An Analysis of the Libby Dam construction impact on local governmental operations

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The University of Montana
AN ANALYSIS OF THE LIBBY DAM CONSTRUCTION IMPACT
ON LOCAL GOVERNMENTAL OPERATIONS

By

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Date

Aug 7, 1968
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I would like to acknowledge the time and effort generously donated by the various persons who head and staff the governmental offices in Lincoln County. I should mention that one problem which these people have had to face as a result of the construction of Libby Dam has been the continual questions, interviews, and telephone calls with which I have bombarded them. Although I cannot thank each one of them here, I would like to extend special gratitude to Mr. Earle Winfrey, the Mayor of Libby, who was instrumental in the initiation of a study on the economic impact of the construction of Libby Dam. This study was funded by the Economic Development Administration of the United States Department of Commerce and directed by Dr. John H. Wicks. I am grateful to both Dr. Wicks and the study for the financial aid and the opportunity to prepare this thesis.
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CHAPTER I

INTRODUCTION

In the spring of 1966, the United States Army Corps of Engineers began construction on the $352,000,000 Libby Dam in Lincoln County in northwestern Montana. It was obvious that the project would have a tremendous impact upon many aspects of the county, but it was unclear how the project would affect the governmental sector. The Corps of Engineers supplied data regarding the expected employment levels, population influx, school enrollments, and economic activity, but very little information on the impact that the local governments could expect.

This thesis was conceived to fill this void and provide specific answers to the impact questions. Although the answers are particular to the Libby Dam project, they should be useful to any other governmental body faced with a similar project in the future. They could also be valuable to the Corps of Engineers or any other government agency that desires to ameliorate the impact associated with its projects. Finally, the thesis could aid legislators and others in evaluating the responsiveness and effectiveness of local governments under such conditions.

The research itself was conducted through letters, questionnaires, and personal and telephone interviews. Initially, letters were sent
to all the major officials of the county and city governments. The letters briefly explained the purposes of the study and the enclosed questionnaire. Each official was asked to identify the specific effects and problems encountered by his office that were distinctly traceable to the construction project. Secondly, they were asked to list the actions and to estimate the costs of the actions that were undertaken in response to these effects and problems. Finally, each official was asked to comment on the additional problems, effects, responses, and costs that were expected to arise before the construction terminated.

Following the letters, each official was contacted and arrangements were made for long-distance telephone interviews. Although these interviews were encouraging, personal interviews were planned for several reasons. First of all, it was nearly impossible to contact some officials by telephone. Other officials did not respond well to telephone interviews. Finally, the interviewer could gather certain information and experience unavailable by telephone. Subsequently, two different one-week periods were spent in the area. As the thesis was written, more letters and telephone interviews were conducted in response to the many questions that arose.

Within the thesis itself plans for a literature review were omitted because of the narrowness of the topic and the dearth of related research. Similar topics for the most part involved economic matters alone, notably business conditions, and the differences between the before and after conditions of an area resulting from the establishment of an industry, dam, or interstate highway. The inten-
tion of this thesis, however, has been to examine the impact of the actual construction of the project upon the governmental sector and not to compare the post-Libby Dam with the pre-Libby Dam governmental conditions.

The thesis begins, following the introduction, with a chapter on the Libby Dam project, including a brief history, physical specifications, and the expected employment and financial effects. The third chapter provides a background summary of Lincoln County including major demographic, geographic, governmental, and economic characteristics. Chapter four, "Governmental Impact, Lincoln County," begins with an elaboration of the major effects and problems. It continues with a discussion of the impact on the major functions of the county government. Chapter five involves the impact upon the municipal governments with brief reports of the impact on some miscellaneous government agencies. The final chapter presents a summary, conclusions, and suggestions for further research.
CHAPTER II

THE LIBBY DAM AND RESERVOIR PROJECT

The Eighty-first Congress of the United States enacted the 1950 Flood Control Act authorizing the construction of the multi-purpose hydroelectric Libby Dam and reservoir on the Kootenai River in northwestern Montana. Actual construction of the dam had to await the negotiation and acceptance of a treaty with Canada regarding the development of the Columbia River Basin which drains the northwestern United States and southwestern Canada. The dam itself will be a major link in this development, and its reservoir will extend some forty-two miles into Canada.

Following ratification by Congress in 1961, the treaty with Canada was consummated at ceremonies on September 16, 1964. Provisions of the treaty required that construction of the Libby Dam begin within five years, and that the reservoir storage commence within seven years after the start of the dam's construction. Under the direction of the United States Army Corps of Engineers, construction began in the spring of 1966. At that time the construction timetable called for the reservoir to begin filling in 1972 and the project to be completed by 1974.

1The facts and figures of this chapter were supplied by the office of the Resident Engineer, United States Army Corps of Engineers, Libby, Montana.
The decision to construct Libby Dam was based on the benefit-cost analysis prepared by the Corps of Engineers. It yielded a benefit-cost ratio of 1.5 to 1. The values of the benefits were discounted by present-worth methods, using an interest rate of 2.875 percent. Table 1 below presents a summation breakdown of the major estimated costs of the project.

**TABLE 1**

**ESTIMATED COSTS OF LIBBY DAM CONSTRUCTION**
**BY MAJOR CATEGORIES (IN 1966 PRICES)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road Relocations</td>
<td>$65,541,000</td>
</tr>
<tr>
<td>Railroad Relocation</td>
<td>111,512,000</td>
</tr>
<tr>
<td>Land Acquisition and Damages</td>
<td>5,755,000</td>
</tr>
<tr>
<td>Dam, Reservoir, and Power Plant</td>
<td>125,291,000</td>
</tr>
<tr>
<td>Recreation and Fish and Wildlife Facilities</td>
<td>4,756,000</td>
</tr>
<tr>
<td>Supervision, Administration, Engineering, and Design</td>
<td>33,710,000</td>
</tr>
<tr>
<td>Other</td>
<td>5,435,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$352,000,000</strong></td>
</tr>
</tbody>
</table>

Because organized, relevant markets exist, these cost figures were easier to determine and are more reliable than the estimated values of the benefits.

Foremost among the benefits, and one for which reliable market prices are available, will be the generation of power both at Libby

---

2This rate was selected apparently because it was the long-term governmental borrowing rate that prevailed at the time of the analysis.
Dam and at downstream hydroelectric facilities through the controlled release of storage from the Libby reservoir. In addition to enhanced power generation, the reservoir will provide approximately 4,965,000 acre-feet of water storage for downstream flood protection. This should eliminate flood damage for downstream communities in Montana, Idaho, and the Creston Flats area of British Columbia in Canada. Furthermore, it will combine with other existing and future flood control facilities to become a major element in providing flood protection along the lower Columbia River in Washington and Oregon.

Another important benefit is the provision of recreational facilities. The Corps of Engineers will construct and maintain visitor accommodations at and near the dam site, while the United States Forest Service has accepted the responsibility of developing the recreational potential of the reservoir and adjacent areas. The Forest Service presently plans to provide facilities for boating, swimming, fishing, hiking, camping and picnicking. Private individuals and organizations will also be encouraged to provide supporting visitor facilities through concession leases.

Returning to the cost side of the project, the dam, reservoir, and supporting facilities will require about 40,897 acres of land, of which approximately 15,000 acres are federally owned. Although land acquisition represents only a small fraction of the total project cost, the necessary relocation of existing facilities in the area will be relatively expensive. Major relocations include 118 miles of highway and Forest Service roads and sixty miles of the main line of the Great Northern Railway. The latter also requires the construction of
a seven mile tunnel along its new routing.

The dam, costing approximately $78,445,000, will be a concrete gravity structure with a spillway section. It will rise about 420 feet above bedrock (370 feet above the stream bed) and be about 3,000 feet long at the crest. The power plant will include an initial installation of four 105,000 kilowatt generators with provisions for the eventual installation of four additional units. The reservoir will back up the waters of the Kootenai River for ninety miles, have a gross storage capacity of 5,850,000 acre-feet of water, and maintain a normal elevation of 2,459 feet above sea level.

Although the physical specifications of the project are interesting, the important effects for the governmental sector are employment levels, work placement, and length of the project. The project will continue in varying degrees of activity for at least eight years. During this period workers will be needed for actual construction, for supervisory work with the United States Army Corps of Engineers, and in support of the construction employment. Table 2 (page 8) presents data on the average annual employment levels and work placement. Figure 1 (page 9) presents the Corps of Engineers' estimates of the changing employment levels through the construction period. The extreme variance illustrates the necessity of curtailing certain construction work during the winter months, the beginning and completion of certain sub-projects, and the maximum availability of labor during the summer months.

In addition to the primary employment on the dam project, secondary employment will be generated through the needs of the project and
its employees. While many of these jobs will be filled by single individuals, a substantial number will be occupied by married men and married men with families. The resultant population influx will easily exceed the total contract-created employment and will have a major effect on all sectors of the county. Corps of Engineers' estimates of the maximum increases in population are 4,400 for the Libby area, 700 for the Eureka area, and approximately 6,000 for the entire county, or about 48 percent of the county's 1960 population.

### TABLE 2

**AVERAGE EMPLOYMENT ON LIBBY DAM PROJECT AND WORK PLACEMENT BY CALENDAR YEARS**

<table>
<thead>
<tr>
<th>Actual Year</th>
<th>Average Employment Levels</th>
<th>Work Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>431</td>
<td>$12,100,000</td>
</tr>
<tr>
<td>1967</td>
<td>1182</td>
<td>40,600,000</td>
</tr>
<tr>
<td>Projected</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>1639</td>
<td>55,000,000</td>
</tr>
<tr>
<td>1969</td>
<td>2009</td>
<td>73,000,000</td>
</tr>
<tr>
<td>1970</td>
<td>1997</td>
<td>72,000,000</td>
</tr>
<tr>
<td>1971</td>
<td>1695</td>
<td>38,000,000</td>
</tr>
<tr>
<td>1972</td>
<td>835</td>
<td>23,000,000</td>
</tr>
</tbody>
</table>
Figure 1. Estimated Contractor and Corps Personnel Requirements for Construction of Libby Dam Project.
CHAPTER III
THE COUNTY

Since this thesis will examine the impact of the project on the governmental sector in Lincoln County, it will be useful to examine some of the important characteristics of the county. Occupying 3,715 square miles of northwestern Montana, Lincoln County is bounded by Idaho, Canada, and two other Montana counties (see map page 14). The primarily mountainous and heavily forested terrain is cut by three principal river valleys, the Kootenai, running south from Canada and west into Idaho, and the Fisher and Tobacco River valleys. These valleys provide the principal areas of settlement for the population.

The population of the county, 12,537 according to the 1960 census, is centered primarily in the three incorporated communities of Libby, Troy, and Eureka. The table below lists their populations along with that of the county for the 1940, 1950, and 1960 censuses. Actually the clustering of the population is more accurately revealed by the fact that the population in and near Libby was nearly 7,347 in 1960, while the corresponding population for the Eureka area was nearly 3,054. The total of these two represents approximately 80 percent of the county's total 1960 population.

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TABLE 3
POPULATION OF LINCOLN COUNTY
AND MAJOR MUNICIPALITIES*

<table>
<thead>
<tr>
<th>Year</th>
<th>Eureka Pop.</th>
<th>Libby Pop.</th>
<th>Troy Pop.</th>
<th>Lincoln County Pop.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>912</td>
<td>1,837</td>
<td>796</td>
<td>7,882</td>
</tr>
<tr>
<td>1950</td>
<td>926</td>
<td>2,401</td>
<td>770</td>
<td>8,639</td>
</tr>
<tr>
<td>1960</td>
<td>1,229</td>
<td>2,828</td>
<td>855</td>
<td>12,537</td>
</tr>
</tbody>
</table>


The lowest point in Montana lies along the Lincoln County-Idaho border where the elevation of the Kootenai River dips to 1,820 feet, but several mountains in the county reach over 8,000 feet. The Cabinet Mountains Wilderness Area south of Libby contains over 94,000 acres of this high mountain country. Although the climate is relatively mild for Montana, the mountainous terrain and the influence of the Canadian weather combine to produce a short growing season. Nevertheless, agriculture ranks as one of Lincoln County's primary sources of economic support.

The dominant feature of the county is the heavily forested terrain. The Kootenai National Forest blankets almost the entire county, and as a result the lumber industry dominates the economic life of the region. Approximately 200 million board feet of timber are harvested within the county annually. The principal processor of wood products is the St. Regis Lumber Company which employs about 1,400 people, most of whom work in its Libby plant. In addition the firm and other pri-
vate operators employ a substantial number of workers to cut and haul logs for the sawmills. In support of this employment, the United States Forest Service has 165 permanent personnel to handle maintenance and supervision of the Kootenai National Forest. This permanent staff is augmented by about 200 workers during the busy summer season.

Mining is also important to Lincoln County, although only one firm presently accounts for substantial employment. The Zonolite Division of the W. R. Grace Company operates on what appears to be the largest vermiculite deposit in the United States, a few miles north of Libby. Presently 165 workers are employed in mining, primary processing, and shipping of the mineral to customers across the United States.

As an indication of the economic activity, Table 4 presents the gross incomes of the county for alternate years 1957 through 1965.

TABLE 4
TOTAL ADJUSTED GROSS INCOME PER TAX RETURNS FOR LINCOLN COUNTY*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Adjusted Gross Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>$13,783,130</td>
</tr>
<tr>
<td>1959</td>
<td>16,022,087</td>
</tr>
<tr>
<td>1961</td>
<td>15,762,124</td>
</tr>
<tr>
<td>1963</td>
<td>17,535,247</td>
</tr>
<tr>
<td>1965</td>
<td>22,279,793</td>
</tr>
</tbody>
</table>

*Montana, State Board of Equalization, 18th, 19th, 20th, 21st, and 22nd Biennial Reports, Helena, Montana.

Assuming a 1959 population of 12,000, the 1959 per capita gross income
would have been approximately $1,335. Although gross income is only a very coarse estimate of the economic activity, these figures help focus the size of the construction project when compared with the cost figures of Tables 1 and 2.

The government of Lincoln County, headquartered in Libby, is operated by elected officials including the three commissioners. The three incorporated cities, Troy, Libby, and Eureka, each operate a mayor-councilman form of government. These officials are elected from wards within the city to handle the required governmental functions. These requirements thus far have not been great enough to demand more than a few full-time city officials. The duties of both the city and county officials will be specified further in the following chapters.
MAP OF LINCOLN COUNTY
Inset Showing Relation to Montana and Neighboring States
CHAPTER IV

GOVERNMENTAL IMPACT, LINCOLN COUNTY

The primary impact of the construction of the Libby Dam upon the government of Lincoln County has been the tremendous expansion in the demands for government services. This expansion has been mainly the result of three effects of the project: the population influx, the increase in the general and financial activity, and the uncertainty, variability, and rapid change associated with these conditions. The additional population has required more of the normal services of the county government: licensing, education, assessments, protection, sanitation, welfare services, legal advice, and information, to name a few. Furthermore, more people bring in more of the traditional problems: crime, accidents, tax evasion, assessment disputes, and complaints, for example. Finally, the rapidity of the population influx and the particular nature of the construction project have made special demands upon the government: numerous land transfers, fluctuating school enrollments, zoning problems, traffic problems, and policing difficulties.

In meeting the increased work load the county offices have experienced many problems, of which the four major ones have concerned: (1) personnel, (2) shortages of space, equipment and supplies, (3) budgets, and (4) other necessary adjustments in policy and in the quality
and quantity of services provided. Of course these problems are necessarily related to each other and to a host of other secondary effects and problems. These interrelationships will become more apparent as the impact is considered in terms of the county government's major functions. However, these problems are important enough that some elaboration will provide perspective.

### TABLE 5

**ADDITIONS TO COUNTY GOVERNMENT STAFF BECAUSE OF DAM IMPACT**

<table>
<thead>
<tr>
<th>County Office</th>
<th>Additional Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Welfare</td>
<td>3(\frac{1}{2})</td>
</tr>
<tr>
<td>Assessor</td>
<td>3</td>
</tr>
<tr>
<td>Treasurer</td>
<td>2(\frac{1}{2})*</td>
</tr>
<tr>
<td>Attorney</td>
<td>1</td>
</tr>
<tr>
<td>Sheriff</td>
<td>3</td>
</tr>
<tr>
<td>Clerk and Recorder</td>
<td>(\frac{1}{2})</td>
</tr>
<tr>
<td>Rural Schools</td>
<td>7 (teachers)</td>
</tr>
<tr>
<td>Libby Schools</td>
<td>4(\frac{1}{2}) &quot;</td>
</tr>
<tr>
<td>Eureka Schools</td>
<td>5 &quot;</td>
</tr>
<tr>
<td>Health and Sanitation</td>
<td>(\frac{1}{2})</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
</tr>
</tbody>
</table>

*Has added two full-time; the one-half is used to represent the hiring during January and February of two full-time employees in Libby and one part-time employee in Eureka.*
Foremost among the major problems has been the need for additional staff in nearly every office. Table 5 shows the number of employees that have been added thus far, although it is at best a conservative estimate. The table fails to include any measure of the overtime work that the county officers and their staffs have put in without compensation; also no reliable estimates were available for the amount of work that has been done by part-time help, those employed for a few days or hours during certain rush periods.

Besides the need for more employees, the personnel problem has been magnified by difficulties in both acquiring and maintaining qualified, experienced employees. The schools in particular have found it difficult to hire enough properly certified teachers and as a result, emergency authorizations were required for thirteen rural, four Eureka, and eleven Libby teachers for the 1967-68 school year. These authorizations allowed the school system to appoint to vacant positions teachers who lacked certification or were assigned to educational duties for which they were improperly trained. Although the prospects for the 1968-69 school year were much improved, it was expected that a total of between seven and fifteen such authorizations would still be required.

County governments have traditionally had problems in keeping qualified, experienced employees, primarily because of low salaries. With its attractive wages and high availability of employment, the Libby Dam project has augmented the turnover problem. Handicapped in some cases with salaries set by the state of Montana, the county offices have been unable to meet the competition. The result has been a
higher rate of turnover, as in the sheriff's department, where three employees have already been lost.

In response to the expanded work load and the additional number of employees, a second major problem has developed concerning shortages in space, equipment, and supplies. Dedicated in 1936, the Lincoln County courthouse was expected by its builders to last a hundred years. In the last two years, however, overcrowding in the courthouse has forced major readjustments in the form of the expansion of some offices and the moving of others. These adjustments in turn have caused the necessary removal of two non-county, rent paying agencies from the courthouse, while a third, the county attorney, willfully consolidated his county duties with his private practice, thereby opening up additional office space. Even more dramatic in terms of space shortage has been the expansion of classrooms within the county. With the help of the United States Army Corps of Engineers, fifty-one additional classrooms have already been provided, including thirty-six at Libby and ten at Eureka. Furthermore, a new forty-room junior high school is scheduled for completion at Libby in 1969, and a new elementary school with six classrooms, a gymnasium, and other special facilities is being planned for Eureka.

Space problems have also grown because of the extra supplies and facilities that have been added along with the new personnel. The additional record keeping required by the expansion of services is the most notable example. Several offices have acquired photocopying machines, the assessor's office bought an $8,000 accounting machine, and the clerk and recorder's office purchased $5,000 worth of micro-
filming equipment to solve its shortage of space for the storage of county records. Again, the most prominent expansion of equipment and supplies has been in the schools. The expanded enrollment and physical plant required additional desks, textbooks, chalk, and other educational paraphernalia. Several busses have also been added to transport the expanded enrollment in the outlying areas of the county.

Additional employees and equipment have in turn required more money. At the county level the growing need for government services has been paralleled by a growing amount of taxable property. However, Montana state law restricts annual budget increases in most of the county offices to a maximum of 5 percent of the previous year's budget. With greater needs and rising prices, the county budgets have become a major problem. Budget shortages near the end of the 1966-67 fiscal year were met by using unspent portions of the over-all county budget.

In fiscal year 1967-68, however, unused monies were not available. Since several offices had already exceeded their allotted budgets, emergency appropriations were granted by the county commissioners. The sheriff's department received an emergency budget of $12,550 plus $3,000 for the maintenance and boarding of prisoners, the treasurer's office received $6,000, a poor fund emergency of $15,000 was established for a surplus commodities program when the county failed to qualify for the food stamp program in late 1967, and other emergency

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^When the budget of a county office is depleted before the end of the fiscal year, the county commissioners can authorize an emergency budget appropriation allowing the office to continue to operate and incur expenses. The expenses are honored by county warrants and paid for out of the over-all county budget in the following year.
budgets were granted to the assessor's office for $10,550 and to the clerk of court's office for $2,500. Maximum budget increases were granted for every major office in the preliminary budget for 1968-69, but it appeared almost certain that emergency budgets would again be required during the new fiscal year.

Although emergency budgets allowed the county to expand its services, there was a great deal of pressure upon the individual offices to find other adjustments to their problems. As a result, certain changes in policy and in quality and quantity of governmental services occurred. Most indicative of this was the fact that nearly every office experienced a backlog of work. Some duties were merely postponed in order that other work could be completed. For example, the county assessor revealed stacks of records which she was unable to find time to file. Accordingly, the records accumulated unchecked until it became absolutely necessary to file them.

The problem in the assessor's office obviates the personnel shortage, a problem for nearly every office. Although additional employees had been hired, budget problems and space shortages prevented further additions to the staff. This, of course, affected both the quality and quantity of services provided, as in the sheriff's department, where patrolling and investigation were seriously restricted by shortages of personnel and monies.

Turning now to a more detailed exposition of the impact, the county has been arbitrarily classified according to seven major functions. These functions, not necessarily in order of importance, are: (1) Law Enforcement, (2) Judicial, (3) Taxation: Assessment and Collection,
(4) Welfare, (5) Education, (6) Administration, and (7) Miscellaneous. One notable exception from this list is highways. It is omitted because the impact upon roads is primarily at the state and national levels of government. The importantly affected roads in Lincoln County are federal highways, state highways, and Forest Service roads. Consequently, the county road program has experienced minimal impact, and in fact, it continues to be financed without a county road levy.

This particular classification list was chosen because it lends itself well to a detailed look at the impact while retaining a proper regard for the purposes of county government. Each function is considered individually in terms of the problems and effects that the Libby Dam project has created for it. The emphasis is upon the identification and elaboration of the impact characteristics as they apply to these functions.

Law Enforcement

While house burglaries and bad check cases have increased, civil work accounted for most of the nearly doubled work load in the sheriff's department. Most of the civil work has been due to the influx of construction people, many of whom had left unfinished business elsewhere which required continuing civil action (for instance child support cases). In response the sheriff has hired a dispatcher and two additional deputies, one each at Eureka and Libby. The new Libby deputy devotes full time to civil work and is assisted part-time by another deputy. Two years ago one deputy handled all the civil work for the county on a part-time basis.

The sheriff's department has been particularly disturbed by the
loss of three men, primarily because of low salaries. At present the monthly salaries are, for the sheriff $433, the under-sheriff $411, deputy sheriffs $390, clerk $300. Beginning dispatchers start at $225 per month and are raised to $250 after six month's service. The sheriff's department is faced with salaries set by state law, six-day work weeks, and long hours, and high salary construction jobs will inevitably augment the turnover problem.

With the county-wide increase in crime, the average number of prisoners quartered at the county jail has increased from a 1965-66 average of 2 to 5 to a present average of from 8 to 12. Prior to the impact the number of prisoners was often so small that the sheriff took them to eat in cafes rather than serve them meals in their cells. This has not happened since 1966.

The rise in the average number of prisoners has enlarged a special problem for the Lincoln County sheriff. In addition to his own prisoners, he must quarter prisoners from the highway patrol, the Fish and Game Department, and the towns of Troy and Eureka, who will be held for more than two days. It costs $1.75 per day for each prisoner, so the state or the towns reimburse Lincoln County for the use of the jail. However, this money goes into the Lincoln County general fund rather than into the sheriff's department budget from which it is spent, thereby multiplying the bookkeeping procedure for the sheriff.

Restricted by the 5 percent budget increase each year, the sheriff's department has needed emergency budget appropriations to maintain the present level of service, and has been unable to meet three important needs. First, it needs at least one other full-time deputy,
especially one experienced for investigations. Secondly, the department needs additional personnel to substitute for vacations and during absences due to illness. While one dispatcher was sick the sheriff's wife substituted, without pay, on the midnight to 8 a.m. shift. Finally, a low mileage budget restricts patrolling duties to seriously low levels.

Judicial

According to the county attorney, the Libby Dam project has caused his office a dual-natured increase in the work load. First, more criminal work is required in response to a 15 percent increase in bad check cases and a 7 to 8 percent increase in other crimes. Secondly, there is more civil work, including a 10 percent increase in subdivision work, added school bond work, and the new airport. To meet the additional work load the office staff has been adjusted from three part-time employees to two full-time and one part-time workers. Furthermore, the county commissioners have authorized the addition of a deputy county attorney at the cost of $4,100 per year.

The increase in crime that has affected the offices of both the sheriff and the county attorney has in turn affected the clerk of court. The higher number of crimes has placed added burdens on the court, the most serious of which has been the increase in the number of trials. Hence, more jurors were used in the 1967-68 year, and an emergency budget of $2,500 was needed.

Taxation: Assessment and Collection

With the advent of the Libby Dam project there has been a tremen-
dous increase in the county in the number of automobiles, trucks, mobile homes, heavy equipment, businesses, contractors, sales of property, and in the amount of personal property, all of which are subject to licensing or property taxation. The increase in the county's taxable valuation from a 1966 total of $11,995,629 to $14,220,889 in 1967, and finally to $16,140,420 in 1968 partially indicates this increase. However, the State Board of Equalization decreased the county's railroad assessment by $199,707 and the net proceeds assessment by $92,758 between 1967 and 1968. Another example of the influx of property and equipment is the increase in mobile homes from 204 on July 1, 1967 to approximately 2,000 as of June 1, 1968.

The obvious result has been a greater work load for both the county treasurer and assessor. To meet the expanded load the assessor's office has hired three additional office girls at $250 per month, bought an $8,000 accounting machine, and acquired two additional office rooms through a series of courthouse adjustments. The treasurer's office has added two more employees, each receiving $3,200 annually, while two other employees were used for only the months of January and February. Needed office space was acquired for the treasurer in the same move that the assessor's office utilized. Finally, the assessor and treasurer together hired an employee for two days a week in Eureka at licensing time during January and February.

These efforts have not, however, solved all the problems. Additional problems for the treasurer's office have been caused by added school budget work and the growing number of county bills that must be paid. Both offices were burdened further as vehicle license sales con-
tinued at high levels even into June, when about forty licenses were still being sold per day. Also, more people have been visiting the office windows in search of information, or, most often, to complain about taxes or assessments.

The most serious assessment problems have occurred as a result of the condemnation proceedings required for the dam project. Without waiting for the completion of court proceedings, the Corps of Engineers has in some cases authorized project work on contested properties. Although these lands were still owned by private individuals and had remained on the tax roles as such, the owners fought for exemption on the grounds that the lands were no longer of any value to them. Subsequently the assessor's office had to run a crash program with the Corps of Engineers to determine which parcels of land were improperly assessed. This often involved placing values on certain small portions of land, according to their productivity and value. This procedure was involved, costly, and very likely imperfect.

The result of these reassessments was a loss of taxable property to Lincoln County. Although the loss was not substantial, the Corps of Engineers has acquired other properties, causing their removal from the tax rolls, and has then rented these properties back to the original owners until vacancy is required. This practice was particularly frustrating to the assessor.

The quality of service rendered has been below the standards desired by both the assessor and treasurer. The treasurer has wanted to hire a part-time tax collector (who would be deputized and paid at the rate of a deputy sheriff), but no one has taken the job yet. Both of-
officials would like to hire additional office help, but are restricted by their budgets and shortages of space and equipment. Both have exceeded their allotted budgets during the past two years and expect to do so again in 1968-69. If the work load continues to grow, however, more employees will be hired and paid for through emergency budgets. If this occurs, a night shift will be required because no additional space and facilities will be available.

Welfare

As the construction of Libby Dam got under way, employment levels rose slowly, but the lure of high paying jobs brought a surplus of workers into the county. Many of these early arrivals, already faced with financial problems, were unable to secure employment and consequently turned to the county for assistance. Others sought the county's help in order to retrieve their children from foster homes and institutions located elsewhere. Finally, the influx of population brought additional people in need of advisory and case work.

As these demands increased, the welfare department secured additional staff members, moved to larger quarters in the basement of the courthouse, adjusted and raised its budget, and turned to the federal government for emergency assistance. Staff additions included one stenographer, two caseworkers (one of whom was hired as a child welfare worker), and one homemaker, the need for which existed in part prior to the impact. As the allotted monies for general assistance and child welfare were exceeded, funds from unused portions of the welfare budget, notably the county medical portion, were utilized. Prelimi-
nary budgets for the coming year were adjusted accordingly. The child welfare budget, for example, was increased by approximately two-thirds.

As the need for general assistance continued to grow, the welfare department applied but failed to qualify for the federal food stamp program. Consequently, a $15,000 emergency budget was authorized by the commissioners to set up a surplus commodities program. Finally, however, the county did qualify for the food stamp program. Because more people were eligible for the food stamp than the surplus commodities program, the potential burden on the welfare department was considerably relieved.

In administering the Old Age Assistance, Aid to Dependent Children, Aid to the Blind, and other similar programs, the welfare department has encountered one particularly difficult problem. Housing has traditionally been in short supply in Lincoln County, and with the added demand from the population influx, rents have increased substantially. Welfare payments, however, provide very little money for rent. Under Aid to Dependent Children, the maximum rent subsidy for a family of five is only $55.00, and only $65.00 for a family of six. An older man or woman living alone is allowed a maximum of $27.50 under the Old Age Assistance program. As a result, families and individuals living on welfare payments are forced to reduce expenditures on food and other items in order to meet the high rental costs.

The welfare department could experience its severest problems during the future. If a bitter winter sets in causing mass construction layoffs for long periods, unemployment compensation funds could run out and cause a large increase in the number of people seeking
assistance. Besides the threat of winter, the welfare department may face additional problems when the construction reaches the completion stage. When the massive layoffs occur at that time, some workers will be reluctant or unable to leave but will not be able to find new jobs in the area. If this happens to a large number of workers, the need for county assistance could become a major problem.

**Education**

The primary impact upon the educational system in Lincoln County has been the increase in school enrollments. Total school enrollment in Libby had increased at an annual average rate of 6.2 percent from 1950 to 1964. The increase in the enrollment for the 1966-67 school year was 16 percent, while enrollment for the 1967-68 school year was up 18 percent over the previous year. The following table presents the enrollment figures for Libby according to the three divisions, elementary, junior high, and senior high. Included also is an attempt to measure the number of impact students. The "normal" total enrollment column was calculated by increasing the enrollments each year by 6.2 percent beginning from the 1965-66 enrollment of 2,319. In turn, this column is subtracted from the actual total enrollments to obtain the estimated number of impact students, as shown in the final column. Libby school officials expect another 300 to 500 impact students in the 1968-69 school year, followed by a more normal yearly increase through the peak year enrollment in 1971-72. Thereafter they expect major enrollment decreases through 1974.

In Eureka the average annual increase in enrollment from 1960 to 1965 has averaged about 1.8 percent. In the 1966-67 school year, however,
total enrollment was up 13.4 percent, and in 1967-68 it was up 15.7 percent. Table 7 corresponds to Table 6 except that the normal enrollment is computed using an annual average increase of 1.8 percent.

**TABLE 6**

LIBBY SCHOOL ENROLLMENTS*

<table>
<thead>
<tr>
<th>School Year</th>
<th>Elementary Grades 1-5</th>
<th>Junior High Grades 7-9</th>
<th>Senior High Grades 10-12</th>
<th>Actual Total Enrollment</th>
<th>&quot;Normal&quot; Total Enrollment</th>
<th>Impact Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-66</td>
<td>1,311</td>
<td>559</td>
<td>449</td>
<td>2,319</td>
<td>2,319</td>
<td>0</td>
</tr>
<tr>
<td>1966-67</td>
<td>1,527</td>
<td>606</td>
<td>557</td>
<td>2,690</td>
<td>2,463</td>
<td>227</td>
</tr>
<tr>
<td>1967-68</td>
<td>1,789</td>
<td>767</td>
<td>638</td>
<td>3,194</td>
<td>2,616</td>
<td>578</td>
</tr>
</tbody>
</table>

*Libby and Eureka school officials and Lincoln County Superintendent of Schools.

**TABLE 7**

EUREKA SCHOOL ENROLLMENTS

<table>
<thead>
<tr>
<th>School Year</th>
<th>Elementary Grades 1-8</th>
<th>High School Grades 9-12</th>
<th>Actual Total Enrollment</th>
<th>&quot;Normal&quot; Total Enrollment</th>
<th>Impact Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-66</td>
<td>361</td>
<td>257</td>
<td>618</td>
<td>618</td>
<td>0</td>
</tr>
<tr>
<td>1966-67</td>
<td>408</td>
<td>293</td>
<td>701</td>
<td>629</td>
<td>72</td>
</tr>
<tr>
<td>1967-68</td>
<td>474</td>
<td>337</td>
<td>811</td>
<td>640</td>
<td>171</td>
</tr>
</tbody>
</table>
In the 1968-69 school year, total enrollment is expected to rise to about 930 students. In 1969-70, enrollment should decrease slightly with a major drop the following year, according to Eureka school officials.

In the smaller elementary schools in the rural areas of Lincoln County, enrollments have also risen significantly. The table below presents the enrollments of the rural schools that have been affected by the dam project, for the six school years from 1962 through 1968.

**TABLE 8**

<table>
<thead>
<tr>
<th>ENROLLMENTS IN RURAL ELEMENTARY SCHOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Varland</td>
</tr>
<tr>
<td>Fortine</td>
</tr>
<tr>
<td>Trego</td>
</tr>
<tr>
<td>Kocan- usa</td>
</tr>
</tbody>
</table>

Column six shows the average annual enrollments in these schools for the four school years 1962 through 1966. These average enrollments are a rough measure of the enrollments that would have prevailed if Libby Dam had not been built. These averages can be compared with the actual enrollments in columns seven and eight as an indication of the number of additional students brought in by the dam project.

In response to the higher enrollments the school systems have increased budgets and added classrooms, teachers, books, and supplies.
In Libby thirty-six classrooms were provided by the Corps of Engineers at a cost of $1,000,000. In 1969 a new junior high school will be completed at a total cost of $2,400,000, $900,000 of which is being furnished by the Corps of Engineers. Ten classrooms, office space, and storage rooms have already been built at Eureka by the Corps, while contracts are now being let for the construction of a new elementary school to replace the present facility. The new building will contain six classrooms, a kitchen, a gymnasium-cafe combination, a science room, lavatories, storage space, and a work area for a materials center. Taxpayers will provide $210,000 and the Corps has agreed at least to match this amount. For the rural schools the Corps has built a new five-room school at Trego and provided five mobile classrooms, two at Trego and one each at Warland, Rexford (Koocanusa), and Fortine.

In acquiring additional teachers the school systems have had difficulties in securing enough certified teachers, and therefore several provisional certifications have been required. The following table shows the number of authorizations needed last year and the probable number that will be needed in 1968-69. The number of authorizations for the 1968-69 school year has declined significantly because the schools have had more time to recruit. Some salary raises were granted, including a $200 boost at Eureka in the base salaries. Eureka now offers a starting salary of $6,000 for a nine-month position.

As enrollments climbed, the number of students living three or more miles from school increased also. Because the schools are required to transport these students, additional busses were needed. At Libby four busses have been added for the 1968-69 school year,
three of which are being furnished by the Corps of Engineers at a cost of $10,000 each. For the rural schools one bus will be added to carry students to the Warland elementary school. This will cost the school system $2,939 for the 1968-69 school year. At Eureka, two 54-passenger busses have been added, and four 36-passenger busses have been replaced by two 60-passenger and two 54-passenger busses. The Corps has been asked to contribute $12,750 toward these purchases.

TABLE 9

IMPACT TEACHERS AND EMERGENCY AUTHORIZATIONS

<table>
<thead>
<tr>
<th>Schools</th>
<th>School Year</th>
<th>Additional Teachers Required</th>
<th>Emergency Authorizations Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libby</td>
<td>1967-68</td>
<td>43</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>1968-69</td>
<td>2</td>
<td>4-5</td>
</tr>
<tr>
<td>Eureka</td>
<td>1967-68</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1968-69</td>
<td>4</td>
<td>0-4a</td>
</tr>
<tr>
<td>Rural</td>
<td>1966-67</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>1967-68</td>
<td>-1</td>
<td>3-6b</td>
</tr>
<tr>
<td></td>
<td>1968-69</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

aNone so far, but four more teachers must be hired yet.
bThree so far and three more teachers must be hired.

Two bussing problems have arisen at Eureka, the first one involving a contract bus conflict. The number of students along this bus route had increased beyond the capacity of the contracted bus. Rather than use another bus to haul the remaining children and thereby operate two busses on the same route, the school negotiated a contract release for $2,750 and bought a new bus large enough to handle all the
children. The other problem, still unsolved, concerns a trailer court located along Highway 93 but within the three mile limit. While the school is not legally bound to transport the children of this trailer court, it had been using surplus bus room to do so in order to eliminate the danger to the children of highway traffic. One child was killed two years ago, so the school is anxious to avoid further accidents. However, busses are now so full that they cannot pick up these children, so a potentially dangerous problem exists. There are nearly 100 children who now use this highway route to school and since no one else, including the Corps of Engineers, will provide bus service, the school is seriously considering the addition of another bus to transport these students.

As the enrollments, faculties, and facilities have increased, budgets have also risen. Tables 10 and 11 present general fund budget data for four years.

TABLE 10

ELEMENTARY AND HIGH SCHOOL BUDGETS FOR EUREKA AND LIBBY

<table>
<thead>
<tr>
<th>School Year</th>
<th>Eureka Elementary</th>
<th>Eureka High School</th>
<th>Libby Elementary</th>
<th>Libby High School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-66</td>
<td>$133,577</td>
<td>$146,330</td>
<td>$692,858</td>
<td>$306,650</td>
</tr>
<tr>
<td>1966-67</td>
<td>165,909</td>
<td>184,456</td>
<td>774,123</td>
<td>396,182</td>
</tr>
<tr>
<td>1967-68</td>
<td>211,931</td>
<td>225,934</td>
<td>1,212,392</td>
<td>513,786</td>
</tr>
<tr>
<td>1968-69</td>
<td>246,031</td>
<td>220,654</td>
<td>1,173,850</td>
<td>507,234</td>
</tr>
</tbody>
</table>
TABLE 11

RURAL ELEMENTARY SCHOOL BUDGETS

<table>
<thead>
<tr>
<th>School Year</th>
<th>Warland</th>
<th>Fortine</th>
<th>Trego</th>
<th>Koocanusa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965-66</td>
<td>$14,424</td>
<td>$39,045</td>
<td>$25,368</td>
<td>$42,851</td>
</tr>
<tr>
<td>1966-67</td>
<td>17,204</td>
<td>46,560</td>
<td>26,121</td>
<td>45,999</td>
</tr>
<tr>
<td>1967-68</td>
<td>31,376</td>
<td>57,709</td>
<td>63,859</td>
<td>57,535</td>
</tr>
<tr>
<td>1968-69</td>
<td>25,616</td>
<td>57,873</td>
<td>63,457</td>
<td>56,459</td>
</tr>
</tbody>
</table>

Substantial budget hikes are evident in these figures, but the tables do not reveal the problems associated with budget increases. Budgets are prepared for a school year on the basis of the average number of students enrolled in the previous year, and are financed by the state foundation program and school district levies. Because enrollments were increasing sharply in most of the county schools, budgets prepared on this basis would have been inadequate. Accordingly, school officials applied for "unusual budgeting increase" authority from the county commissioners. Through this authority budgets can be based on expected rather than past enrollments as long as two requirements are met. First, the expected percentage increase in enrollment must be twice as large as the average annual enrollment increase of the previous three years, and secondly, this average annual increase must be at least 3 percent. The Libby and Eureka schools met these requirements for the school years 1966-67 and 1967-68. Although both school systems expected sizeable enrollment increases for 1968-69, they did not reapply, partly because they did not feel they needed
higher budgets and partly because there was some doubt about their eligibility.

Public Law 874 provided additional financing for higher budgets. This is a federal program that appropriates money to local schools for the children of parents employed by divisions of the federal government such as the Forest Service and Corps of Engineers. These appropriations are used to offset district school levies, or, with voter approval, they can be used to augment the budgets established through the foundation program. The voters of Lincoln County approved this latter use of the "874" appropriations in the mill levy elections.

Although the eight budgets listed in the tables experienced sizeable increases, six of them will reduce their 1968-69 school year budgets. Several factors account for the reductions. First of all, the schools have not reapplied for the "unusual increase" budgeting authority. Secondly, the schools are adequately supplied with the desks, textbooks, and other educational supplies that were purchased last year to stock the expanded physical plant. Therefore, only moderate purchases will be required in the upcoming budget. A final reason, at least in Libby, is that school officials had prepared for a 1967-68 Libby enrollment of 3,600, and actual enrollment was only 3,194. This over-preparation has placed the Libby schools in an excellent position financially for the 1968-69 school year. While the upcoming Libby budgets have been reduced, teacher raises of $100,000 were granted, over $53,000 was turned back to the county to reduce taxes, and a reserve fund with $20,000 was established in case of future emergency needs.
In addition to facing problems in raising needed revenues, school officials have had some difficulties in estimating how much enrollments would actually increase and how much money would be required to finance the additional enrollments. As a result, school officials were kept quite busy with census and budget work, and some miscalculations occurred, as in the over-preparation at Libby. Emergency budget supplements were required at Warland in the 1965-66 school year and at Trego in 1966-67 for $16,810 and $25,429 respectively. Another was required at Trego for the 1967-68 school year for $25,450 because a Corps of Engineers' appropriation was mistakenly used to reduce taxes instead of increasing the budget. In Eureka, school officials erred in their release of bond bid invitations, causing a retraction of the invitations and a postponement of the bid letting on the construction of the new elementary school.

Although much of the budget work has involved projecting average enrollments, school populations have experienced sizeable turnovers. The Libby schools, for example, lost 177 students between November 6, 1967, and January 19, 1968, while they gained 173 others during the same period. Concerned officials declared that turnover of such magnitude had been unknown previous to the Libby Dam project, and they connected the turnover directly to the seasonal employment levels on the project. For these officials, the higher turnover rates increased the paper work and record keeping, while for the classrooms they caused some minor disruptions.

Even though the school administrators have been burdened with additional problems, they have apparently been able to continue their
normal duties of maintaining and improving the quality of education. No administrator felt that the quality of education had been impaired as a result of the impact conditions. As the Eureka and rural schools had already approached peak enrollments, their officials were confident that conditions would improve. In Libby, however, officials were somewhat worried about the enrollment increase for 1968-69, and suggested that it could create excessively large classes, discipline problems, and reductions in the quality of education. Because peak enrollment was not expected until the 1971-72 school year, Libby officials anticipated another two years of impact problems before conditions would begin to improve significantly.

Following peak enrollments, the impact problems and effects will probably change. As the school populations decline, room will become available in the expanded physical plants to handle the normal growth of students for as long as ten years before new construction will be required. With the declining enrollments, budgets, based on the past year's enrollments, will experience no shortages and taxes will probably be reduced. Finally, the declining school populations may necessitate reductions in staff, the retirement of some facilities, notably mobile classrooms, and possibly some consolidation of school districts and realignment of boundaries.

Administration

In the administration of county affairs the three Lincoln County commissioners have faced considerable duress during the construction of Libby Dam. All the major problems that have been discussed in
terms of other offices have also been problems for the commissioners. They have been consulted and have made decisions on everything from office space adjustments to the hiring of new workers. The major problem for the commissioners has been budgeting, the magnitude of which is obvious from its occurrence in nearly every county office. While many problems have been handled without involving the commissioners, they have been burdened with those problems which are particularly difficult or insoluble. One problem that has remained unsolved involves the growth of traffic on county roads in the neighborhood of some of the rural schools. The commissioners would like to widen the roads to include pedestrian paths, but first they need to secure ample right-of-way along these roads. This would require condemnation proceedings and so long a time period that the problem would probably disappear before it could be solved.

As the county commissioners worked longer and harder at their posts, the work load increased for the county clerk and recorder, who serves as clerk to the commissioners, pays all county bills, handles voting and registration, works on budgeting, and files all county instruments of record. This office also experienced additional work due to increases in land transfers and in the number of buyers and sellers of property. The clerk's office has had to index and photostat the land transfers and aid the buyers and sellers in searching county land records. To help meet the work load, one part-time employee was hired on a permanent basis. This is costing the county an additional $100 per month. Besides adding the employee, the clerk's office has purchased microfilming equipment in order to reduce the space require-
ments for storage of records. This equipment cost the county about $5,000. The purchase would probably have been made despite the impact, but not until 1973. Additional space is still needed, however, and the clerk is trying to move the commissioners elsewhere and take over their office.

Due to the population growth, the registration of voters has increased. For the primary election one employee worked half-days for $1.75 per hour to handle the added work. The clerk expects to re-hire this employee during registration for the general election. Counting votes is also a responsibility of the county clerk and the commissioners. In this election year they have already spent a great deal of additional time counting votes and verifying election results. The upcoming election budget was increased from $10,000 to $15,000 to meet the increase in voting and registration work.

Miscellaneous

Health and Sanitation.—Prior to the construction of Libby Dam, the city of Libby and the county retained a local doctor on a part-time basis as city-county health officer. The health officer assisted in the occasional need for a sanitarian, but this need has grown beyond his capacity, due to the influx of population, mobile homes, and trailer courts. In response, the commissioners hired the health officer on a full-time basis to serve as county sanitarian as well. The sanitarian is responsible for checking the quality of water and sewage facilities maintained by public businesses and administering state sanitation laws governing their operations. He has spent most of his
time overseeing the operations of trailer courts, and has issued stern warnings to some and closed others because of unsafe water or sewage disposal. He has also investigated individual mobile homes in isolated areas. Although he found some violations, the United States Forest Service owns most of the land on which these trailers have settled, and is therefore responsible for their supervision.

Airport.—The present airport facility at Libby is inadequate for the growing demands on it. Because the Libby Dam construction has increased the airport's usage, the Corps of Engineers has secured appropriations to assist in the building of a new facility. Plans for the new airport required a coordinated effort from the county commissioners, county attorney, city of Libby officials, Montana State Aeronautics Board, and the Corps of Engineers.

County Library.—As the county population has grown, the library has experienced increases in the number of borrowers, the circulation of books, and in the demands for bookmobile service. In 1967, 100 new borrowers signed up in August, and seventy in September. In Libby alone the library was serving 293 more borrowers than in 1966. Since only one card is issued per family, the actual number of additional people using the library is much higher than these figures indicate. The library loaned 3,234 more books during the three month period ending October 31, 1967 than in the comparable period in 1966. This circulation rise only represents the Libby area. In the rest of the county the bookmobile has been required for longer periods and used more intently, especially at Trego.

Two outside circumstances have assisted the library in handling
these added demands. An elementary school library was opened in late 1966 to serve the children of Libby, and two schools at Rexford were consolidated. The latter circumstance freed the bookmobile for an additional half-day at Trego. In July, 1966, the library changed its circulation policy from a two week loan with a two week renewal option, to a four week loan minus renewal privileges. Although not in response to the impact, this policy change has freed time for the clerks to serve the growing number of borrowers, and has reduced greatly the number of telephone calls received by the library.

The major impact of the Libby Dam construction fell on the county and the city of Libby governments. The impact upon the latter is presented in the next chapter followed by brief discussions of the impact upon the cities of Eureka and Troy and on one federal and three Montana governmental agencies.
CHAPTER V

IMPACT ON MUNICIPAL GOVERNMENTS AND MISCELLANEOUS AGENCIES

Libby

As a result of the dam construction, the population around the city of Libby has grown substantially. However, the city's population has not increased significantly over the 1960 census estimate of 2,828. Subsequently there has been a large increase in the demands for city services, but no corresponding increase in the number of taxpayers or in taxable valuations. According to the county assessor, the city's taxable valuation on July 1, 1966, was $1,803,155, on July 1, 1967, it was $1,923,634, and on July 1, 1968, it was $2,395,572. The increase between 1967 and 1968 was attributed by both the Libby mayor and county assessor to be due to a recent annexation. Although annexation would bring more taxpayers and taxable value into the city, Libby is classified by Montana state law as a class "C" city. Therefore, the city cannot annex property on its own, and must wait for annexation to be initiated by suburban property owners. The 1967 annexation was in response to the construction of a new junior high school, and was initiated by school officials. However, no further initiative for annexation is expected.

The two city government services that have been affected most are law enforcement and street maintenance. Two additional police offi-
cers have been hired in response to increases in traffic, tavern use, and some crime. The department also upgraded its patrol units from one old and one new to two new cars. The department has also added "Gomer," a police dog for use with night patrols. The additional cost for the police department adjustments was $9,000 for the 1967-68 fiscal year. In response to much heavier traffic loads, the street department has added two men, each costing an average of $500 per month, and a used motor grader for $8,500. A street sweeper was purchased for $16,000, much sooner than it otherwise would have been needed.

The city fire department has encountered a substantial increase in the number of fires, many of which are of the brush or trash type. Most of these have not been in the city, but the city and Libby rural fire districts jointly handle fires in Libby and in the outlying area. In response to the increase in fires and fire hazards, the department plans a bond election to seek authorization for the purchase of additional equipment, and is planning a fire education program. Other than for new equipment, costs have not increased much because the department is manned entirely by volunteer workers. But if fire problems worsen, a part-time mechanic will be needed for equipment maintenance.

Special impact problems that have affected the city include relations with the Corps of Engineers, the city housing ordinance, and the city dump. The Corps of Engineers worked closely with district school officials in planning the new junior high school for Libby without once contacting the city officials. Before final appropriations could be made, the Corps needed the city's immediate guarantee that it would
have a sewage line constructed and available for the school by a cera-
tain date. The city refused to make this guarantee until it was cer-
tain the necessary easements and arrangements could be assured. In
the meantime, relations between the Corps and city officials were dam-
aged.

Libby presently has ordinances governing mobile homes within the
city. The wheels must be removed, and the homes must be placed on
permanent foundations. Some councilmen think these requirements are
unrealistic, that potential taxable property is excluded from the
city, and that some adjacent areas will not seek annexation because of
their mobile home populations. Although debate has continued, the
councilmen have not resolved this problem.

Another special problem has concerned the adequacy and financing
of the garbage dump. Although the county contributes some funds for
the dump's operation, Libby property owners pay most of the costs.
The influx of population has greatly increased the usage of the dump,
so plans and financing are being made for a new facility. Plans call
for a land-fill type dump with some type of user-fee system.

Troy

Located eighteen miles west of Libby, the city of Troy has experi-
enced very little impact from the construction of Libby Dam. Thus
far, the only discernible impact has been the increase in traffic on
Highway 2 through Troy. Although the increase has not been very sub-
stantial, it has magnified an existing problem with respect to school
children walking along the highway. Many of these children must cross
the highway and many must also use a narrow highway bridge at the
eastern edge of the town in order to reach school. In response, Troy
officials are trying to secure assistance for the installation of
stoplights and the construction of a new bridge.

Eureka

Although the city of Eureka has experienced very few impact
problems, additional work has been required from the police department
and from the street, water, and sewage commissioner. The police de-
partment added one officer, but this move was probably more in response
to expected impact than to actual problems. The commissioners' work,
on the other hand, has increased because heavier road traffic has re-
quired more patching of streets, and because approximately twenty-five
mobile homes have been moved into Eureka. These homes have augmented
the number of users of both the city's water and sewage systems by
about twenty-five and twenty, respectively.

The additional number of water users could increase an existing
water shortage problem. The present water system relies on a creek to
supply the city's water needs, but during hot, dry summers in recent
years the city has had to pump additional water from the Tobacco River.
Consequently, the city has arranged for a study to be made of its
water needs and to recommend possible alternatives to the existing
system.

Two incidental problems have also occurred. Someone tapped the
city water system in order to sell water to mobile homes for his own
profit. The individual was caught and forced to abandon his scheme,
but the city did not prosecute him. The other incident involved a construction crew that had come into Eureka looking for some "action." After the crew forcibly removed the bartenders from a tavern, a posse was organized, comprised of two deputies, two police officers, a highway patrolman, the mayor, some local husky loggers, and others. The crew surrendered peaceably and some of the members were arrested and charged. The following week the posse was again assembled in response to a warning that the crew was angrily headed for Eureka. The crew never showed up, however, and no further problems or threats have materialized.

Montana State Employment Agency

In the early construction period of 1966, the number of job seekers exceeded the number of job openings. Subsequently the state employment agency was besieged by people looking for employment or unemployment compensation checks. In response, the agency in 1967 moved into expanded quarters and added another employee to its office staff. In 1968, still another employee was hired for the summer to help with the clerical duties.

Future problems for the agency will depend upon the magnitude and length of the winter layoffs. Severe winter weather extending for several months would virtually halt all construction work. If this happens it is possible that as many as 2,000 project employees would apply for unemployment compensation. Another future problem could develop when the project is terminated. It is likely that many project workers will seek new jobs within Lincoln County through the state em-
ployraent agency, while others will ask for unemployment compensation checks.

Montana State Highway Department

The impact upon the highway department has taken two forms: heavier usage of existing roads and the relocation of roadways around the reservoir. Within the city limits of Libby, traffic on Highways 37 and 2 has become so heavy the department has accelerated and upgraded plans for improving these two sections of highway. The department now intends to convert the Libby stretch of Highway 2 from two lanes to four lanes, to resurface the city's section of Highway 37, and to provide curbs, gutters, and a proper drainage system along these roads. This work is being scheduled for construction by 1970.

Highway 37 presently runs along the west bank of the Kootenai River. A new fifty-two mile stretch of Highway 37 and fifty miles of forest development road are now being built respectively along the east and west shores of the proposed Libby Dam reservoir. Although the new roads are being financed by the Libby Dam project, the highway department must maintain them. Maintenance work has already increased because the new forest development road is longer than the old one. Winter maintenance has also increased because of the alignment and grades of this new roadway. In response, the highway department has employed additional help costing $7,000 per year and increased its usage of materials such as sand, gravel, and salt. The additional materials cost approximately $500 per year. Finally, the department relocated a section storage garage with some help from the Corps of
Engineers. This move cost the department about $20,000.

Montana State Fish and Game Department

Since 1954 the Montana Fish and Game Department has been concerned about the construction of Libby Dam, especially over the possible impact of the project upon the fish and wildlife resources in Lincoln County. For the most part the department has been interested in the wildlife changes which will occur as a result of the long term existence of the dam and reservoir, and not with the impact of the construction activity. The reservoir will flood a popular winter range for deer and may eventually reduce the permanent deer population. The dam will prevent fish from moving upstream to spawn. Another deer range will be affected by the railroad relocation. These effects are a few examples of the kinds of changes that concern the Fish and Game Department.

Thus far the department has maintained a running battle with the Corps of Engineers, emphasizing that the destruction of wildlife has a social cost for which the Corps should pay. Subsequently the Corps has agreed to construct a $750,000 fish hatchery for the Fish and Game Department. It has not yet agreed, however, to finance a departmental study on the ecology of the Kootenai drainage. This study, considered essential by the department, will cost $30,000 to $40,000 annually and require several years to complete.

The Fish and Game Department has also been affected by the actual construction work. The railroad relocation work has virtually destroyed fishing along twelve miles of the Fisher River. In response,
the department publicized the damage and the Corps of Engineers has now appropriated $5,000 for a Fish and Game Department employee to supervise relocation work along Wolf Creek. The department has also added another game warden in Lincoln County in response to the larger number of hunters and fishermen, and in response to the greater amounts of poaching and other violations.

United States Forest Service

The influx of population associated with Libby Dam has increased the use of public lands tremendously, thereby requiring additional Forest Service supervision, management, and clean-up. This influx has also increased the number of transients, unsupervised children, and trailers using wooded or semi-wooded lands. These, in turn, have raised the local fire risks, and the percentage of man-caused fires has tripled, according to the district ranger.

In response, the district offices have hired part-time clerical help to assist the administrative personnel. Fire prevention work and public contacts and relations have been increased in order to educate new residents in the importance of the proper use of forests. The additional annual cost in the Libby district office was estimated by the district ranger to be between $6,000 and $7,000.
CHAPTER VI

SUMMARY AND CONCLUSIONS

In summary, the most significant aspect of the Libby Dam construction project for the governmental sector has been the size and rapidity of the population influx. Thus, the main effect was the greater need for governmental services, and the main problems concerned the expansion of these services. Most of the problems are not unique to the construction project. The main problem for Libby, an increase in the number of non-paying recipients of governmental services, is a problem for most American cities. For the county, the main problem has been the restrictions on its ability to utilize expanded taxable valuation.

From the research experience with the governmental sector of Lincoln County, the following program is recommended to comparable governmental units that will encounter a project on the order of Libby Dam. These seven steps should be taken before actual effects begin.

(1) Determine the expected population influx and its probable time schedule.

(2) Decide which effects of the population influx are relevant to the provision of governmental services, for example, crime, traffic, and taxable property.
(3) Project an expanded work load for every major office based on the population influx and its effects.

(4) Estimate the additional personnel, equipment, supplies, and space that will be required to meet the increased work load. Estimate the annual budget costs of the additional personnel and supplies and the capital outlay needed for equipment, facilities and space.

(5) Compare the additional costs with some measure of the value of the additional governmental services. If the costs exceed the value, decisions will be required concerning the quality and quantity of service for the impact period. If the costs are less, the quantity and perhaps the quality of service should be expanded.

(6) After these decisions have been made, plan the expected responses and look for obstacles that might interfere with intentions. Obstacles include budget restrictions, desired tax levels combined with expected changes in taxable valuation, and undesirable characteristics of government jobs that restrict the supply of qualified personnel.

(7) Finally, look for special problems that might be caused by the particular nature of the project. Examples from the Libby project include the destruction of wildlife range and the need for condemnation proceedings.

This thesis has reiterated the problems, effects, and costs encountered by the governmental sector of Lincoln County. The necessary responses to these changes can be made more orderly, and the difficulties reduced, through more careful planning, more program evaluation, and better use of information. In Lincoln County the smooth-
est adjustments occurred in the offices employing just such techniques. In most cases these offices were headed by persons who were professionals in the field. The school officials are the best examples. They formulated careful plans and made better use of information than any other offices. Most officials did not make careful plans and their attitude to possible future effects and problems was a "play it by ear" approach. As a result these officials had difficulty in maintaining an overall view of their offices, as affected by the construction of Libby Dam and rapidly changing conditions.

This thesis was not meant to be an exhaustive study of the governmental impact of Libby Dam, nor the final word in impact studies. It is a case study of only one project and further studies are needed before more viable generalizations can be made. More intensive cost studies would be particularly valuable.

Regarding use of the investigation techniques utilized in this study, the researcher makes the following observations and recommendations. Begin the study by acquiring a large quantity of numerical data on the past operations of the government. Gather this data for several years so that existing trends and patterns can be determined. When possible gather this information from the records of higher governmental agencies. For example, the State Examiner's Office has complete budget records on county and city governments in Montana. This procedure will reduce the demands made on the governmental offices being studied. With this information determine which data are useful as measures of the governmental impact. Other possible measures can be obtained from office files. These might include welfare case
loads, numbers of crimes, contested assessments, and others. With these figures, calculate estimates of the impact conditions. Do not rely solely on the percentage increase estimates of officials as measures of the governmental impact. Before interviews are conducted, send personal letters to all the major officials explaining the purposes and importance of the study. While personal contacts are most effective, arrange for telephone interviews and letters to facilitate answering the myriad of questions that arise. Finally, avoid uncertain answers by asking direct questions on specific points whenever possible.