MONTANA COAL BOARD
DESIGNATED IMPACT AREA REPORT
JUNE 2015

Prepared by:
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Introduction:

The Montana Department of Commerce (DOC) is required by statute (MCA 90-6-207) to biennially designate each county, incorporated city and town, school district or other governmental unit impacted by coal development. The specific criteria for designation are defined in detail within the statute, and summarized below. The Coal Board may not award more than 50% of funds appropriated to nondesignated local government units. This report is provided to the Coal Board for the purpose of awarding grants from available funds.

In preparation of this report, the DOC collected relevant information from Montana Department of Environmental Quality (DEQ), Montana Department of Revenue, Montana Department of Transportation (DOT), Montana Local Government Services Bureau, Montana Census and Economic Information Bureau, and Montana Department of Labor & Industry.

To qualify under the statute, designation is extended to counties, cities, towns and governmental units:

- That have had or expect a 10% increase or decrease in population over three years as a result of coal development, OR
- In which the Department of Environmental Quality (DEQ) has granted a permit for a new coal mine that will produce at least 300,000 tons per year, and will begin production within two years, OR
- In which the production of an existing mine will increase or decrease by at least one million tons per year, OR
- In which a newly constructed railroad serves a new, existing or expanding coal mine, OR
- In which the Department of Environmental Quality (DEQ) has issued an air quality permit for a coal burning facility that will use at least one million tons per year of Montana coal and be built within two years, OR
- That are located within 100 road miles of a coal mine or coal burning facility that meets one or more of these criteria.

Designation Based on Population Increase or Decrease:

MCA 90-6-207 (1)(a) designates each county, incorporated city or town, school district, and other governmental unit that has had or expects to have as a result of coal development a net increase or decrease in the estimated population of at least 10% over one of the 3-year periods.

DOC analysis determined which incorporated cities and towns, counties and school districts experienced, or are expected to experience, at least a 10% increase or decrease in total population over a prescribed 3-year period. The results of this analysis are incorporated into the Geographic Information Systems (GIS) analysis for the Designated Impact Area and are reflected in the Results and Conclusions of this report.

Designation Based on New Coal Developments:

MCA 90-6-207 (1)(b)(i) designates each county and all local governmental units within each county in which a mining permit has been granted establishing a new coal mine producing at least 300,000 tons a year and that DOC determines will commence production within two years. DEQ has received a permit application for the proposed new Otter Creek Coal mine but cannot speculate when or if the mine permit will be issued or regulatory approval granted. The proposed Otter Creek Coal Mine would be approximately five miles southeast of the town of Ashland, Montana in Rosebud County.

Designation Based on Increased or Decreased Coal Production:

MCA 90-6-207 (1)(b)(ii) designates each county and local government units within each county in which DOC has determined that the production of an existing mine will increase or decrease by at least 1 million tons per year and that the new, expanded, or reduced production will commence within 2 years of the designation. DEQ provided monthly and annual coal production data from 2012, 2013 and 2014 for active coal mines in Montana. This data indicates fluctuating production levels of active mines in Montana which is incorporated into the GIS analysis for the Designated Impact Area, and is reflected in the Results and Conclusions of this report.

Designation Based on New Railroad Service:

MCA 90-6-207 (1)(b)(iii) designates each county and all local governments within each county in which a newly constructed railroad serves a new, existing, or expanding coal mine. MDT has indicated there are no new rail services and/or lines to new, existing or expanding coal mines in Montana.

Designation Based on Issuance of Air Quality Permit:

MCA 90-6-207 (1)(b)(iv) designates each county and all local governmental units within each county in which an air quality permit has been issued. DEQ has indicated that no air quality permits have been issued or have been requested within the past two years for new coal-burning facilities that will combust at least 1 million tons a year of Montana coal.

MCA 90-6-207 (1)(d)(ii) designates each local government in which a steam-generating or other coal-burning facility that has operated under an air quality permit issued by DEQ and that has consumed at least 1 million tons of Montana-mined coal a year has closed or is schedule to close within 1 year. DEQ has indicated they are unaware of any steam generating or other coal-burning facility that is operated under an air quality permit and has consumed at least 1 million tons per year of Montana coal, and has closed within the last 2 years or is scheduled to close.

Designation Based on Proximity to Coal Mine or Coal Burning Facility:

MCA-90-207 (1)(c) designates each local government unit located within 100 miles, measured over the shortest all-weather public road, of a mine or facility qualifying under subsection (1)(b)(i), (1)(b)(ii), or (1)(b)(iv), proximity data has been integrated into the GIS analysis performed by DOC to determine and define the Designated Impact Area. This analysis is incorporated into the GIS analysis for the Designated Impact Area and is reflected in the Results and Conclusions of this report.

Methodology of GIS Analysis:

Data sets provided for population, coal production, location and proximity data are incorporated into the GIS analysis, as well as up-to-date roads data acquired from the Montana State Library. This data includes submissions directly from local governments, where available, to provide the most accurate data available for determining the locations of all-weather public roads.

MCA 15-70-101 defines all-weather roads as roads open to public travel and considered all mileage (excluding the National Highway System (NHS) and Primary roadways) available for public use (except during periods of extreme weather or emergency conditions), passable by a two-wheel drive passenger car, and open to the general public without restrictive gates, prohibitive signs, or regulations other than restrictions based on the size and weight of the vehicle. Private ranch, farm, and residential driveways, primitive trails, and field approaches are not considered part of the mileage.

Private, closed, and otherwise restricted roads were deleted and the resulting road polyline data was converted into a traversable network using the ESRI Network Analyst extension. A service area analysis was then performed for the 100-mile radius around each mining facility. The locations of the mining facilities within the network were determined by the location of the nearest public road access to the entrance of the mine.

Results:

Based upon DOC GIS analysis, designation will expand to include two additional counties, Judith Basin County and Sweet Grass County. The rationale for designation of these two counties relies upon application of the following statutes:

1. **90-6-207 (1)(c)**: The department of commerce shall biennially designate each local government unit located within 100 miles, measured over the shortest all-weather public road, of a mine or facility qualifying under subsection (1)(b)(i), **(1)(b)(ii)**, or (1)(b)(iv); and

2. **90-6-207 (1)(b)(ii)**: the department of commerce has determined that the production of an existing mine will increase or decrease by at least 1 million tons a year and that the new, expanded, or reduced production will commence within 2 years of the designation;

Judith Basin County: The boundary of Judith Basin County is within 95.7 miles of Signal Peak Mine by way of a patchwork of county roads, which are considered all-weather public roads. Based upon the data received from the Industrial and Energy Minerals Bureau of DEQ, this mine increased total production by 2.21 million tons between 2012 and 2014.

***Sweet Grass County*:** The boundary of Sweet Grass County is within 98.9 miles of the Signal Peak Mine by way of I-90 and Highway 87, which are classified as all-weather public roads. Based upon the data received from the Industrial and Energy Minerals Bureau of DEQ, this mine increased total production by 2.21 million tons between 2012 and 2014.

Conclusions:

Designation under MCA 90-6-207 is largely unchanged and no currently-designated counties are excluded based on this analysis. There is, however, rationale for two counties to be added to the Designated Impact Area. Please see the attached map, Exhibit 'A'.

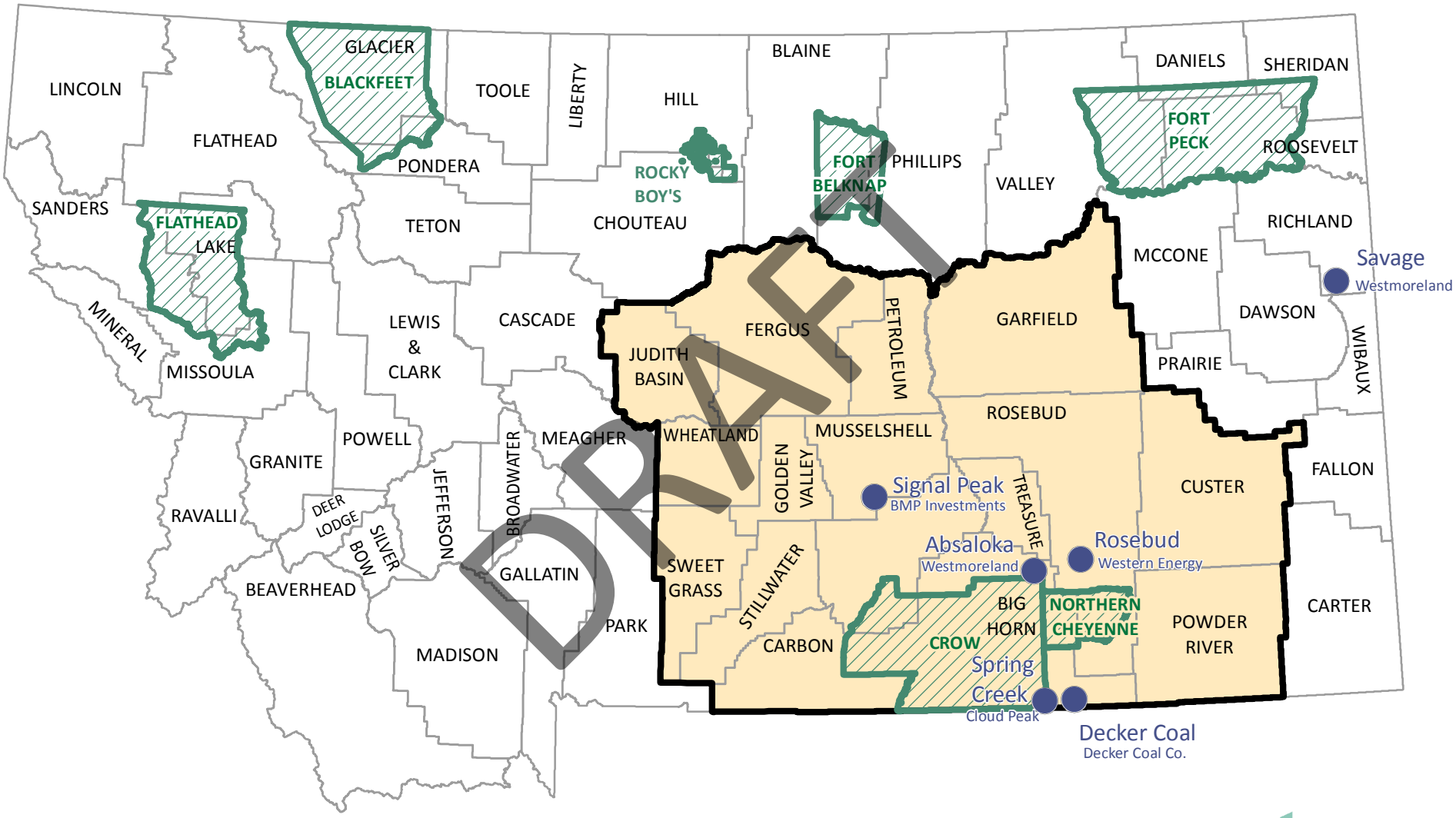
Judith Basin County and Sweet Grass County are each located within a 100-mile radius of Signal Peak Mine by way of all-weather public roads, and Signal Peak Mine has increased total production by 2.21 million tons between 2012 and 2014.

Please see the attached maps, Exhibit 'B' and 'C'

Sources Contacted:
Montana Department of Environmental Quality
Montana Department of Revenue
Montana Department of Transportation
Montana Local Government Services Bureau
Montana Census and Economic Information Bureau
Montana Department of Labor & Industry

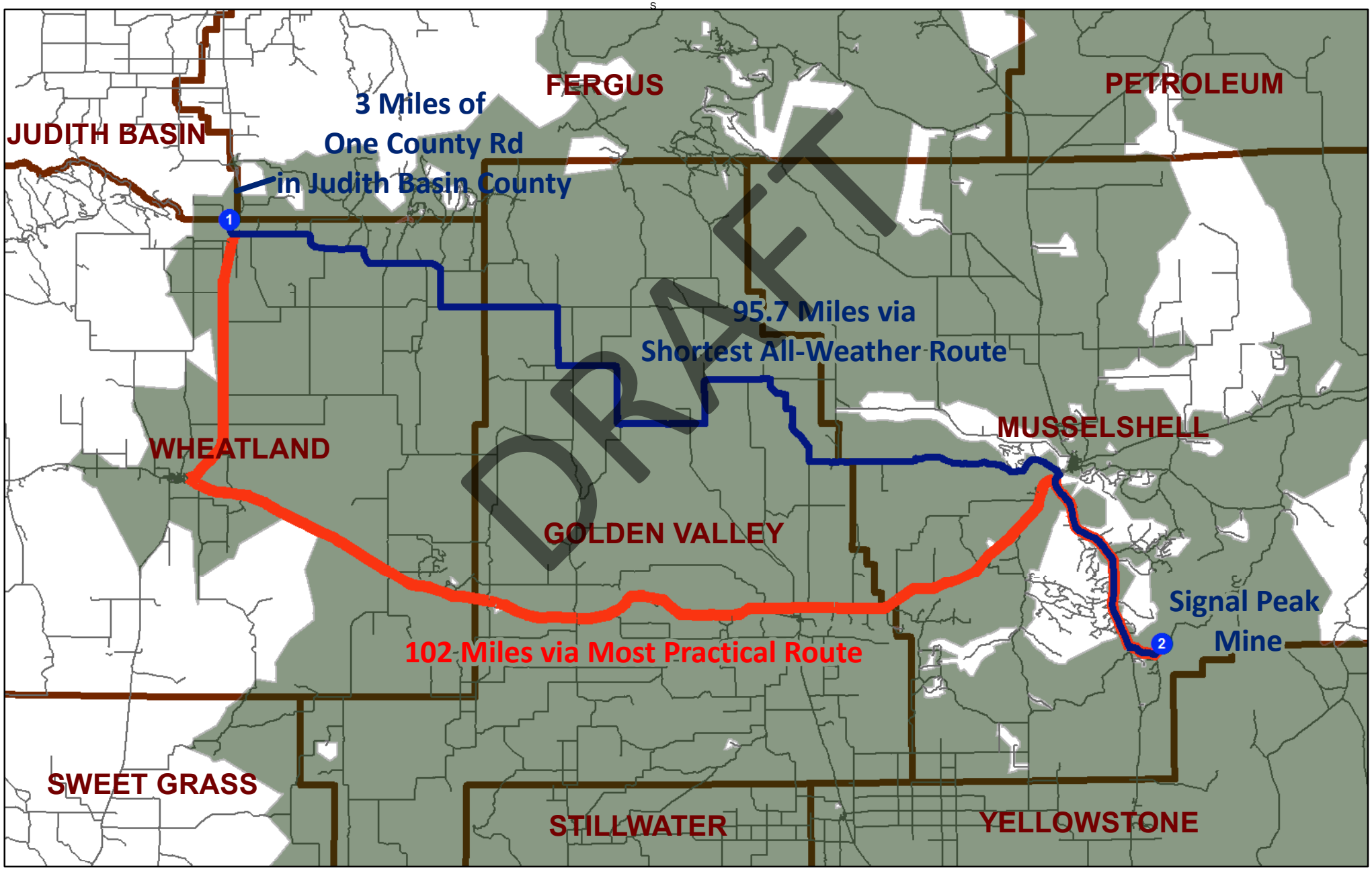
Designated Coal Impact Area

Exhibit A - June 2015



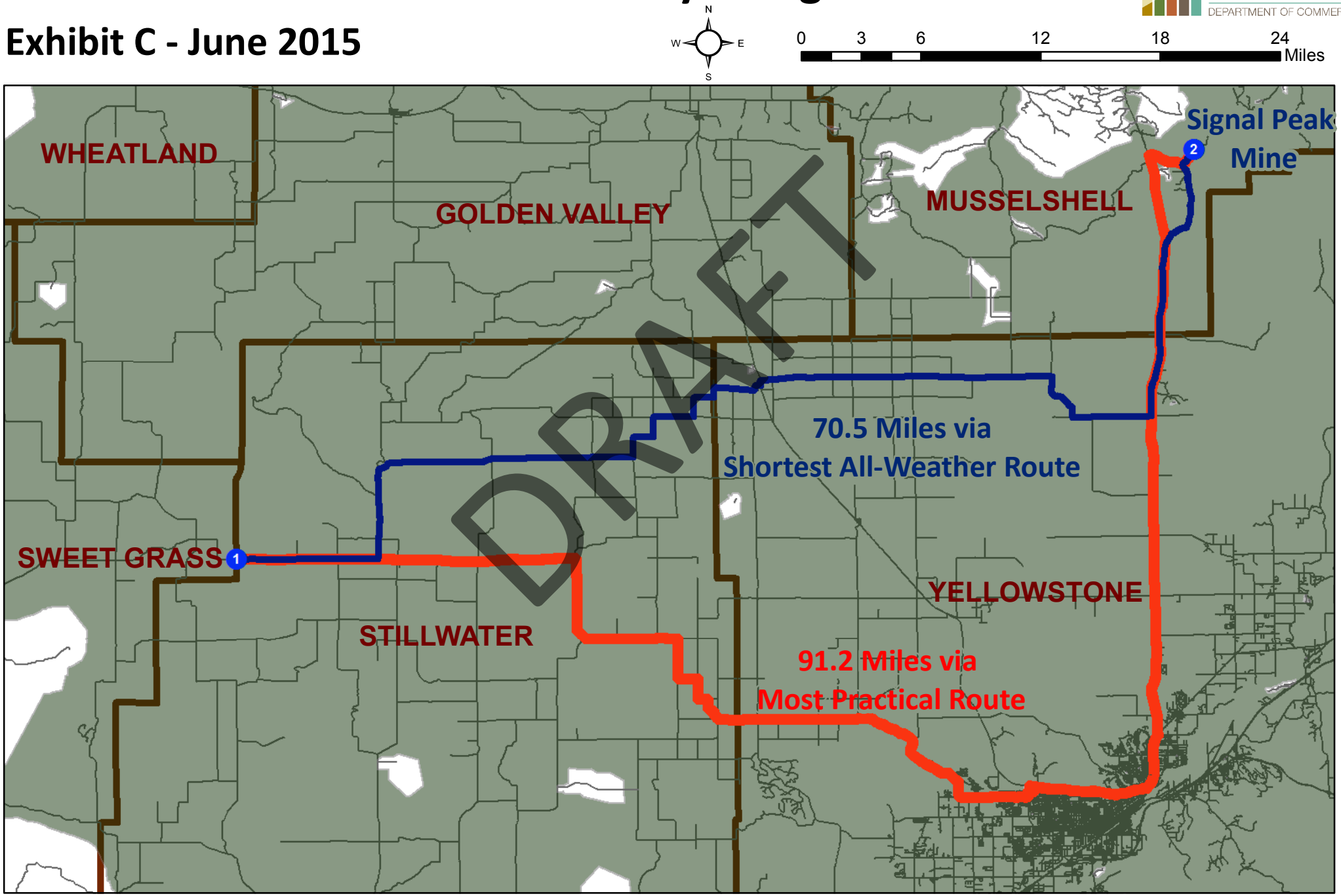
Distance from Judith Basin County to Signal Peak Mine

Exhibit B - June 2015



Distance from Sweet Grass County to Signal Peak Mine

Exhibit C - June 2015



DESIGNATED ENTITIES WITHIN COAL BOARD IMPACT AREA

Big Horn County

- Big Horn County
- City of Hardin
- Town of Lodge Grass
- Hardin ELE
- Hardin HS
- Lodge Grass ELE
- Lodge Grass HS
- Pryor ELE
- Plenty Coups HS
- Spring Creek ELE
- Wyola ELE
- Other units of local or state government within Big Horn County

Carbon County

- Carbon County
- Town of Bearcreek
- Town of Bridger
- Town of Fromberg
- Town of Joliet
- City of Red Lodge
- Belfry K-12
- Bridger K-12
- Fromberg K-12
- Joliet ELE
- Joliet HS
- Luther ELE
- Red Lodge ELE
- Red Lodge HS
- Roberts K-12
- Other units of local or state government within Carbon County

Custer County

- Custer County
- Town of Custer
- City of Miles City
- Custer County HS
- Kinsey ELE
- Kircher ELE
- Miles City ELE
- S H ELE
- S Y ELE
- Spring Creek ELE

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- Trail Creek ELE
- Other units of local or state government within Custer County

Fergus County

- Fergus County
- Town of Denton
- Town of Grass Range
- City of Lewistown
- Town of Moore
- Town of Winifred
- Ayers ELE
- Deerfield ELE
- Denton ELE
- Denton HS
- Grass Range ELE
- Grass Range HS
- King Colony ELE
- Lewistown ELE
- Fergus HS
- Moore ELE
- Moore HS
- Roy K-12
- Spring Creek Colony ELE
- Winifred K-12
- Other units of local or state government within Fergus County

Garfield County

- Garfield County
- Town of Jordan
- Cohagen ELE
- Garfield County HS
- Jordan ELE
- Kester ELE
- Pine Grove ELE
- Ross ELE
- Sand Springs ELE
- Other units of local or state government within Garfield County

Golden Valley County

- Golden Valley County
- Town of Lavina
- Town of Ryegate
- Lavina K-12
- Ryegate K-12
- Other units of local or state government within Golden Valley County

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Judith Basin County

- Judith Basin County
- Town of Hobson
- Town of Stanford
- Geyser ELE
- Geyser HS
- Hobson K-12
- Stanford K-12
- Other units of local or state government within Judith Basin County

Musselshell County

- Musselshell County
- Town of Melstone
- City of Roundup
- Melstone ELE
- Melstone HS
- Roundup ELE
- Roundup HS
- Other units of local or state government within Musselshell County

Petroleum County

- Petroleum County
- Town of Winnett
- Winnett K-12
- Other units of local or state government within Petroleum County

Powder River County

- Powder River County
- Town of Broadus
- Biddle ELE
- Broadus ELE
- Powder River County HS
- South Stacey ELE
- Other units of local or state government within Powder River County

Rosebud County

- Rosebud County
- Town of Colstrip
- City of Forsyth
- Ashland ELE
- Birney ELE
- Colstrip ELE

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- Colstrip HS
- Forsyth ELE
- Forsyth HS
- Lame Deer ELE
- Lame Deer HS
- Rosebud K-12
- Other units of local or state government within Rosebud County

Stillwater County

- Stillwater County
- Town of Columbus
- Absarokee ELE
- Absarokee HS
- Columbus ELE
- Columbus HS
- Fishtail ELE
- Molt ELE
- Nye ELE
- Park City ELE
- Park City HS
- Rapelje ELE
- Rapelje HS
- Reed Point ELE
- Reed Point HS
- Other units of local or state government within Stillwater County

Sweet Grass County

- Sweet Grass County
- City of Big Timber
- Big Timber ELE
- Greycliff ELE
- McLeod ELE
- Melville ELE
- Sweet Grass County HS
- Other units of local or state government within Sweet Grass County

Treasure County

- Treasure County
- Town of Hysham
- Hysham K-12
- Other units of local or state government within Treasure County

Wheatland County

- Wheatland County

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- City of Harlowton
- Town of Judith Gap
- Harlowton ELE
- Harlowton HS
- Judith Gap ELE
- Judith Gap HS
- Shawmut ELE
- Other units of local or state government within Wheatland County

Yellowstone County

- Yellowstone County
- City of Billings
- Town of Broadview
- City of Laurel
- Billings ELE
- Billings HS
- Blue Creek ELE
- Broadview ELE
- Broadview HS
- Canyon Creek ELE
- Custer K-12
- Elder Grove ELE
- Elysian ELE
- Huntley Project K-12
- Independent ELE
- Laurel ELE
- Laurel HS
- Lockwood ELE
- Morin ELE
- Pioneer ELE
- Shepherd ELE
- Shepherd HS
- Yellowstone Academy ELE
- Other units of local or state government within Yellowstone County

Crow Tribe

Northern Cheyenne Tribe

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