

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on February 2, 1989, at 8:00 a.m.

ROLL CALL

Members Present: Five members present

Members Excused: Sen. Himsl

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Carroll South, Staff Researcher, Legislative Fiscal Analyst's Office

Announcements/Discussion: None

WATER DEVELOPMENT GRANT PROGRAM

Tape 31:A:000

BILL GOSNELL, Department Of Highways, appeared before the committee per its request to address the questions regarding the Troy/Libby reconstruction project, and the impact of the water relocation and utility relocation on the city water system. MR. GOSNELL referred to a memo which he had prepared, EXHIBIT 1, and continued to paraphrase that memo.

MR. GOSNELL said as an offset for the problem, the state put into their contract with Denny Washington, the contractor for the project, that they use the City of Troy's gravel. The royalties would be substantial, since the contract was for a minimum of 100,000 tons of gravel at \$.35 per ton, or \$35,000.

A discussion followed regarding the project, with MR. GOSNELL suggesting that the city of Troy, in its grant application, was attempting to recover its entire costs, when in fact, by law, they were responsible for 25% of one portion of the project, and 100% of another portion. REP. BARDANOUVE suggested that the city was making money on the project, while SEN. MCLANE said that they were good business people.

Motion: REP. THOFT (31:A:113) moved that the city of Troy be contacted with this information for a response.

Vote: The motion CARRIED with SEN. MCLANE and REP. BARDANOUVE voting no.

MR. SOUTH (31:A:138) discussed the DNRC sponsored projects bill, and suggested that it was trying to accomplish too many things at the same time. He said that the grants the committee would be approving would only require a majority vote, creating a debt (the Coal Severance Tax Loan program) would require a 2/3 vote, and appropriations out of the trust fund for interest subsidies

would require a 3/4 vote in each house. His recommendation was to sever everything relative to the Coal Tax Trust Fund out of the bill, and make 2 different bills. One, he said, would simply be a majority vote bill with the grants in it, and the other would cover the 2/3 vote on the creation of state debt as well as the 3/4 vote in each house on the interest subsidies.

REP. THOFT said they had been given the authority to use the Coal Tax Trust Fund in that fashion, and under that authority would not need that vote. MR. SOUTH said that an appropriation was a temporary act, lasting for two years. He added that every time the legislature wanted to appropriate more money out of the Coal Tax Trust Fund, as per the constitution, a 3/4 vote in each house would be required. MS. CHENEY agreed.

(31:A:200) A discussion followed about the level of bonding authority, the bonded indebtedness of the state, the concept of splitting the bill, the Water Development/Renewable Resources Development bill, and the amount of money available to authorize for grants and loan subsidies.

Motion: SEN. MANNING (31:A:526) moved to delay executive action until the committee had the exact figures, and until all members of the committee were present.

Vote: The motion CARRIED unanimously.

MR. SOUTH asked if the committee wanted to take action on the bill and the projects contained therein, or on all the projects, whether or not they were in the bill. REP. THOFT suggested that they take action on a comprehensive list of projects.

MS CHENEY asked if the committee wished her to prepare anything on the bonding issues raised, specifically with regards to the reduced bonding authority. MR. SOUTH suggested that the committee needed an estimate of the projected subsidy amount for the next biennium.

ADJOURNMENT

Adjournment At: 9:15 a.m.



REP. CONNELLY, Chairperson

MEC/cm

2825.min

DEPARTMENT OF HIGHWAYS

EXHIBIT 1
DATE 2-2-89
HB Water Development Project
2701 PROSPECT AVE.



STAN STEPHENS, GOVERNOR

STATE OF MONTANA

HELENA, MONTANA 59620

M E M O R A N D U M

Department of Highways

TO: Representative Mary Ellen Connelly
Chairperson, Long Range Building Committee

FROM: Jesse Munro, Acting Director
Department of Highways

RE: Troy Water System

DATE: February 1, 1989

Carroll South, Fiscal Analyst, indicated that there were some questions regarding the Troy project and the associated water relocation costs to the City of Troy.

The Troy-Libby project is a Federal-aid project (FA F 1-1(21)14) encompassing major reconstruction from Troy to Libby. This involves relocating water lines, fire hydrants and private taps in and near Troy as required to accommodate the highway construction.

As part of the project, Carver Engineering of Kalispell, in conjunction with the City of Troy and the Department of Highways, studied the relocation of the water line system and arrived at estimates of the cost to do the relocation. Carver estimated a total cost of \$66,499, including preliminary engineering costs, with the split of \$44,096 for the state and \$22,403 for the City of Troy.

A contract was signed by Troy Mayor Roger Kensler on 7/1/88 regarding the shared cost allocation.

By law, utility relocation costs on public right-of-way involves a 75/25% split between the state and the local government utility involved. Where the utility occupies its own R/W off the public R/W, the state pays 100% of the relocation.

One instance where the states does not participate is when a local government uses an existing bridge to "hang" the water line, rather

than trench across a river or creek. In the Troy area, the existing water line hangs on the Callahan Creek crossing under a revocable permit. Under the revocable permit situation, if the bridge structure is to be replaced, the local government is 100% responsible for moving the line. In this case, the cost to do so is estimated to be \$15,000, and is included in the \$22,403 cost the City agreed to.

Because we have not been contacted by the City of Troy on this issue, we do not know what their specific concerns are. As is normally the case, the department entered into a contract with the City based on estimates by their consultant, under existing law.

cc: Carroll South, LFA Office

