

MINUTES OF THE MEETING
OF THE LEGISLATIVE APPROPRIATIONS COMMITTEE

March 3, 1979
8:00 A.M.
Room 104
State Capitol Building
Subject: House Bills
653
807
745
743
874

The meeting was called to order at 8:05 A.M. by Chairman Francis Bardanouve with all members of the committee present. Also in attendance was John LaFaver, Fiscal Analyst.

Chairman Bardanouve presented Representative Aubyn Curtiss, the sponsor of House Bill 745, which was the first matter of business to be presented.

Representative Curtiss explained the purpose of her bill, stating that water is Montana's most valuable resource, and that responsible Montanans wish to make the most productive use of Montana's water. She then introduced Gerald T. Neils.

Mr. Neils stated that he is representing the Montana Logging Association and also himself at this meeting. Mr. Neils said that his association supports the legislation and that Montana should set up a comprehensive committee so that the total overview of water resources can be guarded.

At this time Representative Curtiss presented Senator Bob Brown who rose supporting the bill. Mr. Brown stated that this is a very good bill.

Peter Jackson from Helena, stated that his organization, Weta-Mont., strongly supports this legislation. He also supports it as an individual and explained that numerous streams could be developed and that a good oversight committee would be of great benefit and the money would be well invested.

The Director of the Department of Natural Resources, Ted Doney stated that their department strongly supports this bill. He stated that the last overview was made in 1971.

Gordon McGowan from Highwood, representing the Montana Railroad Association, stated that he has worked in the water business for many years. He stated that if we don't get a better handle on what we have been doing for the past few years, the State will soon be bankrupt from lawsuits arising because of changing times in the use of water. He hopes that the Appropriation committee

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will see the importance and tie the oversight committee into the development and functions of the Department of Natural Resources.

John Fitzpatrick, of the Office of Budget and Program Planning, rose and said that this office fully supports the bill.

There were no further proponents and no opponents to this bill and Mrs. Curtiss closed saying that until now she has seen no indications made for an interim water committee. She stated that this oversight committee would assume responsibility for what the interim committee has done in the past. She urged serious consideration for the passage of House Bill 745.

Representative Waldron stated that perhaps the bill that has been introduced by Representative Faag could accomplish the same purpose as this legislation.

Representative Curtiss responded that water is the number one priority, and that this responsibility should be nailed down by statute.

Representative Moore asked if Representative Curtiss sees any conflict arising between the Oversight Committee and the Department of Natural Resources and the Department of Health.

Representative Curtiss stated that she does not foresee any, but that there are always bound to be a few problems.

There was no further discussion on House Bill 745.

At this time Representative Curtiss presented House Bill 743 and explained that this legislation has been introduced to secure adequate funding for an emergency replacement of a water syphon. She stated that water is the lifeblood of Montana and that Montana should prioritize water development.

She presented Senator Bob Brown who stated that this project is up in Northern Lincoln County. He explained that this is a wooden flue that is 4,000 feet in length. It was originally built in 1914 and that it irrigates approximately 2,000 acres. It is getting to be quite old and in need of repair. He further stated that the Department of Natural Resources has come up with some money for the repair of this flue, but that their funding has not been adequate to do the job. They have requested \$400,000 and feel that for this amount the flue could be fixed up quite well. He stated that there are a number of landowners involved

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and this is primarily important to them. He concluded by saying that if they are unable to get financial support from the State, they don't know how they will fix the flue. They ask for favorable consideration of the bill.

Mr. Richard Brinton from Eureka representing the Glen Lake Irrigation District, rose in support of the legislation. Mr. Brinton said that this is a vital necessity to the whole district and that most of the irrigation comes from the tube. He stated the economy of the valley depends largely on their district and water. He said that their district has done a lot of work on the whole system. In ten years they have taken the system from a worn-down pipe to a good functional system. When they got to the syphon they were over their heads financially to fix it or re-build it. They have spent \$600,000 in the last few years. He stated that they only get 10" of rain each year and that they need to irrigate in order to get a crop. Lincoln County is basically logging country, but they would be watering the plain areas with this syphon. They would like to branch out into more agriculture. He concluded his testimony by saying that this is a fine system and that they have worked hard to get it going.

The next proponent of the bill was Mr. Dale Purdy from Eureka. Mr. Purdy stated that he lives on the creek on the St. Clair Syphon. He said that the syphon is badly deteriorated and that the land below the syphon is subject to washouts. He simply stated that if they don't get the money there is going to be a lot waste in time and money. He feels that if the syphon isn't fixed, they will all suffer, both the people and the town.

Representative Burnett from District #71 stated that it becomes a necessity for the State to recognize a certain amount of obligation to the various water projects. The various boards had nothing to say against anything the Department did, but they do now have a bit of say-so as of the last session. The Legislature needs to make a review and decide what their obligation is to the various state projects. He feels the committee should support this legislation.

Robert A. Ellis, representing the Helena Valley Irrigation District rose in support of the bill. Mr. Ellis said that he has yet to see a bad irrigation system as far as a community development is concerned.

Mr. Doney from the Department of Natural Resources, rose as an informative witness. He stated that the Department program and

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current law forbids the Department from making any decisions. They make recommendations to the Governor and the Governor in turn makes recommendations to the Legislature. He explained that they had 15 applicants this last biennium which amounted to 4.4 million dollars and they have recommended 10 of them amounting to 1.3 million dollars. On this particular project, they have made a recommendation of an appropriation of \$34,000. Mr. Doney went on to say that the Governor's recommendations are contained in House Bill 824, and suggested that if the Legislature disagrees with the Governor's recommendations that perhaps they should amend House Bill 824 rather than introduce a separate bill for the appropriation for this.

There were no further proponents and Representative Curtiss closed saying that in the criteria developed by the Department of Natural Resources, the first information they received was in October of 1978. In Schedule C of that information it is stated they did recognize this project as feasible. However, in the Governor's recommendations there is quite a conflict. She stated that House Bill 824 contains recommendations for many various agencies and needs. These recommendations contain recreational as well as agricultural needs. She concluded by urging that this committee give this legislation a "Do Pass".

The Chairman asked Mr. Brinton if this is their sole source of water or do they have other means of getting water.

Mr. Brinton replied that their main source of water is from two large creeks that flow by ditch, but the main water goes through this syphon.

The Chairman then asked about the size of the bond indebtedness and Mr. Brinton responded saying that it amounted to \$145,000., but they are now current. They have repaid this with 5% interest to the FHA.

Representative Bardanouve asked about the water charges and Mr. Brinton replied that they are \$14.00 per acre per year.

The Chairman inquired about the types of crops they raise and Mr. Brinton responded that their basic crops are hay and grain, but that they would like to branch out into more cattle. He also stated that the Jacqueline Seed Company is looking at their area as an ideal location for growing seeds.

The Chairman then asked about the average size of their farms. Mr. Brinton replied that there are approximately 46 basic farms that range in size from 1 acre to 1,000 acres. He said that they also supply a lot of smaller acreages.

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The Chairman asked if they would be able to borrow further from the FHA and Mr. Brinton stated that they are just about reaching the peak of what the people can afford to pay. They therefore don't feel that they really can address this possibility.

Representative Marks asked for a justification for the \$400,000 they are requesting.

Mr. Brinton replied that without governmental assistance, they would have had to abandon the project many years ago. He feels that they have accomplished so much and would hate to lose it all now.

Representative Marks then asked how much water it takes to produce their crops per acre. Mr. Brinton replied that it takes approximately 26" of water off the ground.

Representative Curtiss interjected that the Department of Natural Resources had done a feasibility study on this project and their recommendation was for \$650,000. However, the Department has chosen to fund it at only 5% of that amount.

Representative Bengtson asked of Mr. Doney why they chose to fund the Parks' request from Livingston and Kalispell at 25% and yet chose to fund the projects that involve land and agriculture at only 5%.

Mr. Doney, from the Department of Natural Resources, responded that the purpose of the program is not intended to be just for water projects. It is for large land improvement for soils, fish and game, and wildlife, etc. They are all eligible under this program. He stated that they do have programs available for funding water projects. They felt that this project should fall into the group where there are not current programs available for funding. They didn't want to duplicate the sources of funding.

Representative Yardley asked for the total amount of the project. Mr. Brinton stated that it is \$400,000. It could have run as high as \$600,000 if they would have gone into more of a project.

A question and answer period followed concerning the acreages that would be involved in this from the various farms.

Representative Wood asked who built the first syphon and how it was funded. Mr. Brinton responded that it was built as a district and that the people of the district borrowed money and everybody worked on the project.

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Representative Marks asked if they are going to replace the pipe with steel or concrete and Mr. Brinton said that they would be going on the requirements of the SCS.

Mr. Marks asked how long the pipe will last.

Mr. Brinton stated that it should last from now till eternity if it is installed correctly.

A question was asked about the diameter of the pipe and the response from Mr. Brinton was that it would be 36" in diameter.

Mr. Manning asked if the replacement pipe would be larger than the original pipe and Mr. Brinton said that it would likely be larger and that the old system would all be torn out and the new system would all be underground.

Mr. Manning then asked how many feet of water the pipe would handle.

Mr. Brinton stated that the pipe handles 80 CFS. He also said that they are anticipating making some hydropower from this. They are currently having a feasibility study done on this aspect.

The Chairman asked about the average value of land in the project. Mr. Brinton replied that it is approximately \$1,000 per acre. If the land is not irrigated, they don't get that much.

Mr. Hurwitz asked about the values that are assigned to the recreational areas. Mr. Brinton stated that they are planning for as many as 250 homes on the lake. He stated that this is basically a reservoir and that when they must let the water level down they do, but that they have tried to keep it up as much as possible.

There was no further discussion and the hearing on House Bill 743 was closed.

At this time Senator Kolstad presented House Bill 653. Mr. Kolstad explained that this legislation addresses itself to a serious financial problem that some Montanans are experiencing. They hope with the passage of this bill that they will be able to give these people well deserved help. The legislation establishes a hemophilia program and creates an advisory committee and appropriates funds therefor. Senator Kolstad explained that the disease causes internal muscle and joint bleeding. The treatment is extremely expensive and that patients can spend \$6,000 annually for blood alone. The legislation requests \$283,000 for

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the biennium. They figure that under \$3,000 will be spent for the administration of the program and that the treatment program can be administered with existing staff and without any additional FTEs.

Senator Kolstad then presented Aubrey Roth, the co-sponsor of the bill who stated that 21 other states sponsor this program. She explained that children under the age of 21 are most often afflicted and suffer more severely from this disease.

At this time Dr. Paul Holley from St. Vincent's Hospital in Billings rose in support of the bill. Dr. Holley stated that there are two manners of hemophilia. It is most often seen in men and that the females are the carriers of the disease. He went on to explain the disease more completely. Dr. Holley said that it is a crippling disorder and there is no synthetic medication available; the only medication is blood.

Dr. Ross Lemire from Billings also rose in support of the bill. Dr. Lemire stated that he has 4 patients with the disease and went on to give examples of those patients. He stated that one is a lawyer who developed the disease as an infant. He has become a cripple and is now housebound. He needs frequent hospitalization and that his bill for medicine is \$7,000 a year. On top of this he has had orthopedic surgery.

The second example given was a complete cripple. His medical bill for therapy for a year amounted to \$10,000. He is now able to take the therapy at home.

The other two examples were brothers who also take therapy at home. They have stabilized and they do not think that the disease will progress. The orthopedic surgery in Denver that they underwent cost them \$20,000.

At this time Terry Nelson was called on to testify on his behalf. Mr. Nelson stated that the first 13 years of his life were spent in a wheelchair. He is now able to work and can do everything he wants because he uses the concentrate extensively. He concluded by saying that he still bleeds, but that he is able to control it. He said that it is a painful disease; the mental pain is worse than the physical pain.

Other proponents rose in support of the legislation. They included Jerry Tempel of Joplin; Ms. Renee Evans, a carrier of the disease; Vicki Niemants of the Hemophilia Clinic in Billings. Ms. Niemants stated that she has requested funding from various agencies and to date has not come up with a dime.

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Mrs. Ted Tempel, mother of a hemophiliac rose, stating that no family can afford to use the treatment properly. She said that if you use the treatment improperly it can run you \$2,500 per year. Used properly the treatment can run from \$5,000 to \$6,000 annually. There is no agency available in Montana and no insurance coverage possible for hemophiliacs. She concluded by saying that because treatment is so costly that they are asking for this appropriation.

Ms. Lark Hackney from the State Department of Health stated that the program would be line-itemed in their budget. There would be no other costs taken out of this appropriation.

The remaining proponents rose and identified themselves. There were no further proponents and no opponents to the legislation.

Representative Roth closed saying that the financial burden of the families with hemophilia is tremendous and she asked that the bill be given a Do Pass.

During the question and answer period that followed Representative Yardley asked how many patients will benefit from the treatment in Montana. Dr. Holley replied that there are about 40 or 50 patients in Montana with Types A and B Hemophilia.

Representative Manning asked if there is any possible chance of a cure down the road.

Dr. Holley replied that the chances of this are very slim because 1/3 of the patients have the disease because mutations were in the mother or in the person himself, and it keeps recurring to maintain a certain level in the population.

Representative Kvaalen asked for an explanation of the duties of the Advisory Committee. Explanation followed on this aspect of the bill after which a lengthy question and answer period followed on the general subject of the bill, and the hearing was then closed on House Bill 653.

Chairman Bardanouve presented Representative Roth who stated that the purpose of House Bill 807 was to ask for an appropriation from the general fund to the Department of Natural Resources to satisfy a Judgment which was affirmed by the Supreme Court on September 28, 1978. The Judgment was rendered in an action in the First Judicial District of the State of Montana, in and for the county of Lewis and Clark, in Cause No. 38155. Representative Roth then presented Larry Huss from Helena, who represented Sornsin Construction Company in this action. Mr. Huss stated

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that this is the second time his firm has appeared before this committee requesting funding for this judgment. He explained that this case involved the construction of dams and pump stations in the Sidney area. The Department utilized design specifications furnished by the SCS. A jury trial took place and the jury rendered judgment for the Plaintiff on all counts. The Supreme Court affirmed the judgment of the District Court and all litigations have now been concluded and all that is left is the funding for the judgment. Mr. Huss stated that the Judgment has been in effect for approximately two and one-half years.

Don McIntyre, the Attorney for the Department of Natural Resources rose and stated that the lawsuit arose out of the old Water Resources Board. The Board was the Defendant in the action and they had an agreement with the SCS whereby the State will recover one-half of the amount of the Judgment. The Department is also considering whether they should try to collect the entire amount of the Judgment from the SCS and they are presently preparing a bill to submit to the SCS for at least one-half of the \$500,000.

There were no further proponents to the bill.

Mrs. Roth closed saying she feels that it is up to the state to pay its debts.

A question and answer period followed on errors in the design and on the option of asking for the full amount to be recovered for the benefit of the State. There was no further discussion and the hearing was closed on House Bill 807.

At this point Charman Bardanouve introduced Representative Yardley who explained House Bill 874. Mr. Yardley stated that this bill would exempt Boulder River School from the purchase of clothing.

There were no other proponents to the bill.

Mr. Luther Glenn, the Purchasing Agent for the Department of Administration of the State of Montana, rose in opposition to the bill. Mr. Glenn stated that any exceptions to the legal proceedings are not recommended. He said that Montana has good strong purchasing statutes and that legislation was passed in 1977 that three clinical institutions would be allowed to deviate. They feel that all the other institutions would be put in the

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same position of being allowed to deviate from these statutes if you allow the passage of this bill. He concluded by saying that this is a drastic measure exempting good purchasing legislation.

Discussion followed on the purchasing procedures, and the hearing closed on this bill.

This concluded the hearing of the bills, and Chairman Bardanoue then stated that the committee would take executive action on House Bill 556 sponsored by Representative Day.

The Chairman called on Representative Manuel, Chairman of the sub-committee on Natural Resources and Mr. Manuel stated that his committee had investigated this legislation thoroughly, and that they recommended that the bill receive a Do Pass. Mr. Manuel said that the money is all right and that the committee feels that the road repair is justified.

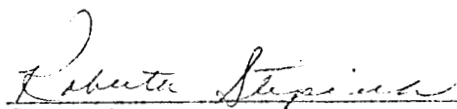
The Chairman stated that he has talked to the county commissioners and they informed him that the road is primarily for the park itself. It never was designated an official county road, and the commissioners do not feel that they should be obligated to do a major renovation on the road.

After a short discussion on House Bill 556, Representative Hurwitz made a motion that House Bill 556 receive a Do Pass. Representative Moore called for a question call. Question call passed unanimously and House Bill 556 passed this committee.

Executive action was then taken on House Bill 874. Representative Manning made a motion that the legislation receive a Do Pass. Representative Moore called for a question call. The question call passed unanimously, and House Bill 874 receives a Do Pass from this committee.

There being no further business, the meeting was adjourned at 10:15 A.M.

Chairman


Secretary