

Written Testimony
Before the House Long Range Planning Appropriations Subcommittee
HB 6 Hearing - Renewable Resources Grant and Loan Program
January 28, 2011

EXHIBIT 7
DATE Jan 21, 2011
HB 6

Applicant: Lower Yellowstone Irrigation Project Board of Control, Sidney, Montana
Presenter: Jerry Nypen, Manager, LYIPBOC
RRGL project: Lower Yellowstone On-Farm Water Conservation Measures
RRGL project No.: 80

Lower Yellowstone On-Farm Water Conservation Measures is a project simply to supplement a Federal program to reduce water use on farms along the lower Yellowstone River. The Federal program administered by the Dept of Ag approved a special water conservation program that cost-shares on-farm improvements, mainly to convert inefficient flood irrigation practices to efficient sprinkler irrigation. \$5 million was awarded over a 5 year period. \$1 million was cost-shared with farmers last year, the initial year; the results were conversions from flood irrigation to center pivots.

This program, the Agricultural Water Enhancement Program (AWEP) had high scores and was awarded because we able to leverage the funds with non-federal dollars. In fact the program, , insists on it. One of the sources of funds we were banking on in our application was \$100,000 from the RRGL Program.

So how was the money to be used? It was to be used to supplement the piping of some public laterals that traverse farmunits and hamper center pivot sprinkler development. The irrigation districts are to provide \$217,000 for this activity through their existing cost-share policies. Another \$310,000 was expected from the landowners. A final \$100,000 was anticipated from the state though the renewable resource grant. In summary, the RR money was to supply 16% of the non-federal portion of the AWEP project.

We got blasted in DNRC's review for several reasons. One was uncertainty of funds, i.e. approval of the AWEP for the project. Consequently, the AWEP was approved and work is in progress with a tremendous initial success.

DNRC's review showed great concern that no administration costs were included nor adequate professional and technical costs included and it appeared that this was a key deficiency of our application. However, AWEP program is emphatic that no funds be used to cover administrative costs, and the irrigation districts also desire that all leverage funds from outside sources be put to work in the field and not for administration and engineering.

LYIP employs full-time personnel capable of carrying out all administrative and technical duties of the full project. They have an engineer on their staff to adequately perform all technical duties. Installing pipelines to replace open waterways is a routine task for the irrigation districts.

Regardless of our disappointment that our project scored so low, the RRGL Program is a great program for water conservation and it certainly is being put to good use. We would like to thank this committee for their involvement and we encourage the legislature to keep this program intact and enhance it if at all possible.

Smith, Pam

From: fandkjones@juno.com
Sent: Thursday, January 27, 2011 11:20 PM
To: Smith, Pam

Pam,

I am a board member of the Target Range Sewer and Water District. Our Grant proposal comes up before the DNRC long range planning committee, 8:00 am, Friday 28 January 2011. I will not be able to attend the meeting but I wanted to send a word of support and testimony.

We have work diligently for the past ten years to come to this time of mitigating any situation that would compromise the clarity and purity of our aquifer. We believe this Grant would help Reduce and manage the concentration of nutrients in Clark Fork River Basin to achieve and maintain water quality standards. It would also help overall basin-wide management goals for the Clark Fork basin to restore and protect designated beneficial water uses.

Thank you for your part in this process.

Fred Jones
fandkjones@juno.com

Smith, Pam

From: Vicki Ellison [townofmanhattan@gmail.com]
Sent: Friday, January 28, 2011 9:41 AM
To: Smith, Pam
Subject: letter of support

Montana Legislature,

This is a letter of support for the Town of Manhattan's application for our Water Tower Project. Manhattan's combined water and sewer rate is \$86.80 this is one of the highest in Montana. The sewer rate is scheduled to increase an additional \$22 in July 2011. The Town is in need of grant funds for a water tower specifically for fire safety, conservation of energy and managing our water system as efficiently as possible.

Vicki Ellison
Clerk/Treasurer

Smith, Pam

From: Patty Hebner [phebner@bresnan.net]
Sent: Friday, January 28, 2011 9:55 AM
To: Smith, Pam
Cc: Town of Manhattan
Subject: Renewable Resource Grant application

January 28, 2011

To Whom it may Concern:

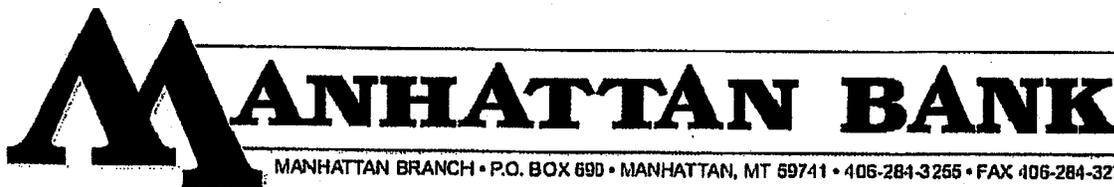
My husband and I support the Renewable Grant for the Town of Manhattan because we know that without it the sewer rates will increase significantly and that would place a huge hardship of many of the folks in our town. We deliver Meals on Wheels and have contact with the Senior Citizens and they are mostly on fixed incomes and are very concerned about the possibility of the sewer rates going up. We own a four plex in Manhattan and we simply cannot raise the rent as the folks that live in our building live there because it is what they can afford. A raise in the rates would impact us greatly!

Please consider the request put forth by The Town of Manhattan---for the greater good of our Community. Thank you.

Sincerely,

Dave and Patty Hebner

**x 349
Manhattan, MT 59741**



January 28, 2011

To Whom It May Concern

RE: Town of Manhattan Renewable Resource Grant Application

I am composing this letter in support of the Town of Manhattan's application for a Renewable Resource Grant towards the construction of a water storage tank. The addition of a storage tank to our water distribution system will result in significant energy savings going forward and could well mean the difference between saving our schools in the event of a fire or losing them due to the inability to get enough water there in the short period of time required.

Manhattan has been striving, at great cost, to update its water and sewer systems for the past 10 to 15 years. Unfortunately, too little was done for many years prior to that to upgrade these utility systems, resulting in the need for extraordinary efforts and expenses to do so in recent years. Our residential sewer bills alone are over \$60/month and are likely to increase to around \$85/month this year in an effort to repay the bonding required of us to bring the sewage treatment system up to required specifications. We have large costs ahead of us to secure proper water rights for the wells we rely upon. This community is simply running short of resources to do all the required work for delivering safe, efficient water and sewer services. The senior citizens on fixed incomes are particularly at risk due to our rising costs. We have accomplished a lot in the past 10 years, but the water storage tank is the important missing link needed to make our water system work properly and efficiently.

Please give our application every possible consideration. Thank you for your time and attention.

Sincerely,

Robert J. DeWit
President

BOZEMAN
406-582-0044

CHURCHILL
406-282-7175

MANHATTAN
406-284-3255

THREE FORKS
406-285-0500

WWW.MANHATTANBANK.COM

Smith, Pam

From: Ell Bennett [ecbennett@bresnan.net]
Sent: Friday, January 28, 2011 10:35 AM
To: Smith, Pam
Cc: Town of Manhattan
Subject: Renewable resource grant...Town of Manhattan

Good morning

We would like to take just a few moments of your time to say that we support the Renewable Resource Grant for the Town of Manhattan. Manhattan, because of an outdated sewer system, decided to do the right thing and installed a state of the art sewer plant. The projections at the time indicated new development would help carry the financial load. Due to the downturn in the economy this has not been the case and it has left the town, who tried to do what was right for the environment, in financial crisis.

Many of our residents are elderly and on fixed incomes. Raising sewer rates causes many of these people to make the decision, do we pay the sewer charges, pay for food and heat, or be in default. Unfortunately some have had to choose the later further pushing Manhattan into crisis.

We would ask that you please give some consideration to our plight and aid the citizens of Manhattan if at all possible.

Thank you for your time.

Sincerely

Ellsworth & Carol Bennett
306 Pine St
Manhattan

Smith, Pam

From: Pam Humphrey [deputyclerktreasurer@gmail.com]
Sent: Friday, January 28, 2011 3:02 PM
To: Smith, Pam
Cc: townofmanhattan@gmail.com
Subject: Renewable Resource Grant

I support the Renewable Resource Grant for the Town of Manhattan because the Town will need the grant to make it possible to have a Water Storage Tank. Installation of a water storage tank would allow the Town to better manage its water system through telemetry and controls. A water storage tank would increase system redundancy, reliable pressure, fire flow, and water storage capacity.

The citizens need the Renewable Resource Grant to make a water storage tank possible. The Town will not be able to pay for it without the Grant.

Pam Humphrey
208 Hemlock
Manhattan, MT

Smith, Pam

From: Lisa Rowell [lrowell@bankofbozeman.com]
Sent: Friday, January 28, 2011 12:48 PM
To: Smith, Pam
Cc: townofmanhattan@gmail.com
Subject: Town of Manhattan Water Tower

To Whom It May Concern:

I am writing in support of the Renewable Resource Grant for the Town of Manhattan. As a resident of Manhattan I understand the importance of having adequate water storage especially in the case of a major fire or other unforeseen catastrophe not to mention providing adequate pressure to households and fire hydrants. I appreciate your consideration of this Grant Application for the Water system improvements and water storage facility that is being made by the Town of Manhattan.

Sincerely,

Lisa Rowell
406 Hemlock
Manhattan MT 59741

Lisa Rowell
Vice President/Operations Officer
Bank of Bozeman
406-587-5626

me in and feel the difference!

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CRAIG BERGSTEDT
COUNCIL MEMBER FOR THE TOWN OF MANHATTAN

January 30, 2011
Pam Smith

Dear Trenz,

The upcoming legislative Public Hearing on January 31, 2011 is of dire importance for the people of Manhattan Montana. As of Town we have been diligently updating our water systems to not only provide for the safety of our towns people but to preserve the beauty of our water shed (the Gallatin river for all Montanans.)

Our past projects have shown our responsibility to our ecosystem and diligence to get projects done on time and under budget. From new lines to provide adequate flow to updating our pump systems to placing meters in every home and business, we have been consistent in taking care of our loans, people and environment.

We are and have been faced with a couple of important issues concerning Public Safety and energy consumption. Manhattan is currently unable to provide adequate fire flows for dousing a fire for instance at our elementary or high school, in order to provide the pressure we now have for domestic and commercial uses one pump must remain in use constantly. As a volunteer Fireman and Town councilman these issues are at the for front of our towns mind.

The solution to both of these major problems is to complete our water tower project. This would provide pressure in an emergency and allow our pumps to only work when needed to supply the need storage levels. This would conserve energy as well as water as we move into a future where both are becoming scarce.

Sincerely yours,

craig bergstedt AIA

Smith, Pam

From: Keith Chrisman [keithandnancy1961@yahoo.com]
Sent: Saturday, January 29, 2011 7:37 PM
To: Smith, Pam
Cc: Vicki Ellison
Subject: Support of Renewable Resource Grant for the Town of Manhattan

To whom it may concern:

In the days when electric power was relatively inexpensive and our groundwater was considered an almost inexhaustible renewable resource, pumping water continuously in order to maintain system pressure in the Town of Manhattan water system did not seem to be inefficient or wasteful. In today's economy and an environment of vigorous competition for water from all sources, this practice no longer makes economic sense. One thing that would contribute greatly to better management of available water and financial resources would be the construction of an elevated water storage tank. Unfortunately, a capital expenditure of the magnitude required by such construction is now and in the foreseeable future beyond the means of the town. Manhattan needs the state's help, and this help will be amply rewarded by the saving of our state's precious resources. As Manhattan residents and property owners, we heartily support the town's application for a Renewable Resource Grant and encourage the legislature to seriously and positively consider this application.

Respectfully yours,
Keith and Nancy Chrisman
P.O. Box 492, Manhattan

Town of Eureka

PO Box 313
Eureka, MT 59917
406-297-2123

January 30th, 2011

Pam Smith
MT DNRC
PO Box 201601
Helena, MT 59620

RE: Town of Eureka RRGL and TSEP application for Wastewater Improvement Project

Dear Ms. Smith,

Please accept and present to the Long Range Planning Subcommittee in support for our application to the RRGL program to help us fund a much needed wastewater system improvement and expansion.

As outlined in our application, the Town of Eureka has developed a proposal to address the environmental and public health risk. The project includes construction of a wastewater gravity and pressure piping collection facilities in the Midvale area. It will build on previous investment from the Town and community by utilizing the High School Lift Station just south of the Midvale area and Eureka's current wastewater collection system to convey Midvale's collected wastewater to Eureka's existing treatment plant. This project will correct some problem areas in the current Town's wastewater system by replacing aging lines and pumps in the primary pump station. The Town of Eureka has key areas in which the wastewater system is no longer working properly and has caused a number of backups into resident's homes. By using the Eureka's existing wastewater treatment plant for regional treatment and disposal of the combined wastewater flows from Midvale and Eureka the Town is proactively addressing concerns to the environment and residents.

The project results in resource conservation and management, and citizen benefits.

- Resource conservation benefits are provided through improved efficiency and utilization practices by installing a public wastewater system to an area that is served primarily by aging and high density septic systems.
- Resource management benefits are provided through replacing septic and drain fields that are 20 to 30 years of age with the Eureka public wastewater system, which has certified staff overseeing the management and upkeep of the public system.
- Citizens' benefits are provided by providing a safe alternative for wastewater treatment in an area that is congested with private septic systems.

We greatly urge the Long Term Planning Committee to consider our request for assistance.

Thank you,



Ethel White
Mayor



ENGINEERING • PLANNING • MANAGEMENT

January 28, 2011

Pam Smith
Montana Department of Natural Resources and Conservation
P.O. Box 201601
Helena, MT 59620

RE: Technical Support for Town of Eureka Wastewater Improvement Project

Dear Ms. Smith:

Please accept and present this letter to the Long Range Planning Subcommittee in support of the Town of Eureka's application to the RRGL program for funding assistance with a proposed wastewater improvement project.

The Midvale area immediately north of Eureka is a dense area of homes and businesses served by individual septic tank/drain field wastewater disposal systems. Centralized wastewater collection and regional treatment with Eureka's existing wastewater treatment plant is needed for the following reasons:

- The area has been classified as "medium to high hazard" for groundwater contamination by DEQ due to septic tank density
- There have been numerous incidences of bacterial contamination in several of the area's drinking water supply wells
- Groundwater testing shows elevated levels of nitrates in the drinking water in the Midvale area compared to adjacent areas served by wastewater collection
- Soils in the area are not conducive to handling a high density of septic tank/drain field systems
- Over 50% of the population is considered to be in the low to moderate income category and *the area's current unemployment rate is highest in the State at 15%*
- Typical monthly sewer user rates would be on the order of \$75/user/month (3.7 times the target rate) to try and construct needed improvements without financial assistance

Certainly the needs are great and this project will result in direct improvements to groundwater quality in the area. The Town of Eureka expresses sincere appreciation to the Committee for its consideration of these needs and opportunity for renewable resource improvement.

Sincerely,

Winston R. Dyer, PE
Eureka Town Engineer

November 4, 2010

Governor Brian D. Schweitzer
Office of the Governor
Montana State Capitol Bldg.
P.O. Box 200801
Helena, Montana 59620-0801

Dear Honorable Governor Schweitzer;

I am writing to you on behalf of the Spring Meadows County Water District located in the Wye area along US Highway 93 north of Missoula. The Missoula County Commissioners formed our District in 2002 after consideration and approval. We as a Board of Directors of the District have always strived to provide safe and adequate water for our users.

Spring Meadows consists of sixty-five homes and the Frenchtown Rural Fire station. We are a community that varies between low to medium income.

Grant applications have been submitted by Missoula County to both the DNRC Renewable Resources Grant and Loan Program and the Treasure State Endowment Programs requesting funding for a Rural Special Improvement District (RSID) to add the Spring Meadows Addition to the City of Missoula wastewater treatment plant. This would cause a great financial hardship to many of our residence.

I am asking that you not include funding for the Spring Meadows Sewer Project in your budget package consideration to the 2011 Legislature.

Two homeowners and I from Spring Meadows have collected signatures from sixty-one of the sixty-five homeowners who are opposed to the proposed sewer project. Of the sixty-five homes, three are rentals homes who could not sign for the owners and one homeowner was in favor of the project. These signatures have been given to the Missoula County Commissioners to show that we as a community are not in favor of this project and we cannot afford a project of this cost. As a Water District and homeowners, we have shown the County Commissioners that we do not want this project to proceed.

In 2007 the SMCWD completed an improvement project that included a 150,000-gallon storage tank, new fire hydrants, a new well and upgrades to our pump house and system. These improvements were all done with grants and funds from the Treasure State Endowment Program and the State Revolving Fund Program. The water users of the District are responsible for repaying its SRF loan in the amount of \$309,000.00 over the next twenty years. The District pay loan payments twice a year from money that is collected monthly by its water users in the form of a Debt Retirement charge of \$31.00 along with a monthly charge of \$31.00 for water service, for a total of \$62.00. The District does collect extra money anytime the metered-water usage surpasses 10,001 gallons per user. We have to collect this monthly fee and debt retirement

charge or we will default on our obligation to the SRF. Then that becomes another tax added to the homeowner's tax bill. We have households **now** who have a hard time paying this bill; we cannot afford any more increases or taxes in this community. An additional dollar amount even as low as \$44.00 a month or higher combined with our water bills would be disastrous for so many.

Within the District each home is connected to its own septic system that to date have not failed or caused any adverse effects to the drinking water in the area. Our wells are tested monthly and also provide the county and state with required tests.

By bringing the city sewer to our district would cause a great financial hardship to many of the residence's who live in Spring Meadows; with the price of additional taxes added to their mortgage, raising an already high payment to more taxes, that will be incurred with the closing of the Smurfit-Stone Container Corporation and with the added taxes that we will bear being in the Frenchtown School District. **We ask for your consideration since we have already committed ourselves to a hardship by the debt from our water system improvement that everyone in the district is paying for over the next twenty years, and we are being stretched thin with county taxes at the moment.**

Not only would there be the cost of the sewer coming into Spring Meadows, but each homeowner would have the additional expense of connecting from their home to the street connection. This RSID would be a tremendous expense that would be a burden to our community. This could be the breaking point for someone wanting to sell or purchase a home in Spring Meadows if the expense of the RSID is too much for either party to bear.

In closing, I encourage you to not make funding available for this sewer project.

Sincerely,

Wendell Petersen, President
SMCWD

Encl: petitions signatures

WP/jpl