

STATE ADMINISTRATION
FEBRUARY 17, 1981
RM 436

The meeting of the House State Administration Committee was called to order at 8:00 a.m. on Tuesday, February 17, 1981 with Chairman Jerry Feda Presiding. All members were present except Representative Azzara.

The meeting was opened to a hearing on House Bill 699.

HOUSE BILL 699-SPONSOR, Representative Oberg, introduced this bill to the committee. Currently the disability and pension fund for a fire department relief association must be maintained at a level equal to 2% of the taxable valuation of all taxable property within a city's limits. If the fund reaches or exceeds this 2% level, a city is not required to contribute to the pension fund. This bill requires a first- or second-class city to levy a special tax of between one to four mills regardless of whether the funds contain less than 2% of the taxable valuation of all taxable property within the city.

PROPOSERS

RAY BLEM, Montana State Firemens' Assoc., stated that this legislation might not be necessary at this time if the government had not reduced the assessment rate.

OPPOSERS

There were no opposers present.

QUESTIONS BY THE COMMITTEE:

Sales: How many cities have this problem.

O'Berg: About 6 cities that I know of, first- and second-class cities.

Representative O'Berg closed the hearing on HB 699.

HOUSE BILL 714-SPONSOR, Representative Nilson, introduced this bill to the committee. This bill clarifies the provisions relating to full- and part-paid firefighters of the fire department relief associations. It provides that a part-paid firefighter must contribute for deposit in the pension fund a quarterly fee equal to 6% of his quarterly earnings. It further provides that a part-paid firefighter is eligible for a maximum service pension of \$100 a month and a maximum disability pension of \$75 a month. The surviving spouse or child of a part-paid firefighter is eligible for a maximum survivorship pension of \$75 a month. He stated that the cost impact on this bill would be very minimal.

HB 714 (cont.)

PROPOSERS

GILBERT LEHFELH, Firefighter from Lewistown, stated that in 1977 part-paid firefighters inadvertently got deleted from the pension plan. There is a large number of part-paid firefighters in Montana. He said that he was a member for 28 years and after he retired he was not covered in the pension plan.

RAY BLEM, Montana State Firemens' Assoc., stated that the fastest and most effective way to handle this problem is to put it before the legislature. He said that some plans are currently paying their part-paid firemen pensions even though they are excluded by this law. However, many of the plans have not been able to do this.

DAVE FISHER, Montana Volunteer Firefighters and Montana Firefighters Assoc., concurred with other proponents.

OPPOSERS

There were no opposers present.

QUESTIONS BY THE COMMITTEE:

Spilker: What is a part-paid firefighter?

Blem: The definition varies from one city to the other but in general they get paid an hourly rate for calls and training. It is difficult to know how many hours they work because it depends on the number of fire calls etc.

Sales: They would be able to hold other jobs, is this correct?

Blem: Yes. He gave reference to the adjustment on page 5 lines 23 -24.

Representative Nilson closed the hearing on House Bill 714.

HOUSE BILL 745-SPONSOR, Representative Bardanoue, introduced this bill to the committee. The purpose and structure of this bill also known as the Municipal Firefighters' Retirement Act, is similar to HB 553. However, they differ significantly in sections relating to definitions, unfunded liabilities, employee, employer, and state contributions, and service, disability, and survivorship allowances.

HB 745 (cont.)

A copy of Representative Bardanouve's testimony is attached and is EXHIBIT 1 of the minutes. This includes a summary of the bill by sections.

PROPOSERS

DAN MIEZNER, Montana League of Cities and Towns, concurred with Representative Bardanouve and also submitted statements from Al Johnson, City Manager of Great Falls and Mayor Happ, Kalispell, both stating their support for HB 745. A copy of these statements is attached and is EXHIBIT 2 and 2a of the minutes.

LARRY NACHTSHEIM, P.E.R.S., Submitted a copy of the firefighters evaluation prepared by the Department of Community Affairs, to the committee. He stated that he would be available to answer questions for the committee.

DAVE GOSS, Chamber of Commerce, stated that this is an equitable way to address the problem.

JOE WOLF, Budget Director, Butte-Silver Bow, stated that he is in support of the bill but would like to address the disability pension. He said that a firefighter who is injured in an accident related to his second job should not be able to collect from the firemens' pension plan. This is not fair to the system, he stated. House bill 745 addresses this problem.

JOHN EVANS, City of Bozeman, stated his support of the bill. This bill provides for a contribution by the state and city of 14% each and 6% contribution by firefighters, 7¹/₂% by new members, which brings in 43% for the pension plan. The actuarial study said that 42.9% was needed.

DENNIS TAYLOR, Budget Director, Helena, stated that HB 745 offers the best approach to a state operated pension system.

AL THELEN, City Administrator, Billings, stated two reasons that he feels the bill is good. First it provides for funding of the current level of benefits and second it adopts new benefits for the future that we can afford.

HB 745 (cont.)

OPPONENTS

RAY BLEM, Montana Firemens' Assoc., stated that he was against eliminating any benefits for jobs done on the side. He also said that this bill does not deal with what you do with part-paid firefighters in second-class cities. A copy of his statement is attached and is EXHIBIT 3 of the minutes.

BILL GREGG, Mayor, Missoula, stated that they are not opposed to the bill but feel Representative Fabrega's bill HB 674 and Representative Brand's bill HB 553 could be collated along with HB 745 to come up with one satisfactory bill.

AL SAMPSON, City of Missoula, stated that he is not opposed to unified funding but this bill needs to be looked at closely.

LES NELSON, stated that the result of overfunding at the city level may result in the reduction of firefighters. Since the funding partially comes from the firefighters, if they are laid off this would mean more money out of the pocket.

QUESTIONS BY THE COMMITTEE:

Representative Feda said that he would limit the questions because these bills will be put into a sub-committee and discussion can be held at a later time.

HOUSE BILL 553-SPONSOR, Representative Brand, introduced this bill to the committee. This bill, the Municipal Firefighters' Retirement Act, unifies the fire department relief associations in first- and second-class cities under the administration of the Public Employees' Retirement Division. It defines service, disability, and survivorship benefits for members of the plan, provides for investment of the funds by the state Board of Investments and requires employee, employer, and state contributions. Representative Brand passed out amendments to the bill. A copy is attached and is EXHIBIT 4 of the minutes.

HB 553 (cont.)

ED JOHNSON, representing the Anaconda firefighters, stated that they are in favor of any bill that will provide for their benefits. He stated that 2% of the taxable evaluation of the city is not much when the city is going under. They have almost as many firefighters on pension as are working.

DAVE FISHER, Montana Fire Chief Assoc. and Volunteer Firefighters Assoc., stated their support of the bill.

HANK LOCKLIN, Anaconda, arose and stated support of the bill.

AL THELEN, City Administrator of Billings, submitted written testimony on HB 553. A copy is attached and is EXHIBIT 5 of the minutes. Mr. Thelen also submitted a statement entitled "MAJOR DIFFERENCES IN THE CITY FIRE PENSION BILL & THE BILL PRESENTED BY THE FIREMEN AND MR. BRAND'S BILL". A copy is attached and is EXHIBIT 6 of the minutes.

JIM TURKOTT, P.E.R.S., stated that the funding provisions in this bill are very similar to those in the Policemens' Retirement System bill.

VERN ERICKSON, Montana Firefighters Assoc., stated that he has some concern about parts of the bill and supports the sub-committee idea.

OPPONENTS

There were no opponents to HB 553 present.

QUESTIONS BY THE COMMITTEE:

Chairman Feda asked that questions be limited at this time. Further discussion on these bills will be permitted after the sub-committee researches these bills.

HOUSE BILL 682-SPONSOR, Representative Kemmis, introduced this bill to the committee. This bill abolishes the Environmental Quality Council, a council consisting of 13 members that develops and recommends to the governor and the legislature statewide policies to foster and promote the improvement of environmental quality to meet the conservation, social, economic, health, and other requirements and goals of the state. The bill also deletes references to the Council in various statutes throughout the code. Representative Kemmis stated that if nothing else, something has got to be done to put this council back on the right track. As it presently stands, it is a waste of money.

HB 682 (cont.)

As a member of the council, representative Kemmis stated, there has been very little accomplished in the past few years. He said that that the legislature has numerous other programs that provide the same functions as the EQC, such as the Legislative Auditors, Legislative Fiscal Analyst and the Consumer Council. All these arms are established to provide services in behalf of or goods to the legislature and insure protection in the respective areas. When the EQC was established, it was because the legislature recognized its commitment to the environmental quality of the state and its duty to provide some type of an advocacy. In 1977 the legislature decided they did not want that type of an advocacy and they begin to trim back the duties of the council. The result of this is that the council does not know what its function is any longer. If we are going to have an Environmental Quality Council, then the legislature is going to have to set down some guidelines as to the intent of the council and they should only be allowed to continue on a probationary basis.

PROPONENTS

SENATOR MICHAEL M. ANDERSON, member EQC, stated that during the time he served on the council, he has viewed the council as a "mickey mouse" arm of the legislature that has not accomplished what the intent of the council is. The environmentalist and businesses will not come to the council with their problems because they do not trust us. What is the \$300,000 budget for? He said that if the legislature does not set down some guidelines on what they want the council to do, he would rather see the money used as a tax refund or for some function other than the council.

ROBERT KIESLING, member EQC, stated that he views this as a "idle hands problem". He said that before he was appointed to the board, two years ago, he knew that the council was not fulfilling its duties but wanted an inside look at the actual accomplishments and purpose for the council. With the exception of a few useless field trips, nothing has been accomplished, he stated. Mr. Kiesling said that he had prepared a list of documents that would confirm the kind of manipulation that the committee has been subject to in the past 2 years. A summary of these documents and the respective documents are attached to the minutes and are EXHIBIT 7. He stated that these documents show a step by step sequence of events that indicates the collusion that was going on. To fund this type of exploitation with public money is wrong. A copy of testimony submitted for record on this bill by Mr. Kiesling on 3/11/81, is attached.

HB 682 (cont.)

MIKE MALES, stated that he would like to see an effective EQC that would perform the functions that it was originally intended to. The legislature should see that these functions are carried out.

MARGARETT Mac DONALD, N.P.R.C. stated that the council as originally mandated performs an important function in the state but as it is now it is a "sham and a waste of the taxpayers money".

OPPONENTS

SENATOR HAROLD DOVER, member, EQC, stated that the environmental area is very broad and the council has been an in-between group through which various groups try to settle their differences. He explained the situation that Mr. Kiesling referred to in EXHIBIT 7 and stated that there was no coercion involved. He said that the files were available to anyone who wanted information but Mr. Kiesling and Representative Kemmis took the letters without anyones knowledge and tried to make it look bad.

REPRESENTATIVE BOB MARKS, stated that it seems as if this has become a personal feud between the members of the council. He said that he thinks there may be problems but that he believes there is some salvage for the council. The council has a technical staff that is available to answer questions for all the legislators. If there are problems within the council new members can be appointed. He suggested that the members contact some of the people who are authorized to appoint members and express their views to them.

NORMAN STARR, member EQC, stated that on behalf of the Montana Stock Growers, we feel that the council provides a third party to consider environmental issues.

SENATOR ED SMITH, former member EQC, stated oppositon to this bill

REPRESENTATIVE VERNER BERTLESEN, member, EQC, stated that at one time he would have supported this bill. He stated that the council has lost sight of its original purpose but with some internal work it can be set back on the right track.

REPRESENTATIVE ART SHELDEN, member, EQC, stated that he too would have supported this bill but because there is a real need for the council in its proper function he would suggest that the legislature get the council back on the track. He quoted from the ENVIRONMENTAL POLICY ACT, the original intent and functions of the council. A copy of this is attached and is EXHIBIT 8 of the minutes.

HB 682 (cont.)

GEORGE ROSKIE, representing himself, stated that the council has done nothing illegal in regard to Mr. Kiesling's testimony.

REPRESENTATIVE DENNIS NATHE, Chairman, EQC, submitted a annual report entitled "ENVIRONMENTAL QUALITY COUNCIL ANNUAL REPORT 1979-1980, which consists of summaries of staff reports and activities for 1979-80. He suggested that the Boards of Health and Natural Resources should meet annually with the EQC.

NORMAN NELSON, president of the Northeast Montana Land and Mineral Owners Assoc. submitted prepared testimony to the committee. A copy is attached and is EXHIBIT 9 of the minutes.

Others that submitted written opposition to HB 682 but did not testify are listed below. Their statements are attached to the minutes.

JOY BRUCK, League of Women Voters' of Montana

PAT STUART, Assistant Director, Montana Coal Council

MONS TEIGEN, Montana Stockgrowers & Cowbellers

SENATOR LARRY TVEIT

DON ALLAN, Executive Director, Montana Petroleum Industry, stated that doing away with the council is not the answer.

Representative Kemmis closed the hearing on HB 682.

Representative Feda appointed the sub-committee for the Firefighter bills as follows: Representatives Sales, Kropp and Kennerly.

Representative Dussault asked what the procedure is for requesting a legislative audit. She said that that would probably be the thing to do with HB 682.

Representative Feda said that the committee could look into that.

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There was no executive session held by the committee.

A motion was made to adjourn at 12:00 p.m.

Respectfully submitted,



G. C. "JERRY" FEDA, Chairman

Cathy Martin-Secretary

THIS BILL ADDRESSES THE FINANCIAL PROBLEM OF THE THIRTEEN SEPARATE FIRE PENSION SYSTEMS THROUGH THE STATE. ON JUNE 30 OF 1979 THE UNFUNDED LIABILITY OF THESE SYSTEMS WAS \$32,668,102, AN INCREASE OF \$9,569,213 OVER TWO YEARS. THESE FIGURES ARE TAKEN FROM THE REPORT OF HENDRICKSON & BYRD, ACTUARIALS HIRED BY THE STATE TO EVALUATE THESE SYSTEMS. IT IS ESTIMATED THAT THE COLLECTIVE LIABILITY HAS RISEN TO A FIGURE OF \$40,000,000 TODAY.

IN CONTRAST, THE POLICE PENSION SYSTEM WHICH HAD AN UNFUNDED LIABILITY IN JUNE OF 1977 OF 10.7 MILLION SHOWED A REDUCTION OF 6.1 MILLION TO 4.6 MILLION IN JUNE OF 1980. THIS WAS THE DIRECT RESULT OF RESPONSIBLE ACTION TAKEN BY THE LEGISLATURE IN HAND WITH THE CITIES OF MONTANA. A SIMILAR RESPONSIBLE ACTION IS PROPOSED IN THIS BILL.

THIS BILL GUARANTEES THE CURRENT LEVEL OF BENEFITS FOR EXISTING FIREMEN. THIS WE MUST DO REGARDLESS OF HOW ONE FEELS ABOUT THE LEVEL OF BENEFITS. THE BILL PROPOSES A METHOD TO ASSURE THIS FUNDING. IN 1979, THE TOTAL ANNUAL PAYROLL OF THE 13 AFFECTED CITIES WAS \$6,252,358. WE FORECAST THIS TO INCREASE TO \$7,158,328 IN FISCAL YEAR 1981. AT THE 10% RATE, THE STATE WOULD CONTRIBUTE \$715,832 AND AT 18% THE CONTRIBUTION WOULD BE \$1,288,499; AN INCREASE OF \$572,667 ANNUALLY. THE STATE RETURNS MORE THAN \$3,000,000 ANNUALLY FROM INSURANCE PREMIUMS TO THE GENERAL FUND WHICH CAN BE USED TO FUND THE STATE'S SHARE.

THE BILL PROPOSES A REDUCTION IN BENEFITS FOR FUTURE FIREMEN HIRED AFTER JULY 1 OF 1981. THE NEW BENEFITS STILL PROVIDE AN ADEQUATE PENSION FOR THESE SAFETY OFFICERS. WE MUST ADOPT A SYSTEM THAT OUR FUTURE COUNTERPARTS CAN AFFORD.

A NUMBER OF AMENDMENTS WILL BE NEEDED TO INTEGRATE THE SYSTEM OF NEW BENEFITS INTO THE PRESENT PLAN GUARANTEEING EXISTING BENEFITS TO CURRENT RETIREMENT. I URGE YOU TO USE THE P.E.R.S. STAFF TO ASSIST YOUR SUBCOMMITTEE.

SECTIONS 1 & 2 - IDENTIFY THE TITLE AND PURPOSE OF THE BILL AND EXCLUDE VOLUNTEER FIREFIGHTERS.

SECTION 3 - OUTLINES THE SCOPE OF THE BILL.

amend
* SECTION 4 - PROVIDES THE DEFINITIONS. THERE IS A TYPO ON LINE 8 PAGE 4 WHERE THE ~~23~~ YEARS SHOULD BE CHANGED TO 25 FOR MEMBERS HIRED AFTER JULY 1, 1981.

SECTION 5 - PROVIDES FOR THE TRANSFER OF ASSETS OF THE CURRENT FIREMEN ASSOCIATIONS WHILE SECTION 6 PROVIDES PROTECTION FOR EXISTING RETIREES TO BE PART OF THE NEW SYSTEM.

SECTION 7 - PROVIDES A METHOD WHEREBY ADDITIONAL CITIES CAN JOIN THE NEW SYSTEM AND SECTION 8 PROVIDES A PENALTY FOR FRAUD.

SECTIONS 9, 10 & 11 - PROVIDE FOR ADMINISTRATION OF THE PROGRAM BY P.E.R.S.

SECTIONS 12, 13 & 14 - DEAL WITH THE DIFFERENT CLASSES OF MEMBERSHIP.

SECTION 15 - INVOLVES POLICIES FOR TERMINATION PRIOR TO RETIREMENT FOR NEW EMPLOYEES WITH 8 YEARS OF SERVICE. IT ALSO PROVIDES FOR A CONTINUATION OF THE CURRENT PARTIAL PENSIONS FOR EXISTING FIREMEN. THIS SECTION NEEDS THE FOLLOWING AMENDMENTS:

PAGE 10, LINE 11 - INSERT AFTER THE WORD "RETIREMENT"

"FOR PERSONS HIRED AFTER JULY 1, 1981".

PAGE 10, LINE 25 - AFTER ^{changed} ~~NOR~~ "AGE" STRIKE "50" AND INSERT 55.

PAGE 11 - STRIKE LINES 1 & 2 AND INSERT "THOSE FIREFIGHTERS EMPLOYED PRIOR TO JULY 1, 1981 ARE ELIGIBLE FOR A PARTIAL SERVICE BENEFIT ACCORDING TO 19-11-603".

SECTIONS 16, 17, 18 & 19 - PROVIDE FOR CESSATION OF MEMBERSHIP, CREDITED SERVICE AND MILITARY SERVICE.

SECTIONS 20 & 21 - PROVIDE FOR A RETIREMENT FUND ACCOUNT AND THE MANAGEMENT OF THE FUND BY P.E.R.S.

SECTION 22 - PROVIDES FOR PAYMENT OF UNFUNDED LIABILITIES AND A PROVISION TO FUND CITIES UNFUNDED LIABILITY BY THE STATE UNDER CERTAIN ECONOMIC CONDITIONS. THIS IS A RELIEF MEASURE FOR ANACONDA AND MR. BRAND'S BILL MAY HAVE SOME BETTER LANGUAGE FOR THIS SECTION.

SECTION 23 - PROVIDES FOR AN ACTUARIAL VALUATION EVERY TWO YEARS SO WE CAN TRACK THIS SYSTEM AND SECTION 24 PROVIDES FOR TRANSFERS OF DORMANT ACCOUNTS.

• SECTION 25 - PROVIDES FOR MEMBER CONTRIBUTIONS OF 6% OF PAYROLL FOR CURRENT FIREMEN AND 7½% FOR THOSE HIRED AFTER JUNE 30, 1981.

SECTIONS 26 & 27 - PROVIDE FOR VESTING WITHDRAWALS AND REDEPOSITS.

SECTIONS 28, 29 & 30 - PROVIDE FOR PAYMENTS OF 18% OF PAYROLL EACH FOR THE STATE AND CITY.

SECTION 31 - PROVIDES THE TAXING AUTHORITY OUTSIDE THE ALL-PURPOSE LEVY FOR CITY TO FUND THIS SYSTEM AND SECTION 32 PROVIDES THE MECHANISM FOR GIFTS AND CONTRIBUTIONS TO BE DEPOSITED TO THE ACCOUNT.

SECTIONS 33, 34, 35 & 36 - PROVIDE SERVICE RETIREMENT ELIGIBILITY AFTER 8 YEARS OF SERVICE AND AGE 55 AT THE RATE OF 2% PER YEAR FOR FIREMEN HIRED AFTER JULY 1, 1981 AND A MANDATORY RETIREMENT AT AGE 65. BENEFITS FOR CURRENT FIREMEN REMAIN AS PER CURRENT LAW.

SECTIONS 37, 38, 39 & 40 - COVER THE POWER AND PROCEDURES OF THE P.E.R.S. BOARD TO DETERMINE DISABILITY.

SECTION 41 - PROVIDES PROCEDURE FOR REINSTATEMENT AFTER A DISABILITY.

SECTION 42 - PROVIDES FOR SURVIVORSHIP BENEFITS.

SECTIONS 43, 44 & 45 - PROVIDE FOR RETIREMENT ALLOWANCES AND CORRECTION OF ERRORS.

SECTION 46 - SHOULD BE DELETED BECAUSE IT IS COVERED IN
SECTION 38. *Need amendment*

SECTIONS 47 & 48 - EXEMPT RETIREMENT ALLOWANCE FROM STATE AND
MUNICIPAL TAXES AND LEGAL PROCESSES.

SECTION 49 - WHICH PROVIDES SUPPLEMENTS TO CERTAIN RETIREMENT
ALLOWANCES NEEDS TO BE AMENDED:

LINE 23, PAGE 27 - STRIKE ENTIRE LINE AND INSERT
"RETIRED FIREFIGHTERS HIRED BEFORE JULY 1 OF 1981
OR HIS SURVIVING".

SECTIONS 50 THROUGH 60 - CONTINUE EXISTING PROVISIONS FOR ALL
OTHER CITIES THAT HAVE A FIRE RELIEF ASSOCIATION AND POLICE
BENEFITS FUNDED FROM INSURANCE PREMIUMS WITHOUT CHANGE.

STATEMENT FOR STATE ADMINISTRATION COMMITTEE
ON HOUSE BILL 745
SUBMITTED BY AL JOHNSON
CITY MANAGER OF GREAT FALLS

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

THE CITY OF GREAT FALLS SUPPORTS HOUSE BILL 745 AND SUGGESTS YOU TAKE THIS BILL AND BILLS NO. 553 AND 674 TO A SUBCOMMITTEE.

I WANT TO URGE YOUR SUPPORT OF THE CONCEPT IN HOUSE BILL 745 THAT ESTABLISHES THE RETIREMENT PAY FOR FUTURE FIREMEN ON THE BASIS OF THE AVERAGE SALARY OVER THE LAST 36 MONTHS RATHER THAN THE LAST MONTH SALARY. I HAVE BEEN ADVISED THAT THIS CHANGE WOULD SAVE 1.5% OF PAYROLL COSTS FOR THE PENSION. WE MUST LIVE WITH OUR FISCAL CAPABILITY.

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STATEMENT FOR STATE ADMINISTRATION COMMITTEE
ON HOUSE BILL 745
SUBMITTED BY MAYOR HAPP, KALISPELL

THE CITY OF KALISPELL IS DEEPLY CONCERNED ABOUT THE FINANCIAL
CONDITION OF OUR FIRE PENSION PROGRAM. WE FEEL THAT A SOLUTION
SIMILAR TO THE ONE ADOPTED IN 1977 FOR THE POLICE PENSION SYSTEM
IS IN ORDER. WE WORKED WITH THE OTHER CITIES IN DEVELOPING
HOUSE BILL NO. 745 WHICH IN TOTAL PROVIDES SUFFICIENT FUNDING
AND TIES THE FUNDING TO PAYROLL COSTS.

PLEASE CONSIDER KALISPELL IN SUPPORT FOR HOUSE BILL 745.

TESTIMONY IN OPPOSITION TO HB 745

BY RAY BLEHM

Mr. Chairman members of the committee, for the record I am Ray Blehm, and I represent firefighters in the thirteen second-class cities affected by HB 745.

This bill if passed in this form would create as many problems as it would solve.

The first problem is one of disparity between current firefighters and those who would be hired after July 1, 1981. By going to a 25 years of service- 55 years of age basis, a reduction of benefits equal to 30% occurs thus coupled with three year averaging which would result in a further reduction of about 15% to 20% in the level of benefits and finally the loss of the escalator provision would result in a cut in benefits of approximately 24%. Drastic cuts of this nature could only be termed Daconian in my opinion.

Not only would this drastic difference be implemented between old and new firefighters, it would result in the placement of firefighters benefits at a level well below those of the other hazardous professions. This raises a question in my mind as to where the legislation is to provide these type of drastice cuts to other employees.

This bill provides for a 2% of salary system for the first 25 years and then drops the rate of accumulation to 1% which would have the effect of further reducing benefits. For instance, a new firefighter hired at age 20 would have to work to age 55 for normal retirement, a period of 35 years and a benefit equal to 60% of salary or an effective rate of benefit accumulation equal to 1.71% of salary per year of service.

For all these reductions the new firefighter is asked to pay 7-1/2% of salary as compared to 6% of salary for all current firefighters.

I believe that a clear question of equity is raised by the approach embodied in HB 745. The firefighters are willing to put forward a good faith effort to find the middle ground between the concepts imbodyed in HB 745, HB 674 and HB 553.

Several points should be made clear about what happens when the actuarial point of view is interjected into discussions about pension systems. The committee has all heard mention of the unfunded accrued liability for the firefighters system being \$32,668,104. This hugh figure is scary in terms of todays economy, however, one must

and - (4) 4
AMENDMENTS TO HB 553:

1. Page 6, lines 1 and 2.
Following: "plan"
Strike: "unless" through "legislature" on line 2.
2. Page 6, line 8.
Following: "has"
Strike: "an organized fire department"
Insert: "retired firefighters or beneficiaries eligible to receive benefits"
3. Page 8, line 12.
Following: "determining"
Strike: "and modifying"
4. Page 9, line 19.
Following: "plans"
Strike: "No"
Insert: "Except for the federal social security program, no"
5. Page 15, line 18.
Following: "as"
Strike: "a"
Insert: "an active"
6. Page 17, lines 8 and 9.
Following: "annually"
Strike: "on" through "1" on line 9
Insert: "after the end of each fiscal year but no later than September 1"
7. Page 17, line 11.
Following: "compensation"
Insert: ", excluding overtime, holiday payments, shift differential payments, compensation time payments, and payments in lieu of sick leave and annual leave,"
8. Page 21, line 19 through line 5 on page 22.
Following: line 18
Strike: section 41 in its entirety
9. Page 22, line 6.
Following: "Section"
Strike: "42"
Insert: "41"
10. Page 22, line 7.
Following: "retiree"
Strike: "-- cancellation of allowance"
Following: "board"
Strike: ", "
Insert: "may review the status of any disability retiree at any time and,"

11. Page 22, lines 15 through 21.
Following: "retired."
Strike: remainder of section 41
12. Page 22.
Following: line 21
Insert: "NEW SECTION. Section 42. Cancellation of allowance.
If a disability retiree is determined by the board under
[section 41] to be no longer totally and permanently disabled
or if he refuses to submit to a medical examination, his
disability allowance shall cease as of the date of such
determination or refusal, and the board shall notify him
of the termination of his benefit allowance."
13. Page 24, line 13.
Following: "years"
Insert: "or the age of 24 years if they are attending an
accredited, postsecondary educational institution as full-
time students in anticipation of receiving a certificate
or degree"
14. Page 24, line 16.
Following: "years"
Insert: "or the age of 24 years if he is attending an
accredited, postsecondary educational institution, ^{as a} ~~in~~ FULL-TIME STUDENT
anticipation of receiving a certificate or degree"
15. Page 24, line 19.
Following: "years"
Insert: "or the age of 24 years if he is attending an
accredited, postsecondary educational institution, ^{as a} ~~in~~ FULL-TIME STUDENT
anticipation of receiving a certificate or degree"
16. Page 24, line 25 and page 25, line 1.
Following: "49]"
Strike: "or" through "legislature" on page 25, line 1.
17. Page 25, line 23.
Following: "firefighter"
Strike: "retired before July 1, 1973,"
- Page 38, line 28 thru 20
Following: "computed"
Strike: "after"
Insert: "before"
Strike: "have first been" on line 19 & 20
Insert: "are"
Following: "deducted"
Insert: "so volunteer firefighters will get their pension
fund monies"

February 15, 1981

STATEMENT PRESENTED BY AL THELEN TO THE STATE ADMINISTRATION COMMITTEE
ON FEBRUARY 17, 1981, REGARDING HOUSE BILL NO. (553)

MY NAME IS AL THELEN, I AM THE CITY ADMINISTRATION OF BILLINGS,
MONTANA, AND SPEAK TO YOU TODAY ON BEHALF OF OUR CITY GOVERNMENT.

I HAVE SUBMITTED A PREVIOUS STATEMENT RELATING TO HOUSE BILL NO. 674,
WHICH IDENTIFIES THE SERIOUSNESS OF THE ISSUE THAT IS COVERED BY BOTH
HOUSE BILL 674 AND HOUSE BILL 553. I WILL NOT REPEAT THAT BACKGROUND
INFORMATION BUT WILL MAKE A FEW SPECIFIC COMMENTS ON HOUSE BILL NO. 553.

1. THE BILL PROVIDES FOR IMMEDIATE FUNDING OF THE FIREMEN'S
PENSION SYSTEM AT THE RATE OF 34% OF PAYROLL. IN FISCAL 1984, IT
PROVIDES FOR THE INITIATION OF A SUPPLEMENTAL PAYMENT BY CITIES THAT
BASED ON THE CURRENT ACTUARIAL DATA WOULD AVERAGE AN ADDITIONAL 10%
OF PAYROLL. THIS DOES NOT REPRESENT A FULL PARTNERSHIP ON BEHALF OF
THE CITIES AND THE STATE IN RESOLVING THIS ISSUE. I SUGGEST THAT THE
FORMULA OF 18% BY THE CITY AND 18% BY THE STATE AS SUGGESTED IN THE
CITY'S BILL IS MUCH FAIRER. I WOULD LIKE TO UNDERScore THAT THIS BILL
DOES ADDRESS TOTAL FUNDING NEEDS OF THE FIREMEN'S PENSION SYSTEM AS
DETERMINED BY THE RECENT ACTUARIAL STUDY UNLIKE HOUSE BILL 674 WHICH
IGNORES THIS SIGNIFICANT STUDY.

2. WHILE THIS BILL FOLLOWS THE CURRENT PENSION SYSTEM FOR POLICE
OFFICERS, THERE ARE A COUPLE DIFFERENCES THAT SHOULD BE IDENTIFIED.
FIRST, CONTRIBUTIONS FOR NEW POLICEMEN IS SET AT 7.5% WHILE THIS BILL
PROPOSES THE CONTRIBUTIONS BE SET AT 7%. IN ADDITION, THIS BILL ALLOWS
AN OFFICER WHO RETIRES, PRIOR TO HAVING 10 YEARS OF SERVICE, TO DRAW
HIS MONEY BACK OUT OF THE SYSTEM WITH INTEREST. THE CURRENT FIRE
PENSION SYSTEM AND THE ONE ADOPTED FOR POLICE ALLOWS THEM ONLY TO
WITHDRAW THIS MONEY WITHOUT INTEREST.

3. THIS BILL DOES NOT CONTAIN THE ESCULATOR PROVISION FOR
ADJUSTING RETIREMENT PAY FOR FIREFIGHTERS RETIRING AFTER 1973.

I AM NOT SURE OF THE INTENT OF THE AUTHOR.

4. THERE ARE MANY POSITIVE ASPECTS OF HOUSE BILL 553. THEY INCLUDE CREATION OF A STATE-WIDE SYSTEM TO REPLACE THE 13 INDIVIDUAL FIRE PENSION SYSTEMS, THE ADMINISTRATION OF THE SYSTEM BY PERD RATHER THAN THE 13 INDEPENDENT FIREMEN'S ASSOCIATIONS, THE FULL FUNDING OF THE PENSION SYSTEM EVEN THOUGH IT IS NOT ON A TRULY PARTNERSHIP BASIS, AND A TRANSFERABILITY CLAUSE WHERE IT WOULD ALLOW FIREMEN TO MOVE FROM ONE CITY TO ANOTHER WITHOUT LOSING ANY PENSION BENEFITS.

THANK YOU.

February 15, 1981

MAJOR DIFFERENCES IN THE CITY FIRE PENSION BILL AND THE BILL PRESENTED BY THE FIREMEN AND MR. BRAND'S BILL.

A. THE CITY'S BILL PROVIDES FOR FULL FUNDING BEGINNING IN FISCAL 1982. IT IS BASED ON THE 1979 ACTUARIAL REPORT PREPARED BY HENDRICKSON & BIRD, INC. THE CITY AND STATE WOULD CONTRIBUTE 18% OF PAYROLL EACH, EXISTING FIREMEN WOULD CONTRIBUTE 6% AND FUTURE FIREMEN 7.5%, THE SAME AS NEW POLICE OFFICERS. THE TOTALS WOULD BE ABOUT 43%. THE 1979 ACTUARIAL REPORT SUGGESTED 42.92% OF PAYROLL.

THE FIREMEN'S BILL WOULD REQUIRE THE STATE'S CONTRIBUTION TO BE INCREASED TO 14%, IN FISCAL 1983, THE CITY'S TO BE SET AT 7% FOR FISCAL 1983, AS WELL AS THE FIREMEN. THE STATE WOULD BE REQUIRED TO FUND THE ESCALATOR CLAUSE AFTER 73 WHICH IS ESTIMATED TO INCREASE THEIR CONTRIBUTION BY 6%. THE CITY CONTRIBUTION WOULD INCREASE BY 1½% EACH YEAR FOR FOUR YEARS UNTIL IT WOULD REACH 14% IN FISCAL 1988. THE CITIES WOULD ALSO BE REQUIRED TO NEGOTIATE WITH THE STATE TO CONTRIBUTE AN AMOUNT EQUAL TO 2% OF THEIR TAXABLE VALUE AS AN INITIAL STEP INTO THE NEW SYSTEM. THIS WILL VARY WIDELY WITH EACH OF THE 13 CITIES.

THE ULTIMATE CONTRIBUTION LEVEL UNDER THIS BILL WOULD BE 35% PLUS THE ACTUAL COST OF THE ESCALATOR. THE INITIAL CHANGE WHICH WOULD NOT START UNTIL FISCAL 1983 WOULD BE 28% PLUS THE ACTUAL COST OF THE ESCALATOR. THE AUTUARIAL STUDY SUGGESTS 42.92%.

MR. BRAND'S BILL HAS AN EFFECTIVE DATE OF JULY 1981 FOR FUNDING AND, LIKE THE CITY'S BILL, ADDRESSES THIS ONE YEAR AHEAD OF THE FIREMEN'S BILL.

MR. BRAND'S BILL CALLS FOR A 14% PAYROLL CONTRIBUTION FOR THE STATE AND CITY AND 6% FOR FIREMEN FOR A TOTAL OF 34% OF PAYROLL. IN ADDITION, FIREMEN HIRED AFTER JULY 1, WOULD CONTRIBUTE 7% OF THEIR PAYROLL.

THIS BILL ALSO CALLS FOR A NEW ACTUARIAL STUDY TO BE COMPLETED BY OCTOBER OF 1982. THIS STUDY WOULD BE USED AS THE BASIS FOR THE STATE PERD ADMINISTRATOR TO NEGOTIATE AN ADDITIONAL CONTRIBUTION TO FUND THE UNFUNDED LIABILITY. USING THE CURRENT STUDY AS A BASE, THIS WOULD REQUIRE AN AVERAGE SUPPLEMENTAL PAYMENT OF 10% FROM EACH CITY.

IN SUMMARY, MR. BRAND'S BILL WILL REQUIRE A 34% INITIAL CONTRIBUTION AND AN ULTIMATE CONTRIBUTION OF 42.92% OF PAYROLL WHICH IS FULL FUNDING.

B. RETIREMENT BENEFITS FOR NEW FIREMEN HIRED AFTER JULY 1, 1981 WOULD BE REDUCED IN THE CITY'S BILL. AGE WOULD BE INCREASED FROM 50 TO 55, AND SERVICE FROM 20 TO 25 YEARS FOR A NORMAL PENSION. THE ESCALATOR WOULD NOT BE AUTOMATIC FOR FIREMEN HIRED AFTER JULY 1, 1981. THE FIREMEN'S BILL MAKES NO CHANGE FOR FUTURE FIREMEN.

THE CITY BILL ALSO BASES THE RETIREMENT PAY ON THE AVERAGE OF THE FINAL 36 MONTHS RATHER THAN THE FINAL MONTH FOR NEW FIREMEN HIRED AFTER JULY 1, 1981. THE FIREMEN'S BILL MAKES NO CHANGE FOR FUTURE FIREMEN. MR. BRAND'S BILL DOES NOT ALTER THE BENEFITS FOR NEW FIREMEN.

C. THE CITY'S BILL PLACES THE ADMINISTRATION OF THE PROGRAM IN THE HANDS OF PERD. THE FIREMEN'S BILL CREATES A NEW ADMINISTRATION BOARD OF FIREMEN TO ADMINISTER THE PROGRAM. MR. BRAND'S BILL PLACES THE ADMINISTRATION IN THE HANDS OF PERD, THE SAME AS THE POLICEMAN'S BILL.

D. THE CITY'S BILL HAS FULL DISABILITY COVERAGE EXCEPT IF A FIREMEN IS DISABLED ON A SECOND JOB OR IN COMMITTING A CRIMINAL ACT. THE FIREMEN'S BILL HAS FULL COVERAGE WITH NO EXCEPTIONS. MR. BRAND'S BILL IS THE SAME AS THE FIREMEN'S ON DISABILITY.

E. THE FIREMEN'S BILL PLACES A NEW FIREMAN IN THE PENSION SYSTEM UPON EMPLOYMENT. THE CITY'S PLAN IS THE SAME AS THE CURRENT LAW AND MAKES HIM A MEMBER AFTER SIX MONTHS PROBATIONARY PERIOD. MR. BRAND'S



The Big Sky Country

I have orig. Rose

MONTANA STATE HOUSE OF REPRESENTATIVES

G. C. "Jerry" Feda
District No. 4
206 2nd Ave. No.
Glasgow, MT 59230

Committees:
Chairman, State Administration
Agriculture
Fish & Game

February 20, 1981

Senator Matt Himsl, Chairman
Legislative Audit Committee
Capitol Station
Helena, MT 59620

RECEIVED

FEB 27 1981

Dear Senator Himsl:

MONTANA LEGISLATIVE AUDITOR

On behalf of our respective committees we respectfully request a performance audit of the Environmental Quality Council.

The request arises out of the introduction of HB 682, and the testimony presented on behalf of the bill. Attached is a copy of the bill and testimony submitted.

Everyone involved has agreed to the tabling of HB 682. But the concerns raised warrant attention. We feel this can best be addressed through the objective procedure of an audit.

Specifically we think the following should be addressed:

- (1) use of contracted services
- (2) reimbursement for contracted services
- (3) procedures used and authorization granted for acquiring contracted services
- (4) use of staff time related to legislative goals and statutory responsibilities.

Sincerely,

Representative Jerry Feda
Chairman, State Administration
Committee

Dennis Nathe
Chairman, Environmental Quality
Council

JF:hf

Enclosures

*Witnessed by Deputy by
Hon. Roy Williams*

Back Keesling - 612
Keesling
Kennis

7

THE SEQUENCE OF EVENTS CONCERNING CONSULTING SERVICES FOR
THE ENVIRONMENTAL QUALITY COUNCIL

* * * *

1. April 14, 1980. Cindy Price, a public relations and advertising specialist not yet employed by or officially consulting for the EQC sent EQC Director Terry Carmody a memo regarding a plan to draft legislation enacting an Energy and Natural Resource Legislative Committee. In her memo, Ms. Price suggested that "The blueprint should be as specific as possible, although many of the items would be for our consideration only, including meetings, reports, etc." Ms. Price also proposed charging \$150 per day for what she estimated would require 21 days of work. The existence of this memo indicates discussions of the Energy and Natural Resource Committee idea occurred prior to April 14.
2. April 24, 1980. The EQC met in Helena. Director Carmody indicated to the Council that further research and technical writing on the House Joint Resolutions assigned to EQC for interim study could not be accomplished with the available time and staff. Senator Dover moved to allocate \$5,200 for that task. EQC meeting minutes reflected the following:

"The issue on further research on HJR 21 and HJR 60 that was given to the Environmental Quality Council to do and how this was to be accomplished was discussed further. Frank Dunkle stated that he would like Ron Fenex to continue with what he had been doing. Terry Carmody stated that the task could not be accomplished with the time involved and the available staff. Representative Kennis suggested that possibly an intern from the University could be used to help in this task. Senator Dover made the motion that the Environmental Quality Council staff be allowed \$5,200 to acquire the needed assistance in doing the research and technical writing. The motion was seconded and passed."
3. May 1, 1980. One week after obtaining Council approval to hire outside technical writing assistance (supposedly for work on EQC's joint resolution assignments) Mr. Carmody gave Cindy Price a contract for \$12.50/hour "for technical writing and assistance with legislative items as assigned to Doubletree by the Director of the EQC." The contract also provided \$1000 immediately for Ms. Price "to initiate the above projects and to cover work already accomplished." (emphasis added) Ms. Price's subsequent bills to the Council reflect that the only work already accomplished was work on the Energy and Natural Resource Committee project.

4. May 1, 1980. On the same day Carmody hired Price to work on legislative items, he contracted with her for compilation of the Environmental Indicators report, a statutory obligation of the EQC. At the same 12.50/hour rate, the contract also provided a \$2,000 immediate payment "to initiate the project and to cover work already accomplished." Subsequent Price bills indicate that no work on the Environmental Indicators project had been accomplished at contract signing.
5. May 12, 1980. State Auditor's office records show that Ms. Price cashed her advance checks on both contracts on May 12.
6. June 20, 1980. Cindy Price submitted a "final draft of the outline for the proposed Natural Resource and Energy Council" to Carmody.
7. June 20, 1980. Cindy Price submitted a "report of time and work for production of Energy and Natural Resource Council." Her accounting enumerated work already accomplished in April following the EQC April meeting. It also reflected time spent with Senator Dover discussing speeches and press releases.
8. June 20, 1980. Price also submitted a time and work accounting for her effort on the Environmental Indicators project. Her first work on the Indicators began on June 17, 1980. Oddly, her June 20 bill on this contract project also included nine hours of work for June 21 and June 23.
9. July 13, 1980. Price sent Carmody a confidential report of a meeting she had with Senator Dover and Frank Dunkle. The report was laced with their ideas on how to maneuver the Energy and Natural Resource Committee idea in front of the EQC without letting on that a detailed proposal had already been prepared. Price pointed out to Carmody that Senator Dover wanted her "to write a speech on the subject and the concept (under his name) for presentation to the Council at the upcoming July 22nd meeting. Dover would, under the terms of their collusion, present the idea by essentially saying "Have had several constituents express concern about these matters and think this approach would solve the problem. What does the Council generally think of it? Could such an approach work? Do not want a determination or stance, as such, just a general opinion because I do intend to pursue the principle." Ms. Price further explained, "This means not telling anyone that there is a detailed outline." (her emphasis)

Price clearly recognized the manipulative nature of the project, but rationalized it to her satisfaction with the standard 'the end justifies the means' argument in the final paragraph of her confidential report when she asked Mr. Carmody:

"Question: Is all of the above within our agreement - time-money wise?

I might suggest that I think it is within the 'duties' established for the STAFF under MEPA and EQC. That, if we have to go round-about route to accomplish the purposes and goals it is legitimate. But I don't want to put you in a position of justifying (sic) something not explicitly approved by the Council."

Apparently Mr. Carmody concurred with such manipulation because the work on the Energy and Natural Resource Committee project continued after Price and Carmody met on July 15th to review the concept.

10. July 14, 1980. Price sent Senator Dover the "concept" paper for presentation to the EQC on July 22; the concept paper included a "for your use only" page of leading questions that Dover or Dunkle could use to persuade the Council to pursue the "idea" further.
11. July 22, 1980. Senator Dover presented the Energy and Natural Resource Committee (ENRC) concept to the EQC. This was the first time the idea of such a legislative superagency surfaced before the whole Council. It did not appear on the meeting agenda. It was introduced with no warning by Senator Dover. The pre-orchestrated, deliberately innocuous fashion in which the idea was presented allowed Dover's motion for EQC staff assistance in further work on the ENRC to pass without serious question.
12. August 3, 1980. Cindy Price submitted reports of time and work on the development of the ENRC.
13. August 3, 1980. Ms. Price also submitted a time and work accounting for the Environmental Indicators project on this date. A month later she would recommend to EQC that the Indicators project be dropped (to which the Council agreed), yet she submitted no further or final accounting of her work. Not until five months later and in the wake of EQC's closed door executive session did Ms. Price prepare a complete account of her work on Environmental Indicators. Her final bill reveals that she was given a \$2,000 advance for work on the project, that she actually put in \$750 worth of her time, and that in effect she owed EQC the unused \$1,250 of her advance for many months.

14. August 25, 1980. Tom Kotynski of the Great Falls Tribune wrote a column in which the close relationship between Cindy Price and Frank Dunkle as personal friends and business associates was cited as grounds for concern over Price's doing contract work for EQC. This column was apparently the first public inkling that some impropriety might exist in EQC contracting practices. EQC Director Carmody denied any wrongdoing. Price indicated that Dunkle had sold her the Doubletree P.R. firm six years ago and no longer had any financial interest in it. Dunkle said he did not use any influence to get Price the EQC contracts.

In their effort to establish an arm's length association both Dunkle and Price neglected to mention that Ms. Price is Secretary/Treasurer of Dunkle's Resource Education Foundation and that she received contracts from him when Dunkle was Executive Director of the Montana Mining Association, as well as when he ran Ecological Consulting Services. They were both contracted by the Campaign Against Forced Deposits to help defeat the litter/recycling initiative and they both were paid to try to defeat the nuclear waste initiative.

15. September 7, 1980. Terry Carmody sent EQC members an outline or blueprint of how the ENRC concept might work.
16. September 10, 1980. Carmody sent the Council members a letter from Cindy Price in which she recommended that no further work on Environmental Indicators be done.
17. September 16, 1980. The EQC met. It was agreed that the Indicators project should be dropped.
18. November 7, 1980. The EQC met again following the November elections. In the wake of the defeat of the litter initiative, Senator Dover moved that the EQC staff be directed to gather information dealing with litter control so that the legislature could have some background to introduce a litter bill.
19. November 19, 1980. Records submitted to the State Campaign Commissioner indicate that both Cindy Price and Frank Dunkle have been paid by the Campaign Against Forced Deposits to help defeat the litter initiative.
20. January 12, 1981. The EQC met for the final time in the 1979-80 biennium. Presented not as background on litter control but as a fait accompli was a bill on litter control/recycling for

EQC's endorsement. The Council rejected the bill, recalling no instructions to the staff that an EQC bill on litter control was to be drafted.

Council members pointed out that the beverage distributing industries had promised to come up with a litter bill if the initiative were defeated and that for EQC to endorse a bill at this point was improper. Unknown to most of the Council members at this point was the fact that Ms. Price spent 119 hours drafting this "background information".

Also on January 12th, EQC went into executive session to deal with the questions of contracting improprieties and manipulation of the entire council by two other council members and the Executive Director. No minutes of the meeting were kept.

21. January 14, 1981. Terry Carmody sent Council members a brief explanation of events from his perspective.
22. January 14, 1981. Frank Dunkle resigned from the EQC.
23. January 15, 1981. The Council requested at the January 12th executive session that a resume' for Cindy Price be submitted for Council review along with copies of her bills for EQC contract work. No resume' for Ms. Price existed at the EQC office so Mr. Carmody, in response to a phone request by Council member Bob Kiesling, had Ms. Price prepare one.
24. January 22, 1980. Director Carmody sent Council members a copy of Cindy Price's termination letter for contracted services and an accounting of her final bills in which she reimbursed the EQC for advance money not spent.

NOTE: The products of Ms. Price's contract work remain alive as of this date.

The Energy and Natural Resource Council bill is currently tabled in the Senate Legislative Committee while Senator Dover and colleagues attempt to come up with amendments.

The litter control/recycling bill is about to be heard in the Senate Public Health Committee.

Komme 682



DOUBLETREE

April 14, 1980

To: Terry Carmody, Environmental Quality Council

From: Cindy Price, Doubletree

Re: Proposal to Draft Legislation to Enact an Energy & Natural
Resource Legislative Committee

I have considered the proposal to draft legislation which would provide for a legislative Energy and Natural Resources Committee. I also have carefully reviewed the provisions for the Environmental Quality Council within the Montana Environmental Policy Act. As we discussed, ideally the suggested committee should be the EQC. However, I do think we should plan to be prepared to opposition to an amendment to MEPA by having legislation which would establish a separate committee.

I would like to approach the project very pragmatically by beginning with a blueprint of exactly how such a committee would work because I believe that by carefully thinking through its activities and method of operation, we can insure that legislation provides for exactly what we want to accomplish in the long run. It would also help us detect deficiencies in the approach which might mean its failure to achieve its purpose. Finally, it would also put us in a better position to work for passage of the legislation.

* [The blueprint should be as specific as possible, although many of the items would be for our consideration only, including meetings, reports, etc. The first draft would include areas for decisions with options - such as number of members, terms of office, etc. In addition, I would like to develop a communication channels chart to illustrate the relationships between the legislature and the committee; the committee and state agencies; the committee and the public with the basic purpose of showing how they would achieve the purposes.] **

When the blueprint is approved, it will be used as the basis for drafting the legislation and can also be proposed as the regulations to implement the legislation although we may want to leave some of the specific details that we would like to see out of the regulations in order to leave the committee some decisions to make about its operation.

The following is the outline of Steps as I envision them and the estimated time required. The "review" steps are anticipating working with some committee of EQC (?) or the full council.

April 14, 1980

Page 2



To: Terry Carmody

From: Cindy Price

Re: Proposal to Draft Legislation

STEPS	ESTIMATED TIME REQUIRED
1. Draft blueprint and outline communication channel chart	5 days
2. Review and discussion	1 day
3. Revision incorporating review comments and suggestions	2 days
4. Second review	1/2 day
5. Write final blueprint	1 day
* [(Do you want to submit this to the full council at this point?)] *	
6. Draft legislation	3 days
a. To amend EQC section of MEPA	
b. To establish a new legislative committee	
7. Review and discussion	1 day
8. Revision incorporating review comments and suggestions	1 day
9. Confer with legal counsel	1/2 day
10. Review	1/2 day
11. Final draft	2 days
12. Final review and approval	1/2 day
13. Preparation of explanation of purpose; revision of blueprint into regulations; fact sheet for legislators - written and prepared for printing or copying.	3 days

TOTAL 21 days

PROPOSED COST TO IMPLEMENT ABOVE ITEMS - 21 days @ \$150/day =
\$3,150.00

From the minutes of the April 24, 1980 EQC meeting

-5-

2

The issue on further research on HJR 21 and HJR 60 that was given to the Environmental Quality Council to do and how this was to be accomplished was discussed further. Frank Dunkle stated that he would like Ron Fenex to continue with what he had been doing. Terry Carmody stated that the task could not be accomplished with the time involved and the available staff. Representative Kemmis suggested that possibly an intern from the University could be used to help in this task. Senator Dover made the motion that the Environmental Quality Council staff be allowed \$5,200 to acquire the needed assistance in doing the research and technical writing. The motion was seconded and passed.

A motion to adjourn the meeting was made, it was seconded and passed.

The meeting adjourned at 6:00 p.m.

REPRESENTATIVE DENNIS G. NATHAN, Chairman

TERRENCE D. CARMODY, Executive Director



STATE OF MONTANA
ENVIRONMENTAL QUALITY COUNCIL
CAPITOL STATION

Helena, Montana 59601

Telephone (406) 441-4242



Terrence D. Carmody, Executive Director

CLARENCE L. JUDGE, Jr.
Representative
District 1

HOUSE MEMBERS
Dennis G. Nahr, Chairman
Vernier L. Benches
Daniel Kenamus
Arthur H. Shelden

SENATE MEMBERS
William F. Hatterman, Vice Chairman
Mike Anderson
Harold Dover
Bill Thomas

PUBLIC MEMBERS
Frank D. Dyer
Bob Kieser
Doris H. Mader
Norm Smith

May 1, 1980

MEMORANDUM OF UNDERSTANDING

* [The Environmental Quality Council contracts with Doubletree, Missoula, Montana for technical writing and assistance with legislative items as assigned to Doubletree by the Director of the Environmental Quality Council.] *

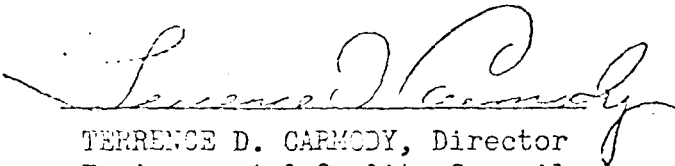
Such work shall be completed within the deadlines and time limits directed by the Director at the rate of \$12.50 per hour. During the term of this contract as defined by those deadlines, Doubletree shall submit a weekly report of progress, activity and time spent on the project. The Director will approve or disapprove these reports.

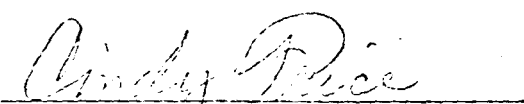
The Director shall have final approval for the acceptance and determination of completion of the work assigned under this contract.

* [The total amount paid to Doubletree under the contract shall not exceed \$3,500.00. To initiate the above projects and to cover work already accomplished, the sum of \$1,000.00 shall be paid at the time of acceptance of this Memorandum. All expenses and time shall be documented by Doubletree for approval.] *

ACCEPTANCE OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is accepted on this 1 day of May, 1980.


TERRENCE D. CARMODY, Director
Environmental Quality Council


CINDY PRICE
Doubletree



STATE OF MONTANA
ENVIRONMENTAL QUALITY COUNCIL
CAPITOL STATION
Helena, Montana 59601

Telephone (406) 42



Terrence D. Carmody, Executive Director

THOMAS J. BURKE OF
Montana House of Representatives
Ted Schwabach

HOUSE MEMBERS
Deane G. Noble, Chairman
Vernon H. Peterson
Michael Kermers
Arnold H. Stauden

SENATE MEMBERS
William F. Halterman, Vice Chairman
M. E. Anderson
Richard Dwyer
R. C. Thomas

PUBLIC MEMBERS
Frank Dangle
Roch Krosing
Doris H. Meier
Norm Starr

May 1, 1980

MEMORANDUM OF UNDERSTANDING

The Environmental Quality Council contracts with Doubletree, Missoula, Montana for compilation of a Report on Montana Environmental Indicators. The duties will include: directing collection of data, providing a draft report, final editing and supervision of printing.

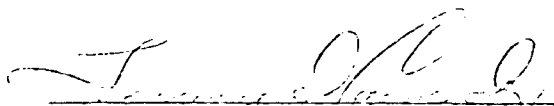
The project shall be completed within the deadlines and time limits directed by the Director at the rate of \$12.50 per hour. During the term of this contract as defined by those deadlines, Doubletree shall submit a weekly report of progress, activity and time spent on the project. The Director will approve or disapprove these reports.

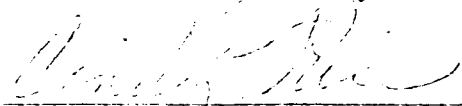
The Director shall have final approval for the acceptance and determination of completion of the work assigned under this contract.

The total amount paid to Doubletree under the contract shall not exceed \$7,000.00. To initiate the above projects and to cover work already accomplished, the sum of \$2,000.00 shall be paid at the time of acceptance of this Memorandum. All expenses and time shall be documented by Doubletree for approval.

ACCEPTANCE OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is accepted on this 1 day of May, 1980.


TERRENCE D. CARMODY, Director
Environmental Quality Council


CINDY PRICE
Doubletree

5



STATE OF MONTANA STATE AUDITOR

No. 476167

93-104
920

To the Treasurer of the State of Montana

APPRO.	ACCOUNT	DATE	CLAIM NO.	DOLLARS	CENTS	NUMBER
	07300	05-07-80	0000395	*****2,000	00	476167

VOID ONE YEAR FROM DATE

CINDY PRICE

PAY TO THE
ORDER OF

HELENA, MONTANA

DEPARTMENT
ENVIRONMENTAL QUALITY COUNCIL

PAY
*****2,000.00
Know Your Endorser Require Identification

MAY 12 2000
PAID

MONTANA STATE TREASURER

476167 092001046

13



STATE OF MONTANA STATE AUDITOR

No. 476166

93-104
920

To the Treasurer of the State of Montana

APPRO.	ACCOUNT	DATE	CLAIM NO.	DOLLARS	CENTS	NUMBER
	07300	05-07-80	0000394	*****1,000	00	476166

VOID ONE YEAR FROM DATE

CINDY PRICE

PAY TO THE
ORDER OF

HELENA, MONTANA

DEPARTMENT
ENVIRONMENTAL QUALITY COUNCIL

PAY
*****1,000.00
Know Your Endorser Require Identification

MAY 12 2000
PAID

MONTANA STATE TREASURER

476166 092001046

13

IDENTIFICATION PROCEDURE

When cashing this warrant for the individual payee, you should require full identification and endorsement in your presence, as claims against endorsers may otherwise result.

Division O 2215-0

CREDITED TO THE ACCOUNT OF
 THE WITHIN NAMED PAYEE
 FIRST NATIONAL MONTANA BANK
 MISSOULA, MONTANA

01/1/2002

0920-0026-7

335

PAY ANY BANK P.O.
FIRST NATIONAL
MONTANA BANK
OF MISSOULA
MISSOULA MONTANA
2

47-11

IDENTIFICATION PROCEDURE

When cashing this warrant for the individual payee, you should require full identification and endorsement in your presence, as claims against endorsers may otherwise result.

Handwritten: 6-2815-0

CREDITED TO THE ACCOUNT OF
 THE UNITED STATES GOVERNMENT
 FOR THE YEAR 1900
 BY THE COMMISSIONER OF THE
 GENERAL LAND OFFICE
 WASHINGTON, D. C.

08-07-20

002 052800

0920 0014-7

93-21 PAY ANY BANK P.O.
FIRST NATIONAL
MONTANA BANK
OF MISSOULA
MISSOULA MONTANA 93-21

454



June 20, 1980

Terry Carmody, Director
Environmental Quality Council

Dear Terry,

The enclosed is the final draft of the Outline for the proposed Natural Resource and Energy Council.

The next steps I envision include:

* [1. preparation of news stories and speeches concerning
the proposal for those persons presenting the idea to the
public:] *

2. careful review and consideration of suggestions,
recommendations and comments concerning the proposal;

3. preparation of a final outline incorporating the above
for submission to EQC;

4. with approval of the final working outline, drafting
the specific amendments to MEPA for introduction to the legislature.

* [5. preparation of appropriate explanations and materials for the
education of legislators concerning the proposal.] *

Do you agree with my estimation of what steps come next?

If not, changes, comments?

Cindy Price
Cindy Price

Preliminary Report to
Terry Carmody,
Environmental Quality Council

April 29, 1980

PROPOSED AMENDMENT TO MEPA; EQC SECTION

I. Purpose:

- A. To grant a council of the legislature policy making ~~author~~ for natural resources and energy issues during interim periods.
- B. To insure that regulations governing energy and natural resources ^{shall} do not exceed the intent of any legislation concerning them.
- C. To give the council final authority concerning programs and regulations in the areas of natural resources and energy.

II. Method:

- A. To amend MEPA; EQC Section to provide for the above purposes and establish an Energy and Natural Resource Council composed of legislative members of the Environmental Quality Council; to amend the qualifications and appointment of the legislative members to provide that they be chosen from the Natural Resource Committees of each House. (69-6508; Insert the words: "from those serving on the Natural Resource Committees in the respective houses." between the words "... (4) members of the house of representatives"...and "appointed..."

NOTE FOR DISCUSSION: Do you want to enlarge the Council?

B. To amend MEPA to include the specific duties to accomplish the above purposes:

1. Review all existing laws and regulations (to be completed by July 1, 1983).

NOTE FOR DISCUSSION: Do we need a definition of types of laws or legislation?

2. To preview proposed legislation
3. To review proposed regulations and programs
4. To serve as an appeal council
5. To develop policy guidelines covering natural resources and energy development in the state.

III. Basic Changes:

A. That the Energy and Natural Resource Council shall meet once a month; that those months in which the Environmental Quality Council is meeting; following the EQC meeting, the public members will be ~~dismissed~~ and the legislative members will meet as the ENRC. That the ENRC shall have all the powers as EQC and shall assign projects to the EQC Director and its staff. (Note: the only change in EQC is the qualifications of the legislative members: that they be appointed from the Natural Resource Committees of each house) ENRC meetings may be open to the public and thus the EQC public members, when dismissed may remain as spectators, but shall have no vote or voice in discussions.

*checked
6/1/83
10/1/83*

IV. Duties:

A. Regulatory Review! (See Report #1)

1. First review to be completed by July 1, 1983.

Following that date, laws and regulations in effect shall be reviewed every 4 years for applicability to current situations.

2. Each review shall be conducted for the following purposes:

- a. Identify those regulations inconsistent with intent of law;
- b. Identify administrative procedures inconsistent with intent of law;
- c. Identify areas of inadequate enforcement.

3. All items identified shall be dealt with in the following manner:

- a. the agency responsible shall be given written notice of the findings;
- b. the agency shall provide a written response within 30 days;
- c. following a review of the response, ENRC shall meet with the responsible agency personnel to discuss corrective action within 30 days and submit its final decision concerning the appropriate action;
- d. the agency shall submit a plan to comply with the decision.

B. Preview Proposed Legislation (See Draft #1)

1. Will provide recommendations and comments to agencies concerning prefiled legislation by November 1 (to allow time for changes).
2. Attach ENRC recommendations to all legislation previewed for consideration of legislature.

C. Review regulations and programs proposed to comply with new legislation.

1. ENRC will identify all legislation and its intent one month following the legislative session and inform responsible agencies that they are required to submit proposed regulations and programs for approval to the ENRC.
2. Following review of above, ENRC will submit written approval or recommendations with specific explanations given in areas in which the Council believes it is inconsistent with legislative intent.
3. Provisions may be made for a formal hearing to include testimony from all sponsoring legislators in the event the agency strongly disagrees with the council.
4. ENRC shall devise a method of giving public notice of all agency hearings on regulations 45 days prior.

D. Appeal Council

1. ENRC shall accept written complaints of agency regulations, administration or enforcement in which the complainant believes it is arbitrary, inconsistent with legislative intent, exceeds the authority of the law, etc.
2. Such complaints shall be investigated and a written opinion delivered within 30 days.
3. In the event the complaint is valid, procedures outlined in 3, a through d shall be followed.

E. Policy Development (including forecasting - see Draft #1)

1. Each month the Council shall review the current status of energy and natural resource production, problems, proposals, development and needs. Changes shall be reviewed in terms of applicable laws. In the event, current laws or regulations do not address or pertain to the problem, the council shall develop policy guidelines.
2. Any policy decisions made during an interim session shall be developed as legislation prior to each legislative session for consideration of the entire legislature.

###

7

June 20, 1980

To: Terry Carmody, Director
Environmental Quality Council

From: Cindy Price, Doubletree

Re: Report of time and work for production of
Energy and Natural Resource Council

* April 28

Study, discussion and review
of Carmody draft, purpose etc. 4 hours

* April 29

Study of MEPA and consideration
of potential of amending to
provide for ENRC 3 hours

Writing draft proposal 5 hours

April 30

Meeting and review of draft 2 hours

June 17

Study of Administrative Procedures
Act and other potentially applicable
laws 5 hours

June 18

Rewriting draft blueprint 3 hours

June 19

Meeting and review of draft 1 hour
Consultation concerning draft
and consolidating all notes 5 hours

June 20

* Writing and typing final draft
making copies, discussion with
H. Dover about speeches & press
releases * 5 hours

TOTAL TO DATE 33 hours

=====

* June 20, 1980

To: Terry Carmody, Director
Environmental Quality Council

From: Cindy Price, Doubletree

Re: Report of time and work for production of
Montana Environmental Indicators Report

June 17	Studying all EQC reports concerning historical perspective of Council to assist with choosing indicators	8 hours
June 18	Further study of reports	6 hours
June 19	Developing purpose, assumptions and scope of indicators	5 hours
	Meeting and review	1 hour
* June 21	Consultation regarding initial selection, reasons, draft	4 hours
* June 23	Writing draft purpose, assumptions and indicators	5 hours
	TOTAL TO DATE	29 hours =====

9

July 13, (SUNDAY!) 1980

CONFIDENTIAL REPORT

My dear Mr. Carmody,

The following is a report of a meeting between Sen. Harold Dover, Frank Dunkle and myself on your behalf concerning the Energy and Natural Resources Council.

1. After a thorough discussion of the detailed (blueprint) of the proposal Sen. Dover was specifically concerned as to whether more staff for EQC would be necessary to implement the proposal - "Are we creating another monster like the legislative council staff which itself assumes policy making authority?" (He might have added like the legislative auditor's staff) You are going to have to give this serious consideration.

2. Sen. Dover with the concurrence of F. Dunkle decided it might be the "kiss of death" to have EQC endorse the proposal because of the legislature's possible - what the hell, definite bias against the Council because of 1) its past ultra-environmental stance in the past when people like F. Dunkle tried to abolish it and 2) its present members like Dunkle and Dover who are too moderate. They expressed a concern that they did not want to take the chance of the proposal failing simply over who/what backed it.

3. Therefore, it was decided by the above persons it would be a good political maneuver to simply have Dover present a one to one-half page synopsis of the concept to the EQC for the 22nd meeting with the idea of essentially saying "Have had several constituents express concern about these matters and think this approach would solve the problem. What does the Council generally think of it? Could such an approach work? Do not want a determination or stance, as such, just a general opinion because I do intend to pursue the principle." This means not telling anyone that there is a detailed outline. It also was determined that H. Dover would pursue it until election - if not reelected, F. Dunkle and ~~He~~ would work to get it introduced by a "neutral" party.

However, it is my understanding that Harold (we) will run it by (quietly) people like George Roskie, Bill Thomas and Bill Hafferman at the appropriate time - after seeing the general reaction of the Council, for comment and input.

4. Harold does want me to write a speech on the subject & the concept (under his name) for presentation to the Council. He does not expect to be able to attend the meeting on the 22nd and will "ask" Frank to present it for him. Please leave 10 minutes on your agenda for same. He also wants some cover letters to appropriate people when he submits the "draft outline" with the background of EQC's reaction, etc.

July 14, 1980

Dear Harold,

Here is the "concept" paper for presentation to the Environmental Quality Council on the 22nd. I am taking a copy of it up to Terry this afternoon and he will call you Wednesday or Thursday for your changes and additions for me to incorporate next Monday when I get back in time for Tuesday's meeting. The second page is strictly for you or Frank, whomever makes the presentation. Please also include any questions or thoughts you think are important to it.

If you're not here, I hope your trip is successful.

Yours,

Cindy

Cindy Price

July 22, 1980

TO: Environmental Quality Council
FROM: Senator Harold Dover
RE: Concept of Suggested Legislation

As we all know, the state's economic and social structure is based on our natural resources and the availability of energy. Every policy decision regarding the use, development or management of our resources has a dramatic effect on the entire state.

Our system of government provides that the legislative branch makes policy and the executive branch carries it out. This is not the present situation. Every month some state agency makes a policy concerning energy or natural resources for which you and I, as legislators, often get blamed,

The second problem we face is that even when legislation is passed which establishes policy, the rules and regulations often exceed our intent. However, in fairness I must add that the sponsor seldom includes his or her specific intent with legislation. But, whether it is a misunderstanding or a deliberate misinterpretation, the legislators have to answer to their constituents or the affected businesses and industry.

We are elected to represent the interests of the people but too often a special interest group goes straight to a state agency and prevails upon it to follow the policies advocated by a small minority.

State government must have some mechanism under which the legislature can 1) make the essential policy decisions required during the interim because of rapid changes and unforeseen events; 2) encourage sponsors to include intent with energy and natural resource legislation and determine the intent of laws already enacted; 3) review rules and regulation in effect or proposed to insure that they do not exceed intent; and 4) to act as a fact finding group for individuals or parties who question the validity of rules and regulations.

One solution would be to amend MEPA to provide that the legislative members of EQC meet as an Energy and Natural Resource Council and perform the above duties. Under this concept, a new legislative branch would not have to be created and the Council could use the same EQC staff. The Council also would have the same subpoena powers as EQC as well as specific duties to accomplish the objectives outlined above.

Again, the basic purpose and objective of an Energy and Natural Resource Council will be to make the policy decisions which are currently being made by the executive branch and to insure that the intent of the legislature is not exceeded when rules and regulations are set. The absence of such a provision means that the responsibilities and obligations of the legislature are being performed by state agencies which are not accountable to the people and which are setting policies for which we must answer. The situation is severely subverting our form of government and the broad interests of the state's citizens are not being represented.

July 22, 1980

Environmental Quality Council
Concept of Suggested Legislation

Questions to follow presentation:

1. Does the Council agree that there is a problem?
2. Does it agree with the concept of the proposed solution?
3. If so, should the staff pursue drafting details of such a proposal with the idea that it would be reviewed by the Council for a determination of whether to submit legislation or to make it available to an interested legislator?

NOTE: It would seem to be a legitimate project for EQC because we on the Council hear so many of the complaints by industry and the public that rules exceed intent and that agencies exceed their authority by making policy decisions in the energy and natural resource areas,

A study and a proposal for a solution would not obligate the Council itself to support or take a position but could be available for other legislators who have the same concerns.

From the minutes of
the July 22, 1980 EQC meeting



-4-

Some concern was voiced regarding whether the Environmental Quality Council should be placed in the position of drafting legislation. Frank Dunkle amended his motion that we formally request a piece of legislation be drafted from the information EQC has prepared, and it be handled through the proper channels. Senator Dover seconded the motion; the motion passed.

Terry Carmody presented to the Council for their information a copy of the suggested environmental indicators report, the cover letter and the suggested list of people that would eventually receive the report. This was in response to a request by the Governor and was decided at the last EQC meeting that we contract with someone to get the project accomplished.

Mr. Carmody then asked permission to go to a meeting that is out of state, the Western Conference of State Governments meeting in Jackson Hole, Wyoming, on September 28 to October 1 dealing with energy. Frank Dunkle moved that Mr. Carmody go to the meeting in Jackson Hole. Senator Dover seconded the motion and the motion carried.

The matter of whether or not the Board of Health and Environmental Sciences had adequate information regarding economic impacts to adopt the air quality standards and whether or not they considered the Administrative Code Committee's concerns was discussed. Senator Dover stated that the EQC has the authority to look into matters of this nature because it is charged with oversight responsibilities to see that the Montana Environmental Policy Act is complied with.

Senator Dover then made a motion that the Council instruct the Environmental Quality Council director and his staff to conduct an investigation into this matter and provide to the Council at the next meeting an objective report whether or not the Board did have adequate data required regarding the economic impact of the adopted rules. Frank Dunkle seconded the motion. A vote was taken with five voting yes, two voting no. The motion passed.

Senator Dover presented the concept of forming an energy and natural resource committee composed of legislators that are now members of the Environmental Quality Council, and the legislators and the staff now in the Environmental Quality Council would monitor legislation passed in the legislative session in the area of energy, would review any administrative changes and any proposed legislation by various agencies or, if requested, review proposed legislation by any of the legislators. The composition of the committee would include just the legislators as members, but would be within the present Environmental Quality Council which has the eight legislators, four public members, and the two ex-officio members. He stated that the main purpose of this committee would be to see that the intent of the legislation is properly carried out.

Senator Dover made a motion that the Environmental Quality Council staff assist him in forming the energy and natural resource committee that would be within the present Environmental Quality Council. The motion was seconded by Representative Shelden and the motion passed.

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August 3, 1980

To: Terry Carmody, Director
Environmental Quality Council

From: Cindy Price, Doubletree

Re: Report of time and work for production of
Energy and Natural Resources Council

July 13	Meeting and review with Harold Dover	2 hours
July 14	Drafting "concept" paper for Harold	2 hours
July 15	Review of Concept with Terry	1 hour
July 21	Final typing of concept	1 hour
	TOTAL	<u>6 hours</u>
	TOTAL from <u>June 20 report</u>	33 hours
	TOTAL TO DATE -----	<u>39 hours</u>



August 3, 1980

To: Terry Carmody, Director
Environmental Quality Council

From: Cindy Price, Doubletree

Re: Report of time and work for production of
Montana Environmental Indicators Report

July 11	Meeting with EQC Staff for review and discussion	2 hours
July 13	Revision of indicators; retyping for meeting	2 hours
July 22	EQC Meeting	1 hour
July 28	Typing letters for agencies and university personnel	3 hours
July 25, 28, 29	Arranging indicators according to data source	12 hours
	TOTAL	<u>20 hours</u>
	TOTAL from June 20 report	29 hours
	TOTAL TO DATE -----	<u>49 hours</u>

2 000.00 - 100.00
6.00.00 - 100.00
5.00.00

Montana resources

By Tom Kotynski

Dunkle connection on EQC contract denied

HELENA— At the governor's request, the Environmental Quality Council, an arm of the Legislature, has agreed to update the state's Environmental Indicators Report.

The purpose of the report, done last in 1975, is to provide a general picture of Montana's environmental health.

Council staff director Terry Carmody hired Cindy Price, owner of Doubletree, a Helena public relations firm, to be project manager of the report at \$12.50 an hour for a maximum of \$7,000.

Carmody said he hired Price and Doubletree because Price had done such a fine job on a newsletter Carmody had published when he was chief of the Health Department's solid waste bureau.

Doubletree was formerly owned by Frank Dunkle, a member of the council and a close personal friend and business associate of Price.

Price said Dunkle sold Doubletree to her about six years ago, and no longer has any financial interest in it.

Carmody said he, not the council, hired Price, and Dunkle, a former Republican state senator and ex-state Fish and Game Department director who was an unsuccessful candidate for the Republican nomination for governor in 1972, had no part in her employment and made no recommendation about it.

Price said she has extensive experience in writing about natural resources and is highly qualified to do the environmental indicators report.

She said she has written and edited the Montana Wildlife Federation's newsletter, and when she worked for Dunkle's environmental consulting firm she wrote environmental impact statements. She has also written specific projects for the forest products industry.

Dunkle said he resents any implication that he used any influence to get Price the job. He said he's never used his influence in that way.

Work on the report has been suspended.

No change seen

pended because Carmody has questioned whether the council is the proper branch of state government to do the project.

In researching for the report it was discovered that the bulk of information needed is in the Department of Community Affairs' research and information systems division.

"I don't know whether or not it's the position of a legislative body (the council) to accumulate and publish data the executive branch has already collected," said Carmody.

Carmody will present his observation to the council Sept. 16 to see if the council wants to proceed with the project.

He figures publishing the report would require about \$7,000 in addition to the \$7,000 allocated to Price.

Ottis Hill, the governor's natural resources aide, said the request for the council to do the report came from the natural resources mini-cabinet headed by Lt. Gov. Ted Schwinden who is the governor's representative to the council.

Hill said the cabinet just indicated that it would appreciate having information an environmental indicators report would supply, and there was no discussion about the propriety of having a legislative agency prepare a report which could have been more easily done by the executive branch.

SUCTION DREDGES — The gold pan is giving way to the suction dredge, a vacuum cleaner-like machine used to suck riches from Montana's streams.

That could mean trouble for water quality and fishing.

The state Health Department has received 22 applications for wastewater discharge permits for suction dredging in some of Montana's well-known fishing holes on the Yellowstone, Jefferson, Clark Fork and Missouri rivers.

But the state Fish, Wildlife and Parks Department fisheries habitat preservation coordinator, Norm Peterson, believes the number of suction dredges operating on mountain streams, particularly in western Montana, is considerably higher.

Peterson said he's heard there are 60 suction dredges working and there are

areas, the mining plans can be modified to protect the resource, or blocked entirely in some instances.

"There may be some areas so critical we may not want miners in there," he said.

The suction dredges can move as much as 30 cubic yards of streambed in a day.

That could result in fish eggs being sucked up in the gravel, harming fish populations, creating turbulence in the water and causing water pollution, or in some cases causing a change in the stream's equilibrium, he said.

One reason miners use suction dredges without state permits is that there are so many permits a miner must have to operate legitimately — a state natural streambed and land preservation permit, a water quality discharge permit and a small miner's exemption. Several federal permits also must be secured.


"You can understand the miner's frustration in getting permits," said Peterson. "He will just throw up his hands and mine without a permit."

Peterson said the state is trying to form a clearinghouse to determine the increase in suction dredging and make it easier for a miner to work his way through the government permit maze.

He said a pamphlet describing the permit process is being prepared for statewide distribution, as a first step in an information campaign.

"We're urging miners to come in and talk," he said.

The Health Department has put off granting dredging permits because of a storm of protest it has received from conservationists, the Forest Service, fishermen, guides and nature lovers.



HAVE
CLOGGED
DRAINS?

15

~~August~~ ^{Sept.} 7, 1980

TO: Members of Environmental Quality Council

FROM: Terry Carmody, director

RE: Outline of legislation proposed by
Senator Harold Dover

As requested by Senator Harold Dover at the EQC meeting July 22, the staff has prepared an outline for the concept which Harold discussed.

* [This outline is not an attempt to actually present the suggested legislation. It is presented as a "blueprint" of how the concept might work.] *

At this point, we would like your reactions and comments which we will consolidate before we circulate this blueprint to state agencies and other legislators for their suggestions.

Please take just a few minutes now, review this and jot down your thoughts. Thanks for your time.

PROPOSED AMENDMENT TO
MONTANA ENVIRONMENTAL POLICY ACT
TO ESTABLISH AN ENERGY AND NATURAL RESOURCE COUNCIL

Background

The state's economic and social structure is based on its natural resources and the availability of energy. Every policy decision regarding the use, development or management of our resources has a dramatic effect on the entire state.

During the past 20 years, Montana and the nation have experienced many controversies concerning development of our natural resources and energy production. Most of these controversies have resulted from rapidly changing needs, priorities and economic conditions which have required policy direction.

Our democratic system of government provides that the legislative branch establishes policy and the executive branch implements that policy. However, events are occurring monthly and even daily which require new policy decisions. Under Montana's present system, there is no mechanism which provides for the legislative branch to give the needed direction and the executive branch has been forced into making policy.

This fact has caused several problems:

1. The legislative and executive branches often misunderstand each other;
2. Business and industry complains of over-regulation and blames both branches of government;
3. The executive branch is often accused of exceeding legislative intent; and
4. The concept of representative government is being replaced by special interest pressure and influence into executive branch decisions.

Solution

The solution to the problems outlined above is to establish a mechanism for continual legislative determination of policies concerning natural resources and energy in the state. These issues would include those concerning the use and development of and impact on such natural resources as air,

Method

To establish this mechanism for continual policy review, it is proposed to amend MEPS's section which establishes the Environmental Quality Council (EQC) by:

- A. Establishing an Energy and Natural Resource Council (ENRC);
- B. Provide duties for the ENRC.

Specifics and Discussion

A. The Energy and Natural Resource Council will be composed of the legislative members of the EQC.

(Note: This would leave the EQC in tact with its "citizen" members and a minimum of quarterly meetings. The legislative members would meet as the ENRC as often as deemed necessary.)

B. Proposed General Duties of the ENRC:

1. To develop policy guidelines during the interim when a policy is needed because of changes in the state's economic or social condition for which no policy has been established by the legislature;

2. To insure that rules and regulations governing natural resources and energy do not exceed the intent of legislation governing them;

3. To review legislation proposed by the executive branch and, when requested, by legislators as a method of insuring a consistent and coordinated policy direction for the state;

4. To act as a fact finding council for individuals or parties who may contest the validity of rules, regulations or legislation;

5. To insure that appropriate rules and regulations are being enforced;

6. To act as an oversight committee for all federal rules, regulations and programs concerning the issues defined above.

Suggested Mechanics and Discussion

A. Development of policy guidelines

1. ENRC shall develop a statement of policy concerning the development

2. At each meeting, the Council will review the current status of energy availability and of natural resources in the state, their problems, proposed changes, development and needs. Changes will be reviewed in terms of applicable laws. In the event, current laws and regulations do not address or pertain to the problem or situation requiring a determination, the Council shall develop the necessary policy guidelines. Agencies or individuals may request policy guidelines from the Council also.

3. All policy decisions made by the Council during an interim shall be developed as legislation prior to each session for consideration of the legislature.

B. Review of rules and regulations in terms of legislative intent.

1. Initial review. This will include a review of all existing laws, regulations and programs pertaining to energy and natural resources. Those found to be inconsistent with legislative intent will be dealt with as "contested cases" under the Administrative Procedure Act.

2. Ongoing review. One month following a legislative session, the ENRC will identify those new laws which concern its scope and notify the responsible agencies that proposed rules, regulations or programs must be submitted to the Council for comment before their adoption.

C. Review proposed legislation.

1. All agency bills dealing with natural resources and energy issues will be prefiled by September 1 preceding a session. These and all other prefiled legislation concerning these areas will be routed through the ENRC. Legislators may submit proposed legislation or notices of intent to file legislation concerning these subjects.

2. The ENRC shall:

- a. identify duplication and consolidate bills when possible;
- b. identify legislation which conflicts with current laws;
- c. provide sponsors recommended changes;
- d. submit the Council's recommendations about previewed legislation to the legislature;

The Council shall not, however, have the duty of drafting legislation.

D. Fact finding activities.

1. ENRC shall accept written complaints from individuals, businesses or citizen groups concerning regulations, programs or enforcement which the complainant believes are arbitrary or inconsistent with legislative intent.
2. ENRC shall review all complaints and initiate the appropriate action within 60 days.

(Note: It is hoped that the requirement of a written complaint will avoid misuse of this function. In some cases, "appropriate action" may be to drop the complaint in the waste basket. For those which the Council finds to be legitimate, the Council would then become the complainant before the offending agency. All complaints and those submitting them would be confidential to avoid harassment or problems for the original complainant.

E. Enforcement review.

Upon review of programs and enforcement of appropriate regulations, the Council will have the authority to act on behalf of the legislature in court to compel enforcement in areas it is insufficient.

F. Oversight of federal rules, regulations and programs.

The Council will review federal activities in effect and those proposed which will affect the state for consistency with Montana laws and goals. It will also develop stands and provide comment when possible.

Other Considerations

A. Legislative intent.

The Council will urge and request all sponsors of legislation to include a statement of the intent of a bill. If not secured prior to passage, such a statement will be requested following enactment.

B. Contested cases will be dealt with in the following manner:

1. A statement of the Council's findings, statement of intent of the sponsor(s) and copies of applicable statements during the legislative consideration shall be submitted to the responsible agency.

2. The agency shall respond within thirty (30) days. If no response is given by that time or an extension of time requested and granted, the rule, regulation or program shall be considered null and void.

3. Following a review of the response, ENRC shall meet with the responsible agency personnel to discuss corrective action.

4. The agency shall then submit a plan to comply with the Council's recommendations.

5. If agreement cannot be reached by the above methods, the Council shall submit the issue to the Administrative Code Committee for a poll of the members of the legislature to determine whether the issue is consistent with the intent of the legislature. The poll shall include an opportunity for the agency to present a written justification of its actions. The results of the poll shall be admissible in any court proceeding involving the issue. In the event that the poll determines a majority of the members of both houses find the issue contrary to the intent of the legislature, it shall conclusively be presumed to be contrary to the legislative intent in any court proceeding involving its validity.

6. ENRC may conduct such hearings as it deems necessary at any stage in the above process and shall have subpoena powers granted EQC within the MEPA legislation.

7. The ENRC shall work as diligently as possible to resolve contested cases and disputes informally. However, when it is necessary to use the provisions for Contested Cases under the Administrative Procedure Act, the ENRC shall be considered the "aggrieved party."

8. An important tenet of this proposal to create an Energy and Natural Resource Council is that time is important in governmental decision making. Therefore, strict time limits must be prescribed by the Council for steps taken in Contested Cases.

STATE OF MONTANA
ENVIRONMENTAL QUALITY COUNCIL
CAPITOL STATION
Helena, Montana 59601

Telephone (406) 493-1937

Terrence D. Carmody, Executive Director

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Vernon E. DeLoach
Dorel E. Smith
Vernon H. Stedden

SENATE MEMBERS
William E. Halpern, Vice Chairman
Mike Anderson
Harold Dwyer
Bill Hennen

PUBLIC MEMBERS
Frank Dwyer
Robert Smith
Doris H. Miller
Norm Stott

September 10, 1980

SEP 11 1980

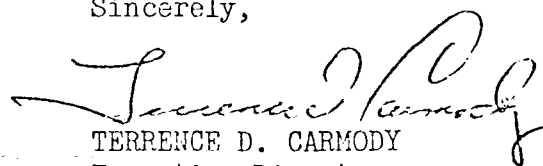
TO: ENVIRONMENTAL QUALITY COUNCIL

In reference to the agenda item "Report on the Environmental Indicators Project", find enclosed a letter from Cindy Price who is the project director.

It is the subject matter of this letter that I would like discussed and a decision rendered as to whether or not you want us to continue with the project or give it back to the executive branch.

Also enclosed is a copy of the statement of expenses for August and the list of environmental impact statements received in August.

Sincerely,


TERRENCE D. CARMODY
Executive Director

TDC:es

Enclosures

2480 Broadway #5D
Helena, MT 59601

Terry Carmody, director
Environmental Quality Council
Helena, Montana

Dear Terry,

As you know, while establishing contact with the various state agencies in an effort to compile the data for the Environmental Indicators Report, we were contacted by the Department of Community Affairs research and informations systems division.

It was explained that the data for the subjects outlined as "indicators" is available and compiled by that department. Further, it was pointed out that several budget requests to publish this information have not been approved. Consequently, several questions arose:

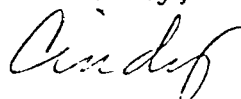
1. If the data was available within the executive branch, why was the Legislative Council requested to provide it?
2. Since the executive branch has evidently been reluctant to include such an item in its budget, should the legislative branch be indirectly funding such a project without full consideration of the legislature as an appropriate budget request would receive?

The concept of an indicators report is valid. Its information could provide valuable help for decision makers and the public to understand the many interrelated factors in this state. Finding the information available and accessible is exciting. However, I must say I think those who worked so hard to gather and compile it are in a much better position to present it properly. In as much, also this was one of the reasons the division was created, it does not seem appropriate for another branch (division, council, etc.) to assume the responsibility for funding its dissemination.

I respectfully request a review and re-consideration of the Council's decision to pursue the Environmental Indicators Project in light of the above information and the current political climate. If it is determined that the Council does want to proceed, I shall be happy to continue with the understanding I will work closely with DCA.

Thank you.

Sincerely,



Cindy Price



A substitute motion was made by Representative Kemmis that the second limitation imposed on the qualification of industrial bonds be that those utilities coming under the regulation of the Montana Public Service Commission do not qualify. Robert Kiesling seconded the substitute motion. The roll was called for votes - seven voted no - four voted yes; the motion failed.

Representative Kemmis made a motion that this financing be made available to all utilities. Senator Hafferman seconded the motion and the motion carried.

Senator Dover moved that Issue No. 14 be accepted which is to facilitate private small scale hydro financing by amending the Montana Industrial Development Projects Act to include small scale hydro projects and this is not limited only to small scale hydro projects but to also wind, solar, biomass, etc., up to 80 megawatts. Robert Kiesling seconded the motion, the motion carried.

Issue No. 12 - To encourage the development of SSH projects by utilizing the renewable resource development fund or some other stream of coal severance tax revenues to provide financial assistance to private SSH developers - was discussed. Senator Dover made a motion to accept Issue No. 12 (B) concept to look at the interest on the permanent trust fund as a source of financing small scale hydro. Senator Hafferman seconded the motion and the motion carried.

Chairman Nathe stated that it was understood that NCSL would be working with the Environmental Quality Council, Department of Natural Resources and Conservation and also with Debbie Schmidt from the Legislative Council in drafting the proposed legislation.

* [Next on the agenda was the report on the Environmental Indicators that Doubletree was working on and the letter from Cindy Price was discussed. The issue was whether to have Doubletree pursue the project as it was discovered that the Department of Community Affairs had the information available and had been compiled by that department, and that several budget requests to publish the information had not been approved.] *

Representative Kemmis moved that the Environmental Quality Council not proceed with this project and to go on record to supporting any effort by the executive branch to secure the necessary funding to pursue this. Senator Dover seconded the motion; the motion carried.

The next item on the agenda was the discussion on the air quality standards. Bill Harbrecht presented the Environmental Quality Council report on the adequacy of considerations of the Department of Health and Environmental Sciences proposed ambient air standards, and outlined how the data had been compiled. John Bartlett, Department of Health and Environmental Sciences,

Senator Hafferman read the report on bonding and indebtedness for small scale hydro projects that was requested at the July Environmental Quality Council meeting.

The next item on the agenda was discussion on HJR 21. Copies of the reports from John Faust, Intern Program, University of Montana, and the report from Maxine Johnson, Bureau of Business and Economics, University of Montana were distributed. Terry Carmody suggested that the Council members read these and decide if legislation should be introduced regarding this resolution.

* [Senator Dover made a motion to direct the Environmental Quality Council staff to gather state laws and information dealing with litter control so that they can have some background to introduce a litter control law.] *

The motion was seconded and carried.

Frank Dunkle moved that the meeting adjourn; the motion was seconded and passed. The meeting adjourned at 6:00 p.m.

REPRESENTATIVE DENNIS G. NATHE, Chairman

TERENCE D. CARMODY, Executive Director

Initiative # 87 - Montana Litter Control Recycling Act
 Committee Against Forced Deposits (contributions continued) - Oppose



Total to Date
\$ 1,700.00
50.00
50.00
25.00
724.36
50.00
251.00
376.00
644.42
50.00
1,155.73
2,500.00
500.00
50.00
100.00
100.00
50.00
100.00
25.00
858.00
2,816.82
<u>\$554,961.03*</u>

Includes \$2,494.72 interest earned on savings; does not include \$1,350 loan received and repaid.

EXPENDITURES

Expenditures over \$100:	
Andrew, Elton M.; Hln. - Travel & Service Expenses	\$ 33,465.33
Dobson, Alice; Seattle, WA - Travel	545.27
* [Dunkle, Frank, Jr.; Hln. - Travel & Expenses	2,772.83
Galusha, Higgins & Galusha; Hln. - Accounting fees	4,746.89
Hanson, Stan; Hln - Travel & Service	6,332.45
Market Opinion Research; Detroit, MI - Opinion Survey	19,500.00
Montana System Development; Hln. - Office Rent	660.00
Mountain Bell; Salt Lake City, UT - Telephone	781.87
Ogden, Ogden & Murphy; Seattle, WA - Legal & Administration	47,448.20
* [Price, Cindy; Hln. - Billing & Expenses	3,474.79
Sage Advertising; Hln. - Advertising	318,812.53
Swanberg, Koby, Swanberg & Matteucci; Gt. Falls - Legal Fees	2,341.24
Thurber Printing Co.; Hln. - Office Supplies	112.55
Expenditures under \$100	225.39
In-kind contributions expended	99,284.79
Total expenditures to date	<u>\$ 540,504.63*</u>

*Does not include \$1,350 loan received and repaid.

DEBTS

Receivable \$0	
Owed - Capps, Frank; Hln. - Miscellaneous Expenses	\$ 89.39

CASH BALANCE as of November 19, 1980

\$ 14,456.40

From the minutes of the January 12, 1981 EQC meeting

-4-

20

The next bill was "An act creating the position of permit facilitator in the Governor's office and setting forth the responsibilities of the position." This bill is an outgrowth of HJR 60, the one stop permit resolution from the last legislative session.

Terry Carmody reported that Representative James Burnett had expressed an interest in carrying this bill but with an amendment of taking it out of the Governor's office and placing the facilitator in the Lieutenant Governor's office, his main interest is making the Lieutenant Governor the facilitator.

Senator Dover made a motion to accept this bill as presented with the facilitator in the Governor's office. The motion was seconded and passed. Representative Kemmis is going to sponsor this bill.

The bill entitled, "An act to review and evaluate administrative rules pertaining to environmental and natural issues" was next on the agenda. This piece of legislation provides for a sunset review of rules and regulations adopted concerning environmental and natural resource issues in Montana.

Frank Dunkle made the motion that this piece of legislation be drafted suggesting that all rules and regulations that are promulgated after a legislative session or a specific date will have a five year length of life; those rules and regulations must be reconsidered and reheard or they will be terminated. Also in his motion he stated that all rules that are on the books will be systematically reviewed, and at the end of the five year period, they will be reheard and reinstituted or they will be terminated, and once they are reviewed and repromulgated, they will come into a five year review cycle. It was also stated that the federal rules and regulations also be reviewed and repromulgated at the end of the five year period. The Environmental Quality Council will request that this bill be drafted, but the review process will stay in the realm of the Administrative Code Committee.

Senator Harold Dover seconded the motion; the motion carried. Representative Verner Bertelsen will make the request to the Legislative Council for the bill to be drafted.

* Next on the agenda was the review of the information on the litter control bill. Representative Sheldon suggested that we offer the information to the legislator that is interested in sponsoring the bill, but not accept the responsibility for the bill at this time. *

* Senator Anderson made a motion to direct the Environmental Quality Council staff to offer its resources and the information on the litter control bill to the legislator interested in sponsoring the bill, but not in any way endorse the bill. Senator Dover seconded the motion; the motion passed. *

January 14, 1981



CHRONOLOGICAL ORDER OF EVENTS

The Energy and Natural Resource Committee idea was discussed in November, 1979 on a trip to Eastern Montana.

At the April 24, 1980 meeting the Environmental Indicator Program was discussed and the "go ahead" was given.

Also at that meeting the need for outside help in research and technical writing was discussed in reference to HJR 21 and HJR 60, and other areas of interest. Given the "go ahead" to spend up to \$5,200 for this purpose.

Contracts were signed on May 1, 1980 with Cindy Price, Doubletree, for this purpose.

At the July 22, 1980 meeting, Harold Dover made a presentation and request for help on the Energy and Natural Resource Committee idea. It was seconded by Art Shelden.

At the September 17, 1980 meeting information was given to the Council on the Energy and Natural Resource Committee and comments were asked for.

Also at this meeting Cindy Price reported that the Department of Community Affairs had all the information on environmental indicators and they indicated that they had requested funding to produce the same. The Council moved to stop work on this project and support the Department of Community Affairs in their attempt to get funding.

At the November 7, 1980 meeting the litter law issue was discussed. We were requested to gather information and put something together. Because of Cindy's past work in this area with industry, I felt she was a logical person to do this.

Terry Carmody



STATE OF MONTANA
ENVIRONMENTAL QUALITY COUNCIL
CAPITOL STATION

Helena, Montana 59601

Terrence D. Carmody, Executive Director



Telephone (406) 449-3742

GOV. THOMAS L. JUDGE OF
Designated Representative
LT Gov. Ted Schwiden

HOUSE MEMBERS
Dennis G. Nathe, Chairman
Vernier L. Benelso
Daniel Kemmis
Arthur H. Sheldon

SENATE MEMBERS
William F. Hatterman, Vice Chairman
Mike Anderson
Harold Dover
Bill Thomas

PUBLIC MEMBERS
Frank Dunkle
Bob Kirsner
Donis E. Moore
Norm S. ...

January 14, 1981

Dennis G. Nathe, Chairman
Environmental Quality Council
State Capitol Station
Helena, MT 59620

Dear Dennis:

I am tendering my resignation to the Environmental Quality Council, and as you recall at the last meeting I indicated that I would not seek reappointment to the Council.

My reason for this resignation is that I have accepted the position of Executive Director of the Republican Central Committee. Working for the committee could possibly bring political reflection of overtones to the work of the Council. I feel that this would not be of the best interest of the working of the Council and my position with the Republican party.

Sincerely,

FRANK DUNKLE
Public Member

FD:es

cc: Senator Jean A. Turnage
President of the Senate
Representative Robert L. Marks
Speaker of the House
Environmental Quality Council Members
Terrence D. Carmody, Executive Director



GOV. THOMAS L. JUDGE or
Designated Representative
of Gov. Ted Schwinden

STATE OF MONTANA
ENVIRONMENTAL QUALITY COUNCIL
CAPITOL STATION
Helena, Montana ~~59601~~ 59620

Terrence D. Carmody, Executive Director



Telephone (406) 449-3742

HOUSE MEMBERS
Dennis G. Nathe, Chairman
Verner L. Bertelsen
Daniel Kemmis
Arthur H. Sheldon

SENATE MEMBERS
William F. Hatterman, Vice Chairman
Mike Anderson
Harold Dover
Bill Thomas

PUBLIC MEMBERS
Frank Dunkle
Bob Kiesling
Doris H. Milner
Norm Starr

January 15, 1981

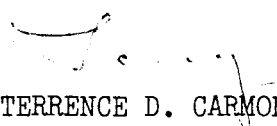
Mr. Robert J. Kiesling
Box 258
Helena, MT 59624

Dear Bob:

Enclosed is a copy of Cindy Price's resume as you requested.

If we can be of further assistance, please let us know.

Sincerely,


TERRENCE D. CARMODY
Executive Director

TDC:es

Enclosure

RESUME

1981

Cindy Price
2480 Broadway 5D
Helena, MT 59801

<u>Education:</u>	<u>Date:</u>	<u>Field:</u>
University of Montana	1954-57	Creative Writing/English
University of Montana	1968-70	Journalism (part-time)

Career Summary:

1969 Freelance writing including weekly ski column and outdoor column
Missoulian, and feature stories as requested by editors.

1970-72 Account Executive - Jacobson Advertising Agency, Missoula

1972-74 Environmental Writer - Ecological Consulting Service at
branch office in Missoula (ECS headquarters in Helena, MT)

1974-present Owner/manager - Doubletree public relations and advertising
based in Missoula until June 1980.

Summary of Experience:

1970-72

Accounts handled for Jacobson Advertising Agency -

1. First National Bank - included developing the environmental advertising campaign through television, radio and newspaper and providing overall administration of the account. One of the major campaigns developed for the bank was the "I'm Picky" litter cleanup and beverage containers collection for recycling which helped provide the impetus for the development of Montana Recycling in Missoula.
2. Missoula First Federal Savings and Loan Association - writing newspaper advertising.
3. Community Hospital - developing and writing quarterly newsletter for public distribution, writing press releases and patients' manuals.
4. Hoerner Waldorf Corporation - writing quarterly newsletter for public and employee distribution with particular emphasis on explanations of pollution control equipment, plans and progress, writing press releases, arranging press conferences, writing company publications explaining processes and operations of the pulp mill, writing and producing film strips and coordinating all art work and photography for all plant publications.
5. Miscellaneous - writing and preparing for publication a tourist booklet about Missoula, writing booklet for Anaconda Forest Products which explained its operations including logging methods, mill operations and products, writing a four-page newspaper supplement for Forest Products Week with articles concerning all aspects of forestry, writing various newspaper, radio and television materials for numerous clients.

Resume
Cindy Price
Page 2

1972-74

Primary Activities for Ecological Consulting Service;

1. Since the purpose of ECS was to provide clients with environmental data as gathered by its scientists, my job was to write the summaries of the data and its interpretation which accompanied the technical and scientific information given to the various clients. This was done for such studies as a baseline study of wildlife and habitat on proposed coal mining areas; wildlife and habitat on several Indian reservations; and doing the final writing, editing and conferring with state agency personnel for several coal mine permit applications.
2. As a public service of the company, I also wrote and edited a four-page newspaper for the Montana Wildlife Federation which was distributed to its members in the state. My primary job as editor was to research, review and select environmental data and stories for the monthly publication.
3. It should be noted that to accomplish the projects for both the Jacobson Agency and Ecological Consulting Service, it was essential that I be thoroughly familiar with laws, rules and regulations concerning the environment and natural resources, the available technology for pollution control and environmentally acceptable methods of production and operations.

1974-Present

Primary activities of Doubletree:

1. One of Doubletree's clients since its beginning was the Resource Education Foundation. For this client, I researched and wrote two publications: In the Middle - a four page newsletter which dealt with presenting both sides of resource issues and Western Resources, an eight-page newspaper which presented information about all natural resources.
2. I have also written a newsletter for the Solid Waste Management Bureau which required interviewing, research and review of technical material for presentation in layman's terms.
3. I also wrote the monthly newsletter for the Montana Mining Association and researched and developed materials to oppose Initiative 84 with that association.
4. Working with the Campaign Against Forced Deposits, I assisted with the editing and final draft of the campaign manual, wrote sample speeches for committee members, and wrote committee newsletters.
5. Miscellaneous projects in which I have been involved as Doubletree's writer and administrator include complete advertising campaigns and public relations activities for clients.

Additional Information

Member of the U.S. Ski Writers Association; President Council 1 Toastmistress Clubs; founder and chairman for 10 years of Missoula's ski show, Coordinator of Business Education Week 1978 on behalf of the Resource Education Foundation.



STATE OF MONTANA
ENVIRONMENTAL QUALITY COUNCIL
CAPITOL STATION
Helena, Montana 59601

12:22



Telephone 49374

Terrence D. Carmody, Executive Director

GOV. THOMAS L. JUDGE
RES. S. JAMES E. HENNESSY
LT. GOV. TONY SCHWARTZ

HOUSE MEMBERS
Dennis G. Naffin, Chairman
Vernell J. Petersen
Daniel Kennedy
Arthur H. Sheldon

SENATE MEMBERS
William E. Hamerly, Vice Chairman
Mike Anderson
Harold Dwyer
Bill Thomas

PUBLIC MEMBERS
Frank Dinkie
Bob Krosby
Doris H. Miller
Norm Slat

January 22, 1981

TO: ENVIRONMENTAL QUALITY COUNCIL MEMBERS

Enclosed is a copy of a letter from Doubletree in which they have terminated their services to the Environmental Quality Council.

Also enclosed is a copy of their final billing, and as indicated we have received a check from Doubletree in the amount of \$275.00.

If you want more information concerning this matter, please let me know.

Sincerely,

TERRENCE D. CARMODY
Executive Director

TDC:es

Enclosures

January 17, 1981

Terry Carmody, Director
Environmental Quality Council
Capitol Station
Helena, MT 59601

Dear Terry,

I fulfilled the direction of the Council to provide information and assistance to the legislator who wanted to submit the Council's outline of proposed legislation concerning litter and recycling in Montana. I do not believe any further assistance by a staff member is required for this project.

Therefore, I am submitting my final accounting for work on that project with the final report for all work done for the Council. I must request that my contracts be cancelled with the accompanying repayment of monies paid in advance on those contracts.

I understand my integrity was questioned by certain members of the Council. I would like to point out that the Council authorized a budget of \$7,000 for the Environmental Indicators project and, were I mercenary, I could have proceeded with it and collected a fair sum of money. Instead, I was honest with the Council in reporting that all information was available without my services and gave the Council the opportunity to reconsider the project. I would appreciate having those Council members reminded of this fact.

I also believe that a careful review of the work I have done for the Council and the resume I submitted according to their request, vindicates me from the various accusations which are being made concerning my competence.

Thank you for the opportunity to work with a Council which is concerned with Montana and its welfare.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cindy Price".

Cindy Price

January 17, 1981

To: Terry Carmody, Director
Environmental Quality Council

From: Cindy Price, Doubletree

Re: Final Accounting for Contracts and Work Performed

Environmental Indicators Report

Aug/Sept.	Meeting with Tom Dundus, DCA - two meetings	5 hours
	Review of findings with EQC staff to discuss findings and assess situation in terms of continuing project	3 hours
	Writing report for Council, reviewing with director.	3 hours
	TOTAL for Aug/ Sept	11 hours
	TOTAL from August 3 report	49 hours

TOTAL FOR PROJECT WHEN CANCELLED ----- 60 hours

Contract: \$12.50/hour x 60 hrs. = \$ 750.00

Advance on project = 2,000.00

Amount owed EQC by Doubletree ----- \$1,250.00

Energy and Natural Resources Council Project

Contract: \$12.50/hour x 39 hrs. (Aug. 3 report) = \$ 487.50

Advance on project = 1,000.00

Amount owed EQC by Doubletree ----- 512.50

Litter/Recycling Legislation

\$12.50/hour X 119 hrs. = \$1,487.50

Final Accounting

Total owed EQC by Doubletree ----- \$1,762.50

Less billing for L/R Legislation ----- - 1,487.50

AMOUNT OWED EQC BY DOUBLETREE ----- = \$ 275.00

CHECK ATTACHED FOR \$275.00. Refund for advances. See Attached Letter.

ok
JLC

69-6502. *Purpose of act.* The purpose of this act is to declare a state policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the state; and to establish an environmental quality council.

69-6503. *Declaration of state policy for the environment.* The legislative assembly, recognizing the profound impact of man's activity on the interrelations of all components of the natural environment, particularly the profound influences of population growth, high-density urbanization, industrial expansion, resource exploitation, and new and expanding technological advances and recognizing further the critical importance of restoring and maintaining environmental quality to the overall welfare and development of man, declares that it is the continuing policy of the state of Montana, in co-operation with the federal government and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can coexist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Montanans.

(a) In order to carry out the policy set forth in this act, it is the continuing responsibility of the state of Montana to use all practicable means, consistent with other essential considerations of state policy, to improve and co-ordinate state plans, functions, programs, and resources to the end that the state may—

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all Montanans safe, healthful, productive, and esthetically and culturally pleasing surroundings;

(3) attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;

(4) preserve important historic, cultural, and natural aspects of our unique heritage, and maintain, wherever possible, an environment which supports diversity and variety of individual choice;

(5) achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities; and

(6) enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.

(b) The legislative assembly recognizes that each person shall be entitled to a healthful environment and

that each person has a responsibility to contribute to the preservation and enhancement of the environment.

69-6504. *General directions to state agencies.* The legislative assembly authorizes and directs that, to the fullest extent possible—

(a) The policies, regulations, and laws of the state shall be interpreted and administered in accordance with the policies set forth in this act, and

(b) all agencies of the state shall

(1) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decision making which may have an impact on man's environment;

(2) identify and develop methods and procedures, which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decision making along with economic and technical considerations;

(3) include in every recommendation or report on proposals for projects, programs, legislation and other major actions of state government significantly affecting the quality of the human environment, a detailed statement on—

(i) the environmental impact of the proposed action,

(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

(iii) alternatives to the proposed action,

(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any detailed statement, the responsible state official shall consult with and obtain the comments of any state agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate state, federal, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the governor, the environmental quality council and to the public, and shall accompany the proposal through the existing agency review processes.

(4) study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources;

(5) recognize the national and long-range character of environmental problems and, where consistent with the policies of the state, lend appropriate support to initiatives, resolutions, and programs designed to maximize national co-operation in anticipating and prevent-

ing a decline in the quality of mankind's world environment;

(6) make available to counties, municipalities, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quality of the environment;

(7) initiate and utilize ecological information in the planning and development of resource-oriented projects; and

(8) assist the environmental quality council established by section 8 [69-6508] of this act.

69-6505. Review of statutory authority and administrative policies to determine deficiencies or inconsistencies.

All agencies of the state shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this act and shall propose to the governor and the environmental quality council not later than July 1, 1972, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this act.

69-6506. Specific statutory obligations unimpaired.

Nothing in section 3 [69-6503] or 4 [69-6504] shall in any way affect the specific statutory obligations of any agency of the state

(a) to comply with criteria or standards of environmental quality,

(b) to co-ordinate or consult with any other state or federal agency, or

(c) to act, or refrain from acting contingent upon the recommendations or certification of any other state or federal agency.

69-6507. Policies and goals supplementary.

The policies and goals set forth in this act are supplementary to those set forth in existing authorizations of all boards, commissions, and agencies of the state.

69-6508. Environmental quality council. The environmental quality council shall consist of thirteen (13) members to be as follows:

(a) The governor or his designated representative shall be an ex officio member of the council and shall participate in council meetings as a nonvoting member.

(b) Four (4) members of the senate and four (4) members of the house of representatives appointed before the fiftieth legislative day in the same manner as standing committees of the respective houses are appointed. A vacancy on the council occurring when the legislature is not in session shall be filled by the selection of a member of the legislature by the remaining members of the council. No more than two (2) of the ap-

pointees of each house shall be members of the same political party.

(c) Four (4) members of the general public; two (2) public members shall be appointed by the speaker of the house with the consent of the house minority leader, and two (2) shall be appointed by the president of the senate with the consent of the senate minority leader.

In considering the appointments of (b) and (c) above, consideration shall be given to their qualifications to analyze and interpret environmental trends and information of all kinds; to appraise programs and activities of the state government in the light of the policy set forth in section 69-6503 of this act; to be conscious and responsive to the scientific, economic, social, aesthetic, and cultural needs and interests of the state; and to formulate and recommend state policies to promote the improvement of the quality of the environment.

69-6509. Term of office. (1) The terms of office of all council members shall be two (2) years and shall terminate upon appointment of a new council before the fiftieth legislative day. Council members may be reappointed; however, in no case shall a member serve more than six (6) years.

(2) The council shall elect one of its members as chairman and such other officers as it deems necessary. Such officer shall be elected for a term of two (2) years.

69-6510. Meetings. The council may determine the time and place of its meetings but shall meet at least once each quarter. Each member of the council shall, unless he is a full-time salaried officer or employee of this state, be paid twenty-five dollars (\$25) for each day in which he is actually and necessarily engaged in the performance of council duties, and shall also be reimbursed for actual and necessary expenses incurred while in the performance of council duties. Members who are full-time salaried officers or employees of this state may not be compensated for their service as members, but shall be reimbursed for their expenses.

69-6511. Appointment and qualifications of an executive director. The council shall appoint the executive director and set his salary. The executive director shall hold a degree from an accredited college or university with a major in one of the several environmental sciences and shall have at least three (3) years of responsible experience in the field of environmental management.

He shall be a person who, as a result of his training, experience, and attainments, is exceptionally well qualified to analyze and interpret environmental trends and information of all kinds; to appraise programs and activities of the state government in the light of the policy set forth in section 3 [69-6503] of this act; to be conscious of and responsive to the scientific, economic, social, esthetic, and cultural needs and interests of the

2

state; and to formulate and recommend state policies to promote the improvement of the quality of the environment.

75-1-323

~~69-6512.~~ *Appointment of employees.* The executive director, subject to the approval of the council may appoint whatever employees are necessary to carry out the provisions of this act, within the limitations of legislative appropriations.

75-1-322

~~69-6513.~~ *Term and removal of the executive director.*

The executive director is solely responsible to the environmental quality council. He shall hold office for a term of two (2) years beginning with July 1 of each odd-numbered year. The council may remove him for misfeasance, malfeasance or nonfeasance in office at any time after notice and hearing.

75-1-320

~~69-6514.~~ *Duties of executive director and staff.* It shall be the duty and function of the executive director and his staff

(a) to gather timely and authoritative information concerning the conditions and trends in the quality of the environment both current and prospective, to analyze and interpret such information for the purpose of determining whether such conditions and trends are interfering, or are likely to interfere, with the achievement of the policy set forth in section 3 [69-6503] of this act, and to compile and submit to the governor and the legislative assembly studies relating to such conditions and trends;

(b) to review and appraise the various programs and activities of the state agencies in the light of the policy set forth in section 3 [69-6503] of this act for the purpose of determining the extent to which such programs and activities are contributing to the achievement of such policy, and to make recommendations to the governor and the legislative assembly with respect thereto;

(c) to develop and recommend to the governor and the legislative assembly, state policies to foster and promote the improvement of environmental quality to meet the conservation, social, economic, health, and other requirements and goals of the state

(d) to conduct investigations, studies, surveys, research, and analyses relating to ecological systems and environmental quality;

(e) to document and define changes in the natural environment, including the plant and animal systems, and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(f) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the legislative assembly requests;

(g) to analyze legislative proposals in clearly environmental areas and in other fields where legislation

might have environmental consequences, and assist in preparation of reports for use by legislative committees, administrative agencies, and the public;

(h) to consult with, and assist legislators who are preparing environmental legislation, to clarify any deficiencies or potential conflicts with an overall ecologic plan;

(i) to review and evaluate operating programs in the environmental field in the several agencies to identify actual or potential conflicts, both among such activities, and with a general ecologic perspective, and to suggest legislation to remedy such situations;

(j) to transmit to the governor and the legislative assembly annually, and make available to the general public annually, beginning July 1, 1972, an environmental quality report concerning the state of the environment which shall contain

(1) the status and condition of the major natural, man-made, or altered environmental classes of the state, including, but not limited to, the air, the aquatic, including surface and ground water, and the terrestrial environment, including, but not limited to, the forest, dryland, wetland, range, urban, suburban, and rural environment;

(2) the adequacy of available natural resources for fulfilling human and economic requirements of the state in the light of expected population pressures;

(3) current and foreseeable trends in the quality, management and utilization of such environments and the effects of those trends on the social, economic, and other requirements of the state in the light of expected population pressures;

(4) a review of the programs and activities (including regulatory activities) of the state and local governments, and nongovernmental entities or individuals, with particular reference to their effect on the environment and on the conservation, development and utilization of natural resources; and

(5) a program for remedying the deficiencies of existing programs and activities, together with recommendations for legislation.

~~69-6515.~~ *Examination of records of government agencies.* The environmental quality council shall have the authority to investigate, examine and inspect all records, books and files of any department, agency, commission, board or institution of the state of Montana.

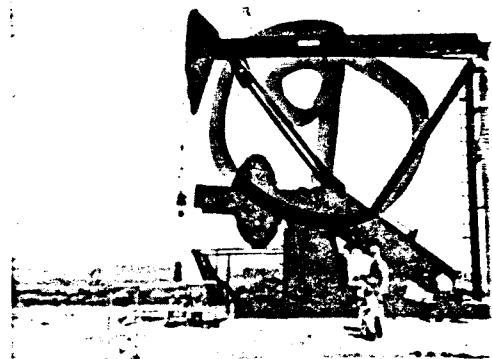
~~69-6516.~~ *Hearings by council—enforcement of subpoenas.* In the discharge of its duties the environmental quality council shall have authority to hold hearings, administer oaths, issue subpoenas, compel the attendance of witnesses, and the production of any papers, books, accounts, documents and testimony, and to cause depositions of witnesses to be taken in the

9



Northeast
Montana Land And Mineral
Owners Association, Inc.

Westby, Montana 59275



I would like to thank this committee for giving our association the time to oppose ^{H.C. 111} ~~Senate~~ Bill # .65 -

I am Norman A. Nelson of Westby, MT, president of the Northeast Montana Land and Mineral Owners Association. This association represents over 3½ million acres in Eastern Montana.

We feel the Montana State Environmental Quality Council has a very important function. This is the only group of elected officials that can oversee the jobs that state agencies are doing in enforcing their own laws, rules, and regulations.

I have given the chairman of this committee important information proving that state agencies are not enforcing thier own rules and regulations. They include the Montana Oil and Gas Commission Board, the State Department of Lands, and the Department of Health and Environmental Sciences.

Mr. Chariman, in the General Rules and Regulations Book of the Montana Oil and Gas Commission Board, effective January 1, 1954, as ammended rule 277, it states, "Salt or brackish water may be disposed of by evaporation when impounded in excavated earthen pits, which may be only used when the pit is underlaid by tight soil, such as heavy clay or hard pan. Where the soil is under the pit is porous underlaid by a gravel or sand stratum, impounding of salt or brackish water in such earthen pits is prohibited.

The commission shall have authority to condem any pit which does

not properly impound such water. At no time shall salt or brackish water impounded in earthen pits be allowed to escape over adjacent lands or into streams.

Mr. Chairman, in a letter dated August 28, 1974, on page 2, paragraph 3, you will note it states a ^{future} ~~further~~ problem. ^{til} A well site located in township 35 north, range 58 east, section 16, a saline pit has been constructed in sandy, gravel soil. This pit is approximately 10 feet deep and in the adjacent well ground water was observed at approximately 20 feet from the surface. The letter is from Del Bloom on the Montana Water Quality Bureau. This is just one rule that has been broken.

A letter dated November 4, 1975, from M.K. Batz, which states "I have asked our enforcement group to determine what action will be taken in this problem." Here it is 1981, and NO action has been taken by the Water Quality Bureau.

Page 2 of the next letter dated March 2, 1976, pertains to Petersen Lease No. 35 N 58 E 19 c. Mr. Simonson of the Oil and Gas Commission indicated he would condemn that pit this spring.

Mr. Chairman, it was not until after the E.Q.C. members toured the oil fields in Eastern Montana that something was done about this matter. It was on July 30, 1975, that this pit had sodium chloride consisting of 174,000

The Environmental Quality Council toured Northeast Montana on or about June 15, 1978. Then something was done about these problems.

Also, you will note on the first page of a letter dated October 15, 1975, from the Department of Health, in a field report by Judson Sweet of the Oil and Gas Commission, that "the Goose Lake Field is covered by a mantle of glacial till consisting essentially of silt, clay, and gravel. The report goes on to say the glacial till is porous

Pinnak G -
and always permeable where it consists of sand and gravel alone, and any pit bottomed in such material is subject to seepage of whatever liquids that may be placed therein.

Included with my statement are other letters from and to the Department of State Lands, the Oil and Gas Commission, and The State Department of Health and Environmental Sciences.

Members of this committee, it is vital that we defeat this bill to do away with the E.Q.C. members. They are the only group of people who will grasp these problems and who care enough to do something about them.

I'm sure you will agree that after 15 years, the oil and gas commission Board could have done something -- and the Water Quality Bureau after 7 years. *SCS Budget of 1964 by and action on 7-16-64 by*

H110 612
Please defeat ~~Senate~~ Bill # and keep a working group working!

Thank you.

TO : Don Zollman

DATE: August 28, 1974

FROM : Del Bloom

SUBJECT: Westby Groundwater Contamination Summary

On August 19 and 20, 1974, I investigated the complaint of Norman Nelson, that Sun Oil Company and Cotton Petroleum Corporation are contaminating the groundwaters southwest of Westby. I found the following existing conditions:

- (1) Past operations consisted of extensively using saline waste water pits and at one time saline waters were dumped in borrow pits along the county roads.
- (2) Present indications of groundwater contamination are:
 - A. At a Sun Oil Company well located in Township 35 North, Range 58 East, Section 17 Aa, a surface water sample had a pH of 6.6 and a specific conductance of 5256.00. An adjacent pit water sample had a pH of 7.2 and a specific conductance of 4260.00. Both of these water samples were lower in elevation than a nearby water-oil separation process.
 - B. I was informed that the Sun Oil Company well, Township 35 North, Range 58 East, Section 16 Bd, pumps saline water into a 3000 foot injection well but that this injection system is not adequate according to the Oil and Gas Commission.
 - C. It was reported that the Sun Oil Company well, west Quam #1 located Township 35 North, Range 58 East, Section 17 BD at one time had a saline pit that has contaminated an adjacent low area. This contaminated low area is continually expanding in size even though this well now also pumps the saline water to an injection well.
 - D. A well located approximately Township 36 North, Range 58 East, Section 33 C constructed by Les Holje of Plentywood has been contaminated by saline waters and is presently unfit for watering stock.
 - E. The obvious damages are consistently lower in elevation to saline water pits or the oil-water separators.
 - F. There are "soil soured" areas that have reportedly been caused by breaks and leaks in the pipe line for transporting saline water to the injection wells.



Department of Health and Environmental Sciences
STATE OF MONTANA HELENA, MONTANA 59601

A. C. Knight
Director

November 4, 1975

Mr. Norman A. Nelson, President
Northeast Montana Land and Mineral Owners Asso., Inc.
Westby, Montana 59275

Dear Mr. Nelson:

This letter is in response to your letter of September 20, 1975 concerning our water quality investigation of saline damaged areas. We have completed a field report and I have enclosed a copy of this report for your use. I will attempt to answer your questions in the order that they appeared in your letter.

- 1) Mr. Gorman's investigation of your area determined that it is highly probable that groundwater quality has been altered by oil field waste disposal practices. The question of whether this constitutes pollution is a legal question and I have referred it to our legal staff.
- 2) Mr. Gorman's investigation showed that oil waste disposal practices probably have altered groundwater quality in Sheridan and Roosevelt counties. In Daniels county there are no operating oil fields and no determinations were made of the impact of wastewater disposal on groundwater.
- 3) The enforcement group of the Health Department is presently determining what measures will be taken in this problem. Mr. Zollman and Mr. Klinger of our Bureau are reviewing the field report and are determining what actions are appropriate for this problem.
- 4) It is my understanding that your question concerning natural gas from producing oil wells has been referred to Mr. Dennis Haddow of the Air Quality Bureau. It is also my understanding that he has called you and discussed this problem with you.

I have asked our enforcement group to determine what action will be taken in this problem. You can soon expect to hear from them on this problem.

Please call me if you have any further questions on this problem or would like to discuss any aspect of the report we have prepared. If we decide to do further work in the area, I would hope that the work can be completed this fall before the winter weather begins.

Yours truly,

A handwritten signature, likely of M. K. Botz, is written in ink over the "Yours truly," line.

M. K. Botz, P. E.
Water Quality Bureau
Environmental Sciences Division

MKB:ds

Office Memorandum •

STATE DEPARTMENT OF HEALTH
AND ENVIRONMENTAL SCIENCES

TO : Don Willems

DATE: March 2, 1976

FROM : M. K. Botz and Don Zollman

SUBJECT: Meeting with the Oil and Gas Conservation Division of the Department of Natural Resources and Conservation concerning brine disposal practice in Montana oil fields

On January 22, 1976, we met with three members of the Oil and Gas Conservation Division of the Montana Department of Natural Resources and Conservation in Billings. These were John R. Hug, Judson Sweet and Joe Simonson. The objective of our meeting was to discuss problems associated with disposal of saline waters produced in oil operations. The meeting involved the discussion of the Oil and Gas Conservation Division handling of brine produced from oil wells and a discussion of specific problems related to water pollution caused by these brines.

Oil pumped from the ground in a well field is piped to a heater-treater facility that separates oil from brine. The oil is piped to a storage tank, and the brine waste is diverted to a disposal facility. It is estimated that 95% of the brine produced in Montana is reinjected by wells. The remaining 5% is disposed of in evaporation ponds. Emergency pits used during periods of equipment failure also receive brines and/or brine oil mixtures. These pits are generally emptied shortly after the emergency situation is over. Every tank battery has an emergency pit, as do many of the injection system facilities. The Oil and Gas Conservation Division does not control the location of these emergency pits.

There are an estimated 3,400 oil wells producing in Montana, and although the Oil and Gas representatives at the meeting were uncertain, they estimated that there are approximately 1,000 brine disposal pits in Montana. No official records of pit inspections are kept by the Oil and Gas Conservation Division; however, the representatives at the meeting felt that every pit was examined at least once per year. If a visual inspection of an emergency pit reveals a problem or suspected problem, the Oil and Gas Conservation Division will condemn the pit. Once a pit is condemned, the oil producer must either stop using the pit or take action to correct the problem with the pit. Excessive seepage from an emergency pit is not allowed. Detection of excessive seepage is based upon visual observation of conditions peripheral to the pit. It is estimated that most of the pits contain water during spring runoff, and Mr. Simonson estimated that perhaps 30% of the pits contained water most of the year. Oil and gas companies file a report with the Oil and Gas Conservation Division on water produced and water injected each month in the well fields. Oil companies are the only source of data on the disposition of the water as the oil companies' figures on brines produced and injected are not independently checked by the Oil and Gas Conservation Division. The Oil and Gas Conservation Division has three persons active in field examination of oil fields in Montana.

STATE: ARIZONA COUNTY: SHERIDAN
 DATE: 08-28-75 SAMPLE LOCATION: 35N 58E 12
 ANALYSIS NUMBER: 75N1624
 DRAINAGE BASIN: *Patience Jan*
 WATER FLOW RATE:
 FLOW MEASUREMENT METHOD:
 ALTITUDE OF LAND SURFACE:
 TOTAL WELL DEPTH BELOW LS:
 SOIL ABOVE (+) OR BELOW LS:
 SAMPLE DEPTH BELOW SURFACE:
 ANALYST: MASH

SAMPLING SITE: UNLINED DISCHARGE PIT

	MG/L	MEQ/L		MG/L	MEQ/L
CALCIUM (CA)			BICARBONATE (HCO3)	119.	1.190
MAGNESIUM (MG)			CARBONATE (CO3)	0.	0.0
SODIUM (NA)	1000.	174.000	CHLORIDE (CL)	5850.	164.270
POTASSIUM (K)			SULFATE (SO4)	80.	1.600
IRON (FE)			FLUORIDE (F)		
COPPER (CU)			NITRATE (NO3 AS N)		
ZINC (ZN)			NO2+NO3 (TOT AS N)		
ALUMINUM (AL)			PHOSPHATE (PO4 AS P)		

TOTAL CATIONS 174.000

TOTAL ANIONS 162.585

LABORATORY PH 7.67 TOTAL HARDNESS AS CaCO3
 WATER TEMPERATURE (C) TOTAL ALKALINITY AS CaCO3 98
 UNFILTRATED SOLIDS CALCULATED LAB TURBIDITY (JTU)
 CONDUCTIVITY-UNFOS-25C 14000. SODIUM ADSORPTION RATIO

ADDITIONAL PARAMETERS
 CONDUCTIVITY, FIELD MICROMHOS 1723.E+01

WELLS: OLD WEST SALINE SEEP STUDY PIT FULL OF OIL

EXPLANATION: MG/L=MILLIGRAMS PER LITER MEQ/L=MILLIEQUIVALENTS PER LITER
 CONSTITUENTS DISSOLVED (DISS) EXCEPT AS NOTED. TOT=TOTAL SUSP=SUSPENDED
 MEASURED (R)=REPORTED (E)=ESTIMATED M=METERS R=TOTAL RECOVERABLE

FILE NO: 010F-2 SAMPLER: PUG HANDLING: 1000 ANALYST: KK LAB: MASH
 DATE: 08-28-75 COMPUTER RUN: 09/16/75 PROGRAM: SYS 75 FUND: 0000
 ANALYST: MASH
 ELEMENT: MPOES
 CA MG BA K CL SO4 HCO3 CO3 NH3
 0.0 0.0100.0 0.0 97.9 1.0 1.2 0.0 0.0

TO : Max Boez

DATE: October 15, 1975

FROM : Peter Gorman

SUBJECT: Field Investigation of Brine Water Disposal

Locality: Goose Lake Oil Field
Dwyer Field Southeast of Dagmar
Outlook Field West of Outlook
Crissler Oil Field near Raymond
Murphy Field North of Poplar

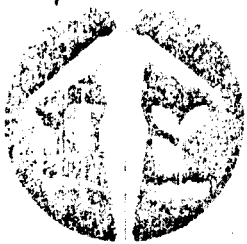
On July 30th I went to Plentywood to meet with Mr. Arnie Nelson, President of the Northeast Montana Land and Mineral Owners Association. This trip was made to examine the discharge of brine water into groundwater and surface water of the Goose Lake Oil Field. Four other fields were also visited to see if similar practices were being used by other oil fields. Complaints by farmers of damages caused by brine water are not recent and go back at least 10 years. There have been numerous field investigations to check into these complaints. Among those agencies that have investigated the problem are the Oil and Gas Conservation Commission, Soil Conservation Service, Sheridan County Conservation District, County Extension Agents, Water Quality Bureau, and Saratoga and Sun Oil. The farmers that have had property damage (such as wells) have voluminous correspondence with all these state agencies and have formed the Northeastern Montana Land and Minerals Owners Association.

A brief tour of the Goose Lake Field was made on July 14th and 15th by personnel of the Water Quality Bureau to assess the problems caused by disposal of brine water. Representatives of the Northeast Montana Land and Mineral Owners Association requested this inspection and were present both days to explain the problem and drove us to the oil fields to show the actual problems. Sites visited on this inspection were revisited on July 30th and 31st when I returned to collect water samples and document the problem.

Before describing sites visited, a brief description of the surface geology in Northeastern Montana might be helpful on understanding some of the problems in this oil field. This description is taken from the December 12, 1974, "Field Report of Jason Sweet, from the Oil and Gas Conservation Commission."

"The Goose Lake Field is covered by a mantle of glacial till consisting essentially of silt, clay, sand, and gravel. This till may be exposed at the surface or lie a few feet below a covering of aeolian soil. It may vary in thickness from a few feet to a maximum of about 70 feet. The glacial till is porous and always permeable where it consists of sand and gravel alone and any pit bottomed in such material is subject to seepage of whatever liquids that may be placed therein."

Samples collected in the field were brought back to the Department of Health Chemistry Laboratory in Helena to be analyzed. References in the following site descriptions to field conductivity measurements are conductivities using a Lectro-Mho meter with the units being measured in micromhos/cm at 25° C.



Department of Health and Environmental Sciences
STATE OF MONTANA HELENA, MONTANA 59601

A.C. Knight, MI
DIRECTOR

LEGAL DIVISION
1424 Ninth Ave.
Helena, MT 59601
Phone: (406) 449-2630

December 12, 1975

Norman A. Nelson, President
Northeast Montana Land & Mineral Owners Assn., Inc.
Westby, Montana 59275

Re: Oil Field Waste Disposal Problems

Dear Mr. Nelson:

Thank you for your letter of December 8. In response to your questions, I want to assure you that the Department is proceeding to take steps which we believe will remedy, or at least alleviate, the problems with oil waste disposal practices in your area.

First, we are going to attempt to meet with the Oil and Gas Commission and work out a procedure with them whereby they will effectively enforce their rules with respect to production waste discharges. Then, we may attempt to meet with all oil companies involved and further discuss methods of eliminating the objectionable discharges.

We think we will be able to achieve satisfactory results. I would guess that we will probably be meeting with the Oil and Gas Commission early in January. I just wanted to write you this note to assure you that we are not dragging our feet on this matter nor have we relegated it to a position of low priority.

Regards.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Rick Klinger".

Richard D. Klinger, Esq.
Environmental Affairs Legal Officer
Legal Division

RDK:ct

Fish and Game I investigates sur

By ROBIN NEWMAN

Herald Reporter

Who says that dead ducks tell no tales?

The unfortunate deaths of 29 ducks last week at a sump pit north of Sidney used for holding oil well drilling fluids has brought a strong reaction from the Montana Department of Fish and Game.

This time of year the birds are searching for small bodies of water to use as breeding grounds, according to Rick Wallestad, a biologist for the Fish and Game department. From the air, the sump pit appears to be just a pond of water. But once the unsuspecting ducks land in the pit they become coated with oil. Unable either to fly or to dry out, the birds quickly die of exposure. Wallestad said that the oil from the pit destroys the ducks' natural protective oils.

Although there is a requirement for streamers across such pits classified as "permanent", no stipulation is made for temporary locations, said Joe Simonson, Eastern Montana field representative for the Oil and Gas Conservation Division. The streamers warn the birds and keep them from flying into the pit. The abandoned drilling site where the sump pit is located was not considered a permanent location, therefore no streamers were required, he said.

That, says Simonson, is regrettable and may lead to a change in the regulations.

Nothing can be done for the dead ducks, but future birds may be spared the same ghastly fate.

Ensuing inquiries by Fish and Game regional supervisor Keith Seaburg of Miles City revealed that contamination of ground and surface water near the sump pit is under investigation by the State Health Department's Water Quality Bureau.

Because it monitored water in a

drainage ditch near the sump pit before and after drilling took place, the Water Quality Bureau has legal action pending against the drilling company. Kevin Keenan, enforcement coordinator for the bureau, stated that legal action against Tom Brown, Inc., the drilling contractor for Brownlee, Wallace, Armstrong and Bander, will be brought for "what we believe to be ground and surface water pollution."

On Jan. 16 a field man for the Water Quality Bureau visited the site. But, because of snow cover and frozen ground, he was unable to verify reports that the pit's liner was torn. He took samples from a drainage ditch both above and below the pit.

Keenan suggested to Simonson that the liner be replaced. But Simonson said he thought sealing the pit with clean drilling mud would be better than putting in a new liner.

By so doing, the drilling company did what was required of them by law, Simonson said.

Based on other samples of the ditch water in January, the Water Quality Bureau determined that seepage was occurring and the water was being degraded. On Jan. 29 Keenan sent a letter to the oil company requesting that the company submit a schedule to his office indicating when it would eliminate further contamination. Keenan never received a reply.

Keenan contacted the oil company's drilling superintendent, Alfred Dooley, by phone on Feb. 23 and was given assurances that Dooley would meet with a representative of the Water Quality Bureau and provide the requested schedule.

"I told him I would do anything possible when the weather broke," Dooley said. "I didn't care what it cost."

But by Feb. 26 the company had

taken no action. The data collected in February by the Water Quality Bureau indicated 30 times more chloride and a 100 percent increase in sodium over January's levels in the ditch water downstream from the pit. No oil seepage was detected, nor was there any change in water upstream from the sump pit, Keenan said.

The matter was then turned over to the bureau's legal unit which can serve a notice of violation and order corrective action immediately. To add weight to the order, the bureau can request that a court impose a stiff penalty (a maximum of \$10,000 per day) for noncompliance.

Keenan said that order would be issued soon.

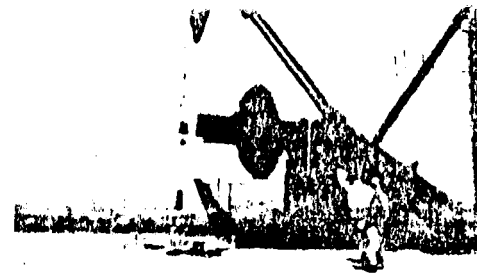
The evidence of saline seepage into the drainage ditch indicates that the pit had not been sealed after all, Simonson said. He said he thought



Montana Land And Mineral Owners Association, Inc.

Westby, Montana 59275

May 5, 1979



Department of State Lands
Leo P. Berry, Jr., Commissioner
1625 11th Avenue
Helena, MT 59601

Dear Mr. Berry:

Enclosed is a copy of an article that appeared in the SIDNEY HERALD on April 16, 1979. It concerns another improper salt disposal practice on state leased land. This article is just another classic example of land abuse that occurs frequently from oil production.

This land is owned by Hugo Asbeck from Sidney, MT. The legal description is 36-24-59 in Richland County. The company that drilled the well is Brownlee, Wallace, Armstrong and Bander.

You may recall that I discussed this and other serious problems related to oil production with you and Mr. David W. Woodgerd when I was in Helena. I have also called these problems to yours and Mr. Woodgerd's attention by telephone on several occasions. Possible ways to avoid these problems were mentioned in our conversations from time to time.

It is also my understanding that Mr. Asbeck showed you photographs that indicated the problems he was encountering.

Not only was the Department of State Lands notified of the seriousness of this situation, but also the Montana Oil and Gas Conservation Field Supervisor and the Montana Water Quality Bureau.

The following rules pertain to this problem:

GENERAL RULES AND REGULATIONS AND RULES OF PRACTICE AND PROCEDURE RELATING TO OIL AND GAS.

227.1 Disposal in Earthen Pits

Salt or brackish water may be disposed of by evaporation when impounded in excavated earthen pits, which may only be used for such purpose when the pit is underlaid by tight soil such as heavy clay or hardpan.

Where the soil under the pit is porous and closely underlaid by a gravel or sand stratum, impounding of salt or brackish water in such earthen pits is hereby prohibited.

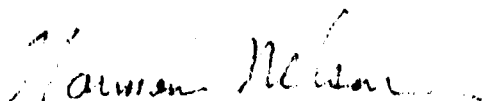
Mr. Leo P. Berry, Jr.
Page Three
May 9, 1979

Fining the offending oil company serves no purpose whatsoever to the landowner. What price can you put on land or water that has been permanently damaged by salt water? Perhaps the Department of State Lands should consider cancelling the leases of the violating companies. The oil companies may then realize more caution should be used in their operations.

In closing, this association urges the Department of State Lands to take positive action towards the violations to prevent them from occurring in the future as they have many times in the past.

Your time and consideration on this matter is greatly appreciated.

Sincerely,



Norman Nelson, Pres., NMLMOAI

NAN/en

Enclosure:

Copies to:

Thomas L. Judge, Governor
Mike Greely, Attorney General
Frank Murray, Secretary of State
E. V. (Sonny) Omholt, Auditor
Georgia Rice, Supt. of Public Instruction
David W. Woodgerd, Attorney
Representative Dennis Nathe
Representative Oscar S. Kvaalen
Representative William M. Day
Senator Edward B. Smith
Senator Cornie R. Thiessen
Terrence D. Carmody, Executive Director, EQC
Hugo Asbeck
All members of the Environmental Quality Council

April 3, 1980

Montana Department of Natural
Resources and Conservation
Board of Oil and Gas Conservation
1535 St. John's Avenue
Billings, MT 59102

Dear Board Members:

The purpose of this letter is to file a formal complaint against the Board of Oil and Gas Conservation, BOGOC, for failure of enforcing Rule 16. BOC 36-3.18 (10)-318070. The instance referred to is a drilling pit on Mr. Doug Fortra's land in Roosevelt County, Sec. 17, Range 33, Township 30. Northeast 2.

The drilling pit so constructed as to violate Rule 16. BOC 36-3.18 (10)-318070. ~~Drilling pits shall be constructed in a manner adequate to prevent undue harm to the soil or natural water in the area. When a salt water mud system is used as the drilling medium, the reserve pit shall be sealed when necessary to prevent seepage.~~
(3) The operator of a drilling well shall construct his reserve pit in a manner adequate to prevent undue harm to the soil or natural water in the area. When a salt water mud system is used as the drilling medium, the reserve pit shall be sealed when necessary to prevent seepage.

Doc Johnson has inspected this pit and condemned it, but the main problem lies in the fact that it should have been properly constructed prior to water use. Your office in Billings has also been contacted about this problem.

Mr. Fortra has a valid complaint that the leakage and drainage of the pit will contaminate surrounding areas.

Sincerely,

Norman Nelson
President NWTFOMI

RAN/cn

cc: Environmental Quality Council
Terrence D. Carmody, Exec. Dir.

Mr. Sid L. Groff, Director
Montana Bureau of Mines and Geology

Mr. Doug Fortra
Froid, MT 59226

HB 682 Oppose

There is no advocate for development within state government unless we can have our frustration considered as a part of the environment.

In that context we can claim the right to have input and, working with the Council and it's staff, can achieve a higher degree of environmental quality within our industry.

Mr. Carnody and his staff have served the legislature well - treating all concerns fairly instead of treating industry representatives as "devils doing devil's work."

Pat Stuart, and Sec
Mt. Carl Council

NAME Jay Bruck BILL No. HB 682
ADDRESS 1601 Orleans Helena DATE 2-17-81
WHOM DO YOU REPRESENT LWF of Montana
SUPPORT _____ OPPOSE ✓ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The League has supported the establishment and the continuation of the EAC. We need an oversight committee to study & evaluate what is happening environmentally and do in depth studies of areas of concern, making the results known to the legislature & the public.

However, after observing the EAC for several interviews, we feel the committee has lost sight of what it should be doing, and has lost credibility because of that. The environmental area is very broad, and many times, very controversial. — the EAC should be the factor that keeps things in perspective.

We also have seen the problems the EAC have had of the years of just being too environmentally inclined, then too pro-development. This hasn't been good for their credibility either. We think a good approach would be having more moderate appointed — those who tend to consider each issue on its own merits rather than how it fits in with the environmental or pro-development philosophy.

I guess what we're saying is allow the EAC to continue but start from square one with its functions & makeup.

turn

WITNESS STATEMENT

NAME Mons Teigen BILL No. 682
ADDRESS Helena DATE 2/17/81
WHOM DO YOU REPRESENT MT Stargrowers + Cowbells
SUPPORT _____ OPPOSE X AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We believe that the EOC provides a third party to consider environmental issues. While some problems have arose at times in the past. Their overall record is good and they should be allowed to continue. To require the environmental assessments contained in the act without the Council to oversee the application of the law would be a mistake. Both the Legislature and the public need the Council. Please don't pass HB 682

Thank you

Mons Teigen

VISITORS' REGISTER

HOUSE STATE ADMINISTRATION COMMITTEE

LL

HB 682

Date 2/17

SPONSOR

KEMMIS

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOS
Norm Staro	Medville Mont.	self		X
Imogene	Billings	PPC	X	
Mons Tenger	Helena	Mt. Stockgrowers & Conbelles		X
Sen Ed Smith				X
Lawson G. Nelson	West 61, MT	Miners Union Northeast Montana Landgrd		X
Shirley Henderson	Selway Mont	Northeast Land and Mineral Owners		X
Jay Busch	Helena	LUV Mont		X
George Rockie	Great Falls	Self.		X
Mike Mavis	ETC, Helena		X	
BOB KIESLING	HELENA, MT.	SELF	X	
Turner Bertelsen	Helena Ovando	self		X
Robert Maehr	Clancy Dist 8	Speaker of House		XXX
Don Allen	Helena	MT. Rep. Asst.		X
Daniel Kemmis	Missoula	District 94	X	
Peter Johnson	Helena	Welsh		X

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE STATE ADM. COMMITTEE

LL HB 553

Date 2/17

SPONSOR BRAND

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STATE ADM.

COMMITTEE

HB 714

Date 2/17

ONSOR

NILSON

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

HOUSE STATE ADM. COMMITTEE

LL HB 745 Date 2/17

 SPONSOR BARDANOUE

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ENVIRONMENTAL QUALITY COUNCIL

ANNUAL REPORT

1979 - 1980



MEMBERS

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SENATOR WILLIAM F. HAFFERMAN, VICE CHAIRMAN
SENATOR MICHAEL M. ANDERSON
SENATOR HAROLD L. DOVER
SENATOR BILL THOMAS
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MS. DORIS H. MILNER
MR. NORMAN K. STARR
LT. GOVERNOR TED SCHWINDEN
GOVERNOR'S REPRESENTATIVE

MONTANA STATE LEGISLATURE
ENVIRONMENTAL QUALITY COUNCIL
STATE CAPITOL
HELENA, MONTANA

TERRENCE D. CARMODY
EXECUTIVE DIRECTOR

Testimony on HB 682
House Committee on State Administration
February 17, 1981

For the record, my name is Bob Kiesling. I am a regional representative of a land conservation organization known as The Nature Conservancy and I live here in Helena.

Two years ago the state Senate appointed me to serve as one of the citizen members of the Environmental Quality Council. Because of my concern for Montana's environmental quality, the appointment was a task I agreed to undertake but with no small amount of curiosity. I have been following the progress of the EQC for several years and knew that it seemed to fulfill its statutory functions less satisfactorily with each passing legislative session.

But because of my strong belief in the Montana Environmental Policy Act and in the potential of a legislative committee to oversee the Act on behalf of the State, I was curious to see from the inside whether the EQC's potential could be realized. To be sure, I had doubts from the outset, knowing that the Senate had appointed me, a card-carrying environmentalist, to counterbalance the other Senate citizen appointee, Frank Dunkle, whose tendencies in the opposite direction were than and are now quite well known. In fact, the entire Council appeared to have been appointed with a kind of deliberately polarizing and, ultimately, paralyzing neutrality in mind. It was my judgement, however, that it would be worth serving a term on the Council to discover if any other way was possible.

If the past two years performance by the Council is evidence of any trend in the EQC's effectiveness, however, we're all in trouble. With the exception of a few marginally useful field trips and the Council's assistance in solving a few site-specific problems, very little has been accomplished and certainly nothing resembling the statutory responsibility of the EQC. In fact the converse is true; some serious problems have turned up that this legislature cannot ignore and should deal with immediately. It is in the face of these problems that I'm here asking that you support Rep. Kemmis' bill even though it will put both of us out of jobs.

Stated succinctly, the EQC's problems begin with the polarizing nature of Council appointments I've alluded to. They also include the hiring of an ineffective Executive Director whose nonfeasance and malfeasance in his job performance can be documented easily, and they range on through ongoing attempts on the part of a few Council members and their colleagues to manipulate the whole Environmental Quality Council for their ends.

Now I recognize that these are very serious charges I've made, and I also recognize that some of the people I've charged and their defenders will attempt to divert attention from the substance of the charges I've made by counterclaiming that my actions are prompted by my environmental views. I expect such chicanery and obfuscation of the central issue to continue but I urge this committee not to take side on faith or environmental persuasion, but rather to resolve the issues by forthrightly looking into the EQC's problems. If nobody has anything to hide and no one has done anything wrong then surely a clear-eyed, clear-headed look at the EQC will cause nobody any difficulty or embarrassment.

In my estimation the questionable practices and problems I've witnessed while sitting on this Council in the aggregate comprise what was known in the Watergate parlance of the 70's as a "smoking gun", if not for the Council as a body then at least for the parties who have manipulated this Council for their own ends-- and used public money to do so.

As an example of what I'm talking about I have prepared a packet of documents in chronological sequence which illustrate the problems well. Please review them to determine if you arrive at the same conclusion.

(SEE DOCUMENT PACKET WITH ACCOMPANYING NARRATIVE)

The pattern in the documents and in the collusion of Council members Dover and Dunkle, EQC Director Carmody and public relations consultant Cindy Price reveals manipulation of the EQC to satisfy some rather spurious ends, i.e. the creation of the Energy and Natural Resource Committee legislation and the legislation on litter control and recycling -- the latter of which was supposedly to have been the obligation of the consortium of industries opposed to Initiative 87 in the November 1980 general election. To fund such activities with public money is a clear abuse of the Council and its purposes.

Fortunately the rest of the EQC refused to adopt the litter control legislation as an EQC sponsored bill, and when apprised of the maladies within the EQC, Senate president Turnage admirably took it upon himself to kill Senator Dover's Energy and Natural Resource Committee bill. In fact, recognizing that EQC's internal troubles are not partisan but rather the result of misguided behavior on the part of a few people, the party leadership of both parties in both chambers has acted reasonably and effectively to squelch the worst excesses of this particular conspiracy.

The larger worry, and one that everyone in the legislature should be concerned with, is that such maneuvering not institutionalized in the EQC, flip-flopping in focus and objectives from time to time as the balance of power and environmental persuasion shifts within the Council.

My own view is that the very term "balance of power" should be foreign to the EQC. According to the Montana Environmental Policy Act (MEPA) there is a positive obligation on the part of the Council to formulate and recommend state policies to promote the improvement of the environment. Why hamstring the EQC by attempting to balance its membership and thereby always neutralize it, thwarting its statutory purpose? The legislature should put its most capable environmental leaders and policy makers on the Council in much the same fashion it assigns people with agricultural expertise to agricultural committees, legal expertise to judiciary committees and so on. Hundreds of other agencies, councils, boards, commissions, panels, departments etc. each have specific concerns to deal with and responsibilities to discharge. Does it make any sense that the legislature continue to fund, staff and make appointments to a Council with a specific environmental quality advocacy role in such a way as to continually render that Council ineffective?

This legislature is dealing with an abundance of bills right now the intentions of which reflect deep-seated legislative disfavor with the way the executive and judicial branch of government are being managed. A look in the mirror is needed; the ineffectiveness of the EQC is an in-house embarrassment for the legislative branch of state government that ought to be corrected immediately. Is there any reason that ridding state government of waste and ineffectiveness should not begin at home?

Previous legislatures have clipped the EQC's wings every time it has tried to fly as statutorily intended. As a result the Council has drifted from one biennial charade to another and another and finally into the sham it is today. This legislature has the option of either adequately funding, staffing and most importantly encouraging the EQC to do what it was intended to do, or to quit pretending that what little it does do on behalf of Montana's environment is worth the \$300,000+ spent on the Council every biennium.

If the 1981 legislature chooses to ignore Representative Kemmis' well-justified call to abolish a historically ineffective and currently abominably wasteful EQC, then at the very least a Legislative Audit should be conducted to determine the nature of the improprieties and to recommend solutions to save this branch of government any future embarrassment.

In the name of bipartisan fiscal responsibility that is so in vogue these days, I ask this committee and the legislature as a whole to quite wasting taxpayers money on an arm of the legislature whose purpose, by law, is supposed to be the advocacy and promotion of environmental quality but whose historical performance falls woefully short of that purpose.