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LOCAL GOVERNMENT INTERIM COMMITTEE

67th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
John Esp
Margaret (Margie)
MacDonald
Sue Malek

HOUSE MEMBERS

Geraldine Custer
Mary Ann Dunwell
Dave Fern
Tyson Runningwolf
Lola Sheldon-Galloway
Peggy Webb

COMMITTEE STAFF

Toni Henneman - Research
Analyst
Julie Johnson - Attorney
Bri Nordhagen - Secretary

MINUTES LOG

January 15, 2020

1:01 PM

102

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ROLL CALL

Members Present:

Sen. Margaret (Margie) MacDonald, Chair (D)
Rep. Geraldine Custer, Vice Chair (R)
Rep. Mary Ann Dunwell (D)
Sen. Jason Ellsworth (R)
Sen. John Esp (R)
Rep. Dave Fern (D)
Sen. Sue Malek (D)
Rep. Tyson Runningwolf (D)
Rep. Lola Sheldon-Galloway (R)

Members Excused:

Rep. Peggy Webb (R)

Members Absent:**Staff Present:**

Toni Henneman, Research
Analyst
Julie Johnson, Attorney
Bri Nordhagen, Secretary

(Attachment 1) (Attachment 2)
(Attachment 3)

Meeting Overview

13:03:30 Toni Henneman began the meeting overview.

13:04:40 Darla Erickson, Department of Administration (DOA) - Local Government Services overview.

13:10:23 Dan Clark, Director of MSU Extension Local Government Center presentation. **(Exhibit 1) (Exhibit 2)**

Public Comment

13:14:15 Tim Burton, Montana League of Cities and Towns (MLCT)

13:15:01 Ted Barkley, City Manager for the City of Belgrade

13:18:50 Jim Hart, Madison County Commissioner

13:20:04 Tim Ravndal, Broadwater County

Questions from the committee

13:25:11 Rep. Fern asked Mr. Clark if he can review any capacity for funding the extension services may have versus what he may need from the general budget. Rep. Fern asked to be kept informed moving forward.

13:28:13 Rep. Sheldon-Galloway asked Mr. Clark who communities answer to when it's not a city or town in question and if his agency has authority. Could the agency be moved out from the extension service to under the ruling of a department with government strength, so they could have authority.

13:34:29 Rep. Custer asked Ms. Erickson about how careful the auditors are when they audit the counties and how they do not tweak the books themselves.

13:38:11 Rep. Dunwell asked Chet McLean, DOA Audit Supervisor, about the status of administering and implementing SB 302.

13:39:09 Sen. Esp asked Mr. McLean if any counties could potentially have issues with the new bill and if the department was conducting face-to-face interactions.

13:40:12 Sen. MacDonald asked the committee if they wanted to propose legislation or some kind of endorsement on the issue.

13:40:31 Sen. Esp stated he would like to know more about how the funds were inserted into HB 2, whether funding was in a lump sum to the universities or in a line item for extension.

13:41:05 Rep. Dunwell stated it might be best to have both a policy and appropriations bill to justify the \$230,000.

13:42:16 Rep. Sheldon-Galloway asked for clarification on the total funds requested.

13:44:24 Rep. Fern supports considering a request for the next meeting and asked for more information on the extension service and it's roll in funding.

13:45:37 Rep. Dunwell stated increased services would be well warranted.

13:46:04 Sen. MacDonald stated the need to get more information for the next meeting.

13:46:55 **Entitlement Share Growth Rate, Toni Henneman (Exhibit 3)**

13:52:23 Rep. Dunwell asked for clarification on the growth rate cap.

14:02:16 Ms. Henneman continued presentation. **(Exhibit 4)**

14:02:31 Sen. Malek asked how individual taxes come back to local governments from the state.

14:10:12 Sen. MacDonald asked if the formula allows for population to be a factor.

14:13:26 Rep. Sheldon-Galloway asked how gambling revenues are allotted and why they don't go towards education and what year was that change made.

Public Comment

14:15:25 none

Questions from the committee

14:16:01 Rep. Fern asked Kelly Lynch, Montana League of Cities and Towns, whether the formula works for cities.

14:18:05 Rep. Custer asked Ms. Lynch for clarification on which fees cities and counties receive. How counties, cities and special districts are affected forever, and when the growth share is frozen or negotiated in half

14:19:35 Rep. Runningwolf asked about the impacts of the entitlement share, on reservations, how population non-members and members factor into the growth rate calculation, and if there was any other compensation for those that don't receive their full entitlement share.

14:24:23 Rep. Dunwell asked Ms. Lynch if it was time to update the growth rate to raise the cap or leave it as is, and if she supports changing the term "entitlement share".

14:26:41 **BREAK**

14:41:45 **Reconvene**

14:41:53 **SJ3 - Multi-State Regulation Comparison (Exhibit 5)**

Questions from the committee

14:57:29 Rep. Fern asked if any of the options were considered experimental.

Public Comment

15:00:23 Tom Kallenbach, Eliminite Systems; Bozeman

Questions from the committee

15:02:45 Sen. MacDonald asked Mr. Davis about the gap in monitoring and reporting on a routine basis, and if he has the discretion to require a different level of monitoring and reporting back to the department.

15:05:34 Rep. Dunwell asked if there were particular geological conditions or areas where systems are not allowed or where they would be preferred.

15:07:37 Rep. Fern asked Mr. Davis if he has dealt with situations where vertical separation is less than 48 inches and if he has used similar metrics to Arizona.

15:10:06 **SJ3- Engineer/Consultant Panel - Alternative Onsite Wastewater Treatment Systems - (Exhibit 6) (Exhibit 7)**

15:11:38 Scott Aspenlieder - Performance Engineering; Billings

15:15:38 Ashley Flammond - Water & Environment Technologies, Kalispell, Bozeman, Butte, Anaconda, Great Falls

15:18:38 Tom Kallenbach - Eliminite Systems; Bozeman

15:21:38 Amy Deitchler - Great West Engineering; Helena, Great Falls, Billings

15:23:21 Jason Rice - Territorial Landworks; Missoula

15:25:17 Steve Kilbreath - Casne & Associates; Helena

Public Comment

15:58:14 Shannon Therriault - Missoula Health Department (MEHA)

Questions and discussion from the committee

16:01:42 Rep. Dunwell asked for an update on the rules process.

16:05:53 Sen. Esp asked Mr. Davis if there was science to allow a variance of the half mile to water requirement and if that could be addressed on the rule update.

16:09:35 Rep. Fern asked for clarification from Mr. Aspenlieder and Mr. Kallenbach regarding examples of products that can be used in other states but not in Montana. Rep. Fern asked if Mr. Aspenlieder had products in mind that he had heard about that DEQ doesn't allow. Rep. Fern asked Mr. Kallenbach if there were products available but are unable to be used because of barriers established by DEQ.

16:20:10 Rep. Sheldon-Galloway asked if the regulations created by the DEQ were too high to be met in certain situations.

16:22:48 Sen. Malek asked Mr. Kilbreath if DEQ was responsible for the wastewater approval in a subdivision, and if some counties have contracts with the state, if the subdivision is 5 lots or fewer, and can do the review. Sen. Malek asked Mr. Aspenlieder for clarification on why a septic review prevented him from moving into his building for 3 months. Sen. Malek asked about the sharing of the responsibility for maintaining septic systems in each county.

16:32:01 **Work Plan Topics - Ms Henneman**

ADJOURNMENT

17:06:46