



# ENVIRONMENTAL QUALITY COUNCIL

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**GOVERNOR BRIAN SCHWEITZER**  
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KRIS KOK  
BUZZ MATTELIN  
DOUGLAS MCRAE

**COUNCIL STAFF**  
KRISTA LEE EVANS, Research Analyst  
JOE KOLMAN, Research Analyst  
CYNTHIA PETERSON, Secretary  
TODD EVERTS, Legislative Environmental Analyst

## STUDY SUBCOMMITTEE MINUTES

Thursday, September 15, 2005  
State Capitol, Room 137

Please Note: These are outlined minutes with an audio recording. These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities.

### **COMMITTEE MEMBERS PRESENT**

SEN. ROBERT STORY  
SEN. GREG LIND

REP. WALTER MCNUTT  
REP. SUE DICKENSON

MR. BUZZ MATTELIN

### **STAFF PRESENT**

KRISTA LEE EVANS, Research Analyst  
DIANE MCDUFFIE, Secretary

### **AGENDA and VISITORS' LIST**

#### **Agenda**

No one signed the list.

### **COMMITTEE ACTION**

Adopted the proposed work plan

Requested a panel discussion on the administration of school trust lands

Requested updates from DNRC work group on Surface Water/Ground Water

## CALL TO ORDER AND ROLL CALL

00:13:09 Chairman McNutt called the meeting to order at 1:00 p.m.. Secretary noted the roll. ([Attachment #1](#))

## WORKPLAN REVIEW AND DECISIONS

00:14:20 Krista Lee Evans, Research Analyst, LSD asked for comments or recommended changes regarding the work plan. ([Exhibit 1](#))

00:15:43 **MOTION:** Senator Story moved to adopt the work plan as presented.  
**VOTE:** Motion carried.

## REPORT ON CONTRACT TIMBER HARVESTING WORK GROUP

00:16:01 Ms. Evans explained that Todd Everts is the staff person working on the contract timber harvesting. A letter from Mr. Everts dated August 30, 2005 was mailed to the committee. ([Exhibit 2](#)) A copy of the minutes from the August 17, 2005 meeting is in the committee folders. ([Exhibit 3](#))

00:16:48 Tom Schultz, Administrator, Trust Lands, DNRC updated the committee on the contract timber harvesting work group meeting August 17, 2005.

00:21:30 Senator Story asked various questions of Mr. Schultz about contract timber harvesting in Montana.

## TMDL AND REASSESSMENT UPDATE

00:30:36 Ms. Evans, LSD provided a memo from Barbara Smith, LFD, regarding TMDL funding from the 2005 Legislature ([Exhibit 4](#)). Ms. Evans introduced George Mathieus, Department of Environmental Quality, Manager of the TMDL program.

00:31:37 Mr. Mathieus gave a power point presentation, "Review of Montana's TMDL Program." ([Exhibit 5](#))

00:54:22 Mr. Mathieus responded to questions from Rep. Dickenson and Mr. Mattelin.

01:24:31 Senator Story asked Mr. Mathieus if the temporary and permanent positions have been filled.

01:28:30 Senator Story asked if some of the TMDL money was being diverted to another project.

01:31:57 Senator Story asked what would happen to the FTE funding if all the positions have not been filled.

## **BREAK**

01:32:54

## **DISCUSSION OF FIRE AUDIT AND WORKING GROUP ACTIVITIES**

- 01:53:16 Leanne Kurtz, LSD introduced Mike Wingard, LAD.
- 01:55:06 Mr. Wingard discussed the performance audit of DNRC's preparedness for and administration of wildland fires. ([Exhibits 6](#) and [6a](#))
- 02:02:28 Ms. Kurtz provided an update on the activities of the HJR 10 working group.
- 02:09:42 Senator Story asked if the Ag organizations and Realtors have been contacted and will they have the opportunity to get involved.
- 02:12:58 Bob Harrington, Administrator, Forestry Division, DNRC commented on the members in the working group, fire policy, and changes to the statutes.
- 02:14:08 Senator Story asked for an update on the rapid attack and helicopters appropriated by the legislature.

## **DNRC ADMINISTRATION OF SCHOOL TRUST LANDS**

- 02:19:23 Ms. Evans discussed the memorandum to the committee regarding DNRC funding for Administration of State Trust Lands; ([Exhibit 7](#)), the September 8, 2005 Governor Schweitzer request for an Attorney General opinion regarding whether or not it is constitutional to use revenues generated by the trust to fund administration; ([Exhibit 8](#)), and the Attorney General's response to Governor Brian Schweitzer. ([Exhibit 9](#))
- 02:30:37 Chairman McNutt asked committee members for comments and suggestions.
- 02:31:16 Senator Story suggested looking at if a fee is not being assessed against the Morrill lands are the funds being shifted to other trusts or being paid out of the general fund. Also, what is the intention of the budget office in dealing with this issue.
- 02:33:55 Rep. Dickenson asked Commissioner Stearns to comment on the trust income that was being used for administration but should have been going to the University System and how changing that would impact the University System.
- 02:38:52 Rep. Dickenson said she would like to look at stopping the use of trust proceeds to pay for the administration and finding another funding source.

02:40:18 Mr. Mattelin said he would like to find a better solution to fund administration.

02:41:26 Rep. McNutt suggested a panel discussion at the next meeting.

02:43:13 Greg Petesch, Chief Legal Counsel, LSD responded on his analysis of the legal implications concerning the administration of trust lands with respect to the land grants for the Montana University System.([Exhibit 10](#))

02:47:18 Senator Story requested information from Mr. Petesch regarding reducing future appropriations.

02:50:39 Rep. McNutt wants to look into the conflict in statutes.

02:52:19 Alan Peura, LFD provided an update from the Morrill Act Working Group. Notes from the July 28 meeting were mailed to the committee. ([Exhibit 11](#))

02:55:24 Senator Story referred to a spreadsheet from the OBPP ([Exhibit 12](#)) that shows the money no longer being collected from the Morrill lands, approximately \$500,000 a year. He asked Director Sexton how the money is made up in the process.

02:58:39 In response to Senator Story's question, Barbara Smith, LFD, said the \$504,052.00 is all the Universities trusts. MSU-Morrill has no money charged against it. Currently there are no administrative fees being levied against the Morrill lands.

02:59:42 Also in response to Senator Story's question, Mr. Schultz referred to the MSU Morrill Grant - ACI spreadsheet ([Exhibit 13](#)) which shows by account back to 1963 on an annual basis what the actual deductions were and an interest rate compounded annually was added to show if someone were to suggest interest should be included.

Ms. Smith referred to page 2 of her report "Trust Land Funding Allocation of Administrative Costs ([Exhibit 14](#)) that outlines the other fees that are being charged against the other trusts.

#### **SURFACE WATER/GROUND WATER**

03:07:38 Jack Stults, Division Administrator, Water Rights Division, DNRC provided an update on the DRNC working group for surface water/ground water, mission, goals and meeting schedule. ([Exhibit 15](#))

03:16:53 Rep. McNutt requested updates from the working group.

#### **PUBLIC COMMENT**

03:17:35 No public comment

**OTHER BUSINESS**

03:18:03                    No other business

**INSTRUCTIONS TO STAFF**

03:18:21                    Develop agenda for next meeting.

**ADJOURN**

03:18:40                    Meeting adjourned 4:14

Please Note: Our website address for this interim is :  
[http://www.leg.mt.gov/css/lepo/2005\\_2006/default.asp](http://www.leg.mt.gov/css/lepo/2005_2006/default.asp)