MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By CHAIRMAN PETE STORY, on MARCH 21, 1989, at 8:00 A.M.

ROLL CALL

Members Present: Senator Gary Aklestad, Senator Loren Jenkins, Senator Esther Bengtson, Senator Matt Himsl, Senator Paul Boylan, Senator Tom Keating, Senator Judy Jacobson, Senator H.W. "Swede" Hammond, Senator Pat Regan, Senator Larry Tveit, Senator Fred Van Valkenburg, Senator Dennis Nathe, Senator Greg Jergeson, Senator Gerry Devlin, Senator Richard Manning, Senator Ethel Harding, Senator Pete Story

Members Excused: Senator Sam Hofman

Members Absent: Senator Lawrence Stimatz

Staff Present: Curt Nichols, LFA

Announcements/Discussion: None

HEARING ON HOUSE BILL 750

Presentation and Opening Statement by Sponsor:
Representative Joe Quilici, District 71, presented HB 750. He explained that the bill would give authority to the State to sell bonds to fund the energy conservation program.

He said the programs would be at Warm Spring State Hospital, Galen State Hospital, School for the Deaf and Blind, and the Center for Aged in Lewistown. The bonds will retrofit these buildings in energy and energy related matters. The retrofit on the buildings will save enough to pay for these bonds. When the bonds are paid off there will still be the energy retrofits on these buildings and the state will continue to realize savings on the retrofits. The state pays approximately 13 million dollars a year to heat, light and cool buildings in the state of Montana. He explained that the Northwest Power Planning Council had only 2,000 megawats of surplus energy in the northwest. Energy conservation will be a big thing now and in the future. Their buildings will be retrofit and in the long run will be a savings to the state, he said.

List of Testifying Proponents and What Group they Represent:
Tom Livers, Department of Natural Resources and Conservation
Gene Phillips, Pacific Power and Light Company
Karla Gray, Montana Power Company
Representative Joe Quilici
H.S. Hanson, Montana Technical Council, Energy Conservation Consultants-Billings
Nobby Johnson, School District #1 Great Falls
Van Jamison, DNRC
Curt Chisholm, Department of Institutions

List of Testifying Opponents and What Group They Represent:
None

Testimony:
Proponents:
Tom Livers read testimony from the Department of Natural Resources and Conservation by the director, Karen Barclay and a brief package summarizing some key points in the bill (Exhibit 1, 1a). He explained the chart as showing the cost to the state if nothing is done at the facilities and the result of utility payment plus the bond payment which would result in a savings to the state. He distributed testimony by Mae Nan Ellingson from the firm of Dorsey & Witney, the State's contracted bond counsel, which described technical points to consider in the structure of bonds (Exhibit 2).

Gene Phillips, from Kalispell representing the Pacific Power and Light Company, testified in support of the bill. He said the proposal was similar to the Oregon Small Scale Energy Loan Program which Pacific has participated in for several years. The projects in Oregon have enhanced the overall efficiency of the State's buildings and lowered the cost of energy. He pointed out that this bill would be equally as useful for the state of Montana.

Karla Gray, representing Montana Power Company, testified in support of the bill. She said it appears to provide an appropriate and less costly mechanism to enable the state to have energy efficiency.

Nobby Johnson, supervisor of buildings and grounds for school district #1 in Great Falls, distributed two memos (Exhibit 3, 3a). He said it was important to realize that savings can be generated and the bonds can be paid back without any cost to the taxpayers.

H.S. Hanson, representing the design profession, testified in support of the bill. He stated that there are

savings to the state with the passage of this bill. He distributed an energy use profile (Exhibit 4).

Curt Chisolm, Director of the Department of Institutions, testified in support of the bill. He pointed out that three of the institutional campuses were direct beneficiaries of the passage of the bill. He said that 2 million dollars is budgeted to pay energy costs within the department. The passage of this bill would allow for improved living conditions in some of the institutions and ultimately making them less costly for the taxpayer, he stated.

Questions From Committee Members:

Senator Manning (384) asked Tom Livers about the savings over a ten year period with this type of program. Tom Livers replied that savings of 25-27% on average could be realized.

Senator Bengtson asked if there were other programs at DNRC that did similar activities. Tom Livers replied that there were a wide range of energy programs within the department.

Van Jamison from DNRC clarified that there were no programs that deliver energy conservation services to state buildings that would continue into the next biennium. The last of those programs was an Exxon funded program that ends with this biennium. He explained that the companion bill, HB 563, appropriates new oil overcharge monies and contains provisions for funding two FTE to handle the additional workload in Department of Administration Architecture and Engineering Division. It is Architecture and Engineering who will be going out through the standard state acquisition process and acquiring the design of construction services to implement these measures that have been identified by the private consultants. HB 750 has no FTE identified, he noted.

Senator Hammond asked about the life expectancy of the older buildings. Representative Quilici replied that DNRC had done studies of what buildings are eligible for energy retrofit. Tom Livers said in the studies a twenty year useful life was the minimum. When the improvements are installed there would be a savings after the bonds were repaid so the state would realize substantial savings.

Senator Devlin asked about the age of the buildings that would be considered for retrofitting. Tom Livers replied that most of the buildings were quite old, turn

of the century buildings. Senator Devlin asked if the building would be torn down before there was much savings out of them. Curt Chisolm replied that the projected cost on the bill was based on campus wide energy studies done by engineering firms hired by DNRC. Instead of going building by building they tried to determine from a campus wide perspective things that could be done to save energy. There is some recommended retrofit for some of the older buildings, a lot of energy savings would be in the energy delivery systems such as steam tunnels, central heating plants. There would still be an opportunity after all of this process to take some of these buildings out of the retrofit if the building was not going to be used. He said they were not specifically committed to one building or group of buildings. The dollar amounts that are in the bill are based on a projected cost from a campus wide energy study. Tom Livers pointed out that the engineering staff selected particular buildings as high priority.

Senator Van Valkenburg asked about the 3 million dollar bond issue. Tom Livers replied that the 3 million dollars was a ceiling. He said the total project was expected to be in the 2.3 million dollar range. There would be some adjustment for inflation if the bonds are not sold early in the year and also some transaction costs of about 3% of the total bond issue. One other consideration is that the projects are expected to be completed during the course of the summer but if the time period is extended the bonds would have to be extended in order to have a cash flow.

Senator Van Valkenburg commented that these savings may be pulled out of Institutions budget next time and would not be current level in terms of utility costs. Curt Chisolm replied that is why they want to accurately predict the savings.

Senator Jenkins asked for clarification on the total ceiling for bonding indebtedness. Tom Livers said that they did not expect to spend up to the ceiling. The project was estimated at 1.9 million with some adjustment for inflation. There would be bond transaction costs of about 68 thousand dollars and 450 thousand dollars for administrative studies for projects to be done in the next four years. He mentioned that if there was a need, interest could be capitalized to pay the payments for the first year to ensure positive cash flow so bond payments don't come due before the savings are realized.

Van Jamison said the building studies would be presented in four years. He said they had no intention of spending those monies at all in this biennium. The 450 thousand dollars will sit there and they will come back to the Legislature next time to ask for authority to spend those monies. If the Legislature does not want the monies spent then the monies will go to pay off the bonds. He said that this biennium the studies done will be with oil overcharge monies. This biennium design work can be generated and they will have time before they have to issue bonds.

(Tape 1-B) Senator Beck will carry the bill.

Closing by Sponsor: Representative Quilici closed. He noted that the bill will be a payoff and will also put people to work.

DISPOSITION OF HOUSE BILL 301

Discussion: Senator Nathe moved to reconsider action on HB 301 for the purposes of an amendment (Exhibit 5).

Recommendation and Vote: The question was called. The motion to reconsider HB 301 for the purposes of an amendment passed unanimously.

HEARING ON HOUSE BILL 742

Presentation and Opening Statement by Sponsor:
Representative Dorothy Bradley, District 79, presented HB 742. She said the bill was a result of the Human Services Subcommittee. This will enable the GA system and AFDC to be set by department rule which reflects the appropriation and the percent of the federal poverty index. Since the federal poverty index is adjusted every year it is simpler to have the department set the rule rather than come in and wrestle with it during each legislative session.

List of Testifying Proponents and What Group they Represent:
None

List of Testifying Opponents and What Group They Represent:
None

Testimony:
None

Questions From Committee Members:
Senator Nathe asked if the state got money back on the program based on the number of people who qualify and

if the persons income dropped would it mean more federal aid. Representative Bradley replied that they would get more federal aid but the federal poverty index moved. She pointed out that the state has a lot of flexibility on deciding who is eligible. However, this bill would not change eligibility. The bill would leave the decision with the appropriations committee instead of with the grid system that has traditionally been in law. It would be automatically set with whatever the federal poverty index is and the level determined for reimbursement. The 42% would keep it at the same dollar level as it was in the past. She pointed out that the federal poverty index is adjusted every year and that has to be taken into account. A good estimate of what the poverty index is going to be is made and then after the legislature decides at which level they want to fund the recipients (by court opinion GA and AFDC are tied together) is then set and then there is no need to change the law.

Closing by Sponsor: Representative Bradley closed. Senator Keating will carry the bill.

DISPOSITION OF HOUSE BILL 301

Discussion:
Senator Nathe (B-475) moved to pass the amendment (Exhibit 5). He explained the need for the amendment. He said the McCarty Farms case needed an increase in funding due to the recent requirement by Judge Hatfield to submit written settlement proposals by June 6, 1989.

Amendments and Votes: The question was called on the amendment. The motion passed unanimously.

Recommendation and Vote: Senator Keating moved HB 750 Be Concurred In. The question was called, the motion passed unanimously.

ADJOURNMENT

Adjournment At: 9:20 A.M.

PETE STORY, Chairman

PS/dt
FCS321

DAILY ROLL CALL

FINANCE AND CLAIMS COMMITTEE - 1989

DATE 3-21-89

NAME	PRESENT	ABSENT	EXCUSED
Senator Gary Aklestad			
Senator Loren Jenkins			
Senator Esther Bengtson			
Senator Matt Himsl			
Senator Paul Boylan			
Senator Tom Keating			
Senator Judy Jacobson			
Senator H.W. "Swede" Hammond			
Senator Pat Regan			
Senator Larry Tveit			
Senator Fred Van Valkenburg			
Senator Dennis Nathe			
Senator Greg Jergeson			
Senator Gerry Devlin			
Senator Richard Manning			
Senator Sam Hofman			✓
Senator Lawrence Stimatz		✓	
Senator Ethel Harding			
Senator Pete Story			

Form CS-30
Rev. 1985

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
TESTIMONY ON HOUSE BILL 750

INTRODUCTION

My name is Karen Barclay. I'm director of the Department of Natural Resources and Conservation, and I am here to support House Bill 750.

House Bill 750 provides a way to increase energy efficiency in state government buildings. This translates into direct dollar savings to the state through reduced operating expenses, and replacement of antiquated boilers and distribution systems. In doing so, it also creates jobs for local craftsmen.

House Bill 750 does two things: (1) it establishes a long-term energy conservation program for state buildings, and (2) as the first phase of this program, it authorizes the state to issue up to $3 million in general obligation bonds in the coming biennium. The bonds will fund energy conservation improvements to the Montana State Hospital at Warm Springs and Galen, the Center for the Aged in Lewistown and the School for the Deaf and Blind in Great Falls.

I'd like to first discuss the overall, long-range program, then I'll elaborate on the projects proposed for the coming biennium.

LONG-TERM PROGRAM

The concept behind the bill is pretty straightforward: the state sells bonds to fund energy conservation improvements to state-owned buildings, then uses the savings in energy costs to repay the bonds.

This program is structured so that the state realizes immediate savings to the general fund, even while the bonds are being repaid. This is accomplished by designing the projects so that the annual dollar savings resulting from the energy efficiency improvements exceeds the debt service on the bonds.

The greatest savings to the state will come in the long term. The energy savings will continue long after the debt is retired. In other words, once the bonds are repaid, the state will continue to realize the benefit of all future energy savings.

Other states are recognizing the long term financial benefit of using bonds to finance investment in energy conservation. Our proposal is modeled after a similar program that has been successfully implemented in Iowa, one that has gained full acceptance in the national bond market.

Iowa has already done the front-end development work with the financial community, and the bonds have sold in national markets.

Ex #1
3/21/89

As it turns out, the financial advisor to Iowa's program, Evenson Dodge, is also the contracted financial advisor for the State of Montana. As a result, we've been able to save substantial development costs for this proposal by capitalizing on work already done in Iowa.

RATIONALE FOR PROGRAM

I'd like to briefly outline the circumstances that prompted the department to develop this proposal:

- We're reaching the point where we can't afford the cost of doing nothing. State government spends more than $13 million per year to heat, light and cool its buildings.

  Based on our experience with energy retrofits on schools and hospitals in Montana, savings in excess of 25% can be obtained through this type of energy conservation effort. Applying this to all state buildings would yield savings of more than $3 million per year at today's energy prices if all work were completed.

- State agencies have been working for several years to implement low cost, energy saving operation and maintenance changes. However, there is a limit to how much energy and cost savings can be attained through this approach. With many of our institutions, we're now at the point where capital improvements are necessary in order to realize any substantial energy savings.

- The primary impediment to making these necessary energy improvements is the lack of up-front capital. The state itself simply does not have the cash available for widespread investment in energy conservation.

This is where HB 750 comes in.

- Energy financing packages can yield a good enough return on investment to attract private funds. We've looked at a lot of different financing options being used by other states, and have found general obligation bonds to be the most advantageous. They provide the least cost financing and they allow us to tailor each project to the specific needs of the particular state facility.

If House Bill 750 is approved, we will come before future legislatures every two years with a bond package for their consideration. Each session the Legislature would have to approve -- by two thirds of each house -- bond authority for the recommended projects before new bonds could be issued.

This allows the program to proceed at a reasonable pace, and it allows both the executive branch and the Legislature the opportunity to evaluate progress before approving new general obligation debt.

INITIAL PHASE
I'd like to focus now on the first phase of this program -- the proposed $3 million bond issue that would cover Warm Springs, Galen, the Center for the Aged and the School for the Deaf and Blind.

The main point I'd like to stress here is that we have a window of opportunity open now that may not be open next session. There are three key elements in place today:

- First, we have oil overcharge money available to start the program without using any general funds;

- Second, we have a set of facilities already analyzed for savings potential;

- Third, the financial community is ready to provide retrofit funds at a reasonable rate.

OIL OVERCHARGE FUNDS
Oil overcharge funds available through House Bill 563 would provide seed money to start this program without using any general funds. These oil overcharge funds come to the state from court settlements with major oil companies, and must be used for energy related activities.

FACILITIES ANALYZED
Using oil overcharge money appropriated last session, the Department of Natural Resources contracted with private engineering firms to conduct comprehensive energy analyses at Boulder, Warm Springs and Galen. We chose these because we knew that the potential for energy and cost savings was great, and because these facilities rely primarily on general fund monies for their operation. We later added the Center For the Aged and one of the older buildings at the School for the Deaf and Blind.

FINANCIAL COMMUNITY
As I mentioned earlier, the experience of Iowa and other states has gained the acceptance of the national bond market. In addition, the interest rates available now are reasonable -- currently in the neighborhood of 7.5% for ten year general obligation bonds. If we were facing 12-15% interest rates, we wouldn't be here with this proposal.

TOTAL PACKAGE
Under the package we're recommending, the Montana Developmental

Ex. #1
3/21/89

Center at Boulder will receive a comprehensive energy retrofit using $1.3 million of existing oil overcharge funds appropriated in 1987.

The remaining funds from last session will be used to complete design work on Warm Springs, Galen, the Center for the Aged and the School for the Deaf and Blind. The actual retrofit of these four facilities would be accomplished through the $3 million bond issue provided for in this bill, HB 750.

The seed money from House Bill 563 would cover training of facility maintenance staff and regular on-site inspection to make sure savings are realized and maintained. A portion would go to the Department of Administration's Architecture & Engineering Division to accommodate the increased workload created by these projects.

The seed money would also fund energy analysis and project design for the next round of buildings, which we would present to the 1991 Legislature for funding under a subsequent bond issue. In the future, this "seed" money would come directly from bond sales. Once established, the program would require no additional infusion of funds other than the bonds. In this manner, the original seed money is recycled several times. When the program is finished, the seed money will go directly toward retrofit costs for the last round of projects.

The other very important thing that the oil overcharge seed money accomplishes is that it lets us complete all the front-end work -- administration, analysis, design -- before we sell bonds. Bonds are not sold until we're ready to do the actual installation of the energy improvements. This drastically reduces the time period between when we start incurring interest charges on the bonds and when the revenue stream from the savings is realized.

SAVINGS

The documentation is solid that this program will provide needed improvements to state buildings and save the state money. The projected energy and cost savings are based on a range of very conservative economic and engineering assumptions. The projects are structured so that measures with longer payback can be dropped if financing terms at the time of the bond sale demand a higher return on investment.

I'd like to call your attention to the chart I've handed out. The top line shows current utility costs for the four facilities, projected over twenty years. This is the projected cost to the state if we do nothing at these facilities.

The lower line shows the projected annual cost if the bonds are sold and the energy conservation work is done. It includes both

the reduced utility costs and the bond payment. In this example, the bonds are retired in ten years, which accounts for the sharp drop halfway through on the lower line.

The area between the two lines represents the estimated savings to the state. As you can see, the state realizes a small net savings, even while the bonds are being repaid, and considerably greater savings once the bonds are retired.

I think this chart clearly points out that there is a significant cost to the state associated with doing nothing to these facilities.

CONCLUSION

In conclusion:

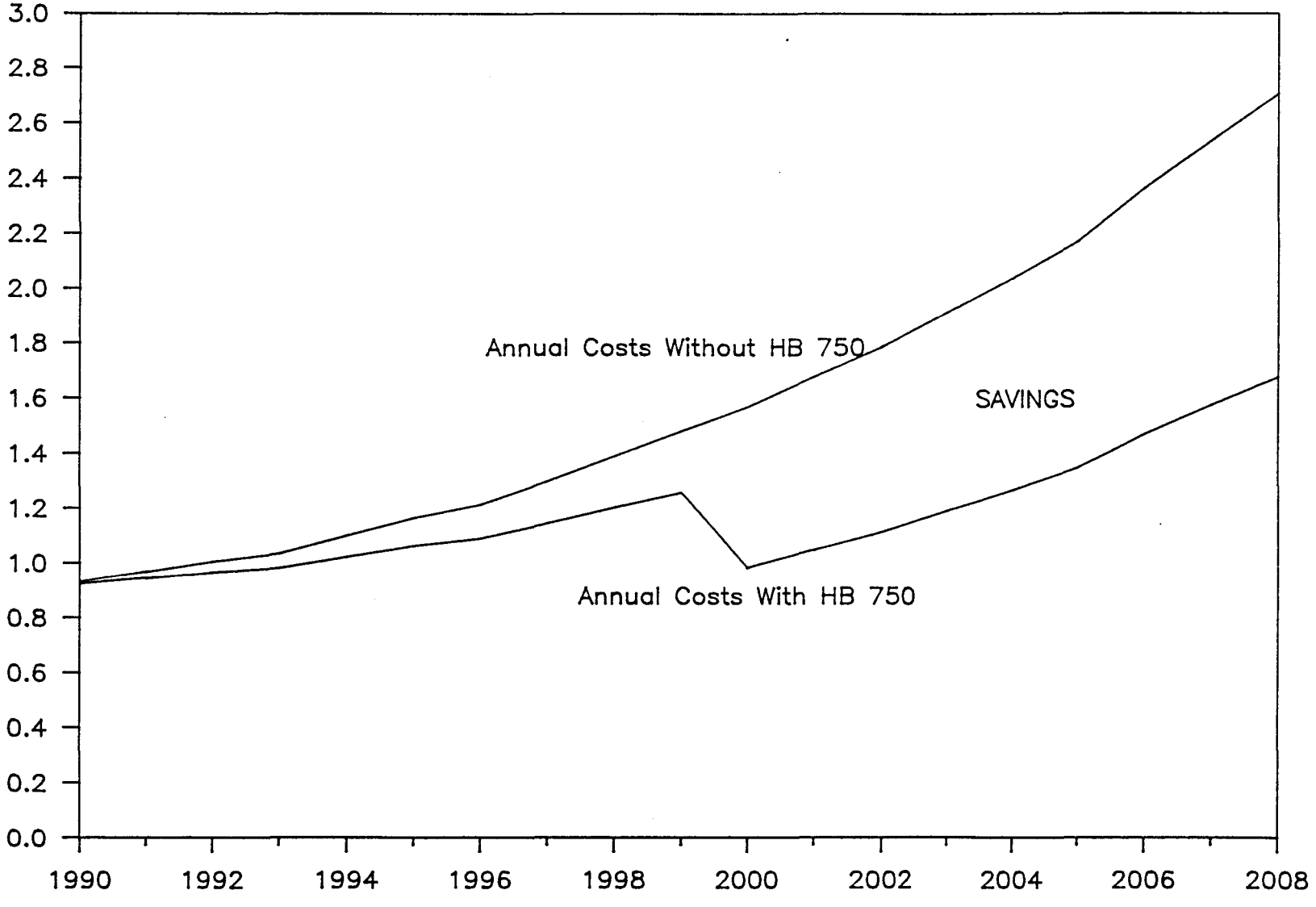
- This program will increase the efficiency and reduce the cost of state government.
- It will provide needed improvements to state facilities.
- It will save general fund dollars, especially in the long term.
- The retrofit projects will create jobs in the private sector, utilizing local craftsmen and suppliers.

Bond-financed energy conservation is working in other states. The factors are all in place for it to work in Montana. I believe we cannot afford to pass up the unique opportunity before us today.

I urge you to support House Bill 750.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1a
DATE 3-21-89
BILL NO. HB750

Projected Savings From HB 750



Top: Utility Payments without HB 750

Bottom: Utility Payment + Bond Payment

Ex. #1a
3/21/89

HB 750 FACT SHEET

HOW IT WORKS

- The state sells bonds to fund energy conservation work in state-owned buildings, then uses savings in energy costs to repay the bonds.

- The projects are structured so that the annual dollar savings resulting from the energy efficiency improvements exceed the debt service on the bonds.

KEY POINTS

- The state spends $13 million per year to heat, light and cool its buildings. Savings of more than 25% have been achieved through similar efforts in Montana schools and hospitals.

- HB 750: - establishes a long-term energy conservation program for state buildings, and

  - authorizes up to $3 million this biennium in general obligation bonds for energy improvements at:

    -Warm Springs State Hospital
    -Galen State Hospital
    -School for the Deaf and Blind in Great Falls
    -Center for the Aged in Lewistown

- The availability of oil overcharge money gives us a unique window of opportunity this session to begin the program using no general funds.

- There is a significant cost to the state associated with doing nothing at these facilities. (Please see attached chart).

- Similar programs are working successfully in other states.

- Each session the Legislature would approve bond authority for recommended projects before any new bonds are issued.

BENEFITS

- Increases the efficiency and reduces the cost of state government

- Creates jobs in the private sector. The retrofit projects will use local carpenters, sheet metal workers, insulators, building suppliers, etc.

- Begins saving general fund dollars immediately, even while bonds are being repaid. Savings continue long after bonds are retired.

Ex. #19
3/21/89

SUMMARY OF PROJECTS UNDER HB 750

This sheet summarizes major items to be funded at these facilities. Complete project descriptions are available from the Department of Natural Resources and Conservation.

MONTANA STATE HOSPITAL AT WARM SPRINGS

Boiler plant improvements -- Installing new controls to allow low pressure operation when laundry is not operating, and to allow shut-down of unnecessary steam during summer; repair or replacement of boiler stack economizers; insulation of condensate return pipes, and repairing leaks in the steam distribution system.

Temperature control improvements -- Improving control systems on almost every building to reduce energy wasted through overheating and overventilating, which will also improve occupant comfort. Conversion to variable air volume system on Intake building.

MONTANA STATE HOSPITAL AT GALEN

Decentralize heating system -- (still being reviewed by DNRC engineers to ensure savings warrant the cost)

Replacement, repair, addition of temperature control systems to major buildings; replacement of incandescent lighting; attic, roof and wall insulation in selected areas; window replacements in selected areas.

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The analyses of the Center for the Aged and the School for the Deaf and Blind are not yet complete; projections are based on preliminary estimates and will be refined on completion of the studies. High end cost estimates have been used in the bill.

CENTER FOR THE AGED

Items being analyzed for cost-effectiveness include installation of a new boiler versus improvements to the existing plant; installing heat recovery systems in the laundry; lighting improvements; temperature controls; night setback in day use areas; storm windows and insulation of condensate returns.

SCHOOL FOR THE DEAF AND BLIND

The focus of analysis is the heating and ventilating system at the Academic Center building. The existing system is a constant volume system, which is inherently inefficient. The analysis is examining the feasibility of converting to a more efficient variable air volume system. Lighting, roof insulation and the control system are also being analyzed.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 2
DATE 3-21-89
BILL NO. HB750

MEMORANDUM

TO: Members of the House
Appropriations Committee

FROM: Dorsey & Whitney
Mae Nan Ellingson

DATE: March 13, 1989

RE: HB 750

This legislation authorizes the issuance of general obligation bonds in an amount up to $3 million for the purpose of financing the State's energy conservation program created by the bill and the projects specifically approved by the legislature in the bill.

The Program is designed to operate similarly to the State's "long-range building program" in that proposed energy conservation projects are to be submitted to and evaluated by the Department of Natural Resources and Conservation (the Department) over the biennium. The Department will analyze the projects and submit to the Governor a prioritized list of projects recommended for funding, based on the cost-effectiveness of the projects to the State.

The Governor will review the report submitted and then submit to the legislature his recommendation on the projects to be funded as part of the energy conservation program. If bonds are proposed to be issued to finance the project, there must be a finding in the report stating that the estimated annual energy savings to be derived as a result of the project, upon completion of the project, are expected to equal or exceed the annual debt service on the bonds proposed to be issued.

If projects are approved by the legislature and bonds are authorized to be issued, the DNRC will request that the Board of Examiners (the Board) issue the bonds, as necessary, to provide the costs of construction and installation of the projects. It is contemplated that the bonds will not be issued until actually needed to complete

Ex. # 2
3/21/89

the project so that the debt service on the bonds can be satisfied by the energy savings. It is not anticipated that the actual construction period for any of the improvements will be long. To the extent there is a long-term construction period, the Board, in consultation with the Department, can structure the principal and interest payments to come due on the bonds after the projects are complete and the energy savings realized.

In some states this type of program has been implemented by issuing revenue bonds as opposed to general obligation bonds, with the "revenues" that are used to pay the debt service being the difference between the utility costs before the improvement and the utility costs after the improvement. In order for this to work, the legislature has to agree to appropriate to the various state agencies from the general fund or other sources the amount for utility costs being appropriated prior to the conservation improvements, so there would be a stream of revenue to pledge to the bonds.

Because revenue bonds of a state generally sell at a rate of interest as much as 1% higher than general obligation bonds, and since the repayment of the bonds, whether from revenues previously appropriated or the State appropriating debt service directly, comes principally from the State's general fund, it was deemed not in the best interest of the state to structure these bonds as anything other than general obligations so as to minimize the overall costs of the program. In addition, under the circumstances, a straight revenue bond might be difficult to market, and if so could result in an interest rate differential greater than 1%. Furthermore, requiring the legislature to directly appropriate to a specific state agency an amount of money for utilities that as time goes by may have little to do with the actual utility costs of that agency, may not result in a realistic way for the state assessing its on-going costs of operation.

If there is any technical information which we can provide with respect to this bill, please let me know. I can be reached at 721-6025. I am sorry I was unable to attend the committee meeting and be available for questions.

MNE:mb

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3
DATE 3-21-89
BILL NO. HB 750

gfps GREAT FALLS PUBLIC SCHOOLS
1100 4th Street South
P.O. Box 2428
Great Falls, Montana 59403

INTER-OFFICE MEMO

September 29, 1986

TO: Ben Lamb
FROM: Nobby Johnson
RE: Electricity and Natural Gas Consumption.

We have just compiled the figures on electricity and gas savings for the twelve month period of July 1, 1985 through June 30, 1986, and they are as follows:

Savings in Electricity - $ 70,072.93
Savings in Gas - $423, 866.61

Certainly all employees of the school district should be commended for their efforts in energy conservation.

It is obvious by these results that turning off lights and electrical appliances along with, setting back thermostats, caulking windows and doors, does pay off.

I am sorry to say that I can't give you a check for these amounts, but the bottom line is, that had energy consumption rates been this year what they were in the baseline years 1974 - 1975, that this school district would have needed $493,939.54 additional to meet it's budget requirements. This is a tremendous savings to the taxpayers of School District #1.

Respectfully submitted,

Nobby

Nobby Johnson
Supervisor, Buildings & Grounds

NJ/mj

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 3a
DATE 3-21-89
BILL NO. HB750

3a

gfps GREAT FALLS PUBLIC SCHOOLS
1100 4th Street South
P.O. Box 2428
Great Falls, Montana 59403

March 10, 1989

TO: Mr. Lamb

FROM: Nobby Johnson

RE: Great Falls High boiler.

The new Great Falls High boiler during its first month of operation performed as follows:

There were 1529 heating degree days for the month, burr!

February heating cost	$ 6829.00
Old boilers would have cost	$14471.00
Net savings for the month	$ 7642.00

We should bond the district, retrofit all of our buildings (including new boilers) and pay back the bonds with the savings. This would produce tremendous savings in the future and not cost the taxpayers one cent to achieve.

Nobby

Buildings and Grounds

NJ/mjw

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COMPARATIVE ENERGY USE

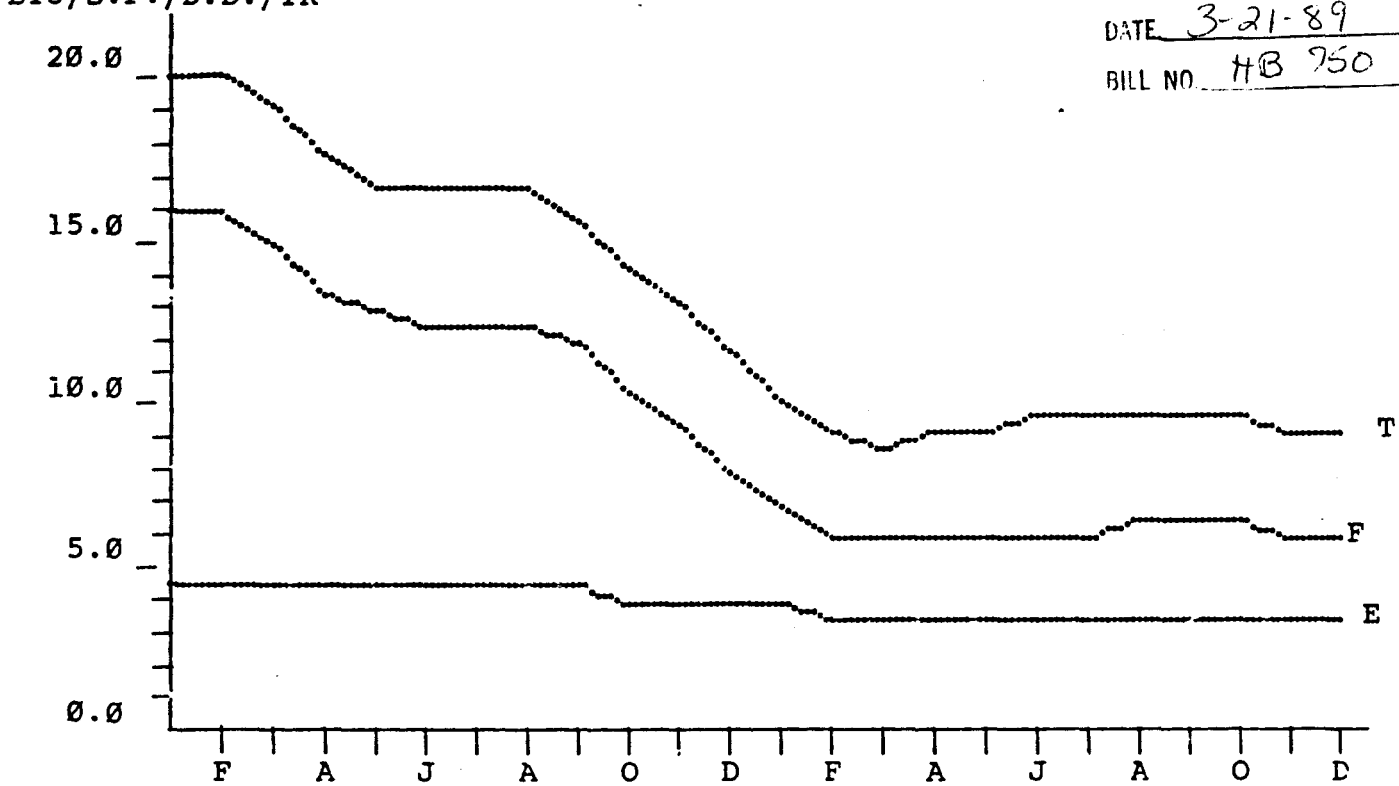
ENERGY CONSERVATION CONSULTANTS
1629 AVE D
BILLINGS, MT 59102

****

BUILDING: BEARTOOTH AREA: 40330. DATE: 3/24/86
LOCATION: BILLINGS, MT FUEL TYPE: GAS YEAR: 84 - 85

****

ENERGY USE PROFILE



1ST PERIOD (JAN 84 - DEC 84)			2ND PERIOD (JAN 85 - DEC 85)		
ENERGY CONSUMPTION:			ENERGY CONSUMPTION:		
		BTU			BTU
ELEC	332640. KWH	1135.3 E+06	ELEC	326320. KWH	1113.7 E+06
FUEL	2565.9 MCF	2404.5 E+06	FUEL	2016.5 MCF	1889.7 E+06
TOTAL		3539.8 E+06	TOTAL		3003.4 E+06
ENERGY USE INDEX:			ENERGY USE INDEX:		
87771 BTU/SQ.FT.			74470 BTU/SQ.FT.		
11.3 BTU/SQ.FT./D.D.			8.9 BTU/SQ.FT./D.D.		
UTILITY COST:	DEGREE DAYS:		UTILITY COST:	DEGREE DAYS:	
0.616 $/SQ.FT.	1ST PERIOD =	7761	0.623 $/SQ.FT.	2ND PERIOD =	8340
0.034 $/KWH	30 YR AVG =	7763	0.044 $/KWH	30 YR AVG =	7763
5.278 $/MCF			5.394 $/MCF		

D.D. => HEATING AND COOLING DEGREE DAYS

CONVERSION FACTORS: 3413 BTU/KWH, 937100. BTU/MCF

NOTE: EACH MONTH REPRESENTS THE VALUE FOR THAT

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 5
DATE 3-21-89
BILL NO. HB301

Amendments to House Bill No.301
Third Reading Copy

For the Committee on Senate Finance and Claims

Prepared by LFA
March 20, 1989

1. Page 6, line 9.
Strike: "20,000"
Insert: "73,000"

This amendment increases the funding for contracted services for expert witness costs associated with the McCarty Farms case. This increase is needed because Judge Hatfield has recently required the parties to submit written settlement proposals by June 6, 1989.

DATE 3-21-89

COMMITTEE ON Finance & Claims BILL NO. ______

VISITOR'S REGISTER

NAME	REPRESENTING	Check One Support	Oppose
Karla Gray			
GENE PHILLIPS	PACIFIC POWER & LIGHT	HB750	
Joe Quinlan	Butte	HB713	
H S Hanson	Mt. TECHNICAL COUNCIL	HB750	
Tom Livers	DNRC	HB750	
Bobby Johnson	Sch Dist #1 Great Falls	HB 750	
Van Jamison	DNRC	HB750	
CURT CHISHOLM	DEPT INSTITUTIONS	"	

(Please leave prepared statement with Secretary)