

## LEGISLATIVE AUDIT COMMITTEE

### MINUTES

June 20, 2008

*Please note: These are summary minutes. The minutes are also accompanied by an audio recording. For each action listed, the minutes indicate the approximate amount of time in hours, minutes, and seconds that has elapsed since the start of the meeting. This time may be used to locate the activity on the audio recording.*

*An electronic copy of these minutes and the audio recording may be accessed from the Legislative Audit Division homepage at [http://www.leg.mt.gov/audit/meeting\\_info.asp](http://www.leg.mt.gov/audit/meeting_info.asp).*

*To view the minutes, locate the meeting date and click on **Minutes**. To hear the audio recording, click on the date link at **Listen**. Note: You must have Real Player installed to listen to the audio recording.*

#### Members Present

Sen. Joe Balyeat  
Sen. Lynda Moss  
Rep. Bill Beck  
Rep. Bill Glaser  
Rep. Betsy Hands  
Rep. Hal Jacobson  
Rep. John Sinrud  
Rep. Bill Wilson

#### Members Absent

Sen. Steve Gallus

#### Members Excused

Sen. Greg Barkus  
Rep. Dave Lewis  
Sen. Mitch Tropila (present on conference call until 10:30 a.m.)

#### Staff Present

Scott Seacat, Legislative Auditor  
Tori Hunthausen, Chief Deputy Legislative Auditor  
Jim Gillett, Deputy Legislative Auditor  
Angie Grove, Deputy Legislative Auditor  
Monica Huyg, Legal Counsel  
Becky Buckmaster, Administrative Support Manager

00:00:42

The Legislative Audit Committee met June 20, 2008, in Room 152 of the State Capitol. Senator Joe Balyeat, Chairman, called the meeting to order at 9:00 a.m., noting the presence of a quorum.

**Minutes approval** – January 23, 2008 Minutes were approved. Motion by: Sen. Moss, **motion carried**.

**AUDIT REPORTS****00:02:00 MONTANA WATER POLLUTION CONTROL AND DRINKING WATER STATE REVOLVING FUND PROGRAMS, 08-29 (Financial Audit)**

**Report presented by:** Cindy Jorgenson, Financial-Compliance Auditor

**Present from the agency:** *Department of Natural Resources and Conservation*  
Anna Miller, Finance Bureau Chief, Conservation & Resource Development Bureau  
Patricia Schiltz, Fiscal Bureau Chief, Centralized Services Division  
Maureen Leo, State Revolving Fund Accountant, Centralized Services Bureau  
*Department of Environmental Quality*  
Dean Rude, Chief Financial Officer  
Todd Teegarden, Technical & Financial Assistance Bureau Chief

**Agency response presented by:** Anna Miller, DNRC

**Handouts:** Maps of communities with loans: Drinking Water Revolving Fund Loans (Exhibit 1), Wastewater Revolving Fund Loan (Exhibit 2), NonPoint Source Agriculture Loan-Recycled Loan Fund Wastewater State Revolving Program (Exhibit 3).

**Concerns/Discussion topics:** None

**Committee requests:** None

**Actions taken:** None

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law.  
**Motion by:** Rep. Jacobson, **motion carried.**

**Other Business:** James Gillett, Deputy Legislative Auditor, Financial-Compliance Audits was presented a 35-year award pin for service to the State of Montana; all 35 years with the Legislative Audit Division.

**00:16:00 EMERGENCY MEDICAL SERVICE (EMS), 07P-11 (Performance Audit)**

**Report presented by:** Misty Wallace, Performance Auditor

**Present from the agency:** *Department of Labor & Industry*  
Jane Smilie, Administrator, Public Health and Safety Division  
Maggie Connor, Bureau Chief, Health Care Licensing Bureau  
Jeannie Worsech, Executive Director, Board of Medical Examiners  
*Department of Public Health & Human Services*  
Todd Harwell, Bureau Chief, Chronic Disease Prevention & Health Promotion Bureau  
Jim DeTienne, Supervisor, EMS & Trauma Systems Section  
Kevin Fitzgerald, EMS System Manager  
Jane Smilie, Administrator, Public Health & Safety Division

00:39:00 **Agency response presented by:** Jim DeTienne, DPHHS; Jeanne Worsch, DLI

**Handouts:** None

**Concerns/Discussion topics:** Legislative Audit Division memorandum to Legislative Services Div. regarding EMS policy-level issues for legislative consideration; causality of fatalities (speed, alcohol, seatbelt use, or distance from EMS service).

**Committee requests:** None

**Actions taken:** None

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law. Motion by: Rep Jacobson, **motion carried.**

**Other Business (cont.):**

00:45:00 Tori Hunthausen presented the FY 2009 Operating Plan for the Legislative Audit Division approval; FY 2008 Operating Plan approved in June 2007.

**Motion:** Approve the FY 2009 Operating Plan for the Legislative Audit Division by: Sen. Moss, **motion carried.**

Ms. Hunthausen also discussed the memo from the Fiscal Division, Clayton Schenck, Legislative Fiscal Analyst requesting assistance with funds from the Legislative Audit Division and Legislative Services in order to implement the market and merit based provisions of the branch pay plan. She reported to the Legislative Audit Committee that the transfer of funds would not affect the billing rate.

**2011 Biennium Budget Preliminary Planning** – Ms. Hunthausen presented the preliminary biennium budget and stated that the 2011 budget would remain at the current level.

**Legislative Auditor Search Subcommittee (Monica Huyg)**

Minutes of the June 6, 2008 meeting of the Legislative Auditor Search Subcommittee were passed out for approval. **Motion:** Approve minutes of June 6, 2008 meeting by: Sen. Moss, **motion carried.**

**Audit Committee Legislation (Monica Huyg)** – None at this time. Summary of information on agency recommendations for legislation will be provided at the November Legislative Audit Division meeting.

00:56:00 **IMPROVING MONTANA'S OPENCUT MINE PERMITTING PROCESS, 08P-04 (PERFORMANCE AUDIT)**

**Report presented by:** Kent Wilcox, Performance Auditor

**Present from the agency:** *Department of Environmental Quality*  
Richard Opper, Director  
Tom Livers, Deputy Director  
Chris Cronin, Opencut Mining Program Supervisor  
Judy Hansen, Administrator, Permitting and Compliance Division  
Neil Harrington, Industrial, and Energy Mineral Bureau Chief

**Agency response presented by:** Richard Opper, DEQ

**Handouts:** None

**Concerns/Discussion topics:** enforcement of Resource Indemnity and Groundwater Assessment Tax (RIGWAT), and communication between DEQ and DOR enabling adequate tax collection; zoning and unzoned areas, public notification and 30-day turn-around in permitting process deadlines; permit filing; additional staffing needs; move to electronic files; growth management program at county level; \$500,000 to run regulatory program, (issuing permits, compliance and inspections, bond release); performance bonds covering reclamation; department complying with MEPA, and legislation addressing time-frame.

01:57:30 **Public Comment:**

- Cary Hegreberg, MT Contractors Assoc.
- Jeff Barber, MT Environmental Information Center
- Mike Newton, Fisher Sand & Gravel

**Committee requests:** Sen. Moss requested a follow-up from DEQ in six (6) months on progress of recommendations in report and time-lines of implementations. Chair Balyeat requested Director Opper attend the next Legislative Audit Committee meeting in November.

**Actions taken:** None

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law. Motion by: Sen. Moss, **motion carried.**

02:31:00: **PROGRAM AND POLICY ISSUES IMPACTING STATE SUPERFUND OPERATIONS, 08P-05 (PERFORMANCE AUDIT)**

**Report presented by:** Lisa Blanford, Performance Auditor

**Present from the agency:** *Department of Environmental Quality*  
Richard Opper, Director  
Tom Livers, Deputy Director  
Sandi Olsen, Remediation Division Administrator  
Mike Trombetta, Hazardous Waste Site Cleanup Bureau Chief  
Denise Martin, Site Response Section Supervisor  
Cynthia Brooks, Attorney, Remediation Division

**Agency response presented by:** Tom Livers, DEQ

**Handouts:** None

**Concerns/Discussion topics:** legislation to redirect the Orphan Share State Special Revenue Account into the Environmental Quality Protection Fund to align with the Comprehensive Environmental Cleanup and Responsibility Act

**Committee requests:** None

**Actions taken:** None

**Motion:** Report received, reviewed, filed, and copies distributed in accordance with law.  
Motion by: Rep. Hands, **motion carried.**

*Recessed for special retirement lunch for retiring Legislative Auditor, Scott Seacat*

**Other Business (cont.):**

04:42:25 Legislative Program Evaluation Society (LPES) of the National Conference of State Legislatures (NCSL) awarding an Outstanding Achievement Award to Jim Pellegrini (retired Deputy Legislative Auditor, Performance Audits) in Wisconsin in September.

LPES Excellence in Research Methodology award for the performance audit of the Conservation Easements Program, NLPES awarding Performance Audit staff in New Orleans. Rep. Jacobson was appointed to represent Legislative Audit at the NCSL conference and accept the award on behalf of the office.

04:50:00 **MONTANA SCHOOL FOR THE DEAF AND BLIND, 07P-13 (PERFORMANCE AUDIT)**

**Report presented by:** Bridget Butler, Performance Auditor

**Present from the agency:** *Montana School for the Deaf and Blind*  
Steve Gettel, Superintendent  
*Board of Public Education*  
Steve Meloy, Executive Secretary

**Agency response presented by:** Steve Gettel, MSDB  
Steve Meloy, BPE

**Handouts:** None

**Concerns/Discussion topics:** None

**Committee requests:** None

**Actions taken:** None

**Motion:** (No quorum, table motion to accept) – A quorum later was present (06:05:00, Rep. Hands rejoined the Committee meeting. **Motion:** Report received, reviewed, filed, and copies distributed in accordance with law. Motion by: Rep. Sinrud, **motion carried.**

05:11:00 **Legislative Request**

**Defined Contribution – Legislative Intent**

David Ewer, Budget Director

Legislature's intention when the pension bill of 2001 changed guaranteed benefit adjustment from 1.5 percent to 3 percent.

**REQUESTS FOR PERFORMANCE AUDITS**

05:35:00 Rep. Julie French – Upland Gamebird Program  
Rep. Sue Dickenson – Public Health & Safety Division of DPHHS  
Sen. Verdell Jackson – Water Rights Adjudication Program  
Rep. Bill Glaser – Child Protective Services Program

