

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

EXHIBIT

DATE

1-25-13

N/A

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January 24, 2013

Dear Chairman Cuffe and Members of the Joint Appropriations Natural Resources and Transportation Subcommittee:

I am writing with response to the requests for additional information from the Committee during the hearing on the Water Resources Division budget on January 23, 2013.

**The Chairman asked for an update of the replacement of Flower Creek Dam near Libby.** The Department's Dam Safety Program staff have been working with the City of Libby to assist them in the replacement or repair of the Flower Creek Dam since 2010. The City of Libby and their engineers plan to submit at 30% design to the state's Dam Safety Program for review by the end of February, 2013. They also plan to submit final construction drawings and specifications by the end of May, 2013 with the goal of going out to bid in July / August, 2013. The construction at Flower Creek Dam will span two seasons. During the late summer 2013, construction will reduce height and storage capacity of existing dam, so that it can function as a cofferdam during construction of new dam, as well as excavate rock and begin foundation preparation for new dam. During the summer, 2014 construction of new dam will take place.

**Senator Keane asked what percentage of the approximately \$2 million identified for our Ruby project in DP2404 will go to construction and what portion will go to engineering.** The entire \$2 million requested for the Ruby Dam rehabilitation will go directly to cover construction and construction oversight costs for our upcoming low level outlet rehabilitation efforts. None of this funding will go to studies or engineering design issues at the Ruby project. Please note that we are currently bidding this portion of the project with the intention of rehabilitating the low level outlet structure from January, 2014 through May, 2014. The rest of funding in DP 2404 includes: \$12,000 to pay for overtime costs at the Broadwater hydropower facility; \$32,000 to pay for contracted services for fisheries mitigation required by FERC for the licenses for Broadwater; \$34,000 for FERC licensing of the Broadwater hydropower dam; and debt service for repayment of a loan to rehabilitate the Middle Creek Dam and Ruby Dam.

**Senator Keane asked about the \$16,000 Base Restoration for legal fees for the Board of Water Well Contractors.** According to the Department's legal staff, they may only represent the Department directly and not those boards that are administratively attached to the Department because there are times when there are conflicts between the interests of DNRC programs and the interests of attached boards. Additionally, for clarification purposes, this request is for the authority to expend funds from the state special funds account made up of licensee fees. The funds are for the front end costs associated with the formal action by the Board to remedy an improperly constructed well prior to collection of the required surety bond. Most of the time informal mediation resolves issues of improper construction of a water well so it is rare to have to go to formal hearing. If mediation is not successful

then the cost of a hearing officer, additional field investigations, and other costs are incurred over and above the normal program costs. If the formal proceedings find against the Licensee and the licensee's surety bond is redeemed, the costs associated with the administrative expenses as well as correction of the improperly constructed well are reimbursed all or partially from the bond proceeds.

**Senator Keane asked what is life expectancy or remaining life of the turbine and gear reduction unit (gear box) at the Broadwater hydropower dam.** According to the engineers in the Department's State Water Project Bureau determining the remaining life of the turbine or gear box is a difficult, if not impossible, question. The gear box system is a very robust gear design. The turbine and the gear box do not have a specific life expectancy. Our Broadwater staff are monitoring the project carefully. They have oil samples analyzed monthly and monitor the vibrations generated by the gear box. This monitoring program has shown that since the mid 1990's, there has been very little to no change in the components.

Please let me know if you have any additional questions.

Respectfully,

A handwritten signature in black ink, appearing to be 'TD', followed by a long horizontal line extending to the right.

Tim Davis  
Administrator, Water Resources Division  
DNRC  
444-6605