

Water Policy Interim Committee

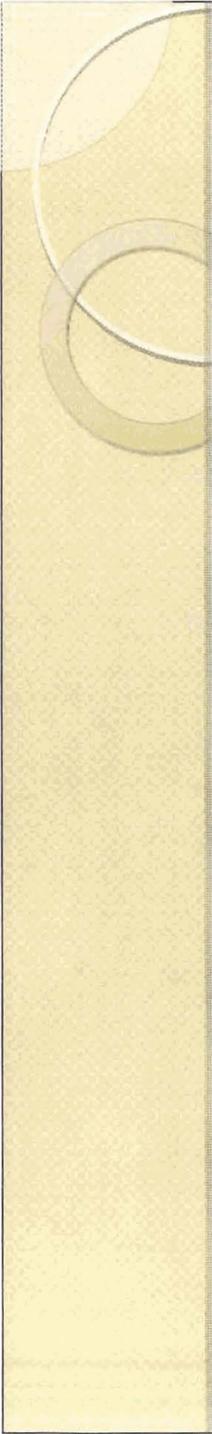
Dustin Stewart

Montana Building Industry Association

Government Affairs Director

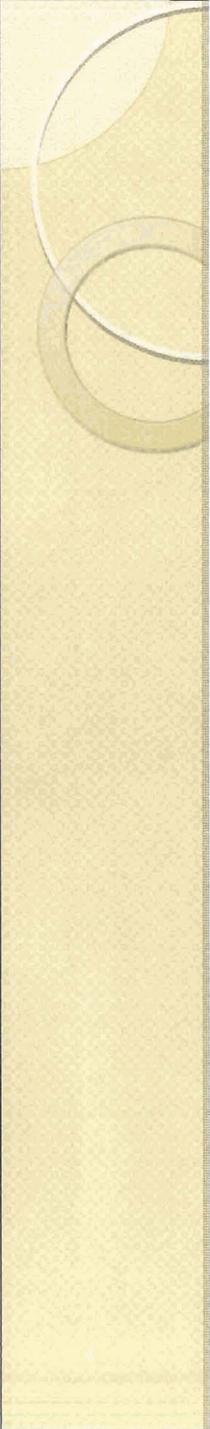
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Montana Building Industry Assoc

- 2200 members statewide
- 700 builder members
- Associate members (Banks, Flooring, Windows)
- Established 1968
- Small business
 - 8 employees
 - \$34,000 per year
 - 40% with health insurance



MBIA Members Preference

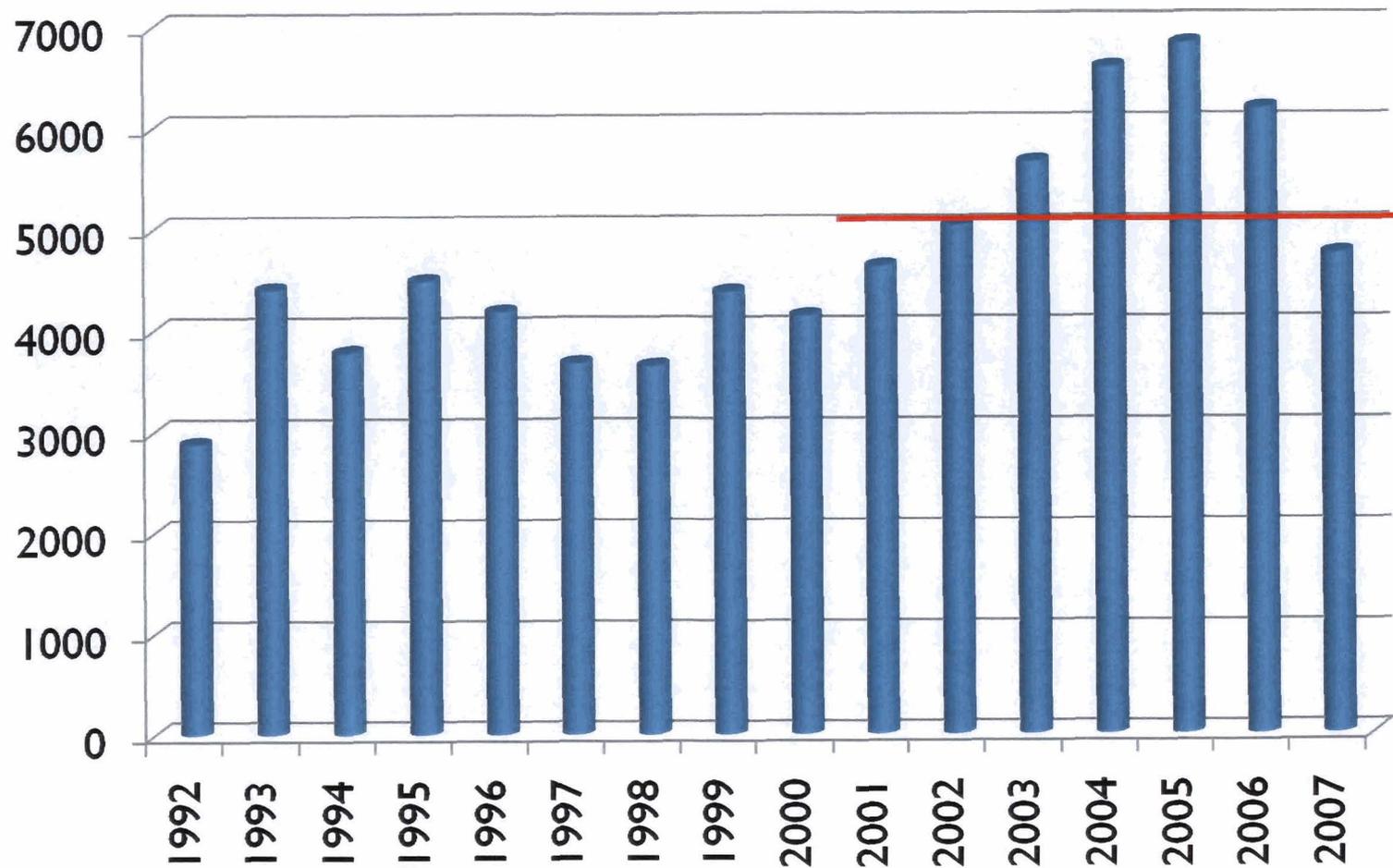
- MBIA members build 65 – 75 % of new homes in MT
- In 2006 Builder Survey (single family homes)
 - 50% on municipal system
 - 17% on community System
 - 33% on exempt wells

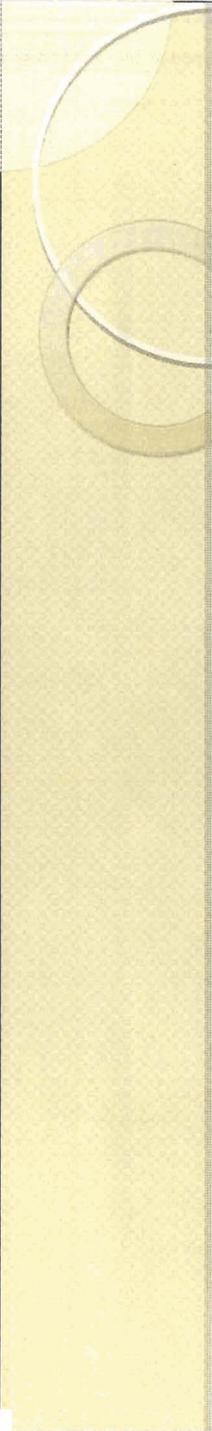


Clarification on New Homes Built

- 292 new Homes built in Cascade County
 - 65% of which were built in Great Falls.
- 922 Homes Built in Gallatin County
 - 7% of which were built in Belgrade
 - 26% of which were built in Bozeman
- 396 Homes built in Lewis and Clark
 - 26% of which were built in Helena

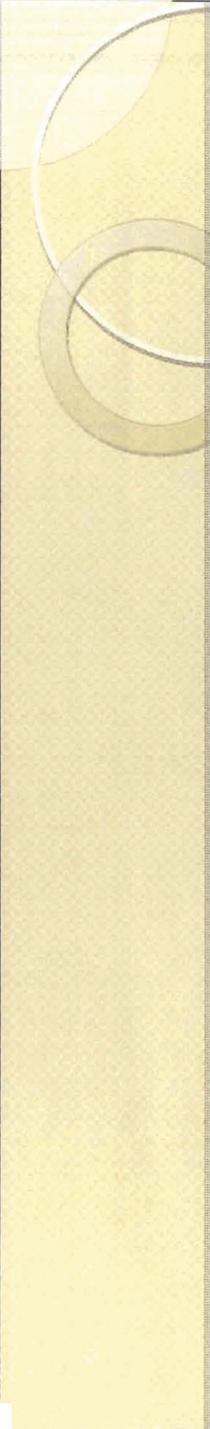
New Home Starts in 2006





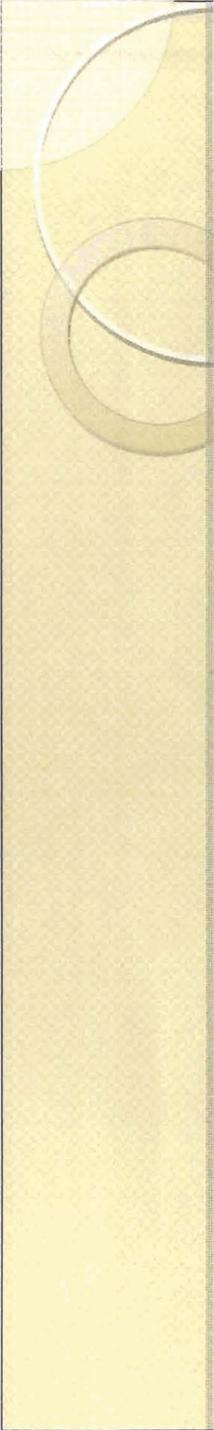
Single Family Detached Home Starts

- Tracked in conjunction with the building codes bureau of state and various municipalities.
- Numbers provided by DEQ (7500 new domestic exempt wells in 2006) track approved subdivision lots – significantly different from housing starts



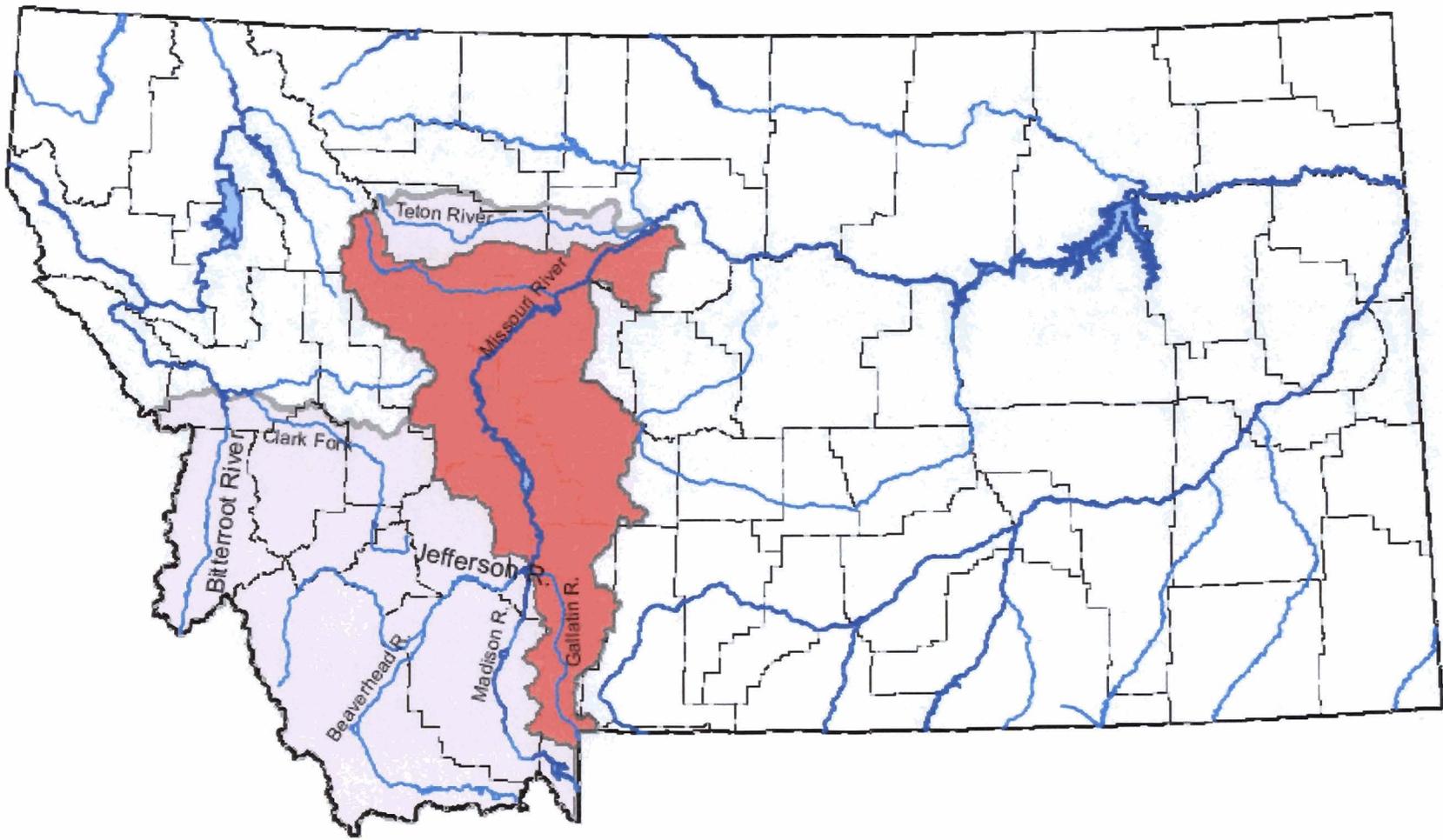
Ways To Build A Home

- Municipal System
- Water right process (purchase of existing right, change of use, or application for new)
- Exempt Wells (shared wells or individual)

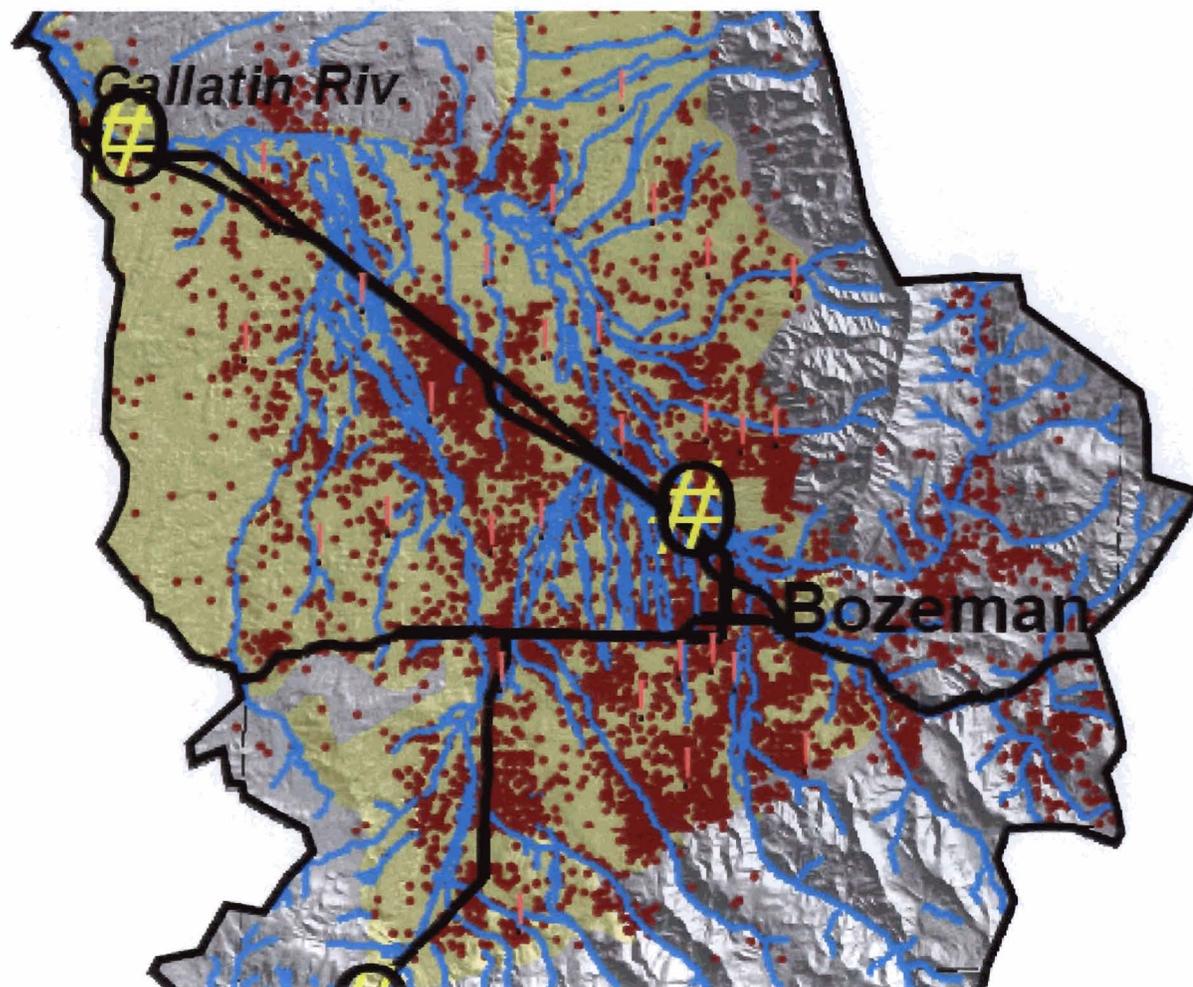


Overview

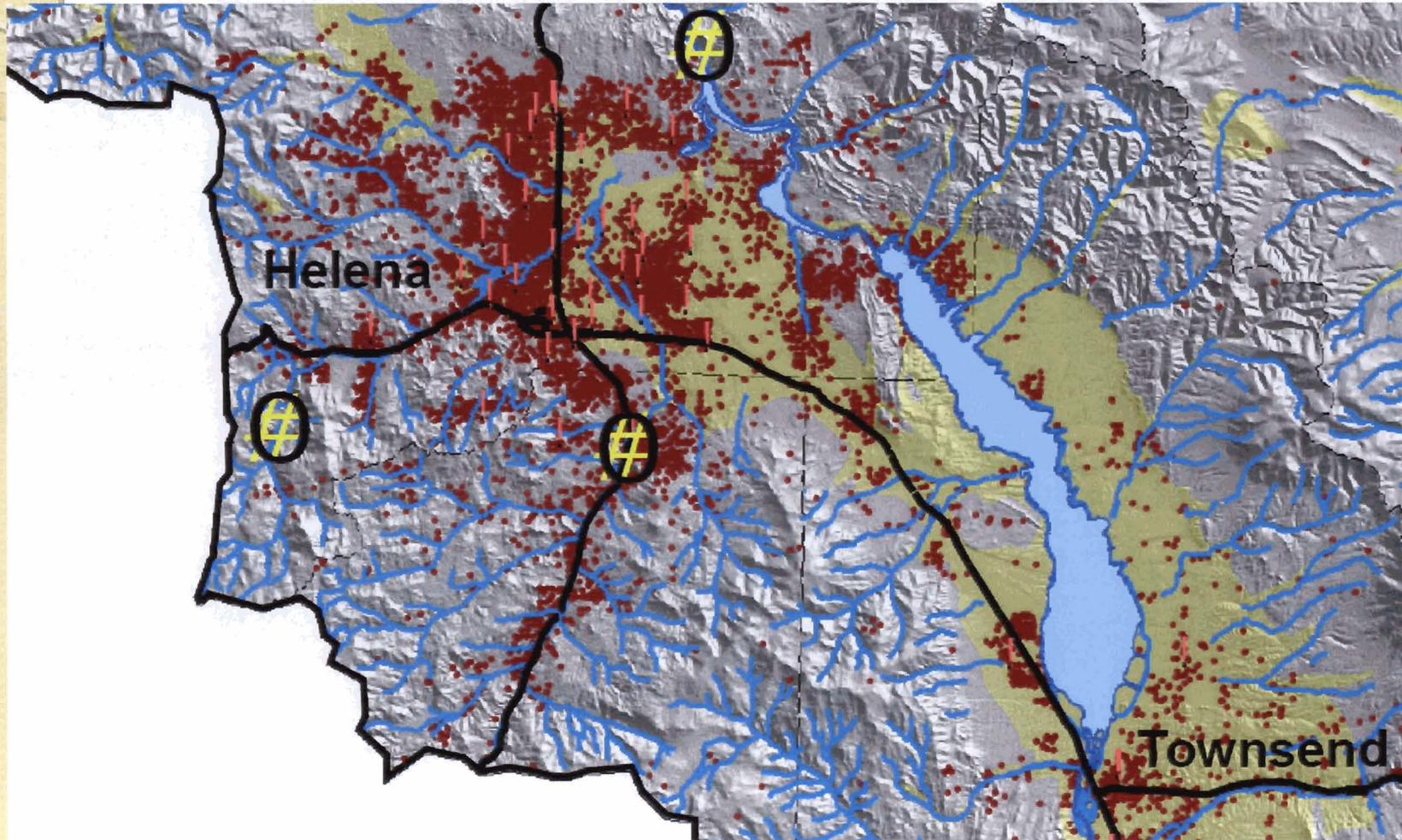
- Water usage overview of Upper Missouri River Basin (UMRB)
- Economic benefits of homes built with exempt wells (UMRB)
- Direct answer to panel questions



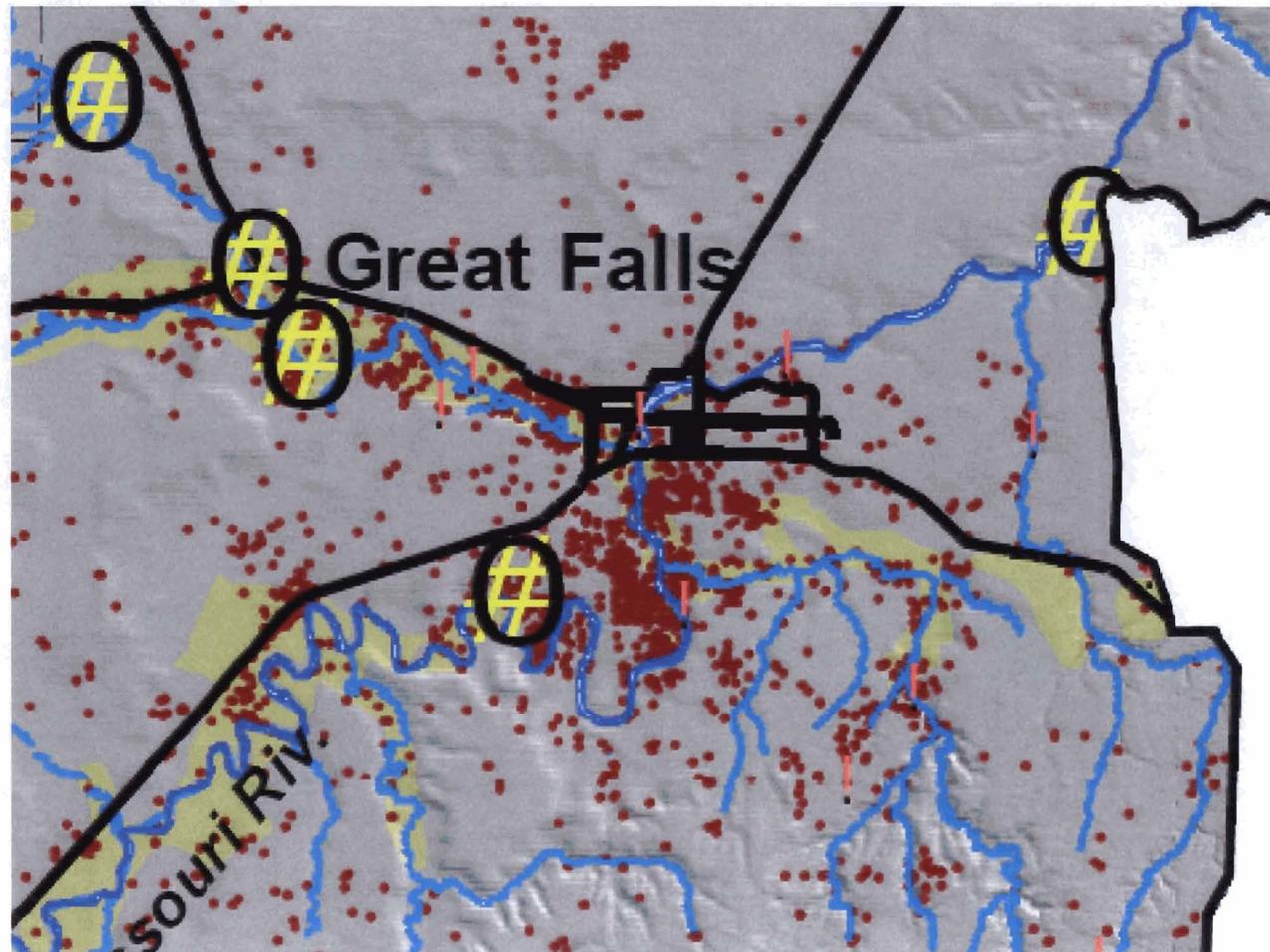
Gallatin County



Lewis and Clark County

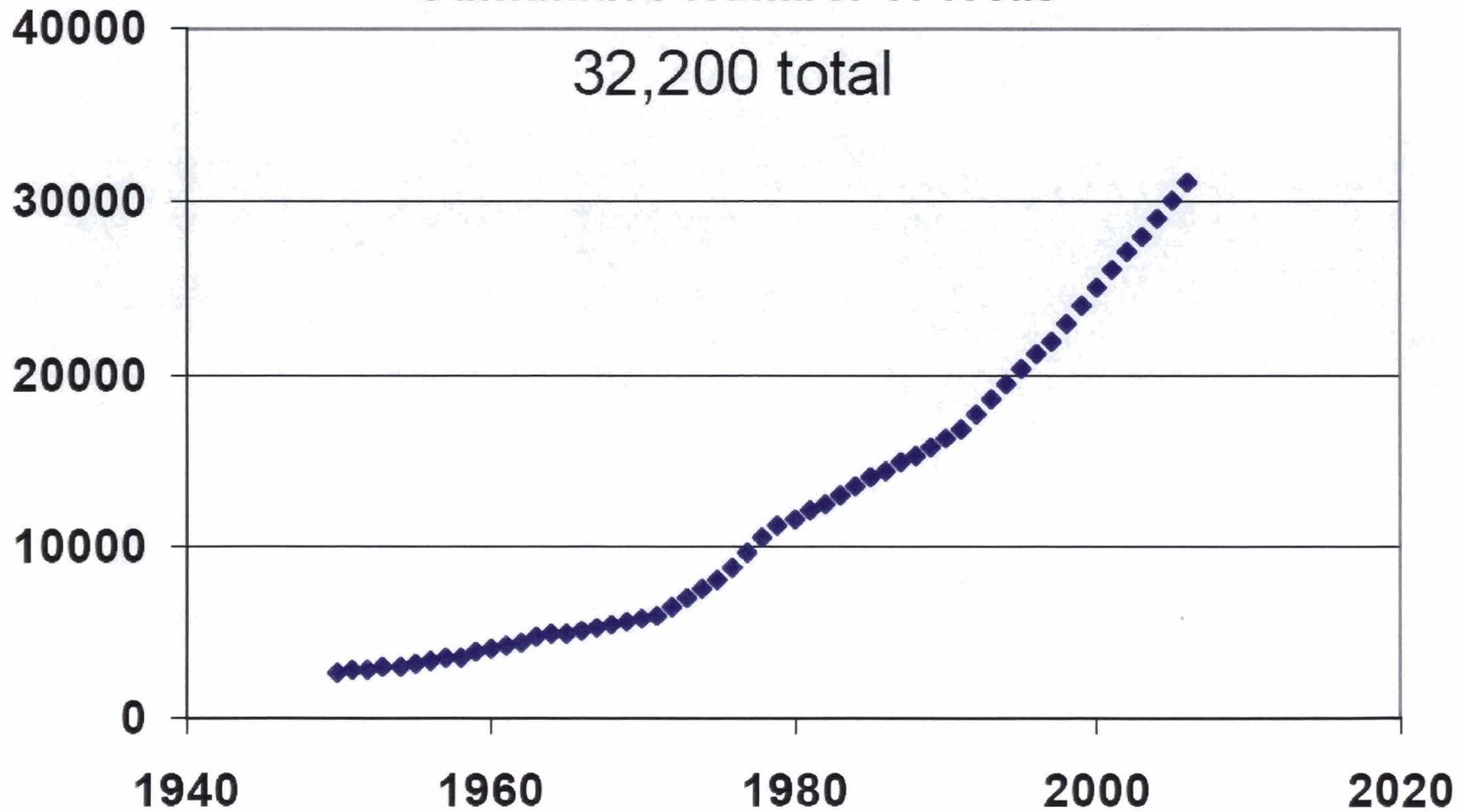


Great Falls

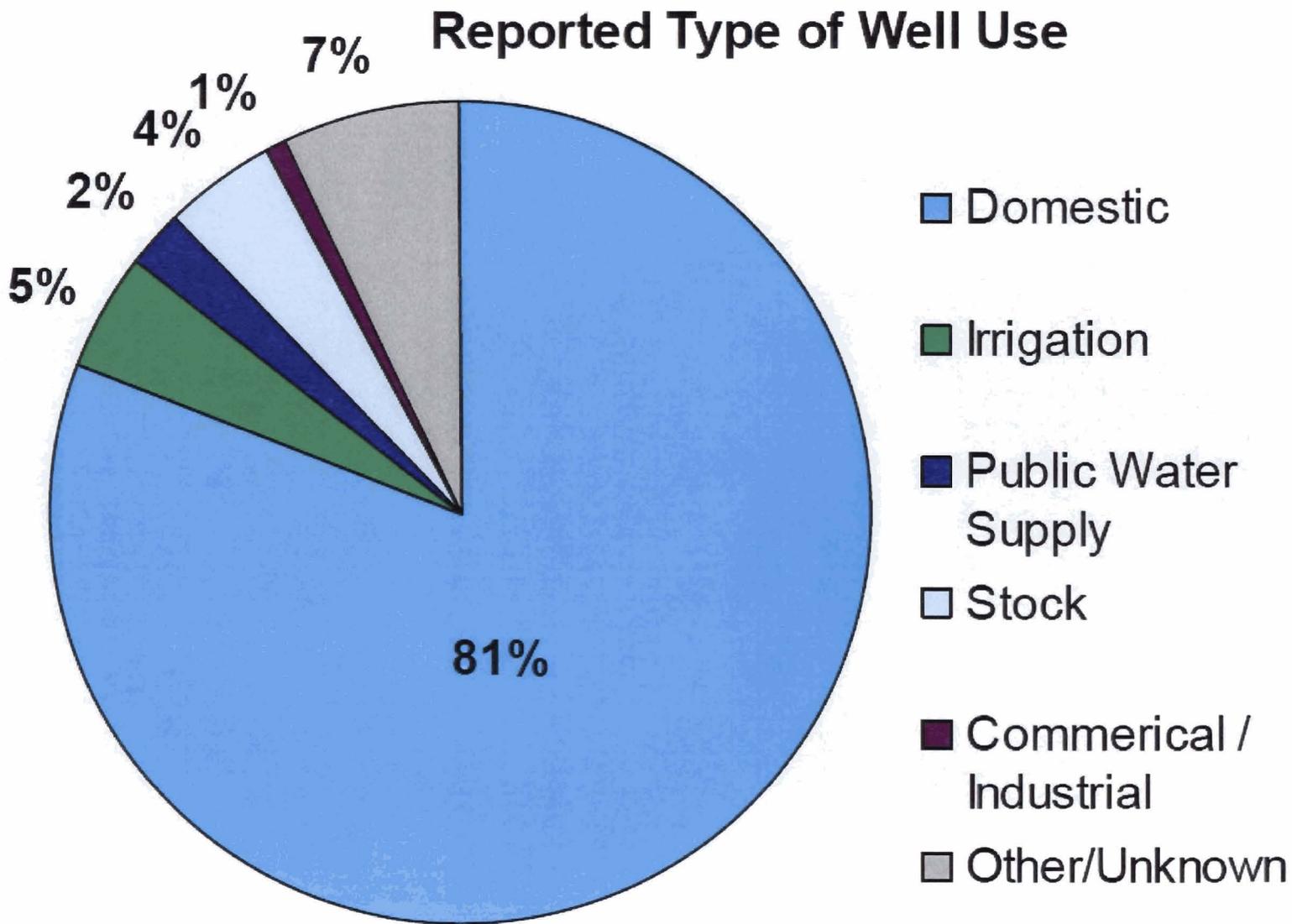


Increase in wells

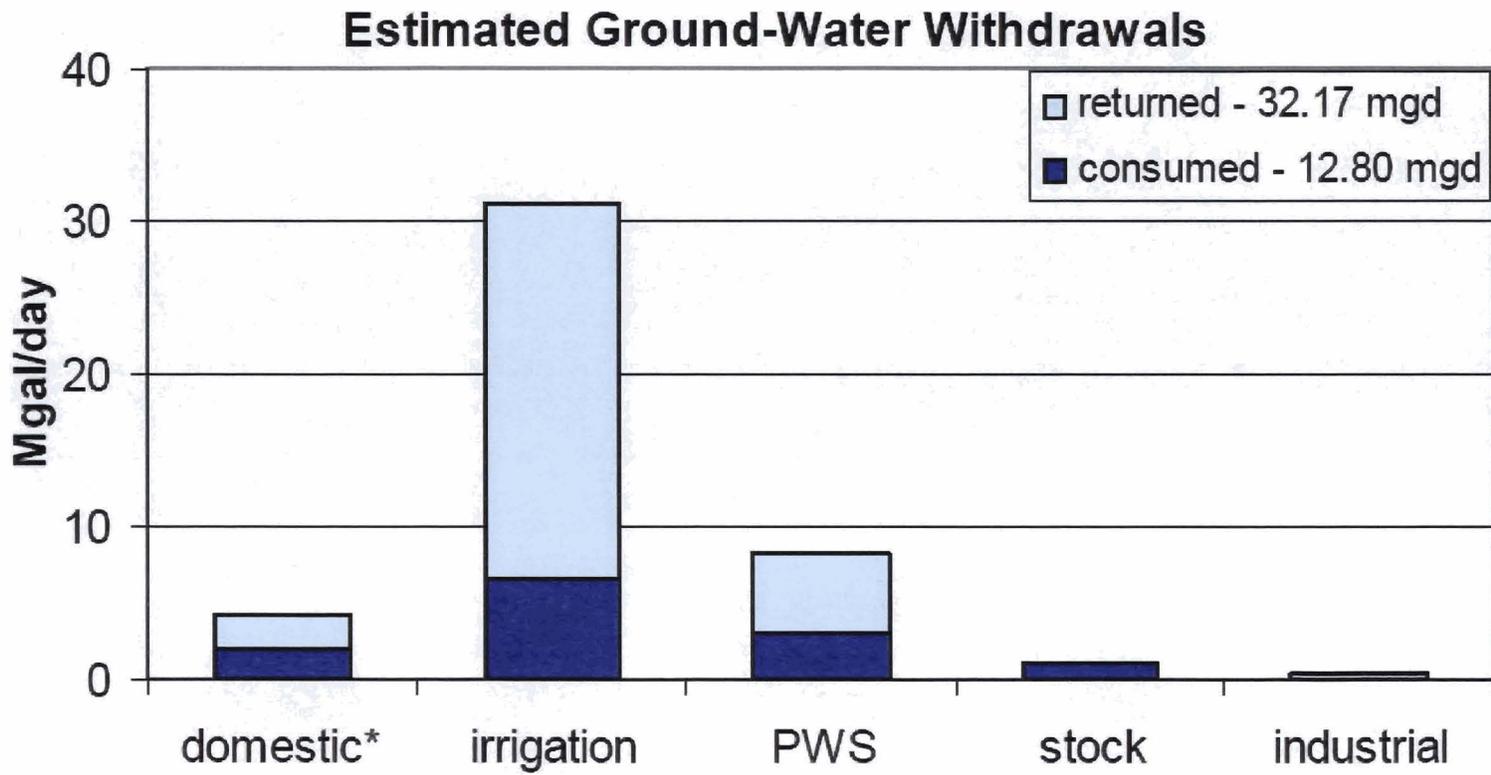
Cumulative Number of Wells

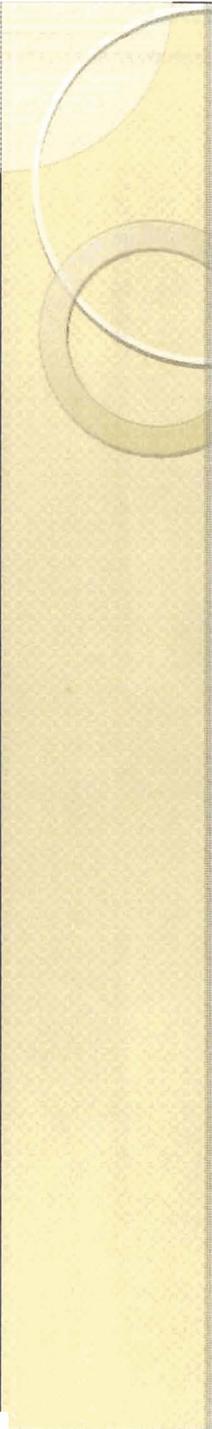


Reported Type of Well Use



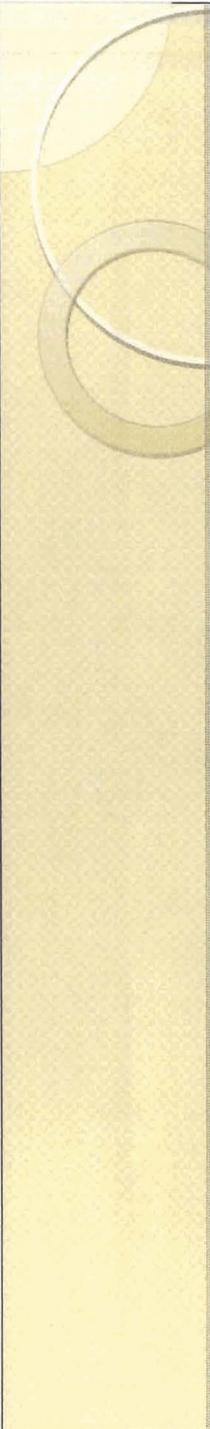
Water Use





Domestic Water Usage

- > 5 Mgal/Day
- Domestic water makes up approximately 10% of the total water used in the Upper Missouri River Basin.
- **At least 50% returned** (some experts have reported that up to 90% return rate)

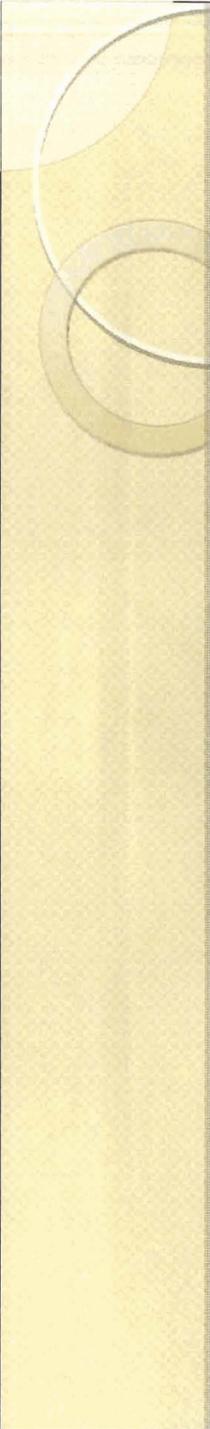


Average Domestic Well Use

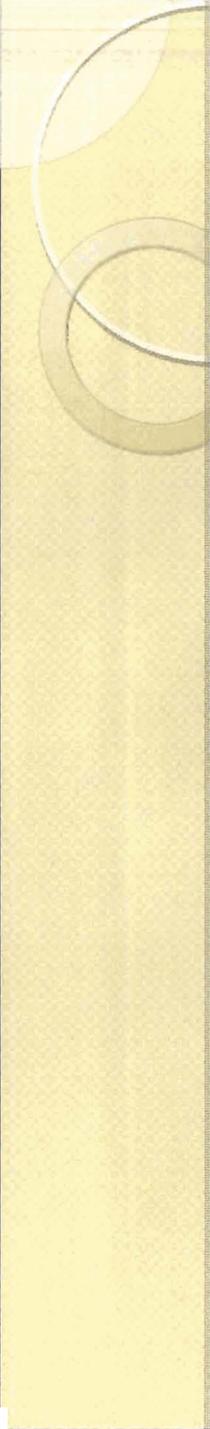
0.00043%

At least $\frac{1}{2}$ Returned

190 gallons per day

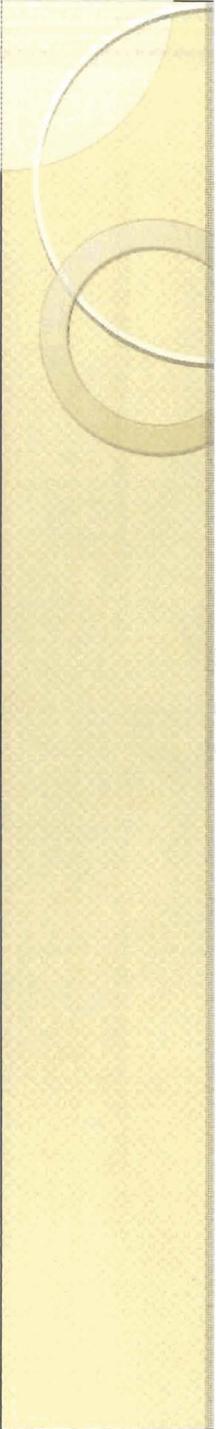


**Exempt Well Change Would
Not Affect the Current 26,000
exempt wells in the basin**



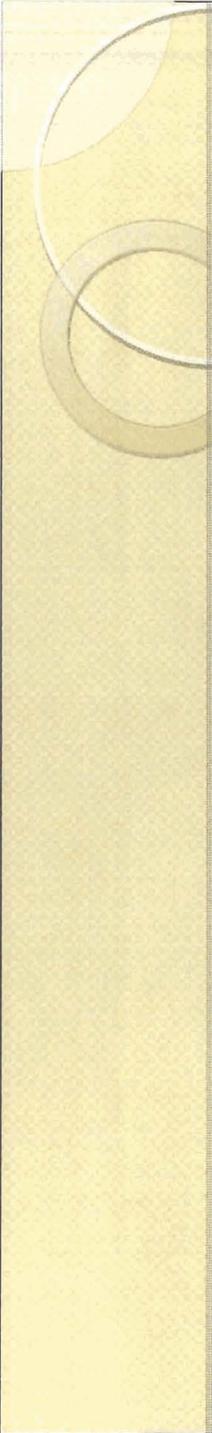
Benefits of Homes

- Break out by Municipal versus non-municipal homes
- Based upon the electrical permits of single family homes



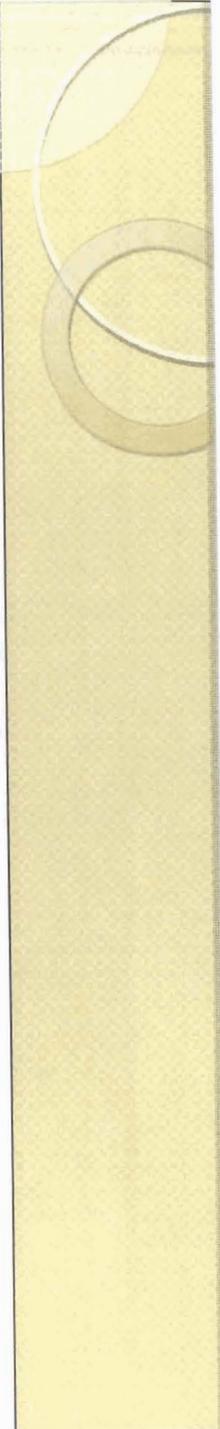
First Year Economic Benefits

- Homes built outside city limits, UMRB
- Jobs – 4,142
- Local Business Income – \$445 Million
- Local Salaries - \$115 Million
- Local Taxes - \$9.6 Million

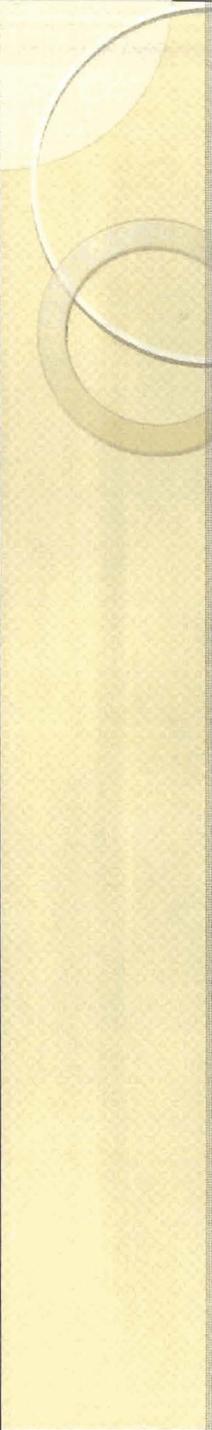


Ongoing Benefits

- Homes built outside city limits in UMRB
- Jobs – 1,241
- Local Business Income – \$112 Million
- Local Salaries - \$36 Million
- Local Taxes - \$4.9 Million

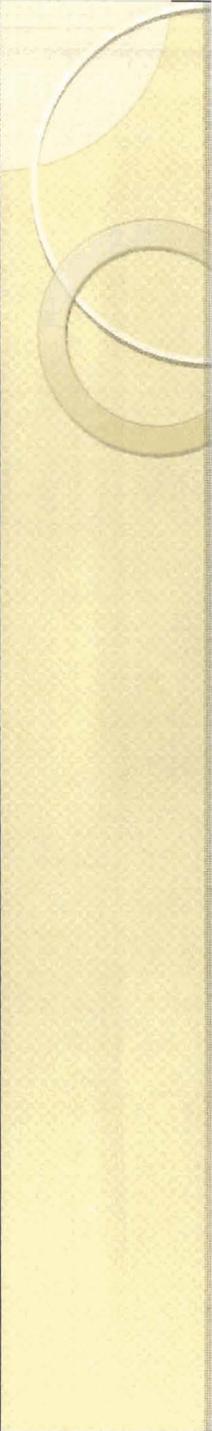


Exempt Wells or Not?



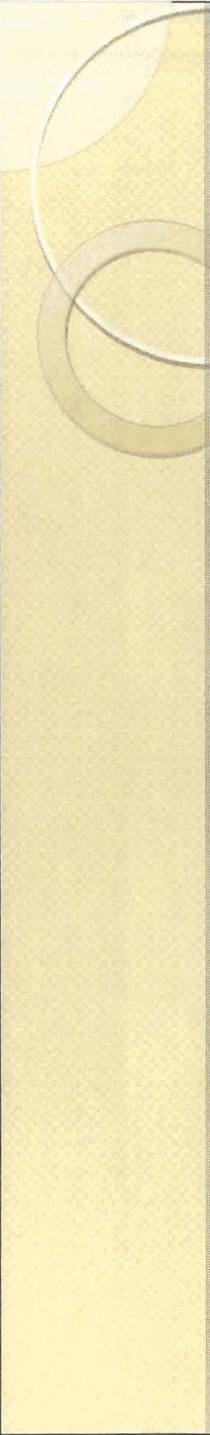
Benefits of Exempt Wells

- Community economic benefit
- “more affordable” homes
- Timeframe
 - Banknote
 - Timeframe for development (upfront or building permit)
 - Speed in which subdivisions will be approved



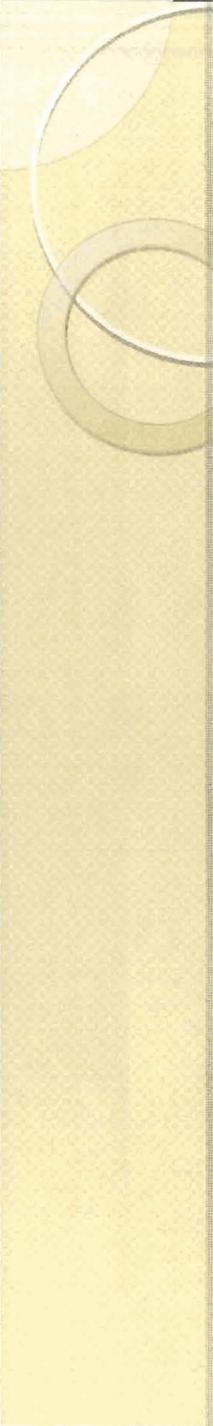
Detriment of Exempt Wells

- **Builder Perspective: Dependency, which is increasing as the permitting process becomes harder (HB831)**



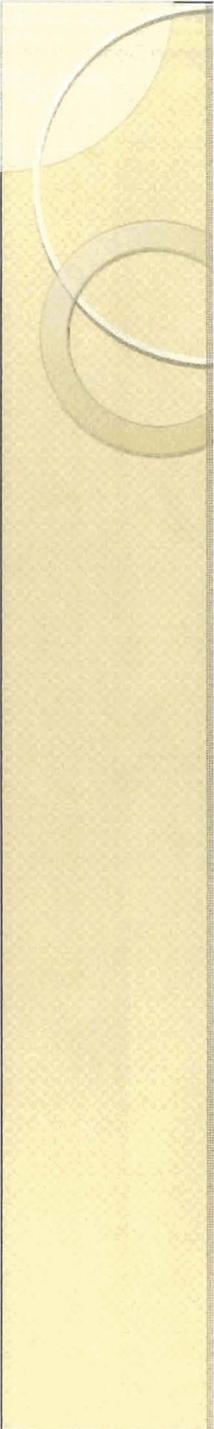
Question

- Wouldn't you be willing to pay \$1,500 more for protected water?



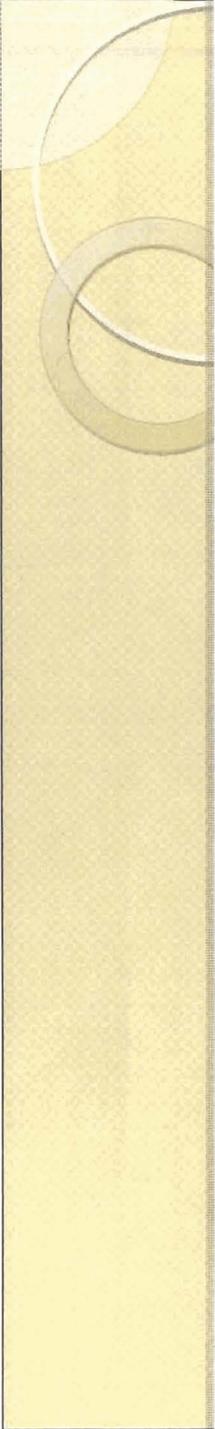
Impacts of Exempt Well Abolition

- More expensive homes
 - Less profit/more risk for builders
- Different types of growth
- Different kinds of developers
- Development would take place on irrigated Ag land.



Alternatives to Exempt Wells

- Community systems (when applicable)
- Municipal Growth



Changes needed?

- Alternatives available
- Annexation policies eased
- Enforcement of water permit
- Local Planning Incentives
- State infrastructure funding
- Not really a viable option until water permitting timeframe is “fixed”