

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By CHAIRMAN ROGER DEBRUYCKER, on January 22,
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: DEPT. NATURAL RESOURCES & DEVELOPMENT
Water Resources Division

EXECUTIVE ACTION: DEPT. NATURAL RESOURCES & CONSERVATION
Water Resources Division

Tape 1,A
Speed 2.4

EXHIBIT 1. Roger Lloyd, Legislative Fiscal Division gave the
committee an update on their actions as of the 21st.

EXHIBIT 2. John Tubbs, Administrator Resource Development Bureau
reviewed the RIT Fund Balances.

Questions and Responses:

{Tape: 1; Side: A; Approx. Time Count: 7.0; Comments: .}

{Tape: 1; Side: A; Approx. Time Count: 26.1; Comments: Mr. Lloyd explained the funding to the committee.}

Discussion:

Discussion continues on RIT fund balances.

{Tape: 1; Side: A; Approx. Time Count: 38.8; Comments: .}

SEN. NELSON said they had 8 Conservation Districts in the North Eastern part of Montana, which was the lower Missouri districts and they have water development demands that require more personnel and expertise to address those concerns.

Miles Knutson, Roosevelt County Conservation District described the irrigation demand for 8 conservation districts. He said there was a problem processing applications for those who intend to increase their irrigated acreage. He said they estimate the conservation districts to process between 40 and 50 applications. The cost would be approximately \$25,000 each year to process those applications.

{Tape: 1; Side: A; Approx. Time Count: 42.3; Comments: Mr. Knutson's testimony continues.}

Questions and Responses:

{Tape: 1; Side: A; Approx. Time Count: 43.4; Comments: .}

Mike Valesky, Montana Association of Conservation Districts said the conservation districts agreed to administer those water reservations for the State. He wouldn't speculate as to the time-line that applications had to be processed.

{Tape: 1; Side: A; Approx. Time Count: 47.7; Comments: Mr. Valesky's testimony continues.}

Discussion:

Mr. Clinch explained the water applications, etc. He said they needed help to fill-out applications so they could be processed in a timely manner.

{Tape: 1; Side: A; Approx. Time Count: 51.4; Comments: .}

Questions and Responses:

Ray Beck, Department Natural Resources and Conservation said there was a difference between water reservations and water rights, but were processed by the department in a similar way. He said the State gave the districts the responsibility and they are struggling with the administration of those reservations.

Mr. Lloyd asked if they were requesting Coal Tax appropriations.

Mr. Beck said they had anticipated using Coal Tax to fund that.

Tape 1,B
Speed 2.4

{Tape: 1; Side: B; Approx. Time Count: 0; Comments: .}

Discussion continues on the funding for the Conservation Districts:

Questions and Responses:

SEN. KEATING asked how many individuals were involved in that 30,000 acres.

Mr. Tubbs stated there would probably be approximately 310 applications. He said they hope to get applications for more than 30,000 acres.

{Tape: 1; Side: B; Approx. Time Count: 3.5 ; Comments: Questions and Responses continue.}

Mr. Tubbs said they would only do 40 to 50 applications for the \$25,000 request.

{Tape: 1; Side: B; Approx. Time Count: 20.3; Comments: .}

Motion/Vote: SEN. NELSON MOVED TO RECONSIDER ACTION ON THE COAL TAX BUDGET. Motion failed 1-4.

{Tape: 1; Side: B; Approx. Time Count: 23.0; Comments: .}

HEARING WATER RESOURCES DIVISION

Jack Stultz, Regional Offices Supervisor for the Water Resources Division gave an overview on the Water Resources Division.

{Tape: 1; Side: B; Approx. Time Count: 33.9; Comments: .}

Mr. Clinch stated that the Water Resources Division was originally with the old DNRC.

Glenn McDonald, Administrator State Water Projects Bureau gave an overview of the projects.

{Tape: 1; Side: B; Approx. Time Count: 36.1; Comments: .}

Mr. McDonald reviewed some photographs of the Tongue River Project.

Questions and Responses:

SEN. KEATING asked what the State's share of the costs of the rehabilitation and operations were.

{Tape: 1; Side: B; Approx. Time Count: 49.8; Comments: Continued Questions and Responses as to the cost of the projects.}

Mr. McDonald gave an overview on the Petrolia Dam which was located in Central Montana, South and East of Winnet.

Tape 2,A
Speed 2.4

{Tape: 2; Side: A; Approx. Time Count: }; Comments: Continued discussion on the Petrolia Dam.}

Mr. McDonald reviewed Deadman's Basin, Broadwater Power Project and East Fork of Rock Creek.

Questions and Responses:

SEN. KEATING asked what the kilowatt rate was that the Broadwater Project generated.

Mr. McDonald replied that in December Montana Power Company paid them about \$240,000 and an average of approximately 7.5 megawatts or 7,500 kilowatts. The summer rates were considerably less.

{Tape: 2; Side: A; Approx. Time Count: 12.8; Comments: .}

Mr. McDonald gave an overview on the East Fork Problems.

He reviewed the costs for completing the project.

Mr. Stultz explained that when water planning initiatives were handled on a local basis by the people in the area it worked much better.

EXECUTIVE ACTION WATER RESOURCES DIVISION

EXHIBIT 3. Mr. McDonald reviewed some funding switches with the committee.

{Tape: 2; Side: A; Approx. Time Count: 32.2; Comments: .}

- 1) Water Rights:
- 2) Water Operations:
- 3) Equipment:

Motion/Vote: SEN. KEATING MOVED TO APPROVE THE ABOVE ITEMS.
Motion carried unanimously. See EXHIBIT 3.

EXHIBIT 4, Pages C-180 and C-181 Mr. Lloyd explained the Program Issues.

{Tape: 2; Side: A; Approx. Time Count: 48.2; Comments: SEN. KEATING commented on the way to reduce interest income from the RIT fund.}

Discussion:

EXHIBIT 5, Page C-174. BUDGET ITEMS:

Mr. Stultz reviewed some figure changes in Item 4, Equipment. The changes would be (\$23,942) in FY98 and (\$42,192) in FY99.

4) Equipment:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE THE ADJUSTED FIGURES OF (\$23,942) IN FY98 AND (\$42.192) IN FY99 FOR EQUIPMENT. Motion carried unanimously.

5) Reorganization:

Motion/Vote: SEN. KEATING MOVED TO APPROVE \$201,659 IN FISCAL 1998 AND \$196,135 IN FISCAL 1999 FOR REORGANIZATION EXPENSES. Motion carried unanimously.

Mr. Stultz reviewed a budget change in Item 6. The changes should be \$244,178 in FY98 and \$264,159 in FY99.

6) Administrative Adjustments:

Motion/Vote: REP. WISEMAN MOVED TO APPROVE THE ADJUSTED REQUESTS OF \$244,178 IN FISCAL 1998 AND \$264,159 IN FISCAL 1999 FOR ADMINISTRATIVE ADJUSTMENTS. Motion carried 5-1 with CHAIRMAN DEBRUYCKER voting no.

7) Leased Vehicle Replacement:

Motion/Vote: SEN. KEATING MOVED TO APPROVE THE LEASED VEHICLE REPLACEMENT. Motion carried unanimously.

Tape 2,B
Speed 2.4

Other Base Adjustments:

Mr. Stultz reviewed a budget adjust to Other Base Adjustments. The changes were \$14,580 in FY98 and \$7,046 in FY99.

Motion/Vote: REP. WISEMAN MOVED TO APPROVE THE BASE ADJUSTMENTS OF \$14,580 IN FISCAL 1998 AND \$7,036 IN FISCAL 1999. Motion carried unanimously.

{Tape: 2; Side: B; Approx. Time Count: 5.9; Comments: .}

EXHIBIT 6. EXECUTIVE NEW PROPOSALS:

1) Rocky Boys Study:

Mr. Stultz reviewed the Rocky Boy water problem.

Discussion:

The committee continued discussion on the Rocky Boy water situation.

Mary Vandebosch stated that the Shoshone Tribe received a more generous package. The federal government paid for 100% of the reservation's water treatment plant and their pipeline. That system serves both reservation and off-reservation communities. The federal government paid 80% of the off-reservation community.

Questions and Responses:

{Tape: 2; Side: B; Approx. Time Count: 15.3; Comments: SEN. BAER stated that they were asking for \$310,000 just for a study.}

Mr. Stultz answered that the \$310,000 was not all for a study. \$80,000 was for a contingency fund in having to deal with a larger collection of systems.

Susan Cottingham, Water Compact Commission said that grant requests had to be in by May of 1996. At that point they were still waiting for the federal EPA money. There weren't a lot of the other communities expressing their interest at that time. It was probably a timing issue otherwise they may have made a grant request. The Compact Committee realized if they were going to address Congress they would need some interim funds.

Mr. Stultz stated that in some instances it was an emergency situation. Havre has been on a boil-recommendation for some time.

{Tape: 2; Side: B; Approx. Time Count: 19.5; Comments: .}

Discussion:

SEN. KEATING stated if the problem worthwhile it should be funded with general fund money or have the legislature appropriate funds through HB 6 and HB 7 by whatever level they choose.

Ms. Vandebosch stated the Tribe had already spent \$100,000 on the proposal.

{Tape: 2; Side: B; Approx. Time Count 43.3; Comments: .}

Motion: REP. WISEMAN MOVED TO REDUCE RECLAMATION AND DEVELOPMENT GRANTS BY \$310,000 TO PAY FOR THE ROCKY BOYS STUDY.

Discussion:

Vote: Motion failed 3-3. See EXHIBIT 6, Page C-176.

EXHIBIT 7, Pages C-178 and C-179. Mr. Lloyd gave an overview of the Language Issues.

Item 1: Mr. Stultz requested that the \$750,000 for bond debts be reduced to \$550,000. That appropriation would be unnecessary in the next biennium.

Questions and Responses:

{Tape: 2; Side: B; Approx. Time Count: 53.5; Comments: Questions and Responses on the Broadwater Project.}

SEN. KEATING requested a list of the operating costs for the Broadwater Power Project.

Motion SEN. KEATING MOVED TO APPROPRIATE \$550,000 THROUGH HB 2, CONTINGENT UPON THE LIST OF SPECIFIC EXPENSES FOR THE BROADWATER POWER PROJECT.

Discussion:

Tape 3, A
Speed 2.4

{Tape: 3; Side: A; Approx. Time Count: 5.8; Comments: Discussion continued on the appropriation for the Broadwater Power Project.}

SEN. JOHNSON stated that the appropriation request was for necessary costs.

Motion Withdrawn: SEN. KEATING WITHDREW HIS MOTION.

ADJOURNMENT

Adjournment: 12:15 A.M.


REP ROGER DEBRUYCKER, Chairman


THEDA ROSSBERG, Secretary

RD/TR