

**Montana Coal Board**  
**Meeting Minutes**  
**December 12, 2019**  
Helena, MT

**Board Members Present**

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

**Montana Department of Commerce Staff Present**

A.C. Rothenbuecher, Operations Manager; Rachel Young, Administrative Officer; Anita Proul, Executive Assistant; Sue Leferink, Web/Application Coordinator.

**Public Present**

Joe Purcell	Mayor, City of Hardin
Dinny Bennett	Superintendent Forsyth Schools
Nicole Borner	Musselshell County
Ruth Baue	Treasure County
Theresa Doumitt	Roundup Memorial Healthcare
Holly Wolff	Roundup Memorial Healthcare
Matt Redden	Big Horn County Road Superintendent
George Real Bird III	Big Horn County Commissioner
Julie Emmons	SEMDC
Jim Atchison	SEMDC
Ed Joiner	Rosebud County Commissioner
Shawn L. Lesnik	Musselshell County Sheriff
Doris Limberhand	Northern Cheyenne Utilities Commission
Robert Weasel Bear	Northern Cheyenne Utilities Commission
Stacey Yates	IBEW 1638
Robert E. Lee	Rosebud County Commissioner
Minnie Price	CEO, Rosebud Healthcare Center
Jennifer Anderson	Forsyth School Board Member and President Booster Club
Diane Lehm	BSED
Becky Bey	KLJ Engineering
Ken Holmlund	MT State Legislature HD 38
Greg Steckler	Stahly Engineering
Bill Hodges	Big Horn Hospital Association
Steve Simonson	Economic Development Director, Beartooth RC&D
Bill Bullock	Carbon County Commissioner
Chaun Scott	Fair Manager, Rosebud County

**Welcome – Call to order**

Chairman Williams called to order the meeting of the Montana Coal Board at 8:34 a.m.

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**Roll call**

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

**Opportunity for Public Comment**

- Nicole Borner – Thank you
- Bill Hodges, Big Horn County Hospital Association – Thank you and provided a construction update as well as invited the Board to Big Horn County Hospital for March meeting.
- Jim Atchison, SEMDC – Thank you and provided Colstrip update.
- Diane Lehm, BSED – Spoke on behalf of the Fuego VFD. Read a letter from Fuego thanking the board and giving a construction update,

**Approval of Minutes (June 20, 2019 and September 12, 2019)**

- Chairman Williams called for a motion to approve minutes.

**Action by the Board:** Ms. Henning made a motion to approve both June 20, 2019 and September 12, 2019 meeting minutes. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Both minutes were approved.

**Budget Status Update**

- Ms. Rothenbuecher, Operations Manager, discussed the Budget Update and Revenue History reports.

**2021 Biennium**

- |  |                |
|--|----------------|
| • Legislative Appropriation (HB 2 and HB 292): | \$6,961,000.00 |
| • FY 2020 (7/1/19-6/30/20) Appropriation:      | \$3,479,000.00 |
| • FY 2020 Revenue Available to Date:           | \$ 683,500.38  |
| • FY 2020 Awards Made to Date:                 | \$1,326,522.00 |
| • FY 2020 Revenue Available to Award:          | (\$643,021.62) |
|  |                |
| • FY 2021 (7/1/20-6/30/21) Appropriation:      | \$3,482,000.00 |
| • FY 2021 Revenue Available to Date:           | \$0.00         |
| • FY 2021 Awards Made to Date:                 | \$0.00         |
| • Funds Reverted:                              | \$0.00         |
| • FY 2021 Revenue Available to Award:          | (\$643,021.62) |
| • 2021 Biennium Awarded:                       | \$1,326,522.00 |

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- 2021 Biennium Appropriation Remaining to Award: \$5,634,478.00
  
- Revenue Available: (\$643,021.62)
- Revenue Available with Reverted Funds (to award this meeting): (\$643,021.62)
  
- Tribal 7% limitations are being tracked and so far this fiscal year, the Board has made no awards to State or Tribal projects. Currently the available balance for such is \$243,530.00. Also, Designated vs. Non-Designated funds are being tracked. Statute identifies funds can be spent anywhere but 51% must be in designated impact areas and any other projects must meet statute criteria.
- Chairman Williams – suggested to the Board, that keeping in mind the remaining appropriation of \$2,152,478, that applications are either awarded contingent or denied, and not tabled, to not leave the applicants hanging.

**Project Updates**

- There are currently 43 open contracts
- 2021 Biennium – seven awarded and prioritized; of those seven, four (0884, 0883, 0882, 0880) are currently routing contracts as sufficient revenue is available.
- Ms. Rothenbuecher provided updated information from numerous awardees regarding completions, extension requests, draws, and contract routing. See the following extension/budget requests:
  - Applicant #0790 – Town of Broadview Fire Department requesting contract extension

**Action by the Board:** Mr. Schaff made a motion to extend the contract to June 2020. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

- Applicant #0849 – Town of Hysham requesting \$125,077 in additional funds for current project awarded 2018.
- Discussion from board – funds coming from a new fiscal year, new appropriation, in addition, asking for a significant amount. In fairness to the other applicants asking for money during this fiscal year, it should be part of a new application.
- Becky Bey, Grant Administrator/KLJ Engineering – explained that a lengthy discussion was had with staff whether this should be a new application or a letter asking for a budget increase, went ahead with a letter. If it is the recommendation of the board that a new application be submitted, we can certainly do that for the next meeting. Scope of work has not changed. Explained the details of the letter/documents provided to the Board.

**Action by the Board:** Ms. Henning made a motion to require the Town of Hysham to submit a new application for the additional funds. Ms. Small-Eastman seconded. Discussion from the Board and comments from the public – no additional discussion or comments. Ms. Rothenbuecher called for a

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vote: all yes. Motion passed to deny request for extension and require new application for additional amount.

- Applicant #0830 – Northern Cheyenne Utilities Commission, budget modification request.
- Ms. Rothenbuecher explained that the applicant has completed all the purchases allowed under the original contract and that there is a remaining balance and they are asking to modify the budget to be allowed to purchase additional supplies, not a budget increase. Applicant has supplied a letter and an itemized list of supplies.
- Doris Limberhand, Northern Cheyenne Utilities Commission – Awarded \$170,419 for the purchase of major equipment. Through wise spending and competitive bidding, all major equipment purchased with \$7,998 reserve balance remaining. Submitted a revised budget to purchase additional smaller items. We extend our deepest appreciation to the Montana Coal Board for the many years of support.

**Action by the Board:** Ms. Roose made a motion to approve request to modify the budget. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

#### **Board Internal Procedures**

Ms. Rothenbuecher reviewed/explained the documents provided in the Board binders and the options available to the Board. Chairman Williams asked Ms. Rothenbuecher for her recommendation how to proceed. Ms. Rothenbuecher recommended for the Board to proceed as indicated in the agenda.

- **Amend Board Internal Procedures** – Election of Officers

**Action by the Board:** Ms. Henning made a motion to adopt the Internal Management Procedures as amended. Ms. Small-Eastman seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

- **Public Participation Procedure**

- Ms. Henning recommended that the board adopt the Department of Commerce rules for citizen participation.

**Action by the Board:** Ms. Henning made a motion to adopt the Department of Commerce Rules for Citizen Participation. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

- Staff will provide a clean version of the Board Internal Procedures, under the Old Business tab, at the next meeting.

#### **Board Officer Elections**

- Chairman Williams reminded the board that, per the Internal Procedures, a chair and vice-chair need to be nominated for the board.
- Chairman Williams called for nominations for Chair: Ms. Roose nominated Sidney Fitzpatrick for Chair and Mr. Schaff nominated John Williams to continue as Chair. Chairman Williams asked for

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any other nominations, three times, none were given. Chairman Williams gave direction that a roll call vote would be called.

**Action by the Board:** Ms. Rothenbuecher called for a vote on Chair nominations stating the name of the preferred board member. John Williams voted as Chair from the vote tallies.

Vice-Chair Fitzpatrick = Sidney Fitzpatrick

Ms. Henning = John Williams

Ms. Roose = Sidney Fitzpatrick

Mr. Schaff = John Williams

Ms. Small-Eastman = John Williams

Mr. Smith = John Williams

Chairman Williams = John Williams

**Action by the Board:** Chairman Williams called for nominations for Vice-Chair. Mr. Schaff nominated Sidney Fitzpatrick. Chairman Williams asked for any other nominations, three times, none were given. Sidney Fitzpatrick declared Vice-Chair.

Chairman Williams spoke briefly about the impacts of the closure of the two power units in Colstrip and the mine that will be impacted as a result of the closure. Also reminding everyone to continue to support those that support coal country. Chairman Williams invited Representative Ken Holmlund to speak.

**Public Comment**

- Representative Ken Holmlund, MT State Legislature HD 38 –The largest taxpayer to the State of Montana is Colstrip Power Plant and the affect this is going to have not just in the coal country, but the whole state, can't be overstated. We really are going to have some struggles and if we think that there were some serious problems when we had to make cuts after '17, when three and four go down, it's going to be a really difficult time. This power plant has been the single biggest factor in our being able to have funds for the State of Montana. If anybody has any ideas about how we can keep three and four at least open, I think the legislature would be wide open to that because it's critical to our being able to function.

Vice-Chair Fitzpatrick spoke briefly about Big Horn County and Big Horn County's dependence on coal mining and the devastating impacts on Big Horn County and its residents should mines shut down or mining be scaled back.

**New Business**

**Application #0887 Musselshell County – Replace equipment and infrastructure at RMH      \$85,500**

- The applicant is requesting \$85,500 to replace antiquated equipment and repair infrastructure deficiencies at RMH.
- Holly Wolff, CEO RMH – Discussed/explained the application and all the exhibits supporting the application, their order of importance, and how the Coal Board grant funds would support the

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project. Roundup Memorial Healthcare's support of Musselshell County residents and employees of the coal industry (Signal Peak Energy) regardless of their ability to pay. A financial assistance program based on a sliding scale is also provided ensuring all individuals get care regardless of their ability to pay.

- **Questions and comments from the Board** – you've indicated on your application that you applied for the DLA grant, is there any other competition from the county for that? Does the school also have a request in on the DLA?
- Holly Wolff – No. The county commissioners have supported our application and we're the only application for that portion.
- Theresa Doumitt, Grant Writer RMH – they do. We actually had a community meeting and all of the people that were eligible for the funds discussed it and we prioritized projects and the school submitted a request for a project for \$750,000 and the county supported our request for the emergency services project for the DLA grant for the other \$750,000 so there's no competition.

**Action by the Board:** Ms. Henning made a motion to fund at full amount dependent on revenue. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Henning made a motion to prioritize applicant #0887 #6 for funding. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0888 Musselshell County – PAR for Sheriff's Office** **\$45,000**

- The applicant is requesting \$45,000 to prepare a preliminary architectural report (PAR) to design a combination evidence-impound Coroner's Building for the Musselshell County Sheriff's Office. Environmental is incomplete, missing minutes.
- Shawn Lesnik, Sheriff, Musselshell County – Currently, the Sheriff's office is using a building built in the 1970's and it was not designed for what we are using it for, it was designed as an ambulance facility. Sheriff's Department took it over when the ambulance services built a new building. Building currently being refitted to fulfill the expanding needs of the dispatch center, no longer going to have the ability to use this facility. In conjunction to this, we also have an aging mortician and he has been gracious enough over the years to remove deceased from locations and allows us to use his facilities, as coroners, to do what we need to do. In speaking with him, he is unsure, we have a year, maybe three. Need the ability to secure vehicles that have been seized. We're preparing for future needs of Musselshell County.
- Nicole Borner, Musselshell County Commissioner – apologized for missing the minutes with the application and asked if she could provide them to the board to waive the 10-day rule.

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to accept the minutes and waive the 10-day rule. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

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**Action by the Board:** Vice-Chair Fitzpatrick made a motion to fully fund this project contingent on revenue. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Small-Eastman made a motion to prioritize applicant #0888 #4 for funding. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0889 City of Hardin – Upgrade Wastewater Collection System** **\$500,000**

- The applicant is requesting \$500,000 to upgrade components of the wastewater collection systems and treatment plan in order to meet EPA and DEQ standards.
- Joe Purcell, Mayor City of Hardin – have done a lot of grant and fund raising and are close to the million-dollar mark. Looking at a phased-out project.
- **Questions and comments from the Board** – the application states the project will be done in phases, is there a phase able to be completed? Concerned that the \$500,000 would sit waiting for something to be completed before it could be used. The application indicated you applied for DLA, is there any other requests from Hardin? So, you're in competition with the county? Concern with a big project like this and not having it broken down in phases that can be completed.
- Greg Steckler, Stahly Engineering – Yes, from the county. We have decided to phase the project in our latest application to Rural Development for a larger amount of funding. We placed the project into three phases. First phase is to take care of some deteriorating sewer mains – smallest estimated number phase as far as funding, approximately \$930,000. Second phase that is the most critical upgrades to the treatment system, approximately \$3,650,000. Third phase is what's left to take care of and would be evaluated after the first two are complete. The third phase could be significantly reduced depending on the evaluation results but can't guarantee. What this leads into is that if the Coal Board chooses to fund this project it could be placed in that first phase and take care of a large component of that first phase along with the \$125,000 in RRGL funding and the TSEP funding that would be available that's contingent upon us meeting startup conditions. We have to show that our funding package is complete, that we have funding for the entire project before TSEP will allow us to use/release those funds. It was off HB 652; we're in mind, we've been kind of pre-approved, but if we don't meet those start up conditions before the money runs out, we won't get that \$625,000. I guess I Implore the Board to consider possibly funding either for phase one or phase two of the project contingent upon funding availability which would help getting the \$625,000 in TSEP funding released so then we could move forward with the first phase of the project.
- **Questions and comments from the Board** – I appreciate the description, but this application is not specific. It's disjointed. The board wants to help but you need to be more specific as to how those funds are actually going to be utilized specific to the phases.

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- Greg Steckler – completely understandable and we can address that, maybe with a new or revised application and resubmit. We can define the portion of the project it would be dedicated to.
- Bill Hodges, Big Horn Hospital Assoc. Foundation Director – we fully support this application.

**Action by the Board:** Ms. Small-Eastman made a motion to fully fund this project contingent on revenue. Ms. Henning seconded. Discussion from the Board – Chairman Williams would like to see a more specified, detailed amount as to the utilization for the \$500,000. It appears to be lose-ended in the manner that it was presented, and I think it would make it very difficult, because of the detail that was not supplied, to identify what portions of that would be utilized and reimbursed. I feel it needs more work. My suggestion to the board on this, it's a good application as far as need goes, but I would like to see it broken out and be more specific as to how those funds would be utilized. My recommendation for the Board is to consider tabling this item until that is done.

**Action by the Board:** Chairman Williams made a motion to amend the current motion to table this project with the request of the Mayor and the City of Hardin to bring back a more detailed explanation as to how this project will be constructed. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: Vice-Chair Fitzpatrick recused himself, Ms. Small-Eastman voted no, remaining members yes. Motion to amend passed.

**Action by the Board:** Chairman Williams, vote on the motion as amended. Ms. Rothenbuecher called for a vote: Vice-Chair Fitzpatrick abstained, remaining members yes. Motion to table passed.

**Application #0890 Carbon County – PER to stabilize Bridger Senior Center** **\$57,500**

- The applicant is requesting \$57,500 to prepare a preliminary engineering report (PER) and replace the foundation for the Bridger Senior Center.
  - Applicant provided an incomplete environmental checklist; the application did not include documentation of the public review process.
- Steve Simonson, Beartooth RC&D – reviewed/discussed a power point presentation. At the time of the application, the Bridger Senior Center had started a community fund pledging what they had in their coffers which was \$190; they have now surpassed \$2,000 trying to engage the community for more support for their project. Wanted to address one of the missing elements in the application; there was a joint public hearing and notice put in the Carbon County news, it contained both a CDBG and a Coal Board public hearing presentation. We're hoping based on some of the past history of coal mining in Carbon County, we might garner your support today for our application.
- Bill Bullock, Carbon County Commissioner – read a letter from the Carbon County Board of Commissioners in support of the grant application and provided copies for the Board.
- **Questions and comments from the Board** – do you have any documentation for the public meeting you stated you had? Chairman Williams, with the statutory criteria of awards and the impact of coal, I can't support the project. I support your project, but I can't support it from the



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board; it does not fit the statutory criteria. Vice-Chairman Fitzpatrick, Fergus County, Lewistown, did the same thing in their park, except a higher amount, the precedent has been made through Fergus County, therefore I accept Carbon County's small amount as the board moves forward.

- Steve Simonson – I don't have that with me but would be happy to provide that; public notice that was in the paper.
- Ms. Rothenbuecher – in addition to the public notice, we would need the minutes documenting that a determination was made. And as a reminder, the Board does have options to make decisions at this meeting and that's noticed to the public and that's another option as well – in terms of a categorical exclusion.

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to fully fund this project contingent on revenue. Mr. Smith seconded. Discussion from the Board – Chairman Williams, it's a good project for Bridger but I do not feel it fits within the statutory requirement. Ms. Henning, based on environmental as it stands, not being completed, I can't support the project at this time. Vice-Chair Fitzpatrick asked Steve Simonson if he had the documents for the environmental review. Comments from the public – Steve Simonson, yes, we do. This is my first time through, and I was unaware that the 10-day rule could be waived so we did not provide those documents, but we do have those available. Ms. Rothenbuecher called for a vote: Yes = Vice-Chair Fitzpatrick, Ms. Roose, Ms. Small Eastman, and Mr. Smith; No = Ms. Henning, Mr. Schaff, and Chairman Williams. Majority vote, motion passed.

**Action by the Board:** Mr. Schaff made a motion to grant a categorical exclusion. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Mr. Smith made a motion to prioritize applicant #0890 #8 for funding. Ms. Small-Eastman seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0891 City of Colstrip – Broadband Feasibility Study** **\$27,000**

- The applicant is requesting \$27,000 to develop a broadband feasibility study.
  - The applicant provided no documentation related to the environmental review process.
- Julie Emmons, SEMDC – Handed out copies of environmental documentation – affidavit of publication, minutes documenting comments, also a resolution from city council of Colstrip. Shared information, on a handout, about the benefits of next century broadband.
- Jim Atchison, SEMDC – A lot of ups/downs with coal/mines issues; excitement and uncertainty in community/region. Surveyed 8 major employers in Colstrip area – mine, six power plant owners, and north power plant owner - 721 employees approximately month ago, 417 reside in Colstrip. The county, Custer County, and SEMDC four counties continues to lose population; Rosebud county lost close to 150 people last year and continues to erode. In community of Colstrip there is not a downtown business area, have a large percentage of home-based business that rely on internet connectivity or the lack of. Over the years, had questionable service providers and higher rates and trying to consolidate that now to make it simpler and

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more effective for home-based businesses. Colorado and Utah have gone through some sizeable coal downsizing in the last few years and we're kind of following them with what they're doing with their rural telephone co-ops and we've engaged Range Telephone Co-operative which is outside of Colstrip and they support this project and will hopefully be doing more business with them in the future.

- Ed Joiner, Rosebud County Commissioner – On behalf of Rosebud County Commissioners, we support the project and the importance of broadband in developing businesses and attracting businesses to the area.

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

Discussion from the Board and comments from the public – no discussion or comments. Ms.

Rothenbuecher called for a vote: Chairman Williams abstained, remaining members yes. Motion passed.

**Action by the Board:** Ms. Henning made a motion to accept the documents provided and waive the 10-day rule. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: Chairman Williams abstained, remaining members yes. Motion passed.

**Action by the Board:** Ms. Henning made a motion to prioritize applicant #0891 #9 for funding. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: Chairman Williams abstained, remaining members yes. Motion Passed.

**Application #0892 Rosebud County – Upgrade arena lighting at Rosebud County Fairgrounds \$100,000**

- The applicant is requesting \$100,000 to upgrade the arena lights at the Rosebud County Fairgrounds.
  - The applicant did not provide documentation for the environmental review process.
- Julie Emmons, SEMDC – Provided copies of the documentation for the environmental review process; minutes from the public meeting, a resolution that the county commissioners executed, and an affidavit of publication.
- Chaun Scott, Fair Manager, Rosebud County – Highlighted the various uses of the arena by multiple groups and counties. Upgraded lighting increases the safety of people and livestock, enables long-running events to continue, and allows for expanded events. These events will potentially bring exhibitors and spectators from Canada, North/South Dakota, Wyoming, Idaho, and Washington giving local economy a much-needed boost. These events along with tourist-based events will help to diversify the economy in Rosebud County, with the reduction in coal activity, bringing more money into the county in other forms and is essential to maintaining a viable community. Current lighting system failing which causes serious safety and liability issues.
- Jim Atchison, SEMDC – County continues to lose population. Jointly used facility, Rosebud/Treasure County Fair happens every summer; shows collaboration with Treasure County. Of the 721 employed in coal, 599 call Rosebud and Treasure county home. Multiple planning documents show need for facility.

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- Robert Lee, Rosebud County Commissioner – Ask for your support. Over the last five or six years, Rosebud County has invested nearly half a million dollars in our fairgrounds; taking that out of the federal mineral royalty money collected from coal.

**Action by the Board:** Ms. Henning made a motion to accept the documents provided and waive the 10-day rule. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Henning made a motion to award full amount contingent on revenue. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Small-Eastman made a motion to prioritize applicant #0892 #7 for funding. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0893 Rosebud County – Upgrade Rosebud Healthcare Center Equipment                      \$215,000**

- The applicant is requesting \$215,000 to purchase equipment for the Rosebud Healthcare Center.
  - The environmental review record in this application is incomplete.
- Robert Lee, Rosebud County Commissioner – Thank you for previous \$10,000 grant to replace nursing home beds. Handed out minutes and agenda for environmental. The facility, the hospital and nursing home, is owned by Rosebud County and leased to Rosebud Healthcare for \$1. Rosebud County responsible for taking care of building maintenance. Rosebud Healthcare Center is a private 501C3 so county cannot legally give them money for operating and this equipment would be part of their operating. Rural hospitals struggling financially, having a tough time collecting receivables, close to \$1,000,000 in receivables. This is the only hospital and nursing home in Rosebud County; compete against Miles City and Billings. Thank you again for the generous support of many previous projects.
- Minnie Price, CEO Rosebud Healthcare Center – Been CEO approximately one year and the facility has struggled for years, isn't anything new, but can assure you that we are looking at processes to try to improve how we collect and hopefully become more financially stable.
- **Questions and comments from the Board** – Created the district for funding. Noticed an issue where you reduced the mills, is there a way that you can recover that? I think the levy was voted overwhelmingly in favor of which shows great community support.
- Robert Lee – Three years ago we went to the voters and asked them to vote for \$450,000 in taxes, county wide, for the intergovernmental transfers. We take those funds and send them to the Department of Public Health, and they match that with funds they receive from Feds, I believe, and that comes back to the facility. In that request to the taxpayers, we said that money would only be used for the intergovernmental transfers; that was in the ballot that they voted on, so no we cannot. This past year, all we were able to get is \$177,000. Our goal is to keep that

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fund at \$450,000, so we just replaced the \$177,000 and that's why you saw the reduction in mills for the nursing home mill levy.

**Action by the Board:** Ms. Henning made a motion to accept the documents provided and waive the 10-day rule. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Henning made a motion to award full amount contingent on funding. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Small-Eastman made a motion to prioritize applicant #0893 #5 for funding. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0894 Forsyth Public Schools – Bleacher Replacement** **\$264,160**

- The applicant is requesting \$264,160 to replace the bleachers in the Forsyth Junior High School and High Schools.
  - The environmental review record in this application is incomplete.
- Julie Emmons, SEMDC – Handed out documentation for environmental.
- Dinny Bennett, Superintendent Forsyth Public Schools – Bleachers are not in ADA compliance due to their age. Forsyth public schools has little revenue in building and building reserve funds. We have been faced with replacing boilers, a middle school roof, retrofits with LED lighting, entrance doors throughout the district, and other projects which we have done without going to the community to pass a bond. Buildings and structures are old and though our maintenance and upkeep has been outstanding, they are wearing out. Even though our mills have decreased our tax revenue has increased as taxable value is increasing. Forsyth schools has been very conscientious of the financial pressures in community – layoffs and transfers and increasing millage rates by county. Forsyth schools has not asked for or received a Coal Grant since 2009. As facilities continue to age it may be necessary in the future to levy bonds to afford larger repair or replacement items.
- Jim Atchison, SEMDC – Provided updates/information on impacts and planning.
- Jennifer Anderson, Forsyth School Board Member and President Booster Club – Spoke in support of this project and highlighted a letter previously submitted to the board.
- **Questions and comments from the Board** – Chairman Williams discussed the Board's previous/continual support of grants for schools and education.
- Ed Joiner, Rosebud County Commissioner – Great project with community impact.

**Action by the Board:** Mr. Schaff made a motion to waive the 10-day rule. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

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**Action by the Board:** Mr. Smith made a motion to award full amount contingent on funding. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Mr. Smith made a motion to prioritize applicant #0894 #1 for funding. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0895 Treasure County – Purchase seven computers for the county** **\$11,000**

- The applicant is requesting \$11,000 to purchase seven new computers.
  - The environmental review record in this application is incomplete.
- Julie Emmons, SEMDC – Handed out documentation for environmental.
- Ruth Baue, Treasure County Commissioner – Thank you for considering us in this request. We are a small, unpopulated county; second least populated in state. That being said about our population, they have the same demands as a heavily populated county, we still have to provide for services and needs. We have 6 full-time employees and 2 part-time. This year we did implement our capital improvement fund to facilitate the purchase of computers and we put \$3,000 into it and we're five years away from upgrading.
- Jim Atchison, SEMDC – Provided updates/information on impacts and planning. Significant loss of federal mineral royalties.
- Julie Emmons – Speaking to federal mineral royalties, that income went from \$300,000/year down to \$300/year; it's approximately a 99% decrease.

**Action by the Board:** Ms. Henning made a motion to accept the documents and waive the 10-day rule. Vice-Chair Fitzpatrick seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Small-Eastman made a motion to award full amount contingent on funding. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Action by the Board:** Ms. Henning made a motion to prioritize applicant #0895 #3 for funding. Mr. Smith seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion Passed.

**Application #0896 Big Horn County – Purchase one dump truck and two graders** **\$562,000**

- The applicant is requesting \$562,000 to purchase one new dump truck and two new graders.
  - The applicant provided an environmental review checklist, environmental review form, notice of a public meeting, meeting agenda, and a resolution stating the project has no environmental impact. Meeting minutes documenting that the environmental determination was made at a public meeting was not included in the application but was provided after the 10 days. Applicant will have to request a waiver of the 10-day rule.

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- George Real Bird III, Big Horn County Commissioner – Presented copies of minutes and the advertisement in support of a waiver of the 10-day rule.
- Matt Redden, Big Horn County Road Superintendent – We maintain over 1000 miles of road. Discussed their fleet, and fleet management and servicing procedures. Can turn graders in for trade in value and get better buy back. Dump truck went down and is a valuable piece of equipment to replace.
- **Questions and comments from the Board** – You’re asking for a dump truck and two graders, is there one that is a more emergent need?
- Matt Redden – Kind of a trick question. Graders.
- Bill Hodges, Big Horn Hospital Association Foundation Director/Public Health Director – Have heard repeatedly from ambulance drivers that they could have arrived sooner due to roads. 12,000 patient encounters in our last fiscal year. Response is critical in the golden hour. We feel this is a very important application.

**Action by the Board:** Mr. Schaff made a motion to waive the 10-day rule. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: Vice-Chair Fitzpatrick abstained, remaining members yes. Motion passed.

**Action by the Board:** Ms. Small-Eastman made a motion to award full amount contingent on funding. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: Vice-Chair Fitzpatrick abstained, remaining members yes. Motion passed.

**Action by the Board:** Ms. Small-Eastman made a motion to prioritize applicant #0896 #2 for funding. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: Vice-Chair Fitzpatrick abstained, remaining members yes. Motion Passed.

**Application #0897 Black Eagle Water and Sewer District \$15,000**

- The applicant is requesting \$15,000 to prepare a sewer system preliminary engineering report (PER) update.
  - The environmental review record in this application is incomplete.
- Ms. Rothenbuecher – The applicant withdrew their application via email the day before the meeting.

**Action by the Board:** Mr. Schaff made a motion to acknowledge withdrawal of grant application. Ms. Henning seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Rothenbuecher called for a vote: all yes. Motion passed.

**Commerce Updates**

- Laptop Options for the Board

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- Sue Leferink, Commerce IT – Gave a presentation to the Board on why they’re moving to laptops, what the laptop options are, and a brief overview of functionality of the laptops and their state accounts.
- Ms. Rothenbuecher – Presented options to the Board for the upcoming meeting in March; use only laptop or both binder and laptop. Would mail laptops to Board members and offered remote training and training at March meeting.

**Action by the Board:** All board members in agreement to move forward with only laptops beginning with the March board meeting.

**Public Comment**

- Representative Holmlund – Will you be using the cloud? Is the State going into the cloud? Are you going to use Azure? Is the legislature going to this same type of a setup? I have spent quite a bit of time talking with Microsoft about this very thing. Is there anything on there that we’re going to be able to have access, that the general public can get into?
- Sue Leferink – State has started a hybrid process where we have part of a cloud. We have an on-premise solution for our office products; what you saw today, the file-sharing collaboration, that is cloud related. There is security around that cloud, and we have business protocols. We have something called data loss prevention, and so it’s blocked there for anybody getting into that access and things that are sensitive and confidential, such as security numbers and bank accounts cannot be stored in that process, it will be blocked. We are in the process of that, but the state isn’t there yet, it’s going to be another two years before that’s fully vetted. Started a hybrid project and started testing last month. That’s mostly done by the Department of Administration and the agencies get to use that platform. I can’t speak for the Legislature yet, but I think everybody in the State will eventually be going to the cloud. I’ve seen that as the direction we’re taking, that’s really the place to be. The biggest issue is the security around it. We have stricter requirements than the public does for this; there’s the cloud and there’s the government cloud. The government cloud meets the security requirements and that has been the big hang up for us, it’s the security part of being in the cloud. We have put in that it has to be fed-ramp certified, which is a technical IT term for the government cloud, and so the Azure cloud won’t just be the cloud, it’ll be the government cloud. So, hopefully yes, but I can’t comment because that’s a different branch of government than we have. There is the ability to access stuff on the internet, and so right now that’s where all that is for the public. I don’t think all the legal requirements have been vetted out to do public access into this system yet, so I think that is an area we can address further if you have that concern or an issue there.
- Ms. Rothenbuecher – To add to that, the board meeting documents, as we always have them, are on the website, following open-meeting law and public participation will continue to be exactly where they always are. We currently do not provide applications or staff reports to the public binder, they are provided to the applicants themselves and if someone outside is interested in seeing those documents, that’s a public information request that goes through

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legal; that's standard for us. Additionally, we will continue to have a physical public binder at the meeting itself so that people that are here can look at a physical copy.

**Old Business**

Colstrip Units 1 and 2 – Tax Revenue Analysis

- Chairman Williams provided information on the financial impacts on the closure of Units 1 and 2 and the impacts that will have across the state.
- Put together by the Department of Revenue.

**Opportunity for Public Comment**

- Ed Joiner, Rosebud County Commissioner – Notified the board that the thrift store in Lame Deer had their grand opening and that they did recognize the Coal Board for all their generosity and support. Thank you.

**Board Matters**

- The dates and location for the next two meetings were confirmed. March 12, 2020 will be held in Billings. June 11,2020 will be held in Hardin.
  - Bill Hodges offered the school for the June 11 meeting in Hardin.

**Items for Next Agenda**

- Tabled application that will be moving forward.
- Modifying Coal Board Application.
- Staff will send out application to the Board and Board will provide comments, red lines, etc. to staff and a discussion will be held at the March meeting.
  - Ms. Henning asked for public input at the meeting as well.
  - Ms. Rothenbuecher explained the Interested Parties List email and posting on website to gather public input and will be provided at March Meeting.

**Adjournment**

With no other business, the meeting was adjourned by Chairman Williams at 2:47 p.m. The next meeting is scheduled for March 12, 2020 in Billings, MT.