

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

#### JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

**Call to Order:** By **CHAIRMAN ERNEST BERGSAGEL**, on January 14, 1997, at 8:00 a.m., in Room 317 of the State Capitol.

#### ROLL CALL

**Members Present:**

Rep. Ernest Bergsagel, Chairman (R)  
Sen. Thomas A. "Tom" Beck, Vice-Chairman (R)  
Sen. John "J.D." Lynch (D)  
Rep. Matt McCann (D)  
Rep. Tom Zook (R)

**Members Excused:** none

**Members Absent:** none

**Staff Present:** Nan LeFebvre, Legislative Fiscal Division (LFD)  
Debbie Rostocki, Committee Secretary

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: **HOUSE BILL 11**, 1/6/97  
Executive Action: none

#### HEARING ON HOUSE BILL 11

**Ms. Nan LeFebvre**, LFD, reviewed the Treasure State Endowment Program (TSEP) fund balance projections and grant recommendations for the 1999 biennium **EXHIBIT 1** and distributed a TSEP hearing agenda. **EXHIBIT 2**

*{Tape: 1; Side: a; Approx. Time Count: 0.0-3.0}*

**Mr. Robb McCracken**, Department of Commerce (DOC) TSEP manager, gave an overview of the program. **EXHIBITS 3, 4 and 5**. Questions were asked.

*{Tape: 1; Side: a; Approx. Time Count: 3.1-19.4}*

Discussion regarding past and/or current projects took place.

**Mr. Jim Edgcomb**, DOC TSEP Program, discussed the East Glacier project. **Mr. McCracken EXHIBIT 6** and **Mr. Edgcomb EXHIBIT 7** concluded the overview; questions were asked.

*{Tape: 1; Side: a; Approx. Time Count: 19.5-Tape 1:b:9.1}*

Mr. Steve Huntington, Mountain West Management consultant with DOC, spoke about the financial analysis system. **EXHIBIT 8**  
Questions were asked.

**{Tape: 1; Side: b; Approx. Time Count: 9.2-Tape 2:a:4.8}**

Mr. Huntington and Mr. McCracken discussed the local governments' role in the ranking process and how the limitations of a community's debt capacity are taken into consideration.

**{Tape: 2; Side: a; Approx. Time Count: 4.9-13.1}**

How median household income is determined was discussed; questions were asked.

**{Tape: 2; Side: a; Approx. Time Count: 13.2-18.2}**

The status of the state's TSEP-related infrastructure needs was discussed.

**{Tape: 2; Side: a; Approx. Time Count: 18.3-21.3}**

Mr. Huntington distributed a bar chart showing where the TSEP applicants were in relation to their target rates. **EXHIBIT 9**

**{Tape: 2; Side: A; Approx. Time Count: 21.4-22.1}**

Mr. McCracken then discussed bridge project financial analysis. **EXHIBITS 10 and 11** Mr. Edgcomb reviewed the two bridge projects currently applying for TSEP funds (Richland County and Lewis and Clark County).

**{Tape: 2; Side: a; Approx. Time Count: 22.1-Tape 2:b:1.9}**

Questions were asked. It was brought out that the Richland County Project had not been recommended for funding due to a technical flaw. There was general agreement to work with the department further to develop a better ranking policy for bridge projects.

**{Tape: 2; Side: b; Approx. Time Count: 2.0-9.2}**

Mr. McCracken discussed the provisions in **SENATE BILL 88**, which would place the TSEP on an annual cycle and modify the ranking criteria. **EXHIBIT 12**

**{Tape: 2; Side: b; Approx. Time Count: 9.3-19.2}**

Questions were asked. Community support and ability to pay was discussed, as well as proposed priority No. 6, which concerned infrastructure projects in low/moderate income housing projects. **CHAIRMAN BERGSAGEL** expressed opposition to **SB 88**. The role of the Governor's Office vs. the Legislature in the review of TSEP funding recommendations was discussed, as well as the issue of timeliness. The merits of **SB 88** were argued.

**{Tape: 2; Side: b; Approx. Time Count: 19.3-Tape 3:a:15.9}**

#### TSEP Project No. 19 - City of Miles City

Mr. Edgcomb reviewed the water distribution system improvement project and recommendations.

**{Tape: 3; Side: a; Approx. Time Count: 16.0-17.2.}**

Mr. George Kurkowski, Mayor of Miles City, reviewed the history of the problems with their infrastructure. Questions were asked.  
**{Tape: 3; Side: a; Approx. Time Count: 17.3-19.9}**

CHAIRMAN BERGSAGEL stated that REP. ELLEN BERGMAN, HD 4, wished to go on record as being in support of the project.

**TSEP Project No. 10 -Town of Richey**

Mr. McCracken reviewed this water system improvement project.

REP. BETTY LOU KASTEN, HD 99, spoke in support of the project.

Mr. Jeff Hintz, Interstate Engineering, Inc., and project engineer, commented on the fluoride issue and addressed the areas in which their ranking had been low. **EXHIBIT 13**  
**{Tape: 3; Side: A; Approx. Time Count: 21.0-29.1}**

REP. BILL REHBEIN, HD 100, rose in support of the proposal.

Mr. Mark Unruh, a former businessman from Richey, spoke in support of the project.  
**{Tape: 3; Side: a; Approx. Time Count: 29.2-Tape 3:b:2.0}**

Ms. Teresa Unruh, Richey Town Clerk, spoke in support of the project.  
**{Tape: 3; Side: b; Approx. Time Count: 2.9-3.5}**

**TSEP Project No. 23 - Mineral Co./Saltese Co. Water & Sewer Dist.**

Mr. McCracken reviewed the project to create a wastewater collection and disposal system. Questions were asked.  
**{Tape: 3; Side: b; Approx. Time Count: 3.6-6.2}**

Ms. Judy Stang, Mineral County Board of County Commissioners, described the problems the county has had. Questions were asked.

Ms. Terry Mangold, Chairman of the Saltese Sewer Board, spoke  
**EXHIBIT 14**  
**{Tape: 3; Side: B; Approx. Time Count: 6.3-11.5}**

Mr. Mike Fraser, Saltese County Water and Sewer District Engineer, addressed the lack of alternatives available to the residents of Saltese. Questions were asked.  
**{Tape: 3; Side: b; Approx. Time Count: 11.6-15.8}**

Ms. Gloria Howard, owner of the Old Montana Bar, Grill and Casino, a Saltese business that had recently been destroyed by fire, spoke of their need.

{Tape: 3; Side: b; Approx. Time Count: 15.9-18.0}

Questions were asked.

SEN BARRY "SPOOK" STANG, SD 36, rose in support of the project and noted that the sewer system had worked until Interstate 90 had been built.

{Tape: 3; Side: b; Approx. Time Count: 18.1-21.2}

Dr. Richard Williams, Associate Professor at Montana State University, rose in support of the project. Questions were asked.

{Tape: 3; Side: b; Approx. Time Count: 21.3-23.5}

TSEP Project No. 4 - Town of Judith Gap

Ms. Judy Broadwater, DOC TSEP Program, described the project.

Mr. Ken Kowalczyk, Mayor of Judith Gap, spoke in support of the project. Questions were asked.

{Tape: 3; Side: b; Approx. Time Count: 23.6-27.2}

TSEP Project No. 20 - Lakeside Co. Water & Sewer District

Mr. Edgcomb reviewed the project.

Mr. Phil Lauman, General Manager of the Lakeside Water District, reviewed the history of the water system and current problems and safety concerns. EXHIBITS 15 and 16 Questions were asked.

{Tape: 3; Side: b; Approx. Time Count: 27.3-Tape 4:a:6.8}

Mr. Fraser answered several questions regarding the costs associated with the project.

{Tape: 4; Side: a; Approx. Time Count: 6.9-8.5}

Mr. Jack Palmer, Lakeside Water District Board member, pointed out that the bond issue was passed contingent upon receiving the TSEP monies. Discussion took place.

{Tape: 4; Side: a; Approx. Time Count: 8.6-10.9}

TSEP Project No. 24 - Coram Water & Sewer District

Ms. Broadwater reviewed the project and recommendations.

{Tape: 4; Side: a; Approx. Time Count: 11.0-15.1}

Mr. Mike Harbour, Coram Water & Sewer District Board member, gave a history of the district and its problems. EXHIBITS 17, 18 and 19 Questions were asked.

{Tape: 4; Side: a; Approx. Time Count: 15/2-19.4}

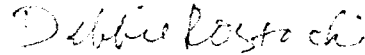
EXHIBIT 20

ADJOURNMENT

Adjournment: 11:30 a.m.



REP. ERNEST BERGSAGEL, Chairman



DEBBIE ROSTOCKI, Secretary

EB/DR

This meeting was recorded on four sixty-minute audiocassette tapes.