Water Policy Interim Committee

65th Montana Legislature

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SENATE MEMBERS	HOUSE MEMBERS	COMMITTEE STAFF
PAT CONNELL--Chair	ZACH BROWN--Vice Chair	JASON MOHR, Lead Staff
JILL COHENOUR	BOB BROWN	NADINE SPENCER, Secretary
JON SESSO	JOHN FLEMING	ERIN BILLS, Legal Staff
JEFFREY WELBORN	CARL GLIMM	

MINUTES LOG

July 16, 2018
Room 152, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at http://leg.mt.gov. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

SEN. PAT CONNELL, Chair
REP. ZACH BROWN, Vice Chair

SEN. JEFFREY WELBORN

REP. BOB BROWN
REP. JOHN FLEMING
REP. CARL GLIMM

COMMITTEE MEMBERS EXCUSED

SEN. JILL COHENOUR
SEN. JON SESSO

JASON MOHR, Lead Staff
NADINE SPENCER, Secretary
JAMESON WALKER, Staff Attorney

VISITORS' LIST (Attachment 1)

AGENDA (Attachment 2)

COMMITTEE ACTIONS
The Water Policy Interim Committee (WPIC):
• Approved the minutes from May 21-22.

CALL TO ORDER AND ROLL CALL
00:00:01   Sen. Connell called the meeting to order at 1:03 p.m. The secretary called the roll. **(Attachment 3)** Sen. Cohenour and Sen. Sesso were excused.
00:00:42   Sen. Connell invited Rep. Walt Sales to join the committee at the table as a visiting legislator.

Approval of May, 2018 Minutes

Motion/Vote

00:01:32   Rep. Glimm moved to approve the minutes from May 21-22. The motion carried unanimously by voice vote of those present and voting.

UPDATE FROM ENVIRONMENTAL QUALITY COUNCIL
00:01:44   Joe Kolman, environmental analyst, Legislative Environmental Policy Office, Legislative Services Division (LSD), said the Environmental Quality Council (EQC) will meet next week and provided information on the agenda.
00:03:04   Mr. Kolman said the EQC decided to increase its efforts on trend information and to focus on trends related to fire. He provided a digital presentation on fire related indicators.

00:15:17   Sen. Welborn entered the meeting at 1:18 p.m.

Committee questions and discussion
00:19:09   Sen. Connell asked Mr. Kolman about being able to access the application and data on a thumb drive.
00:20:17   Rep. Z. Brown asked Mr. Kolman about the financial resources and staff time that was allocated for gathering the information and how it will be maintained over time.
00:21:30   Sen. Connell commented on the importance of the report and the ability to have the data presented in a useable way. He asked Mr. Kolman about the number of fires that started in federal wilderness areas with no access for quick immediate suppression.

UPDATE FROM GOVERNOR'S DROUGHT AND WATER SUPPLY ADVISORY COMMITTEE

00:24:08	Michael Downey, Water Planning Section supervisor, Department of Natural Resources and Conservation (DNRC), gave a PowerPoint presentation on the drought and water supply outlook. **(Exhibit 1)**

Committee questions and discussion

00:36:39	Sen. Connell asked Mr. Downey about stream flows and what constitutes the historic average.
00:38:14	Sen. Connell asked Mr. Downey about the ability to provide reports because of the loss of stream gauges and the data collected.

Public comment   None

MISSOURI HEADWATER BASIN STUDY

00:40:43	Mr. Downey provided an overview of the Missouri Headwater Basin study done by the DNRC and the U.S. Bureau of Reclamation.

Committee questions and discussion

00:46:07	Sen. Connell asked Mr. Downey about water reserves held by the Bureau of Reclamation in Clark Canyon Dam.

WATER QUALITY: BEST MANAGEMENT PRACTICES AND STREAMSIDE MANAGEMENT ZONES

00:51:26	Roger Ziesak, Forest Practices Program manager, DNRC, gave a PowerPoint presentation on Best Management Practices and Streamside Management Zones for forestry in Montana. **(Exhibit 2)**

Public comment

01:06:32	Julia Altemus, Montana Wood Products Association

Committee questions and discussion

01:10:05	Rep. Z. Brown asked Mr. Ziesak about the process for scheduling and performing audits.
01:12:58	Rep. Z. Brown commented on the program and thanked Mr. Ziesak for the presentation.
01:13:12	Rep. B. Brown asked Mr. Ziesak about using the program to help landowners manage forests on private land.
01:17:57	Rep. Z. Brown said the Montana State University extension service manages grants from the DNRC and provides outreach to landowners on accessing wildfire risk on private property.
01:18:49	Sen. Connell said the U.S. Forest Services also provides input for landowner projects.
01:20:31	Rep. B. Brown commented on the benefit of having one entity that makes recommendations for state and federal policy. Sen. Connell agreed. He commented on the program and on the previous forest practices acts that came before the legislature.

| 01:23:50 | Sen. Connell thanked Mr. Ziesak and said the committee received an article written by Mr. Kolman that discusses some of the approaches. **(Exhibit 3)** |

RULES FOR SMALL WATER UTILITIES

| 01:24:37 | Sonja Nowakowski, staff, Energy and Telecommunications Interim Committee (ETIC), provided an update on work that the ETIC is doing on rate regulation of small water and sewer utilities. **(Exhibit 4)** |
| 01:30:37 | Ms. Nowakowski said the ETIC put two bill drafts out for public comment on small water and sewer utilities and the Public Service Commission is drafting new rules. |

Public comment   None

Committee questions and discussion

| 01:33:09 | Sen. Connell asked Ms. Nowakowski if a community water supply is classified as a utility. |
| 01:33:59 | Sen. Connell asked Ms. Nowakowski about regulation after a water supply is turned over to a homeowners association. |

| 01:36:27 | Recess |
| 01:58:14 | Reconvene |

BUREAU OF LAND MANAGEMENT: OVERVIEW OF WATER ISSUES IN MONTANA

| 01:58:32 | Jon Raby, director, Bureau of Land Management (BLM) Montana-Dakotas, introduced the BLM staff present in the audience and gave a PowerPoint presentation on the Water Resources Program. **(Exhibit 5)** |

Public comment   None

Committee questions and discussion

02:10:10	Rep. Glimm asked Mr. Raby about the number of exempt from filing claims that the BLM expects to file under HB 110 (2017).
02:14:13	Sen. Connell asked Mr. Raby about the amount of water volume that will be accounted for in the exempt from filing claims. Mr. Raby redirected the question to Kraig Van Voast, water rights specialist, BLM.
02:15:44	Mr. Raby said they will provide an estimate for the volume of water. Sen. Connell thanked Mr. Raby and said the motivation for HB 110 was to further account for the amount of water that the people of Montana depend on.
02:17:05	Sen. Connell asked Mr. Raby about the definition of fully functional for riparian areas and wetlands.
02:18:11	Sen. Connell asked Mr. Raby about the impact from the 2017 wildfires on land that the BLM manages in eastern Montana and recovery.
02:20:27	Rep. Sales asked Mr. Raby about the exempt from filing claims and how they relate to the compact the BLM has with the state. Mr. Raby redirected the question to Mr. Van Voast

EARLY WARNING SYSTEMS AT MONTANA'S HIGH-HAZARD DAMS

02:22:18	Jason Mohr, research analyst, LSD, provided an introduction.
02:23:11	Jan Langel, administrator, Water Resources Division, DNRC, provided information on the DNRC approaches for early warning systems at high-hazard dams.
02:24:01	Mr. Langel discussed the DNRC Dam Safety Program and early warning systems. **(Exhibit 6)**
02:27:39	Mr. Langel discussed the State Water Projects Bureau and early warning systems for state water projects.
02:31:26	Mr. Langel discussed U.S. Forest Service dams.
02:32:21	Mr. Langel discussed Bureau of Indian Affairs dams.
02:33:05	Mr. Langel discussed the difference between an early warning system and an instrumentation system.

Public comment   None

Committee questions and discussion

02:36:19	Rep. Glimm asked Mr. Langel about the earthquake near Lincoln in July 2017 and the effect on Nevada Creek Dam. Mr. Langel redirected the question to Mark McNearney, acting bureau chief, State Water Projects Bureau, DNRC.
02:39:01	Rep. Glimm asked Mr. McNearney about the monitoring wells at Nevada Creek Reservoir.
02:40:08	Sen. Connell asked Mr. Langel about the feasibility study on Painted Rocks Reservoir.

HYDROELECTRIC POTENTIAL REPORT (85-1-501, MCA)

02:43:03	Mr. Langel provided an update on hydroelectric projects in the state.
02:48:29	Mr. Langel provided an update on the Broadwater hydroelectric project at Toston Dam.

Public comment   None

Committee questions and discussion

02:52:40	Rep. Z. Brown asked Mr. Langel about the process for managing revenue at Toston Dam since the bonds have been paid off. Rep. Z. Brown asked about the plan for replacing equipment at Toston and other dam sites.
02:54:28	Sen. Connell asked Mr. Langel about the purpose for Toston Dam.
02:55:12	Sen. Connell asked Mr. Langel about upgrading and replacing power-generating components at the dam and if it the power generated in the future will be legally perceived as renewable.

RECESS

02:57:10	Sen. Connell recessed the meeting at 4:01 p.m.

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