

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

APRIL 20, 1985

The 24th meeting of the Senate Finance and Claims Committee met on the above date in Room 108 of the State Capitol. Chairman Regan called the meeting to order at 7:00 a.m. following roll call.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 947: Representative Francis Bardanouve explained the bill as the chief sponsor. He said this is the water bill. The subcommittee has been quite concerned about how the bills passed. They will have some amendments to submit. These worked out the best program I think that has ever been done.

Representative Thoft, chairman of the subcommittee: There are three parts to the bill. 1) is the grant and loan under \$300,000. We are dumping into sewage. We need some to finish the prison and had to pick up some here. Page 7, line 25 is the cut-off funding that is available.

Senator Smith: Where was the cut-off?

Representative Thoft: Page 7, line 25.

Senator Himsl: On page 4 of the Triangle District, \$100,000 for the saline seep study. I thought we tried to put that program into one administration or one district. I see it shows up in several places.

Representative Thoft: In order to get the funding we needed to go to several places to find the funding.

Senator Himsl: Some in the university budget under Montana Tech. I thought we were trying to get it under the Department of Lands.

Representative Thoft: I think it is all under one program.

Senator Regan: How much?

Representative Thoft: \$400,00 in all the bills.

Senator Himsl: We have page 7, line 23. Another grant?

Representative Thoft: Yes. Another one from two years ago.

Senator Hammond: How can we tell whether grant or loan?

Representative Thoft: G=grant; L=loan.

Senator Regan: If some of the projects don't go then you have more money?

Representative Thoft: Yes.

Senator Regan: More for Glen Lake?

Representative Thoft: Yes.

Senator Van Valkenburg: Page 13, language says it will not get developed further.

Senator Himsl: The order in which they appear like on page 7. That is the priority. Like 24 or 25 you are at the end of the toboggan and you could slide off.

Representative Thoft: And if one does not go they could go up.

Senator Smith: One question. Has the money been spent for other purposes in that program and that is the reason those prioritized didn't fit in?

Representative Thoft: Prior 1 and 2 were taken out. We destroyed the maintenance program and so it was taken out for maintenance.

Senator Gage: On bonding loans-----just in alphabetical?

Representative Thoft: There are three and I will talk about it in the next page. They do issue bonds to fund them. 2/3 vote in order to pass this.

Representative Thoft: Part 2 of the bill is the RRD account. (Renewable Resource Development)

Representative Bardanouve: The bond bill yesterday will have to have 2/3. This is not a bonding bill just a vehicle. It will not have to have 2/3.

Representative Thoft: Timber stand improvement. The state projects all came out of this and went to the trust. Page 15, line 12 goes to the D of NR. We have moved some money into category IV other bills. (Representative Thoft read from a sheet on RRD projects, Category IV. "Other". Attached as exhibit 1, HB 947.) He said, this language has to be approved by the committee. That completes the RRD portion of the bill.

Senator Himsl: How do you bear-proof the dumpsters?

Representative Thoft: I don't know for sure.

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DISPOSITION OF HOUSE BILL 947:

Representative Thoft: I have a proposed amendment on page 13, line 14 if someone on the committee would move it.

Senator Smith: I would move to amend HB 947 on page 13, line 14, following "LAND" to insert "and then for the projects approved in the category of "water development" and page 13, lines 16 and 17 to strike line 16 through "HB 913" on line 17 and to insert "fully funded by House Bill 922".

QUESTION was called on the above amendment of Senator Smith.
Voted and passed.

CONSIDERATION OF HOUSE BILL 947 CONTINUED Representative Thoft stated that the application of line to agricultural land---they are trying to reduce the metals. This is over at Fairmont.

Representative Thoft: The next portion of the bill. I am very disappointed personally. It was intended to be an agricultural water development program and it has turned into a non-water and sewer program. Only one portion of the bill that is here. The reason it is in the bill-----the committee thought we should at least take a look at it and find out if they wanted to put anything on agriculture in this bill.

Representative Bardanouve: The bonding portion.

Representative Thoft: We have to change the whole funding system.

Representative Bardanouve: Last session we were quite concerned. We are subsidizing many of these projects. Representative Spaeth spent some time last time and managed to save a considerable amount of interest. The interest came off the coal money and actually was reduced the amount of general fund money. The coal tax is reimbursed from the loss on the interest on coal tax money that would go into the general fund. Last year \$400,000 a year of general fund to subsidize the interest. This time ----- the bill, as originally written---if we gave away \$400,000 a year last time we should do it again this year. I appointed a special subcommittee-----Representatives Spaeth, Nathe, Miller and Manuel and they spent a lot of time working on this and worked with the department. If you adopt the amendment it will save a lot of money and set out criteria on the projects. Average doesn't mean much some times. This will be a better system. If you vote the language in there is a project we find ---a \$212 million high subsidy one. 3% on money that cost 10%. Again, a range project.

The subsidy over the life of the loan, and would be over \$4 million and only 7 ranges will benefit. It will justify it somewhat, it will increase the yield and reduces power. It is an irrigation project. I question where we can justify for 3,000 acres of land to subsidize it at the cost of \$4 million.

Representative Thoft: We have an extensive couple of amendments. (Exhibit # 3). They are put in as A, B, C, D. Gary, if you will help, maybe we can work our way through this.

Representative Spaeth: Representative Nathe is handing out a chart that was used as to how the rate was derived at and the interest rates arrived at. The system in the bill now is based on it and the Department used it. Group A is on the left side is 4%, Group C is 2%.

Representative Thoft: That is the old system, and Gary if you will explain the new one we will go through the projects.

Representative Spaeth: Group C received a 2% subsidy. Of 2% above the state average is 4%; if 100% above, 3%, if it were 100% to receive a state subsidy. There were other projects. We wanted to go a little bit further and compare those subsidies and the actual use costs involved in the projects. We did not look at the type of projects here. The other chart that is being handed out now is on a user month cost. It is not as nice and not as clean. The same group of A, B, C and with interest subsidy. (Attached as chart #11). All we did was brought our chart as if the users were on a six month basis. When we looked we could find no rhyme or reason as to why now a subsidy. We looked at this chart and concluded one group of projects because of the cost-----the rural projects. # 3 Exhibit ---this is the most recent one. It is like a graph basis. Wonder if a better line of reason. On the left hand side is the cost and the projects are down below. There are two logical places to draw the line. You can see where the lines are drawn.

Under two different types of amendments we have not dealt with the local projects. \$60 a month is the average state wide cost for local water costs. We felt that was the goal we should be shooting for. Those projects are the type in the water districts. We set up a little different type of the reaching that goal.

Senator Hammond: The 4 marked on the left.

Representative Spaeth: I think I can go through the amendment here. We did not go through any depth as to project or the good or bad of the project. We just tried to gather some criteria.

Representative Thoft: We have a number of projects here. The amendment essentially is the bill. They are before you and you can look at the projects and if there are any questions we can try to answer them.

Senator Smith: I have a question in regard to the chart where water user rates show \$ per month (II). The one at Geraldine shows \$220 a month. It looks like about 4 projects what would be prohibitive. Is that what the cost would be? The one in Roosevelt would be \$178 a month?

Representative Spaeth: We can go through it. Tiber County, a solid loan over a 30 year term. Under the Geraldine and Roosevelt counties 6% over a 30 year period. Havre Water District at full fund rate. The department still put it below \$60. That is why a different bond rate.

Senator Hammond: Did these projects start at different times? Did that cause the differences? Some were earlier?

Representative Thoft: We are discussing the inflation factor. I don't think that is the issue really.

Senator Fuller: On a number of these now we have charged the initial from 5 to 15. Group A has been reviewed. We were within 4% subsidy. One change throughout. Two years ago we adopted to provide subsidy for 5 years. The reason is that is what the computer run with \$400,000 study. That is what we have ----- first. In order to come up with the \$400,000 subsidy, we had to go to 7 years. We felt it should not be tied to the \$400,000 subsidy but to the types of projects if any are to succeed. This year other types of projects and we should not be giving them a greater subsidy to reach the \$400,000. Under 4-3-2 approval here the total subsidy would be about \$412,000 per year. \$319,000 built in 4-3-2 as opposed to the \$412,000. We did not feel it should have anything that the other study did not recommend 2 years ago. That is why the 5 years instead of the 7 years.

Senator Van Valkenburg: What is the total subsidy over the life of the loans and compared to it before the amendments?

Senator Spaeth: The easiest way to do it--20 years x 93,000 is about what the difference would be here. Coal, 20 years x 319. 2- x 412 and \$1.6 million.

Senator Van Valkenburg: Are there any loans here for a greater length of time? 30 years that were 20?

Representative Spaeth: Yes. Computed on a 20 year average.

Representative Bardanoue: A \$4 million before was kind of concluded.

The former director of the department came up with a formula that was supposed to be understood by the legislators. I think the legislators want a more realistic one. I don't think we need a sympalistic formula for legislators to understand.

Senator Regan: One the 4% charts, why the break here? The next sheet-----there is not that much difference.

Representative Spaeth: The comittee created this graph and there was the first action we took. The department used 200% and 100%. We wanted to see how it would chart out. We concluded it did not chart out as nice as expected.

Senator Aklestad: New projects that you tied here no feasible?

Representataive Spaeth: We didn't go into any depth analysis. We left that to the committee. We felt the subsidy we arrived at was more reasonable than what we had 2 years ago. We felt the water users costs compared with the state average and kept in line with those not being subsidized. That is why we dealth with the rural projects so that they can be more feasible to try to maintain at a \$60 a month cost.

Senator Hims1: I have a question on the state and dam figures. What state bond rate did you figure?

Caralee Cheney, Water Development Dureau Chief, Department of Natural Resources: 10%. That is what the amount was estimated at that time.

Representative Bardanouve: In as much as we have involved a big department of the government in these proposals, I think that they should have a chance to talk.

Representative Thoft: I think Senator Aklestad brought up a point that might effect the committee recommendations. I think the committee put a lot of emphasis on getting water to the people. Feasible means have been considered as much as possible.

Representative Spaeth: We felt the rural areas needed it.

Representative Bardanouve: Some of these larger farms have no water at all. They have wanted it for years.

Representative Spaeth: The 30 years effect the rural users fees. The big difference in using this one chart. We have compressed about 4 days of work and we have several man hours of work in it. The department put several hours coming up with grafts and the computer print outs. We are compressing all that in about a ½ hour presentation.

Group D. We have prepared a new project that was requested. I don't know very much about it other than the people felt this was the place to put it. \$5,000 for Anaconda/Deer Lodge sewer treatment. That expands the charge also in Hill County bonding rate. The subcommittee looked at it. We concluded no way to change it. It was either feasible or not feasible the way it was. We did not think we could do anything other than leave that to this committee. Tiber -----8%. We are giving them the benefit. We are breaking them in at a satisfactory rate of interest.

On the last page. We came up with a different amendment. The department had done this. Senator Eck had an amendment before the committee. Our amendment just directs the department to consider agriculture water. That is our proposal. We have approximately \$23,000 under the terms of the project. We did not get compelled about the savings. We wanted a system that needed rationale.

Now there is another proposal. This one that is going around now. It is 4-3-2-1 on the subsidies.

Senator Hammond: 4-3-2-1 and then the full bond-----this gives what?

Representative Spaeth: We just create a new subdivision.

Representative Spaeth: In going back to # 3, we drew another line between Billings Heights and Neihart. The other chart-----Group B is now Group C which is 2% subsidy. Then we have a subsidy of about \$166,000 a year in using the chart. The rest of the projects are the same. No real change to the subsidies but tried to bring some rationale. We tried it with more subsidies to subdivisions just as the Billings Oxbow Heights. This was based on houses that would be serviced at some time in the future, and we decided not to make that conclusion. We have new projects in 4-3-2-1. If you just want some rationale you go with 4-3-2-1.

Senator Hammond: They are all for 5 years.

Representative Spaeth: The \$412,000 presently in the bill is on a per annual cost for 20 years. We did the same there and the subsidy is \$312,000 over 4-3-2 and \$436,000 under 4-3-2-1 for 20 years. In no way can be build in over \$4 million a year or we would be tapping into the corpus rating of the district. You do not want to average over \$4 million in the 20 years.

Senator Fuller: I commend the committee for their work. We have

identified the way to make money, but I am concerned about the individual project and the feasibility. I think there is a larger condition here than just saving the dollars.

Representative Spaeth: We still feel the present monthly cost of the user ---- as long as the projects are within the same per-monthly cost. This project was moved from the lower to Group B as a result.

Representative Bardanoue: One point. I find increasing criticisms of these subsidizing programs. Mr. Menehan says "OINK" "OINK" when anybody comes in for a subsidy. With 4-3-2-1 it would raise the amount of criticism.

Senator Hims1: This distribution in the blue bill was passed----- was it not worked on by a committee? The LRP committee put the bill together. This committee really did not do anything to the projects or priorities. Just the interest rates so that it was fair.

Representative Spaeth: The first was the charts, then compared the charts. We tried to bring some rationale to the problem. If you look at the second rates we are given 3% rates to water users. \$178 a month there at Drummond----they are paying less and receiving 4% interest. We pulled out the gyrations and put them in the same category.

Senator Hims1: Are you satisfied that the project user rates are valid enough to make that type of judgement?

Representative Spaeth: They are the user rates we finally came up with. The department did a lot of work on that. They feel it goes within the state average. The option 4-3-2-1 would cost each individual user in the projects approximately \$3 to \$5 more per month. That is a difference on an individual basis between these two.

Senator Keating: No one has moved any amendments, just asking questions.

Senator Regan: No. There was an amendment.

Senator Keating: Representative Thoft, could you give me a little history of the whole program? Why are we making loans to subsidize their farm groups, etc? When was the program originated?

Representative Thoft: I was one of the principle sponsors and one of the most unhappy with what has happened.

Senator Keating: Has the legislature been doing this for a long time?

Representative Bardanouve: We passed the law when we authorized \$250 million in bonds to develop it that time. It was agriculture primarily. I supported the bill. It was to help agriculture and to develop the use of agriculture water in Montana. We are going to lose our water to other states. Campbell got his nose in the till last time and was the first use. The cities and towns, as water and sewer projects-----sewers have water in it and this time it is very heavy in the city area. I am not critical of the cities, but we have lost the primary use. The municipalities have engineers and water specialists. The farmers and ranchers have no money for this. Agriculture has fallen by the wayside. No money to do the work for them.

Senator Keating: Was the purpose of the bill to use the states credibility to borrow money to make loans to people who could not otherwise get loans, but was it intended to get them the loans and the state would pay for them?

Representative Bardanouve: That is why the bill was written 15% of the interest could be put back into this to put back for interest. It was recognized that some projects would not be able to meet it.

Senator Keating: The result would be a lower interest rate?

Representative Bardanouve: We get a lower rate.

Senator Keating: Then was this the rationale for the different rates A, B, C classification? Because some have to pay more for water so that they get a bigger break? We will subsidize inefficiency?

Representative Bardanouve: I am sure sometimes that is true.

Senator Boylan: Do you remember the other day we had a bill on earth dams. Why just have this legislation to take care of that type of projects? There isn't any money to fix these dams. This money was intended to save the projects that our forefathers developed back in the PWA and the WPA days. They reserved a lot of water. Now the money is all going to save the cities on the water and sewer and our water will be lost to us down stream.

Representative Thoft: I think one thing has been missed. There is not much wrong with the concept. Agriculture has lost its ability to repay. That is why.

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Senator Story: On the bureau recommendations, page 176 of the Renewable Resource and Water Development Programs -- page 176 is the Cottonwood Dam which was wanted by DNRC. I am not in here trying to get the amendment, etc., but this is a dam that is about to break it's way out. If you want more fixing-----you can fix Highway 89 instead of the dam. This is a dam if they don't fix, the state will be sued. The state will be considering lawsuit money. It better be in the projects next year.

Madalyn Quinlan show Senator Story that this is in the bill on page 24, line 15.

Senator Bengston: I think the whole thing points to the terrible problem we have with our instructor. Maybe the direction we are taking with this is not all that bad.

There has to be some method of financing long term water, sewer, etc. We have a tremendous problem with ground water in Yellowstone County. Could they control both?

Senator Regan: Could someone respond to this?

Gary Fritz, Department of Natural Resources: I am familiar with the program. Berry and I explained it several years ago. Even before that, it was my ideal, I thought it important to continue agriculture water projects. Some had to be subsidized in order to have them for today and tomorrow. In the Water Development Program, they would grant loans under and over \$200,000. Spaeth is under this. Agriculture has received at least 40% under and 50% over. Water and sewer are mostly those over. We agree they are taking up more and more.

Larry Fasbender, Director of the Department of Natural Resources: Suggest the amount at the end. We go back and try to get agriculture there. Some of the other projects for the people to provide. we are going to go out and help agriculture so that obviously they can come in for some of these over the size. When put in categorically ---- originally according to what the people paid for as to average across the state. Rural water projects were compared to state in the flat users fees. Representative Spaeth has suggested just on the users fees and we think that is reasonable and I see no problem. We would suggest you go with the option of 4-3-2 below the interest rate rather than the other.

Senator Boylan: How much trouble with my getting a little plug on this?

Gary Fritz: The amendment has not changed the Middle Creek project.

Senator Regan: If the 1% difference is the difference between the feasible and nonfeasible, how are you defining the feasible worry about the projects ability to pay?

Gary Fritz: I am not trying to define the feasibility. When you increase their rates you threaten to make the projects unfeasible. All I am saying is when the user fees increase you tend to put it into the feasible. In the cases where they have been ordered to do something it is a case of "have to".

Senator Regan: Difference in cost \$3 to \$5 a month is 1%?

Gary Fritz: I can't tell you precisely what is or is not.

Senator Himsl: I want to follow up on this. Isn't it true a number of projects are driven by EPA and Board of Health, etc? Isn't that true? Doesn't it make sense then where these projects are on a loan basis the communities are using the states credit? It is not a subsidy on the part of the state. It is because the state is required by the Board of Health and Water Quality to do something with the density. It seems to me this program makes good sense. The question is the question of interest rather than subsidy. The flow of these funds----the subsidy comes from the funds that would otherwise go back to the trust fund. The less money in the coal trust fund, the less interest generated.

Bob Robinson: We want to thank you. We met with the bond underwriter trying to address this problem. We have as much concern as the Legislature. One of the things we are considering is when we sell bonds for this project we may try to spread into long and short term bonds. The long term bonds may be at 9 or 9½% but the terms spread we may be able to turn over at 6% or whatever. If we can do this we may be able to save the state money on the other end. There is a little bit of risk in this also.

Gary Fritz: We did mention it to the subcommittee.

Senator Keating: Is there a division between the previous loans in the various categories? Are there some responsibilities? We would have to sort these out. I would think one of these sections---- Section 6. Not a segregation in the bill on these projects.

Representative Thoft: No

Senator Haffey: Unless a reason for further discussion, I would suggest we vote. I just want to be sure we don't jump too soon.

Representative Thoft: I would support the amendments of 4-3-2.

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DISPOSITION OF HOUSE BILL 947:

MOTION by Senator Haffey to adopt the amendments proposed under the 4-3-2 option.

QUESTION was called, voted and passed unanimous.

Senator Fuller: On this option, we may have to reconsider---- there seems to be the same issue on this one.

Senator Smith: The amendment means nothing. Two years ago, we put an amendment on 447 and it was ignored. They will ignore this too, I am sure.

Senator Regan: I want the committee to read and consider it.

Senator Smith: We need another amendment to this, we have an emergency on the Upper Clark Fork. The dam there needs to have some work done on it. It had \$100,000 grant in this bill to carry on some work. Page 7, line 7 of the bill. They need to get some work done on it. The spillway system was plugged up and is a situation where you can't unplug it so they will have to breach the dam.

Senator Hammond: It is full of dead fish and etc. You could not get within a mile of it last summer.

MOTION by Senator Christiaens to amend Page 7, line 7 to put it back in the bill.

Voted and passed.

Representative Thoft: I would address this. The department flew their engineers down there. It would be a safety factor if they had to breach it.

Senator Smith: Don't they go around and check them before the run-off in the spring?

Answer from the Department: Nothing to recommend inspection but it became apparent we had a problem when the water level came up.

Senator Fuller: The funding is in section in 432, page 35, line 10 had enough in that.

Senator Fuller: I have an amendment that should be incorporated, since it sets a policy. It is on page 12, following line 2, and sets a new section. It is already part of it in amendment #4 of the adopted sheets. We can just incorporate this in. Change to page 35, line 10 and put it in that new section.

MOTION by Senator Fuller to adopt the amendment.

QUESTION was called, voted, and passed. Roll call vote.

Senator Aklestad: I hope that what Senator Fuller said is true. I want agriculture to be first. If some problem with the amendment ----I don't think you protect agriculture.

Senator Story: Will these prioritize? Do they include priority on repairing what the department has now?

Gary Fritz: The priorities as rated now. Storage is a problem. Dams have a rating on how much they can store. Dams are a priority in the Water Development Program.

QUESTION on the Amendment of Senator Boylan, voted and passed.

MOTION by Senator Gage: I have an amendment. East Glacier water problem. They have severe problem in the area. We had an amendment in the bill before it was amended.

Representative Thoft: I would suggest it go under A-2. There is a possibility that they can do this program somewhat cheaper in that coal strip has a \$100,000 grant for treatment that they are going to put up. That may be available for about \$30,000. It could be a significant cost in the area.

Senator Fuller: \$484,270.

Senator Regan: How were the figures arrived at?

Senator Gage: Through an engineering firm in Great Falls.

Senator Regan: Why was it not presented to the committee?

Senator Gage: This is on the Blackfoot Reservation. They didn't get concerned until it was a real problem.

Senator Regan: We will ask the department to tell us where in the bill it belongs and what the subsidy will be. We will simply authorize the project at this value and possibly it will be less as a loan and put some kind of language in the bill that leaves it sort of fluid and ask that they report to the interim Finance Committee

so that we know what the costs are.

Senator Aklestad: I am wondering-----were there projects that got dropped out that were considered?

Representative Thoft: If a matter of people wanting to come in for room under that. If they had any repayment ability and whether they sat in there at all.

Senator Gage: I assume they can pay it back.

Senator Christiaens: It is almost beyond an emergency basis. It has to be a prior problem if that is the kind of water coming out of the taps.

Senator Hammond: A lot of these situations in the country. Along the Canadian line, some are drinking water out of sloughs, etc.

Senator Boylan: Was this in the division?

Senator Gage: Yes.

Senator Regan: Are federal monies available?

Senator Gage: No. They have bonded for about \$750,000 for a sewer and water project about four years ago. The state felt the system would take care of the iron problem, but it has continued to get a lot worse.

Senator Fuller: We are not taking any money from the other projects We are taking it from nobody.

Senator Smith: Would the committee be willing to work on this project and see if they can fit it in?

Representative Bardanouve: A complete surprise to us. If you approve it why don't you have the department do it. It would be easier for them to come up with a little more rationale and a conference committee on the language if you approve it. At least a minimum of \$½ million project.

Senator Regan: It will go to conference committee.

QUESTION was called on the Gage amendment. Voted and passed.

MOTION by Senator Fuller that House Bill 947 be concurred in as amended.

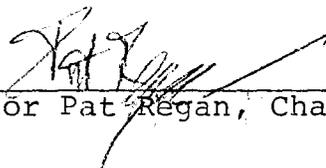
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Senator Keating: There are some conclusions in here I would like to vote against, but do not want to vote for the new ones----I would like to support the old ones.

QUESTION was called, voted and passed. Senator Keating voted no.

Senator Fuller will carry the bill.

The meeting was adjourned.



Senator Pat Regan, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

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Date 4-20

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HAFTEY	✓		
SENATOR JACOBSON	✓		
SENATOR AKLESTAD	✓		
SENATOR HAMMOND	✓		
SENATOR LANE	✓		
SENATOR CHRISTIAENS	✓		
SENATOR GAGE	✓		
SENATOR HIMSL	✓		
SENATOR STIMATZ	✓		
SENATOR BOYLAN	✓		
SENATOR STORY	✓		
SENATOR SMITH	✓		
SENATOR MANNING (Dick)	✓		
SENATOR BENGTON	✓		
SENATOR KEATING	✓		
" TVEIT	✓		
" VanVleetburg	✓		
" Fuller	✓		

²¹
April 11, 1985

TO: The Long-Range Planning Subcommittee
FROM: Madalyn Quinlan
Assistant Analyst
SUBJECT: Approved projects in House Bill 922

The following prioritized grant projects have been approved by the ~~Senate Finance and Claims~~ ^{Senate Finance and Claims} ~~House Appropriations~~ Committee for funding with Resource Indemnity Trust Interest earnings. The first appropriation of RIT interest under this program will be \$277,000 for grant administration.

<u>Project</u>	<u>Grant Amount</u>
1. Department of Agriculture/Weed Control Trust	\$1,000,000
2. MSU, Water Resources Research Center/Stream Restoration on Grasshopper Creek	58,266 <i>Small by proximity</i>
3. Bureau of Mines and Geology/Groundwater Information Center	75,000 <i>Small</i>
4. Anaconda-Deer Lodge County/Soil Stabilization and Erosion Control	150,000 <i>Small</i>
5. MSU, Water Resources Research Center/Stream Restoration Confederate Gulch and Deep Creek	134,249
6. DHES/Hazardous Waste Management Collection and Transfer Project	800,000
7. Government of Butte-SilverBow/Butte Hill Mining Reclamation	500,000
8. Toole County/North Toole County Reclamation Project	298,130

<u>Project</u>	<u>Grant Amount</u>
9. Governor's Office/Clark Fork River Projects	100,000 130,000
10. DNRC/Reclamation of Streambanks Damaged by Placer Mining	30,000
11. Mile High Conservation District/Reclamation for Heavy Metal Contaminated Agricultural Lands	88,400
12. Governor's Office/Cabin Creek Reference to the International Joint Commission	80,000
13. MSU, Water Resources Research Center/Cyanides and Heavy Metals in the Judith Mountains	20,000
14. DHES/Scobey Air Quality Monitoring	15,000
15. Montana State Library/Natural Resources Information System; Natural Heritage Program	225,561
16. City of Red Lodge/Coal Miner's Memorial Park Revegetation and Irrigation Project	100,000
17. Triangle Conservation District/Expanded State Salinity	150,000
18. Powder River Conservation District/Water Quality Study	80,000
19. Glen Lake Irrigation District/Therriault Creek Syphon Construction	100,000 32,000
20. MSU, 49th Parallel Institute/Montana-Alberta Milk River Joint Impoundment Assessment	70,000
21. Montana Bureau of Mines and Geology/Williston Basin Reclamation Project	<u>91,870</u>
→ Total Grants Approved	<u>\$4,166,476</u>

22. Anaconda

llk = 1
4-20-85

HB 947
Renewable Resource Development Projects
Category IV. "Other"
Page 15

The project to bear-proof the dumpsters of West Yellowstone is recommended for a \$70,000 grant. The total project is estimated to cost \$140,000 - with the state's \$70,000 matched with other sources.

Because of the way this project is written up in the Project Evaluation book by DNRC, it needs to be clear in the record that the state's grant of \$70,000 for this project is not contingent on a dollar for dollar match from other sources: for example, if the total project cost is less than \$140,000, the state is still willing to give \$70,000 and hence the matching funds would have to raise less than \$70,000.

The state is willing to commit \$70,000 to this project and the remaining money needed to complete the project must be raised by other private and public sources.

[Handwritten scribbles]

2/17
Jim [unclear]

Amend House Bill 947, third reading copy, as follows:

1. Page 13, line 14.

Following: "LAND"

Insert: "and then for the projects approved in the category of "water development""

2. Page 13, lines 16 and 17.

Strike: Line 16 through "HB 913" on line 17.

Insert: "fully funded by House Bill 922"

Option

Proposed Amendments to H.B. 947

- 1. Page 18, Line 22
Following: exceed
Strike: \$51,152,528
Insert: \$51,652,528
- 2. Page 19, Line 2
Following: (2)
Delete the entire subsection
Following: (2)
Insert:

The Board of Examiners may issue State of Montana coal severance tax bonds for loans to political subdivisions and local government entities not to exceed the loan amount listed for the project.

GROUP A Notwithstanding the conditions set forth in section 14, the interest rate for the project in this group may be four percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
YELLOWSTONE COUNTY	\$1,100,000

Oxbow Area Water Supply

GROUP B Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be three percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
DUTTON, TOWN OF	\$ 652,000
Water Supply Construction	
EAST BENCH IRRIGATION DISTRICT	400,000
Gravity Irrigation System	
GLASGOW, CITY OF	5,662,000
Water Supply Source	
NEIHART, TOWN OF	550,000
Water System Improvement	
YELLOWSTONE COUNTY	555,000
Cedar Park Water System	

GROUP C Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be two percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
COOKE PASS-COOKE CITY-SILVER GATE	\$ 336,730
County Water/Sewer District Sewer Improvements	
FORT BENTON, CITY OF	753,060
Water System Improvement	
POPLAR, TOWN OF	477,260
Water System Improvement	
WORDEN/BALLENTINE YELLOWSTONE COUNTY	500,000
Water and Sewer District Reservoir Construction	
EVERGREEN WATER AND SEWER DISTRICT	3,226,900
Flathead County Sewer System	
HUNGRY HORSE WATER AND SEWER DISTRICT	762,450
Water System Improvements	
DODSON, TOWN OF	170,000
New Water Well	
DRUMMOND, TOWN OF	304,600
Fire and Water Project	
LAKESIDE COUNTY SEWER DISTRICT	1,190,000
Wastewater Treatment Facility	
BOZEMAN, CITY OF	726,079
Lyman Creek Water System Improvement	
CHARLO WATER USERS ASSOCIATION	269,440
Distribution System Replacement	
EAST HELENA, CITY OF	434,454
Water System Improvement	
EKALAKA, TOWN OF	395,250
Water System Renovation	
HAVRE, CITY OF	2,590,000
Water System Improvement	

GROUP D Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be one percentage point below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
LOCKWOOD IRRIGATION DISTRICT	\$ 247,000
System Renovation	
PONDERA COUNTY CONSERVATION DISTRICT	750,000
Lower Birch Creek Watershed	
SEELEY LAKE WATER DISTRICT	310,706
Water Storage Tank	
WHITEHALL, TOWN OF	300,400
Sewer Project	
WHITE SULPHUR SPRINGS, TOWN OF	639,150
Water System Improvements	
DENTON, TOWN OF	185,000
Water Supply System	
JUDITH GAP, TOWN OF	100,000
Water Supply Source	
LIMA, TOWN OF	376,500
Water Facilities Update	

GROUP E Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group must be the rate at which the state bond is sold.

	<u>LOAN AMOUNT</u>
MIDDLE CREEK DAM REHABILITATION	\$3,500,000
MILK RIVER IRRIGATION DISTRICT	17,869,000
Tiber Dam Power Project	
ANACONDA/DEER LODGE COUNTY	500,000
Sewage Facilities	
HILL COUNTY WATER DISTRICT	1,410,000
Rural Water Supply	

GROUP F Notwithstanding the conditions set forth in section 14, the interest rate for the project in this group must be 3 percent over a 30-year term.

	<u>LOAN AMOUNT</u>
EAST BENCH IRRIGATION DISTRICT	\$1,317,295
McHessor Dry Gulch Gravity Irrigation System	

GROUP G Notwithstanding the conditions set forth in section 14, the interest rate for the project in this group must be 8% over a 20-year term.

	<u>LOAN AMOUNT</u>
TIBER COUNTY WATER DISTRICT	\$ 559,260
New Control and Monitoring System	

GROUP H Notwithstanding the conditions set forth in section 14, the interest rate for the projects in this group must be 6% over a 30-year term.

	<u>LOAN AMOUNT</u>
GERALDINE COUNTY WATER DISTRICT	\$ 313,910
Rural Water System	
ROOSEVELT COUNTY RURAL WATER DISTRICT	2,219,124
Rural Water System	

3. Page 33, Line 16
Following: at
Insert: the lower of the
Following: 6
Insert: or the rate that must be paid on the bonds issued pursuant to section 6

4. Page 35, Line 10
Following: project."
Insert: NEW SECTION. Section _____. Water Development Program Direction. The Department is directed to recognize in particular the primary role of agriculture in the state's economy and the needs of its agricultural constituency when it formulates its promotion, assistance, and development programs.

Proposed Amendments to H.B. 947

*Chalk
Proposed
4/26 #3*

- 1. Page 18, Line 22
Following: exceed
Strike: \$51,152,528
Insert: \$51,652,528

- 2. Page 19, Line 2
Following: (2)
Delete the entire subsection
Following: (2)
Insert:

The Board of Examiners may issue State of Montana coal severance tax bonds for loans to political subdivisions and local government entities not to exceed the loan amount listed for the project.

GROUP A Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be four percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
DUTTON, TOWN OF	\$ 652,000
Water Supply Construction	
EAST BENCH IRRIGATION DISTRICT	400,000
Gravity Irrigation System	
GLASGOW, CITY OF	5,662,000
Water Supply Source	
NEIHART, TOWN OF	550,000
Water System Improvement	
YELLOWSTONE COUNTY	555,000
Cedar Park Water System	
YELLOWSTONE COUNTY	1,100,000
Oxbow Area Water Supply	

GROUP B Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be three percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
COOKE PASS-COOKE CITY-SILVER GATE	\$ 336,730
County Water/Sewer District Sewer Improvements	
FORT BENTON, CITY OF	753,060
Water System Improvement	
POPLAR, TOWN OF	477,260
Water System Improvement	
WORDEN/BALLENTINE YELLOWSTONE COUNTY	500,000
Water and Sewer District Reservoir Construction	
EVERGREEN WATER AND SEWER DISTRICT	3,226,900
Flathead County Sewer System	
HUNGRY HORSE WATER AND SEWER DISTRICT	762,430
Water System Improvements	
DODSON, TOWN OF	170,000
New Water Well	
DRUMMOND, TOWN OF	304,600
Fire and Water Project	
LAKESIDE COUNTY SEWER DISTRICT	1,190,000
Wastewater Treatment Facility	
BOZEMAN, CITY OF	726,079
Lyman Creek Water System Improvement	
CHARLO WATER USERS ASSOCIATION	269,440
Distribution System Replacement	
EAST HELENA, CITY OF	434,434
Water System Improvement	
EKALAKA, TOWN OF	395,250
Water System Renovation	
HAVRE, CITY OF	2,590,000
Water System Improvement	

GROUP C Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be two percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
LOCKWOOD IRRIGATION DISTRICT	\$ 247,000
System Renovation	
PONDERA COUNTY CONSERVATION DISTRICT	750,000
Lower Birch Creek Watershed	
SEELEY LAKE WATER DISTRICT	310,706
Water Storage Tank	
WHITEHALL, TOWN OF	300,400
Sewer Project	
WHITE SULPHUR SPRINGS, TOWN OF	639,150
Water System Improvements	
DENTON, TOWN OF	185,000
Water Supply System	
JUDITH GAP, TOWN OF	100,000
Water Supply Source	
LIMA, TOWN OF	376,500
Water Facilities Update	

GROUP D Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group must be the rate at which the state bond is sold.

	<u>LOAN AMOUNT</u>
MIDDLE CREEK DAM REHABILITATION	\$3,500,000
MILK RIVER IRRIGATION DISTRICT	17,869,000
Tiber Dam Power Project	
ANACONDA/DEER LODGE COUNTY	500,000
Sewage Facilities	
HILL COUNTY WATER DISTRICT	1,410,000
Rural Water Supply	

GROUP E Notwithstanding the conditions set forth in section 14, the interest rate for the project in this group must be 3 percent over a 30-year term.

	<u>LOAN AMOUNT</u>
EAST BENCH IRRIGATION DISTRICT	\$1,317,295
McHessor Dry Gulch Gravity Irrigation System	

GROUP F Notwithstanding the conditions set forth in section 14, the interest rate for the project in this group must be 8% over a 20-year term.

TIBER COUNTY WATER DISTRICT

LOAN AMOUNT

\$ 559,260

New Control and Monitoring System

GROUP G Notwithstanding the conditions set forth in section 14, the interest rate for the projects in this group must be 6% over a 30-year term.

GERALDINE COUNTY WATER DISTRICT

LOAN AMOUNT

\$ 313,910

Rural Water System

ROOSEVELT COUNTY RURAL WATER DISTRICT

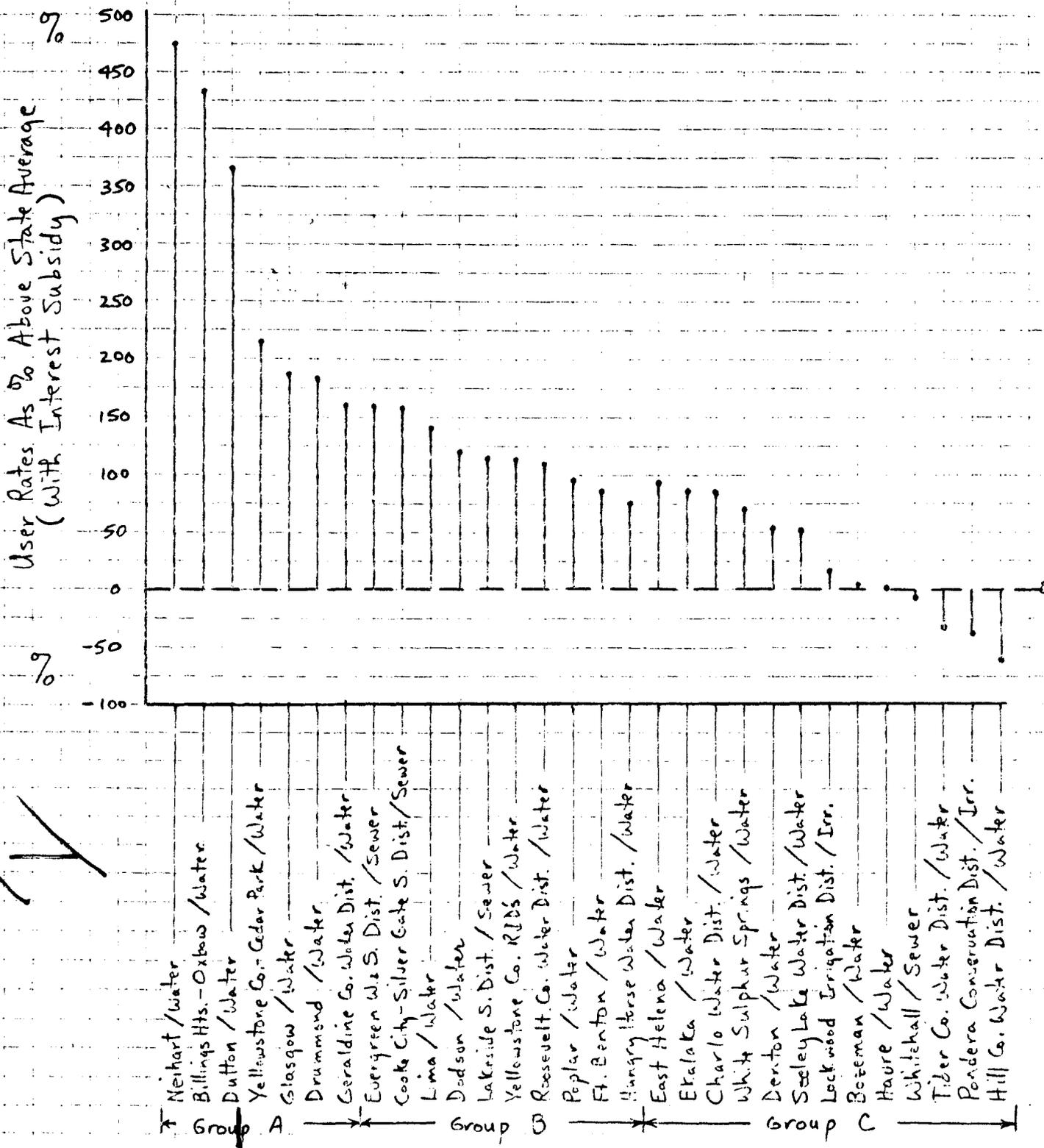
2,219,124

Rural Water System

3. Page 33, Line 16
Following: at
Insert: the lower of the
Following: 6
Insert: or the rate that must be paid on the bonds issued pursuant to section 6

4. Page 35, Line 10
Following: project."
Insert: NEW SECTION. Section _____. Water Development Program Direction. The Department is directed to recognize in particular the primary role of agriculture in the state's economy and the needs of its agricultural constituency when it formulates its promotion, assistance, and development programs.

USER RATES AS % ABOVE STATE AVERAGE

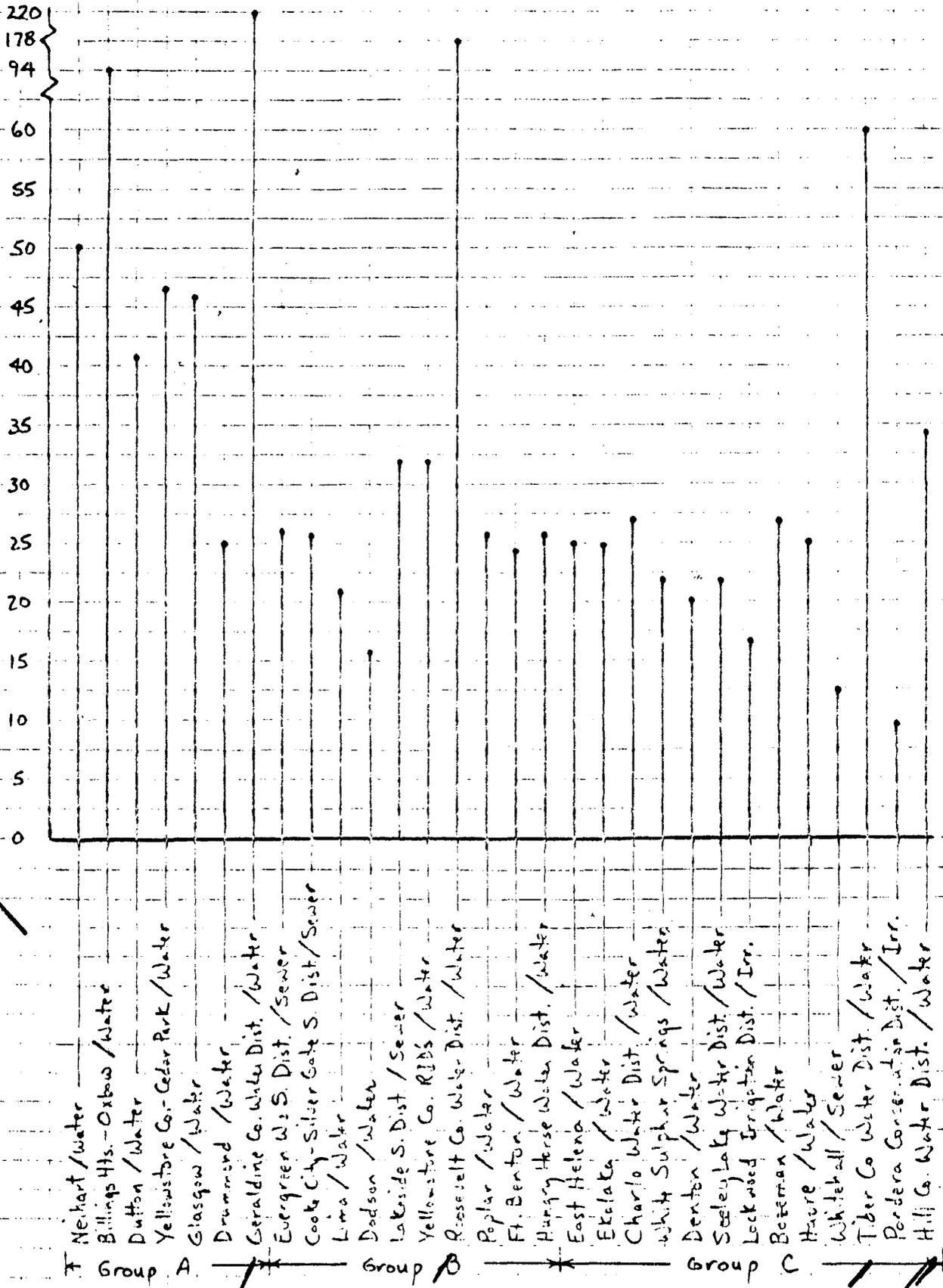


Projects

%
2/6

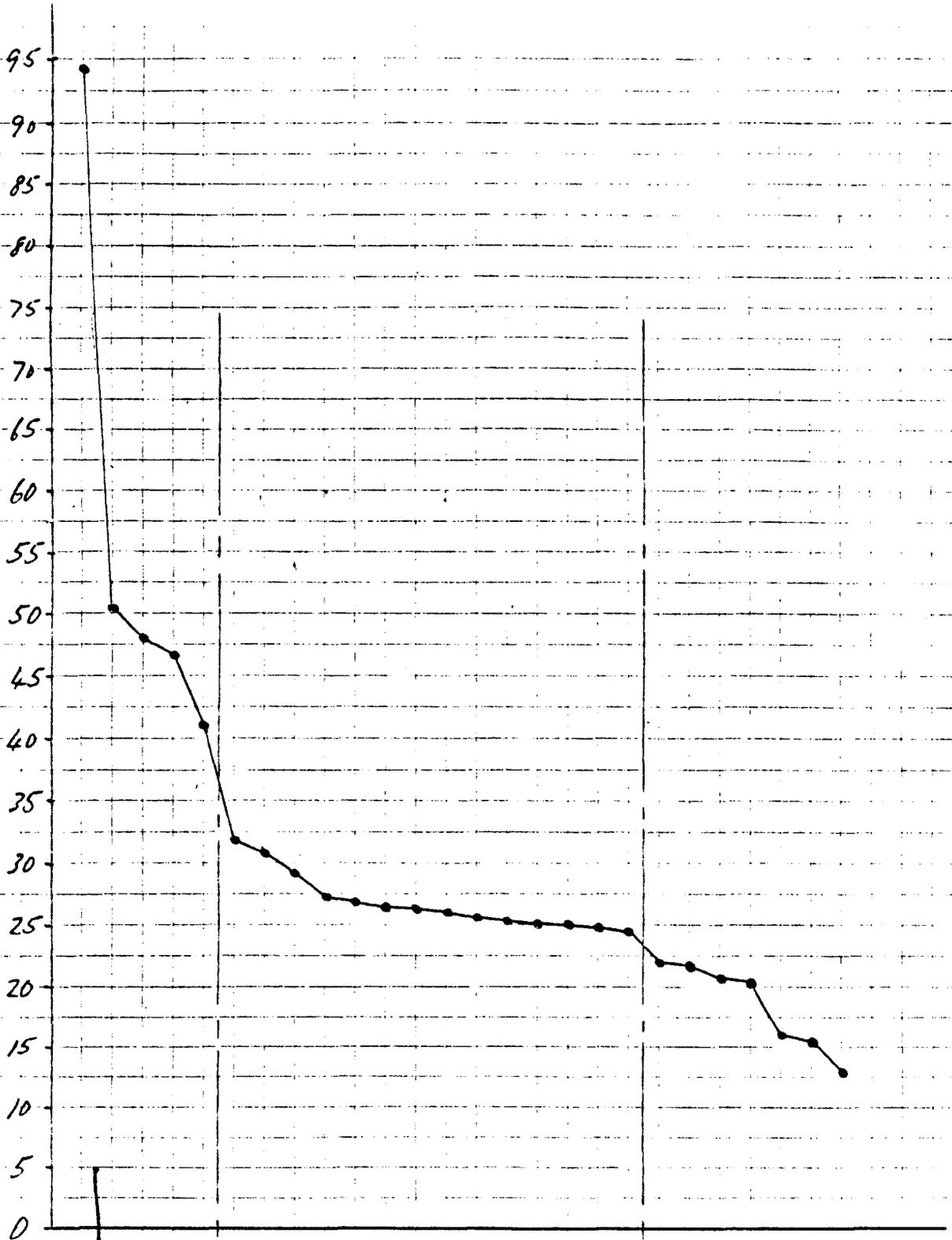
USER RATES - \$/USER/MONTH

User Rates - \$/User/Month
(With Interest Subsidy)



Projects

User Rates ~ \$/User/Month
(with interest subsidy)



III

Billings Hts ~ Oxbow
 Merhart
 Yellowstone Co. ~ Cedar Park
 Glasgow
 Dutton
 Yellowstone Co. ~ RIDs
 Lakeside
 Dodson
 Charlo
 Boesman
 Evergreen
 Hungry Horse
 Pepiah
 Cooke City
 E. Helena
 Havre
 Drummond
 Etahaka
 Ft. Benton
 Seeley Lake
 White Sulphur Springs
 Lima
 Denton
 Lockwood
 Judith Gap
 Whitshall

James C. Christensen

Proposed Amendment to H.B. 947

Page 7, Line 7

Following: Repair

Insert: with possible Emergency Breach

Proposed Amendment to HB 947:
Blue Copy
Senator Dorothy Eck
April 19, 1985

Y N
H H H H
H H

1. Page ~~12~~³⁵, following line ~~2~~¹⁰.

Insert: "NEW SECTION. Section 2. Future preference for appropriations from the water development state special revenue account. In evaluating proposals for use of funds from the water development state special revenue account for the biennium ending June 30, 1989, the Department of Natural Resources and Conservation and the legislature shall give preferential consideration to proposals that promote:

- (1) the water reservation program established by 85-2-316;
- (2) the development of the state water plan required by 85-1-203; and
- (3) other state water programs recommended by the legislative water policy committee established in section 19 of House Bill No. 680."

Renumber: subsection sections.

12
6
Proposed Amendment to HB 947:
Blue Copy
Senator Dorothy Eck
April 19, 1985

1. Page ²⁵ 12, following line ⁷ 12
Insert: "NEW SECTION. Section ¹² Future preference for appropriations from the water development state special revenue account. In evaluating proposals for use of funds from the water development state special revenue account for the biennium ending June 30, 1989, the Department of Natural Resources and Conservation and the legislature shall give preferential consideration to proposals that promote:
(1) the water reservation program established by 85-2-316;
(2) the development of the state water plan required by 85-1-203; and
(3) other state water programs recommended by the legislative water policy committee established in section 19 of House Bill No. 680."

Renumber: subsection sections.

Change to
fit on other.

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date _____

Bill No. _____

Time _____

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Aklestad		✓		
Senator Hammond	✓			
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsel		✓		
Senator Stimatz	✓			
Senator Boylan		✓		
Senator Story		✓		
Senator Smith		✓		
Senator Manning (Dick)	✓			
Senator Bengtson	✓			
Senator Keating		✓		
Senator Regan	✓			
Senator Van Valkenburg	✓			
Senator Tveit		✓		
Senator Fuller	✓			
Sylvia Kinsey				
Secretary				

12-7

Senator Regan
Chairman

A

Motion:

Page 3

"SLOW SAND FILTER"
ON MIDVALE CREEK

Filter Costs

Excavation and embankment	\$ 10,170.00
Concrete	33,720.00
Sand Media	50,080.00
Gravel Media	9,600.00
Underdrains	
8" PVC	1,560.00
4" PVC	3,640.00
Basin Liner	6,000.00
Pilot Test	<u>5,500.00</u>

Subtotal \$120,270.00

Pumping Station (HIGH SERVICE ONLY) 28,000.00

Wetwell, 5HP-2 pumps above ground, controls,
tank level-pump control, radio system,
tower, etc. 32,000.00

Piping Yard 6,000.00

Pumping Station (LOW SERVICE NOT REQ'D) -----

Replace 14" Wood Stave Pipe 168,000.00

New Reservoir Intake (NOT INCLUDED AT THIS TIME) -----

New Detention Pond 20,000.00

New Reservoir Dam (NOT INCLUDED AT THIS TIME) -----

\$374,270.00

Engineering & Contingencies 100,000.00

Land 10,000.00

TOTAL \$484,270.00

"SLOW SAND FILTER"
ON MIDVALE CREEK

Filter Costs

Excavation and embankment	\$ 10,170.00
Concrete	33,720.00
Sand Media	50,080.00
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New Reservoir Dam (NOT INCLUDED AT THIS TIME) -----

\$374,270.00

Engineering & Contingencies 100,000.00

Land 10,000.00

TOTAL \$484,270.00

STANDING COMMITTEE REPORT

April 20

19 85

MR. PRESIDENT

We, your committee on Finance and Claims

having had under consideration House Bill No. 947

third reading copy (Blue)
color

WATER DEVELOPMENT PROGRAM: PROJECT APPROPRIATIONS

BARDANOVUE (Fuller)

Respectfully report as follows: That House Bill No. 947

be amended as follows:

1. Page 7, line 7.

Following: "Repair"

Insert: "with Possible Emergency Breach"

2. Page 13, line 14.

Following: "LAND"

Insert: "and then for the projects approved in the category of "water development"

3. Page 13, lines 16 and 17.

Following: line 15

Strike: line 16 through "BB 913" on line 17

Insert: "fully funded by House Bill 922"

4. Page 18, line 22.

Following: "exceed"

Strike: "\$51,152,528"

Insert: "\$51,652,528"

5. Page 19, line 2 through line 9 of page 21.

Following: "(2)"

Strike: the remainder of subsection (2) in its entirety

Insert: "The Board of Examiners may issue State of Montana coal severance tax bonds for loans to political subdivisions and local government entities not to exceed the loan amount listed for the project."

~~XXXX~~
DO PASS

~~XXXXXX~~
DO NOT PASS

(continued)

SENATOR PAT REGAN

Chairman.

April 29, 1985

19

GROUP A Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be four percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
DUTTON, TOWN OF	\$657,000
Water Supply Construction	
EAST BENCH IRRIGATION DISTRICT	400,000
Gravity Irrigation System	
GLASGOW, CITY OF	5,867,000
Water Supply Source	
WEIHART, TOWN OF	550,000
Water System Improvement	
YELLOWSTONE COUNTY	555,000
Cedar Park Water System	
YELLOWSTONE COUNTY	1,100,000
Oxbow Area Water Supply	

GROUP B Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be three percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
COOKE PASS-COOKE CITY-SILVER GATE	\$336,730
County Water/Sewer District Sewer Improvements	
FORT BENTON, CITY OF	753,860
Water System Improvement	
POPLAR, TOWN OF	477,260
Water System Improvement	
WORDEN/BALLENTINE YELLOWSTONE COUNTY	500,000
Water and Sewer District Reservoir Construction	
EVERGREEN WATER AND SEWER DISTRICT	3,226,900
Flathead County Sewer System	
HINGEY HORSE WATER AND SEWER DISTRICT	762,430
Water System Improvements	
DODSON, TOWN OF	170,000
New Water Well	
DRUMMOND, TOWN OF	304,600
Fire and Water Project	
LAKESIDE COUNTY SEWER DISTRICT	1,190,000
Wastewater Treatment Facility	
BOIEMAN, CITY OF	726,079
Lynon Creek Water System Improvement	
CHARLO WATER USERS ASSOCIATION	269,440
Distribution System Replacement	

(continued)

April 20,

1985

EAST MELENA, CITY OF	434,434
Water System Improvement	
HEALALA, TOWN OF	395,250
Water System Renovation	
HAYES, CITY OF	2,590,000
Water System Improvement	

GROUP C Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group may be two percentage points below the long-term bond rate at which the state bond is sold for the first 5 years of an anticipated 20-year term and must be at the rate at which the state bond is sold for the remaining 15 years.

	<u>LOAN AMOUNT</u>
LOCKWOOD IRRIGATION DISTRICT	5247,000
System Renovation	
PONDERA COUNTY CONSERVATION DISTRICT	750,000
Lower Birch Creek Watershed	
SEELEY LAKE WATER DISTRICT	310,706
Water Storage Tank	
WHITEHALL, TOWN OF	300,400
Sewer Project	
WHITE SULPHUR SPRINGS, TOWN OF	639,150
Water System Improvements	
DENTON, TOWN OF	185,000
Water Supply System	
JUDITH GAP, TOWN OF	100,000
Water Supply Source	
LIMA, TOWN OF	376,500
Water Facilities Update	

GROUP D Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group must be the rate at which the state bond is sold.

	<u>LOAN AMOUNT</u>
MIDDLE CREEK DAM REHABILITATION	\$3,500,000
WILX RIVER IRRIGATION DISTRICT	17,869,000
Fiber Dam Power Project	
ANACONDA/DEER LODGE COUNTY	500,000
Sewage Facilities	
HILL COUNTY WATER DISTRICT	1,410,000
Rural Water Supply	

GROUP E Notwithstanding the conditions set forth in section 14, the interest rate for the project in this group must be 3% over a 30-year term.

	<u>LOAN AMOUNT</u>
EAST BENCH IRRIGATION DISTRICT	\$1,317,295
McHessor Dry Gulch Gravity Irrigation System	

GROUP F Notwithstanding the conditions set forth in

(continued)

April 20, 1985 19.....

section 14, the interest rate for the project in this group must be 8% over a 20-year term.

FIBER COUNTY WATER DISTRICT

LOAN AMOUNT
\$559,260

New Control and Monitoring System

GROUP C Notwithstanding the conditions set forth in section 14, the interest rate for projects in this group must be 6% over a 30-year term.

GERALDINE COUNTY WATER DISTRICT

LOAN AMOUNT
\$313,910

Rural Water System

ROOSEVELT COUNTY RURAL WATER DISTRICT

2,219,124

Rural Water System

6. Page 27.

Following: line 7

Insert: "(6) There is approved a loan for the amount of \$484,270 for a slow sand filter on Midvale Creek necessary for improving the water supply to the town of East Glacier. The Department of Natural Resources and Conservation is directed to classify this loan into one of the groups set forth in subsection (2) and report this classification to the Legislative Finance Committee."

7. Page 35.

Following: line 10

Insert: NEW SECTION. Section 17. Water development program direction -- future preference for appropriations. (1) The Department of Natural Resources and Conservation is directed to recognize in particular the primary role of agriculture in the state's economy and the needs of its agricultural constituency when it formulates its promotion, assistance, and development programs. (2) In evaluating proposals for use of funds from the water development state special revenue account for the biennium ending June 30, 1988, the Department of Natural Resources and Conservation and the Legislature shall give preferential consideration to proposals that promote: (a) the water reservation program established by 85-2-316; (b) the development of the state water plan required by 85-1-203; and (c) other state water programs recommended by the Legislative Water Policy Committee established in section 19 of House Bill No. 680."

HB947.86
PC/S;YYT
AND AS AMENDED
BE CONCURRED IN