MINUTES OF THE LONG RANGE BUILDING COMMITTEE
April 5, 1983 7:30 p.m.

ROLL CALL: MANUEL, DONALDSON, THOFT, WALDRON, BARDANOUVE, OCHSNER, THOMAS, HAFFEY, HIMSL, ETCHART - Present
None - Absent
Staff Present: PAM JOEHLER, LFA: PATTI SCOTT, SECRETARY

Also present were PHIL HAUCK, Administrator of the Architecture and Engineering Division, and TOM O'CONNELL, Chief of the Facility Planning Bureau.

(Tape #61-001)
HJR 9 - "Swim Center at Western Montana College"

REPRESENTATIVE BILL HAND introduced his bill.

PROPONENTS

PRESIDENT BOB THOMAS, Western Montana College, presented Exhibit 1. The new swim facility is Western's number one priority. The pool they currently have is totally inadequate. It does not meet health standards, and can legally only hold nine people at any one time. This is the only pool in the Dillon community.

PRESIDENT THOMAS stated the proposal for financing was complex. In 1967, all of the Income and Interest Money (I & I) which was pledged to Western from the Land Grant of 1893 was pledged to serve the bond indenture and the maintenance operation of their Physical Education Complex. This continued from 1967 to 1973. In 1973, a very controversial move was made by the Legislature to split half of the College. For the last ten years, this funding has remained the same. When Western presented this problem to the Board of Regents, the Regents felt it was a compelling enough problem to bring before the Legislature at this time. If this money could be re-committed to what it was originally intended for, Western could release another bond issue suffucient to build the $1 million portion of the pool. The community would pick up the rest of the obligation for the pool.

ROBERT MILLER, student at Western appeared in support. (Exhibit 2)

KIM STOCK, student at Western, appeared in support.

GAIL BISEL, student at Western, appeared in support. (Exhibit 3)

RICK MILLER, student at Western, appeared in support. (Exhibit 4)

TED STANISCICH, teacher at the Public School in Dillon, appeared in support. (Exhibit 5)

CHAIRMAN MANUEL was excused and Vice Chairman Etchart assumed the chair.

JIM McISAAC, Realtor in Dillon, appeared in support. (Exhibit 6)

MAYOR CONNIE NICHOLAS, Dillon, appeared in support. (Exhibit 7)

REPRESENTATIVE KERRY KEYSER appeared in support.

(Tape #61-419)
DR. IRVING DAYTON, Commissioner of Higher Education, stated the Regents are working at making Western a viable institution. They are trying to broaden Western's base, to increase enrollment. He stated Dr. Thomas is trying to make the College more appealing to students. The reason this project was not on the Regents' list was that it is characterized as "revenue producing." He urged the Committee to return the I & I money as before; or place this project into the Long Range Building Program.

OPPONENTS

None.

DISCUSSION (Tape #61-570)

REPRESENTATIVE BARDANOUVE asked what the operating costs will be. GLEN LEVITT, the Physical Education Director at Western, stated the PE Center plus the swimming pool would cost $105,000 per yer to operate. REPRESENTATIVE BARDANOUVE noted to use General Fund in offsetting would require a supplement to HB 447.

(Tape #62-001)
SENATOR HIMSL clarified the resolution is a request for authorization; half of the interest from the Land Grant would go to this, and the other half would come out of the appropriation in the University section to fund the indenture.

SENATOR ETCHART asked what the annual bond service payment would be. PRESIDENT THOMAS replied the payment would be $151,000 per year.

PRESIDENT THOMAS stated the income from half of the I & I money is estimated at $130,000. In other words, $130,000 would already be going towards this project, and $130,000 would be offsetting General Fund.

REPRESENTATIVE WALDRON asked what other bonds need to be paid off. PRESIDENT THOMAS stated they have two: a 1966 indenture for the dormatory; and a 1967 indenture for the Physical Education Complex. The 1966 indenture closes out in 1998, and the other in 2007. The total outstanding is $1,309,000. The requested bond would close out in 20 years. They would pursue State backed bonding.

DALE TASH stated currently half of the I & I money is being used to retire bonds on the PE complex, plus operations.

MR. LEVITT stated the I & I money would only allow $216,000 be used for the PE Complex. Adding student and user fees would bring in about $302,000 per year for retirement of the bond.

SENATOR ETCHART asked of the $151,000 year for bond service, how much would be dedicated to the retirement of the two current bond issues. MR. LEVITT stated $37,000 is dedicated to the 1967 bond indenture. The other bond is not being serviced from this.

MR. LEVITT stated the annual service cost on the dormitory is $81,834.

REPRESENTATIVE BARDANOUVE asked which bond reserve did the Commissioner of Higher Education request they not spend anymore. PRESIDENT THOMAS stated it was the 1967 bond indenture. It has built up a sizeable reserve because of the increase in I & I monies.

(Tape #62-187)

BANNACK STATE PARK HB-824

REPRESENTATIVE BILL HAND introduced his bill. He went into some of the history of the first State Capitol, and stated the Park needs improvements and fire protection if it is to survive.

PROPONENTS

RON HOLLIDAY, Administrator of the Parks Division, FWP, presented Exhibit 8.

DICK ELLIS, Regional Parks Manager, submitted Exhibit 9. He then presented a slide show, demonstrating the need for renovation and preservation of the buildings at Bannack.

MARCELLA SHIRVEY, Program Manager at the Historical Society, strongly urged support for restoration.

DOROTHY ALLEY, a Director of the Beaverhead Chamber of Commerce, appeared in support. (Exhibit 10)

HARRY OPSAHL, Dillon Businessman, appeared in support. (Exhibit 11)

OPPONENTS

None.

SJR 14 "UNIVERSITY OF MONTANA STADIUM RESOLUTION"

SENATOR NORMAN introduced his bill.

PROPONENTS

NEIL BUCKLEW, President of the University of Montana, presented Exhibit 12. The request is for authorization to raise and spend private funds for a new stadium.

HARLEY LEWIS, Athletic Director, UM, stated the current stadium was built in 1967 as a temporary structure. It will only seat 8,500 people. Most events draw up to 14,000 people. He stated the biggest humiliation came last season when their football team, the Big Sky Champions, could not play at the UM because the stadium was too small.

(Tape #63-001)
JUDY FASBENDER, Associated Students-UM, appeared as a proponent.

OPPONENTS

None.

DISCUSSION (Tape #63-028)

REPRESENTATIVE BARDANOUVE asked how they plan to pay for it. PRESIDENT BUCKLEW stated they intend to raise the funds through a private campaign. The requested authorization to spend is $4.5 million, but he expects to raise $2.5 million. It will not be a covered dome facility but more like the one at Bozeman. There is a planning committee for the facility.

(Tape #63-051)
HB 707 "COAL FIRED PLANT CONVERSION AT PINE-HILLS"

REPRESENTATIVE JACK RAMIREX introduced his bill. He stated the main purpose of the bill is to save money on energy bills in the long run. REP. RAMIREZ stated it is possible to lock in on a long-term coal contract, with a guaranteed maximum percentage increase of 10%. If the increase in coal is less, the State benefits. He stated it is possible to get a contract for 20 years, and have the system pay for itself in 8-10 years, so the last 10 years would be "gravey."

PROPONENTS

ALLEN E. KASSION, Professional Engineer with Mountain States Engineering, Billings, presented Exhibits 13 and 14. MR. KASSION has done a study on the feasibility of converting the natural gas heating system at Pine Hills School in Miles City, to a coal heating system. Exhibit 13 gives the details of his study.

MR. KASSION stated the payback would be 11.5 years, based on 14.5% interest. The system can be automated, and does not require additional personnel. It is 80% efficient. Pine Hills was selected because it can be readily converted, and he would be able to monitor the system. Because of the location of Pine Hills, this system will not hurt the environment. His calculations were based on the assumption that coal would increase at 10% a year.

OPPONENTS

JOHN ALKE, Montana Dakota Utilities, stated MDU currently provides the natural gas for Pine Hills. MDU is opposing HB 707 because it is being presented as a "public interest bill." The basis of this proposed public interest is a five-page study in which Mr. Kassion attempts to validate the expenditure of $1.3 million on the basis of energy savings. MDU feels the study is very lacking, with much time devoted to why it would be a good idea. It is not a fair representation of what the energy costs would be over a period of years. They double the price of coal; but quadruple the price of natural gas. MR. ALKE questions the price of coal being used. They give $1.25 per million, but in the case of coal, there is a very substantial element for transportation. He stated he has not been able to duplicate a delivery price of coal to Miles City at anywhere near the low rate that is used for the study. MR. ALKE stated coal burning produces large amounts of ash, which must be disposed of. There is no calculation of the cost of ash disposal. Additionally, you would need extra electricity to operate the automatic coal-feeder and the automatic ash disposal system. He stated there must be a fairly sophisticated electrostatic persipitator, or it would not meet any of the air quality specifications. The proposed conversion has a high usage of electricity. There is no calculation of the increased electrical costs required.

MR. ALKE stated there are no specifications nor descriptions, just general theories. He feels the ultimate purpose of the bill is to experiment. He does not feel the coal industry should be permitted to experiment with $1.3 million of the taxpayers' money.

REPRESENTATIVE DEVLIN stated the whole picture is sketchy on costs, and suggested that perhaps a more in-depth study should be done.

CHAIRMAN MANUEL returned to the meeting.

DISCUSSION (Tape #63-307)

REPRESENTATIVE RAMIREZ feels current market costs on coal can be locked in, and that the study does take into account other costs mentioned previously. He referred to the analysis in Exhibit 14. He stated the basis for the bill is the fact you can lock in the guaranteed maximum increases for coal, and it cannot be done for the natural gas cost. Even if the payout were a little longer than eight years, perhaps 10, the system has a life of 20 years, and

the contracts can be locked in.

REPRESENTATIVE RAMIREZ stated the actual costs would be around $900,000. He was not sure where the $1.3 million came from. The State should take this as a pilot project, and does not see anything insidious or wrong with taking a look at the actual costs. The risk would not be in losing money, but perhaps in not making as much as projected.

REPRESENTATIVE BARDANOUVE asked about the costly ash control. MR. KASSION stated the $1 million cost does take into account an ash percipitator. REPRESENTATIVE BARDANOUVE asked about the high cost of electricity. MR. KASSION stated the operating costs do include the electrical costs. He stated the motors used are small, and do not run continuously. REPRESENTATIVE BARDANOUVE asked Mr. Kassion if he had actually seen one of these plants in operation. MR. KASSION stated yes, in Wyoming, and he is currently designing a system for the Hardin School District. The one in Wyoming is about the same size as the one proposed for Pine Hills, and one person operates the entire system.

REPRESENTATIVE BARDANOUVE asked if Pine Hills and Mountain View are combined, would this not be more feasible. MR. KASSION stated it would be, because you would be using more coal, and the payback would probably be sooner.

(Tape #63-456)
REPRESENTATIVE BARDANOUVE asked Mr. Alke if MDU sells electrical energy. MR. ALKE stated yes, and they also sell coal. REPRESENTATIVE BARDANOUVE thought that the increase in use of electrical energy would off-set the lose in natural gas. MR. ALKE stated that may be true, but objects to this proposal as it is sketchy.

MR. ALKE stated the system at Pine Hills already has alternative fuel oil capability. If the price of natural gas were to quadruple (which it will not), and hits the price of the fuel oil equivalent, (which is far less than natural gas quadruple), all they do is switch to fuel oil.

SENATOR OCHSNER asked about the upkeep. MR. KASSION stated the ash collectors are mechanical. The ash is then conveyed to a truck for removal. He stated one hour per day per system is all that is needed, and this cost is included in the analysis. The operator need only be an ordinary maintenance person.

SENATOR OCHSNER asked where the ash would be disposed of. MR. KASSION stated it could go to a dump; or given to the Highway Department; or City-County Road Department for fill. He has not made a detailed

study of the area to give a definite answer.

PERRY WILDER, Montana Dakota Utilities, stated natural gas is used for cooking at the facility. MR. KASSION stated he reduced the natural gas consumption by 10% to take into account the cooking. This is about 3000 MCF per year, which amounts to about $15,000 per year for cooking. Over ten years, the savings would be $150,000.

REPRESENTATIVE BARDANOUVE asked how they arrived at a fixed, guaranteend price on coal. MR. KASSION stated he quoted one coal company. All coal companies could bid. The price quoted on coal does include delivery.

The meeting adjourned at 10:00 p.m. (Tape #63-627)

Rex Manuel

REX MANUEL, Chairman

VISITOR'S REGISTER

HOUSE Long Range Bldg COMMITTEE

BILL _____ DATE 4-5-83

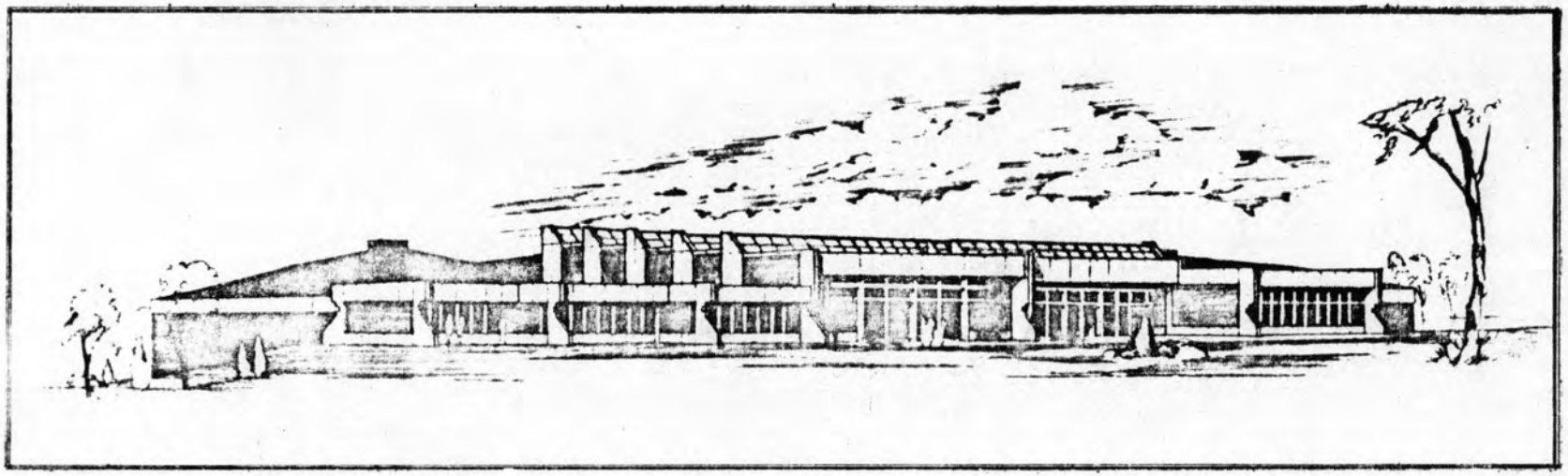
SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Ron Holliday	Helena	Fish Wildlife, Parks	HB 824 X	
Dorothy Alley	Dillon	Beaverhead Chamber of Com.	HB 824 X	
HARRY (BUTCH) OPSAHL	DILLON	DILLON BUSINESS-	HB 824 X	
Dick Ellis	Bozeman	Fish, Wildlife & Parks	HB 824 X	
Katie Campbell	Dillon (Butte)	Western MT College	HB 824 X	
Gail Bissell	Dillon (Fairfield)	Western MT College	HB 824 X	
Connie Nicholas	Dillon	City of Dillon	HB 824 X	
Todd Stavrich	Dillon	Beaverhead County High	HB 824 X	
Jon McIsaac	Dillon	Community Swim Committee	HB 824 X	
Dale Tash	Dillon	" "		
Robert M. Miller	Dillon	Western Montana College	HB 824	
Rick Miller				
Bob Kenny Keyser	Ennis Died 81	Western Host	HB 824	
John Alke	~~Sandy~~ Helena	MSU		HB 707
Julie Foster der	Missoula	ASUM	SJR 14	
Marcella Sherfy	Helena	Montana Hist Soc	HB 824	

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33



PERSPECTIVE VIEW FROM SOUTHWEST

Exhibit 1
4-5-83

4/1

WESTERN MONTANA COLLEGE AQUATIC CENTER W.H.HINNEK ASSOCIATES, INC.

PROPOSED
SWIM CENTER
WESTERN MONTANA COLLEGE

ESTIMATED COST:

$1,053,000	College
$ 384,000	Community of Dillon
$1,437,000	Total

COLLEGE FUNDING: A bond issue for the college portion of the facility to be serviced by use fees, Regents fees (of students) and land income and interest pledged to the Physical Education Complex.

BACKGROUND:

* In 1893, the Normal School at Dillon was dedicated 100,000 acres for its support.
* In 1933, the income and interest from the land grant was divided between Western and Eastern.
* In 1967, all of WMC's income and interest was pledged to service the bonds, maintenance, and additions to the Physical Education Complex.
* In 1973, legislative action caused one-half of the pledged income to be diverted to general operations.
* The Board of Regents, June, 1982, approved WMC to pursue an additional bond issue for the Swim Center, with <u>all</u> of WMC's portion of the land grant income and interest to service the indenture.
* <u>The 1983 legislature must approve the building of the facility, and thus implicitly, the Regent-approved financing</u>.

House JOINT RESOLUTION NO. 9

INTRODUCED BY

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA CONSENTING TO THE CONSTRUCTION OF A SWIM CENTER AT WESTERN MONTANA COLLEGE.

BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That, under the provisions of sections 20-25-302 and 18-2-102, MCA, and subject to the availability of funds other than the appropriated funds from regular state revenues for state operations, the Legislature consents to the capital construction program at Western Montana College, Dillon, Montana, consisting of the acquisition, construction, and equipping of a swim center estimated to cost $1,436,000. The legislature further consents to the financing of this project by the Board of Regents of Higher Education by pledging gifts, grants, and fees and issuing bonds under 20-25-402, to be paid back by revenues from state lands pursuant to 20-25-255(2).

-End-

INTRODUCED BILL
HJR-9

REGENTS' ACTIONS

July 30, 1983

ITEM 36-601-R0782, *Acceptance of a Gift of Land from John and Phyllis Erb, Dillon, Montana for the Purpose of Constructing a Swim Center Complex.*

THAT, *The Board of Regents authorizes the Commissioner of Higher Education and the Legal Staff to accept the plot of land, approximately 300 ft. x 100 ft. adjacent to the campus, as offered by John and Phyllis Erb of Dillon, Montana in their letter of July 12, 1982, for the purpose of constructing a Swim Center on the campus for Western Montana College and for use by the public as is reasonable.*

ITEM 36-602-R0782, *Approval of a Bond Issue to Build a Swim Center at Western Montana College with an Indenture to be Serviced by Income and Interest Funds.*

THAT, *The Board of Regents authorizes Western Montana College to pursue sale of bonds through legislative approval, with the proposed bond indenture to be serviced by the total Income and Interest funds designated to Western Montana College.*

COST ESTIMATE

WESTERN MONTANA COLLEGE, SWIM CENTER

LAND				None
ADMINISTRATION				$ 5,000
CONSTRUCTION COSTS				
Western Montana College				
Locker Room Wing		198,000		
Pool Building		433,000		
Sun Deck		8,000		
Fence and Lawn		9,100		
Pool & Filter system - no wading pool		229,000		
Pool Equipment		7,000		
Elevator to 2nd. floor		20,000		
	Sub Total	904,100		
Spa		6,000		
Bleachers (176 seats)		4,000		
Solar Collectors		60,000		
	Sub Total	70,000		
			Total	$ 974,100
Public Portion				
Pool Bldg. for wading pool		50,000		
Locker Room Wing		272,000		
Wading pool		27,300		
Walks, Steps and Ramp		11,700		
	Sub Total	361,000		
			Total	$ 361,000
PROFESSIONAL FEES				
Land Survey (WMC)		2,500		
Soil Testing (WMC)		3,000		
Architectural/Engineering (WMC)		68,200		
Architectural/Engineering (Public)		23,500		
	Sub Total	97,200		
			Total	$ 97,200
TOTAL COST OF PROJECT				
Western Montana College				$1,052,800
Public Portion				384,500
				$1,437,300

WESTERN MONTANA COLLEGE

ASWMC REFERENDUM

RESOLVED, that we, the students of Western Montana College, do hereby endorse a Regents' fee of up to $15 per semester for regular students of WMC to support the maintenance, operation and indenture retirement of a swim center to be constructed on campus. This support is contingent upon the successful financing approval and the actual construction of the swim center.

☐ Approve

☐ Disapprove

On December 14, 1982 the student referendum allowing increased building fees for the purpose of a Swim Center was passed by student voters. The vote was 222 in favor and 52 opposing, representing a 30% voter turnout.

PROPOSED AMENDMENT TO HOUSE BILL #477:

BE IT MOVED, that the general fund appropriation in line (_____) be increased by the amount of estimated revenue from Income and Interest allocated to Western Montana College.

EXPLANATION: In 1967, the Legislature and the State Board of Education pledged 100% of Western Montana College's revenue from Income and Interest to service the bonds, maintenance, operation, and expansion of the campus Physical Education Complex. In 1973, Legislative action, over vigorous protest from campus administrators, the accounting firm for the Indenture and Bond Counsel, diverted one-half of Income and Interest revenue pledged to WMC from the 1967 Indenture to off-set general funds for the College's operation.

Increase General Fund, - 130,000/year

Reduce Other Funds, - 130,000/year.

The Montana Board of Regents in July, 1982 resolved that Western Montana College should pursue, through Legislative approval, a supplemental bond issue to build a Swim Complex addition to the Physical Education Complex, utilizing all Income and Interest pledged to the 1967 Indenture. This is the intent of Joint House Resolution #9, which if approved can only be implemented if WMC's Income and Interest is restored to the 1967 Indenture.

Exhibit 2
4-5-83

Mr. Chairman, my name is Robert Miller from Plains, Montana, and I am a graduate student, working on my Master's Degree at Western. My association with WMC goes back to 1969 when I attended Montana Boys' State. That was just two years after the Montana State Legislature and the State Board of Education pledged resources to the expansion of Western's Physical Education Complex for the inclusion of a Swim Center. Yet in 1973, one-half of WMC's Interest and Income monies were diverted from their support of the P.E. Complex to offset General Fund appropriations for the College. Since that time over $600,000 plus interest has been diverted from the P.E. Complex. It is the view of Western that those funds, pledged by this body, should be used for the purpose intended in 1967: the building and maintenance of a Swim Center.

Thank you.

Robert M. Miller
Graduate Student
Western Montana College
Major: English and Social Science
Hometown: Plains, MT
Former ASWMC President

Exhibit 3
4-5-83

SUBMITTED TO: Rex Manual, Chairman, Joint Long-Range Building Committee

SUBMITTED BY: Gail Bissell, Student and swim instructor, WMC

I. Instructional Use

A. No more than 10 people to use pool at one time. (Ideally)
   1. Limited room
   2. Acoustics
   3. Heating regulator
   4. Water loss over gutter is not returned

II. Academic Use

A. High School
B. Pre-School
C. Community Groups
D. Business People - Laps
E. College Use
   1. Basic Swimming
   2. Lifesaving
   3. Water Safety Instruction
F. Private Lessons
G. Rural Schools

III. Recreational and Intramural Use

A. No Swim Team
B. Limited Hours in Evening and Morning
C. Limited Use for Intramurals Because of Space

Gail Bissell
Senior, Western Montana College
MAJOR: Broadfield P.E., Emphasis in Sports Medicine
Business Education
Hometown: Fairfield, Montana
Former ASWMC Vice-President

Exhibit 4
4-5-83

Submitted to-Rex Manuel, Chr. of Joint Long-Range Building Sub-Com.

Submitted by-Rick Miller, Student Body Pres.
Junior-Major Broadfield in Physical Education
Minor Business

I. The students voted in favor of a referendum which would impose a fee of thirty (30) dollars per year to finance the pools construction.

II. Why WMC is the only small unit off-setting General Fund with designated Interst and Income monies?

A. NMC has none

B. Tech allocates 100% of its Interst and Income toward Bond Indentures.

III. Why WMC is the only four year college which does not have instructional recreational or competitive opportunities to a standard pool facility.

EXHIBIT 5
4-5-83

Testimony - Tedd Stanisich
Teacher - Beaverhead County
High School

Mr. Chairman:

In education as well as government we are sometimes criticized for duplication of facilities and services. The pool complex at Western could be a perfect example of sharing and cooperation between seperate agencies. With a new facility at Western the possibilities of use by our public schools in both the secondary and primary grades are extensive. Physical Education, Lifesaving, and Recreation classes could be held along with programs in interscholastic sports and intramurals.

Our schools have no swimming facility of their own and at the moment we have been cooperating with WMC in the use of the present facility. The size and age of the present facility has severely restricted the flexibility of scheduling and therefore has significantly reduced the actual use of the present pool facility.

Most school districts of our enrollment have swimming facilities and also field interscholastic teams and it certainly would be a significant upgrading of our educational program if this project could be completed.

Thank you for your time and consideration.

Tedd Stanisich

Exhibit 6
4-5-83

REALTOR

Carriage House Realty

16 East Reeder Box 857 Dillon, MT 59725 406-683-4211

My name is Jim McIsaac, I am a Realtor from Dillon and the owner of considerable rental property. I am past president of the Beaverhead Chamber of Commerce and past president of the Beaverhead Board of Realtors.

I am here today as a concerned citizen, a parent and as Vice-Chairman of the Community Swim Center Committee.

For many years the swiming pool at Western Montana College has been sub-standard, not only for the college students and faculty, but also for the members of the community who use the pool.

It is because of the inadequacy of the present facilities that the members of the community have gotten behind the cause of a new swiming pool at WMC. John Erb the owner of the land adjacent to the campus has offered to donate a parcel of land worth approximately $30,000.00 to be used as the site for a college/community swim center. Briggs Brothers Construction have pledged to do the excavation work for the pool free of charge.

The Dillon Jaycees, Lions Club, and other civic organizations have conducted a massive signature campaign, under the guidance of the Swim Center Committee, petitioning the Beaverhead County Commissioners to create a rural improvement district to help finance the community portion of the proposed facility. Numerous individuals have pledged financial support in order to make the pool a reality.

Approximately 1,600 landowners have been contacted with more than 85% of them approving the formation of a rural improvement district. With this overwhelming support from the conservative people of Dillon and Beaverhead County, I respectfully solicit your support for this worthwhile project in your long range funding plan. Thank you!!!

Sincerely,

Jim McIsaac

Jim McIsaac

REALTOR

RESIDENTIAL-COMMERCIAL-APPRAISALS-RENTALS-PROPERTY MANAGEMENT

Carriage House Realty

BOX 857, 116 E. REEDER DILLON, MT 59725

MCISAAC, BROKER

406-683-4211

Exhibit 7
4-5-83

CITY OF DILLON, MONTANA

CONNIE S. NICHOLAS, MAYOR
406/683-4245

125 N. IDAHO ST.
DILLON, MT 59725

April 5, 1983

Mr. Chairman,

I am Connie Nicholas, Mayor of Dillon.

Thank you for this opportunity to appear before your committee, expressing the support by the City of Dillon for the shared use of the proposed swimming facility at Western Montana College.

It is now, and will no doubt remain, financially impossible for the tax payers in our community to ever afford a recreational facility equal to this complex.

The City of Dillon identifies closely with Western Montana College. The city is indeed interested in shared use of the swimming pool.

This joint effort between W M C and Dillon is our opportunity to enrich the quality of life for our community. The City of Dillon appreciates the efforts of Western Montana College to upgrade this quality of life.

H.B. 824
Testimony of Ron Holliday
Long Range Building Committee
April 5, 1983

415

Exhibit 8
4-5-83

My name is Ron Holliday. I am Administrator of the Parks Division, Montana Department of Fish, Wildlife & Parks. I appear before you tonight on behalf of our Director, Jim Flynn in complete support of House Bill 824.

As the site of Montana's first major gold strike and first territorial capitol, Bannack has long been recognized as one of the state's most outstanding historic sites. Born in the fall of 1862 and never completely deserted, this tenacious community is a microcosm of Montana history wherein all phases of frontier social and economic development are represented. Early Montana politics and government, outlaw violence and vigilante justice, early business and commercial enterprise, gold mining in all its phases, and the many facets of pioneer social and domestic life, all evolved here.

The site provides the State of Montana an unsurpassed opportunity to preserve and interpret its history on the very ground where the cornerstone of its heritage were laid and in a setting that is essentially unchanged from what it was during the early formative years.

Since 1965, we have considered the development of Bannack to be one of our major goals. During the past eighteen years, with the support of the Legislature, we have seen Bannack evolve into an outstanding unit of our State Parks System. It has, at times, seemed to be a long never-ending process of "getting ready." But we are now almost entirely finished with the cleanup, the surveys and determination of ownerships, the negotiations with private owners of inholdings, the repairing of foundations, walls roofs and windows.

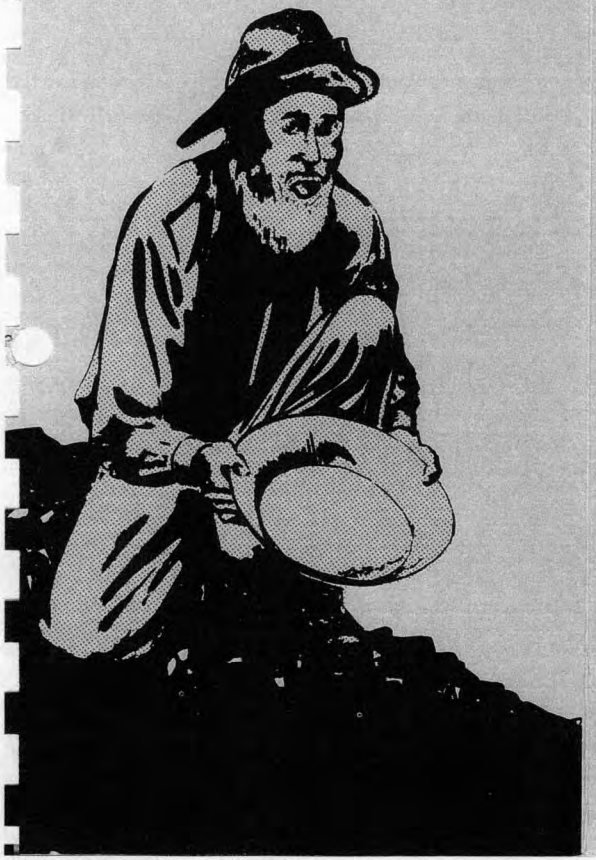
We have finally come to the point where one last major effort can see the end of the "getting ready" process, and Bannack can truely meet its potential as one of the West's outstanding historic parks.

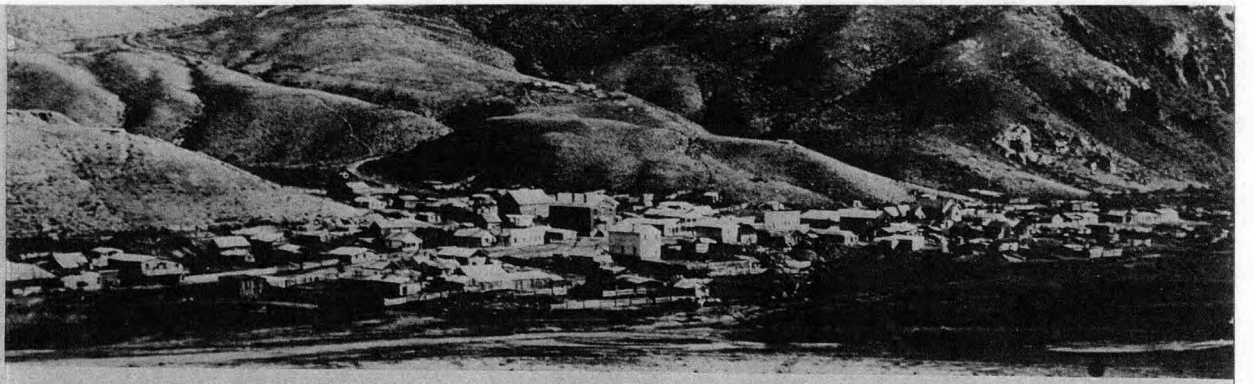
To meet this final goal, we are requesting $500,000 from the Resource Indemnity Trust Fund for the purpose outlined in the brochure we've distributed.

This is a completely appropriate funding source under existing law. Allocations to State Park projects from the Resource Indemnity Trust have been made for the past two bienniums - one small appropriation was made for improvements at Bannack. Other funding sources would also be appropriate for use here if necessary.

I have asked Dick Ellis our Parks Manager from Bozeman, to present further testimony in the form of a short slide program which will further address this proposal.

BANNACK
STATE PARK





SITE OF MONTANA'S FIRST MAJOR GOLD DISCOVERY

Late in July of 1862, a small party of prospectors led by John White chanced up the gold-laden gravels of Grasshopper Creek to make the first major gold discovery in what was to become Montana.

Bannack was born, and growth from mining camp to boom town was explosive. Several thousand people are reported to have lived along Grasshopper Creek within the first year of discovery.

Although its heyday lasted but a short time, Bannack continued to live as a frontier mining town with the population growing or decreasing in response to newly developing mining techniques and the economics of the "outside world."

During its long existance, all manner of humankind have walked through the pages of Bannack's history and have left evidence of their passing in the log, frame and brick structures of the town; the tunnels, shafts, and placer diggings of the hills; and in a folklore that has endured through the years.

As you stroll the streets of Bannack, you will find special points of interest at numbered posts and signs keyed to the map and text on the back of this brochure.

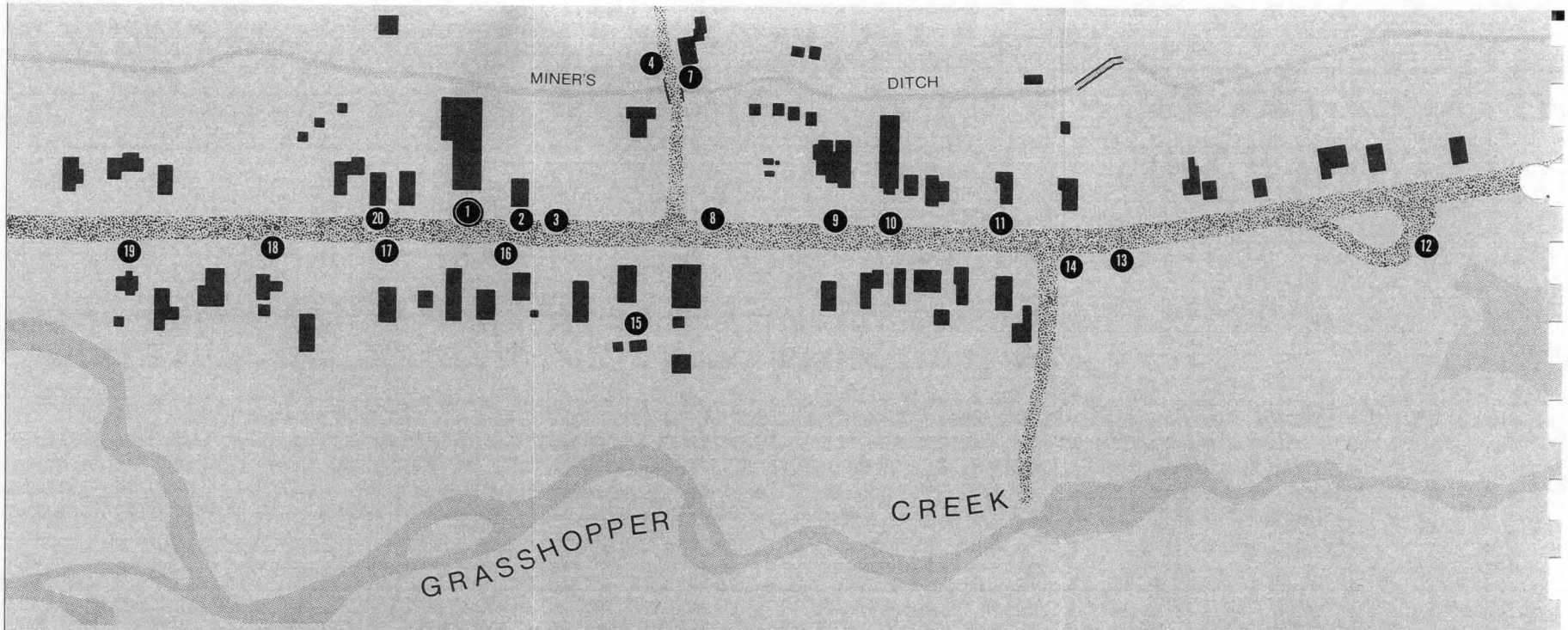
While taking the tour, we ask that you do not smoke, as fire is an ever-present threat to Bannack.

LAW & ORDER

In the beginning, Bannack was far removed from formal seats of government, law and order. When gold was discovered, these western lands were part of Idaho Territory with "the law" on the wrong side of the mountains.

In response to the ever increasing attacks by road agents led by the infamous Henry Plummer (who played the dual role of Sheriff *and* leader of the outlaws!), the honest citizens of Bannack and the nearby communities took the law into their own hands, formed a secret society of vigilantees and hunted down and hanged the majority of the gang which had by now robbed and killed hundreds. Vigilante tactics were harsh but effective and soon the community leaders could turn their attention to a more permanent solution to the problems of law and order.

MEADE HOTEL



12. F.L. Graves Dredge: This was the first electric dredge in North America. Its generator was powered by water which was ditched 30 miles to a point high on Bannack Peak directly across the creek. The F.L. Graves was launched in 1895 and in two successive weeks extracted $22,000 and $38,000 in gold.

13. First Territorial Meeting Place: Following the establishment of Montana Territory, the first legislature met in a cabin on this site. The original structure has long-since disappeared.

14. Bannack Apex Mill: This mill, called a flotation and ball mill, represents a "modern" crusher-cyanide type designed to separate gold from the base rock by crushing and "floating."

15. Bannack Jails: When the gold rush was at its peak, jails were little used; offenders were either warned, told to get out of town, or hung. No one wanted to sit around guarding prisoners when gold was waiting to be dug. Construction of a jail meant considerable progress on the road to civilization. Note the rings on the floor to which the more troublesome prisoners were chained.

16. Gibson Houses: A pioneer family residence which, like several others in town, was also operated as a rooming house to accomodate prospectors in from the diggings. The smaller one story building was operated as a blacksmith shop for a time; scars on logs inside indicate the results of "trial runs" of new branding irons.

17. Masonic Temple and School: Masonic Lodge meetings were held on the second floor and school was held on the first floor. The only access to the Masonic Lodge was by an outside stairway. A specially constructed "double" floor served to soundproof the secretive proceedings. Schools, churches and lodges, courthouses and jails: these represent the more permanent hallmarks of civilization.

18. Ryburn House: Home of Doc Ryburn, one of the prominent early day doctors. Some nights he would leave home by team for the Big Hole Valley, 40 to 50 miles away, in the dead of winter to care for a patient.

19. Governor's Mansion: Sidney Edgerton, Montana's first territorial governor (June 1864 - July 1866) maintained this home (also the Governor's "Mansion") on this site. Until a school was constructed, students learned their ABC's in one room of the Governor's house. Classes were conducted by his niece, Lucia (Lucy) Darling. The original "Mansion" has been destroyed. The log cabin now standing is of recent origin.

20. Druggist and Assay Office: Here the gold w analyzed and its weight and value assessed. As go mining activity declined, this building eventuall served as a butcher shop.

You have now completed your tour of Bannack. We hope you enjoyed it.

Please Note:

A $1,000 fine and/or six months' imprisonment fo damage to or removal of any objects or features of thi site, 81-2511, R.C.M. 1947. To report violations, c Montana Department of Fish, Wildlife and Parks, t free — 1-(800)-332-6117, or the sheriff's office, Dillon

So Long — Come Back Again!

prepared by
Montana Department of Fish, Wildlife & Parks
Parks Division

1. Courthouse: This was one of the first county courthouses in Montana. Built in 1875, this brick structure was dedicated to law and order.

When the railroad from Salt Lake City north was built, about 1880, the town of Dillon was established and soon became the new county seat. This building was then remodeled (addition on rear) becoming the Hotel Meade and operating as such into the 1940's.

2. Skinner's Saloon: At best, the saloons provided a rather rough social life, a momentary escape from loneliness and the hard work of grubbing for gold. This was one of the very first such places and was owned by Cyrus Skinner, one of Sheriff Plummer's cohorts. Customers of Skinner's Saloon inadvertently provided information for the "sheriff" relating to gold shipments.

3. Goodrich House Site: A very early day hotel stood on this site. The large two-story log building provided meals and lodging for early day travelers.

4. Site of Sheriff Henry Plummer's Cabin: Henry Plummer was sheriff by day, and secretly, leader of the road agents by night. On January 10, 1864 his rule as sheriff and leader of the outlaws terminated abruptly. Tired of being victimized by the outlaws, a number of miners and merchants formed a Vigilante Committee and went a'callin'.

They stopped here and "invited" Plummer along. Let's walk a short distance up Hangman's Gulch with him.

5. Plummer's Gallows: The Vigilantes believed a few illustrious hangings would encourage those with "queasy" consciences to leave quick-like. There were a number of techniques for hanging a man. Plummer's last request was for a good drop. Tradition says he was lifted as high as possible and then dropped. Two of his gang received similar treatment that night. Burying a man in frozen ground in January created some problems and it is believed they had shallow graves close by. The actual site of burial has not been determined.

6. Indians - 1877: The Nez Perce camped near here on Horse Prairie Creek, August 12, 1877 following the Battle of the Big Hole on August 9 and 10, 1877

General Howard was summoned when beating drums aroused the citizens of Bannack. Women and children were sheltered in the Meade Hotel where extra food, water and bedding were assembled. Dirt and log breastworks were thrown up at two hilltop sites but no attack took place. When General Howard arrived on August 14, the Indians had left.

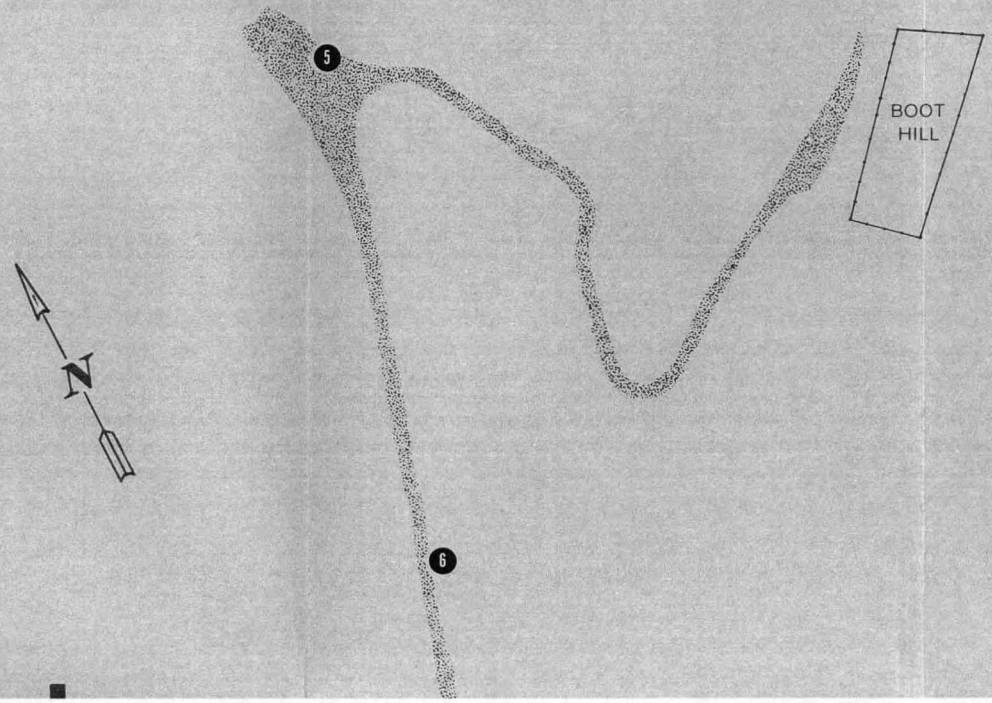
7. Bachelor's Row: Prospectors usually lived on their claim and not in town. "Wickiups" lined the Gulch. This site got its name from a row of bachelor huts which paralleled the miners' ditch that flowe here.

8. F. L. Graves General Merchandise Sto Site: The "general" store offered all manner of gooc and merchandise to Bannack residents until it burnec in 1926.

9. Roe House: This home was built by William Rc about 1866 or 1867 and is said to be the first fram house in the Montana Territory. It later was owned by F.L. Graves, for whom the first electric dredge was named. This property was deeded to the state Montana through the estate of Miss Myrl Erwin for th preservation of Montana's heritage.

10. First Church: This church was built in 187 under the direction of William Van Orsdel, a we known Methodist circuit rider. Many of the miners ha taken refuge in town during the Nez Perce Indian scare and helping hands were plentiful. The churc was donated to the state by the Methodist Churc Conference in 1969.

11. Bootlegger's Cabin: This cabin housec last known bootleggers, operating in the early 1960 (that's right - 1960's!). When word got to them that th "Revenuers" were coming, they left during the night leaving their dishes on the table and coffee pot on the stove. The small cabin to the rear housed the still.



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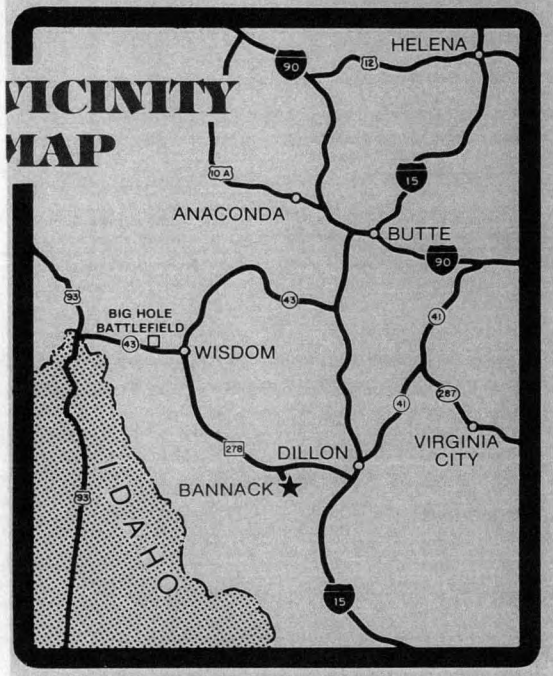
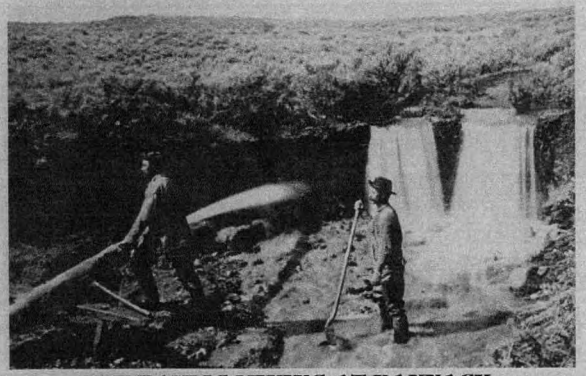
SIDNEY EDGERTON
MONTANA'S FIRST TERRITORIAL GOVERNOR



TERRITORIAL GOVERNMENT

Real stability depended upon the creation of a Montana Territory with its own elected legislature and a formal legal system. Miners and merchants pooled their resources and sent a leading citizen, Mr. Sidney Edgerton, to Washington to plead their case. Edgerton (and a display of Montana gold he carried with him) was convincing and in May 1864, Congress created Montana Territory. President Abe Lincoln appointed Edgerton Territorial Governor and on December 12 Montana's first legislature met in Bannack. The next year, the legislators followed the boom to nearby Virginia City and took the seat of territorial government with them.



HYDRAULIC MINING AT BANNACK

FREIGHT WAGON AT ASSAY OFFICE IN BANNACK

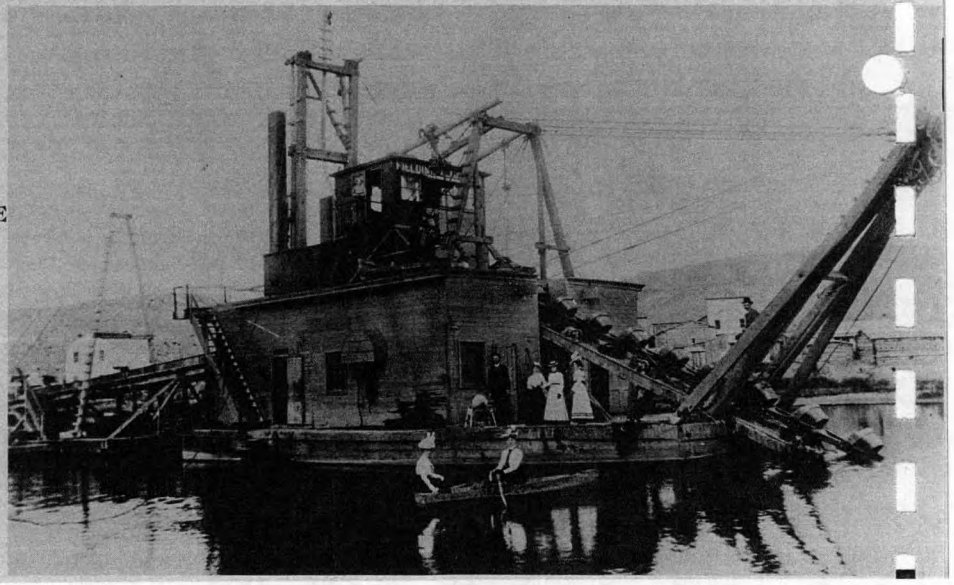
GOLD MINING

All aspects of the gold mining trade are represented in Bannack. The washed gullies, dredge ponds, tunnels, and ditches are all evidence of persistent efforts to extract Bannack's gold.

Two major mining methods are well represented here: the "hard-rock" process produced the deep shafts and tunnels by which gold-bearing ore was reached and removed. This ore was then crushed, ground, and washed to recover the gold.

The second method, placer mining, involved separating dust, flakes, and nuggets of gold from deposits that nature had already ground to dust and gravel. This was done by methods as simple as the gold pan and sluice box to more complex high pressure hydraulic systems and giant floating dredges.

THE ELECTRIC DREDGE
"F. L. GRAVES"



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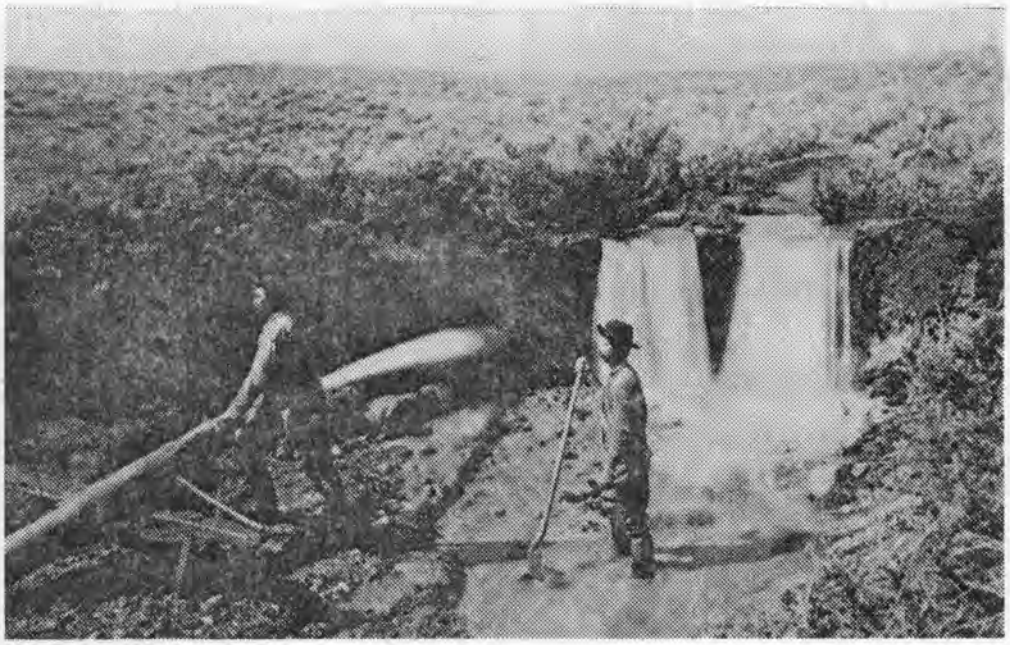
Bannack State Park

a look to the future....

a challenge from the past....

As the site of Montana's first major gold strike and first territorial capitol, Bannack has long been recognized as one of the state's major historic sites. Born in the fall of 1862 and never completely deserted, this tenacious community is a microcosm of Montana history wherein all phases of frontier social and economic development are represented. Bannack has been the setting for the evolution of early politics and government, outlaw violence and vigilante justice, early business and commercial enterprise, gold mining in all its phases, and the many facets of pioneer social and domestic life.

The site provides the State of Montana an unsurpassed opportunity to preserve and interpret its history on the very ground where the cornerstones of its heritage were laid and in a setting that is essentially unchanged from what it was during the early formative years.

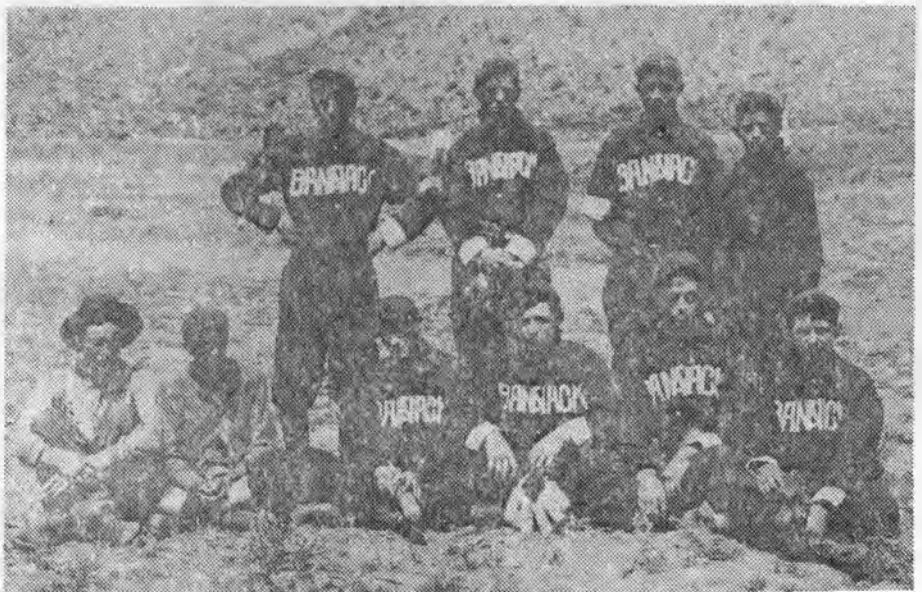


"JOE GAUTHIER AND FRENCHY ROSSIE HYDRAULIC MINING BELOW BANNACK, MONTANA"

Since 1954 when a portion of the the townsite was donated to the state by Dillon's Beaverhead Museum Association, Bannack has been an important unit of the State Park System. Bannack State Park began to mature after 1965 when parks responsibility was transferred to the Department of Fish, Wildlife and Parks, and the availability of federal matching funds greatly enhanced the State's capabilities to properly care for the town.

Starting with a part-time caretaker, the program has slowly grown to the point where a permanent manager and seasonal personnel meet a demanding year-round management, maintenance and security responsibility.

Land surveys and quiet title actions initiated in 1968 cleared the way for periodic additions to the park. Since the initial donations, 24 parcels and approximately 210 acres of adjacent land have been acquired, and two additional donations have been accepted. Today, only 4 structures within the townsite remain in private ownership.



1905 BANNACK BASEBALL TEAM

Acquisition

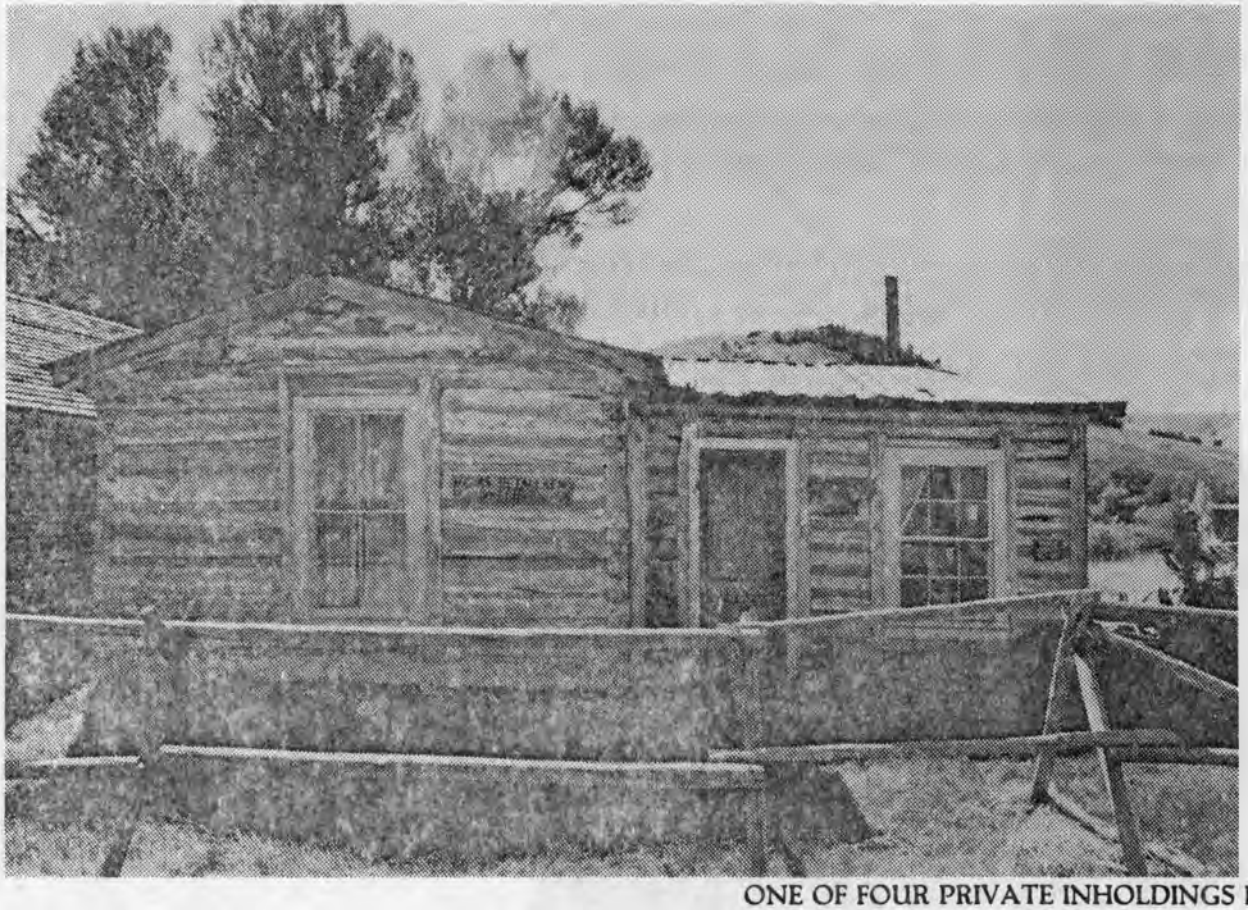
Current Situation

With the exception of four parcels, the entire townsite of Bannack is in state ownership. Three of the four inholdings are historic homes and one is a relatively recent log cabin. All are owned by nonresidents and are occupied periodically. The Department has been actively pursuing the acquisition of all four parcels. As long as these structures are in private ownership, they are in danger of "modernization" and incompatible use which may seriously detract from the historic atmosphere.

Need

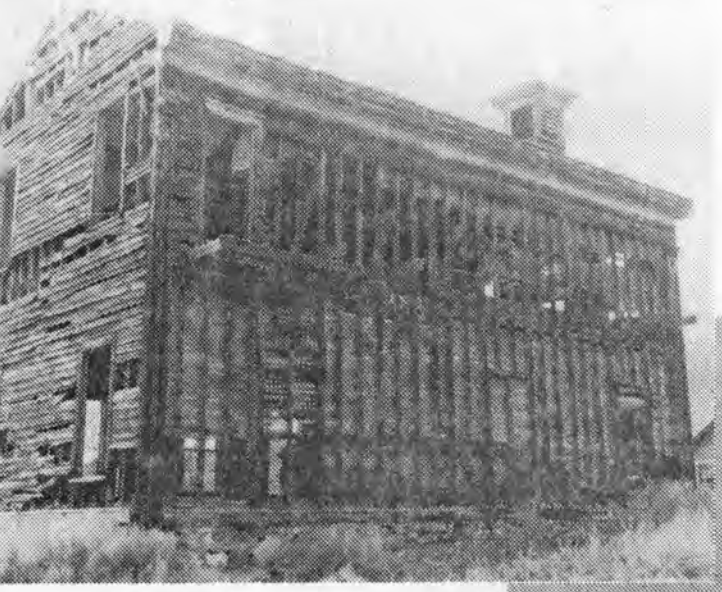
State ownership of all property within the townsite is essential if goals of security, traffic control and historic authenticity are to be met. Completion of negotiations will be vigorously pursued.

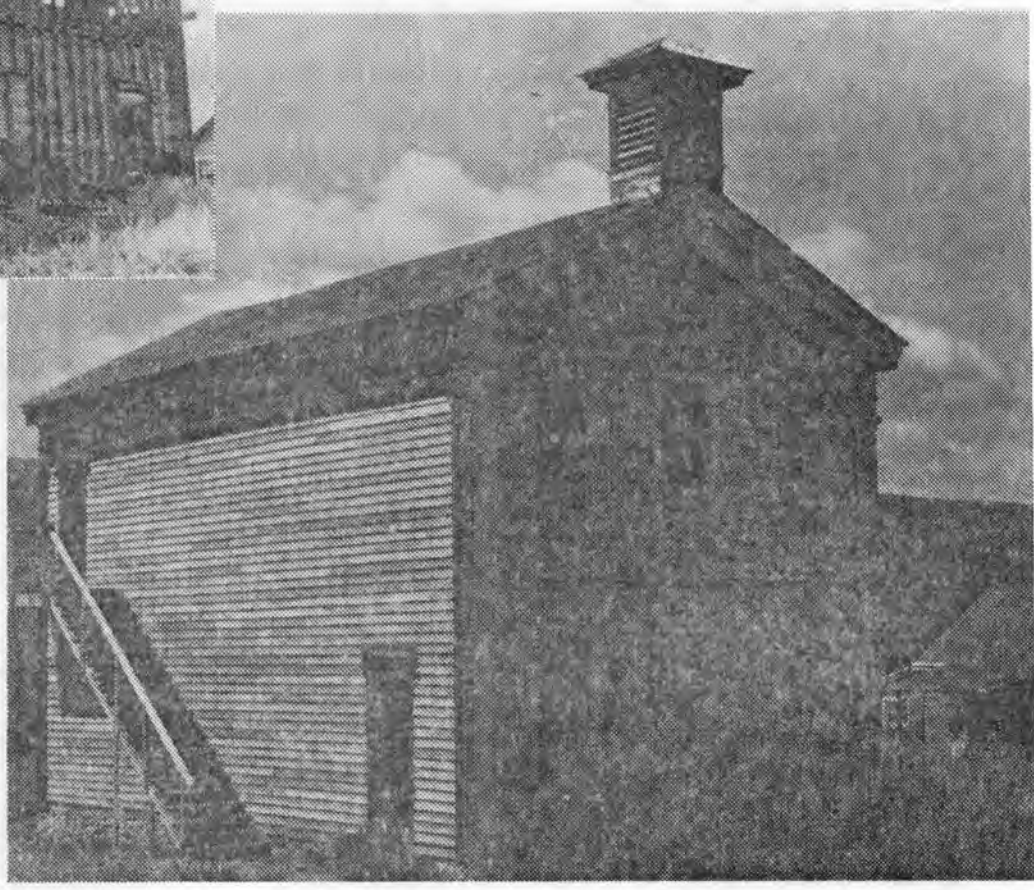
The Department of Fish, Wildlife and Parks proposed to fund this acquisition project from the Coal Tax Trust Fund.



ONE OF FOUR PRIVATE INHOLDINGS IN BANNACK

Stabilization





MASONIC LODGE AND SCHOOLHOUSE PRIOR TO (ABOVE), AND FOLLOWING STABILIZATION (RIGHT).

In response to a critical need to preserve significant structures, the State has also maintained an ongoing program of stabilizations and preservation. During the past fifteen years, over 40 buildings have received attention with projects ranging from repair of roofs, walls and foundations to stabilization of outbuildings and replacement of broken windows. In every case the utmost care has been taken to preserve the historic integrity of the structures and maintain the frontier atmosphere associated with Bannack.

A "feeling of the past" has been further enhanced by the removal of incompatible intrusions such as junk cars, trailer houses, and an overhead power line. At the request of the State and in response to the National Landmark status of Bannack, the Bureau of Land Management has taken special steps to protect over 300 acres of adjacent federal land from incompatible developments.

Through these efforts, and in response to an ever increasing public interest in the past, Bannack has become a major unit of the State Park System and the destination of over 30,000 visitors each year.

Specific Needs

Bannack is now on the threshold of realizing its full potential as one of the west's most outstanding historic parks. A final major effort is necessary, however, to address some critical remaining challenges.

Heretofore, emphasis has been placed on the critical needs of acquisition and preservation. While it is essential that these programs continue, efforts must now turn toward further protection of the townsite and its historic integrity, the challenges of accommodating ever increasing numbers of visitors, and the formulation of a program to enhance the educational and recreational potential inherent in this site.

The following elements of this proposal will address these needs.

Fire Fighting System

Current Situation

The eighty plus wooden structures standing in Bannack are continuously in danger of damage or complete destruction due to fire. The majority of the buildings are in close proximity and fire would almost certainly result in the loss of a major portion of the town. A priceless historic heritage and a very substantial investment of state and federal dollars would be destroyed. The site is now inadequately protected by a 250 gallon pickup mounted pumper.

Need

The historic importance of this site, the irreplaceable nature of its structures, and the growing investment make it imperative that an adequate fire fighting system be developed. A pump station and distribution lines, which would deliver a large volume of water throughout the town, are needed to assure the continued existence of the physical remnants of our first territorial capitol.

Access — Bypass Road and Bridges

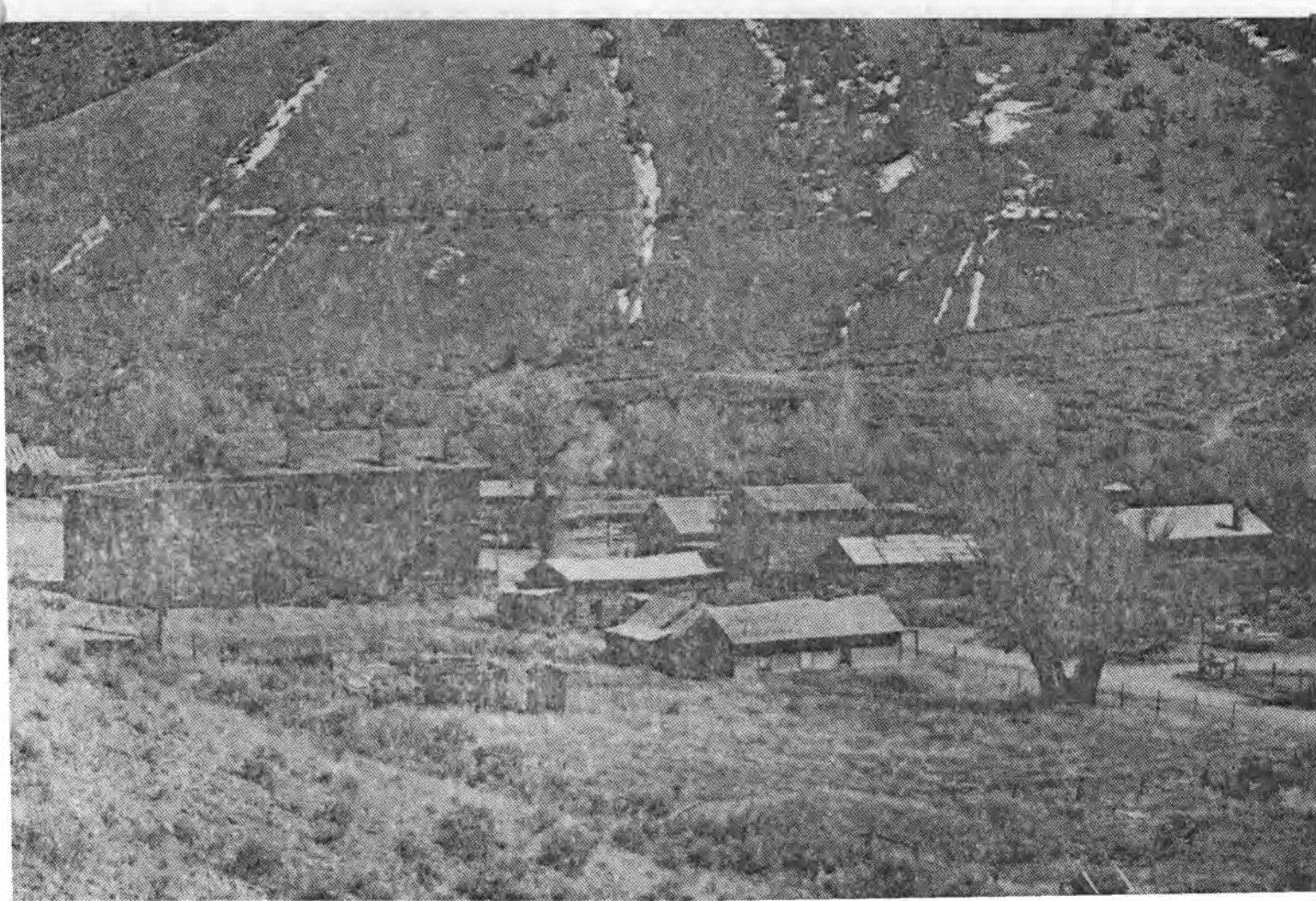
Current Situation

Bannack is now served by a high standard graveled county road leading from highway 278 to Bannack State Park. This road provides the only practical access to private and public land "below" Bannack. All traffic proceeding past Bannack is therefore forced to traverse the length of main street.

Need

It is essential that a bypass road be constructed on the perimeter of the park in order to maintain a historic atmosphere and allow visitors to wander along Bannack's historic main street without fear of encountering ore trucks and automobiles. Such a bypass would also allow the manager to "close" the park as necessary to control after hours trespass and vandalism.

The only feasible bypass route lies to the south of Grasshopper Creek and will necessitate construction of bridge crossings and approximately one-half mile of gravel road.



Visitor's Center

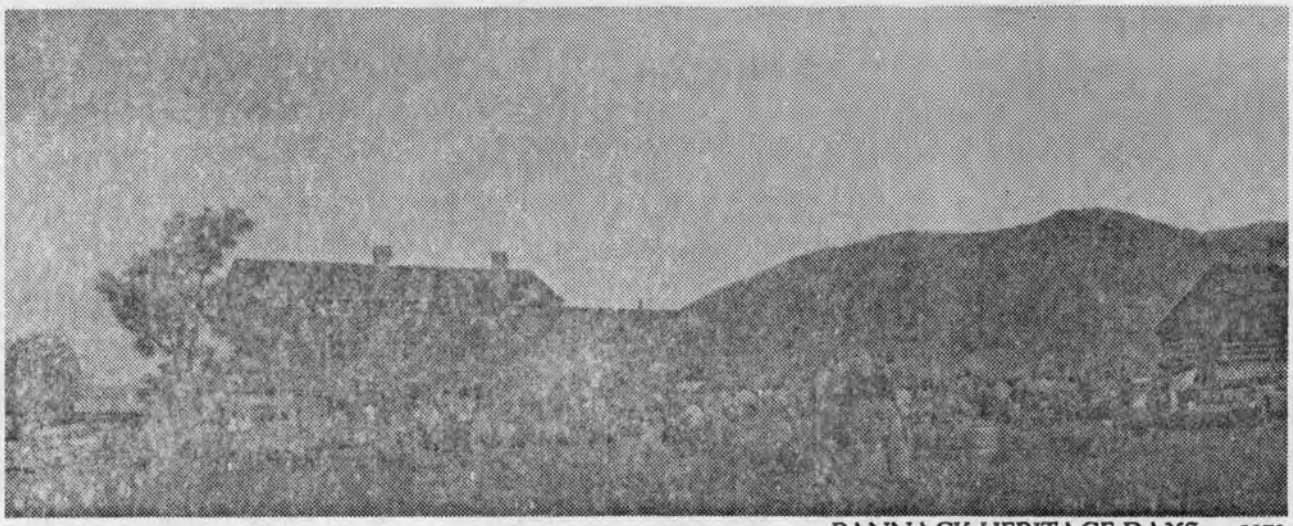
Current Situation

There is currently no focal point from which Bannack visitors can become oriented to the site and gain an understanding of what lies ahead. Support facilities serving over 30,000 visitors per year are completely primitive. Restroom services are provided by two pit toilets and drinking water is available at an ancient hand pump.

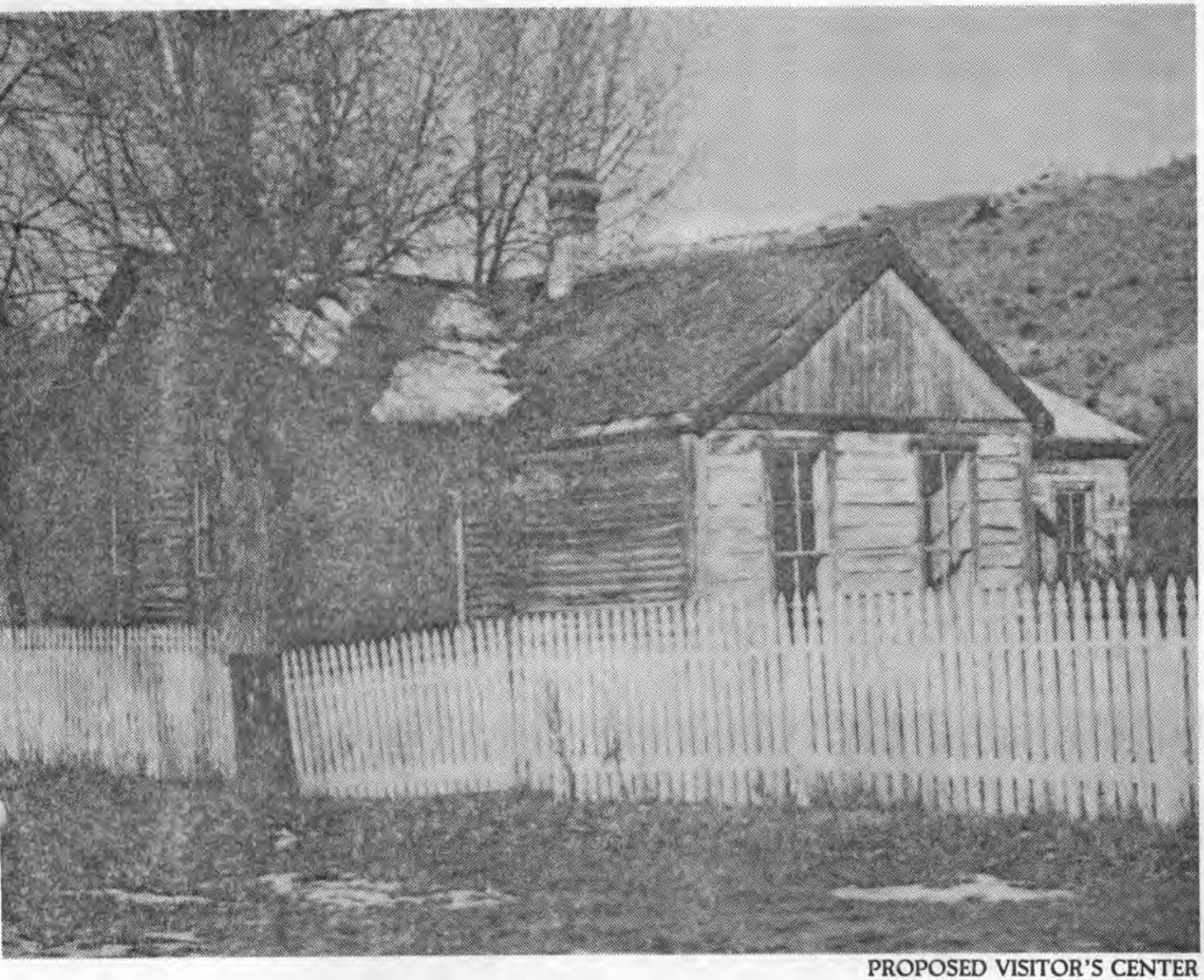
The Need

A suitably adapted log structure located adjacent to the parking area on the edge of town would serve as a starting point for Bannack visitors. Such a structure would house introductory interpetive diplays designed to orient visitors to the site and introduce them to the many historic themes that can be explored. It can also serve as a dissemination point for management messages and information on other area attractions.

Although primitive sanitary facilities add a degree of historic authenticity, most visitors would welcome the convenience of modern flush toilets and drinking fountains. A visitor's center would house these facilities.



BANNACK HERITAGE DAYS — 1979



PROPOSED VISITOR'S CENTER

Fencing

Current Situation

The boundaries of Bannack State Park are not now defined or fenced. This causes confusion to users of adjacent lands and allows livestock to freely enter the townsite.

Need

Perimeter fencing is necessary to define park boundaries and exclude livestock from park property.

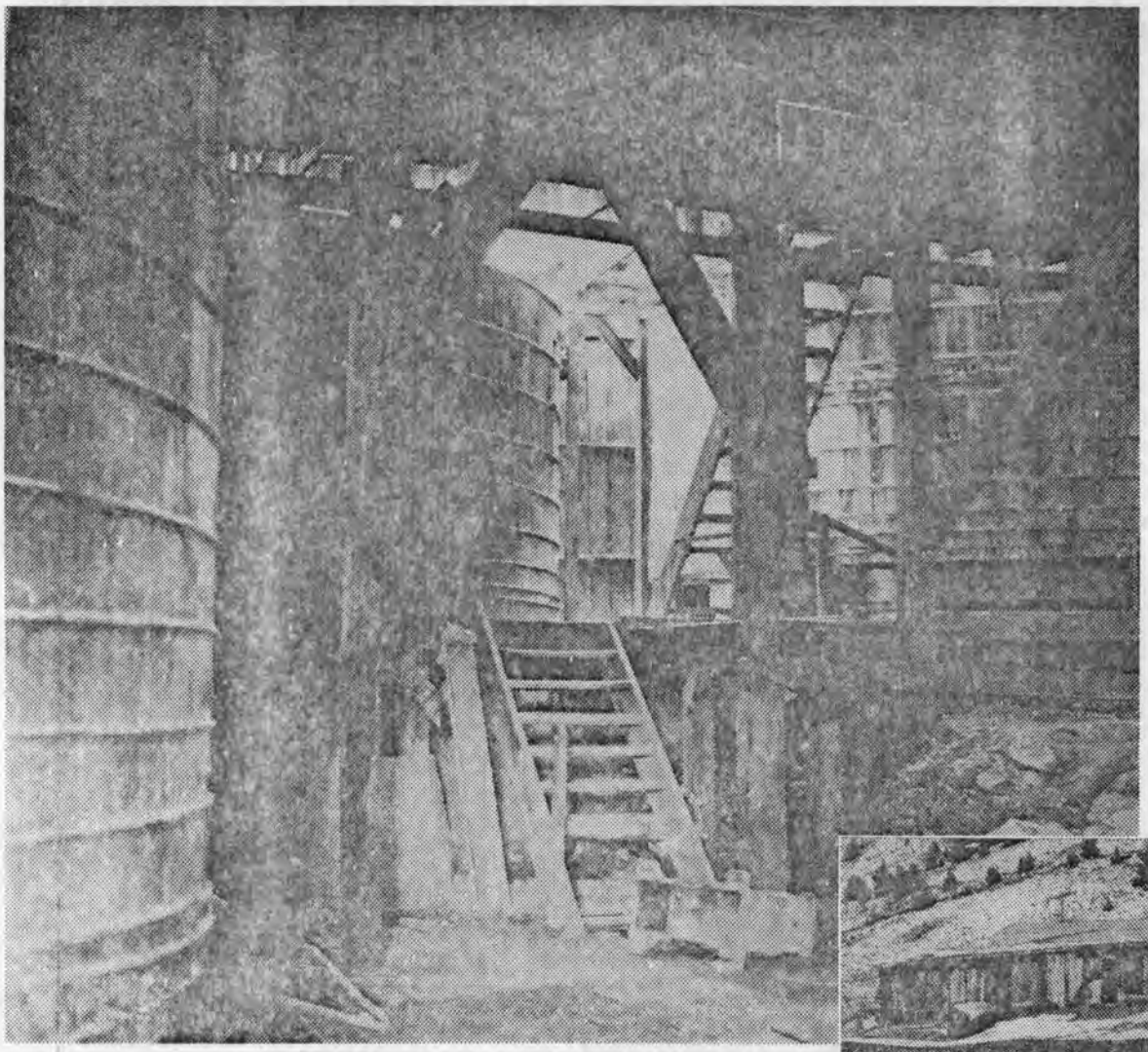
Rehabilitation

Current Situation

One of Bannack's major historic themes centers on gold mining and one of the major structures associated with that theme is the Bannack mill. The structure and adjacent outbuildings are in urgent need of rehabilitation and stabilization to prevent deterioration and to correct hazardous conditions which currently prevent visitors from entering the structure. In addition, several other structures in Bannack must be stabilized to prevent further deterioration and assure the safety of the public.

Need

Reroofing, replacement of roof substructure, rebuilding interior stairways, railings and decking, repair of siding and replacement of broken windows would sufficiently protect the structures from further deterioration and would make it possible for the public to enter them without fear of injury.



THE BANNACK CYANIDE MILL INTERIOR (ABOVE), AND EXTERIOR (RIGHT)

Interpretive Program

Current Situation

Of the thousands of people who visit Bannack each year, very few are aware of the great diversity and importance of historic events that took place during its long history. A self-guided tour and a few pictorial displays inadequately present the highlights of the past.

Need

A comprehensive interpretive program utilizing a variety of techniques would greatly enhance visitor understanding and enjoyment of Montana's fascinating past.

Shop Building and Storage Area

Current Situation

A workshop and storage area are necessary to support facilities at Bannack. Building repair and maintenance, fabrication and maintenance of displays and repair of artifacts and antiques require a substantial work space in close proximity to the townsite. Currently an historic grocery store on main street is being utilized for this purpose. Such use is not consistent with efforts to maintain historic integrity, remove modern intrusions and minimize in-town vehicular traffic.

The storage and cataloging of antiques, artifacts and photographic and printed records is also an essential activity at Bannack. Various existing historic buildings now provide only marginal security from vandalism, theft, humidity and rodent damage.

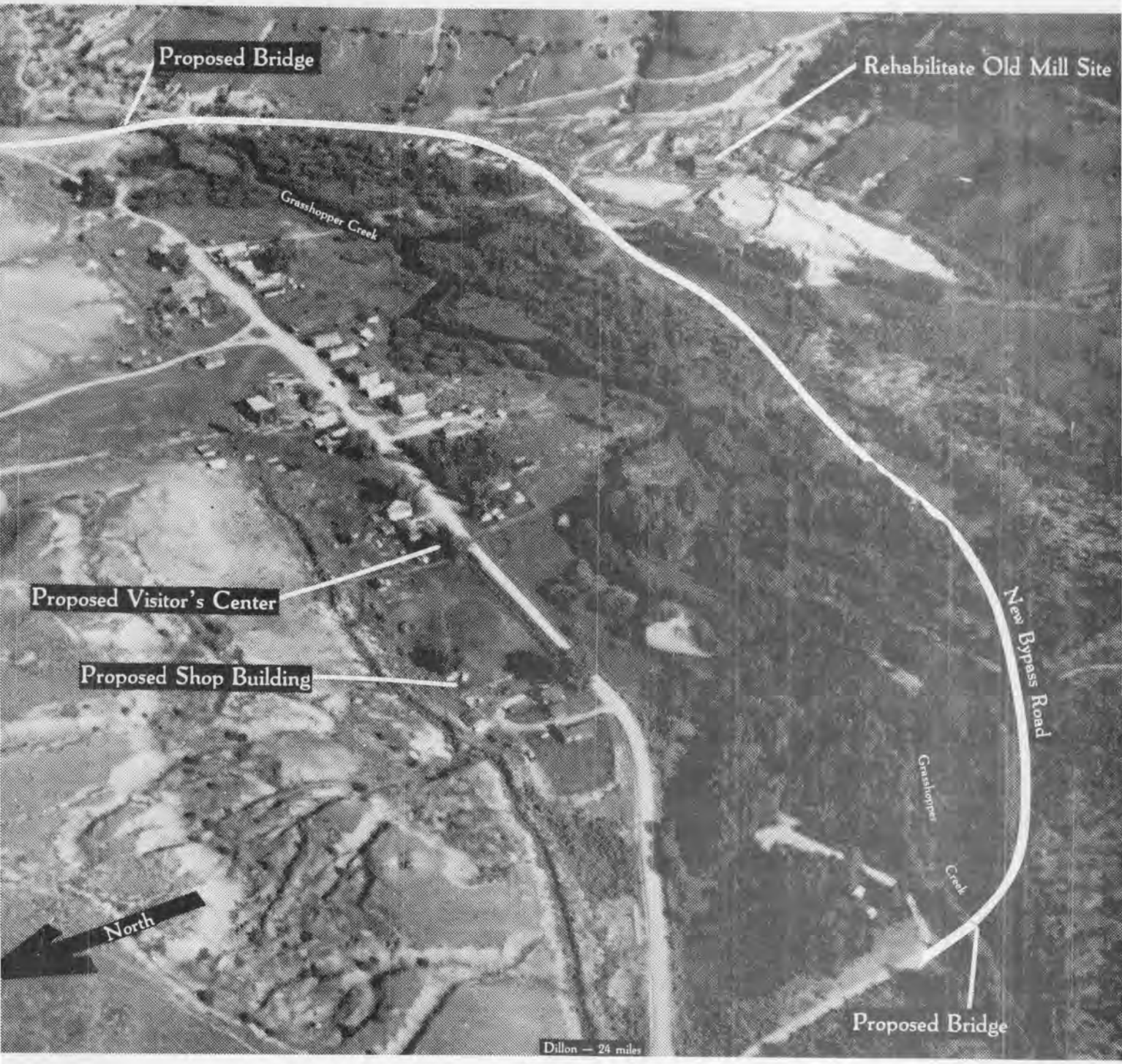
The Need

An adequate, well designed building located on the perimeter of the townsite would provide the necessary shop and storage space without detracting from historic values.

Cost Estimate

1.	Shop	$ 32,197
2.	Rehabilitation of House on Lot 2 into a Visitor's Center	93,000
3.	Parking Area	17,311
4.	By-pass Road and Stream Crossings	46,932
5.	Fencing	36,480
6.	Rehabilitation of Various Buildings	120,000
7.	Fire System	154,080
	Total	$ 500,000

The overall project scope and costs will vary as refined plans are prepared showing the detail of the work to be accomplished.


Proposed Bridge
Rehabilitate Old Mill Site
Grasshopper Creek
Proposed Visitor's Center
Proposed Shop Building
New Bypass Road
Grasshopper Creek
North
Proposed Bridge
Dillon — 24 miles

Prepared By

Montana Department of Fish, Wildlife & Parks
Parks Division

200 copies of this publication were produced at a unit cost of 22¢ per copy for a total cost of $44.10 which includes $44.10 for printing and $0 for distribution.

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Exhibit 9
4-5-83

TESTIMONY IN SUPPORT OF H.B. 824
Before Long Range Building Committee
Presented in conjunction with slide programs
by Dick Ellis, Regional Parks Manager
Montana Department of Fish, Wildlife & Parks
April 5, 1983

Bannack's roll in the early history of Montana has long been recognized. Since 1954, the site has been an important element of the state parks system, and since 1965, the Montana Department of Fish, Wildlife and Parks has pursued a comprehensive program of acquisition, preservation and site management designed to develop the potential of Bannack as a major historic attraction.

With the continuing interest and generous support of the legislature, the Department has acquired nearly all of the private inholdings and adjacent patented claims. Over forty of the town's buildings have been stabilized, some undergoing major structural repair. Surveys have been made, titles quieted, modern intrusions removed and a basic interpretive program developed.

The state has invested nearly $400,000.00 over the past fifteen years in acquisitions and stabilization alone, and has supported a continuing operations and maintenance program since 1954.

Bannack has been considered worthy of these intensive efforts because it is uniquely suited to fulfill a historic park function where important aspects of Montana's fascinating history can be studied and enjoyed. It is unique because of a fortunate series of circumstances which are rare or never found in other localities.

First, Bannack can legitimately claim a number of historic events of significance: the first major gold strike and the establishment of Montana's first territorial capitol being most notable. Among the great numbers of people drawn to Bannack were some of Montana's most influential pioneers who moved on to fame and sometimes fortune in a variety of endeavors. It is here

also that some of the west's most notorious outlaws reigned and eventually faced the hangmans noose.

Secondly, Bannack's physical structures have proven to be surprisingly tenacious over its 121 year history. Although many have been lost, nearly ninety original buildings, including some of the most historically important, are still standing. Unlike many other frontier mining communities, Bannack has not been lost to man-made or natural destruction. The remaining structures offer a comprehensive cross-section through time and function.

A third important factor contributing to Bannack's roll as a historic park is the relatively undisturbed and unchanged nature of the town and surrounding landscape. No distractions such as modern homes and shops, paved streets or overhead powerlines are encountered by the visitor. The surrounding landscape from the creek bottom to the skyline is virtually the same as that viewed by the early prospectors, merchants, roadagents and vigilantees who made Bannack their home.

In a more broad sense, Bannack is perhaps most significant because it is representative of hundreds of similar frontier mining communities which may have played greater or lesser rolls in the development of the west, but which have long since succumbed to destructive forces or grown into modern communities. Many episodes of human interaction and structural, institutional and social evolution which can be related to Bannack's history can be applied to countless early communities throughout the west. From this standpoint, Bannack State Park transcends its "specific" history and becomes an important point of reference in the understanding of such broad themes as the exploration and settlement of the Trans-Mississippi west.

These several factors work together in an extremely fortuitous blend

of circumstances which create an ideal situation for a historic park. Visitors experience an easy and natural transition from "today" to "yesterday" as they leave the paved highway, traverse four miles of gravel road, and walk down the dusty mainstreet bordered by the silent weathered buildings of Montana's first major settlement.

It is doubtful that any other state can boast a site enjoying a greater blend of historic significance, structural integrity and unchanged surroundings. Bannack's attractiveness is further enhanced by its easy accessability during all seasons. The community of Dillon, only twenty-five miles away, provides a complete selection of goods and services including an outstanding historical museum. Bannack is currently sought out by more than 30,000 visitors each year; a number that is bound to increase as more and more people make Bannack their vacation destination.

The funds requested by the Department of Fish, Wildlife and Parks will assure the continued preservation and protection of the townsite, will meet the needs for traffic control and administrative facilities and will provide an interpretive facility which will greatly enhance visitor understanding and appreciation of Montana's fascinating past.

Exhibit 10
4-5-83

Gentlemen: I am Dorothy Alley, A Director of the Beaverhead Chamber of Commerce. [redacted] I am really pleased to be speaking to you tonight. I understand that in approximately 5 minutes I am to give you my feelings on the needs of Bannack State Park. All of you are the political and business leaders of Montana. As we talk about Bannack we see Bannack as one of the first major Gold strikes, [redacted] the first Territoral Capital of Montana. Bannack has been the setting for the evalution of early politics and goverment. You, as leaders have a chance to provide Montana with an unsurpassed opportunity to preserve its heritage.

In 1954 the State of Montana went into business in Bannack. Almost 30 years ago a portion of the townsite was donated to the state by Dillon's Beaverhead Museum Association. So [redacted] basicly in 1954 Bannack became the business of the State of Montana. Bannack is an important Park of the State Park System. In response to a critical need to preserve structures the state has maintained a program of preservation and restoration. Their work of such high quality that you can not really see the repairs.

The state of Montana in a word is in business and the business at hand is protection.

The State has to protect it's investment. The time, money and work that has already gone into Bannack. Most areas of business we can insure against fire, thieft or other losses, so that our businesses or farms can be rebuilt, but not with Bannack. No amount of money could give us back what we have in Bannack today. We have over 80 wooden structures in Bannack. The fire fighting equipment is not nearly enough to carry out the problem of containing any type of fire. Fire protection ia a number 1 concern of all of us, personnaly and publicly in the past years all of us have known of many buildings and possesions lost to history by fire or neglect.

All people respect and enjoy the good old days, the history of Montanas' fascinating past. To protect these treasures and the past history of Montana for future generations to come, for those who have never seen log cabins, those who only know skyscrapers, steel and glass.

As one of many concerend people, I am here to ask for your consideration, as the leaders of Montana to protect and preserve our history. Bannack State Park needs funding for proper fire fighting equipment. A priceless Historic heritage and investment of State Funds could be destroyed by fire and lost to us forever.

It could be that alot of you in this audience tonight have never seen Bannack, but every year several thousand people see it and love it simply because it's real. It is something that we can let the world enjoy. So lets complete and protect it.

In support of Bannack State Park HB 824

EXHIBIT 11
4-5-83

In 1954 ... the Dillon Community had begun the steps to acquire and donate a large portion of the Bannack townsite to the State of Montana. From that donation Bannack State Park has evolved.

Believe me, lots of folks — I mean thousands of folks from all around Montana and around this nation ... have appreciated the evolvement of Bannack — it has become a MAJOR ~~The~~ attraction. The nostalgic romance of the Frontier West which Millions of Americans are seeking more and more every day ... is certainly brought forth at Bannack State Park. And, yearly, as Bannack grows, so grows the population of interest in what it has to offer.

We, around Dillon, feel the impact of visitors to our STATE and our community and although it's difficult to accurately place a figure on that effect, we know that Bannack has stimulated a hearty portion of tourist dollars to the Montana economy. As Bannack State Park evolves, so will the interest.

I hope you will appropriate the requested funds ... so Bannack ... can continue ... to develop ... as a fine preservation of the old west.

HARRY (BUTCH) OFSAHL
DILLON, MONTANA
DILLON BUSINESSMAN

4/5

Exhibit 12
4-5-83

SJR # 14 - U M STADIUM RESOLUTION
QUESTIONS AND ANSWERS

1. Is the Resolution necessary?

   Yes. According to Montana State law, consent of the Legislature is required even though the project is to be funded with private funds. Final approval of the project will be by authorization of the Board of Regents after approval by appropriate state agencies.

2. What does the Resolution allow?

   The Resolution allows the University to develop a stadium fund-raising program and develop a program of construction of either a new stadium complex or renovation of the current Dornblaser site. Without a resolution of this nature, a major capital fund drive would not be feasible.

3. Is this approach supported by the Board of Regents?

   Yes, the Board of Regents approved this approach and authorized the University of Montana to seek the consent of the Legislature so that the stadium need could be addressed in the next two years.

4. What kind of facilities would be planned?

   An eleven-person committee composed of faculty, staff, students and community representatives has been established with the following charges:

   -Review the advantages and problems of the current stadium facility. Compare the stadium with those of other Big Sky Conference schools.

   -Identify and explore alternatives for improving the stadium facilities. Consider the advantages and disadvantages of each alternative.

   -Evaluate the cost for each option and identify potential sources of private funds.

5. How will the project be financed?

   The project will be financed by private gifts, donations and services. While the University feels that it is in the best interests of the students to have a student referendum to ascertain their interest in participating in the project, we are willing to have that option excluded from the Resolution.

6. Does the student government (ASUM) support the need for this Resolution if the funding is from private gifts?

   Yes. Marquette McRae Zook, President of ASUM, indicates support for the Resolution in that form.

7. What happens if the Resolution fails?

   The Resolution would be reintroduced at the 1985 Legislative session. In the interim, the cost of construction will increase, and the current facility may deteriorate to the point at which it could cause serious liability questions.

Office of the President
University of Montana
February 18, 1983

Exhibit 13
4-5-83
4/5

MOUNTAIN STATES ENGINEERING

3627 Surrey
Billings, Montana
406-656-7608

45 E. Loucks, Suite 301
Sheridan, Wyoming 82801
307-672-6381

Roger Reich, P.E.
Al Kassion, P.E.

January 12, 1983

Mr. Jack Ramirez
P.O. Box 102
Capitol Station
Helena, Montana 59620

RE: Natural gas to coal heating system conversion
Pine Hills School-Miles City, Montana

Dear Jack:

Enclosed is the preliminary report to convert the existing natural gas heating system to coal for the Pine Hills School. This report contains a brief description of the new coal system, a energy cost reduction chart, a construction cost estimate, coal supply and cost data and a benefit summary. A financing plan was not included at this time, but a break-even point for the construction of 5 to 8 years can be expected.

The purpose for this preliminary report is to develope a "pilot Project" from the State level which would:

1. Reduce tax funds for energy usage.
2. Redirect tax funds to direct educational purposes in lieu of energy costs.
3. Set strict standards to burn coal efficiently and cleanly with minimal maintenance requirements.
4. Stimulate our states coal industry without sacrificing our environment.

As seen in this report, $836,125.00 in the next 5 years can be redirected towards direct educational purposes by using coal as the prime source of energy. By using the latest equipment available and applying the latest technology to coal fired systems, strict standards for pollution control can be set up and available to the public for review.

Again, this report is preliminary, but the advantages and benefits that can be received by using coal is apparent. Our intent is to show that the equipment and technology is now available to satisfactorily burn coal.

I sincerely thank you for your support for this project and I also look forward to working with you in the future.

Sincerely Yours,

Allen E. Kassion P.E.

INDEX

THE COAL CONVERSION SYSTEM

ONE NEW 20,000 lb./hr. STEAM BOILER CAPABLE OF BURNING 8,700 BTU/LB. COAL SHALL PRODUCE STEAM TO MEET THE PRESENT SPACE HEATING AND DOMESTIC WATER HEATING REQUIREMENTS FOR THE EXISTING SCHOOL FACILITY.

THE NEW STEAM BOILER SHALL BE EQUIPPED WITH AUTOMATIC COAL FEED, PARTICULATE EMISSION AND ODOR CONTROL DEVICES, AUTOMATIC ASH REMOVAL SYSTEM, AUTOMATIC CONTROL PANEL, AUTOMATIC TUBE CLEANERS AND MISCELANEOUS ACCESSORIES TO PROVIDE A CLEAN, ODOR FREE AND EFFICIENT COAL HEATING SYSTEM.

THE NEW BOILER SHALL BE LOCATED IN A NEW ADDITION TO THE EXISTING BOILER PLANT. A NEW COAL STORAGE ROOM SHALL BE DESIGNED TO RECEIVE 33 TON TRUCK LOADS OF COAL. TOTAL STORAGE CAPACITY SHALL BE APPROXIMATELY 2 WEEKS AT WINTER DESIGN HEATING TEMPERATURE OF -30 F.

PARTICULATE EMISSION CONTROL SHALL CONSIST FLY-ASH COLLECTORS TO OBTAIN A 99% CONTROL EFFICIENCY. ODOR AND DUST SHALL BE NON-EXISTANT BECAUSE OF THE USE OF THE LATEST EQUIPMENT AND TECHNOLOGY AVAILABLE.

THE EXISTING GAS-FIRED BOILERS SHALL BE USED FOR STANDBY AND SHALL REMAIN AS IS.

ENERGY COST REDUCTION

YEARLY COST COMPARISON
coal vs natural gas

YEAR	COAL COST/ MILLION BTUS	NAT. GAS COST/ MILLION BTUS	YEARLY COAL COST	YEARLY NAT. GAS COST	ENERGY COST SAVINGS
1982	$1.25	$3.70	$39,500	$113,000	$73,500
1983	1.38	4.44	43,608	133,200	89,592
1984	1.52	5.33	48,032	159,900	111,868
1985	1.67	6.40	52,772	192,000	139,228
1986	1.84	7.68	58,144	230,400	172,256
1987	2.02	8.60	63,958	256,048	194,089
1988	2.22	9.63	70,215	288,900	218,684
1989	2.44	10.79	77,167	323,700	246,532
1990	2.68	12.09	84,814	362,700	277,865

ESTIMATED 5 YEAR SAVINGS WITH THE USE OF COAL BEGINNING IN 1984..... $836,125

ESTIMATED 7 YEAR SAVINGS WITH THE USE OF COAL BEGINNING IN 1984.....$1,360,542

NOTES:

1. 1982 ACTUAL ENERGY USAGE : 30,567 MCF (30,567 MILLION BTUS)

2. ESTIMATED COAL USAGE/YR. 31,600 MILLION BTUS
   (average gas usage of 30,000 million btus increased 5% for coal burning equipment)

3. FUTURE COST ESCALATION FOR NATURAL GAS: 20%/yr THRU 1986; 12%/yr. THRU 1990. (ESTIMATED)

4. FUTURE COST ESCALATION FOR COAL : 10%/yr. (MAXIMUM GUARANTEED)

COAL CONVERSION COST ESTIMATE

THE FOLLOWING COAL CONVERSION ESTIMATE IS PRELIMINARY, BUT SUFFICIENTLY ACCURATE TO PROVIDE A BASIS FOR AN ECONOMIC EVALUATION. THE ESTIMATE WAS DEVELOPED USING ACTUAL EQUIPMENT AND INSTALLATION COSTS WITH ESTIMATES FOR BOILER BUILDING SPACE AND COAL STORAGE. ALTERNATIVE BOILER/STOKER EQUIPMENT WILL BE REVIEWED AND EVALUATED TO PROVIDE THE OPTIMUM EQUIPMENT FOR THE SCHOOL FACILITY TO MEET ITS PRESENT AND FUTURE NEEDS.

CONSTRUCTION COST ESTIMATE:

BUILDING AND STORAGE.....	$ 300,000
BOILER/STOKER UNIT.....	280,000
I.D. FAN AND ASH COLLECTORS.....	100,000
AUTOMATIC ASH REMOVAL.....	15,000
EQUIPMENT INSTALLATION.....	100,000
MISCELANEOUS ACCESSORIES.....	50,000
	$ 845,000
DESIGN AND CONSTRUCTION ADMINISTRATION COSTS.....	72,000
TOTAL	$ 917,000

COAL SUPPLY AND COSTS

BECAUSE OF THE UNCERTAINTY OF FUTURE COSTS AND SUPPLIES FOR NATURAL GAS, A VERY REAL BENEFIT TO THE SCHOOL WITH THE USE OF COAL IS:

GUARANTEED LONG-TERM COAL SUPPLY AGREEMENT

WITH MAXIMUM 10%/YR. COST ESCLATION.

THE LONG-TERM PERIOD CAN BE 5 TO 20 YEARS. A 10 YEAR AGREEMENT IS RECOMMENDED. THE LONG-TERM COAL SUPPLY CONTRACT APPLIES TO THE COAL AVAILABLE AT THE MINE SITE. SHIPPING OF THE COAL WILL BE UNDER A SEPARATE CONTRACT AND AVAILABLE FOR 1 TO 5 YEARS. A 1 YEAR SHIPPING CONTRACT IS RECOMMENDED TO TAKE ADVANTAGE OF THE COMPETITION DEVELOPING TO HAUL COAL. A MAXIMUM 10%/YR ESCALATION COST FOR SHIPPING IS ALSO GUARANTEED.

QUALITY CONTROL

TO FURTHER ASSURE THE SCHOOL THAT THE NEW COAL FIRED SYSTEM OPERATES SATISFACTORY FOR MANY YEARS, ADDITIONAL SERVICES PROVIDED ARE:

1. PERIODIC ANALYSIS OF THE COAL SUPPLY TO INSURE QUALITY COAL FOR THE NEW BOILER.
2. YEARLY COAL SUPPLY AND COST AUDITS TO INSURE A MAXIMUM 10%/YR. ESCALATION.
3. RENEGOTIATION OF THE COAL SUPPLY AND SHIPPING CONTRACTS AS REQUIRED.
4. PROVIDE PERIODIC ENGINEERING FOLLOW-UP FOR THE NEW SYSTEM TO INSURE MAXIMUM OPERATING EFFICIENCY AND MINIMUM MAINTENANCE REQUIREMENTS.

SUMMARY

THE BENEFITS AND ADVANTAGES TO PINE HILLS SCHOOL TO CONVERT THE EXISTING HEATING SYSTEM TO COAL AS THE PRIMARY ENERGY SOURCE ARE AS FOLLOWS:

1. A 65% TO 70% REDUCTION IN ENERGY COSTS DURING THE FIRST YEAR OF OPERATION WITH THE USE OF COAL.
2. AN ESTIMATED 5 YEAR SAVINGS IN ENERGY COSTS BEGINNING IN 1984 OF $ 836,125 WHICH CAN BE REDIRECTED TOWARDS DIRECT EDUCATION COSTS.
3. A GUARANTEED LONG-TERM COAL SUPPLY CONTRACT.
4. A GUARANTEED MAXIMUM 10%/YR. ESCALATION FOR COAL SUPPLY COSTS.
5. COAL CONVERSION PROJECT COMPATIBLE WITH EXISTING SCHOOL FACILITY.
6. A BREAK-EVEN POINT FOR THE CONVERSION PROJECT DEPENDING ON THE TYPE OF FINANCING, OF 5 TO 8 YEARS.
7. GUARANTEED QUALITY CONTROL OF COAL SUPPLY, COAL COSTS AND SYSTEM OPERATIONS.

4/5

April 4, 1983

Exhibit 14
4-5-83

Mountain States Engineering
3627 Surrey Circle
Billings, Montana 59102

Mr. Jack Ramirez
P.O. Box 102
Capitol Station
Helena, Montana

Dear Jack,

I am pleased to respond to the information and "comments" as received from the natural gas industry in regards to the pending HB 707.

Letter and comments dated 3/7/83

1. GAS INDUSTRIES CONCERN ABOUT "WHO INITIATED THIS COAL CONVERSION STUDY"?

   (The study was definitely initiated by Mountain States Engineering to establish a plan to control energy costs and to establish satisfactory criteria for burning coal. Other sites could have been selected, but Pine Hills School was interested, the facility can be easily converted to coal and is relatively free of external conditions to accurately monitor and test a coal burning system.

2. GAS INDUSTRIES THOUGHTS ON FUTURE ENERGY ESCALATION RATES.

   (The natural gas industry "believes" that the price escalation figures I used are above their estimates. No indication is given to what the actual numbers are, therefore the escalation numbers that I have used are based on past records and future expectations. To give the benefit of the doubt to the gas company, I have considerably lowered my figures as indicated in the new coal analysis.
   If their projected rates are less than ours, can they guarantee them as a maximum yearly price escalation rate over a long term period as we can with coal? The gas industry is also saying that "much discussion" is going on about natural gas prices reaching their clearing level. This again is quite vague with no indication of what to expect in the future.

3. GAS INDUSTRIES COMMENTS ON COAL BURNING EQUIPMENT OPERATING AND MAINTENANCE COSTS.

   (The attached coal savings analysis indicates probable operating and maintenance costs over a 12 year period. The labor costs represent 1 person 1 hour/day to watch the coal system. We must keep in mind that our idea of a coal burning system is COMPLETE AUTOMATION with minimal supervision. This project would demonstrate this. Additional personnel are not required because of the latest coal burning equip ment to be used on this project.

4. GAS INDUSTRIES CONCERN ABOUT COMPLETION SCHEDULE FOR THIS PROJECT.

(Because of the time that has elapsed since this project was first conceived, October, 1983 cannot be the completion date. The following summer of 1984 is more realistic. This would allow the system to be in operation for the 1984-1985 winter.

5. GAS INDUSTRIES CONCERN ABOUT AMORTIZATION OF THE PROJECT.

(I have enclosed a new coal analysis that includes lower gas escalation rates, estimated yearly labor and maintenance costs for the coal system, expected break-even period with 14% interest on a 1 million dollar project and 10 year amortization period. The break-even period is 11.5 years with 14% interest on the money. If tax money is considered IN-HOUSE FUNDING, then a break-even period is less than 8 years. As can be seen, Pine Hills School can expect to pay over 2.5 million dollars for energy over the next 12 years or they can utilize 2.1 million dollars in energy savings for other direct educational purposes.

6. GAS INDUSTRIES COMMENTS ON HIGH RATES FOR DOMESTIC WATER HEATING AND COOKING.

(The domestic water heating is included in the coal heating system and the overall gas consumption is reduced by 10% for anticipated cooking requirements.

COAL CONVERSION ANALYSIS

YEAR		COAL COST/ MMBTU	NAT. GAS COST/ MMBTU	YEARLY COAL COST	YEARLY NAT. GAS COST	LABOR	MAINT	PAYMENT	COAL SAVINGS	ACCUL RATE-OF-RETURN
1983-84		$1.25	$4.02	$34,375	$100,500	$3000	$1000	$186,320	$66,125	-$124,195
1984-85	1	1.25	4.62	34,375	115,575	3240	1080	186,320	81,200	- 233,630
1985-86	2	1.38	5.31	37,950	132,825	3499	1166	186,320	94,875	- 329,745
1986-87	3	1.52	6.10	41,800	152,500	3778	1259	186,320	110,700	- 410,400
1987-88	4	1.67	7.12	45,980	175,375	4080	1359	186,320	129,395	- 472,764
1988-89	5	1.84	8.19	50,517	204,750	4406	1467	186,320	154,233	- 510,724
1989-90	6	2.02	9.42	55,660	235,462	4758	1584	186,320	179,802	- 523,584
1990-91	7	2.22	10.55	61,105	263,750	5138	1710	186,320	202,645	- 518,107
1991-92	8	2.44	11.82	67,155	295,400	5549	1846	186,320	228,245	- 483,577
1992-93	9	2.68	13.24	73,810	330,960	5992	1993	186,320	257,150	- 420,732
1993-94	10	2.95	14.83	81,070	370,720	6472	2152	-	289,650	- 139,710
1994-95		3.25	16.61	89,237	415,240	6989	2324	-	326,003	+ 176,980
				2,793,057					2,120,000	

COAL PRICES INCREASE 10%/YR (GUARNTEED)
NATURAL GAS PRICES INCREASE 15% THRU 1990, THEN 12%/YR.
NATURAL GAS QUANTITY OF 25,000 MCF/YR. (25,000 MMBTU/YR.)
COAL QUANTITY OF 27,500 MMBTU/YR.