Montana Coal Board
Meeting Minutes
March 18, 2016
Crowne Plaza Hotel, Billings, MT

Board Members Present
Chairman John Williams, Vice-Chairman CJ Stewart, Dan Miles, Tim Schaff, and Veronica Small-Eastman

Montana Department of Commerce Staff Present
Kelly Lynch, Division Administrator, Melinda Cummings, Coal Board Administrative Officer and Amy Peck, Administrative Assistant.

Public present:

Jim Atchison	SEMDC
George Real Bird III	Big Horn County
Bill Hodges	Big Horn County Hospital
Mike Silverman	Rosebud Schools
Bill Parker	Lame Deer Schools
Dan Lawrence	Lame Deer

Welcome – Call to order
Chairman Williams called to order the meeting of the Montana Coal Board at 8:37 a.m.

Roll call:
Ms. Cummings called the Roll for Board members. The following board members were present: Chairman John Williams, Vice-Chair Stewart, Dan Miles, Tim Schaff, and Veronica Small-Eastman.

Opportunity for Public Comment

- Jim Atchison – SEMDC, provided updates from Miles Community College, Treasure County, City of Broadus and invited all to the 13th Annual Energy Open Tournament in August. (handouts)
- Bill Hodges – Big Horn Hospital Association, a Congressional group came together to the county in December so that they could be made aware of needs in the area. Coal makes a big difference in providing revenues for these communities and for facilities like a hospital. We are working on a Master Facility Process to better assess all that needs to be done.
- Bill Parker – Lame Deer School, thank you to the Coal Board for our school's heating project. Warm classrooms are appreciated by all. Recently we completed Junior High testing analysis and we had the best ever results with a significant improvement. Kids learn better when warm.

Approval of Minutes (December 3 & 4, 2015)
Action by the Board: Mr. Schaff made a motion to approve the minutes. Mr. Miles seconded. Motion passed.

Presentation by Kelly Lynch, Division Administrator

- Ms. Lynch provided presentations on both the Open Meeting Law and Environmental Review.

Environmental Exemptions

- Ms. Lynch – the Board can decide if it would like to withdraw the Board's current exclusions and adopt the Department of Commerce exclusions.

Action by the Board: Mr. Miles made a motion to repeal Administrative Rule 8.101.203 to reflect the Department of Commerce MEPA exemptions. Mr. Stewart seconded. Motion passed.

Program Administration

- Ms. Cummings – what is included in your binders is an example of the application with the environmental information included in it.

Budget & Financial Report	July '16 – June '17	Contingent	Total
• Money appropriated for the 2017 Biennia:	$2,555,267	$948,668	$3,503,935
• Coal Board funds awarded thus far:	$ 0	$ 0	$ 0
• Balance of available funds:	**$ 2,555,267**	**$948,667**	**$3,503,935**

	July '15 – June '16	Contingent	Total
➢ Money appropriated for the 2017 Biennia:	$ 2,463,539	$996,949	$3,460,488
➢ Coal Board funds awarded so far:	$ 2,463,539	$ 0	$ 0
➢ Balance of available funds:	$ 0	$996,949	$1,266,048
Total:	**$5,018,806**	**$1,945,617**	**$6,964,423**

Action by the Board: Vice-Chair Stewart made a motion to adopt the budget. Mr. Schaff seconded. Motion passed.

Project Updates

- Number of projects awarded since the beginning of the 2017 Biennia: **12**
- The majority of these projects are already under contract, with a few pending final execution.
- There are currently 35 open contracts 5 of which are pending closeout.

New Business

Application #0794 Rosebud School District – Upgrade Fire Alarm System

- The applicant is requesting $38,000 to upgrade their school fire alarm system.
- Mike Silverman – Superintendent Rosebud Schools - the current system is obsolete but functioning. The previous school building did burn down and it would be devastating to the community should that happen again. We are in the process of upgrading the system and are spending $5,500 of our own funds. The proposals for the cost range from $38,000 to $53,000. (handouts)
- **Questions and comments from the Board**: staff review and comments state that Rosebud has $98,000 in building reserve and no debt. How much will Rosebud contribute?
- Mike Silverman – school finances are complicated. Our facility has many needs; water, foundation, and bathroom remodel. State requirements are that we need to have a certain amount in reserve. We may be able to give more money if needed. Our budget is reduced so there will be a reduction in staff.

- **Questions and comments from the Board**: encourage you to fine tune your application before June. Showing local effort in your application is very important.

Action by the Board: Mr. Schaff made a motion to table this application until the June meeting. Vice-Chair Stewart seconded. Motion passed.

Old Business

- **Correspondence**
  i. #0745 Crow Tribe Request for Extension
- George Real Bird III – the Tribe would like to extend the Architectural and Engineering contract. The design for the stage area has been delayed.
- Ms. Cummings – the request is to extend until December 30, 2016

Action by the Board: Vice-Chair Stewart made a motion to extend the contract. Ms. Small-Eastman seconded. Motion passed.

- **Big Sky Economic Development Authority**
- Ms. Cummings – the question was asked as to whether BSEDA (Coal Country Coalition) was an eligible applicant; our staff attorney reviewed this and determined they are eligible as a local Port Authority.
- Ms. Lynch – this is provided in statute. A 2nd attorney looked at this as well and came to the same conclusion.
- **Requests for Reconsideration**
- Chairman Williams – board members please check all previous applications to be sure you have them. A list has been provided by staff. The next meeting is June 16, 2016 at the Hampton in Billings but do be prepared to stay an additional day. Keep in mind the amount of money available and that it is the beginning of a new biennium.
- Vice-Chair Stewart – at the previous meeting we discussed the meeting in June 2015 that has put us in this position. Keep in mind priority; everyone has needs but we must watch our funding.
- Mr. Miles – this year seems challenging. Has this happened before? Will we continue to face this? If it is a trend, the Board will need to look long and hard at how the Board processes the applications and how funds are expended. If the budget challenges are corrected at the next legislature, will we be okay going forward?
- Vice-Chair Stewart – Crow Tribe did an impact study on coal money revenue and that the ripple effect was billions of dollars in services. Colstrip is in a battle and the whole country is watching. If people think they aren't impacted by coal, they are mistaken because coal money creates revenue. This may get worse before it gets better; it's already creating negative impacts and ramifications.
- Ms. Small-Eastman – staff is requested to prioritize applications and submission dates.
- Chairman Williams – the Board needs to prioritize by what's available, importance, impact, local effort and what needs the Board will have to get through the rest of the fiscal year. The Board will review all the applications once more before awarding. This will help the Board to prioritize in each member's minds. Staff will point out strengths and weaknesses but then the applicant and the public will be able to be part of the discussion at the meeting. This seems the fair way to go.
- Vice-Chair Stewart – we did mention to the public that all the applications will be considered fairly.
- Mr. Miles – coal is a sensitive topic. We are already witnessing a decline in coal trains. Will applications show a decline in impact? Can applications deal with people issues like re-training or work force training? Does the Board have the statutory ability to conduct a study on the decline of coal and its impacts or partner with others?
- Chairman Williams – the statutes are required to be followed and informs the Board what we can or

cannot do.

- Ms. Lynch – I am making notes on all your questions. Applications are presented in no particular order. Staff has already provided recommendations but if the applicant provides new information, staff will update those recommendations. These reports are now perceived as helpful to both the Board and the applicant. As to the decline in coal, Chairman Williams has been around much longer and surely can offer insight into this situation and may even expand our statutes to address some of these very questions.
- Chairman Williams – Colstrip as a community has dealt with the ups and downs of coal impact. I am sure that the legislature will be addressing this issue of decline.
- Mr. Miles – may need to broaden the definition of infrastructure. Human infrastructure is just as important as a road. The Board could play a very important role. Hopefully the legislature will look at this.
- Ms. Lynch – the State is trying to be more proactive with helping people and communities. The Community Technical Assistance Program (CTAP) and Montana Main Street program are designed to help communities refocus and revitalize. These programs are not specific to coal impact but are happy to work with any communities.
- Chairman Williams – Southeastern Montana Development Corporation (SEMDC) came into existence for this very purpose because of downsizing or right sizing.
- Ms. Cummings – included in your binders is information regarding county finance and is there to assist you with questions. We are also looking into further training if the Board would be interested.
- Chairman Williams – mils are all over the board but there is significance to these as they address local effort. The Board can deny an application based off a refusal or unwillingness to provide local effort.

Board Matters

- There were no Board matters discussed beyond the above.

Adjournment:

With no other business, a motion was made by Vice-Chair Stewart to adjourn the meeting. Mr. Schaff seconded. The meeting was adjourned by Chairman Williams at 11:22 a.m. The next meeting is scheduled for June 16, 2016 in Billings, Montana.

John Williams, Board Chair

10-16-16
Date