

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By CHAIRMAN ERNEST BERGSAGEL, on January 23, 1997, at 8:00 a.m., in Room 317 of the State Capitol.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chairman (R)
Sen. Thomas A. "Tom" Beck, Vice-Chairman (R)
Sen. John "J.D." Lynch (D)
Rep. Matt McCann (D)
Rep. Tom Zook (R)

Members Excused: none

Members Absent: none

Staff Present: Nan LeFebvre, Legislative Fiscal Division
Debbie Rostocki, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HOUSE BILLS 6 & 8 - Continued
from 1/22/97
Executive Action: none

HEARING ON HOUSE BILLS 6 AND 8 - CONT. FROM 1/22/97 RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

RRGL Project No. 16

Bloomfield School District #30 - GeoSource Heat/Cool System

Mr. Michael Downey, Department of Natural Resources and Conservation (DNRC), reviewed the project and recommendations. Questions were asked about alternative sources of financing.
{Tape: 1; Side: a; Approx. Time Count: 0.5-6.4}

REP. BETTY LOU KASTEN, HD 99, rose in support of the project.
{Tape: 1; Side: a; Approx. Time Count: 6.5-7.9}

Ms. Linda Borntrager, teacher of grades five - eight at Bloomfield School, spoke in support of the project and introduced several students who had been involved in the application process.
{Tape: 1; Side: a; Approx. Time Count: 8.6-9.7}

The following Bloomfield School students testified in support of the project: Ms. Sarah Borntrager, Ms. Megan Hostetler, Mr. Kris Raisl, Mr. Matt Raisl, Mr. Jim Evans, and Mr. Jason Unruh
{Tape: 1; Side: a; Approx. Time Count: 9.9-14.8}

Mr. David Kasten, an acquaintance of several people involved in the project, spoke in support of funding.
{Tape: 1; Side: a; Approx. Time Count: 14.2-14.8}

The students were asked several questions; Ms. Linda Borntrager answered some of them.
{Tape: 1; Side: a; Approx. Time Count: 14.9-18.5}

RRGL Project No. 3
Sheridan County Conservation District
Sheridan County Groundwater Management Program

Mr. Downey reviewed the project and recommendations.
{Tape: 1; Side: a; Approx. Time Count: 19.6-21.4}

Mr. Tim Holte, Sheridan County Conservation District Supervisor, spoke in support of the project and distributed a fact sheet.
EXHIBIT 1 Questions were asked regarding future project financing.
{Tape: 1; Side: a; Approx. Time Count: 21.7-24.3}

Mr. John Bolstead, Sheridan County Conservation District, rose in support of the project.
{Tape: 1; Side: a; Approx. Time Count: 26.9-27.5}

Jeff Wivholm, Sheridan County Conservation District Chairman, spoke in support of the project. Questions were asked regarding the cost to users and how other funding was being utilized.
{Tape: 1; Side: a; Approx. Time Count: 28.0-30.9}

RRGL Project No. 35
Hill and Liberty County Conservation Districts
Water Resource Evaluation of the Sage Creek Watershed

Mr. Downey reviewed the project and recommendations.
{Tape: 1; Side: a; Approx. Time Count: 31.5-32.7}

SEN. LOREN JENKINS, SD 45, went on record as being in support of the project.

Mr. Terry Stevenson, a Sage Creek area rancher, discussed what he had learned when he had his water tested. EXHIBITS 2 and 3 Questions were asked.
{Tape: 1; Side: a; Approx. Time Count: 32.9-35.0}

Mr. Tom Bangs, a farmer and rancher north of Inverness, discussed the problems they were having and the organization they had formed to address them. Questions were asked regarding the source of the contamination.

{Tape: 1; Side: a; Approx. Time Count: 35.5-40.5}

Ms. Kate Miller, involved in estimating the professional costs for doing the watershed evaluation, spoke. Questions were asked regarding the feasibility of partial funding and plans for mitigation.

{Tape: 1; Side: a; Approx. Time Count: 40.6-end of side a}

Mr. John Smith, a Liberty County farmer, rose in support of the project.

{Tape: 1; Side: b; Approx. Time Count: 0.0-2.0}

Mr. Rod Oraw, Liberty County Cons. Dist. Supervisor, rose in support of the project; questions were asked.

{Tape: 1; Side: b; Approx. Time Count: 2.2-7.4}

About ten members of the Sage Creek Watershed delegation in attendance but did not testify.

RRGL Project No. 26

Choteau County and Fergus County

PN Bridge and Campground - Streambank Erosion Control

Mr. Bob Fischer, DNRC, gave a short review of the project and recommendations.

{Tape: 1; Side: b; Approx. Time Count: 8.1-10.3}

Ms. Linda Williams, Choteau County DES Coordinator and MSU/Choteau County Extension Agent, rose in support of the project and gave a short slide presentation. **EXHIBIT 4** Questions were answered by Ms. Williams and Mr. John Witt, Choteau County Commissioner, who discussed the involvement of other government entities in the project. Several Choteau County Commissioners were introduced. Mr. Witt said that if they were not funded they would still proceed with phase I of the project.

{Tape: 1; Side: b; Approx. Time Count: 10.6-31.2}

REP. DICK KNOX, HD 93, stressed the health and safety issues at the campground.

{Tape: 1; Side: b; Approx. Time Count: 31.3-35.5}

Mr. Vern Peterson, Fergus County Commissioner, testified on behalf of the proposal.

{Tape: 1; Side: b; Approx. Time Count: 35.8-36.4}

RRGL Project No. 46
Yellowstone County
Alkali Creek Streambank Stabilization & Park Landscape

Mr. Downey reviewed the project and said a positive funding recommendation was contingent upon a more fully developed project scope and budget.

{Tape: 1; Side: b; Approx. Time Count: 37.2-38.0}

RRGL Project No. 38
Meagher County Conservation District
Cottonwood Creek Watershed Treatment

Mr. Downey reviewed the project and recommendations; questions were asked.

{Tape: 1; Side: b; Approx. Time Count: 38.5-41.1}

RRGL Project No. 48
Yellowstone Conservation District
Watershed Planning - Integrating Geospatial Information

Mr. Downey reviewed the project and recommendations.

{Tape: 1; Side: b; Approx. Time Count: 41.3-43.2}

Dr. Will Clark, Board of Supervisors, Yellowstone Co. Conservation. Dist., discussed the project. Questions were asked.

{Tape: 1; Side: b; Approx. Time Count: 43.4-Tape 2:a:3.2}

Ms. Cathy Maynard, Department of Agriculture, testified in support of the project, explaining what it set out to accomplish, adding that much behind-the-scenes development of the project had taken place.

{Tape: 2; Side: a; Approx. Time Count: 3.8-8.4}

Ms. Laverne Ivie, Administrator of the Yellowstone Conservation Dist., spoke in support of the project. EXHIBITS 5 and 6

{Tape: 2; Side: a; Approx. Time Count: 8.6-9.2}

Ms. Maynard discussed how landowners would be able to utilize the information from the project. Dr. Clark commented.

{Tape: 2; Side: a; Approx. Time Count: 9.3-14.3}

RRGL Project No. 18
Yellowstone County Conservation Resource Inventory
Billings Planning Area

Mr. Fischer gave a short review of the project.

{Tape: 2; Side: a; Approx. Time Count: 14.9-16.1}

Ms. Candy Steward, an environmental planner with Fisher & Assoc., Billings, spoke on behalf of the grant. Questions were asked.
{Tape: 2; Side: a; Approx. Time Count: 16.4-20.4}

RRGL Project No. 29
Custer County Soil and Water Conservation District
Demonstration of Livestock Waste on Irrigated Croplands

Mr. Downey reviewed the project and recommendations.
{Tape: 2; Side: a; Approx. Time Count: 20.8-22.4}

Ed Beyl, Custer County Conservation Dist., rose in support of the project; questions were asked regarding site selection.
{Tape: 2; Side: a; Approx. Time Count: 22.6-26.3}

RRGL Project No. 50
Eastern Agricultural Research Center
Alternative Irrigation Systems and Alternative Crops

Mr. Downey reviewed the project and recommendations.
{Tape: 2; Side: a; Approx. Time Count: 26.9-28.5}

Mr. Jerry Bergman, Research Center Director at Sidney and Williston, North Dakota, spoke in support of the project.
{Tape: 2; Side: a; Approx. Time Count: 28.8-29.6}

Mr. Mike Ames, an irrigation specialist in Eastern Montana, discussed his findings and rose in support of the project and the potential economic benefits. Questions were asked and discussion took place.
{Tape: 2; Side: a; Approx. Time Count: 29.8-33.8}

Mr. Tom Rolfstad, Williston, North Dakota Economic Development Director, explained that he worked closely with the counties in Montana as well. He discussed agricultural trends and testified in support of the project. Questions were asked.
{Tape: 2; Side: a; Approx. Time Count: 36.6-41.4}

Mr. Dale Edam, a dryland farmer, spoke; see written testimony.
EXHIBIT 7
{Tape: 2; Side: a; Approx. Time Count: 42.1-44.1}

REP. BILL REHBEIN, HD 100, testified in support of the project.
{Tape: 2; Side: b; Approx. Time Count: 0.0-0.8}

Ms. Gloria Paladichuk, Richland Economic Development, Richland County, rose in support of the measure and Mr. Bergman's work.
{Tape: 2; Side: b; Approx. Time Count: 0.9-2.0}

Mr. John Tubbs, DNRC, discussed why the ranking of the project had been low. Mr. Bergman reviewed the funding his center received from Montana State University. Mr. Tubbs noted that

since the department's initial review, the project had continued to develop. Mr. Rolfstad commented further.

{Tape: 2; Side: b; Approx. Time Count: 2.1-9.1}

RRGL Project No. 45
Livingston, City of
Livingston Open Space Conservation Initiative

Mr. Downey reviewed the project and recommendations.

{Tape: 2; Side: b; Approx. Time Count: 9.4-10.8}

Unranked RRGL Project
Deer Lodge, Town of
Land Application of Wastewater Effluent

Mr. Fischer reviewed the project, which was not recommended for funding due to the fact that the application was submitted after the deadline.

{Tape: 2; Side: b; Approx. Time Count: 12.0-14.7}

Mr. Dick Labbe, Mayor of Deer Lodge, spoke in support of the project.

{Tape: 2; Side: b; Approx. Time Count: 14.8-19.5}

Unranked RRGL Project
Shepard School District Water Supply Project

Mr. Fischer reviewed the project, which had been submitted more than six months after the deadline. Ms. Judy Broadwater, Department of Commerce TSEP Program, added that the school district had applied too late for TSEP funding as well.

{Tape: 2; Side: b; Approx. Time Count: 19.6-21.6}

SEN. BILL GLASER, SD 8, rose in support of the project, reviewing the Shepard community's attempts to fund a solution to their problem. Questions were asked.

{Tape: 2; Side: b; Approx. Time Count: 22.0-24.0}

Mr. Carl Foggin, Shepard School District trustee, discussed the problem.

{Tape: 2; Side: b; Approx. Time Count: 26.2-29.0}

Mr. Pat Riley, a Shepard parent and DNRC employee, rose in support of the project as a citizen.

{Tape: 2; Side: b; Approx. Time Count: 29.4-32.6}

Mr. Cal Spangler, Shepard School Superintendent, reviewed the problems. EXHIBIT 8 Questions were asked.

{Tape: 2; Side: b; Approx. Time Count: 32.8-40.2}

Mr. Riley discussed the measures taken by local households to deal with the water contamination. Alternative funding sources were discussed as well as Department of Environmental Quality restrictions and their ramifications.

{Tape: 2; Side: b; Approx. Time Count: 40.3-Tape 3:a:1.2}

Unranked RRGL Project
Deer Lodge, Town of
Glen Lake Irrigation District

Mr. Fischer stated that two weeks prior, the District had applied for emergency funding and had been informed that DNRC would not be able to rank the project or recommend any funding.

{Tape: 3; Side: a; Approx. Time Count: 1.4-3.6}

REP. AUBYN CURTISS, HD 81, testified regarding the need for funding and rose in support of HOUSE BILL 300, presenting a number of letters in support of the project. EXHIBIT 9

{Tape: 3; Side: a; Approx. Time Count: 3.9-7.4}

Mr. John Schwarz, Bill Meyer Engineering, discussed the project. Questions were asked regarding the cost to the users and the reasons the application was made after the deadline.

{Tape: 3; Side: a; Approx. Time Count: 7.6-16.7}

Mr. Steve Curtiss, Glen Lake Irrigation Dist. Commissioner, rose in support of funding. Questions were asked.

{Tape: 3; Side: a; Approx. Time Count: 16.9-20.7}

Mr. Doug Benford, Glen Lake Irrigation Dist., discussed the situation from the users' perspective. Questions were asked.

{Tape: 3; Side: a; Approx. Time Count: 21.1-22.8}

Mr. Ian Jeffcock, Glen Lake Irrigation Dist. Manager, discussed the unique aspects of the Glen Lake Irrigation District.

{Tape: 3; Side: a; Approx. Time Count: 23.0-24.7}

REP. CURTISS closed.

Unranked RRGL Project
East Fork Dam - DNRC - East Fork Water Users

Mr. Tubbs reviewed the project and explained the funds had been applied for after the deadline because the emergency occurred after the deadline; he discussed the \$1 million loan DNRC had approved under its emergency authority.

{Tape: 3; Side: a; Approx. Time Count: 26.7-28.4}

Mr. Ed James, Flint Creek Water Users Association Director, reviewed the events that had occurred at the time of the emergency. EXHIBIT 10

{Tape: 3; Side: a; Approx. Time Count: 28.5-33.6}

Mr. Bud Clinch, DNRC Director, contrasted normal DNRC procedure vs. how this emergency had been addressed.

{Tape: 3; Side: a; Approx. Time Count: 33.8-37.8}

REP. DOUG MOOD, HD 58, discussed the effect of the emergency on the residents of Granite County.

{Tape: 3; Side: a; Approx. Time Count: 38.1-38.6}

SEN. BEA MCCARTHY, SD 29, rose in support of the request.

{Tape: 3; Side: a; Approx. Time Count: 38.7-39.6}

Mr. Earl Martin, Granite County Commissioner, testified that the Commission unanimously supported the funding proposal and discussed possible ramifications if the proposal were to be rejected. EXHIBIT 11

{Tape: 3; Side: a; Approx. Time Count: 39.8}

Mr. Mike Murphy, Montana Water Resources Assoc., rose in support of the request.

{Tape: 3; Side: a; Approx. Time Count: 42.3-42.6}

Mr. Alan Mikkelsen, on behalf of Ms. Tonja Baumbarger, an attorney representing some of the E. Fork and Flint Creek Water User shareholders, requested a modification of the amount to be repaid on the loan.

{Tape: 3; Side: a; Approx. Time Count: 42.8-end of side a}

Mr. Ed Moore, President, Flint Creek Water Users Assoc., discussed the Association's contractual obligation, the compatibility of what they were asking for in terms of Montana Water law, their meeting with GOVERNOR MARC RACICOT, and the effects on their shareholders. Questions were asked regarding the cost to the users.

{Tape: 3; Side: b; Approx. Time Count: 0.0-5.9}

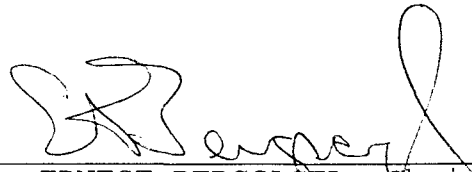
Mr. Tubbs distributed a spreadsheet comparing the effect of various interest rates on a \$1 million loan. EXHIBIT 12

Questions were asked. Mr. Clinch spoke.

{Tape: 3; Side: b; Approx. Time Count: 6.2-9.9}

ADJOURNMENT

Adjournment: 12:30 p.m.



REP. ERNEST BERGSAGEL, Chairman



DEBBIE ROSTOCKI, Secretary

EB/DR

This meeting was recorded on three ninety-minute audiocassette tapes.