape: 2; Side: A; Approx. Time Count: 0; Comments: Mr. Artley continued his overview on fire suppression.}

Mr. Artley explained the different types of aircraft used for fire suppression and the FTE involved with those aircraft.

He reviewed the costs of using aircraft for fire suppression.

EXHIBIT 4, Page G-92. Mr. Artley said there were some errors in the budget book in the Air Operations Program.

EXHIBIT 5. Mr. Artley reviewed some budget corrections to be compared with the budget book. He reviewed the costs of expenses that were required to replace some parts of the aircraft after so many hours of use.

EXHIBIT 6. Mr. Artley reviewed Air Operations budget forecast from 1998 through 2006.

Nursery Program:

{Tape: 2; Side: A; Approx. Time Count: 25.5; Comments: Mr. Artley reviewed the Nursery Program.}

Mr. Artley stated that the nursery was located on private land in a prime residential area in Missoula and was originally University land. The nursery at one time was at the University in the 60's and 70's.

Slash Program:

{Tape: 2; Side: A; Approx. Time Count: 42.5; Comments: .}

Mr. Artley said the fees for the Slash Program were 50% from the landowner and 50% from the loggers. A logger has to obtain an agreement from the department before they can start a logging operation to stipulate what they intend to do with the debris.

He discussed the bonds and the release of the bond when the work had been completed.

Discussion:

SEN. KEATING said that he had heard that in the early 1900's a wildfire burned all the way from Kellogg, Idaho to Butte, Montana. He asked Mr. Artley if he knew the perimeter of that fire.

Mr. Artley replied that there were many fires burning simultaneously and eventually burned together.

Tape 2,B
Speed 2.4

{Tape: 2; Side: B; Approx. Time Count: 0; Comments: Mr. Artley stated that 78 fire fighters lives were lost in those fires.}

Discussion:

SEN. KEATING said that crews were sent in to re-forest those burned areas, which was the second growth. He asked if those forests were in their third growth period.

Mr. Artley answered that where there was intensive management there was probably a third forest and some areas were second growth.

Service Forestry Program:

Mr. Artley reviewed the Service Forestry Program. He stated that in 1989 a voluntary Best Management Practices Program was put into place.

{Tape: 2; Side: B; Approx. Time Count: 9.0; Comments: .}

Mr. Artley discussed the Streamside Management Program, Forest Practices and Community Forestry Services.

Questions and Responses:

SEN. KEATING asked if the audit on the Best Management Practices include the Streamside Management Zones as well.

Mr. Artley answered yes it does.

SEN. KEATING asked if the Streamside Management Program really protected the environment and what kind of an economic tradeoff was there for the landowner who was required to leave that timber on the streamside.

Mr. Artley said if only part of the tree is cut and it blows down into the stream, that is considered good because of fish habitat. Those streamside zones were very effective because the sediment doesn't work its way into the stream.

SEN. KEATING asked what the biggest fine was that was assessed for a violation.

Mr. Artley replied that the largest fine was \$17,000 and was based upon the severity of the violation.

{Tape: 2. Side B; Approx. Time Count: 29.1; Comments: .}

CHAIRMAN DEBRUYCKER announced that they would like to finish the hearing on the division so as to get to the budget today.

EXHIBIT 7, Page 186. Mr. Lloyd stated that at the bottom of the page is what is called performance based budget of the nursery program which was new. The purpose was to develop some goals and objectives and some performance measures.

EXHIBIT 8, Page C-188. Mr. Lloyd reviewed some questions on the department's goals the committee may wish to consider.

Questions and Responses:

SEN. KEATING inquired as to spending authority in specific amounts should the nursery program run into trouble because they don't know how big their orders would be.

Mr. Artley answered that they have to make that decision every year. However, after a number of years they were fairly consistent with the number of orders.

{Tape: 2; Side: B; Approx. Time Count: 38.2; Comments: .}

EXHIBIT 9, Page C-187. SEN. JOHNSON said that perhaps the committee should look at the goals and make sure they were the goals that the legislature wants. He stated he could agree with those goals for that program.

Questions and Responses:

REP. WISEMAN inquired as to who would look at the goals in the future.

SEN. KEATING asked if there wasn't some legislative group that looked into the hail insurance enterprise fund.

SEN. JOHNSON said that by the year 2001 the committee could review those goals and perhaps as early as 1999.

CHAIRMAN DEBRUYCKER stated that the executive requests an additional \$100,539 over the 1999 biennium from timber improvement fees. See EXHIBIT 8, Page C-188.

Mr. Artley said the department was not requesting any additional funds.

Discussion:

Mr. Lloyd said perhaps the legislature should appropriate funds necessary to achieve those goals. One question to be considered is that if in two years a goal had not been met, how will the budget be adjusted.

SEN. BAER said his understanding was for the goals to be self-sufficient on their own performance and apparently they were not. However they were asking for 2.5 FTE and more funds. If they receive more employees and increased funds will that result in increased revenue and profits?

Mr. Artley stated they were not asking for any additional FTE nor additional spending authority because some of the FTE spend their time producing seed for the Trust Land Program, so the FTE duties were split.

Questions and Responses:

{Tape: 2; Side: B; Approx. Time Count: 50.4; Comments: .}

SEN. KEATING asked if there was a corresponding reduction of 2.5 FTE in some other budget.

Mr. Artley responded yes that was correct. However, the budget office included the two divisions between the Forest Management and Forestry Division which was correct.

EXHIBIT 10, Page 189. SEN. KEATING asked if the 9.72 FTE showing in Table 12 was correct.

Mr. Artley said that was correct. They transferred some FTE's from the old Forestry Program. They were from the Forest Management Program which is currently the Trust Land Management

Program. He stated they went through an internal reorganization also.

{Tape: 2; Side: B; Approx. Time Count: 55.9; Comments: Discussion continued on the FTE's and the funding in the Nursery Program.}

Tape 3,A
Speed 2.4

Questions and Responses:

SEN. KEATING asked if there should be a policy statement that the nursery would provide seedlings for state lands and private landowners who wish to purchase seedlings and it would be a self-supporting operation.

Mr. Lloyd explained that the goals were a way of measuring the programs expectations of what the program is expected to achieve. He said SEN. KEATING'S policy statement may be unnecessary because that statute already addresses that.

SEN. JOHNSON said those were measurable goals and they should be stated as they appear in the Performance-Based Budget, Page C-187. He explained that Goal No. 1 and Goal No. 2 explain Goal No. 4.

{Tape: 3; Side: A; Approx. Time Count: 7.8; Comments: .}

Discussion:

Discussion continues on goals and targets. See EXHIBIT 9, Page C-187.

{Tape: 3; Side: A; Approx. Time Count: 15/3; Comments: .}

EXECUTIVE ACTION FORESTRY DIVISION

Motion/Vote: SEN. KEATING MOVED TO APPROVE THE LANGUAGE PROPOSED BY THE EXECUTIVE TO THE EFFECT THAT PRICES AND MANAGEMENT COSTS BE SET SO THAT THE NURSERY IS SELF-SUPPORTING BY YEAR 2001. Motion carried unanimously.

Motion/Vote: SEN. KEATING MOVED TO APPROVE THE NURSERY BUDGET. Motion carried unanimously. See EXHIBIT 10, Page C-189.

EXHIBIT 11. Mr. Artley explained that there were some computer errors made by the new computer system. He said those were computer errors and there were corresponding reductions in federal funds and state special revenue that balances that.

Motion/Vote: SEN. KEATING MOVED TO APPROVE THE \$44,618 IN SERVICE FORESTRY FUNDING SWITCH. Motion carried unanimously.

Motion/Vote: SEN. KEATING MOVED TO REDUCE THE SLASH BASE BY
\$80,000 IN THE FORESTRY DIVISION. Motion carried unanimously.

EXHIBIT 12, Page C-190. Mr. Clinch said they had to put the budget estimates together back in July to the best of their ability in projecting their revenues. However, there were some budget items that could be eliminated. He recommended that the committee eliminates No's 9, 10, 11, 12, 23 and other Base Adjustments.

ADJOURNMENT

Adjournment: 12:00 P.M.


REP. ROGER DEBRUYCKER, Chairman


THEDA ROSSBERG, Secretary

RD/TR