

HOUSE BILL NO. 7

INTRODUCED BY WITT

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AND THE
OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS FOR DESIGNATED PROJECTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AMENDING SECTION 2, CHAPTER 419, LAWS OF 1999, AND SECTION 2, CHAPTER 232, LAWS OF 2001; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Appropriations for reclamation and development grants.** (1) The amount of \$2,400,000 is appropriated to the department of natural resources and conservation from the reclamation and development grants special revenue account from funds allocated for appropriation from the interest income of the resource indemnity trust fund as set forth in Title 15, chapter 38.

(2) The funds appropriated in this section must be awarded by the department to the entities listed in [section 2] for the prescribed purposes and in the prescribed grant amounts, subject to the conditions provided in [sections 2 through 4].

NEW SECTION. **Section 2. Approved grant projects.** (1) The legislature approves the grants listed in subsection (2), to be made in the order of priority as indicated within the following list of projects and activities. If the conditions in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted by grantees or funds not used by higher-ranked projects and activities must be provided for projects and activities lower on the priority list that would otherwise not receive funding. Descriptions of the various projects and activities and specific conditions established for each project and activity are contained within the department of natural resources and conservation's reclamation and development grants program report to the 58th legislature for the 2005 biennium.

(2) The following are the grants program prioritized projects and activities:

Applicant/Project

Grant Amount

Board of Oil and Gas Conservation	
———(2003 Northern District Plug and Abandonment)———	\$300,000
Board of Oil and Gas Conservation	
———(2003 Southern District Plug and Abandonment)———	300,000
Department of Natural Resources and Conservation	
———(Planning Grants)———	150,000
Department of Environmental Quality	
———(Washington Mine and Millsite Reclamation)———	300,000
Big Horn Conservation District	
———(State-Line Ground Water Monitoring Network for Tongue and Powder River Watersheds)———	300,000
Sunburst, Town of	
———(Sunburst Water Supply Renovation)———	185,249
Board of Oil and Gas Conservation	
———(Fate and Transport of Impounded Coal Bed Methane Water)———	200,000
Department of Environmental Quality	
———(Drumlummon Tailings, Goldsil - Argo Millsite and Mine Waste Reclamation)———	300,000
Toole County	
———(2003 Plugging and Abandonment Aid to Small Independent Operators)———	240,000
Department of Environmental Quality	
———(Blue Bird Mine Reclamation)———	200,000
Sheridan County Conservation District	
———(Protecting Natural Resources by Reclaiming Oilfield Brine Contaminated Soils)———	150,000
Governor's Office	
———(Growing Carbon "Applying Market-Based Conservation Through Carbon Sequestration")———	150,000
Fergus County Conservation District	
———(Central Montana Aquifer Project)———	150,000
Judith Basin Conservation District	
———(Judith Basin Aquifer Restoration and Conservation)———	70,000
<u>BIG HORN CONSERVATION DISTRICT</u>	
<u>(GROUND WATER MONITORING--TONGUE & POWDER RIVER WATERSHEDS)</u>	<u>300,000</u>
<u>SUNBURST, TOWN OF</u>	

<u>(SUNBURST WATER SUPPLY RENOVATION)</u>	<u>185,249</u>
<u>GOVERNOR'S OFFICE</u>	
<u>(GROWING CARBON)</u>	<u>300,000</u>
<u>BOARD OF OIL AND GAS CONSERVATION</u>	
<u>(OIL AND GAS PLUG AND ABANDONMENT)</u>	<u>200,000</u>
<u>TOOLE COUNTY</u>	
<u>(2003 PLUGGING AND ABANDONMENT)</u>	<u>240,000</u>
<u>BOARD OF OIL AND GAS CONSERVATION</u>	
<u>(2003 NORTHERN DISTRICT PLUG AND ABANDONMENT)</u>	<u>300,000</u>
<u>BOARD OF OIL AND GAS CONSERVATION</u>	
<u>(2003 SOUTHERN DISTRICT PLUG AND ABANDONMENT)</u>	<u>100,000</u>
<u>DEPARTMENT OF ENVIRONMENTAL QUALITY</u>	
<u>(WASHINGTON MINE AND MILLSITE RECLAMATION)</u>	<u>300,000</u>
<u>POWELL COUNTY*</u>	
<u>(CMC ROUNDHOUSE SITE CLEANUP)</u>	<u>76,400</u>
<u>DEPARTMENT OF ENVIRONMENTAL QUALITY</u>	
<u>(DRUMLUMMON TAILINGS, GOLDSIL MINE WASTE RECLAMATION)</u>	<u>300,000</u>
<u>SHERIDAN COUNTY CONSERVATION DISTRICT</u>	
<u>(RECLAIMING OILFIELD BRINE CONTAMINATED SOILS)</u>	<u>150,000</u>
<u>DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION</u>	
<u>(PLANNING GRANTS)</u>	<u>50,000</u>
<u>FERGUS COUNTY CONSERVATION DISTRICT</u>	
<u>(CENTRAL MONTANA AQUIFER PROJECT)</u>	<u>150,000</u>
<u>JUDITH BASIN CONSERVATION DISTRICT</u>	
<u>(JUDITH BASIN AQUIFER RESTORATION AND CONSERVATION)</u>	<u>70,000</u>

THE PROJECT GRANT IDENTIFIED WITH AN ASTERISK (*) IS CONTINGENT ON THE TRANSFER OF THE SITE THAT IS 14.5 ACRES LOCATED SOUTH OF MILWAUKEE AVENUE TO POWELL COUNTY WITHOUT COMPENSATION TO THE CURRENT OWNER.

(3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 2005 biennium pursuant to 17-7-302.

NEW SECTION. Section 3. Coordination of fund sources for grants program projects. A sponsor of a grants program project who has applied for a grant for that project under both the reclamation and development grants program and the renewable resource grant and loan program may not receive duplicate funding.

NEW SECTION. Section 4. Condition of grants. Disbursement of grant funds under [sections 1 through 5] is subject to the following conditions that must be met by the project sponsor:

(1) A scope of work and budget for the project must be approved by the department of natural resources and conservation. Reduction in a scope of work or budget may not affect priority activities or improvements.

(2) Other funds required for project completion must have been committed, and the commitment must be documented.

(3) The project sponsor shall show satisfactory completion of conditions described in the recommendation section of the project narrative of the reclamation and development grants program report to the legislature for the 2005 biennium.

(4) An agreement between the department and the project sponsor must be executed in a timely manner, taking into consideration any changed conditions or circumstances that govern the administration and disbursement of funds.

(5) Any other specific requirements considered necessary by the department must be met to accomplish the purpose of the grant as evidenced from the application to the department or as defined by the legislature.

NEW SECTION. Section 5. Other appropriations. There is appropriated to any entity of state government that receives a grant under [sections 1 through 4] the amount of the grant upon award of the grant by the department of natural resources and conservation. Grants to state entities from a prior biennium are reauthorized for completion of contract work.

SECTION 6. SECTION 2, CHAPTER 419, LAWS OF 1999, IS AMENDED TO READ:

"Section 2. Approved grant projects. (1) The legislature approves the grants listed in subsection (2), to be made in the order of priority as indicated within the following list of projects and activities. If the conditions in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted by grantees or funds not used by higher-ranked projects and activities must be provided for projects and activities lower on the priority list that would otherwise

not receive funding. Descriptions of the various projects and activities and specific conditions established for each project and activity are contained within the department of natural resources and conservation's reclamation and development grants program report to the 56th legislature for the 2001 biennium.

(2) The following are the grants program prioritized projects and activities:

Applicant/Project	Grant Amount
MONTANA BOARD OF OIL AND GAS CONSERVATION*	
1999 "A" Orphaned Well Plug and Abandonment and Site Restoration	\$300,000
MONTANA BOARD OF OIL AND GAS CONSERVATION*	
1999 "B" Orphaned Well Plug and Abandonment and Site Restoration	300,000
ENVIRONMENTAL QUALITY, DEPARTMENT OF*	
Toston Smelter Reclamation Project	300,000
ENVIRONMENTAL QUALITY, DEPARTMENT OF*	
Frohner Mine Reclamation Project	300,000
ENVIRONMENTAL QUALITY, DEPARTMENT OF*	
Great Republic Smelter Reclamation Project	300,000
PARK CONSERVATION DISTRICT*	
Upper Yellowstone River Cumulative Effects Investigation	299,940
TOOLE COUNTY*	
Toole County Plugging and Abandonment, Aid to Independent Small Oil Operators	300,000
BUTTE-SILVER BOW LOCAL GOVERNMENT	
Upper Clark Fork Basin: Superfund Technical Assistance	95,236
FERGUS COUNTY CONSERVATION DISTRICT*	
Central Montana Artesian Basin Ground Water Project	150,000
TOOLE COUNTY	
North Toole County Reclamation Project	150,000
BUTTE-SILVER BOW LOCAL GOVERNMENT	
Mining City Mineyard Preservation and Enhancement	297,104
TOWNSEND, CITY OF	

East Pacific Mine Reclamation	202,500
MONTANA TECH OF THE UNIVERSITY OF MONTANA	
Champion International Gravel Pit Reclamation Project	57,494
LEWISTOWN, CITY OF	
Source Location of Hazardous Organic Contaminants	
Spring Creek Drainage	50,000
GLASGOW IRRIGATION DISTRICT	
St. Mary Diversion Repairs	110,818
MONTANA BOARD OF OIL AND GAS CONSERVATION	
Oil Well Abandonment	20,105

The board of oil and gas conservation is authorized to expend remaining funds from grants to the board in this subsection (2) and remaining funds from grants previously awarded to the board to pay for the proper plugging of additional abandoned oil and gas wells. In determining which wells to plug, abandoned wells that represent the greatest threat to the environment and public health and safety should be given priority over all others.

(3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 2001 biennium pursuant to 17-7-302.

(4) The funding provided to the grant projects in this section and identified by an asterisk (*) following the applicant's name is eligible for and may be designated for use as a nonfederal match for the federal funding acquired for the nonpoint source pollution control program administered by the department of environmental quality."

SECTION 7. SECTION 2, CHAPTER 232, LAWS OF 2001, IS AMENDED TO READ:

"Section 2. Approved grant projects. (1) The legislature approves the grants listed in subsection (2), to be made in the order of priority as indicated within the following list of projects and activities. If the conditions in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted by grantees or funds not used by higher-ranked projects and activities must be provided for projects and activities lower on the priority list that would otherwise not receive funding. Descriptions of the various projects and activities and specific conditions established for each project and activity are contained within the department of natural resources and conservation's reclamation and development grants program report to the 57th legislature for the 2003 biennium.

(2) The following are the grants program prioritized projects and activities:

Applicant/Project	Grant Amount
BOARD OF OIL AND GAS CONSERVATION*	\$300,000
2001 Eastern District Orphaned Well Plug & Abandonment & Site Restoration	
BOARD OF OIL AND GAS CONSERVATION*	300,000
2001 Northern District Orphaned Well Plug & Abandonment & Site Restoration	
DEPARTMENT OF ENVIRONMENTAL QUALITY	300,000
Development of Trust Fund to Ensure Long-Term Water Treatment at Zortman-Landusky	
POWELL COUNTY*	300,000
Ontario Wet Tailings Reclamation	
CITY OF LEWISTOWN*	297,740
Reclamation of Brewery Flats on Big Spring Creek	
DEPARTMENT OF ENVIRONMENTAL QUALITY*	291,191
CMC Pony Mill Site Reclamation Project (completion phase)	
BROADWATER CONSERVATION DISTRICT*	145,380
Big Belt Mine Reclamation Projects	
CITY OF DEER LODGE*	140,000
Former Chicago Milwaukee Railroad Passenger Fueling Area, Deer Lodge, Montana	
BUTTE-SILVER BOW COUNTY	49,272
Upper Clark Fork Basin; Superfund Technical Assistance	
BOARD OF OIL AND GAS CONSERVATION	250,000
2001 Southern District Orphaned Well Plug & Abandonment & Site Restoration	
CUSTER COUNTY CONSERVATION DISTRICT*	299,977
Yellowstone River Resource Conservation Project	
CASCADE COUNTY / WEED AND MOSQUITO MANAGEMENT	218,466
Fort Shaw Weed Shop Soil Contamination Remediation	

DEPARTMENT OF ENVIRONMENTAL QUALITY*	300,000
Organic Soil Amendments	
DEPARTMENT OF ENVIRONMENTAL QUALITY*	300,000
Zortman Mine - Ruby Gulch Tailings Removal	
The state grant is subject to receipt of federal funds to complete tailings removal and stream channel restoration above, within, and below the Zortman townsite.	
DEPARTMENT OF ENVIRONMENTAL QUALITY	250,000
Coal Bed Methane Gas EIS	
GLACIER COUNTY*	150,000
2000 Glacier County Plugging & Abandonment	
PONDERA COUNTY*	100,000
Pondera County Oil & Gas Well Plug & Abandonment Project	
LIBERTY COUNTY*	50,000
Abandonment Aid Program for Small Independent Operators in Liberty, Hill, Blaine, & Chouteau Counties	
DEPARTMENT OF ENVIRONMENTAL QUALITY*	300,000
Gregory Mine Reclamation Project	
SHERIDAN COUNTY CONSERVATION DISTRICT	299,950
Protecting Natural Resources by Reclaiming Oilfield Brine Contaminated Soils	
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION	272,500
DNRC Environmental Hazard Sites on State Land	
FLATHEAD COUNTY	167,821
Assessment of Aggregate Resources for Long-Term Planning in Flathead & Missoula Counties	

(3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 2003 biennium pursuant to 17-7-302.

(4) The funding provided to the grant projects in this section and identified by an asterisk (*) following the applicant's name is eligible for and may be designated for use as a nonfederal match for the federal funding acquired for the nonpoint source pollution control program administered by the department of environmental quality."

NEW SECTION. **Section 8. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2003.

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