

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **SUBCOMMITTEE ON LONG-RANGE PLANNING**

**Call to Order:** By CHAIR MARY ELLEN CONNELLY, on March 13, 1991,  
at 5:30 p.m.

#### **ROLL CALL**

**Members Present:**

Rep. Mary Ellen Connelly, Chair (D)  
Sen. Bob Hockett, Vice Chairman (D)  
Rep. Francis Bardanouve (D)  
Sen. Ethel Harding (R)  
Sen. J.D. Lynch (D)  
Rep. Bob Thoft (D)

**Staff Present:** Jim Haubein, Principal Fiscal Analyst (LFA)  
Jane Hamman, Senior Budget Analyst (OBPP)  
Claudia Montagne, Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

#### **EXECUTIVE ACTION ON RIT GRANTS AND LOANS**

##### **HB 6, 7 & 8**

**Tape 1:A:000**

**Jim Haubein** distributed and reviewed amendments to HB 6, 7 & 8.  
**EXHIBITS 1, 2 & 3**

#### **EXECUTIVE ACTION ON HB 6**

**Mr. Haubein** said the amendments to HB 6 represented actions taken at the last meeting of the committee. He was bringing them back after consulting with OBPP and DNRC for the committee's approval. Most of the items in the amendments address the reconstruction of HB 6 to accommodate the combined Water Development (WD) and Renewable Resource Development (RRD) projects. He pointed out that the Battle Creek Storage Site project had been added in, as well as the concept of a minimum amount to be reserved in these two accounts for the 1993 session.

**REP. BARDANOUVE** asked when the committee would see the bill complete with these amendments. **Mr. Haubein** said that after review by the Legislative Council, they would come into Appropriations together with the bill. **REP. BARDANOUVE** requested a gray bill.

Mr. Haubein said he would bring in a gray bill for HB 5, 6, 7, 8, & 9.

Motion/Vote: SEN. LYNCH moved to approve the amendments to HB 6. EXHIBIT 1 Motion CARRIED unanimously.

EXECUTIVE ACTION ON HB 7

Mr. Haubein reviewed the amendments to HB 7, containing the Water Development Loans. EXHIBIT 7

Motion/Vote: REP. BARDANOUVE moved the adoption of the amendments. Motion CARRIED unanimously.

EXECUTIVE ACTION ON HB 8

Mr. Haubein distributed the amendments on HB 8, the Reclamation and Development Grant Program. EXHIBIT 3 The amendments incorporate all of the actions taken during Executive Action in the subcommittee.

Motion/Vote: SEN. HOCKETT moved to adopt the amendments. Motion CARRIED unanimously.

EXECUTIVE ACTION ON HB 9

SEN. LYNCH asked about the balance in the Cultural and Aesthetics Grant Fund, and suggested funding of the Choteau project in HB 9. Mr. Haubein said there was a balance of \$63,000.

Motion: SEN. LYNCH moved to approve \$5,000 for the Choteau project, the Jesse Gleason Studio Acquisition.

Discussion: SEN. LYNCH said he had talked to Rep. Debruycker about the project, for which they had requested \$17,000. He had asked them if they could live with less, and the applicants had gone home thinking they would get something.

Vote: Motion CARRIED unanimously.

EXECUTIVE ACTION ON HB 10

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Mr. Haubein said the committee had not taken executive action on the amendments that had come before the committee, nor on the bill itself. He distributed the amendments. EXHIBIT 4 Ms. Hamman said the amendments had been prepared by Gail Kuntz, Environmental Quality Council (EQC), and were reviewed by DNRC, LFA, and OBPP. Ms. Hamman reviewed the amendments, which dealt with increasing the local government appropriation for retrofitting local government buildings.

Motion/Vote: REP. BARDANOUVE moved to adopt the amendments. Motion CARRIED unanimously.

**Motion/Vote:** SEN. LYNCH moved to adopt HB 10 as amended. Motion CARRIED unanimously.

**EXECUTIVE ACTION ON DEPT. OF FISH, WILDLIFE & PARKS**  
**HB 5**

SEN. LYNCH asked what had happened in the House on HB 171, the increase in fees. REP. BARDANOUVE said the out of state fees had been reduced by an amount. Mr. Haubein said there were DFWP projects pending action. If the bill reducing fees passed as amended, there would be a question about the sufficiency of funding for these projects as well as the Department's operation.

Dave Mott, DFWP, reported that there were amendments on SB 171, three amendments on various non-resident licenses which would have a significant impact on revenues in the amount of \$650,000 per year on average over a 4 year time period for a collective amount of \$2,400,000. He did not foresee a shortfall this biennium, since the revenues were projected at \$2,600,000.

REP. BARDANOUVE said the Senate could reject the House amendments. Mr. Mott pointed out that the Department's entire Long Range Building proposal package amounts to approximately \$14,000,000, while the account in question now, the General License Account, amounts to \$827,000 of the total, a very small percentage of the total capital request. Also, most of that money is matching federal money on a 3:1 basis that funds high priority projects.

CHAIR CONNELLY suggested waiting until the outcome of SB 171 is final. REP. THOFT asked if the Department would have enough money to fund these projects if the license bill passes as is. Mr. Mott said yes. REP. BARDANOUVE asked what effect the decrease in revenues would have. Mr. Mott said the original fee bill was designed to last six years, with the amended Senate version with phased in increases scheduled to last four years in terms of funding the Department. He projected a shortfall in two years with the amended version from the House.

REP. BARDANOUVE suggested that it was poor business to spend all the money in hopes that the Legislature would give them new money in 1993. REP. THOFT suggested that the Department was missing the message. The Legislature took revenue out of the Department's budget which meant that the Department should look at its expenditures. REP. BARDANOUVE agreed and requested a meeting with the Department the next morning, after which he would report back to the committee for action.

Mr. Tubbs asked to report on the Lakeside project as requested the day previous by the committee. He distributed a summary of the project, EXHIBIT 5. He said they had spoken to bank and the sewer district involved, but that the Director of the Department had not yet made a recommendation. REP. BARDANOUVE suggested postponing action until Ms. Barclay had made her recommendation.

EXECUTIVE ACTION ON DEPARTMENT OF INSTITUTIONSHB 5

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Mr. Haubein said there were five items remaining to be covered with reference to the Department of Institutions. The first is the inmate labor issue. There was a possibility of addressing the issue in the form of a committee bill, which the subcommittee would have to recommend. REP. THOFT suggested that the committee decide this issue now. SEN. LYNCH objected, saying there was a bill authorizing the use of inmate labor which had been killed in the House. REP. THOFT said he would not settle for that since he could not in all honesty throw away \$4,000,000.

Mr. Haubein said according to the Legislative Council, a committee bill could be drafted if it supported an appropriations bill, which this would do. It would be necessary for the committee to take an action requesting Mr. Haubein to order the committee bill.

Motion: REP. THOFT moved to request a committee bill on the issue of the use of inmate labor on prison projects.

Discussion: SEN. LYNCH strenuously objected to the motion, saying that this committee was never intended to alone address the issue of prison labor. He accused the committee of an end run, and said that was not the way to do business. REP. BARDANOUVE said the full Appropriations Committee would have to reject or accept the bill, with the Long Range Planning Subcommittee only making a recommendation. SEN. LYNCH accused Rep. Bardanouve of losing in one committee and trying another. He also questioned reviving an issue that was already dead, and said it was a matter for the Rules Committee.

Vote: Motion CARRIED 5 to 1, SEN. LYNCH voting no.

SEN. LYNCH asked what this committee bill would say. Mr. Haubein said he would probably look at HB 339 as somewhat as a guide, and look at it in relation to the projects before the committee. SEN. LYNCH left the room.

Mr. Haubein said the second issue was the Galen repairs. Jim Whaley, A&E, said they had reviewed the facility and prioritized the projects. He recommended the funding of the Nurses' Call System at the cost of \$52,000, the amount requested. Regarding the roofing projects, they recommended funding the roof replacements for the receiving hospital, the annex, and the Terrill/Crockett building in the amount of \$129,000, for a total of \$181,000.

REP. BARDANOUVE asked how much money was left in the account. Mr. Haubein said there was \$2,500,000 left in the cash account still uncommitted.

**Motion:** REP. BARDANOUVE moved to approve the projects recommended by A&E, the call system and the three roofs.

**Discussion:** SEN. HOCKETT asked if they had a water tower needing repair. REP. BARDANOUVE said there was money left over from last session. Mr. O'Connell said there was a \$450,000 appropriation from the last session which had not covered all of the water towers in the system. He said they had to prioritize the towers and re-bid that project. They would try to repair the tower at Galen within this appropriation.

**Vote:** Motion CARRIED 4 to 1, REP. THOFT voting no and SEN. LYNCH absent.

1100

Mr. Haubein said the next issue would be the men's prison expansion. REP. BARDANOUVE said there was too much still hanging in the air with the prison labor issue pending.

Mr. Haubein discussed the Women's Correctional Facility, for which the Department of Institutions had a presentation.

Curt Chisholm, Director, Dept. of Institutions, said his presentation focused on language which could be incorporated into HB 5 to authorize the Department to work with the Dept. of Administration to enter into a long-term lease-purchase arrangement with a community on a GO lease agenda over a specified length of time, with the communities raising the capital for the building of the Women's Prison facility. EXHIBIT 6

Dan Russell reviewed the proposed language to amend HB 5, incorporating the concept stated by Mr. Chisholm. EXHIBIT 6

Tape 1:B:035

REP. BARDANOUVE commented on the size of the facility, objecting to the 200 bed capacity and the commercialization of the prison. The Department had failed to look at community based facilities for women, of which at the present time there is one. He added that a person had to be sent to prison first before being sent to that facility. More alternatives had been explored for men than for women. The only alternative explored was "putting them in the slammer". The State needed a smaller prison and more facilities in the communities. He suggested that Rep. Brooke lead the charge for more community based facilities for women.

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REP. BROOKE suggested amending HB 528 if HB 5 could be amended to this degree. She had asked early on if the concepts contained in HB 528 could be amended into HB 5, and was advised to follow the route of introducing HB 528. If the committee wished to provide language addressing how the facility was to be built and the size, and if HB 5 could be amended to this degree, she suggested using the specific language that was reviewed by the legislative

Council and the Legislative Auditor, the language in HB 528. The Legislative Auditor has reviewed the Request for Proposals and the Scoring Criteria, and discovered several areas that differ between the two proposals - HB 528 and the Department proposal.

SEN. HOCKETT asked if Rep. Brooke was flexible on the issue of size. REP. BROOKE said she definitely was, and was not buying into any numbers. She said the important consideration before the issue is the fact that a facility needs to be built, despite the need for emphasis on community corrections. The reality is that sentences are increased, and citizens expect offenders to be put in jail. The number of beds is up for consideration, but her priority is a facility with the needs of the female inmate in mind.

SEN. HOCKETT spoke in favor of rehabilitation of prisoners that moves individuals out of the prison rather than institutionalizing them. He asked why a smaller prison could not be built with the option of enlarging it at some future date. REP. THOFT expressed a problem with the profile of the women inmates, and asked how many actually could be in community based programs. Mr. Russell said the Department had projected the prison population and classifications into the year 2000 based upon the level of incarceration now. That projection was for 255 women, with 173 needing the prison setting and 82 in the community. That represents a percentage of 30% in community based correction situations, which is higher than the national average. REP. THOFT suggested that if the correctional facility were to take at least two years to build, it would be nearly full within seven years of its completion, and reminded the committee that Department projections had usually been too conservative.

REP. BARDANOUVE reminded the committee of the recent testimony of the Highway Patrol in Appropriations Committee that there were more prisoners due to new jail space. He again questioned the existence of only one facility for women outside of the iron bars in Montana. Mr. Russell said there was only one facility up to this time based on need. The Department was now proposing 16 more beds in a pre-release center. The Intensive Supervision Program had been increased. HB 428, recommended by the Criminal Justice and Corrections Advisory Council, would require that all men and women are committed to the Department of Institutions rather than to individual facilities, thereby giving the Department some flexibility to use the community programs more effectively. That bill was experiencing some difficulties but he countered that the Department was trying to enhance alternative treatment.

REP. BARDANOUVE said there would not be the population at the Women's Facility today if there had been community based alternatives now. Mr. Russell agreed that there are people that can come out of there, and some that have one year or less left in their sentence. However, they also have some serious problems, violations of parole and medical problems.

Some of the most difficult prisoners are non-violent offenders. **REP. BARDANOUE** suggested that women who could be in a minimum security program were in with the more serious offenders and suffer the same punishments. There was no incentive for women in the minimum security to improve their situation. **Mr. Russell** agreed there had not been the programs for the women, and that was why they were proposing the facility as well as programming for it. He added that the population had increased by 18% per year since 1980, and that some of the women needed to be locked up. Their classification system had been reviewed, and still they did not see large numbers of women in their facility who could be out in community programs.

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**SEN. HOCKETT** asked about the present population. **Mr. Russell** said there were 57 now and five additional in transit, while the emergency capacity was 65, expanded from an original capacity of 45. **SEN. HOCKETT** asked when the new facility would be operational. **Mr. Russell** hoped it would be operational by July, 1993. Regarding Pre-Release Centers, **Mr. Russell** said those 16 beds would be on line this summer. **REP. BARDANOUE** asked what the hang-up was on HB 428. **Mr. Russell** said there were fears that the bill takes discretion away from District Court Judges, and that prisoners would not be kept in prison, but returned to the community. **REP. BARDANOUE** asked if the judges in Montana were so powerful that they control the setting of policy. **Mr. Russell** said that was what had happened in the House.

**SEN. HARDING** asked for the differences between the men's and women's facilities. **Mr. Russell** reviewed the schematic, based upon the Minnesota Correctional Facility for Women in Shakopee. **SEN. HARDING** commented that the plan does address the needs of women, and was appropriate in scale considering population trends.

**CHAIR CONNELLY** asked for the scaled down version. **Mr. Russell** said it would cost \$10,075,000 for a 120 bed facility. **Mr. Chisholm** reviewed the cost comparison hand out, **EXHIBIT 7**, for a detailed breakdown of these differences, and reiterated that indeed the judges do control the setting of policy in the area of corrections. It would not be a major error to build a smaller facility; however, he predicted they would be back in four to five years for additions at much higher cost than they were submitting today. He expressed concern regarding the available space in a 200 bed facility with the sentencing practices of judges today, but said they were emphasizing community based corrections. However, they also needed the cooperation of the 36 judicial judges throughout the state, a difficult process.

**SEN. HOCKETT** expressed concern about the impact on the tax system in the future for these types of building requirements. **SEN. LYNCH** repeated that population projections had never been underestimated.

REP. BARDANOUVE made comparisons between the population of Minnesota and Montana (4,500,000 and 800,000 respectively), and the prison facilities available to women (1 prison, capacity 144, with 200 in it now, and pre-release centers in Minnesota; 1 prison, capacity 45 with emergency capacity of 65, and one pre-release center in Montana). He questioned the rationale of 200 beds based on these numbers. Mr. Russell said Minnesota has one of the lowest incarceration rates in the nation. When REP. BARDANOUVE asked why Montana could not follow their pattern, SEN. LYNCH said the fact was we, the judges, the Legislature, don't.

Motion/Vote: SEN. LYNCH moved to adopt a 200 bed Women's Correctional Facility as opposed to a smaller facility. Motion FAILED on a tie, with REP. BARDANOUVE, CHAIR CONNELLY, and SEN. HOCKETT voting no.

SEN. LYNCH suggested bringing the issue to the full Appropriations Committee for a decision. REP. THOFT commented that the committee was making a serious mistake, and CHAIR CONNELLY suggested the committee decide on the vehicle, amending HB 5 or HB 528.

2:B:000

Mr. Haubein said a principal difference between the two proposals was in the selection process: in HB 528, the decision rests with the committee, and in HB 5, the decision rests with the Director of the Department after recommendations by the committee. REP. BARDANOUVE suggested that Appropriations handle this issue, adding that a women's prison would be built.

Motion: SEN. HARDING moved to adopt the Department selection process.

Discussion: Mike Wingard, Legislative Auditor's Office, pointed out the two fundamental differences between the two proposals. The department's proposal relies on the community with the best site providing the financing and the construction, and the state leasing it back; HB 528 provides that the state build the facility using the General Obligation bond. Regarding the site selection process, the department's Site Selection Committee has eleven members with all criteria scored; HB 528 provides for a nine member committee, with mandatory criteria as well as scored criteria.

REP. BARDANOUVE said he could live with either process regarding site selection and financing, while having a preference for that in HB 528. However, he still disputed the proposed 200 bed capacity. SEN. LYNCH asked why the Department felt it needed both the representation on the advisory committee, with six of the eleven members chosen by the Department, and the final selection power. Mr. Chisholm said he would be on the committee and his job would be to see that the selection review was done fairly and objectively based upon the weighted criteria.

REP. BROOKE commented that the criteria within HB 528 create an impartial selection, a major consideration which she felt the Department's proposal did not address. After all the communities' work and expense, she would hate to see the Legislature once again choose a process that is potentially less fair. She added that HB 528 does not take who can provide the best financing or the best package as the top criteria, but looks at what the community has as far as mandatory criteria, and then scores it on the level on what is important for the woman inmate.

**Vote:** Motion FAILED 2 to 3. EXHIBIT 8

SEN. LYNCH commented that the he had disagreements with the Department's proposal in that the Director had the ultimate say.

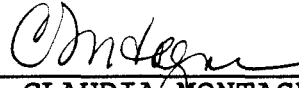
**Motion/Vote:** REP. BARDANOUVE moved to send both proposals, the Department's proposal with any amendments and HB 528, to the full Appropriations Committee. Motion CARRIED unanimously.

**ADJOURNMENT**

**Adjournment:** 7:10 p.m.



MARY ELLEN CONNELLY, Chair



CLAUDIA MONTAGNE, Secretary

MEC/cm

**HOUSE OF REPRESENTATIVES**  
**LONG-RANGE PLANNING SUBCOMMITTEE**

**ROLL CALL**

**DATE** 3-13-91

<b>NAME</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>EXCUSED</b>
REP. FRANCIS BARDANOUVE	✓		
SEN. ETHEL HARDING	✓		
SEN. BOB HOCKETT, VICE-CHAIRMAN	✓		
SEN. J.D. LYNCH	✓		
REP. BOB THOFT	✓		
REP. MARY ELLEN CONNELLY, CHAIR	✓		

HR:1991  
CS10DLRLCALONGRP.MAN

AMENDMENTS HOUSE BILL 6

EXHIBIT 1  
DATE 3-13-91  
HB 6 Long Range Plan

1. Page 1, line 24.  
Line 24 following "conservation"  
Strike: "106,508"  
Insert: "72,208"
2. Page 4, following line 15.  
Line 16, Insert: "PRIVATE APPLICANT  
Wastewater Collection and  
Treatment System 50,000 150,000"
3. Page 4, following line 20.  
Strike: "Line 21 through line 26 in their entirety"
4. Page 5, following line 2.  
Strike: "Line 3 through line 11 their entirety"
5. Page 5, following line 11.  
Insert: "PRIVATE APPLICANT  
Sun River Water System 7,500"
6. Page 5, following line 11  
Insert: "(5) To the entities listed in [Section 1] this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 1993 biennium pursuant to MCA 17-7-302."
7. Page 6, following line 25.  
Strike: Line 26 in its entirety
8. Page 7, line 1.  
Strike: Line 1 through line 26 in their entirety
9. Page 8, line 1.  
Strike: Line 1 through line 26 in their entirety.
10. Page 9, line 1.  
Strike: Line 1 through line 26 in their entirety
11. Page 10, line 1.  
Strike: Line 1 through line 4 in their entirety
12. Page 7, line 1.  
Insert: "YELLOWSTONE COUNTY CONSERVATION DISTRICT  
Streambank Reinforcement \$ 100,000  
  
JEFFERSON VALLEY CONSERVATION DISTRICT  
Cereal-Legume Energy Efficient  
Crop Rotation 48,677  
  
NEIHART, TOWN OF  
Neihart Water System Improvements 50,000 \$150,000"

EKALAKA, TOWN OF		
Water Supply and Storage Project	49,975	100,000
MONTANA STATE UNIVERSITY, MONTANA WATER RESOURCES CENTER		
Public Education in Water Management		100,000
STILLWATER CONSERVATION DISTRICT		
Evaluation of Plastic Lining and Fabrication Process		56,848
BROADWATER CONSERVATION DISTRICT		
Irrigation Water Management Demonstration Project		100,000
NATURAL RESOURCES AND CONSERVATION, DEPARTMENT OF, WATER MANAGEMENT BUREAU		
Beaverhead County Ground Water Study		100,000
POLSON, CITY OF		
Wellhead Protection Program		76,055
THREE FORKS, TOWN OF		
Water System Improvements		100,000
FORT SHAW IRRIGATION PROJECT		
Rehabilitation and Betterment Study		50,000
BUTTE-SILVER BOW, GOVERNMENT OF		
Blacktail Creek Restoration		100,000
LIBERTY COUNTY CONSERVATION DISTRICT		
Sweetgrass Hills Groundwater Study		100,000
MISSOULA COUNTY CONSERVATION DISTRICT		
Irrigation Diversion Alternatives		85,250
FALLON COUNTY		
Baker Lake Erosion Control and Recreation Path		15,361
DARBY SCHOOL DISTRICT NO. 9		
Darby School Park Project		25,300
MEAGHER COUNTY CONSERVATION DISTRICT		
South Side Canal Lining Project	37,500	62,500

3-13-91  
Belong Range Planning

NATURAL RESOURCES AND CONSERVATION,  
DEPARTMENT OF  
Battle Creek Storage Unit 82,000"

13. Page 10, following line 3  
Insert: "To the entities listed in [Section 2] this appropriation constitutes a valid obligation of these funds for purposes of encumbering the funds within the 1993 biennium pursuant to MCA 17-7-302."
14. Page 12, line 4  
Following line 3  
Insert: "The 50th Legislature, in House bill 007, Laws of 1987, approved a grant from the Renewable Resource Development account to Eastern Sanders Conservation District for \$86,300 for recharge enhancement of the Little Bitterroot Aquifer. Among the contingencies contained in the grant authorization is a requirement that a commitment must be obtained from the U.S. Bureau of Reclamation for federal matching funds. It has since been determined that the federal matching fund will not be forthcoming. The grant for the above described entity is hereby authorized for \$86,300 with the contingency for federal matching funding from the U.S. Bureau of Reclamation deleted. Further, the additional sampling of surface and groundwater for herbicides and pesticides will be conducted."
15. Page 14, line 15.  
Following "conservation"  
Insert: "Grants to state entities from prior biennia are reauthorized for completion of contract work."
16. Page 14, line 16.  
Following line 15  
Insert: "NEW SECTION. Section 13. It is the intent of the Fifty-Second Legislature that the current level Water Development Grant program be a minimum of \$1 million and the Renewable Resources Grant program be a minimum of \$1 million for the 1993 Session."

AMENDMENTS TO HOUSE BILL 7

1. Page 2, line 4  
Following "\$"  
Strike: "13,382,594"  
Insert: "7,935,583"
2. Page 2, line 22.  
Following line 21  
Insert: "The principal portion of the debt service payment of the loan for the Seeley Lake-Missoula County Water Project may be deferred for a period of three years. The interest on the loan will be adjusted for the deferral."
3. Page 3, line 4.  
Strike: "1,623,720"  
Insert: "1,123,720"
4. Page 3, line 12.  
Strike: "747,808"  
Insert: "749,797"
5. Page 3, line 15.  
Line 15 following "is"  
Strike: "0"  
Insert: "3"
6. Page 3, line 20.  
Following line 19  
Insert: "GROUP E Notwithstanding the provisions of [section 5], the interest rate for the project in this group is 6% or the current bond rate, which ever is lower, for up to 30 years."

Loan Amount

MILK CREEK WATER AND SEWER DISTRICT  
Water Treatment System

\$151,000"

7. Page 3, following line 20  
Strike: "Line 21 through line 26 in their entirety"
8. Page 4, Line 1.  
Strike: " line 1 through line 12 in their entirety."
9. Page 5, line 4  
Following "\$"  
Strike: "5,100,000 through exceed on line 6 in their entirety"
10. Page 5, line 6  
Following "\$"  
Strike: "8,282,594"  
Insert: "7,935,583"

11. Page 7, line 8  
Strike: "3,226,900"  
Insert: "3,778,028"
12. Page 7, line 9.  
Following line 8  
Insert: "If House Bill 648 passes and is signed by the Governor strike 3,226,900 in line 8 and insert 551,128."
13. Page 7, following line 20.  
Strike: " Line 21 through line 23 in their entirety."
14. Page 8, line 1  
Strike: "250,000"  
Insert: "272,500"
15. Page 11, following line 3.  
Insert: "NEW SECTION. Section 8. Authorization to issue revenue bonds. (1) The board of examiners is authorized to issue bonds to finance or to refund bonds issued to finance water development projects pursuant to Title 17, Chapter 5, Part 7, and Title 85, Chapter 1, Part 6, payable in whole or in part from revenues generated from the project, without pledging the coal severance tax to the payment of such bonds. (2) Bonds issued pursuant to this section without the pledge of the coal severance tax shall not be considered coal severance bonds or a debt of the State of Montana."

Renumber subsequent sections accordingly.

AMENDMENTS TO HOUSE BILL 8

1. Page 1, line 23  
Following "(2)"  
Strike: "(a)"
  2. Page 3, lines 4 through 7.  
Strike: lines 4 through 7 in their entirety.
  3. Page 4, line 6.  
Following line 5  
Insert: "BUTTE-SILVERBOW, GOVERNMENT OF  
Upper Clark Fork River Basin Coordinator 60,000"
  4. Page 4, following line 5  
Strike: "line 6 through line 7 in their entirety"
  5. Page 4, line 11  
Following line 10  
Insert: "STATE LANDS, DEPARTMENT OF  
Well Assessment and Abandonment 300,000"
  6. Page 4, lines 21 through 24.  
Strike: lines 21 through 24 in their entirety.
- Note: Amendments 6-8 are in priority order.
7. Page 4, line 26.  
Following line 26  
Insert: "YELLOWSTONE COUNTY  
Yellowstone Co. LIS/GIS Project 50,000"
  8. Page 4, line 26.  
Following line 26  
Insert: "MSU/BIOLOGY DEPARTMENT  
Trout Stream Restoration 45,500"
  9. Page 4, line 26.  
Following line 26  
Insert: "MONTANA SALINITY CONTROL ASSOCIATION  
Supplemental Funding for Soil and Water  
Nonpoint Source Pollution Control and  
Management 62,500"
  10. Page 4, line 26.  
Following line 26  
Insert: "(3) To the entities listed in [Section 2] this appropriation  
constitutes a valid obligation of these funds for purposes of  
encumbering the funds within the 1993 Biennium pursuant to MCA 17-  
7-302."

11. Page 5, line 24.  
Following line 23  
Insert: "(5) The recipient of the Water, Air, Soils Testing, and Evaluation Center Grant (WASTEC) shall consider the Pilot Plant Treatment of Contaminated Water from the Berkeley Pit Project and the Detoxification of Acid Mine Drainage from Berkeley Pit Waters Project which were submitted for consideration as Reclamation and Development Grant Projects during the Fifty-Second Legislature."

Renumber subsequent sections accordingly.

12. Page 6, line 7  
Following "conservation"  
Insert: "Grants to state entities from prior biennia are reauthorized for completion of contract work."
13. Page 6, line 12  
Following line 11  
Insert: "NEW SECTION. Section 7. It is the intent of the Fifty-Second Legislature that the current level Reclamation and Development Grant program for the 1993 Session be a minimum of \$3 million."

Renumber subsequent sections accordingly.

Amendments to House Bill No. 10  
First Reading Copy

EXH B F 4  
DATE 3-13-91  
HB 10

For the Committee on Long Range Planning

Prepared by Gail Kuntz

March 13, 1991

1. Page 4, line 5.  
Following: "and"  
Strike: "\$600,000"  
Insert: "\$550,000"
2. Page 6, line 8.  
Following: "appropriated"  
Strike: "\$126,000"  
Insert: "\$235,000"
3. Page 6, line 13.  
Following: "of"  
Strike: "identifying energy conservation measures."  
Insert: "developing a program for retrofitting local government buildings with energy conservation measures, similar to the state building energy conservation program established by 90-4-601 for state buildings. Priority must be given to developing a self-sustaining local government building energy conservation program. The program may be based upon mechanisms that include but are not limited to leveraging private and public funds, selling the energy savings to utilities, pooling groups of local government facilities into larger retrofit packages for financing or sale to utilities, and working with the department of natural resources and conservation to pool state and local government retrofit packages for sale to utilities. The department shall submit a report to the 53rd legislature that is based upon the work completed by the local government entity and that includes options and recommendations for a self-sustaining local government building conservation program and the legislation necessary to implement the program. The department shall award any money remaining after developing the program to local governments in the form of grants for small energy conservation demonstration projects."
4. Page 8, line 7.  
Following: "appropriated"  
Strike: "\$700,000"  
Insert: "\$650,000"

EXHIBIT

5

DATE

3-13-91

+B

DNRC, Long Range  
Planning

APPLICANT NAME: Lakeside County Sewer District

PROJECT/ACTIVITY NAME: Lakeside Wastewater Collection & Treatment Facility

AMOUNT REQUESTED: \$ 100,000

OTHER FUNDING SOURCES & AMOUNTS:

TOTAL PROJECT COST: \$ 100,000

PROJECT DESCRIPTION:

The Lakeside County Sewer District is on the west shore of Flathead Lake south of Somers. The district is requesting grant money to pay off part of a loan secured from a local bank which provided funds to complete a wastewater collection and treatment facility. The district indicates that the short-term loan was needed because of a shortfall in money during completion of the project. The system included both a gravity and a low-pressure conveyance system, a treatment system of aerated lagoons, followed by storage and land application of the treated wastewater. The new system replaced individual septic tank and drainfield systems that served 400 homes and commercial establishments located along the northwestern shore of Flathead Lake.

This project successfully eliminated the public health hazard, documented by well contamination reports, and controlled the nutrient pollution that was contributing to the decline of Flathead Lake water quality. This project also provided for the beneficial reuse of wastewater on agricultural and forested lands for the betterment of the surrounding area.

TECHNICAL ASSESSMENT:

An extensive facilities plan was drafted in February 1984 and amended in May 1985. It covered design alternatives, special problems, costs, financing options, local opinion, and numerous other items. The project was constructed in 1987 and 1988, and beneficial service began in 1987.

The Lakeside Wastewater Treatment Facility is in compliance with the EPA requirements and has been approved by the Water Quality Bureau of the Montana Department of Health and Environmental Sciences.

The facilities appear not only technically practical and reliable but also environmentally sound and cost effective.

FINANCIAL ASSESSMENT:

The total cost of the constructed project was \$6,177,859. The EPA funded \$4,813,477. The Lakeside County Sewer District provided the remaining \$1,364,382. Two Water Development Program public loans totaling \$1,190,000 were issued by DNRC to the district in 1987 to help meet the district's local cost-share obligation. Both loans carry an interest rate of 6.29 percent for the first 5 years of the repayment period and 8.38 percent for the last 15 years.

The 1987 equivalent user fee was approximately \$34.00 per month. Since January 1990, rates have been increased and district residents are currently

facing a \$45.00 per month user fee. The revenue generated by this monthly charge is still far less than the amount required to meet annual debt service requirements for DNRC's loan. Consequently, the district has fallen behind in its repayment of these loans. The district has taken steps to see that the county levies taxes on all property within the district to make up the deficiency. This mechanism is intended to make up deficiencies in future years as well.

The district's difficulty in repaying outstanding loans is in part due to the higher than estimated construction cost (original 1984 total cost was \$3,158,330) and the higher than anticipated ongoing administration and maintenance costs.

ENVIRONMENTAL NOTE:

This project conserves water by beneficial reuse of wastewater through irrigation of agricultural forage and forested lands. It has notably enhanced the environment by eliminating the serious public health hazard created by failed septic tank and drainfield systems and by eliminating a significant source of nutrient pollution into Flathead Lake.

RECOMMENDATIONS:

DNRC recommends no funding for this grant. Program guidelines strongly discourage the use of grant funds to repay loans for existing projects.

3-13-91  
Long Range Plan.

**MEMORANDUM FOR:** Lakeside County Sewer District, Sewer Improvement Project File

**FROM:** Mark Marty, Municipal Project Engineer

**DATE:** March 13, 1991

**SUBJECT:** Report of Telephone Conversations

I talked to three gentlemen today concerning the Lakeside County Sewer District's Sewer Improvement Project. A synopsis of the conversations follow:

1) I spoke to Mr. Al Himsl, Vice-President of First Interstate Bank in Kalispell in reference to the promissory note the District has outstanding with the bank. Mr. Himsl told me that the District was extended a \$200,000 line of credit in 1987 to be used to pay for costs associated with the construction of the sewer project. These costs were over and above the original project budget and in addition to the amount of the loans received. These funds were not utilized to pay off any existing loans.

In 1988, this line of credit was extended by \$40,000 to \$240,000. In July, 1989, the \$240,000 was converted to a promissory note.

The District made monthly interest-only payments on the promissory note until mid-1990 when it began to make payments to reduce the principle on the note.

The current promissory note has an outstanding balance of \$217,112.38 and is due on November 15, 1991. The District has been making monthly principle and interest payments and is not in arrears for any payment.

2) I spoke with Mr. Butch Forsyth, Manager of the Lakeside County Sewer District, regarding the monies still owed for acquisition of the project lands. Mr. Forsyth indicated that the land was purchased and a promissory note was signed with the land owner. The District has been making periodic payments to reduce this debt. The current balance of this note is \$34,504.54 and is payable on May 15, 1991.

3) Finally, I spoke with Mr. Monty Long from the Flathead County Assessors Office concerning the mills levied against land owners in the District. Mr. Long told me that the District has a taxable value of \$766,777. The county assesses the residents 453.731 mills per year for the District. This raises \$347,910 per year for the District.

EXHIBIT 6  
DATE 8-13-91  
HB 5 Long Range Pla  
Dept of Institutions

AMENDMENTS TO HOUSE BILL NO. 5

Introduced Copy

Prepared by the Department of Institutions

March 13, 1991

- (1) Page 11, line 1  
Insert:  
New Section Section 16 Authorization of Lease Purchase

The state of Montana, through the department of administration, is authorized to enter into a lease with a city or county for the purpose of acquiring a new women's prison facility of approximately 200 beds upon the following terms and conditions:

- a. the lease shall be for a term not to exceed 30 years;
- b. upon the expiration of the lease term the state shall have the option to purchase the facility for a nominal consideration;
- c. the aggregate capital cost of the facility to be included in the lease, including the land and site development costs; all design, construction, furnishing and equipment costs; and all costs incident to the financing of the facility by the lessor shall not exceed \$13,925,000;
- d. the obligation of the state to pay the rental payments under the lease shall be a general obligation of the state for which the state's full faith and credit and taxing powers shall be pledged; and
- e. the lease may contain such other terms and provisions, not inconsistent herewith, authorized for leases entered into pursuant to Title 90, Chapter 5, Part 1, MCA, including provisions for the construction of the facility by the lessor or a third party without compliance with the public bidding and other laws applicable to the construction of a public building;
- f. The unit of local government selected, based on site selection criteria in (g), will finance and construct the facility to the design and program criteria established by the department of institutions and the department of administration.
- g. Site Selection
  - (1.) Sites considered for the location of the facility are

limited to the eight (8) communities responding to the department of institution's Request for Proposals which were received by the department on or before January 30, 1991.

(2.) Site selection will be governed by criteria identified in the Request for Proposals issued by the department on December 14, 1990; h. Site Selection Committee. The Requests for Proposals will be evaluated by a site selection committee composed of the following persons:

(1.) two members of the Criminal Justice and Corrections Advisory Council, neither of whom may be a resident of a local government unit submitting a proposal;

(2.) one representative of the architecture and engineering division of the department of administration;

(3.) two correction professionals representing the department of institutions;

(4.) two members of the House of representatives, neither of whom may be a resident of a local government unit submitting a proposal;

(5.) two members of the Senate, neither of whom may be a resident of a local government unit submitting a proposal;

(6.) one financial advisor;

(7.) one citizen at large.

Selection of the House and Senate members of the committee will be made by the Speaker and the President respectively. The citizen-at-large will be appointed by the Governor and all remaining members will be appointed by the director of the department of institutions.

i. The site selection committee shall meet as often as necessary to consider, evaluate and make recommendations for a site for the facility. Recommendations will be made to the director of the department of institutions who will make the final determination of the host community.

(2) New Section Section 17 Appropriations

There is appropriated from the general fund \$5,000 to the department of institutions for the purpose of funding the activities of the site selection committee created by (section 16). This appropriation is effective through the fiscal year ending June 30, 1991.

6  
3-13-91  
-Shang Range Plan.

EXHIBIT 7  
 DATE 3-13-91  
 HB Dept. of Corrections  
Long Range Planning

WOMENS' CORRECTIONAL FACILITY  
 COMPARISON OF PROPOSALS

CONSTRUCTION

	no.	120 Bed amount	no.	200 Bed amount	no.	Difference amount
Core Facility (200 capacity)		\$3,535,225		\$3,535,225		\$0
Secure Housing (15 bed)	1	476,300	1	476,800		0
	1	\$4,012,025	1	\$4,012,025	0	\$0
Add Housing Units:						
Medium Security (24 bed)	1	\$568,800	2	\$1,137,600	1	\$568,800
Minimum Security (24 bed)	3	1,143,285	5	1,905,475	2	762,190
Pre Pre-Release (9 bed)	1	274,560	1	274,560	0	0
Sub Total	5	\$1,986,645	8	\$3,317,635	3	\$1,330,990
Site Development		\$1,460,030		\$1,460,030		\$0
Furniture/Equip		285,000		285,000		0
10% Contingency		774,370		907,469		133,099
Inflation		1,557,530		1,825,241		267,711
		\$4,076,930		\$4,477,740		\$400,810
Total Construction	6	\$10,075,600	9	\$11,807,400	3	\$1,731,800

OPERATIONS

FTE	91.50	108.00	16.50
Salaries	\$1,673,072	\$1,960,188	\$287,116
Benefits	384,806	450,843	66,037
Total Personal Services	\$2,057,878	\$2,411,031	\$353,153
Operating Costs			
Contracted Services	\$97,103	\$161,838	\$64,735
Supplies	234,834	391,390	156,556
Communications	42,000	70,000	28,000
Travel	10,000	16,666	6,666
Rent	4,667	7,778	3,111
Utilities	231,503	308,670	77,167
Repairs	40,850	68,083	27,233
Other	42,806	71,343	28,537
Total Operating Expense	\$703,763	\$1,095,768	\$392,005
Equipment	\$160,000	\$266,666	\$106,666
Total Program	\$2,921,641	\$3,773,465	\$851,824
Projected Debt Service	\$989,602	\$1,144,162	\$154,560
Boarder Revenue (50% vacant beds)	\$0	\$1,565,850	\$1,565,850
Net Operations	\$3,911,243	\$3,351,777	(\$559,466)

EXHIBIT 8  
DATE 3-13-91  
HB5 Institutions  
long range planning

HOUSE OF REPRESENTATIVES  
LONG-RANGE PLANNING SUBCOMMITTEE

ROLL CALL VOTE

DATE 3-13-91 AGENCY Institutions NUMBER 1

MOTION: to accept Dept. select process,  
as set forth in amendments to HB5, EXHIBIT 6

NAME	AYE	NO
REP. MARY ELLEN CONNELLY, CHAIR		✓
SEN. BOB HOCKETT, VICE-CHAIRMAN		✓
REP. BOB THOFT	✓	
SEN. ETHEL HARDING	✓	
REP. FRANCIS BARDANOUVE		✓
SEN. J.D. LYNCH		
TOTAL		

*per*