

MINUTES OF THE MEETING
NATURAL RESOURCES SUBCOMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 13, 1985

The meeting of the Natural Resources Subcommittee was called to order by Chairman Manuel on February 13, 1985 at 8:05 a.m. in Room 132 of the State Capitol.

ROLL CALL: All members were present.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

(Water Resources)

Additional Vacancy Savings: The LFA took 7% Vacancy Savings out of this program and the Office of Budget and Program Planning (OBPP) took 4% Vacancy Savings. There is about \$3,000,000 a year in Personal Services.

Gary Fritz, Administrator, Water Resources Division, said the Vacancy Savings this year will be around 3%.

Discussion was held.

Representative Swift made a motion to take 5% Vacancy Savings in this division. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Other Personal Services: Most of the increase in this is for per diem. The LFA has per diem at a current level base of \$5,400 per year and the OBPP was allowing \$10,000 per year. The OBPP took into consideration travel by the Compact Commission.

Gordon McOmber (54:B:348), said they will have to have more travel or they won't be able to get the job done.

Discussion was held.

Senator Lane made a motion to approve the Personal Services request for an additional \$11,827 in FY '86 and \$11,781 in FY '87. Senator Smith seconded. A Voice vote was taken and the motion carried unanimously.

Computer Processing and Printing Increase: The Department spent \$110,000 on Computer Processing in FY '84. The OBPP has approved an increase to \$155,000 in FY '86 and \$160,000 in FY '87.

This increase relates to work to be done in Water Rights and

Storage and Retrieve in the Water Adjudication process. This work has been increased substantially since the base year.

Mr. Fritz (54:B:430) said the reason the base is low is because the preliminary decrees didn't start coming out until the later part of FY '84. The majority of these increases are in the Adjudication program and in the processing of the preliminary decrees in the Adjudication program and also the printing of those. This is the storage of all the claims gotten and the printing of all the decrees to go out to the local people.

Senator Smith made a motion to approve the Governor's budget of \$155,000 in FY '86 and \$160,000 in FY '87 for Computer Processing and the Governor's budget of \$50,000 in FY '86 and \$53,000 in FY '87 for Printing. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Private Legal Counsel: The LFA continued this at current level. They had \$75,000 in FY '84 for private legal counsel. They requested \$74,000 in FY '86 and \$91,000 in FY '87.

Most of the increase in the second year is related to the Reserve Water Rights Compact Commission's legal counsel.

Mr. McOmber said they feel they should get the best legal counsel available for the State of Montana. Mr. McOmber said they feel it is a good investment because it is better to get the job done by negotiation instead of litigation.

Discussion was held.

Representative Swift made a motion to approve the Governor's budget up to \$10,000 in FY '87 with the stipulation it be used for the Compact Commission and leave FY '86 as is. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Consultant Contract: The LFA included \$10,000 in FY '87 the Department didn't request.

Senator Smith made a motion to disallow the \$10,000 in FY '87 and leave at Executive level. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Caretaker Contracts Increase: The Department spent about \$3,200 in FY '84 and this is contained in the current level budget. They requested \$7,000 in FY '86 and \$7,000 in FY '87. These are caretakers on the water projects.

Representative Swift made a motion to approve \$7,000 in FY '86 and \$7,000 in FY '87. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Aerial Photos: The Department spent \$34,000 in FY '84 and this is included in the current level budget. They requested \$49,000 in FY '86 and \$49,000 in FY '87 for this.

Mr. Fritz said \$12,000 of this increase is because of aerial photos they have to buy for the Adjudication program. They buy these photos from the Federal Government and sectionize them to determine if they can see the irrigation that has actually been claimed on the claim form submitted to the Water Court. They purchase 3,000 of these photos at \$14.00 a piece.

Senator Lane made a motion to approve \$49,000 in each year of the biennium for these photos. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Office and Data Processing Supplies: The OBPP felt they could get by with current expenditures.

Mr. Fasbender said a good share of this increase is for some map cabinets, files and photo files to take care of the photos for the Adjudication program.

The current level for this is \$30,300 per year.

Senator Smith made a motion to approve the Governor's budget of \$30,300 each year of the biennium. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Travel Error: The LFA made an error on this. They included \$8,354 in FY '86 and \$8,354 in FY '87 the Department didn't request.

Representative Swift made a motion to approve the Governor's budget of \$163,408 in FY '86 and \$163,408 in FY '87 for this. Senator Smith seconded. A Voice vote was taken and the motion carried.

Travel Increase: Mr. Fasbender said they feel the additional \$4,946 for travel is necessary.

Senator Smith made a motion to approve the Governor's budget for travel. Senator Smith rescinded his motion.

The OBPP allowed \$2,000 for in-state lodging, \$4,400 for in

state meals, \$8,000 for in-state Motor Pool, \$3,000 for in-state car mileage, \$4,000 for in-state commercial, \$3,000 for private use of aircraft over current level.

They allowed current level in out-of-state commercial transportation and they did not allow any out-of-state aircraft rental. They cut back about \$7,000 or \$8,000 in out-of-state meals and out of state lodging.

Discussion was held.

Representative Spaeth made a motion to approve the Governor's budget of \$163,408 in FY '86 and \$163,408 in FY '87. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Dues: There is about \$43,000 in current level for dues. The OBPP reduced this by \$15,000 per year.

This reduction was on the request of the former Director so they could have 2 FTE's in the Energy Division.

Mr. Fasbender said they are asking these dues be reinstated.

Mr. Fritz said they are talking about the Missouri Basin States Association and the Western States Water Council. The lower Missoula Basin states would like to see Montana stop developing it's water on the Missoula River and the Yellowstone River because they use that water for navigation and hydro-power purposes.

The Western States Water Council is used to make sure that Montana's water interests are handled properly in Congress. This is an arm of the Western Governor's Association and has been in existence for more than 20 years. The dues for this council are \$25,000 per year.

The dues for the Missouri Basin States Association are \$20,000 per year. They have not been able to pay their dues in the past and they are requesting to be able to pay these dues in full.

Discussion was held.

Representative Spaeth made a motion to approve the LFA's budget and allow the additional \$15,000 per year to bring this up to current level. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously. This is all General Fund money.

Equipment - Vehicles: The Department requested 7 vehicles. The OBPP included 3 of these and the LFA included all of them.

Discussion was held.

The Executive budget allows \$16,920 in FY '86 and \$9,220 in FY '87 for vehicles. The LFA allows \$25,380 and \$9,220 higher than that.

Senator Smith made a motion to approve the Governor's budget for \$16,920 in FY '86 and \$9,220 in FY '87 for the purchase of vehicles. Representative Nathe seconded. A Voice vote was taken and the motion carried unanimously.

Discussion was held on a Motor Pool.

Other Equipment: The LFA included all of the equipment requests and the OBPP only included some of it.

Discussion was held.

Representative Spaeth made a motion to approve the Governor's budget of \$18,804 in FY '86 and \$5,250 in FY '87. Senator Boylan seconded. A Voice vote was taken and the motion carried unanimously.

State Water Projects: These projects would be funded with Water Development Funds.

Curt Nichols, Principal Analyst, presented Exhibit "DDDD".

Mr. Fritz (55:A:500) said they put together a list of all the work they think is necessary on State owned Water Projects. In this biennium this comes to \$2,018,000. They traditionally use about \$800,000 per biennium on these projects.

Mr. Fritz said the LFA suggested they use the \$2,018,000 for operations in the Department.

Mr. Fritz presented Exhibits "EEEE" and "FFFF". See Exhibit "EEEE".

Mr. Fritz said if they have \$2,676,737 left over it would take them through project #47. See Exhibit "FFFF" pages 16-18.

Mr. Fritz (55:A:625) said if they have \$3,666,707 left over it would take them through all of the projects they received applications for. This would take them through project #76. See Exhibit "FFFF" pages 16-19.

Mr. Fritz said if they have \$1,458,737 left over it would take them through project #25. See Exhibit "FFFF" pages 16-17.

Mr. Nichols said last session the Water Resources Division was heavily funded with the Resource Indemnity Trust (RIT)

funds. The direction of the Legislature was to remove the RIT funds. The LFA current level replaced most of those RIT funds with water development funds in this program.

The Water Adjudication Program is all General Fund.

Discussion was held.

Mr. Fritz said they are not suggesting they spend \$2,018,000 for these projects. He said in his opinion this takes too much money away from the Water Development grants.

Discussion was held.

Mr. Fritz (55:B:349) said they funded about 18 grant projects this biennium for about \$1.4 million.

Representative Spaeth made a motion to approve option #1, Exhibit "EEEE" for \$800,000 for state projects. Senator Boylan seconded. Discussion was held. A Voice vote was taken and the motion carried unanimously. Senator Boylan made a motion to make this a biennial appropriation. A Voice vote was taken and the motion carried unanimously.

Miscellaneous and Inflation: Representative Spaeth made a motion to approve the LFA's budget of \$151 less in FY'86 and \$1,010 less in FY '87 for Miscellaneous than contained in the executive budget, and \$9,460 less in FY '86 than contained in the executive budget and the Governor's budget of \$9,544 less in FY '87 for Inflation than contained in LFA current level. Representative Swift seconded. A Voice vote was taken and the motion carried unanimously.

Modified:

Secretary for Compact Commission: They are requesting \$12,000 in FY '86 and \$12,000 in FY '87 and 1 FTE for a secretary. This would be out of the General Fund.

Gordon McOmber (55:B:530) said they are playing "catch up" now because the work has piled up.

In the last biennium they reverted about \$166,000 and about \$23,000 in the first year of this biennium will be reverted.

Mr. McOmber said they really need this secretary for keeping minutes at the meetings. The Tribe does one meeting and the Compact Commission does the next meeting. This costs them about \$800 to \$1,200 per each odd meeting.

Mr. McOmber said they have used secretaries from the pool but

they don't always get the same one and they have to teach them the terms and the names of the people.

Discussion was held.

Representative Spaeth made a motion to approve 1 FTE and \$12,000 in FY '86 and \$12,000 in FY '87 for this secretary but that this be a two-year position and the Commission will come back in two years with this as a modified request. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Hydrologist: They are requesting 1 FTE to be funded out of General Fund.

This person would be assisting Water Reservation applicants on getting applications and assessing the impacts of those applications for Montana and the downstream states on the Missouri River Basin. They would also help assess the impacts on the preliminary decrees.

Discussion was held.

They have 2 Hydrologists in the Department now.

Discussion was held.

Representative Spaeth made a motion to disallow the FTE and \$27,169 in FY '86 and \$26,772 in FY '87 for the Hydrologist. Representative Swift seconded. A Voice vote was taken. The motion carried with Senator Lane voting no.

Water Development: They are requesting 2 FTE's to be funded out of Water Development Funds. One of these FTE's would be an engineer and the other a project evaluator.

Mr. Fritz (56:A:077) said they propose to put the engineer on staff to go out and help put projects together.

The evaluator would be in response to the workload increase this biennium.

Discussion was held.

Senator Lane made a motion to approve the Engineer. Representative Spaeth seconded. A Voice vote was taken. The motion carried with Representative Nathe voting no.

Water Rights Field Investigations - Travel: They will have to go out in the field and investigate claims and the controversy that arises between claims. They are requesting \$11,550 in each

year of the biennium to be used primarily for travel.

Discussion was held.

Representative Swift made a motion to approve \$11,550 in FY '86 and \$11,550 in FY '87. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Cooney Dam: This is a request for a reappropriation of \$75,000.

Representative Spaeth made a motion to reauthorize \$75,000 and make this a biennial appropriation. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Middle Creek: This is for the authorization to spend Bureau of Reclamation funds.

This project is in under the Coal Severance Tax Bonding Authority but they are looking at the possibility of a Federal loan under the Bureau of Reclamation.

Representative Nathe made a motion to authorize them to spend \$4.1 million for Middle Creek if it comes in. This would be line itemed to be a biennial appropriation. Senator Lane seconded. A Voice vote was taken and the motion carried unanimously.

Mr. Fasbender discussed the Montana Water Users request for additional dues for the National Water Resources Association which was \$12,242 a year.

Bob Robinson (56:A:495) Deputy Director, DNRC, said 5% Vacancy Savings in the Water Division is too much. The current operation is running around 3%.

Discussion was held.

Representative Swift made a motion to leave Vacancy Savings as it is.

Discussion was held.

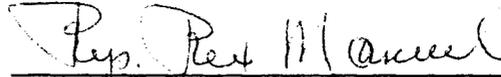
Representative Spaeth made a motion the LFA, OBPP and the Department get together and work out the Vacancy Savings. Representative Spaeth made a motion to take 4% Vacancy Savings in this division.

Representative Spaeth withdrew his motion.

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Representative Swift withdrew his motion.

The meeting was adjourned at 11:20 a.m.

A handwritten signature in cursive script that reads "Rep. Rex Manuel". The signature is written in dark ink and is positioned above a horizontal line.

Representative Rex Manuel
Chairman

STATE OF MONTANA
 AGENCY BASE INFORMATION FORM

Exhibit "DDDD"

NUMBER 5706 AGENCY NAME DNRC
 NUMBER 24 PROGRAM NAME Water Resources Division
 VARIABLE CONTROL VARIABLE NAME

Object of Expend. 3rd Level	JUSTIFY CURRENT LEVEL SERVICE EXPENDITURES	FY 84 Actual Amount	REQUESTED		(OBPP Use Only RECOMMENDED 1987 BIENNIIUM 1986
			1986	1987	
4300	<u>OTHER IMPROVEMENTS</u> Project Reparis-mainly for canal projects: lining, headgate repair, flume repair, etc. Petrolia Feasibility Study - to complete work scheduled to begin this spring. Martinsdale Dam Repair - Grant - This amount was appropriated last session and must be carried over to next biennium due to test case delays. Cottonwood Dam Repairs - Grant - Total project cost is \$218,000. Water users can afford \$40,000 which would be financed through a previously authorized bond sale. Yellow Water Dam Repair - Grant - total project cost is \$113,000. Water Users can afford \$63,000 which would be financed through a previously authorized bond sale. Ruby Feasibility Study-to complete work scheduled to begin in FY 85. North Fork Smith Feasibility Study. Nevada Creek Dam Feasibility Study.	150,000 ~ 50,000 50,000 178,000 50,000	~ 50,000 ~ 225,000 ~ 125,000		

220
 440
 110

Exhibit "DDDD"

STATE OF MONTANA
 AGENCY BASE INFORMATION FORM

NUMBER 5706 AGENCY NAME _____
 PROGRAM NAME _____
 CONTROL VARIABLE NAME _____
 CONTROL VARIABLE NAME _____

AGENCY

Object of Expend. 3rd Level	JUSTIFY CURRENT LEVEL SERVICE EXPENDITURES	FY 84 Actual Amount	REQUESTED 1987 BIENNIUM		(OBPP Use Only) RECOMMENDED 1987 BIENNIUM	
			1986	1987	1986	1987
4300	OTHER IMPROVEMENTS (con'd)					
	Painted Rocks Dam Feasibility Study - rehabilitation will be required by FERC.		350,000			
	Bair Dam Feasibility Study.		225,000			
	Miscellaneous Dam Repairs		40,000			
	Broadwater Missouri Siphon Repair - Includes construction, design and testing.		200,000			
	North Winifred Project Disposal		60,000			
	Warhorse Project Disposal		15,000			

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2/11/85

CASH FLOW FOR THE WATER DEVELOPMENT SPECIAL REVENUE ACCOUNT

FY 86 and FY 87

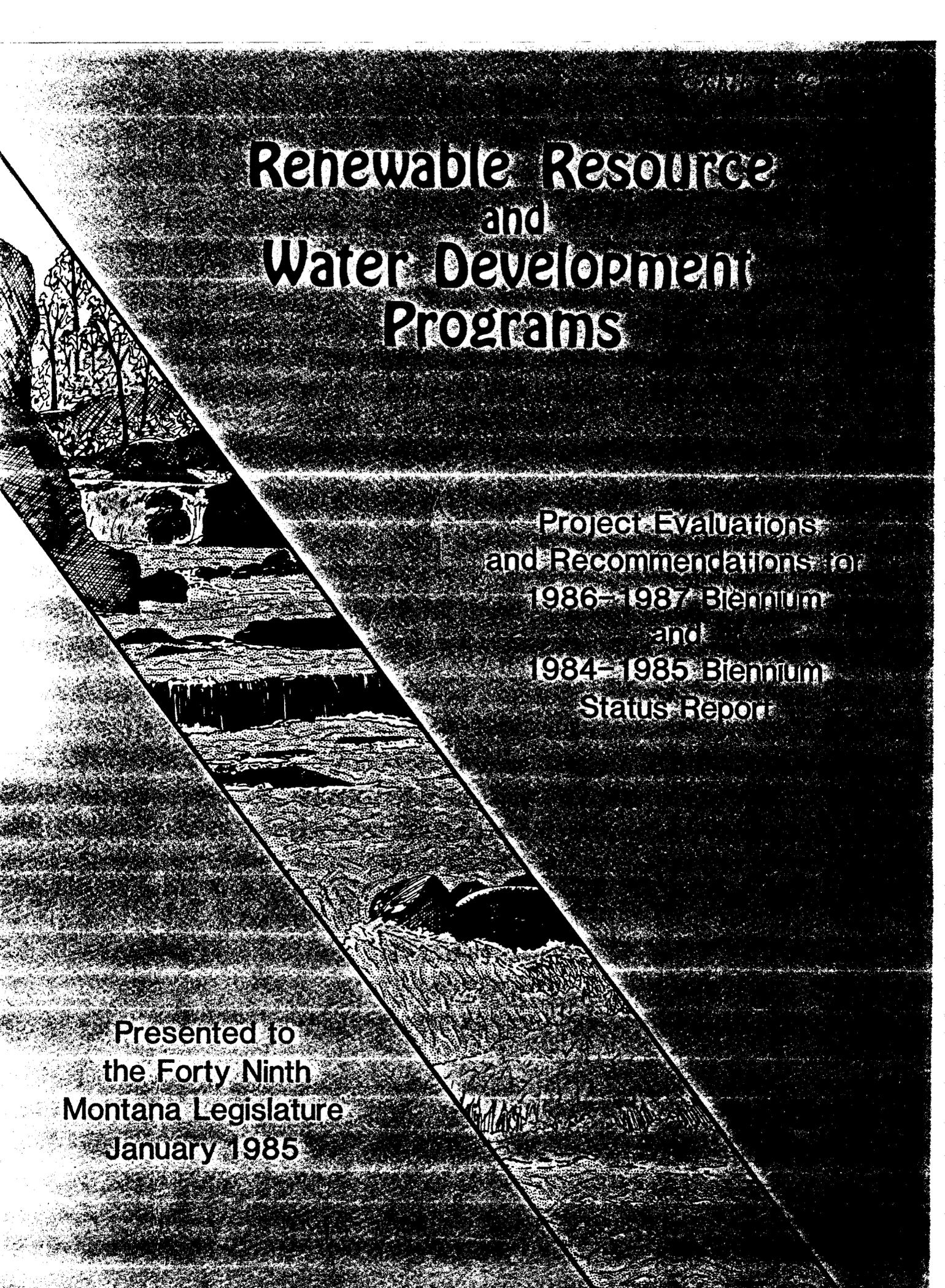
REVENUE

Carry-over from FY 85	150,000
30% Interest Income from RIT	4,054,687
Project Revenues	422,210
Earmarked Coal Tax (.625%)- After Bond Debt Service	551,376
Loan Repayments	<u>1,089,328</u>
TOTAL	6,267,592

EXPENDITURES

Water Courts	1,082,885	1,082,885	1,082,885
Centralized Services Division	205,000	-	205,000
Water Resources Division			
Water Development Bureau	718,000	718,000	718,000
Engineering Bureau			
Operations	785,000	-	785,000
Project Rehab(Capital Outlay)	800,000	800,000	2,018,000
Grants			
Amount	2,676,737	3,666,707	1,458,737
Number of Projects*	47	76	25

*As listed in the Water Development-RRD Report



Renewable Resource and Water Development Programs

Project Evaluations
and Recommendations for
1986-1987 Biennium
and
1984-1985 Biennium
Status Report

Presented to
the Forty Ninth
Montana Legislature
January 1985

VISITORS' REGISTER

NATURAL RESOURCES SUB COMMITTEE

BILL NO. _____

DATE February 13, 1985

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Larry Fasbender	DNRC	✓	
Bill Robinson	DNRC	✓	
John Armstrong	DNRC	-	
Scott Brown	-	-	
Gregory A. Comber	-	-	
Red Weir	OBAP		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.