

MINUTES OF THE MEETING  
LONG-RANGE PLANNING SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

April 10, 1985

The meeting of the Long-Range Planning Subcommittee was called to order by Chairman Robert Thoft on April 10, 1985 at 9:19 a.m. in Room 420 of the State Capitol.

ROLL CALL: All members were present except for Representative Bardanouve who was excused.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION, LEGACY PROGRAM HOUSE BILL 922: Representative Dave Brown (88:B:006), District 72, offered an amendment to House Bill 922 (EXHIBIT 1). This amendment will appropriate \$150,000 for the Mini-Superfund which was included in House Bill 913 and Senate Bill 277. Both of these bills, which were the enabling legislation for the Legacy Program, appear to be dead.

Chairman Thoft (88:B:036) said it was suggested to him this morning that the committee delay its action on the Legacy Program until the House leadership budget negotiations are completed. He said after these negotiations, the committee may have a little more or a little less money to deal with than originally anticipated.

Senator Van Valkenburg (88:B:052) said yesterday the committee agreed it would work with \$4.5 million in this program and it would put together a bill working with this figure. Chairman Thoft agreed, but he said he has been asked to delay final action until the committee knows the exact amount of money available. He said the committee can move forward on the assumption that \$4.5 million will be available, but it is taking a risk because the funds may not actually come through or there may be more available than anticipated. Chairman Thoft (88:B:059) said he is bothered by another delay just as much as Senator Van Valkenburg.

Senator Van Valkenburg (88:B:062) said he thinks the committee should go ahead with the \$4.5 million assumption, and if the bill has to be amended at a later date, it can be.

HOUSE BILL 952, PLANNING AND WATER RESERVATIONS ON THE MISSOURI RIVER BASIN: Chairman Thoft (88:B:080) asked for the budgets of the various departments receiving funding in this bill (EXHIBITS 2, 3, 3A AND 4).

Chairman Thoft (88:B:101) said he still is not certain why all the departments need to have separate appropriations

for water reservation applications. Gary Fritz, Administrator, Water Resources Division, Department of Natural Resources and Conservation (DNRC), said he feels he can best answer this question by using the Yellowstone reservation as an example. In that reservation, the Department of Fish, Wildlife and Parks (FW&P) and the Department of Health and Environmental Sciences (DHES) asked for different quantities of water. In some months the two departments share the water and in other months one department might require more water for fisheries or for water quality. The Board of Natural Resources recognized these differences and granted the controlling amount to FW&P in some months and to DHES in other months. Each department must submit an application which details its needs on a monthly basis. The board can then compare each application and determine which department controls the instream flow in each month.

Senator Fuller (88:B:124) asked what kind of administrative mechanism is in place for coordination between the departments involved. Mr. Fritz said in the Yellowstone reservation there was little coordination between departments, but he feels because of the past experience, there will be more coordination on the Missouri reservation. He said the various departments are already communicating with each other about their applications.

Chairman Thoft (88:B:180) asked if the upper portion of the river will be reserved first. Mr. Fritz said the portion above Canyon Ferry Dam is only 1/3 or 1/4 of the entire Missouri River Basin. He said applications will be submitted first on the upper portion, but before any reservations can be granted, the Board of Natural Resources will also need to review applications on the lower portion. It cannot grant reservations on the upper portion first because of its relationship to the to the lower portion.

John Thorson (88:B:214), Consulting Attorney, Environmental Quality Council, explained the amendment to House Bill 952, which was submitted by Representative Iverson and pertains to reservation applications on the Upper Missouri River Basin (EXHIBIT 5).

Representative Nathe (88:B:234), District 19, said the reason the applications are being accepted on the upper portion first is because the Appropriations Committee did not feel the entire reservation system could be funded this session. It recommended the upper portion be done first. He said the committee also recommended the same amount of money be spent for instream flow reservations as for municipalities and conservation districts.

Chairman Thoft (88:B:263) asked if FW&P and DHES already have staff on board with expertise in the area of water reservation applications. Don Hyyppa, Administrator, Parks Division, FW&P, said the staff is already on board or can be contracted. He also said FW&P is not asking for special funding in the bill, just authority to spend license revenues and private funds.

Senator Tveit (88:B:310) asked if the appropriation request is still \$233,700. Mr. Fritz said this is what is needed to complete applications on the Upper Missouri River Basin.

EXECUTIVE ACTION:

Senator Fuller (88:B:342) made a motion to accept the three amendments to House Bill 952 (See Exhibit 5). The motion passed unanimously.

DNRC's RECOMMENDATIONS FOR REDUCED FUNDING OF PROJECTS  
IN HOUSE BILL 922:

Gary Fritz (88:B:367) said since no one is certain about the amount available for these projects, he would like to caution the committee not to reduce the funding for the first fourteen and then, if the revenue available is higher than anticipated, fully fund projects below number 14. He said DNRC has made reasonable reductions in the first 14 projects and they are as follows:

Project 1, Montana Department of Agriculture, Weed  
Control Trust Fund:

Mr. Fritz (88:B:396) said there are several opportunities available in this proposal to make more money available for other projects. He said all of the week projects in the Renewable Resource Development Program (RRD) could be put into this project. This would free up \$127,899 in the RRD Program for House Bill 952.

Chairman Thoft (88:B:421) said there will be \$750,000 available in Project 1 for funding weed control projects and he asked how this compares to the total projects submitted. Caralee Cheney, Chief, Water Development Bureau, Water Resources Division, DNRC, said there are 14 weed projects in the Legacy Program which total \$1.3 million.

Chairman Thoft (88:B:434) asked Ms. Cheney to list those projects in the RRD Program which can be funded from the Legacy Program. Ms. Cheney explained funding for projects in the RRD Program, "Improvements to Ag Lands" category.

- Project 1 - Out of Legacy funds
- Project 2 - Out of Legacy funds
- Project 3 - Reapplication to be funded in this biennium
- Project 4 - Out of Legacy funds
- Project 5 - This project has been eliminated
- Project 6 - Reapplication to be funded in this biennium
- Project 7 - Out of Legacy funds
- Project 8 - Out of Legacy funds
- Project 9 - Will be funded out of the General Fund
- Project 10 - Below funding line
- Project 11 - Reapplication to be funded in this biennium
- Project 12 - Below funding line
- Project 13 - Below funding line

Mr. Fritz (88:B:468) said he believes there is a policy question involved in funding the weed control program. He said the committee needs to decide if weed control will be funded from three funding sources or one.

Project 2, MSU, Stream Restoration on Grasshopper Creek: Mr. Fritz (88:B:562) said DNRC feels this project has been trimmed down sufficiently and it does not suggest it be cut further.

Project 3, FW&P, Bannack Apex Mill Rehabilitation: Mr. Fritz (88:B:572) said this project could be reduced by \$118,685 if the interpretive work, half of the mill rehabilitation, and half of the professional services are cut.

Project 4, Montana Bureau of Mines and Geology, Groundwater Information Center: Mr. Fritz (88:B:600) said this project is not currently being recommended for full funding, but \$50,000 could be cut for the computerization of the coal water data.

Chairman Thoft (88:B:622) asked what the present funding level is for the Groundwater Information Center. Tom Patton, Bureau of Mines and Geology, said there are 1 3/4 FTEs for the center. Chairman Thoft asked if these FTEs will be funded out of this money. Mr. Patton said no, they are funded out of the General Fund. Chairman Thoft asked what the Legacy money is for. Mr. Patton said this money is for FTEs needed to get caught up on the backlog of water data. Mr. Patton explained the budget for the Groundwater Information Center (EXHIBITS 6 and 7).

Project 5, Deer Lodge County, Erosion Control: Mr. Fritz (89:A:058) said this project might be cut by 10 percent or \$30,000.

Senator Fuller (89:A:068) said he feels the committee needs to know the minimal amount required to determine if the trees will grow. Ms. Cheney (89:A:079) said the reason DNRC recommended the larger project for funding is because DNRC worked with various foresters on this project and they do not feel the project is a risk because they believe the trees will grow.

Senator Fuller (89:A:086) asked if the Anaconda Minerals Company is prepared to give the land to the state. He has heard it is willing to do this. George Ochenski, Environmental Information Center, said he too has heard the company is willing to give 2,500 acres to the state. He also cautioned that this has not been put in writing.

Senator Tveit (89:A:099) said he has a problem with putting \$300,000 into a project which will plant trees on someone else's land. Chairman Thoft said he thinks the committee should look at a reasonable demonstration project with this proposal.

Project 6, MSU, Stream Restoration Confederate Gulch and Deep Creek: Mr. Fritz (89:A:118) said the project sponsor decided, after looking at the budget in more detail, this could be done for \$134,249. This will reduce DNRC's original recommendation by \$17,503.

Senator Fuller (89:A:125) asked if the land owners involved in this project fall under the small miners exclusion for reclamation. Mr. Fritz said DNRC will put liens on the land to ensure it is not mined again once it is reclaimed. Ms. Cheney said DNRC will also get assurances from the land owners that the land will not be remined in the next ten years without reclamation.

Project 7, DHES, Hazardous Waste Management Collection: Mr. Fritz (89:A:135) said this project cannot be cut in any area.

Project 8, Butte-Silver Bow, Butte Hill Mining Reclamation: Mr. Fritz (89:A:143) said DNRC could not identify any cuts for this project.

Tom Cash (89:A:151), Community Development Director, Butte-Silver Bow, called the committee's attention to the information given to them on this project (EXHIBIT 8). He said the area the project will be performed on is not Superfund eligible. Mr. Cash said the ballfields were actually constructed on mine dumps. Some of the soil will be removed and alluvial material and top soil placed back on the fields so grass can be replanted.

He said both portions of this project deal with reclamation in areas which are not eligible for Superfund cleanup.

Senator Fuller (89:A:202) asked which portion of this project is needed the most. Mr. Cash said both are equally important.

Project 9, Toole County, North Toole County Reclamation Project:

Mr. Fritz (89:A:217) said DNRC feels two demonstration projects could be done in this proposal rather than seven. The two projects will still reclaim half of the acreage proposed in the original request. This project can be reduced by \$91,870, if it is limited to two demonstration projects.

Senator Tveit (89:A:233) called the committee's attention to information on the Resource Indemnity Tax (RIT) Receipts by source (EXHIBIT 9). He said this project is for oil and gas reclamation and the largest portion of RIT receipts come from the gas and oil industry. He said he feels projects dealing with oil reclamation should be more proportional to the amount of tax paid into the trust.

Project 10, Montana Governor's Office, Clark Fork River Projects: Mr. Fritz (89:A:262) said DNRC cannot find any areas for reduction in this project.

Project 11, DNRC, Conservation Districts Division, Reclamation of Streambanks: Mr. Fritz (89:A:265) said this project can be limited to one demonstration project instead of two. This will reduce the budget by \$20,000.

Project 12, Mile High Conservation District, Reclamation of Contaminated Agricultural Lands: Mr. Fritz (89:A:276) said this project should not be cut.

Project 13, Montana Governor's Office, Cabin Creek Reference to the IJC: Mr. Fritz (89:A:283) said DNRC does not recommend any reductions in this project.

Project 14, MSU, Water Resources Research Center, Cyanide and Heavy Metals in Judith Mountains: Mr. Fritz (89:A:283) said DNRC does not recommend any reductions in this project.

Mr. Fritz (89:A:284) said DNRC's proposed project reductions total \$455,957.

Project 28, Triangle Conservation District, Expanded State Salinity Program:

Representative Ernst (89:A:310) said he would like to have Ms. Hozer present the committee with some information

on this project. He said he is interested in possibly moving this project up in the priority list.

Jane Hozer (89:A:318), Triangle Conservation District, said this will be a one-time request and it is needed because the program is expanding to 33 counties. She said the funds will buy equipment needed for the expansion.

Chairman Thoft (89:A:324) asked how much funding the district has already received. Ms. Hozer said the program has received \$100,000 from the Water Development Program and \$150,000 from DNRC's Conservation Districts Division. She said originally this request was for three drilling teams, but the request has been scaled back to one team which will travel the entire 33-county area.

Chairman Thoft (89:A:334) asked if the funding already received will allow for any expansion of the program. Ms. Hozer said it will allow the program to address the new areas. The Legacy funds will purchase drilling equipment and hire two more persons for the present drilling team.

Senator Tveit (89:A:353) said oil and gas development contributes to an increase in saline seep. He said he feels this project is important because of the large area it benefits.

Project 15, City of Red Lodge, Park Revegetation and Irrigation: Chairman Thoft (89:A:404) asked if this project has already received funding. Madalyn Quinlan, Staff Analyst, Office of the Legislative Fiscal Analyst, said the committee had approved this project for a \$100,000 grant in the Water Development Program, but with the new revenue estimate, it falls below the funding level.

Chairman Thoft said he believes this is truly a reclamation project.

Project 24, Montana State Library, Natural Resources Information System and Natural Heritage Program: Chairman Thoft (89:A:451) asked Ms. Kemp to explain this project to the committee.

Mary Linda Kemp (89:A:456), Northern Lights Resource Council, said this project will: 1) collect natural resource data in the state and include it in a directory (the Natural Resources Information System); and 2) put the data on Montana flora and fauna into a computerized study (Natural Heritage Program). The project should reduce the cost of Environmental Impact Statements to the private sector, it will aid in state planning for various agencies and it is a cost effective system which is being used in

43 other states.

Chairman Thoft (89:A:521) asked if the funds will buy a computer for the data system. Sara Parker, State Librarian, Montana State Library, said the Natural Heritage part of the project will buy hardware and fund staff to work with the data.

Dennis Hemmer (89:A:553), Director, Department of State Lands, said his department will use this system and he supports the project.

Senator Fuller (89:A:562) asked if this project will be tied into the state's mainframe computer. Sara Parker said the project will create a system which can be accessed by any micro computer. Dennis Hemmer said the data will be put on the mainframe and micros will be used to access the data in the mainframe.

Senator Fuller (89:A:621) asked what the private funding sources are for this project. Ms. Kemp said \$75,140 will be raised by the Nature Conservancy through the private sector. FW&P is also granting \$75,000 from license fee increases. FW&P needs a computerized mapping system for its data and the software for this project can do computerized mapping.

Chairman Thoft (89:A:675) said there is a substantial risk of obligating the General Fund to this program indirectly through state agencies. Ms. Kemp said if agencies are willing to commit money to the project, they will find the system will save them time and money. Chairman Thoft said eventually it should reduce FTEs. Ms. Kemp said yes.

Project 20, Powder River Conservation District, Powder River Irrigation Water Quality Study: Senator William Yellowtail (89:A:710) said the Legislature has adopted SJR 16 which calls for a Powder River Basin Management Plan. He said the intention of this resolution centers around the issue of whether or not water quality is a water right under the Yellowstone Compact. He said Wyoming is delivering very marginal water across the state line into Montana. This project will provide Montana with water quality data on the water being sent into Montana from Wyoming. The two states are going to be negotiating this issue and the data from this study is crucial for the negotiations.

MONTANA STATE UNIVERSITY, WATER RESOURCES RESEARCH CENTER:

Senator Van Valkenburg (89:B:051) said there needs to be an amendment to House Bill 922 concerning Project 2 and 6. The amendment will strike the Department of Biology as the recipient of funding for these two projects and insert the Water Resources Research Center as the recipient. The center will then administer the funds to the project just as proposed originally. Senator Van Valkenburg said if this is done, the research center will be able to use the state appropriation for these projects as matching for federal funds.

Howard Peavey (89:B:067), Director, Water Resources Research Center, said the money will come to the water center and remain there just long enough to serve as match and then go on to the projects. Gary Fritz (89:B:074) said DNRC does not have any problems with this as long as there is no fee collected on the money while it sits in the research center's account.

DNRC AMENDMENTS TO HOUSE BILL 922: Mr. Fritz (89:B:087) said DNRC is proposing amendments to House Bill 922 which will delete references to Senate Bill 277 (EXHIBIT 10). He said these amendments are needed because Senate Bill 277 has not passed.

EXECUTIVE ACTION:

Senator Fuller (89:B:106) made a motion to adopt the DNRC amendments to House Bill 922. The motion passed unanimously.

POPLAR RIVER AIR QUALITY MONITORING: Representative Dennis Nathe (89:B:115) explained this project, which the Appropriations Committee recommended be funded from House Bill 922 (EXHIBIT 11). He said \$15,000 is the bare minimum needed for this project.

MINI-SUPERFUND AMENDMENT TO HOUSE BILL 922 (See Exhibit 1): Chairman Thoft (89:B:174) asked if this amendment will extend the appropriation in House Bill 922 by \$150,000. Mr. Ochenski said yes; he said money for this was included in House Bill 913 and Senate Bill 277 (which have not passed). He said this amendment will establish an environmental emergency contingency fund.

Chairman Thoft (89:B:188) asked if the Governor's Office already receives funds for this. Mr. Fritz said he thinks the \$150,000 will be put into an emergency fund which can be spent with the Governor's approval. He said DNRC's amendments to House Bill 922 (See Exhibit 10) already include 10 percent of the total funds appropriated in 922 for this purpose. He said as he understands Repe-

sentative Brown's amendment (See Exhibit 1) the emergency fund will be limited to \$150,000 which is significantly less than DNRC's amendment.

Senator Van Valkenburg (89:B:227) said with the bill as it is written now, up to 10 percent of the total appropriation can be taken from project funding for emergency situations. He said Representative Brown's amendment will appropriate \$150,000 for emergencies separate from project funding.

Brace Hayden (89:B:258) said DNRC's amendments appropriate 10 percent for emergencies which are not necessarily related to hazardous wastes. Representative Brown's amendment appropriates \$150,000 specifically for emergencies which deal with hazardous wastes.

Senator Fuller (89:B:268) asked how much money has been spent in previous bienniums for hazardous waste emergencies. Mr. Hayden said he does not know, but will get this information from DHES.

Mr. Hayden (89:B:292) said the checks on spending money for hazardous waste spills are a more important issue than how much money should be available. He said to warrant a hazardous waste spill, the Director of DHES would have to go to the Governor about the spill and the Governor would have to authorize the expenditure of funds for the cleanup.

Senator Van Valkenburg (89:B:343) said the only way to make the money available for the hazardous waste emergencies is to reduce the projects by the amount needed. Mr. Hayden said he thinks the money will be set aside prior to projects being funded.

There being no further business before the subcommittee the meeting was adjourned at 11:12 a.m.

  
ROBERT THOFT, Chairman



Exhibit #1

4-10-85

HB 922

Brown

Proposed amendments to HB 922:  
Representative Dave Brown  
April 3, 1985

1. Page 9, lines 12 through 17.

Following: "fund." on line 12

Strike: the remainder of line 12 through line 17

Insert: "There is appropriated \$150,000 to the [environmental quality protection fund established for use by the] department of health and environmental sciences for remedial actions necessary and appropriate to protect the public health, public welfare, or the environment from the release or threat of release of any hazardous or deleterious substance, for which no party will expeditiously take the appropriate remedial action."

2. Page 11, lines 9 through 13.

Strike: section 8 in its entirety.

Insert: "Section 8. Coordination instruction. If House Bill No. 766 is not passed and approved, the bracketed portion of section 3 is void."

Murphy: 922 amendments

Exhibit #2

4-10-85

HB952

State  
Lands

MISSOURI RIVER WATER RESERVATION COST STUDY

State ownership along the Missouri River and its major tributaries was determined from a large BLM map of the state. All school trust lands one mile or less from the river in question were reviewed and included in this study unless topography indicated lift was in excess of 500 feet or more.

Because the Department would have insufficient personnel to accomplish the study, contracting the necessary services would be required. Cost per tract was estimated to be approximately \$275.00 based on the Department's past experiences in acquiring consulting services for similar work. At the estimated 110 tracts, this would amount to a total of \$30,250.00.

1. Major tributaries to Three Forks:	93 tracts
2. Three Forks to Canyon Ferry Dam.	17 tracts
Total tracts:	110
Total Cost:	110 tracts @ \$275.00 per tract equals \$30,250.00

# Office Memorandum •

STATE DEPARTMENT OF HEALTH  
AND ENVIRONMENTAL SCIENCES

Exhibit #3

TO : Deborah Schmidt, EQC  
FROM : Loren Bahls/<sup>LB</sup>Abe Horpestad, WQB  
SUBJECT : DHES FY 86-87 budget for preparing an application for an instream flow reservation in the upper Missouri River drainage

DATE: April 9, 1985

4-10-85  
HB952

## Assumptions:

1. An application for the drainage upstream from Canyon Ferry Dam will be prepared during FY 86-87.
2. Contracted services will not be used except for laboratory testing (DHES Chemistry Lab) and data processing (Mainframe computer).
3. 1 FTE (Grade 14, Step 1) will be needed for 18 months.
4. Funds will be available in FY 88-89 for the hearing process.
5. Sources of funds will be the General Fund (\$9,420) and DFWP license fee revenue (\$40,000).

Budget:	FY 86	FY 87
Personal Services		
Salaries	\$ 9,602	\$19,204
Benefits (@ 21.22%)	2,038	4,076
Total	11,640	23,280
Operating Expenses		
Data Processing	1,000	1,000
Lab Testing	2,000	2,000
Supplies and Materials	200	200
Communications	300	300
In-State Motor Pool	1,000	2,000
In-State Meals	250	500
In-State Lodging	250	500
Total	5,000	6,500
Equipment		
Temperature Recorders (4 @ \$750)	3,000	
Totals	\$19,640	\$29,780
Total Budget		\$49,420

cc: Steve Pilcher

Exhibit 3A

4-10-85

HB 952

FW&P

DFWP APPROPRIATION - HB 952  
(as amended)

BY FISCAL YEAR

	FY 1986	FY 1987
Personnal Services		
Biologist (14-5) 0.5 FTE	11,274	11,274
Fisheries Aides (8-4) 0.75 FTE	10,171	10,171
Benefits	5,221	5,221
Operations		
Supplies and materials	5,600	1,600
Communications	15,600	1,200
Travel	5,534	3,934
Repairs and maintenance	1,100	600
Contracted Services	8,000	27,500
Printing		1,000
	<hr/>	<hr/>
	\$62,500	\$62,500

Exhibit 4

4-10-85

HB 952

FW&P

DFWP APPROPRIATION - HB 952  
(as amended)

BY ACTIVITY

	FY 1986	FY 1987
Fishing population/spawning surveys	14,500	6,500
Instream flow surveys	13,000	6,000
Recreation use surveys	27,000	
Recreation use analysis		22,500
Instream flow/fishing analysis	8,000	23,000
Report preparation/printing		4,500
	<hr/>	<hr/>
	\$62,500	\$62,500

Exhibit # 5

4-10-85

HB952

Thorson

PROPOSED AMENDMENTS TO HB 952  
2nd Reading (Yellow) Copy

1. Page 3, line 12.  
Following: line 11  
Insert: "upper"
2. Page 3, line 14.  
Following: "Basin"  
Insert: "above Canyon Ferry Dam"
3. Page 5.  
Following: line 8  
Insert: "Section 3. Coordination instruction. If House Bill No. 680 is signed by the governor, the provisions of that bill in section 16(1) and (3) concerning the deadline for applications for water reservations on the Missouri River are amended to read: 'July 1, 1989'. The provision requiring board action on reservation applications in section 16(3) is amended to read: 'December 31, 1991', accordingly. The amendment is necessary because the legislature in this Act is appropriating funds sufficient to begin applications for reservations only on the upper Missouri River Basin."

Exhibit #6

4-10-85

Patton

GROUND-WATER INFORMATION CENTER  
LEGACY PROPOSAL

OFFICE PROGRAM

	FY 86	FY 87
<u>PERSONNEL</u>		
Data Base Manager (12)(12) (1 @ \$24,000/yr)-professional	\$ 24,000	\$ 24,700 (+3%)
Computer Programmer (3)(3) (.25 @ \$22,000/yr)-professional	5,500	5,665
Data Base Technicians (12)(12) (2 @ \$15,000/yr) (grade 11)	<u>30,000</u>	<u>30,900</u>
	59,500	61,265
Benefits 19.6%	<u>11,662</u>	<u>12,008</u>
Total Personnel	\$ 71,162	\$ 73,273

OPERATIONS

Supplies - office furniture - computer paper - misc. expenses	\$ 3,000	\$ 3,000
Total Operations	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Total	\$ 74,162	\$ 76,273

Sub Total Office \$150,435  
 INDIRECT: 30% Salaries wages & benefits \$ 43,330  
 6% Contingency \$ 11,627  
 Subtotal \$ 205,392

coal water data \$ 50,000  
 Subtotal 255,392

DIFFERENCE IN  
 overhead calculation between  
 DNRC and MABMG

1,908  
 257,300

GROUND-WATER INFORMATION CENTER (GWIC)

FUNDING PACKAGE - MARCH 12, 1985

	<del>AUDGET MODIFICATION</del> (1)	WATER DEVELOPMENT	LEGACY	MBMG MATCH	PROGRAM TOTAL WITHOUT MATCH
<u>OFFICE PROGRAM</u>	<del>\$ 30,300</del>	\$ 22,500	\$ 205,392	\$ 62,730	\$ 267,192
<u>COMPUTER</u>	<del>77,000</del>	109,300 (3)	-0-	9,590 (5)	186,300
<u>FIELD PROGRAM</u>	<del>-0-</del>	-0-	349,749	159,139	349,749
<u>COAL HYDRO. DATA PROGRAM</u>	<del>-0-</del>	-0-	66,680	14,380	66,680
TOTAL REQUESTED	\$ 116,300	\$ 131,800	\$ 621,821	\$ 245,839	\$ 869,921

TOTAL RECOMMENDED -0- (2)

\$ 100,000 (4)

\$ 231,459

\$ 357,300

% OF REQUEST RECOMMENDED -0-

(76%)

(37%)GWIC

(94%)

(41%)

(75%)COAL HYDRO.  
DATA

1) INCLUDES 50% OF SALARIES (\$39,300), 50% OF OPERATIONS (\$5,000) AND 100% OF CAPITAL (\$72,000) APPROVED BY EDUCATION SUBCOMMITTEE.

2) KILLED BY SUBCOMMITTEE 3-7-85.

3) INCLUDES MAINTENANCE \$8,700; ROOM PREPARATION \$4,500; 6% INFLATION FACTOR \$7,500; PLOTTER \$12,000; COMPUTER \$75,600; AND MISCELLANEOUS EXPENSES \$1,000.

4) INCLUDES \$50,000 FOR COAL DATA LEGACY APPLICATION AND \$207,300 FOR GWIC OFFICE PROGRAM.

5) INCLUDES MATCH FOR WATER DEVELOPMENT APPLICATION OF \$5,500 AND 6% CONTINGENCY OF \$4,090.

Exhibit # 7  
4-10-85  
Patton

Exhibit 8

4-10-85

Cash

BUTTE-HILL RECLAMATION PROJECT

The solutions for reclaiming the Butte Hill as proposed under the legacy Program are based upon studies conducted by private consulting firms for the Montana Department of State Lands and the Anaconda Minerals Company at a cost exceeding \$350,000. Studies completed have similar conclusions regarding hazards and reclamation procedures. A study for the Reclamation of Abandoned Hard Rock Mine Sites in the urban area of Butte and Walkerville conducted by Hydrometrics of Helena, Montana for the State of Montana Department of Lands at a cost of approximately \$100,000 identifies and proposes solutions to reclaim ballfields in the northwest section of Butte.

A grant of up to \$545,000 was included in the Montana Legacy Program recommendation for the FY 86-87 Biennium, produced by the Department of Natural Resources and Conservation. Provided for under this recommendation are the reclamation and construction and improvement of four ballfields, and design and construction of the Walkerville drainage ditch. This funding is important because it mitigates the public safety hazards that now exist in Butte-Silver Bow.

The four ballfields are literally situated on top of or adjacent to waste dumps from past mining activities. The ingestion and inhalation of heavy metal during play is a significant public health concern, (Hydrometrics 1984). Three of the ballfields are used by a little league association made up of the surrounding neighborhoods. A high demand exists for these facilities and abandonment is an unrealistic alternative when the cost of new uncontaminated sites is considered. Thus, it is more effective to reclaim and improve existing ballfields with topsoiling and establishment of grass.

The Walkerville drainage ditch project is also a safeguard against public health hazards. Currently, toxic erosion material is being injected on to the public streets causing both air and water pollution. The Hydrometrics Report noted that examination of storm water discharge from the Walkerville storm sewer system showed significant concentrations of sulfate, iron, copper, zinc and maganese (Hydrometrics 1983).

Additionally, a physical obstruction problem exists; the erosion carries sediment and debris into storm sewer inlets which causes water to back up with subsequent flooding of public and private property. During periods of heavy runoff the flooding can be severe-damaging homes. Before runoff reaches a settling point it often courses over the waste dumps, picking up contaminants. Vacant areas are often sites of standing water; which is an attractive place for children to play, but not necessarily a healthy one.

These two reclamation and construction improvements will considerably reduce the public health hazards that presently exist in Butte-Silver Bow. Therefore, Butte-Silver Bow urges approval of the appropriate level of funding.

Exhibit #9

4-10-85

Tveit

March 30, 1985  
# 47,358,631

FY86 # 3,938,000  
FY87 4439,000

MEMORANDUM

TO: John Armstrong, Administrator, Centralized Services  
Department of Natural Resources and Conservation

FROM: Terry W. Johnson, Bureau Chief  
Office of Budget and Program Planning

RE: RESOURCE INDEMNITY TAX RECEIPTS

DATE: January 23, 1985

The following table reflects resource indemnity tax receipts by source and in total.

FY	Coal	Oil	Natural Gas	Metals	Other	Total
74	\$ 61,687	\$ 640,771	\$ 44,475	\$ 352,960	\$ 38,009	\$ 1,137,902
75	239,391	1,201,125	49,861	513,940	45,722	2,050,039
76	409,810	1,294,364	82,754	130,632	63,804	1,981,364
77	496,340	1,399,698	74,268	160,104	79,309	2,209,719
78	522,333	1,316,917	165,348	145,173	96,644	2,246,415
79	225,681	1,434,472	231,530	93,872	121,803	2,107,358
80	928,798	1,828,947	355,054	353,130	164,393	3,630,322
81	825,496	3,328,426	419,647	238,595	146,861	4,959,025
82	1,000,195	5,308,525	491,832	215,776	142,825	7,159,153
83	1,892,248	4,768,072	522,396	442,858	212,162	7,837,736
84	1,300,665	4,279,714	589,348	399,704	146,659	6,716,090
TOTAL	7,902,644	26,801,031	3,026,513	3,046,744	1,258,191	42,035,123
% of Total	18.8	63.8	7.2	7.2	3.0	100.00

Let me know if you need any additional information.

SOURCES: Department of Revenue  
Montana Financial Reports

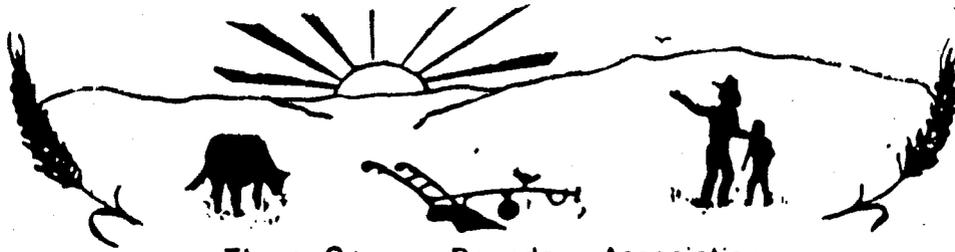
TJ1:X/th

4-10-85  
DNRC

1. Page 1, Line 18.  
Following: "program"  
Strike: "as provided in Senate Bill No. 277"
2. Page 2, Line 3.  
Following: "Section 5"  
Insert: ", and may be used to pay expenses incurred in administration of the legacy program"
3. Page 2.  
Following: line 3  
Insert: New Section. Section 2. Legacy program special revenue account created -- revenues -- allocation -- limitations on appropriations. (1) There is created a legacy program special revenue account within the state special revenue fund established in 17-2-102.  
  
(2) There must be paid into the legacy program special revenue account all money allocated for appropriation from the resource indemnity trust interest account set forth in Title 15, chapter 38, with the exception of those allocations made in 15-38-202.  
  
(3) Appropriations may be made from the legacy program special revenue account for the following purposes:  
  
(a) grants for legacy program projects and activities; and  
  
(b) administrative expenses, including but not limited to the salaries and expenses of personnel, equipment, office space, and other expenses necessarily incurred in the administration of the legacy program.

Renumber: subsequent sections

4. Page 2, Line 5.  
Following: "Legislature"  
Strike: ", pursuant to Senate Bill No. 277,"
5. Page 9, Line 16 through Line 17.  
Following: "emergencies" on Line 16  
Strike: "as provided in Senate Bill 277."  
Insert: ". Emergency projects must be reviewed by the department and approved by the governor. Written notification of a project approved by the governor must be given to the legislative finance committee created in 5-12-210. Emergency projects are defined as those projects which if delayed until legislative approval can be obtained will result in substantial damages or legal liability to the project sponsor."
6. Page 11, Line 9.  
Following: "Section 8."  
Strike: Remainder of section  
Insert: "This act is effective on passage and approval."



Three Corners Boundary Association  
P.O. Box 676-Scobey, Mt. 59263

Exhibit #11  
4-10-85  
Nathe

Dennis Nathe

Pertinent facts about the Poplar River Monitoring:

- \* emissions are 60% above what would be allowed for a U.S. plant
- \* NO sulfur reduction, ie. scrubbers are in place
- \* U.S. data complements Canadian data which is funded 100% of time
- \* Data necessary to recognize deterioration
- \* Data necessary to substantiate ag. losses
- \* Sulfation plates will not recognize the most hazardous high concentration(fumigation) events.
- \* Sulfation plates may NOT be acceptable in a Claims Court
- \* Amendment strengthens the monitoring program to bare minimum
- \* Allows for systematic albeit dis-continuous data gathering

Pertinent facts about monitoring Methods:

- \* Sulfation plates measure total accumulation over a time period(30 days)
- \* Amendment allows for continuation of continuous data gathering, which is averaged hourly

Other Facts: Saskatchewan Power has sold coal mine, will in a few years be using another source of coal. In that sense, the present proposed monitoring program really is a data-base, as it will be used to determine whether new coal is better or worse in terms of pollution.

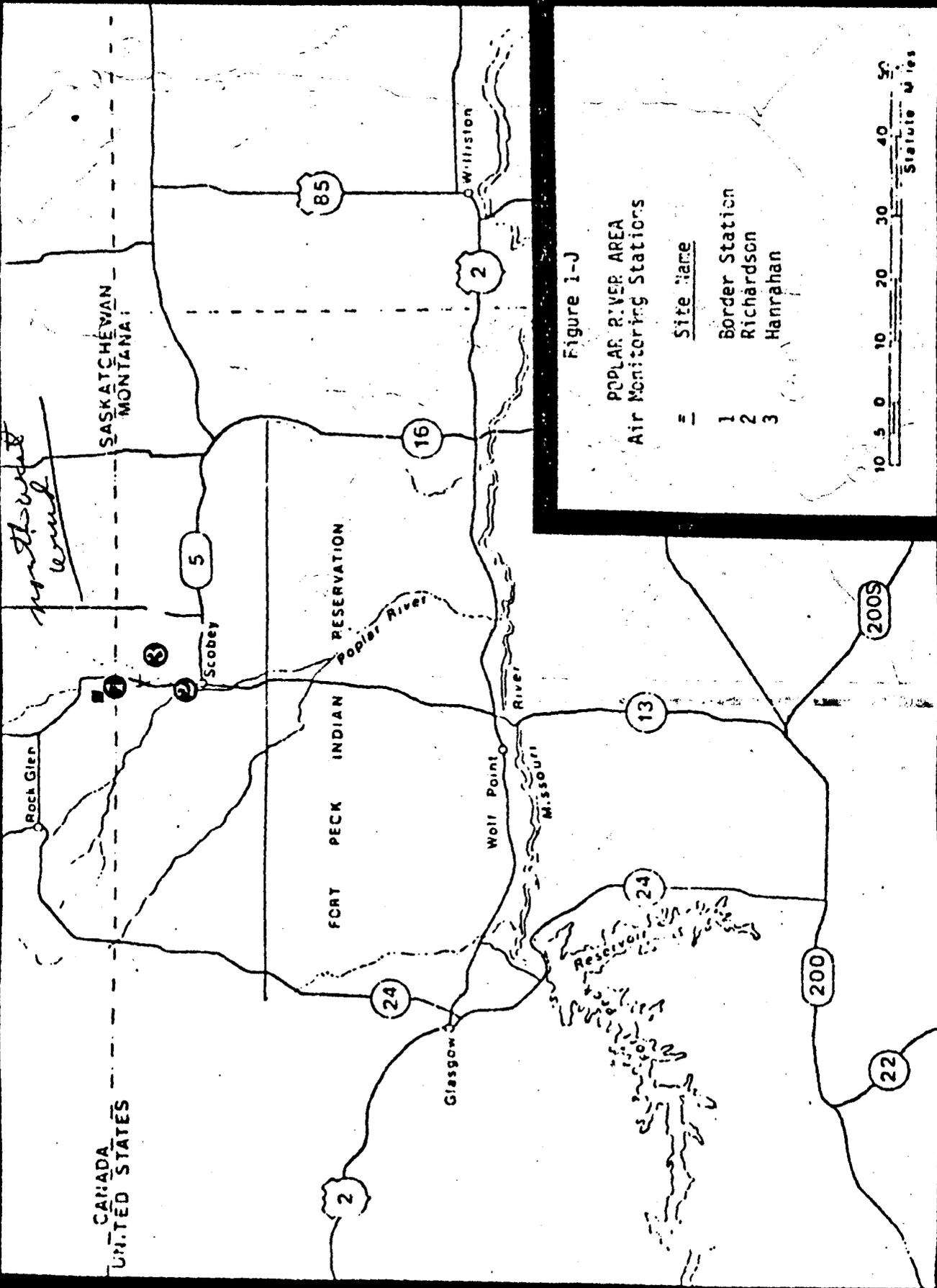


Figure 1-J

POPLAR RIVER AREA  
Air Monitoring Stations

- | Site # | Site Name      |
|--------|----------------|
| 1      | Border Station |
| 2      | Richardson     |
| 3      | Hanrahan       |



## POPLAR RIVER AIR QUALITY MONITORING

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The Air Quality Bureau is currently monitoring air quality in the Scobey area. Baseline data has been gathered since 1977. The purpose of continued monitoring is to determine the air quality effects on the Montana side of the International Boundary from operation of the Saskatchewan Power Corporation (SPC) Poplar River Power Project.

\$50,000 general fund for the biennium is requested for this monitoring. The attached maps indicate the location of monitoring stations in the Scobey area. The stations were established and funded by U.S. EPA through fiscal 1981. Since then, the cost has been borne by the general fund. Operation of the plant at full capacity (600 Mw) has been delayed repeatedly. As a result, an adequate measurement of baseline air quality was made, but measurements of the effects of power plant operation have not. *- plant in operation since summer 1984*

A binational committee was formed in 1981 to review air and water quality data. That committee uses data collected in Canada in combination with the Montana data to monitor plant operations. (Water quality is monitored by the U.S. Geological Survey.)

Early experience indicates that smoke stack emissions are considerably higher than new source performance standards that apply to similar plants constructed in the U.S. Sulfur dioxide emissions are uncontrolled at the plant and amount to over five tons per hour. More sulfur dioxide will be emitted in a month than in a year at Montana Power's new Colstrip plants for comparable power output. ]

The emission rate for the SPC plant in September, 1981 was 2.20 pounds per million Btu compared with the .6 pound per million Btu standard. In addition, the plant appears to always exceed the 20% opacity standard. (AQB memorandum, 2-25-82)

The most widely recognized measurement of pollution is made relevant to ambient air standards. To date, power plant operation has been less than half capacity and ambient air pollution levels have been low. When the second unit is commissioned later in 1983, these levels will increase. It is this increase that will be measured by the proposed monitoring.

The EPA Final EIS on the project indicates possible violations of Saskatchewan and Montana ambient standards (EPA FEIS, June, 1981, pp. 118, 205). Fumigation events are predicted which could impact the highly productive agricultural lands in the area. ]

(cont.)

A 1977 report by the Scientific and Engineering Advisory Panel on Poplar River Air Quality predicts a 1-2% crop loss in a 40 km (25 mile) radius of the plant resulting from sulfur dioxide emissions alone. The International Joint Commission described additional potential injury to crops from water degradation and recommended that a claims commission be established to compensate losses. Monitoring is essential so that this potential, if it materializes, can be measured and documented.

One overriding concern is the proposal for 600-1200 Mw of additional capacity using the Poplar River area coal. If located at the original site four miles north of the border, Montana will bear the brunt of more uncontrolled sulfur emissions.

The way in which the Poplar River controversy is handled has long-term implications for resolving similar international disputes. The mine proposal at Cabin Creek is one example. It too has serious air quality implications. Efforts to negotiate a trans-boundary air quality treaty to deal with new disputes over international airsheds will rely in part on the Poplar River experience.

#### SUMMARY

Baseline air quality has been monitored since 1977 near Scobey in response to Saskatchewan Power Corporation's strip mine and power plant development at the international border. Construction on the project has been delayed. Full plant capacity will not be reached until fall of 1983.

Sulfur dioxide emissions are not controlled at the plant and scientific modeling indicates that violation of air quality standards may occur. Funding for continued monitoring is requested so that Montana can determine effects the project will have on its air quality.

VISITORS' REGISTER

LONG-RANGE PLANNING SUB COMMITTEE

BILL NO. RIT OR LEGACY PROJECTS

DATE APRIL 10, 1985

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Russ Brown	Helena MT	✓ #20 ✓ + Poplar	✓ + monitoring
BRUCE HAYDEN	Helena, MT	✓	
Howard Peavy	Bozeman, mt	✓	
Gay Beck	HLW	✓	
Tom Patton	Butte	✓	
Dave Brown	House Dist. #72	✓ w/amendts	
GEORGE WACHENSKI	HELENA	✓ w/amendts	
Tom Cline	Butte	✓	
Sen. Bill Yellowtail		✓ #20 Powder River	
Jane Hojgr	Triangle CD	✓ #28	

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