

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

**Board Members Present**

Chairman John Williams, Vice-Chair Sidney Fitzpatrick, Veronica Small-Eastman, Tim Schaff, Marianne Roose, and Amber Henning.

**Montana Department of Commerce Staff Present**

Jennifer Olson, Division Administrator (phone), A.C. Rothenbuecher, Operations Manager, Anne Pichette, Administrative Officer, Amy Barnes, Legal Counsel (phone), Teri Juneau, Fiscal Manager (phone) Bonnie Martello, Paralegal, and Jodee Prevel, Administrative Assistant.

**Public Present**

Jim Atchison	Southeastern Montana Development Corporation
Kristi Gatrell	Big Horn Hospital Association
Kathie Bailey	Snowy Mountain Development Corporation
Keith Breckenridge	Hardin Volunteer Fire Department
Raymond Ragsdale	Town of Broadus
Joe Purcell	City of Hardin
Peggy Shefruit	Town of Broadus

**Welcome – Call to order**

Chairman Williams called to order the meeting of the Montana Coal Board at 8:35 a.m. He thanked Western Energy Rosebud Mine and Rosebud Power Plant for the hospitality shown to the Board during the tours the previous day. Board Member Amber Henning was able to hit the blast button releasing a charge which was very exciting.

**Roll call**

Ms. Pichette called the roll for board members. The following board members were present: Chairman Williams, Vice-Chair Sidney Fitzpatrick, Amber Henning, and Veronica Small-Eastman. On the phone via conference call were Marianne Roose and Tim Schaff.

**Opportunity for Public Comment**

- Jim Atchison – SEMDC, updated the Board on the Diversification Strategy project; professional services have been hired to assist with the project. Related to that, separate funds were secured for the Colstrip Business and Land Development Services planning document and KLJ was hired to assist with that project. Also, the 15<sup>th</sup> Annual Energy Open occurred back in August to showcase the economic benefits of responsible energy development where record numbers of golfers attended which has maximized the numbers that can be handled (handouts were provided).

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

- Julie Emmons – SEMDC, thanked the Board for the funding to purchase a used ambulance for the City of Miles City which also allowed the City of apply for a \$200,000 FEMA grant which allowed for the purchase of a new ambulance as well.
- Senator Ankney – provided an update on the nearby mining concerns and legislative discussions. Thank you for all the work you do.
- Ms. Pichette – Please remember to sign in, provide your name along with the spelling if needed, and there are handouts in the back of the room for those interested.
- Kathie Bailey – Snowy Mountain Development Corporation, provided information regarding application #0805 for Musselshell County for road improvements near Signal Peak Mine which the Board funded and allowed for a match to another grant. A Manager has now been assigned to that Federal grant project and hopefully will be moving forward at a better pace.
- Joe Purcell – Mayor for City of Hardin, gave an update on the Terry Street project in front of the High School. It was mostly completed in August with a few minor items being completed at this time. Thank you for the support on this project.
- Bill Hodges – Big Horn Hospital Association, the project for the nurses’ station remodel after a few minor issues, is close to completion. The elevator projects will have water-proofing done on the shafts and completed by October 16<sup>th</sup> with the overall project completed by the end of the year. Both are about 98% complete.
- Chad Johnson – Superintendent of Hardin Schools, introduced himself to the Board. Thank you for all the support you provide.
- Vice-Chair Fitzpatrick – Big Horn County has 3 mines within the county. It is his hope that tours can be made of those mines too. Decker Coal Mine has hired 60+ employees just last September and he is proud of the influx of economic growth in the county.

**Presentation of Transcript (June 20, 2018)**

- Chairman Williams called for discussion from the Board regarding the transcript and any comments from the public. No comments were made.

**Action by the Board:** Ms. Henning made a motion to approve the minutes. Ms. Small-Eastman seconded. Motion passed.

**Statutory Criteria Discussion**

- Chairman Williams – questions regarding the statutory criteria arose at the last meeting and as a result Amy Barnes, Legal Counsel for Coal Board provided a memo which is available to any that may have questions. The importance is to ensure that the applicant has fulfilled the criteria as outlined in the legislature. How the determination of impact of coal or power generation is made is outlined in the memo. As a board, impact and availability of funds needs to direct us in the awarding of applications.
- Amy Barnes – Legal Counsel for Coal Board, the memo addressed the second statutory criteria as outlined in the statute; severity of impact. There is no actual definition for the degree of

**Montana Coal Board  
Meeting Minutes  
September 20, 2018  
Colstrip, MT**

severity of impact within the statute but within the coal board administrative rules, at one time the board did add a small definition for severity of impact in the form of a question: “What has been the rapidity of growth or decline and subsequent development of the problem and the number of people effected?” Additionally, look to the statutes for further guidance and contributing factors. These have been provided. The sponsors of the statute did note that no actual definition of severity was made so that the Board could make that determination and be flexible.

**Budget & Financial Report**

- Ms. Olson – Community Development Division Administrator, on the phone with her is Teri Juneau, Fiscal Manager with Commerce who offered a short PowerPoint presentation on accounting, budgeting and appropriations and how these affect the Board and its ability to award.

**Direct**

Funds available for 2019 Biennia: \$6,822,204.00

**2018 State Fiscal Year (July '17 – June '18)**

- Funds appropriated for SFY 2018: \$3,403,336.00
- Coal Board funds awarded for SFY 2018: \$2,976,073.00
- Revenue available in Coal Natural Resource account: \$2,791,433.28
- Balance of available SFY 2018 appropriation: \$ 427,263.00
- Balance of available revenue less awards made: (\$ 184,630.72)

**2019 State Fiscal Year (July '18 – June '19)**

- Funds appropriated for SFY 2019: \$3,418,868.00
- Coal Board funds awarded for SFY 2019: \$ 0.00
- Revenue available in Coal Natural Resource account: \$ 918,302.50
- Balance of available SFY19 appropriation: \$3,418,868.00

<b>Bi-Total awarded:</b>	<b>\$2,276,073.00</b>
<b>Bi-Total Revenue:</b>	<b>\$3,709,735.78</b>
<b>Bi-Total appropriation available:</b>	<b>\$3,846,131.00</b>
<b>Bi-Balance of available revenue:</b>	<b>\$ 733,662.78</b>

**Total 2018 funds reverted: \$12,301.00**

**Balance of revenue with reverted funds: \$ 745,963.78**

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

Ms. Olson reviewed a chart with the complex budget and detailed the appropriations and revenue received and awarded.

- Chairman Williams – the bottom line is that we have more funds requested than what is available. There is approximately \$439,000 available and over 2 million in requested funds.

**Project Updates**

- Number of projects awarded since the beginning of the 2019 Biennia: 25
- There are currently 33 open contracts and 5 are in process.
- Ms. Pichette provided updated information from the City of Miles City regarding first, a scope of work change and second, a request to extend the contract #0831.

**Action by the Board:** Ms. Henning made a motion to grant the scope of work change. Ms. Small-Eastman seconded. Motion passed.

**Action by the Board:** Ms. Roose made a motion to extend the contract. Ms. Henning seconded. Motion passed.

- Ms. Pichette presented a letter from Lodge Grass requesting an extension to contract #0742; the extension will be until June 30, 2019.

**Action by the Board:** Ms. Small-Eastman made a motion to extend the contract. Ms. Henning seconded. Motion passed.

- Ms. Pichette presented a letter from Musselshell County requesting permission to change the contract awarded for the purchase of a new grader, to the purchase of a used grader and to refurbish an existing grader. This request is due to the increase in the cost of the originally requested equipment.

**Action by the Board:** Ms. Roose made a motion to accept the requested change. Ms. Henning seconded. Motion passed.

**Old Business**

- Chairman Williams reviewed for the Board that there were 5 tabled applications.

**Action by the Board:** Mr. Schaff made a motion to remove applications #0849 - #0853 from the table. Ms. Henning seconded. Motion passed.

**Application #0849 Town of Hysham – Wastewater System Rehabilitation – Phase 1 \$60,000**

- The applicant originally requested \$154,000 to complete Phase 1 of the wastewater system rehabilitation project. The applicant amended the request to \$60,000.
- Bob Keele– Public Works Director, once again funding is very tight and thanked the Board for previous funding for the storage tank, planning and engineering. Storing good water has been accomplished but assistance is now needed to remove the bad water.
- Jim Atchison – this small community’s needs are listed on the Regional Infrastructure Needs List.
- Senator Ankney – Hysham is within Treasure County and with Rosebud Mine increasing production, this falls within the criteria as discussed earlier.

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to fully fund this project. Mr. Schaff seconded. Motion passed.

**Application #0850 Big Horn County – Memorial Hospital Renovation & Updates** **\$500,000**

- The applicant is requesting \$500,000 for the renovation of the hospital and replacement of equipment.
- Bill Hodges – Facilities Director, Big Horn Hospital Association, provided hearing minutes regarding the Environmental Assessment for this project. A groundbreaking ceremony will take place October 3, 2018 and the Board and staff from CDD were invited to attend. \$275,000 has been pledged so far from within the hospital family towards this project and an invite will be extended to the public to donate as well. He requested to table the project until additional funds are available (handouts provided).
- Kristi Gatrell – Hospital Administrator, Big Horn Hospital Association, the hospital is the third largest employer within the county and is trying to reinvest every dollar possible for the community.
- **Questions and comments from the Board** – is it possible to reduce the amount requested when this application is reconsidered?

**Action by the Board:** Ms. Henning made a motion to table this application. Ms. Roose seconded. Motion passed. Vice-Chair Fitzpatrick recused himself from this vote.

**Application #0851 Big Horn County – Excavator Purchase** **\$165,000**

- The applicant is requesting \$165,000 to complete the purchase of an excavator
- No comments provided by the applicant.
- **Questions and comments from the Board** – could the County reconsider purchasing used equipment and thereby lower the amount requested?
- Vice-Chair Fitzpatrick – Big Horn County, would like to table this application and will address the amount requested when the application is reconsidered.

**Action by the Board:** Ms. Henning made a motion to table this application. Ms. Roose seconded. Motion passed. Vice-Chair Fitzpatrick recused himself from this vote.

**Application #0852 City of Hardin – Fire Station Pumper** **\$162,500**

- The applicant is requesting \$162,500 to complete the purchase of a fire pumper.
- Joe Connally – Chief of Volunteer Fire Department, the pumper will replace current equipment and will help with mutual aid responses and assist in wild land firefighting with greater water storage capacity, and better equipment preparation and safety for firefighters.
- Joe Purcell – Mayor, City of Hardin, this equipment purchase will keep us more efficient.
- **Questions and comments from the Board** – what will the City do if no funding is received? How much money does the City have set aside? Can the requested amount be reduced? What is the City's debt?

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

- Joe Connally – currently half of the purchase cost is set aside with an option of an additional \$38,000 if needed.
- Joe Purcell – the requested amount can be reduced by \$33,000 if necessary. The City’s debt is currently \$22 million and we are maxed out in loans with one loan being paid off in November, but the City intends to work towards replacing sewer lines and will most likely take on additional loans for that.

**Action by the Board:** Ms. Henning made a motion to fund this project at \$132,500. Mr. Schaff seconded.

- **Questions and comments from the Board** – since the Pumper would take time to be built, could the City do with a lesser amount?
- Joe Purcell – the City appreciates anything the Board can do at this time.

**Action by the Board:** Chairman Williams made a substitute motion to fund this application for \$100,000. Ms. Henning seconded. Motion passed.

**Application #0853 City of Lewistown – Creekside Central Station Restroom Facility & Kiosk \$226,000**

- The applicant is requesting \$226,000 to complete the construction of a year-round public restroom facility.
- Karen Sweeney – Snowy Mountain Development Corporation, the abandoned railroad trail area is part of a much larger development. This has a large economic impact on the City as it is located close to the downtown area and would be the first public restroom facility during festivals and such events. Also, a grant was received to assist with this project, so the City would like to reduce the requested amount to \$88,000 and would be open to receiving a contingent award based on availability of funding as the project is not set to begin until the Spring of 2019.
- **Questions and comments from the Board** – are there additional grants that may yet be received? Cannot support this request as City of Lewistown does not fit the criteria of either coal or power impact.
- Karen Sweeney – a Department of Commerce Tourism grant may yet be awarded but that would be for the finishing items such as benches and landscaping.
- Kathie Bailey - according to statute 96-207 Priorities for Impact Grants Section C, this project does meet that statute; then within the Board’s Administrative Rules there are 5 guidelines for awarding of applications and this project meets all 5 of those. As there are no ranking within those 5 criteria, this project does hit on all of them; some more than others. Respectively disagreed that this project falls short.

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to fund this project at \$88,000. Ms. Roose seconded. Motion failed.

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to table this application. Ms. Roose seconded. Motion passed.

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

**New Business**

**Application #0854 Northern Cheyenne Tribe – Transportation Sand/Salt Storage Facility      \$154,621**

- The applicant is requesting \$154,621 to complete the the construction of a sand/salt storage facility for the transportation department.
- Becky Bey – KLJ Engineering, addressed two issues from the staff report; the Environmental Review was not completed as the Tribal Council has not met for 3 months until just one week ago. but this issue was not on the agenda for that meeting but is on the agenda for the next. The Council is happy to provide the Waiver of Sovereign Immunity if award is granted contingent upon that waiver.
- A.C. Rothenbuecher – Department of Commerce, according to statute, the Board cannot award until the waiver has been provided.

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to table the application to the December meeting so that the Tribe can provide all needed documents. Ms. Roose seconded. Motion passed.

**Application #0855 Town of Broadus – Wastewater Project      \$400,000**

- The applicant is requesting \$400,000 to complete wastewater improvements to two lagoons and the lift station.
- Lowell Capshaw – Interstate Engineering, described the state of the current facilities with the use of pictures and the manual labor necessary to provide maintenance. Per the staff report, the Town Council was able to discuss the Environmental Review and that this project has been on the long-range planning needs for quite some time thus the reason for no CIP (handouts provided).
- Raymond Ragsdale – Town of Broadus, Public Works Director, over the past 5 years there have been numerous violations on this system so these repairs and updates are needed to remain to code with DEQ. The town is seeking to make these repairs before total replacement is needed. Anything the Board can provide will be gratefully accepted including a contingent award.
- Jim Atchison – SEMDC, this project has been on the Regional Infrastructure Needs List for many years and with the aging population, raising the rates is a difficult situation.
- Julie Emmons – SEMDC, as a resident of Powder River County, Broadus has been impacted by both Wyoming and Montana coal layoffs.
- **Questions and comments from the Board** – cannot support this project as the impact from coal or power has not been identified. Would like the Town to bring additional documents to support the impact and criteria and potentially reduce the request. This is a very important project.

**Action by the Board:** Ms. Small-Eastman made a motion to table the application. Vice-Chair Fitzpatrick seconded. Motion passed.

**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

**Application #0856 Musselshell County – Roundup Memorial Healthcare Equipment                      \$295,000**

- The applicant is requesting \$295,000 to complete the purchase and upgrade of hospital equipment.
- Teresa Doumitt – Development Specialist, Roundup Healthcare, the call system has failed completely; the beds are 21 years old and no longer repairable and replacements are being rented until they can be replaced permanently. These issues affect the entire community. Signal Peak Mine now has over 300 employees and we are the closest facility to the Mine. Matches and grant funding have been received with another still awaiting notification. These two needs are the highest listed on the Facility Needs Assessment report. If the Board would consider partial funding, \$100,000 would replace the call system and the rest could be awarded contingent on available funds. She extended an invitation to tour the facility.
- Senator Ankney – District 20, re-capped a visit made to the hospital over the summer and how the Coal Board has been so impactful to this facility through the years. Smaller facilities like these face greater and greater challenges to remain open.
- Kathie Bailey – SMDC, the progress made for this facility with the Board’s help has been so instrumental in keeping this key facility alive and thriving.
- Dean Angel – Hospital Manager, Roundup Healthcare, as a previous miner and with understanding what an injured miner and their family face, keeping the injured closer to home is better for recuperation.
- **Questions and comments from the Board** – as a community you have participated in this process; there is impact, you have a need, you are maxed out in debt.

**Action by the Board:** Ms. Small-Eastman made a motion to fund the project at \$100,000. Vice-Chair Fitzpatrick seconded.

**Action by the Board:** Ms. Roose made a substitute motion to fully fund this project. Mr. Schaff seconded. Motion failed.

**Action by the Board:** Ms. Henning made a motion to fund the Call System at \$100,000. Vice-Chair Fitzpatrick seconded.

**Opportunity for Public Comment**

- Senator Ankney – has always advocated for greater funding to the Board. Contingent awarding should not occur. Also, any project award that has not started by the end of the biennium should be terminated since this causes so much available funding confusion and ties up critically needed money. This Board is a wonderful entity and thank you for your dedication.
- Kathie Bailey – with the Legislature just around the corner we all must be one voice and a strong voice for coal country as the needs are so great. The 2020 Census is coming and is critical for funding so all need to be counted.
- Joe Purcell – thank you for decisions made.



**Montana Coal Board**  
**Meeting Minutes**  
**September 20, 2018**  
Colstrip, MT

**Board Matters**

- Dates and locations for the next two meetings were confirmed. December 20, 2018 quarterly meeting will be held in Billings; March 21, 2019 quarterly meeting will be held in Helena due to the Legislature. Logistics will be provided by staff when confirmed.

**Adjournment**

With no other business, the meeting was adjourned by Chairman Williams at 12:15pm. The next meeting is scheduled for December 20, 2018 in Billings, Montana, location to be announced.