



# ENVIRONMENTAL QUALITY COUNCIL

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**GOVERNOR BRIAN SCHWEITZER**  
**DESIGNATED REPRESENTATIVE**  
MIKE VOLESKY

**HOUSE MEMBERS**  
CHAS VINCENT--Chair  
SUE DICKENSON  
JULIE FRENCH  
MIKE MILBURN  
CARY SMITH  
FRANKE WILMER

**SENATE MEMBERS**  
BRADLEY MAXON HAMLETT--Vice Chair  
JIM KEANE  
RICK RIPLEY  
JIM SHOCKLEY  
MITCH TROPILA  
BRUCE TUTVEDT

**PUBLIC MEMBERS**  
JEFF PATTISON  
BRIAN CEBULL  
DIANE CONRADI  
MARY FITZPATRICK

**COUNCIL STAFF**  
JOE KOLMAN, Research Analyst  
SONJA NOWAKOWSKI, Research Analyst  
HOPE STOCKWELL, Research Analyst  
CYNTHIA PETERSON, Secretary  
TODD EVERTS, Legislative Environmental Analyst

## MINUTES

Approved January 7, 2010

Date: September 10, 2009

Room 172  
State Capitol Building

Please note: These minutes provide abbreviated information about committee discussion, public testimony, action taken, and other activities. The minutes are accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.

An electronic copy of these minutes and the audio recording may be accessed from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side column of the home page, select *Committees*, then *Interim*, and then the appropriate committee.

To view the minutes, locate the meeting date and click on minutes. To hear the audio recording, click on the Real Player icon. Note: You must have Real Player to listen to the audio recording.

### **COMMITTEE MEMBERS PRESENT**

REP. CHAS VINCENT, Chair  
SEN. BRADLEY MAXON HAMLETT, Vice Chair  
SEN. JIM KEANE  
SEN. RICK RIPLEY  
SEN. MITCH TROPILA (via telephone)  
SEN. BRUCE TUTVEDT  
REP. SUE DICKENSON  
REP. JULIE FRENCH  
REP. MIKE MILBURN  
REP. CARY SMITH  
REP. FRANKE WILMER  
MS. DIANE CONRADI  
MR. MIKE VOLESKY  
MS. MARY FITZPATRICK

## **COMMITTEE MEMBERS EXCUSED**

SEN. JIM SHOCKLEY  
MR. BRIAN CEBULL  
MR. JEFF PATTISON

## **STAFF PRESENT**

TODD EVERTS, Legislative Environmental Analyst  
JOE KOLMAN, Research Analyst  
SONJA NOWAKOWSKI, Research Analyst  
BARBARA SMITH, Fiscal Analyst  
HOPE STOCKWELL, Research Analyst  
CYNTHIA PETERSON, Secretary

## **Visitors**

Agenda ([Attachment 1](#))  
Visitor List ([Attachment 2](#))

## **COMMITTEE ACTION**

- The EQC adopted the May 28-29, 2009, minutes.
- The EQC adopted the Environmental Quality Council Draft Rules and Procedures 2009-2010.
- The EQC adopted the Final Draft Work Plan.

## **CALL TO ORDER AND ROLL CALL**

00:00:02 Representative Vincent, Chairman of the Environmental Quality Council (EQC), called the meeting to order at 8:30 a.m. The secretary called roll ([Attachment 3](#)). Ms. Fitzpatrick and Senator Tutvedt introduced themselves.

## **AGENDA**

### **ADMINISTRATIVE MATTERS--Mr. Everts**

#### **Adoption of May 28-29, 2009, EQC Meeting Minutes**

00:02:25 Representative French moved the EQC May 28-29, 2009, minutes be adopted. The motion carried unanimously by voice vote.

## **Adoption of EQC Rules and Procedures**

00:02:58 Representative French moved to adopt the Environmental Quality Council Draft Rules and Procedures 2009-2010 (**Exhibit 1**). The motion carried unanimously by voice vote.

## **EQC Budget Review**

00:03:26 Todd Everts, Legislative Environmental Analyst, reported the EQC had a total budget of \$75,298 and a remaining balance of \$74,212.73.

## **ENVIRONMENTAL PUBLIC HEALTH TRACKING**

### **Panel Discussion - Introduction, Ms. Stockwell**

00:04:25 Hope Stockwell, Research Analyst, submitted and reviewed "National Environmental Public Health Tracking Network: A repository for, and portal to, data gathered by state tracking program established through grants from the Centers for Disease Control, September 10, 2009" (**Exhibit 2**).

00:07:20 Michael R. Spence, MD, MPH, former Chief Medical Officer with the Department of Public Health and Human Services (DPHHS), gave a PowerPoint presentation entitled "Environmental Public Health Tracking" (**Exhibit 3**).

00:16:46 Dr. Todd Damrow, an adjunct professor at Carroll College and former State Epidemiologist, DPHHS, provided oral testimony.

00:18:52 Dr. Andrij Holian, Director, Center for Environmental Health Sciences, University of Montana, gave a PowerPoint presentation (**Exhibit 4**) and provided information from a respiratory perspective.

00:26:19 Dr. Steven Helgerson, State Medical Officer, DPHHS, provided a written summary of ongoing activities (**Exhibit 5**) and a quarterly Surveillance Report (**Exhibit 6**).

00:38:36 Anne Weber, Laboratory Services Bureau Chief, DPHHS, provided written testimony (**Exhibit 7**).

00:46:43 Dan Strausbaugh, Montana Representative, Agency for Toxic Substances and Disease Registry, submitted the following information regarding public health:

- *Environmental Health Epidemiology Bureau, Environmental Health Concerns*, New Mexico Department of Health (**Exhibit 8**);
- *The Section of Epidemiology*, Environmental Health, State of Alaska (**Exhibit 9**);
- *Environmental Health*, Idaho Department of Health and Welfare (**Exhibit 10**);
- *Environmental Health--Touching Everyone's Life Every Day* (**Exhibit 11**);

- *Hazardous Chemicals in the Environment: Weighing the Risks* (**Exhibit 12**);
- *Minnesota Environmental Public Health Tracking System*, Minnesota Department of Health (**Exhibit 13**);
- *Environmental Public Health Tracking & Biomonitoring*, Minnesota Department of Health (**Exhibit 14**);
- Press Release, Centers for Disease Control and Prevention, July 7, 2009 (**Exhibit 15**);
- *The National Environmental Public Health Tracking Program: Healthy Informed Communities 2007* (**Exhibit 16**);
- *Centers for Disease Control and Prevention*, Public Health Information Network (**Exhibit 17**); and
- *Cooperative Agreement Program*, Agency for Toxic Substances and Disease Registry (**Exhibit 18**).

### **Public Comment**

- 00:52:29 Marjean Heisler, former Coordinator of the Montana Environmental Public Health Tracking Project.
- 00:59:05 Richard Opper, Director, Department of Environmental Quality (DEQ).
- 01:01:04 Jane Smilie, Administrator, Public Health and Safety Division, DPHHS.

### **Questions and Discussion - EQC**

- 01:04:19 Representative French addressed Ms. Smilie and asked whether tracking would be easier with the utilization of electronic medical records and wondered how smaller hospitals without electronic medical records could be affected. Ms. Smilie responded.
- 01:07:34 Representative French asked whether there was a program being developed for electronic medical records that would automatically glean the information. Ms. Smilie could not immediately answer the question.
- 01:08:16 Dr. Spence responded to Representative French's question.
- 01:09:23 Representative French wondered how the information would be sent to the public health department and who would glean the information off the computer record. Dr. Spence responded. Representative French commented further.
- 01:11:24 Representative Dickenson asked Dr. Damrow to comment on the need for large data sets. Dr. Damrow responded.
- 01:14:22 Representative Dickenson addressed Dr. Spence and commented on the ability to promote good health and the dependency on grants. Representative Dickenson sought to know how Montana could be proactive and responsible for its citizens' health by being ahead of the game. Dr. Spence responded.

- 01:17:08 Representative Dickenson asked Dr. Spence about the dedicated focus and direction taken in other states with effective environmental public health tracking and whether Montana has a responsibility to commit funding to public health tracking. Dr. Spence responded.
- 01:18:58 Representative Milburn requested clarification from Dr. Holian that after the data collection is completed, there would still be a need to prove the problem. Dr. Holian responded.
- 01:23:05 Representative Dickenson asked Dr. Holian whether research was being conducted on the presence of neurological illnesses which have become prevalent along the Hi-line. Dr. Holian responded.
- 01:26:28 Senator Hamlett addressed Dr. Helgerson and asked whether there would be a problem handling electronic hospital discharge information received by the department and whether that would require additional funding. Dr. Helgerson responded.
- 01:30:47 Senator Hamlett addressed the environmental health risks posed by forest fires and wondered whether the DEQ provides real time information regarding air quality. Dr. Helgerson responded.
- 01:36:58 Chairman Vincent addressed Dr. Spence and was curious about possible recommendations and intervention strategies to address air pollution from forest fires. Dr. Spence responded. Chairman Vincent wondered if any solutions were proactive rather than reactive. Dr. Spence responded.
- 01:40:57 Representative Smith identified problems with past legislation and asked Dr. Helgerson to comment. Dr. Helgerson responded.

### **Directions to Staff**

- 01:50:37 Representative Dickenson requested more time for the EQC members to provide further direction to EQC staff.

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### **HJR 1 - STUDY OF BIOMASS**

- 02:05:51 Sonja Nowakowski, Research Analyst, directed the EQC members to the report entitled "Montana Biomass, Environmental Quality Council, September 10-11, 2009" ([Exhibit 19](#)).
- 02:08:29 Rich Lane, Camas Creek Enterprises, addressed the use of biomass to protect the health of Montana forests. Mr. Lane also gave a PowerPoint presentation regarding the uses of biomass ([Exhibit 20](#)).
- 02:29:50 Ms. Nowakowski introduced Tracy McIntyre, Eureka Rural Development, who was participating by telephone.

- 02:30:25 Representative Smith asked Mr. Lane about the use of torrefied wood. Mr. Lane responded.
- 02:31:55 Senator Ripley asked what could be done to pave the way for biomass production. Mr. Lane responded.
- 02:34:19 Chairman Vincent asked about the viability and radius for the use of biomass-generated electricity. Mr. Lane responded.
- 02:37:29 Representative French offered information regarding a mill in Minnesota which links habitat restoration with bioenergy development ([Exhibit 21](#)) ([Exhibit 22](#)).
- 02:38:32 Tom Kaiserski, Montana Department of Commerce (DOC), gave a PowerPoint presentation regarding energy promotion and development ([Exhibit 23](#)).
- 02:57:29 Ms. Nowakowski directed the EQC members to the list of applicants contained in Exhibit 19.
- 02:58:24 Julia Altemus, Forestry Specialist, Department of Natural Resources and Conservation (DNRC), gave a PowerPoint presentation entitled "Woody Biomass Energy, Federal Issues & Legislation" ([Exhibit 24](#)).
- 03:08:37 Angela Farr, Biomass Utilization Coordinator, DNRC, provided information regarding federal proposals and opportunities to increase the potential of biomass in Montana ([Exhibit 25](#)).

#### **Questions & Discussion--EQC**

- 03:22:12 Representative French addressed Mr. Kaiserski and asked whether the informal working group was looking at a strategic plan for bioenergy in Montana. Mr. Kaiserski referred the question to Ms. Farr, and Ms. Farr responded.
- 03:23:35 Representative French asked why bioenergy would not include agriculture in the strategic plan. Ms. Farr responded. Representative French asked if it would be safe to say agriculture would be part of the strategic plan. Ms. Farr agreed.
- 03:24:46 Senator Ripley requested a list of the members of the working group. Ms. Farr agreed to provide a list.
- 03:25:00 Representative Dickenson asked whether the Energy Promotion and Development Division was looking at energy development solely for in-state use. Mr. Kaiserski responded. Representative Dickenson asked whether the group was working on energy conservation. Mr. Kaiserski responded.
- 03:28:19 Senator Keane wondered how the DOC's money was used. Mr. Kaiserski explained. Senator Keane asked whether the money was still with the DOC. Mr. Kaiserski agreed.

- 03:30:32 Representative Dickenson asked whether the feasibility studies would need to be conducted before other issues would be addressed. Mr. Kaiserski responded.
- 03:32:10 Mr. Volesky clarified that the term "feasibility study" is a specific term referring to the very first steps to a project development and does not refer to a general study.
- 03:33:22 Representative French requested that the EQC receive not only the member names but also periodic reports from the informal working group.

### **Public Comment**

There was no public comment.

(LUNCH)

## **ADOPTION OF EQC WORK PLAN**

### **Staff Explanation--Mr. Everts**

- 04:47:38 Mr. Everts directed the EQC members to the Final Draft Work Plan ([Exhibit 26](#)) and stated the EQC needed to adopt its Work Plan at the current meeting.

### **Public Comment**

- 04:49:19 Dave Schulz, Madison County Commissioner and member of the Montana Association of Counties (MACo), addressed the Montana Weed Control Act and submitted a letter from himself and Harold Blattie ([Exhibit 27](#)).

### **Council Discussion**

- 04:51:26 Representative French asked Mr. Schulz whether he was seeking legislation to correct the problem. Mr. Schultz agreed.
- 04:51:58 Chairman Vincent suggested having a panel discussion to begin to address the problem.
- 04:52:32 Representative Dickenson asked whether there was any room to add issues to the Final Draft Work Plan. Mr. Everts identified the EQC's statutory oversight functions as a possibility to address the issue, but cautioned against potential jurisdictional issues. Mr. Everts agreed holding a panel discussion before the EQC would be a possibility.

### **Public Comment**

There was no further public comment.

### **Council Decision**

04:55:17 Senator Ripley moved adoption of the Final Draft Work Plan as presented. The motion carried unanimously by voice vote.

### **AGENCY OVERSIGHT - HABITAT CONSERVATION PLAN**

04:56:10 Mike O'Herron, Forest Management Bureau, DNRC, Missoula, gave a PowerPoint presentation on the Forest Management Program ([Exhibit 28](#)).

04:59:54 Kathleen Ports, U.S. Fish and Wildlife Service (USFWS), continued the PowerPoint presentation.

### **Questions & Discussion--EQC**

05:14:39 Representative Dickenson asked Mr. O'Herron about the reference to an "incidental take." Mr. O'Herron referred the question to Ms. Ports.

05:15:06 Ms. Ports explained the reference to "incidental take."

05:15:33 Representative Dickenson requested clarification. Ms. Ports responded.

05:16:19 Representative Dickenson addressed linking habitat restoration to bioenergy and wondered about a link for coarse woody debris and biomass. Ms. Ports responded.

05:17:17 Shawn Thomas, Forest Management Bureau Chief, DNRC, identified and explained the controversy of removing biomass material while still meeting the principle of preserving habitat.

05:17:59 Senator Keane asked whether the project time line is for eight years. Mr. O'Herron agreed. Senator Keane asked how a disturbance event would be addressed. Mr. O'Herron responded.

05:20:19 Ms. Conradi asked about land in the Stillwater Unit which was not included in the Habitat Conservation Program area and wondered why the land was excluded. Mr. O'Herron explained.

05:22:01 Senator Ripley requested additional information regarding the grizzly bear habitat "quiet zone." Mr. O'Herron responded. Senator Ripley noted the plan was flexible enough to adapt to changes, but wondered why a fifty-year plan was adopted. Mr. O'Herron responded.

05:25:17 Chairman Vincent requested clarification that adaptive management would include monitoring by the state with oversight by the USFWS. Ms. Ports agreed. Chairman Vincent asked whether the definition for a Streamside Management Zone (SMZ) would be changed. Mr. O'Herron responded. Chairman Vincent wondered how the change would affect other Riparian Management Zone (RMZ) requirements. Mr. O'Herron responded. Chairman Vincent asked about the



differences between the current grazing inspections and the grazing inspections in the Habitat Conservation Plan (HCP). Mr. O'Herron offered to obtain the requested information. Chairman Vincent asked if there had been a cumulative analysis of the impact to motorized recreation in quiet zones and how it would affect recreational opportunities. Mr. O'Herron responded. Ms. Ports commented.

- 05:29:34 Chairman Vincent commented on the Policy for Evaluation of Conservation Efforts (PECE) standards. Chairman Vincent wondered if the state is going to include cutthroat trout and redband trout into the HCP, whether the mitigation efforts to be implemented and monitored over the next 50 years would meet the PECE standards.
- 05:31:28 Ms. Ports provided an explanation of how the PECE standards would apply to the HCP.
- 05:33:39 Chairman Vincent noted there are 20 new species on the federal register up for review and another 168 that are pending litigation. Chairman Vincent wondered whether any of the species would impact any of the trust lands. Ms. Ports responded.
- 05:34:44 Chairman Vincent asked how long it would take to incorporate a species into the HCP such as the wolverine. Ms. Ports responded.
- 05:35:25 Chairman Vincent asked how the HCP plan would dovetail with the new HCP plan for Plum Creek timber lands. Mr. O'Herron responded.
- 05:36:57 Mr. Thomas commented on the options.
- 05:38:12 Ms. Conradi asked how a real estate development proposal that comes forward on HCP land would be treated. Mr. O'Herron responded. Ms. Conradi asked whether there were any state lands in the grizzly bear habitat recovery or bull trout critical areas that are not included in the HCP. Mr. O'Herron responded.

### **Public Comment**

- 05:40:04 Jason Todhunter, Montana Logging Association, wondered whether by incorporating RMZs a precedent would be set that the SMZ law is inadequate.

### **AGENCY OVERSIGHT--UPDATE HB 674: ISSUANCE OF BONDS FOR LAND ACQUISITION**

- 05:41:41 Joe Kolman provided an overview of HB 674 and HB 669 ([Exhibit 29](#)).
- 05:46:15 Mary Sexton, Director, DNRC, provided an update on the implementation of HB 674 and submitted "Potomac Acquisition Target Dates" ([Exhibit 30](#)).

### **Questions & Discussion--EQC**

- 05:53:49 Representative Milburn asked Director Sexton to explain the role of The Nature Conservancy. Director Sexton provided an explanation.

- 05:54:56 Senator Ripley asked whether the inventories would be published when completed. Director Sexton responded.
- 05:55:58 Senator Hamlett asked who would hold the mineral rights on the property. Director Sexton responded.
- 05:56:46 Chairman Vincent asked whether water rights would also be transferred. Director Sexton agreed. Chairman Vincent requested clarification that there would be a 50-year return on the investment for timber. Director Sexton agreed. Chairman Vincent asked whether there would be any room for negotiation and whether the due diligence done on the cost benefit would allow for a better negotiating position. Director Sexton commented.

### **Public Comment**

No public comment was offered.

## **UPDATE HB 669: DISTRESSED WOOD PRODUCTS REVOLVING LOAN PROGRAM**

### **Overview--Mr. Kolman**

- 06:00:11 Mr. Kolman provided an overview of HB 669, contained in Exhibit 29.

### **Implementation--Director Tony Preite, Department of Commerce**

- 06:01:49 Tony Preite, Director, DOC, provided a synopsis of the Distressed Wood Products Revolving Loan Program. Director Preite submitted information entitled "Montana Distressed Wood Products Industry Recovery and Stabilization Program (WPIRS)" ([Exhibit 31](#)).
- 06:15:01 Andy Poole, Deputy Director, DOC, submitted information on loan activity ([Exhibit 32](#)) and "Wood Products Industry Recovery and Stabilization Program (WPIRS)" ([Exhibit 33](#)).

### **Questions & Discussion--EQC**

- 06:21:56 Senator Ripley asked at what rate other Missoula Area Economic Development Corporation (MAEDC) money is loaned. Mr. Poole responded.
- 06:23:20 Representative Dickenson asked whether the loans had to be distributed to businesses that meet the federal definition of a "small business," which is less than 500 employees. Mr. Poole provided clarification. Representative Dickenson stated she initially had concerns that loans from the Missoula Development Authority were going to the same people. Mr. Poole provided clarification that only one loan is being made.
- 06:28:00 Senator Keane recalled the intent was the loan had to be for one percent and asked how the percentage came to be four percent. Mr. Poole provided clarification.

06:29:18 Representative Milburn requested Mr. Poole to review the loan application process. Mr. Poole explained how loan determinations were made. Representative Milburn commented on the timber industry and the downturn of economic times. Mr. Poole commented on the concerns affecting Montana's timber industry.

#### **Public Comment**

06:33:50 Mr. Todhunter, Montana Logging Association.

06:35:12 Ellen Simpson, Montana Wood Products Association.

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07:01:15 Director Sexton provided an explanation of the federal stimulus money and the Jumpstart programs for hazardous fuels reductions.

#### **AGENCY OVERSIGHT: DNRC HOMESITE/CABIN LEASING PROGRAM--DNRC Director Sexton & Jeanne Holmgren**

07:04:41 Director Sexton submitted and reviewed "Analysis of Lease Rent Calculation Alternatives for Cabinsites on Montana's State Trust Lands" ([Exhibit 34](#)) and "Analysis of Cabinsite Lease Payment Alternatives" ([Exhibit 35](#)).

#### **Public Comment**

07:24:54 Jeff Cunniff, retired finance officer from Great Falls.

07:31:15 Brian Tanko, an attorney from Kalispell, submitted a written position paper from the Montana State Leaseholders' Association ([Exhibit 36](#)). Mr. Tanko also submitted a PowerPoint presentation depicting the results of a leaseholder survey ([Exhibit 37](#)).

07:45:02 Bob Warren, President, Beaver Lake Homeowners' Association.

07:52:29 Sheila Stearns, Commissioner of Higher Education.

07:55:38 Roy Andes, an attorney from Helena.

#### **Questions & Discussion--EQC**

08:02:09 Representative French asked for clarification that lessees do not pay taxes on their leased land but pay taxes only on the improvements. Director Sexton agreed. Representative French was interested in the value-per-acre difference in leased land in Eastern Montana versus leased land in Western Montana. Director Sexton responded.

08:05:13 Ms. Holmgren, DNRC, made additional comments.

08:07:39 Representative French addressed Mr. Tanko and asked what a cabin would rent for on Flathead Lake. Mr. Tanko deferred the question to Ms. Holmgren who stated leases would not be fully phased in until 2013. Representative French clarified she wanted to know how much it would cost to rent a cabin. Ms. Holmgren referred to Appendix E, Exhibit 34.

08:10:00 Representative French addressed Mr. Tanko and asked whether agricultural leases are being included in lease discussions. Mr. Tanko responded.

08:11:25 Representative Wilmer referred to page 13, Exhibit 34, where the lease rate is compared to other states. Representative Wilmer wondered what criteria were used by the court to decide 3.5 percent is too low. Ms. Holmgren provided an explanation.

08:14:01 Representative Wilmer noted the substantial differences in the 2025 lease amounts for different locations and asked for an explanation. Ms. Holmgren responded.

08:18:27 Senator Tutvedt asked why the five percent is not used on agricultural land. Ms. Holmgren responded. Senator Tutvedt suggested market rates were used instead of the five percent. Director Sexton provided an explanation.

08:22:50 Ms. Holmgren explained how the lease amount was calculated for the Costco store in Kalispell. Senator Tutvedt identified a disconnect with how land is valued and asked how the amount for the leased land for the Kalispell Costco was calculated. Ms. Holmgren provided further explanation of the lease terms.

08:25:27 Senator Keane addressed the past court decision and his past experience with leasing and property appraisal.

08:29:12 Ms. Conradi requested more detail about the joint venture option. Mr. Tanko responded.

08:37:45 Ms. Conradi asked whether the DNRC is concerned about vacancy rates as a result of the price increases. Ms. Holmgren responded.

08:39:54 Ms. Conradi wondered whether the vacant lots were in disrepair and whether the DNRC had experienced improvements not being maintained. Ms. Holmgren responded. Ms. Conradi asked what the impact to the beneficiaries would be if the properties were sold rather than leased. Ms. Holmgren explained.

08:43:13 Representative Smith asked whether new leases were being created. Ms. Holmgren explained no new leases were being created.

08:44:09 Mr. Volesky asked about the rates for comparable properties. Ms. Holmgren directed the EQC to Appendix C, Exhibit 34. Mr. Volesky asked about the vacancy rates for the comparable properties. Ms. Holmgren believed there were very few vacancies.

08:45:43 Representative French commented on compensation for improvements.

08:47:01 Senator Tutvedt provided clarification on compensation for improvements.

08:49:21 Mr. Warren explained the two available options when a lease is turned over.

08:52:25 Representative French asked whether Mr. Warren was aware of the nuances when he leased the property. Mr. Warren responded.

08:54:00 Senator Hamlett asked for clarification that land value in eastern Montana is \$200-\$500/acre. Ms. Holmgren agreed. Senator Hamlett asked about the DNRC's competitive leases and when they occur. Ms. Holmgren provided further explanation about competitive leases. Senator Hamlett commented he was concerned about the appraisals. Ms. Holmgren addressed appraisals. Senator Hamlett wondered about the Flathead property appraisals. Ms. Holmgren responded. Senator Hamlett was curious how much lease property the state had in the Flathead. Ms. Holmgren responded. Senator Hamlett asked for an estimate on how much land the state owns on Placid Lake. Ms. Holmgren estimated the state owned a whole section.

09:01:53 Mr. Cunniff identified 125 cabin sites on Placid Lake and 37 of those are leaseholders.

09:02:26 Senator Hamlett asked whether the state has more property that could be developed as lots in the future. Ms. Holmgren responded that is not the case at Placid Lake since remaining lots do not have water frontage.

09:03:14 Chairman Vincent addressed Mr. Andes and asked whether the people he represents would come to the table and consider alternative four. Mr. Andes could not respond in detail.

09:04:50 Senator Keane moved that the committee send a letter recommending that the Land Board consider alternative four. Senator Keane withdrew his motion.

09:06:02 Senator Tutvedt addressed Director Sexton regarding Plum Creek Timber land.

09:07:33 RECESS

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