

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on January 10,
1989, at 8:00 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

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

Announcements/Discussion: None

HEARING ON DEPARTMENT OF STATE LANDS

Tape No. 1:B:218

RANDY MOSLEY, Administrator, Field Operations Division, presented on behalf of the Department of State Lands (EXHIBIT 1). Mr. Mosley discussed the 5 projects contained within the Capital Construction Program Proposal. These are the Statewide Maintenance and Improvement Projects (\$34,200 Capital Projects Fund), the Interagency Fire Center and Hangar in Helena (\$54,800 Other Federal Funds), the Nursery Freezer and Cooler in Missoula (\$24,000 State Special Revenue Fund), the Nursery Shop Building in Missoula (\$101,000 State Special Revenue Fund), and the Nursery Storage Building in Missoula (\$22,000 State Special Revenue Fund).

REP. THOFT (1:B:254) asked if the sale of tree seedlings was on a cash basis, and Mr. Mosley answered yes. He noted that the money is deposited in an account earmarked for the support of the nursery. REP. BARDANOUE (1:B:261) asked if there was enough revenue, and how they accumulated this. Mr. Mosley said that they project that there will be \$80,000 (a carryover they have been saving) by the end of the next biennium as well as income from seedlings sold. This will be enough to complete these projects by the end of the biennium.

REP. THOFT (1:B:274) asked if they intended to start all

three projects, and Mr. Mosley replied that they will only start those that they have the money to complete. REP. THOFT (1:B:284) asked if they could use that special revenue for capital projects, and repair of present buildings, and Mr. Mosley said that priority 18 contains their request for maintenance and improvement projects of existing buildings.

REP. BARDANOUVE (1:B:296) asked what the freezer was used for, and Mr. Mosley stated that it served two purposes. One purpose would be to store seed to prevent deterioration and the second would be to store seedlings once they have been lifted from the ground. This would prevent the chance of the seedlings breaking dormancy. REP. THOFT (1:B:311) stated that the Forest Service buries its seedlings in a snow bank, and Mr. Mosley replied that they have done that too, but at the nursery in Missoula, the seedlings (primarily windbreak/shelterbelt seedlings) are lifted in early spring, but may have to be held for 30 to 60 days until they are distributed to all the counties. The cooler will prevent the seedlings from breaking dormancy, and the seedlings will arrive at their destination in much better condition.

REP. HIMSL (1:B:324) asked if the dismantling of the Interagency Fire Center had already been done. Mr. Mosley answered no. This was the old regional office building in Great Falls for the Department of Fish, Wildlife and Parks. They want to remove this quonset to Helena, with plans to use Forest Service funding as well as their own in-kind labor. Without the federal funds, they will not be able to take it down. REP. HIMSL (1:B:350) then asked if this project then depended on receiving Forest Service money, and Mr. Mosley answered yes.

REP. THOFT (1:B:361) asked what they meant by "inadequate physical structure" with regards to the Nursery Shop building. Mr. Mosley stated that the structure is a very old quonset hut that was built very close to some underground gasoline tanks. The Missoula Rural Fire Department has decided that the entire site is not safe. The structure is not large enough to house some of their equipment, and it has absolutely no insulation. There is no running water and it is not designed to be a shop.

HEARING ON DEPARTMENT OF AGRICULTURE

Tape No. 1:B:381

RALPH PECK, Montana Department of Agriculture, presented his department's proposal to remodel an existing structure in Great Falls to accommodate their Near Infrared (NIR) protein analyzing equipment, and to improve the heating and

cooling system (EXHIBIT 2).

REP. BARDANOUE (1:B:437) stated that Special Revenue Funds came out of the farmers' pockets as a charge on all protein samples. SEN. MANNING (1:B:453) commented that as the Fire Inspector, he has been through the building, and that it does need the changes.

HEARING ON DEPARTMENT OF LABOR AND INDUSTRY

Tape No. 1:B:469

BOB ROBINSON, of the Workers' Compensation Division spoke on the first two projects. He presented the background and current status of the acquisition of the lower level of the Arcade Building on the downtown mall (priority #44). The Division was strained for space, and the state was offered this space by the owners, a consortium of banks, for the sum of \$1.00. The Division, however, was not able to come up with the money necessary to do the renovations. At this time, the other owners in the building offered to borrow the money, approximately \$76,000, and had the improvements completed. The State then entered into a lease agreement with the other owners which will allow them to recover their costs in the event that the State does not acquire the property. At the end of this fiscal year, there will be \$50,600 which is being requested for authorization from Workmens' Compensation earmarked revenues, the state fund as well as the assessment on all insurers. With the loan being paid off, the annual maintenance and utilities will amount to \$2.50 - \$3.00 per square foot. The value of the property is \$350,000, and the State of Montana is essentially picking this up for the cost of improvements.

The Workers' Compensation Safety Bureau is located there, as well as some leased space to the Health Department.

REP. BARDANOUE (1:B:575) spoke on behalf of this project, noting that Mr. Robinson had called him during the past year regarding this acquisition. Rep. Bardanoue stated that he had given it his blessing, noting that the State was acquiring the property at less than 20% of its real value. He also commented on the proximity of the site to the present Workmens' Compensation building. He noted that the Legislature had passed a bill which had increased the number of employees in the division, causing them to need more space.

REP. THOFT (1:B:647) also spoke in favor of the project, and lauded the efforts of Mr. Robinson and the State to acquire the site. REP. THOFT asked if the State assumed any liability concerning the building. Mr. Robinson answered

that as a unit owner, the State would be a member of the Arcade Association, and responsible for a proportional share of the common areas. General maintenance costs are included in the lease cost. The State Architect and the Dept. of Administration inspected the building prior to entering into the agreement, and it was found that the roof was redone within the past two years, the air conditioning and cooling system has been replaced, and the elevator has been repaired.

REP. THOFT (1:B:690) asked if the State has an option, or could continue to lease. Mr. Robinson replied that we could continue to lease for two more years, and then we could pay the same amount for three more years to pay off the amount. He did say that it would be cost effective to pay off the loan now, however.

MR. ROBINSON (1:B:718) also spoke on the \$26,000 request for connecting the two computer systems, the two sites being one block apart (priority #45, Power Supply Project). A tube is already in place, and the ability is there to connect the two buildings. The \$26,000 would cover the cost of the additional hardware needed as well as the lines.

ROD SAGER (2:A:029), Administrator of Centralized Services, Department of Labor and Industry, went over the projects proposed by his department. They are priority numbers (Capital Construction Program) 46, 47, 48, 49, 50 and 51.

Priority 46 replaces a heating and air conditioning unit, chip seals a parking lot, and reseals a roof at the Helena Job Service Office. The heating unit was a prototype model and was discontinued by the manufacturer, Lennox. The project estimate, \$53,600, will be funded entirely with federal funds.

Priority 47 is to repair the Great Falls Job Service Office (walls, stuck elevator). The structure was built on unstable ground. REP. MANNING (2:A:070) asked how old the structure was, and Mr. O'Connell stated that it was built in the early 1950's. Funded entirely from federal funds, the project would cost \$50,000.

Priority 48 deals with the Missoula Job Service Office to replace an old heating unit, and would be funded by \$50,000 in federal funds.

Priority 49, Butte Job Service Office, is to remodel an existing building for \$211,000, all federal funds. SEN. HIMSL (2:A:109) asked if the federal funds had been allocated. Mr. Sager answered that this would come out of their operating funds, except for the Butte facility if they

were to decide to build a new facility. Then they would have to request approval.

Priority 50, for the Havre Job Service Office, deals with a purchase of land for a parking lot. This project would cost \$10,000 and would come entirely from federal funds.

The last request, priority 51, deals with the Bozeman Job Service Office, and would cover remodeling of a basement area and handicap access to this area. SEN. MANNING (2:A:147) asked if the basement was structurally sound, and Mr. O'Connell stated that it was sound, built in the 70's, and that there would be a handicap lift installed. Carroll South asked if a state match was required on any of these federal funds and Mr. Sager answered no.

HEARING ON THE DEPARTMENT OF ADMINISTRATION

Tape 2:A:166

JIM WHALEY, of the Architecture and Engineering Division of the Department of Administration, presented two projects. One was the water tower maintenance project, priority # 3. The towers, 3 of which are under the jurisdiction of the Dept. of Institutions, and 2 of which are within the Dept. of Family Services, have been surveyed by a consultant, and have been found to be deficient in their coatings. The present coatings had not adhered, and the proposal by the consultants was to sandblast and recoat the water towers with an epoxy based coating that is durable and resistive to the abrasion of ice. Other minor repairs to pits and seams would be performed at the same time.

SEN. HIMSL (2:A:194) asked if it were typical that water towers have to be redone over and over, and Mr. Whaley replied that the problem was that the resurfacing was often done inadequately, and with coatings that don't adhere well. He estimated that with these epoxy coatings, the water towers would have a life span of about 50 years. SEN. HIMSL (2:A:208) asked if he was talking about the inside or the outside of the towers, and Mr. Whaley said that both sides would be coated, although the insides were in the worst condition. Mr. O'Connell added that without this treatment, rusting would take a severe toll on the towers.

SEN. MCLANE (2:A:233) asked if there were towers at other facilities, and if these were the worst. Mr. O'Connell replied that they had done the tower at Boulder with an epoxy coating. They had prioritized the towers, and had listed them in order of severity of condition. There is a total of 6 water towers under the jurisdiction of the State, and this money would take care of the remaining 5 that need

to be treated.

REP. THOFT (2:A:245) asked if it were necessary to do all 5 in one biennium, and Mr. Whaley stated that all of the towers had a life expectancy of 3 years without the repairs except one, and that one had a life expectancy of 7 years. Mr. O'Connell added that the consultants presented three options and that they had chosen the cheapest of the three options. He said that if the committee were to choose to not fund some of the towers, they could limp through, doing the worst ones first.

REP. THOFT (2:A:281) asked if they could get a better price doing all 5 at once, and Mr. Whaley said yes, since the work is done by an out-of-state firm that comes through the state during the summer. He added that another possibility was the consideration of tying into city water systems, where costs of buying water would be less than the costs of ongoing maintenance of the towers. This was being considered at Columbia Falls, the Veterans' Home. If this were to happen, the towers would be abandoned.

REP. MCLANE (2:A:306) asked how much more it would cost to bring the towers into compliance with OSHA, Mr. Whaley replied that it would cost \$716,000, and was not being considered. SEN. MANNING asked if the rust was on the inside or the outside, and Mr. O'Connell said that it begins on the inside and moves out. SEN. MANNING then asked if these water towers were teflon lined originally. Mr. O'Connell said that they were built in the early 1900's, and there was no teflon. Paraffin was probably used, and teflon had been tried since then with no success.

MR. WHALEY (2:A:340) presented the hazardous material abatement project, priority #5. He said that they have had asbestos abatement projects in previous bienniums, and that with the growing awareness of other hazardous materials, mainly PCB's and contents of underground storage tanks, they were expanding their definitions and the project. He stated that they have a \$275,000 carryover in the program, and with a \$200,000 appropriation, they hoped to remove asbestos from Roberts Hall at Montana State University and from the Nursing Building, as well as from Maple Cottage at Mountain View. He said that they would also like to remove the asbestos from the gymnasium at Eastern Montana College, and from the tunnel connecting the boiler plant to the capitol building.

Mr. Whaley continued, saying that they wanted to inspect the transformers around the state for the presence of PCB so that they could start prioritizing the hazards there. There was also the possibility that the Dept. of Health and Environmental Sciences could identify an underground storage

tank that warranted removal. SEN. HIMSL (2:A:378) asked if the State had this much time to remove the asbestos, and Mr. Whaley said that schools fell under a federal mandate covering grades K-12. If this were to be expanded to include universities and public buildings, then Montana would have to speed up its programs. He said that they are trying not to be reactive, but to address the major hazards. They eventually wish to get rid of all the asbestos in state buildings, so this was a long project.

SEN. MANNING (2:A:407) asked about the underground storage tanks, whether any had been discovered that needed to be removed. Mr. Whaley said that the Dept. of Military Affairs had found some, but had federal monies to remove them. He said that it was known that the Dept. of Highways and the Dept. of State Lands have a number of tanks, and that if any of these need to be removed, these funds would be required.

ADJOURNMENT

Adjournment At: 9:10 a.m.



REP. CONNELLY, Chairperson

MEC/cm

0825.MIN

Long Range Planning

DATE 1-10-89

Form CS-30A
Rev. 1985

TESTIMONY IN SUPPORT OF DEPARTMENT OF STATE LANDS
CAPITAL CONSTRUCTION PROGRAM REQUEST

The Department of State Lands requests your support in the approval and funding of it's requests in the Capital Construction Program.

The Department is responsible for the multiple use management of over 5 million acres of state-owned land, the protection of state and private lands from wildfire, forest insects and disease, assistance to private forest landowners and the administration of the mining reclamation laws.

Due to the fact that state owned lands are located throughout the state and since the Department has wildfire protection responsibility over an extensive area, the Department has stationed it's personnel at 26 different sites and in 20 different towns. Seventeen of these sites utilize state owned facilities.

The Department in it's original request listed 17 projects valued at \$1,132,450 in the 90-91 long range building program request. Over \$900,000 was requested from the Capital Projects Fund. These requests were made to address needed maintenance and building repair projects, fire warehouse and equipment storage needs, building additions, and state forest tree nursery improvements.

The present Capital Construction Program Proposal contains 5 projects for the Department. They are:

<u>PRIORITY</u>	<u>PROJECT</u>	<u>FUNDING SOURCE</u>
18	Statewide Maintenance and Improvement Projects	Capital Projects Fund (\$34,200)
52	Interagency Fire Center and Hangar, Helena	Other Federal Funds (\$54,800)
53	Nursery Freezer and Cooler Missoula	State Special Revenue Fund (\$24,000)
54	Nursery Shop Building, Missoula	State Special Revenue Fund (\$101,000)
55	Nursery Storage Building Missoula	State Special Revenue Fund (\$22,000)

The Statewide Maintenance and Improvement Projects are needed to replace a dry waterwell, replace leaking roofs, replace inadequate electrical wiring, repair rotting floor joists and reduce vandalism.

The Interagency Fire Center and Hangar dismantles an excess Department of Fish, Wildlife and Parks building and erects it at our Helena field office to provide an operations center for fire dispatch personnel and to house the helicopter and crew stationed there ready to initial attack wildfires. Funding is being

requested from the U.S. Forest Service to assist in this effort as this fire center supports our joint wildfire suppression operations out of this office.

The Nursery Freezer and Cooler Project corrects a problem relating to seedling quality and survival at our State Forest Tree Nursery in Missoula. This facility provides windbreak and shelterbelt seedlings for farmers and ranchers and trees for reforestation of state owned lands. Funding for this project is derived from the sale of tree seedlings.

The Nursery Shop Building Project constructs a new equipment repair and development shop to replace an unsafe quonset hut structure. This present structure has been cited for inadequate wiring, poor lighting, total lack of insulation, and inadequate physical structure. Funding for this project is derived from the sale of tree seedlings.

The Nursery Storage Building Project constructs a new post and beam equipment storage building to replace a structure built in 1910. The present facility is structurally unsound and too small to house larger nursery equipment. Funding for this project is derived from the sale of tree seedlings.

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE
FOR THE JOINT APPROPRIATIONS ON
LONG-RANGE PLANNING SUBCOMMITTEE
TUESDAY, JANUARY 10, 1989
HELENA, MONTANA

Chairperson Representative Mary Ellen Connelly

Madame Chairperson, members of the Committee, the proposed building project will remodel the existing wood frame building located at 321 17th Street North, Great Falls, Montana. The project is necessary to accommodate the NIR equipment and improve the heating/cooling system to create an environment, which complies with Federal Grain Inspection Service temperature and humidity requirements. The remodeling project will include the partial removal of the Kjeldahl digester and stills. General construction will include a humidity and exhaust system within the existing facility.

The protein section of the building currently being utilized does not have adequate temperature and relative humidity controls. It should be noted that temperature and relative humidity seriously affect the particle size of the ground flour and to some degree, the stability of the NIR instruments used to determine protein levels.

Currently, dust from the grinding process is being distributed through the building causing potential health problems for personnel. Dust particles are also causing a maintenance problem for sensitive data information systems.

The FGIS has mandated a change from the Kjeldahle protein system to the NIR system. The temperature of the room where grinders and NIR instruments are located must be maintained between 60 degrees and 80 degrees F. Relative humidity must be maintained between 25 and 75 percent.

The total cost of the project is \$45,500. The monies for the project would come from a state special revenue fund.

In conclusion, the remodeling will improve the efficiency of the operation, improve image, and bring the area into compliance with federal regulations.

The Department of Agriculture requests your support for this building project.

VISITORS' REGISTER

Long Range Planning, Sub

BILL NO. _____

DATE 1-10-89

SPONSOR _____

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.