

## HB 481

### House Natural Resources Committee

2-16-2011

Testimony- Clint Jacobs

Mr. Chairman, Members of the Committee.

My name is Clint Jacobs. I am the Manager of the Dry Prairie Rural Water Authority - a drinking water system in association with the Ft Peck Tribes in northeast Montana.

The purpose of HB 481 is to specifically list regional water authorities as public entities and to allow the State Land Board to account for potable water on State Lands as a benefit to offset the easement fees charged when water pipelines cross State Lands.

#### Overview

There are two authorized projects in Montana that are presently under construction, Dry Prairie Rural Water Authority and North Central Water Authority. Two other projects are seeking authorization from the Congress, Dry Redwater Authority and the Central Montana Water Authority. Together these projects account for about 25% of the land area in Montana.

#### The Challenge

The Dry Prairie system encompasses four counties adjacent to the Ft Peck Reservation. Two of these counties, Valley and Daniels, contain a disproportional amount of State Lands. This places a financial burden on the Authority related to the easement fees on State Lands.

Using a standard pipeline easement width of 30 feet, the most recent cost of easement fees was \$0.52 per foot or \$2,745 per mile.

#### Addressing the Challenge

HB 481 will serve to allow the State Land Board to consider the benefits of placing high quality water on State Lands. In the case of pasture lands there would be a benefit to livestock. At select locations medium sized fire hydrants could be located for access by rural fire fighters. In all cases the establishment of potable water increases land values.

Water authorities believe that the value of public water on certain State Lands is equal to the fees charged for easement.