

**DRAFT W2ASACT MEETING NOTES**  
 Meeting on June 13, 2017, 9:30 am to 12 pm  
 Dept. of Commerce, BOI, 2401 Colonial Drive, 3<sup>rd</sup> floor conf. room

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**Members and participants present:**

Jason Mercer	Morrison-Maierle	John Camden	MRWS
Mark Smith	DEQ/PPA/SRF	Kari Smith	DEQ
Anna Miller	DNRC/FDB	Julie Flynn	MBOI
Lindsay Volpe	DNRC/RDB	Amy Mackenzie-Sanders	MAP
Bob Fischer	DNRC/RDB	Elisa Prescott	Great West Eng.
Alice Stanley	DNRC/RDB	Denise Cook	DNRC/RDB
Erinn Zindt	MAP	Tom Erskine	Interstate Eng.
Tim Vribe	KLJ Eng.	Becky Bey	KLJ Eng.
Millie Heffner	DNRC/WRD	Sonja Hoeglund	DNRC/RDB

**Via Conf. Phone:**

Steve Troendle	USDA	Chris Allison	Morrison-Maierle
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Call to Order, Sign-in Sheet, Agenda Changes

Alice Stanley, Chair, called the scheduled meeting of the Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT) to order at 9:34am, on Tuesday, June 13, 2017. Sign-in sheet was routed and meeting agenda was distributed. Those present briefly introduced themselves. Alice asked if there were any revisions to the minutes from the March 7, 2017. Anna Miller made a motion to accept the minutes and Kari Smith a second and the minutes were approved and adopted.

**Guest Speaker:**

Millie Heffner, Bureau Chief, DNRC Water Rights Bureau

Millie discussed the reasons to acquire a water right or water right change permit. Permits are required if you are going to divert, impound, or withdraw water for a beneficial use. A change is required for existing water rights if there will be a change in the point of diversion, place of use, purpose of use, or place of storage.

DNRC Water Resources Division (DNRC) encourages applicants to attend a pre-application meeting by offering a \$200 discount off the application fee. A pre-application meeting usually results in a better application and faster process.

The average processing time from application submittal to preliminary determination is on average 8 months. It typically takes about 10 months if there is a public notice phase. DNRC has 180 days to determine whether the application is correct and complete or notify the applicant of any deficiencies. Once the application is correct and complete, the department has 120 days to preliminarily determine whether to grant the application, grant the application in a

modified form, or deny the application. If the preliminary determination is to grant or grant in a modified form, the application goes to public notice with an objection deadline set within 45 days of the notice date. If there are any valid objections, the application will proceed through the administrative hearing process. If the preliminary determination is to grant in a modified form (something less than what was applied for), the applicant may request a hearing before proceeding to public notice. If the preliminary determination is to deny, the applicant may request a hearing to show cause how the department erred in its decision to deny.

Regarding use of water in closed basins, Millie said a permit is needed to capture storm water if the water will be put to use.

Questions can always be directed to Millie or any of the eight regional offices. Alice reminded the group that DNRC has water rights offices throughout the state. All information about the water rights process and existing water rights can be found on the DNRC website at <http://dnrc.mt.gov/divisions/water/water-rights>

### ***Questions for Millie***

Bob Fischer asked about requirements for municipal water tanks. Millie cited ARM 36.12.113(7) stating that there is an exception if the tank is part of an existing water system.

Alice asked about requirements for communities adding a subdivision. Millie said they would likely need a change authorization to add the place of use or a permit if more water is needed to serve the subdivision.

Alice asked how many new applications are received in a year and Millie replied 40 or 50 water right permit applications and fewer change requests. Tom Erskine asked if those include agriculture right and Millie said yes.

Regarding reuse of waste water, Millie stated that a municipality's waste water is part of their water right for drinking water, fire protection, etc. If a community wants to change wastewater use, such as change from discharge to spray irrigation, that would require a change permit.

Alice asked how that is tracked. Millie said that a change in waste water treatment is usually reported to and permitted by the DEQ. DEQ will report to DNRC when a community proposes to change their use of wastewater. This has been set up through an MOU between DEQ and DNRC. If a municipality is in a closed basin and proposes to reuse wastewater, through irrigation for example, they may need to do mitigation for that use. This is a permitting step that we should remember to remind communities about when planning to reuse wastewater in some way.

Millie stated that there is information on their website for new subdivision developments including some specific info for engineers. Lindsay Volpe added that we have the water handbook on the WASACT website. Millie suggested adding a link to the water right bureau's website.

Lindsay asked about water for fires. Millie said that qualifies as emergency use so no permit is required. Alice asked for a summary of the exempt well issue legislation this past Session. Millie said that nothing happened with exempt wells last session. She added that under current law the number of wells doesn't matter, but the volume does. Clark Fork Coalition won in court against DNRC regarding the definition of combined appropriation and whether "physically

manifold” was consistent with statute. The court repealed the physically manifold definition of combined appropriation and replaced it with the 1987 rule of combined appropriation which revolves around a project.

### **Legislative Update:**

#### Anna Miller, DNRC Conservation & Resource Development Financial Advisor

Anna began by saying that the state’s revenue picture is not great. For the 2016/2017 Biennium, several grant programs faced with holdbacks as far as spending money. The Legislature did not pass a bonding bill that would have funded many infrastructure projects. HB 6 (RRG), HB11 (TSEP and Regional Water) and HB7 (RDGP) passed.

The Long Range Planning projects that did not pass were RRGL Loan bonding bill HB 8 and HB 5 that included Romney Hall and other large infrastructure projects. SB 367 was presented as the Senate Bond Bill alternative. It failed by 3 voted in the house. Representative Mike Cuff tried a smaller bill omitting Romney Hall and the Veteran’s home and it failed. There has been talk of a special session, however the Governor had requirements that the bill would need to be passed to convene a special session.

We had 100 RRG applications. We might be able to fund ¼ or 26 of them.

#### Revenue Picture – State of Montana

Agencies were given allocations or a “wants list” and they had to demonstrate the need for FTE’s. Anna mentioned the “triggers bill” that triggers cuts on agencies if the state does not meet revenue projections. The decrease in oil revenue has affected Montana. The legislature looked at raising the tax on cigarettes and big money earners and they did not pass.

We will see where we are at fiscal year end. Interest income is up. There is a lot of uncertainty at the federal level.

Tom Erskine said as far as RRG, we can start contracts, but we have to wait to get funding in in order to process disbursements. Tom suggested we talk to our legislative candidates and ask “do you believe in funding infrastructure?”

### **Program Updates**

Steve Troendle – The hiring freeze was lifted at Rural Development (RD). No authorization needed to advertise positions. The staffing ceiling is 41 and they currently have 31. Steve said that Congress funds RD and he hasn’t seen the first cuts yet. He is going to need more help from the state. Steve added that there are other programs to supplement Section 504 Loan and Grant programs. An applicant can get a 1% loan for 20 years. Steve will get with Sonja to coordinate where to find offices and information on these programs.

Steve said that RD’s customer service is lacking. RD has been working with American Iron and Steel and DEQ, and also has weekly calls with the EPA. Steve said there are projects in for pooling. We need to insure funding before projects move forward. The facility in Butte may be funded and also an irrigation project. The Community Facility Program has seen a 53% drop in

staffing in 10 years. The program has increased 82%. They are not able to do as many water and wastewater projects.

Mark Smith – We are starting a new fiscal year. Concerning the Intended Use Plan, we are in the public comment period. There is a hearing on Thursday and the deadline is after July 4<sup>th</sup>. On the anticipated project list, drinking water has over \$50 million in projects. Mark said that DEQ had applied for their portion of federal funding where our principle forgiveness comes from. Other than that projects are ramping up.

Anna Miller said that notice of upcoming project helps. It will be a busy summer with water and wastewater projects. Alice asked about principle forgiveness and Mark replied that it is up to maximum of the federal amount. Anna added that we do not know that direction at this time.

Regional Water – Anna reported that HB 11 passed. DNRC will be working with the four Regional Water groups. Central Montana and Dry Redwater need to be authorized, so we do not know about funding yet. If you have questions, please contact Rick Duncan at DNRC at 444-1879.

Lindsay Volpe – The RRG program is moving forward. As money is available, we can move forward with projects by rank. Irrigation Development grants are open now. The deadline for Watershed Management grants is June 30<sup>th</sup>. The planning grants cycle opens July 1<sup>st</sup>. At the end of August Bob Fischer is retiring. Lindsay said that the grant manager vacancy should be posted this week. Alice Stanley will be working with new applicants. Alice added that there were 26 approved in TSEP in HB 11.

Sonja Hoeglund – The private grants under HB 6 will be accepting grants after July 1<sup>st</sup> on the \$50,000. A landowner may need to abandon a private septic system to connect to a municipality. Also there are private dam inspections, which are a requirement. Alice added that up to \$2,500 (5% of appropriation) can go to an individual to replace a septic system with a connection to a wastewater system, especially if they have been given a notice to do so. The idea being to protect water quality.

Julie Flynn said that the March 1<sup>st</sup> \$20 million bond had the last of it spent Friday June 9<sup>th</sup>. The interest rate on Board of Investment INTERCAP loans is now 2.5%.

John Camden reported that National Rural Water had meetings and there was concern on FY 18. If funding does not come through, we are in trouble. The call for papers for the 2018 conference will go out in July.

Erinn Zindt – Regarding the annual meeting, Erinn said there are many unknowns. She also mentioned funding from USDA and EPA are unknown.

Tom Erskine is staying busy and contractors are bidding projects, however, the Bakken area is slow right now.

Kari Smith, who has to leave for another meeting says that she her office at DEQ is able to help with the smaller communities. Tom added that the smaller communities have many challenges.

Bob Fischer said that his bureau at DNRC is designating a new contact for the Emergency grants as he will be retiring the end of August.

## Montana Economic Development Association WASACT Workshop Report

Steve Troendle mentioned the Economic Development Meeting in Great Falls and said that our presentations were well done. He also said that there is a “disconnect” between us and the development folks. Anna added that they wanted a summary of what WASACT does. Anna said the meeting had good presentations and break-out sessions.

### Committee Updates

Workshops - Erinn will organize a get-together with the workshop community.

### Uniform Application and Standard Documents

Bob Fischer – The application is posted on the WASACT website. We normally update in the fall before applications are due. Please email your suggested changes to Bob by the end of July. Remember that DNRC makes those changes.

### Internet Website

Lindsay Volpe is in the process of updating documents. She reported that not many are signing up for the WASACT mailing list. Let her know if you have updates. Bob mentioned an update to procurement from \$50,000 vs. \$100,000. Bob will be submitting a notice on this change to the group and a posting will be on the website.

**Congressional Update** – No representative present.

End of Updates

Next meeting was set for Tuesday, September 12, from 9:30 to 12 at DNRC, to which all agreed.

Update: September meeting will be at DNRC, room 225 and hosted by DEQ.

Meeting adjourned at 11:42.