

OFFICE OF THE GOVERNOR
STATE OF MONTANA

EXHIBIT 1
DATE 2/15/05
HB 540

BRIAN SCHWEITZER
GOVERNOR



JOHN BOHLINGER
LT. GOVERNOR

Members of the Committee, for the record my name is John Bohlinger, and I am the Lt. Governor of the State of Montana. I am here to offer our Administration's support of HB 540.

I would also like to take this opportunity to provide the Montana Legislature with an update on a series of meetings I had last week as Co-Chair of the St. Mary's Working Group while I was in Washington, DC for the National Lt. Governors Conference.

I believe most of you have heard of the St. Mary's Canal, and what this aging irrigation project means to the Hi-Line. St. Mary's provides the water for over 140,000 acres of irrigated cropland, which, in turn, provides the hay crop for nearly all of northern Montana's cattle industry.

This project is one of the original five projects the Bureau of Reclamation completed in the West. And this project truly is the pipeline of economic activity for every town on the Hi-line, from Havre to Nashua.

We realize that Montana has a long list of capital needs, and that HB 540 does not address all of these needs. Yet the goal of this bill is simple: sustain our rural way of life and provide opportunity for our youth. We believe this can be done in a financially responsible way by authorizing a prudent amount of bonds at a time of record low interest rates.

These projects will make a better future for our children—both urban and rural.

I believe Budget Director David Ewer is attending this meeting as an informational witness to explain the \$60 million dollar cap the Governor's Office recommends for the legislation.

Susan Cottingham of the Reserved Water Rights Compact Commission is also available to provide a more detailed and eloquent explain than I ever could about the importance of the Ft. Belknap water projects.

At this time, I would like to provide the Committee with a written copy of my testimony. I thank you for time.

Commissioner Keys did offer one ray of hope: He had never seen a state come into his office with a viable plan for a cost share before—usually they just ask for the Bureau to fund the project in entirety.

The Schweitzer/Bohlinger Administration is committed to the St. Mary's Rehabilitation Project, we feel that no single investment \$10 million, will sustain such a vital portion of not only our State's economy, but our culture, as well.

If the Montana Legislature fails to deliver the 100 votes required to invest \$10 million into St Mary's, how can we look Congress in the eye and ask them to invest \$110 million?

St. Mary's represents only about 1/6 of the HB 540 total cost. HB 540 also includes several other projects: these projects are focused around improving the infrastructure of Montana's long neglected system of 2-year education.

The economy of Montana's future will require the workforce of the future—and our Colleges of Technologies can supply this workforce to Montana employers at a cost that is affordable to Montana taxpayers.

Without the canal the Milk River would run dry 7 out of 10 years. And without the canal the towns of Havre, Chinook, and Harlem would have no supply of potable water.

The importance of St. Mary's cannot be overstated—this project is about saving a way of life for struggling region—and continuing to provide the hand of opportunity to our fellow Montanans.

Last week I sat down with both of Montana's Senators, and asked for their support in implementing ^{State} Senate Joint Resolution 9. SJR 9 asks Congress to reauthorize the St. Mary Irrigation Project as a multiuse project. This will allow the replacement costs of the project to be shared by federal, state, and local governments over time.

Both Senators pledged their strong support, and will jointly bring forward reauthorization language by the end of this fiscal year. *Congressman Rehberg pledged his full support.*

I also met with the Commissioner of the Bureau of Reclamation, John Keys. Commissioner Keys is a decent man who understands the importance of St. Mary's to Montana; however, at this time he does not support reauthorizing the project. To him St. Mary's is just another project in a long list of crumbling Western water infrastructure in a time of record budget deficits.

2005 Montana Legislature

About Bill -- Links

HOUSE BILL NO. 540

INTRODUCED BY S. DICKENSON

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR CAPITAL PROJECTS FOR COLLEGES OF TECHNOLOGY AND OTHER CAPITAL PROJECTS; PROVIDING FOR MATTERS RELATING TO APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Definitions. For the purposes of [sections 1 through 6], unless otherwise stated, the following definitions apply:

(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, equipping, furnishing, or major repair projects authorized in [sections 1 through 6].

(2) "CPF" means the capital projects fund.

NEW SECTION. Section 2. Appropriation of bond proceeds. The following money is appropriated from the CPF from the proceeds for the bonds authorized by [section 3] to the designated entity for the capital projects described in this section, contingent upon the authorization of general obligation bonds by the 59th legislature and the sale of bonds by the board of examiners:

Agency/Project

MONTANA UNIVERSITIES AND COLLEGES

Montana State University

Great Falls College of Technology	\$16,500,000
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Billings College of Technology	9,500,000
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University of Montana

Helena College of Technology	7,500,000
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Montana Tech of the University of Montana

Petroleum Building	7,000,000
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DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

St. Mary Water Project -- State Support	10,000,000
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