

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN JACK WELLS**, on January 18, 2005 at 8:00 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. Jack Wells, Chairman (R)
Sen. John Brueggeman (R)
Rep. Ralph L. Lenhart (D)

Members Excused: None.

Members Absent: Sen. Jon Tester, Vice Chairman (D)
Sen. Mike Cooney (D)
Rep. Carol C. Juneau (D)
Sen. Bob Keenan (R)
Rep. John E. Witt (R)

Staff Present: Laura Dillon, Committee Secretary
Catherine Duncan, Legislative Branch
Mark Bruno, OBPP

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 6, 1/18/2005; HB 8, 1/18/2005
Executive Action:

Reference book is: Governor's Budget State of Montana, Fiscal Years 2006-2007, Renewable resource Grant and Loan Program (RRGL), Volume 7.

CHAIRMAN WELLS called the meeting to order and informed the committee they would be hearing remarks on HB 7 from DNRC during the meeting. The bill will not be officially opened yet because the sponsor is unable to attend the meeting at this time.

Paradise Valley Project #29 Page 85

Pam Smith, Department of Natural Resources and Conservation (DNRC), introduced the Paradise Valley Irrigation District Project. The project has been recommended for funds in the amount of \$100,000. This money will finance the standardization of the system's irrigation turnouts.

Proponents' Testimony:

Randy Reeve, Valley Irrigation District, testified that the district has received several awards for their water conservation efforts. The proposed project will replace the old means of water measurement with a more accurate system. This ensures landowners that they are receiving an accurate amount of water. An inflow control management device will be installed as part of the project. This will control water levels and reduce spillage.

Bruce Anderson, Valley Irrigation District, said the current irrigation system serves many farms and numerous acres. Some of the faulty turnouts have already been replaced with outside funds, and the remainder can be replaced through RRGL assistance.

Larry Mires, Two Rivers Economic Growth, commented that this project will benefit water users farther downstream on the Milk River.

Kay Blatter, Ft. Belknap Irrigation District; John Lacey, Glasgow Irrigation District; Bud Mavencamp, Milk River Irrigation District; Max Maddox, Alfalfa Irrigation District; Steve Stebleton, Glasgow Irrigation District; Illene Hathaway, Glasgow Irrigation District; Melvin Novak, Glasgow Irrigation District; and Arthur Kleinjan, Blaine County Commissioner all stated their support for the project.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

Fort Belknap Project #33 Page 97

Ms. Smith stated that this is the second part of a two-phase project for improvements to the Ft. Belknap Irrigation District system. The project has been recommended funding of \$100,000.

Proponents' Testimony:

Kay Blatter said the Ft. Belknap District is the first irrigation district on the Milk River. The system is experiencing extensive water seepage problems. Local children often swim in the open areas of the system and this is a safety concern. The community has already used grant money to change part of the system to a pipeline system. They need additional funding to complete pipeline construction. The proposed project will improve water conservation as well as address health and safety issues.

Matt Jergeson, Morrison Maierle Engineering, explained that the project was broken into two phases so that construction would not interfere with irrigation season. They hope to have the project completed in its entirety before the 2006 irrigation season. Mr. Jergeson testified that residents of Chinook are having their yards flooded because of the current system problems.

Mike Murphy, MT Water Resources Commission; Bruce Anderson; Randy Reeve; Max Maddox; John Lacey; Arthur Kleinjan; Bud Mavencamp; Larry Mires; Illene Hathaway; Steve Stebleton; Melvin Novak; and Randy Reeve went on record in support of the Ft. Belknap Irrigation Project.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 23.8}

Opponents' Testimony: none.

{REP. WITT entered the meeting at 8:35 A.M.}

Questions from Committee Members and Responses:

CHAIRMAN WELLS asked what a "lateral" is.

Mr. Jergeson replied that a lateral is a subdivision of the canal system. The subdivision serves a portion of the entire irrigation district.

CHAIRMAN WELLS asked Mr. Jergeson to describe what the open-ditch system will be converted to as part of the proposed project.

Mr. Jergerson responded that the new system will continue to utilize open-channel water flow, but this will be done through a pipeline.

CHAIRMAN WELLS asked for the diameter of the pipe.

Mr. Jergerson answered that the pit was 42 inches in diameter.

REP. LENHART asked if the trend in irrigation was moving toward concrete ditches.

Mr. Jergerson replied that concrete is rarely used because it is more expensive than other types of synthetic liners.

Vandalia Dam Project #38 Page 110

Ms. Smith described the proposed project as the third phase of improvements to Vandalia Dam. The project has been recommended for \$100,000 in grant money.

Proponents' Testimony:

Mr. Lacey distributed a handout (Exhibit 1) that highlighted the importance of the Vandalia Dam Project. The dam generates much to the local economy and is supported by neighboring communities. The proposed project will replace deteriorating struts and walkways on the dam. The cost of irrigation in the area are already high and RRGL funding would help mitigate this.

EXHIBIT(jlh13a01)

Steve Stebleton, testified that the dam was old and its parts were deteriorating. The third phase of this project will allow for proper structural support of the dam.

Mike Murphy, Kay Blatter, Bruce Anderson, Randy Reeve, Max Maddox, Arthur Kleinjan, Bud Mavencamp, Larry Mires, Illene Hathaway, Melvin Novak, and Randy Reeve all stated their support for the Vandalia Dam Project.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

REP. WITT asked how high the water was lifted for storage by the system.

Mr. Lacey responded, "23 feet".

REP. LENHART asked if there was enough water flow on the Milk River for the system to be effective.

Mr. Lacey replied that drought has lessened the water flows on the Milk River. Because of this, irrigation districts are working together to improve water service and conservation.

CHAIRMAN WELLS adjourned the meeting preceding the St. Mary's Project Presentation in conjunction with the Appropriations Subcommittee on Natural Resources at 9:00 A.M.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 16}

CHAIRMAN WELLS opened the joint Long Range Planning/Natural Resources Sub-committees hearing on HB 7 and the St. Mary's Project.

HEARING ON HB 7

Opening Statement by Sponsor:

REP. TIM CALLAHAN, HD 21, opened the hearing on **HB 7**, Reclamation and development grants.

Proponents' Testimony:

Paul Tuss, Bear Paw Development, is part of the St. Mary's Project working group. He gave three reasons behind the working group's involvement in the project:

- 1) The regional economy of North-central Montana is dependant on water from the St. Mary's facility.
- 2) Although the system is owned and operated by the Bureau of Reclamation, they do not support any federal funding for rehabilitation of the system.
- 3) The working group will coordinate the efforts of local, state and tribal governments.

Mr. Tuss displayed a map (Exhibit 2) and other handouts to explain the location of the project and the towns affected by it. He said the St. Mary's dam started out as part of a federal project to rehabilitate arid areas of the west. The dam diverts enough water to keep the Milk River from running dry in most years. From 70 to 90 percent of the water irrigated in North-Central Montana has been imported by this system. The system also provides municipal water to about 14,000 residents.

EXHIBIT (j1h13a02)

Mr. Tuss mentioned that the irrigators are required to pay for the majority of the St. Mary's project operation and maintenance costs. The current system has outlasted its design life and the escalating costs of repair and maintenance are exceeding the irrigators' ability to pay. Other systems associated with operation of the St. Mary's System that also need repair include:

- 1) Sherburne Dam is in need of a low flow outlet.
- 2) Swiftcurrent and Boulder Creeks are in need of sediment and erosion control.
- 3) Lower St. Mary's Lake must have sediment and gravel deposition addressed.

{Tape: 1; Side: B; Approx. Time Counter: 16 - 31}

Mr. Tuss went on to describe the infrastructure problems with the current system:

- 1) There is no consideration for fish passage at the current dam structure.
- 2) The siphons and pipes at the structure are leaking badly.
- 3) The siphons push the load limit of the St. Mary's Bridge to the point of near collapse.
- 4) The canal system has significant problems with erosion and landslides.
- 5) Hall's Coulee siphons have also deteriorated and are prone to leaks.
- 6) Five concrete drop structures along the system need to be replaced.

Mr. Tuss explained that the St. Mary's Rehabilitation Working Group has been working closely with the Blackfeet Tribal Council to find a viable rehabilitation solution for the system. The groups will also look at options to restore the storage capacity of Fresno Reservoir. The engineering review for the project is due February of 2005. After the report is completed, the priority will be securing additional project funding from the state to address the St. Mary's Bridge and Siphons.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 11.1}

Mr. Tubbs told the committee that the St. Mary's Project could be affected by the outcome of HB 2, HB 6, HB 7, or HB 11.

Hal Harper, Policy Advisor to Governor, pledged the executive branch's support for the St. Mary's Project. He added that the Governor has added \$10 million to HB 7 to support the project.

SEN. GLENN ROUSH, SD 8, stated his support for the project and urged cooperation between state and tribal agencies.

Kay Blatter went on record in support of the project.

{Tape: 2; Side: A; Approx. Time Counter: 11.1 - 31}

REP. BOB BERGREN, HD 33, cited the impact of the St. Mary's diversion system on north central Montana irrigators in support of the project.

SEN. JERRY BLACK, SD 14, and **REP. WAYNE STAHL, HD 35**, went on record in support of the St. Mary's Project.

Randy Reeve discussed the importance of state grants. State dollars will buy time for the project until federal funding comes through. He urged the committee to continue to seek Congressional support.

Mike Tatsey, Director of Water Resources, Blackfeet Tribe, explained tribal concerns about the environmental impacts of the project on Lower St. Mary's Lake. The tribe would like to remain involved in the rehabilitation project.

Max Maddox stated his support for the project.

Matt McCann, St. Mary's Working Group, discussed the different bills affected by the project and explained what the funding from each bill would be used for in the project. He suggested that any money leftover should be used to address accommodation for the native fish population.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 18}

Randy Perez, Ft. Belknap Tribe Irrigation; Paul Tuss; Arthur Kleinjan; Raymond Salois, Glacier County Commissioner; Cary Hegreberg, MT Contractors Association; Mike Murphy; John Lacey; Dave Peterson, St. Mary's Project Working Group; Gary Anderson; and Larry Mires went on record in support of the project. They discussed job creation, protecting the fish population and improving regional irrigation and economy.

{Tape: 2; Side: B; Approx. Time Counter: 18 - 31.0}

Pat Thomas, Vice Chairman, Blackfeet Tribe, explained some of the issues that the town of Babb is facing. The diversion of the river is eroding part of the community cemetery. Mr. Thomas voiced concern that the town would be without water in the event of system failure.

Jim Edgcomb, Treasure State Endowment Program (TSEP), told the committee that support of HB 11 was necessary to fund replacement of the St. Mary's Bridge.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

REP. JUNEAU asked if tribal members would be employed on the projects.

Mr. Tatsey responded that the tribe was trying to ensure use of their resources on the projects.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 3.1}

REP. JUNEAU asked if there was adequate training personnel available within the tribe.

Mr. Tatsey replied that contractors are being identified as the project moves along. There may not be enough resources within the tribe to allow for all of the contract work to be done with tribal members.

REP. JUNEAU asked if the tribe had received any monetary benefits from use of its water and if there was an estimate of how much should be paid for use of the water.

Mr. Tatsey answered that the tribe had not received any benefit for water use yet, but engineers are currently putting together estimates.

REP. JUNEAU asked if the tribe had looked at the issue of water rights as part of the St. Mary's Project.

Mr. Tatsey responded that water rights were an issue the tribe was interested in reviewing. However, they would like to leave the issue out of the current project so it will be less complicated.

REP. JUNEAU asked the tribal vice chairman for his thoughts on what tribal resources could contribute to the project.

Mr. Thomas stated that there is equipment available on the tribe that could be used to assist in construction of these projects.

REP. JUNEAU commented that there were some one time funds going to the project in anticipation of federal dollars. She asked what would happen to the project if these federal funds were not received.

Mr. Tubbs responded that the entire project would come to a halt if federal funds were not dispersed.

REP. JUNEAU asked why the Bureau of Reclamation was not helping with the project.

Mr. Tubbs replied that the project had not ranked high enough on the bureau's priority list.

REP. JUNEAU asked if the project planned to go through the Tribal Employment Rights Office (TARO).

Mr. Tubbs stated that they were in the process of identifying qualified tribal workers for the project.

SEN. TESTER asked when the state became aware of the problems with the St. Mary's structure.

Mr. Tubbs replied that the problem was first recognized in the 1990's when grants were constantly going to siphon repair.

SEN. TESTER asked how much money had been spent on the project since the state was first made aware of it.

Mr. Tubbs said the project had received over \$500,000 in grants and \$800,000 in loans.

SEN. TESTER asked how much federal funding was received in that time.

Mr. Tubbs replied that no federal money had been received because the irrigators are obligated by contract to pay for all operation and maintenance costs resulting from the system.

SEN. TESTER asked if the water flow would continue during the project rehabilitation.

Mr. Tubbs responded that the new structure would be built next to the existing one. This will make it unnecessary to stop water flow at any time.

SEN. TESTER commented that the Ft. Belknap water compact would be nullified if the current structure were to fail. He asked how

much money the state had invested in the compact could potentially be lost if this were to happen.

Susan Cottingham, Water Rights Compact Commission, replied that the state had not invested any funds in the compact, but was planning to. If the St. Mary's project fails, the compact itself will fail.

SEN. BOB HAWKS, SD 33, asked how this project affected any compacts between the state and Canada.

Mr. Tubbs explained that Montana and Canada do share the waters under a treaty that stemmed from the original St. Mary's Project. There is currently an investigation into the treaty administration that will address the inconsistent distribution of the water.

SEN. HAWKS asked if the project was dependant on the outcome of the treaty investigation.

Mr. Tubbs responded that the talks could have some impact on the amount of water we get from the system, but the project does not hinge on this discussion.

CHAIRMAN WELLS adjourned the meeting.

ADJOURNMENT

Adjournment: 10:55 A.M.

REP. JACK WELLS, Chairman

LAURA DILLON, Secretary

JW/ld

Additional Exhibits:

EXHIBIT ([jlh13aad0.PDF](#))