

# Montana Coal Impact Grant Application

**Submitted to the Montana Coal Board**

**By**

Name of Entity submitting the application

**For**

Type of Project

**Date submitted:**

## **ELIGIBILITY FOR COAL BOARD GRANTS**

The governing body of a city, town, county, or school district, any other local or state governmental unit or agency, or the governing body of a federally recognized Indian tribe may apply for a grant to enable it to provide governmental services that are needed as a direct consequence of an increase or decrease of coal development or of an increase or decrease in the consumption of coal by a coal-using energy complex. (90-6-208, Montana Code Annotated)

Under 90-6-209, MCA, the Coal Board may not approve a grant to an Indian tribe unless:

- (a) the governing body of the tribe has agreed:
  - (1) to waive its immunity from suit on any issue specifically arising from the transaction of a grant obtained under this part; and
  - (2) to the adjudication of any dispute arising out of the grant transaction in the district court of the first judicial district of the State of Montana; and
- (b) approval of the transaction has been obtained from the Secretary of the United States Department of the Interior whenever approval is necessary.

## **CRITERIA FOR AWARD OF COAL IMPACT GRANTS**

In accordance with current statute: 90-6-206, MCA Basis for awarding grants:

- (1) Grants must be awarded on the basis of:
  - (a) need;
  - (b) degree of severity of impact from an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex;
  - (c) availability of funds;
  - (d) degree of local effort in meeting these needs; and
  - (e) in addition, State law (90-6-207[5], MCA) requires the Coal Board to give attention “to the need for community planning before the full impact of coal development or decline is realized. Applicants should be able to show how the request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth or decline problems.” Therefore, pursuant to Sub-Chapter 3 of the Administrative Rules of Montana, ‘planning’ is an additional criterion the Coal Board will apply when judging applications.

## **AWARDING COAL BOARD FUNDS**

(1) Eight applications, one with an original signature, must be submitted to the Department on the date posted on the Coal Board website (<http://comdev.mt.gov/Boards/COAL>) to be considered during the applicable board meeting. Applications can be submitted electronically\* to [DOCCDD@mt.gov](mailto:DOCCDD@mt.gov), but must be received by midnight of the application due date; or can be mailed to Department of Commerce but must be postmarked no later than the application due date. Applications can be mailed to: Coal Board Administrative Officer, Montana Coal Board, Community Development Division, Department of Commerce, P.O. Box 200523, 301 S Park Ave, Helena, MT 59620-0523 (Phone 406-841-2770, e-mail: [DOCCDD@mt.gov](mailto:DOCCDD@mt.gov))

**Applications are due 45 days prior to the Coal Board meeting. Any application not received or postmarked by the application due date, will be reviewed during the subsequent quarter.**

*\* Applicants who submit applications electronically must mail one signed application and seven (7) copies to the address above to be received within seven days of submittal of the electronic version.*

(2) Applicants must appear before the Coal Board when their application is on the agenda for consideration. Applicants will receive a summary report and an agenda prior to the meeting date. If a representative is not available to speak on behalf of the application request, the application may be tabled until the next board meeting.

(3) The Coal Board may approve, deny or table a grant. The Board may request that an applicant return to the next meeting with additional information. The Board would then move to table the application until that meeting. If the application is tabled pending receipt of the requested information, the applicant can make a request that the Board remove the application from the table after submitting further information. At that time, the application will be placed on the next Coal Board meeting agenda.

4) Coal impact grant funds used for the preparation of plans, studies, analyses, or necessary research for the preparation of a preliminary engineering report must meet the requirements of the most current Uniform Application for Montana Public Facility Projects. Coal impact grant funds used for the preparation of a preliminary architectural report must meet the requirements described in the Coal Impact Grant Application (Appendix A).

**PLEASE NOTE: Applications will be evaluated as they are submitted. The Board may table an application if significant changes or new information are presented during the hearing.**

## **DISBURSEMENT OF COAL BOARD FUNDS**

Eligible and reasonable expenses will be reimbursed from a Coal Board grant after:

- a. the contract has been fully executed between the Montana Department of Commerce and the Coal Board grant recipient;
- b. the grant recipient has demonstrated that firm commitments exist for any other resources to be involved in the project. In documenting a public commitment, the grant recipient must specify the amount and use of the funds or resources. A letter of commitment from the entity, agency or organization involved must document funds or resources to be provided by a State or federal agency or private organization. The commitment of funds or resources may be contingent on Coal Board funds being awarded for the proposed project;
- c. the grant recipient has documented compliance with the auditing and reporting requirements provided for in the Montana Single Audit Act, Sections 2-7-501 to 523, MCA, and has established a financial accounting system that can properly account for the grant funds according to generally accepted accounting principles. Tribal governments must comply with auditing and

- reporting requirements provided for in OMB Circular A-133;
- d. the Department has received the signed signatory and depository forms; and
  - e. the Department has received the completed Request for Funds form and adequate documentation (copies of statements and invoices) to verify expenditures.

## **INSTRUCTIONS FOR COMPLETING COAL BOARD GRANT APPLICATION**

Instructions and examples to help complete the application are in gray. **Once you have completed the application, please delete all the gray areas** by highlighting the section using the square in the upper left hand corner, then, right clicking on your mouse and selecting “cut”. This will shorten the length of the document the board members will need to review.

Boxes and charts in this application have been formatted by WORD Table. Edits can be made using the Table function of WORD.

Applications may be secured with binder clips, large paper clips or staples. The three-ring meeting notebooks sent to Board members will not accommodate binders or plastic covers.

Eight applications, one with an original signature, must be submitted to the Department on the date posed on the Coal Board website (<http://comdev.mt.gov/Boards/COAL>) to be considered during the applicable board meeting. Applications can be submitted electronically\* to [DOCCDD@mt.gov](mailto:DOCCDD@mt.gov), but must be received by midnight of the application due date; or can be mailed to Department of Commerce but must be postmarked no later than the application due date. Applications can be mailed to: Coal Board Administrative Officer, Montana Coal Board, Community Development Division, Department of Commerce, P.O. Box 200523, 301 S Park Ave, Helena, MT 59620-0523 (Phone 406-841-2770, e-mail: [DOCCDD@mt.gov](mailto:DOCCDD@mt.gov))

\* Electronically submitted applications must be followed with the original and seven (7) signed hard copies that are postmarked by the application deadline.

**THE COAL IMPACT GRANT APPLICATION FORM  
SUBMITTED BY (NAME OF APPLICANT)**

**CERTIFICATION**

The chief elected official or executive officer of the applicant must sign the application certifying that to the best of the official's knowledge and belief, the information provided in the application and the attached documents is true and correct.

The chief elected official or executive officer of the applicant must also certify that, in accordance with Section 90-6-205, MCA, the applicant is eligible for a Coal Impact Grant and has the authority to administer and make expenditures to provide for the proposed service or facility.

**CERTIFICATION**

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

In accordance with Section 90-6-205, MCA, the applicant is eligible for Coal Board grants and has the statutory authority to make expenditures to provide for the particular service or facility.

Name:

Title:

Signature:

Date:

## **SUMMARY INFORMATION**

1. **NAME OF APPLICANT(S):**

Enter the name(s) of the entity submitting the application

2. **TYPE OF ENTITY:**

Enter the type of entity. Applicants eligible to receive financial assistance under state law include local governmental units (cities, towns, counties, school districts, water and sewer districts, etc.), state agencies, and governing bodies of federally recognized Indian tribes.

3. **FEDERAL TAX ID NUMBER:**

Enter the nine-digit Federal ID number for the entity.

4. **SENATE AND HOUSE DISTRICTS:**

Enter the State Senate and House of Representatives district numbers that the entity is located within.

5. **AMOUNT OF COAL IMPACT GRANT REQUESTED \$ \_\_\_\_\_**

6. **NAME OF PROJECT:**

(e.g., Mountain County Hospital Project)

7. **TYPE OF PROJECT:**

Enter the type of public facility project or service, such as water, wastewater, solid waste, first responder equipment purchase, public building/school/hospital repair or expansion, road repair, planning studies, or other (specify).

8. **POPULATION SERVED BY PROJECT:**

Enter the number of people that reside within the area served by the project.

9. **NUMBER OF HOUSEHOLDS SERVED BY PROJECT:**

Enter the number of households within the area served by the project.

10. **CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE:**

Enter the name and title of the chief elected official or authorized representative of the applicant. **Include the mailing address, business telephone, e-mail address, and FAX number.**

11. **PRIMARY ENTITY CONTACT PERSON:**

**Provide the name, mailing address, business telephone, e-mail address, and FAX number of the person within the community designated as the primary contact person for the project.** This person should be knowledgeable about the project and be authorized to speak on behalf of the applicant regarding the application.

12. OTHER CONTACT PERSONS:

If applicable and available, provide the name, mailing address, business telephone, FAX number, and e-mail address of any other appropriate contacts (e.g., Public Works Superintendent, project engineer, grant/loan administrator, legal counsel, bond counsel, clerk/chief financial officer, accountant, etc.)

13. MILLAGE RATES:

Provide the current fiscal year millage rates and those for the 3 years immediately preceding the year of application. Please state the mill value for each of those three years. Specifically list how many mills and each year's total mill value.

14. AMOUNT OF COAL GROSS PROCEEDS TAX:

Please provide the following details:

- Total amount of Coal Gross Proceeds tax the applicant has received during the last two years
  - How those monies are allocated (i.e. to general fund, etc.)
- How does the applicant decide the use of the gross proceeds?

15. IMPACTS FROM COAL INDUSTRY:

- Number of residents that are currently employed by the coal industry within the applicant's jurisdiction

16. MAPS:

Each application must include a legible map showing the boundaries of the proposed project area and the locations of all proposed project activities, such as land to be acquired or public facilities to be constructed or improved.

17. BRIEF PROJECT SUMMARY:

The project summary should briefly provide some background information including:

- the age of the system, facility, equipment, building;
- the date, type and cost of the last major improvements to the system, facility, equipment, building; and
- whether there are any state administrative orders or other similar requirements to fix or modify the system, facility, equipment, and building.
- The project summary should also clearly state the specific problem(s) with the public facility and how the proposed project will solve the problem(s).

Applications for Coal Board assistance for public services or programs such as community planning, economic development, etc. should provide similar background information regarding the nature of the problem and the proposed solution.

### **EXAMPLE PROJECT SUMMARY**

**Historical Information:** The Mountain County Memorial Hospital constructed in 1959 met the health care needs of the Mountain County and surrounding communities. The Hospital has undergone numerous interior renovations. The most recent renovation to the hospital completed in March 2008, included approximately 18,300 square feet of hospital improvements including twenty-three patient rooms and minor upgrades to the imaging department of the facility. The latest renovation did not include capital equipment purchases, which is the rationale for the submission of this application.

**Problem:** The existing Hospital X-Ray Equipment has the following deficiencies

- poor clarity of image scans
- lack of table flexibility/non-tilting
- limited work space environment for hospital staff
- oversized equipment for room design
- lease expires soon for equipment

**Proposed Solution:** The Purchase of new X-Ray Equipment would:

- improve quality of image scans and reduce costs
- increase work space for imaging staff
- provide improved medical treatment for patient
- increase reliability of medical provider diagnoses
- upgrade current ten year old equipment
- improve viewing area for medical providers
- increase profitability

### **PROJECT SUMMARY FOR -----**

**Historical Information:**

**Problem:**

**Proposed Solution:**

18. PROJECT BUDGET AND IMPLEMENTATION SCHEDULE:

A. Project Budget Form:

The proposed project budget **must** include a breakdown of all major project costs, and a description of the proposed source and use of all funds. Designate the total budget of any proposed project as either “Administrative/Financial Costs” or “Activity Costs: (such as engineering or construction). Administrative Costs may not exceed 10% of the total project cost. Refer to the description of expenditure categories shown below that outline the expenditures that may be part of the budget. The Administrative/Financial Costs cover the expenses of administering a local project, including the cost of local government personnel involved with managing the project; the cost of the local project audit; and other contractual costs for professional services (such as hiring a project manager) that may be associated with administration of the program. Administrative/Financial Costs must be reasonable and appropriate to ensure cost-effective and proper management of the project.

Any proposed Administrative/Financial Costs must be eligible, fully supported, and adequately explained. Applicants which propose to contract for project management assistance with a consultant or other entity must specifically itemize this amount in the Administrative Budget and explain it.

**EXAMPLES OF BUDGET EXPENDITURE CATEGORIES**

**Administrative/Financial Costs**

**Administrative Costs** - personnel, professional services to administer the project, office rent, office equipment, supplies, telephone, postage, travel, audit fees, legal costs including bond counsel, etc. These are costs incurred by the borrower in administering the project. (As applicable, specify each one as a separate line item.)

**Financial Costs** - Loan origination and administrative fees, debt service reserves, capitalized interest. (As applicable, specify each one as a separate line item.)

**Activity Costs**

**Equipment Costs** - Costs of specific equipment for a project.

**Land Acquisition** - Cost of land purchase, easements, right-of-way, leases, etc.

**Preliminary Planning/Engineering** - Costs associated with, but not limited to, preparation of preliminary engineering report and environmental checklist. (As applicable, specify each one as a separate line item.)

**Final Architectural/Engineering Design** - Costs for preparing approved project plans and specifications.

**Construction** - Costs for project construction according to approved plans and specifications.

**Contingency** - Construction contingencies for public facility projects typically should not exceed or be less than ten percent of the estimated construction cost. Any deviation must be adequately justified.

## EXAMPLE OF A PROJECT BUDGET

### PROJECT BUDGET for Mountain County Hospital Equipment

Completed by: \_\_\_\_\_ For: (location) \_\_\_\_\_, MT Date: \_\_\_\_\_

| ADMINISTRATIVE/<br>FINANCIAL COSTS                | SOURCE:<br>Coal Board<br>Grant | SOURCE:<br>Mountain<br>County | SOURCE:<br>Mountain<br>Hospital<br>Foundation | SOURCE:<br>Murdock<br>Trust | TOTAL:        |
|---|--------------------------------|-------------------------------|---|-----------------------------|---------------|
| Grant Administration                              | ***<br>\$                      | \$                            | \$ 500.00                                     | \$                          | \$ 500.00     |
| Office Costs                                      | \$                             | \$ 250.00                     | \$  | \$                          | \$ 250.00     |
| Professional Services (grant<br>management, etc.) | \$                             | \$                            | \$  | \$                          | \$            |
| Legal Costs                                       | \$                             | \$                            | \$  | \$                          | \$            |
| Travel & Training                                 | \$                             | \$                            | \$  | \$                          | \$            |
| <b>TOTAL ADMINISTRATIVE/<br/>FINANCIAL COSTS</b>  | \$                             | \$ 250.00                     | \$ 500.00                                     | \$                          | \$ 750.00     |
| <b>ACTIVITY COSTS:</b>                            |                                |                               |   |                             |               |
| Equipment Cost                                    | \$ 115,500.00                  | \$                            | \$  | \$                          | \$ 115,500.00 |
| Construction Cost                                 | \$                             | \$                            | \$  | \$131,500.00                | \$ 131,500.00 |
| Architectural/Engineering Design                  | \$ 35,950.00                   | \$                            | \$  | \$                          | \$ 35,950.00  |
| Product Completion<br>(PER's, studies, etc.)      | \$                             | \$                            | \$  | \$                          | \$            |
| Contingency                                       | \$                             | \$                            | \$ 35,000.00                                  | \$                          | \$ 35,000.00  |
| <b>TOTAL ACTIVITY COSTS</b>                       | \$ 151,450.00                  | \$                            | \$35,000.00                                   | \$131,500.00                | \$317,950.00  |
| <b>TOTAL PROJECT COSTS</b>                        | \$ 151,450.00                  | \$ 250.00                     | \$35,500.00                                   | \$131,500.00                | \$318,700.00  |

**PROJECT BUDGET FOR ----**

Completed by: \_\_\_\_\_ For: (location) \_\_\_\_\_, MT Date: \_\_\_\_\_

| ADMINISTRATIVE/<br>FINANCIAL COSTS               | SOURCE:   | SOURCE: | SOURCE: | SOURCE: | TOTAL: |
|--|-----------|---------|---------|---------|--------|
| Grant Administration                             | ***<br>\$ | \$      | \$      | \$      | \$     |
| Office Costs                                     | \$        | \$      | \$      | \$      | \$     |
| Professional Services                            | \$        | \$      | \$      | \$      | \$     |
| Legal Costs                                      | \$        | \$      | \$      | \$      | \$     |
| Travel & Training                                | \$        | \$      | \$      | \$      | \$     |
| <b>TOTAL ADMINISTRATIVE/<br/>FINANCIAL COSTS</b> | \$        | \$      | \$      | \$      | \$     |
| <b>ACTIVITY COSTS:</b>                           |           |         |         |         |        |
| Equipment Cost                                   | \$        | \$      | \$      | \$      | \$     |
| Construction Cost                                | \$        | \$      | \$      | \$      | \$     |
| Architectural/Engineering<br>Design              | \$        | \$      | \$      | \$      | \$     |
| Product Completion<br>(PER's, studies, etc.)     | \$        | \$      | \$      | \$      | \$     |
| Contingency                                      | \$        | \$      | \$      | \$      | \$     |
| <b>TOTAL ACTIVITY COSTS</b>                      | \$        | \$      | \$      | \$      | \$     |
| <b>TOTAL PROJECT COSTS</b>                       | \$        | \$      | \$      | \$      | \$     |

B. Project Budget Narrative:

Include a narrative justification for the specific proposed project construction activities and related administrative/ financial costs. Explain the cost estimates for each item in the proposed budget in the narrative.

**EXAMPLE OF A BUDGET NARRATIVE**

**ADMINISTRATIVE/FINANCIAL COSTS**

|  |                  |
|--|------------------|
| <b>Personnel Services/Office Costs:</b><br>Personnel services will be at a minimum for the Mountain County Hospital X-ray purchase project. Only services conducted by the project manager dedicated to the project will be calculated at current rate of pay plus benefits over the 30-45 day project duration. Funds for this budget item will be paid for by the Hospital and considered an in-kind contribution. | <b>\$ 750.00</b> |
| <b>Professional Services:</b><br>There will be no professional services required on the project.   | <b>\$ 0.00</b>   |
| <b>Legal Costs:</b><br>No legal costs are anticipated or budgeted for in this project.   | <b>\$ 0.00</b>   |
| <b>Audit Fees:</b><br>Audit fees will not be necessary with this project.  | <b>\$ 0.00</b>   |
| <b>TOTAL ADMINISTRATIVE/FINANCIAL COSTS</b>  | <b>\$ 750.00</b> |

**ACTIVITY COSTS**

|   |                      |
|---|----------------------|
| <b>Equipment Cost:</b><br>Estimated cost of the X-ray equipment with delivery and installation factored into the quote price.   | <b>\$ 115,500.00</b> |
| <b>Construction Cost:</b><br>Construction cost is the total construction including inspection fees for the renovation of the X-ray room. This cost will also include demolition of the former X-ray room and all inspection/code fees included with this price. | <b>\$ 131,500.00</b> |
| <b>Architectural Design:</b><br>This cost is for architectural fees related to the design of the X-ray room.  | <b>\$ 35,950.00</b>  |
| <b>Contingency:</b><br>Contingency cost is approximately 10% of the contract bid. Percentage is the industry standard for medical equipment recommended by the architect/consultant.  | <b>\$ 35,000.00</b>  |
| <b>TOTAL ACTIVITY COSTS:</b>  | <b>\$ 317,950.00</b> |
| <b>TOTAL PROJECT COSTS:</b>   | <b>\$ 318,700.00</b> |

**BUDGET NARRATIVE FOR -----**

**ADMINISTRATIVE/FINANCIAL COSTS**

|   |           |
|---|-----------|
| <b>Personnel Services/Office Costs:</b>     | <b>\$</b> |
| <b>Professional Services:</b>               | <b>\$</b> |
| <b>Legal Costs:</b>                         | <b>\$</b> |
| <b>Audit Fees:</b>                          | <b>\$</b> |
| <b>TOTAL ADMINISTRATIVE/FINANCIAL COSTS</b> | <b>\$</b> |

**ACTIVITY COSTS**

|  |           |
|--|-----------|
| <b>Equipment Cost:</b>                   | <b>\$</b> |
| <b>Construction Cost:</b>                | <b>\$</b> |
| <b>Architectural/Engineering Design:</b> | <b>\$</b> |
| <b>Contingency:</b>                      | <b>\$</b> |
| <b>TOTAL ACTIVITY COSTS:</b>             | <b>\$</b> |
| <b>TOTAL PROJECT COSTS:</b>              | <b>\$</b> |

C. Implementation Schedule:

Each applicant must submit an implementation schedule that describes the overall schedule for project completion.

| <b>EXAMPLE OF IMPLEMENTATION SCHEDULE</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| TASK   | QUARTERS 2009   |                 |                 |                 | QUARTERS 2010   |                 |                 |                 | QUARTERS 2011   |                 |                 |                 |  |
|  | 1 <sup>ST</sup> | 2 <sup>ND</sup> | 3 <sup>RD</sup> | 4 <sup>TH</sup> | 1 <sup>ST</sup> | 2 <sup>ND</sup> | 3 <sup>RD</sup> | 4 <sup>TH</sup> | 1 <sup>ST</sup> | 2 <sup>ND</sup> | 3 <sup>RD</sup> | 4 <sup>TH</sup> |  |
| <b><u>PROJECT START-UP</u></b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| A. Sign contract with Coal Board   | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| B. Secure approval of other funding  | X               | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| C. Submit progress reports and drawdown request.<br>(Progress reports quarterly if no draws submitted) | X               | X               | X               | X               | X               | X               | X               | X               |                 |                 |                 |                 |  |
| <b><u>PROJECT CONSTRUCTION</u></b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| A. Architectural Design  |                 | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| B. Conduct pre-construction conference   |                 |                 | X               |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| C. Construction and purchase and installation of equipment   |                 |                 | X               | X               | X               | X               | X               |                 |                 |                 |                 |                 |  |
| D. Monitor Progress  | X               | X               | X               | X               | X               | X               | X               | X               | X               |                 |                 |                 |  |
| E. Final Inspection  |                 |                 |                 |                 |                 |                 |                 | X               |                 |                 |                 |                 |  |
| <b><u>PROJECT CLOSE-OUT</u></b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |  |
| A. Coal Board administrative staff conduct on-site monitoring of the project.                          |                 |                 |                 |                 |                 |                 |                 | X               |                 |                 |                 |                 |  |
| B. Submit project completion report.   |                 |                 |                 |                 |                 |                 |                 |                 | X               |                 |                 |                 |  |
| C. Include project in audits.  |                 |                 |                 |                 |                 |                 |                 |                 | X               |                 |                 |                 |  |

**IMPLEMENTATION SCHEDULE FOR -----**

| TASK   | QUARTERS 2011   |                 |                 |                 | QUARTERS 2012   |                 |                 |                 | QUARTERS 2013   |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 1 <sup>ST</sup> | 2 <sup>ND</sup> | 3 <sup>RD</sup> | 4 <sup>TH</sup> | 1 <sup>ST</sup> | 2 <sup>ND</sup> | 3 <sup>RD</sup> | 4 <sup>TH</sup> | 1 <sup>ST</sup> | 2 <sup>ND</sup> | 3 <sup>RD</sup> | 4 <sup>TH</sup> |
| <b><u>PROJECT START-UP</u></b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| A. Sign contract with Coal Board   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| B. Secure approval of otherfunding   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| C. Submit progress reports and drawdown request.<br>(Progress reports quarterly if no draws submitted) |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b><u>PROJECT CONSTRUCTION</u></b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| A. Architectural Design  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| B. Conduct pre-constructionconference  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| C. Construction and purchase and installation of equipment   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| D. Monitor Progress  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| E. Final Inspection  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b><u>PROJECT CLOSE-OUT</u></b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| A. Coal Board administrative staff conduct on-site monitoring of the project.                          |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| B. Submit project completion report.   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| C. Include project in audits.  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |

19. DESCRIPTION OF RELATIONSHIP TO COAL BOARD STATUTORY GRANT CRITERIA

The Coal Board does base its awards on the following four statutory criteria (90-6-206, MCA). In addition, State law (90-6-207, (5), MCA) that requires attention be given to the need for community planning before the full impact of coal development or decline is realized.

**A. Need**

Explain how the assistance that is required to eliminate or reduce a direct and obvious threat to the public health, safety, or welfare that has been caused as a direct result of coal development or decline?" (90-6-206, MCA)

1. Does a serious deficiency exist in a basic or necessary community public facility or service? Examples include emergency services such as police, fire or ambulance services. (Describe the nature and frequency of occurrence and provide supporting documentation.)

**APPLICANT'S RESPONSE:**

2. Have serious public health or safety problems that are clearly attributable to a deficiency occurred, or are they likely to occur, such as illness, disease outbreak, substantial property loss, environmental pollution, safety problems, hazards, or health risks? (Describe the nature and frequency of occurrence and provide supporting documentation.)

**APPLICANT'S RESPONSE:**

3. Is the entire community, or a substantial percentage of the residents of the community, seriously affected by the deficiency or at risk, as opposed to a small percentage of the residents? (Describe the number or percentage of community residents affected by the problem.)

**APPLICANT'S RESPONSE:**

4. Is there clear documentation that the current condition of the public facility or service (or lack of a facility or service) violates, or may potentially violate, a state or federal health or safety standard (If yes, describe the standard being violated.)? If the proposed project is necessary to comply with a court order or a state or federal agency directive, describe the directive and attach a copy of it.

**APPLICANT'S RESPONSE:**

5. Does the standard that is being violated, or potentially may be violated; represent a significant threat or potential threat to public health or safety?

**APPLICANT'S RESPONSE:**

6. Additional information supporting the NEED for this project.

**APPLICANT'S RESPONSE:**

**B. Degree of Severity of Impact from an Increase or Decrease in Coal Development or In the Consumption of Coal by A Coal-Using Energy Complex**

Explain why the proposed project or governmental services or facilities “are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex” (90-6-205, (4) (a), MCA).

1. Describe why the need for the expansion or improvement to the public facility or public service is attributable to coal-related impacts. Additionally, please provide the percentage of the project that is a result of coal impacts.

Responses might include:

- the road maintenance and other maintenance impacts from coal hauling (rail and truck);
- operational impacts on emergency services (police, fire department, and ambulance services);
- impacts and services needed by local coal industry retirees and aging employees;
- the percentage of the households served by the public facility or service that include persons directly employed by a coal mine or coal-using energy facility or directly-related employment;
- the percentage of the users of the public facility or public service that are households in which one or more members are directly employed by a coal mine or coal-using energy facility or directly-related employment.

**APPLICANT’S RESPONSE:**

2. Name the nearest coal development area or coal-using energy complex to your community and the road miles from your community.

**APPLICANT’S RESPONSE:**

3. Additional information supporting the DEGREE OF SEVERITY OF IMPACT FROM AN INCREASE OR DECREASE IN COAL DEVELOPMENT OR IN THE CONSUMPTION OF COAL BY A COAL-USING ENERGY COMPLEX.

**APPLICANT’S RESPONSE:**

**C. Availability of Funds**

1. Amount requested from the Coal Board: \$ \_\_\_\_\_
2. Amount of Coal Board funds available at the time of application \$ \_\_\_\_\_ (#2 will be completed by Coal Board staff)
3. Explain why a coal impact grant is necessary to make the project feasible and affordable

**APPLICANT’S RESPONSE:**

4. What are the other proposed funding sources for the project?

**APPLICANT’S RESPONSE:**

## EXAMPLES TO ASSIST WITH THE QUESTION WHAT ARE THE OTHER PROPOSED FUNDING SOURCES FOR THE PROJECT.

List all sources of funds that you intend to use to finance the proposed project e.g., federal and state grant or loan programs, bank loans, bonds, cash reserves, etc.). Do not provide an amount that combines both the loan and grant. If both a loan and grant will be obtained from the same source, they must be listed separately. The sources of funds listed should equal the estimated total project cost. The following box provides state and federal funding program abbreviations that can be used when listing the proposed funding sources:

### ABBREVIATIONS OF STATE AND FEDERAL FUNDING PROGRAMS

**CDBG** – Department of Commerce - Community Development Block Grant Program

**EDA** - US Economic Development Administration

**INTERCAP** - Board of Investments – Intercap Program

**MFFA** – Montana Medical Facilities Financing Authority

**USDA/RD** – US Department of Agriculture Rural Development Program

**RRGL** – Department of Natural Resources & Conservation - Renewable Resource Grant and Loan Program

**SRF** – Department of Natural Resources & Conservation - Wastewater Revolving Fund Loan Program

**WRF** - Department of Natural Resources & Conservation – Water Revolving Fund Loan Program

**TSEP** – Department of Commerce - Treasure State Endowment Program

For each source of funding listed, indicate the type (grant, loan, cash, in-kind contribution, or other) and agreed to the amounts requested.

Also, indicate the status of the commitment of those funds to the project at the time of writing this application using one of the following choices:

- a. **No Contact** - No contact has yet been made with the fundingsource;
- b. **Discussed/Not Applied** - Project has been discussed with the funding source, but no application has been submitted. Briefly describe the discussion with the funding source and the likelihood of obtaining the funds;
- c. **Application Submitted** - An application has been submitted, but funding has not yet been awarded. Briefly describe status of application;or
- d. **Funds Committed (date)** - Funds have been committed by the funding source. Attach a copy of the commitment letter or other documentation verifying the commitment of funds.

Finally, if funds are to be borrowed, state the loan rate and terms likely to be required by the lender or bond underwriters (for example, interest rate, number of years to repay loan, and coverage and reserve requirements). Indicate whether the funding source has agreed or tentatively agreed to the term

**EXAMPLE OF A FUNDING SOURCES SUMMARY**

| Source  | Type of Fund | Amount                    | Status of Commitment  | Loan Rates & Terms                                      |
|---|--------------|---------------------------|---|---|
| CDBG  | Grant        | N/A                       | Do not qualify due to income levels within the county. Next deadline is April 2009  |   |
| TSEP  | Grant        | N/A                       | No application made – program cycle does not fit our needs                          |   |
| RRGL  | Grant        | N/A                       | Project not eligible for funding  |   |
| USDA/RD   | Grant        | N/A                       | Our county doesn't qualify for this program because it is over the 90% income level |   |
| MFFA Montana Medical Facility Financing Authority | Loan         | Any unmet financial needs | Loan application pending the amount of funding from the coal board                  | 5 year +/- 5% loan for any balance left for the project |
| The Mountain County Foundation                    | Hard Match   | \$35,750                  | Committed   | N/A   |
| MCCHC Mountain County Community Health Center     | Contingency  | \$35,000                  | Committed   | N/A   |
| Montana Coal Board                                | Grant        | \$247,950                 | Requested   | N/A   |
| Total Project Cost                                |              | \$318,700                 |   |   |

**FUNDING SOURCES SUMMARY FOR.....**

| Source | Type of Fund | Amount | Status of Commitment | Loan Rates & Terms |
|--------|--------------|--------|----------------------|--------------------|
|        |              |        |                      |                    |
|        |              |        |                      |                    |
|        |              |        |                      |                    |
|        |              |        |                      |                    |
|        |              |        |                      |                    |

5. If a particular proposed source of funding is not obtained, how will the applicant proceed?

Explain how the funding strategy will change if each proposed funding source is not received. (Discuss how the loss of each of the proposed funding sources would affect the completion of the project. For instance, will the applicant wait and re-apply to the funding source, will the applicant be willing to increase the amount of debt it will incur, or will the project not move forward?)

**APPLICANT'S RESPONSE:**

**D. Degree of Local Effort in Meeting Needs**

1. If current millage rates given are lower than the average rates levied during the previous three years, briefly explain why they are lower.

**APPLICANT'S RESPONSE:**

2. Describe any local efforts to meet the public facility or public service needs by providing financial contributions to the project to the extent possible, such as local funding, donations of land, absorbing some or all-administrative costs. For non-profit organizations, describe fund-raising efforts or other in-kind assistance to the proposed project as well as usual program fund-raising efforts.

**APPLICANT'S RESPONSE:**

3. Describe past operation and maintenance budgets and practices over the long-term, including any reserves for repair and replacement.

**APPLICANT'S RESPONSE:**

4. If there are indications that the problem is not of recent origin, or has developed because of inadequate operation and maintenance practices in the past, explain the circumstances and describe the actions that management will take in the future to assure that the problem will not reoccur.

**APPLICANT'S RESPONSE:**

5. If the project involves water, wastewater or solid waste, provide the current and projected monthly household user charges, including operation and maintenance:
- What is the current monthly household user charge? \$ \_\_\_\_\_
  - What is the projected monthly user charge (including operation and maintenance) when the project is complete? \$ \_\_\_\_\_
6. What are your current debt obligations?

List current debt obligations. If the applicant is a water, wastewater, solid waste, or other "enterprise" type system, which relies on rates and charges for its financial support, only debt related to that system need be entered. If the applicant is a city, county, or district that relies on general taxing authority for its financial support, or is a not-for-profit organization, debt related to the general obligations of the city, county, district, or not-for-profit organization should be entered.

**EXAMPLE OF A CURRENT DEBT SUMMARY**

| Year Issued | Purpose                 | Type of Bond/ Security | Amount      | Maturity Date (mo./yr.) | Debt Holder   | Coverage Required | Annual Payment Amount | Outstanding Balance |
|-------------|-------------------------|------------------------|-------------|-------------------------|---------------|-------------------|-----------------------|---------------------|
| 1991        | Operating Suite Remodel |                        | \$2,500,000 | 10/2031                 | MFFA          | 110%              | \$150,715             | \$2,100,987         |
| 1985        | Sprinkler System        |                        | \$500,000   | 6/2012                  | D.A. Davidson | 125%              | \$36,790              | \$164,177           |

**APPLICANT'S RESPONSE:**

**CURRENT DEBT SUMMARY FOR -----**

| Year Issued | Purpose | Type of Bond/ Security | Amount | Maturity Date (mo./yr.) | Debt Holder | Coverage Required | Annual Payment Amount | Outstanding Balance |
|-------------|---------|------------------------|--------|-------------------------|-------------|-------------------|-----------------------|---------------------|
|             |         |                        |        |                         |             |                   |                       |                     |
|             |         |                        |        |                         |             |                   |                       |                     |

7. What are your current assets?

List all current assets including endowments, cash, investments, certificates of deposit, accounts receivable, and any other current assets not specifically indicated. Indicate whether assets are obligated for a specific purpose and what that purpose is (i.e., Certificate of Deposit, \$100,000 - reserve requirement for SRF loan; Investments, \$200,000 – \$100,000 of it is needed to purchase line inspection equipment in 2005).

**APPLICANT'S RESPONSE:**

8. What financial accounting system do you use? \_\_\_\_\_

The Board is required to ensure conformity to generally accepted accounting principles. Examples include Quick Books and MBARS.

9. Is the applicant in compliance with the auditing and annual financial reporting requirements provided for in the Montana Single Audit Act, 2-7-501 to 522, MCA? (Tribal governments must comply with auditing and reporting requirements provided for in OMB Circular A-133).

Yes \_\_\_ No \_\_\_ Date of last completed audit or financial report \_\_\_\_\_

10. If there have been audit findings within the last five years, have they been satisfactorily addressed?

**APPLICANT'S RESPONSE:**

11. Additional information supporting the DEGREE OF LOCAL EFFORT IN MEETING NEEDS.

**APPLICANT'S RESPONSE:**

**E. Planning & Management**

State law (90-6-207, (5), MCA) requires the Coal Board to give attention “to the need for community planning before the full impact of coal development or decline is realized. Applicants should be able to show how the request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth or decline problems.” Therefore, pursuant to Sub-Chapter 3 of the Administrative Rules of Montana, Planning is an additional criterion the Coal Board will apply when judging applications.

1. Describe how your grant request reasonably fits into an overall plan for the orderly management of the existing or contemplated growth or decline problems related to coal impacts.

**APPLICANT’S RESPONSE:**

2. Describe how the proposed project is consistent with current plans.

Plans may include a local capital improvements plan, growth policy, transportation plan, comprehensive economic development plan, or any other applicable plan.

**APPLICANT’S RESPONSE:**

## APPENDIX A

### PAR PRELIMINARY ARCHITECTURAL REPORT (PAR) REQUIREMENTS

#### A. A PAR MUST BE SUBMITTED AS PART OF A COAL BOARD APPLICATION FOR:

- a. Utilization of a PAR for rehabilitation or construction of Coal Board funded activities for Non-Water/Non-Wastewater community facility projects;
- b. New construction of a Non-Water/Non-Wastewater community facility project;

#### B. A PAR MUST MEET THE REQUIREMENTS FOR:

- a. Preparation of a PAR as a planning activity

#### C. GENERAL INFORMATION ON PARs:

- The PAR outline presented here is by no means all-inclusive. The architect should use his or her professional judgment to present sufficient information during preparation of the PAR, taking into account that different projects require varying levels of detail (rehabilitation of an existing building versus construction of a new building) and consideration of reasonable alternatives.
- Architects and project representatives can call Community Development Division staff (406-841-2770) to request clarification and guidance regarding this PAR outline.

#### D. ENVIRONMENTAL CONSIDERATIONS RELATED TO THE PAR

NOTE: All state and Coal Board funded projects are subject to the Montana Environmental Policy Act (MEPA). This law seeks to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts of any development assisted with funds.

- MEPA seeks to avoid or mitigate adverse impacts on the natural and human environment by mandating careful consideration of the potential impacts of any development assisted with state funds or approved by a Montana state agency.

#### E. PAR OUTLINE

##### I. PROBLEM DEFINITION

##### A. DESCRIBE AND DOCUMENT THE NEED FOR THE PROJECT AND THE PROBLEM(S) TO BE SOLVED. Describe the need for the project according to the following criteria:

1. Health and Safety - Describe concerns and deficiencies, compliance issues, and relevant regulations such as the International Building Code, (and other codes as listed in "Special Requirements Concerning Code and Standards Enforcement"), asbestos, lead-based paint, handicapped accessibility, zoning ordinances, and other federal, state, local, or tribal requirements concerning the existing facility(ies).

Attach pertinent correspondence to or from appropriate federal, state, and local regulatory agencies, especially information that provides documentation of health and safety concerns and deficiencies.

2. Facility Operation & Maintenance (O&M) - Describe O&M concerns regarding the existing facility(ies) with an emphasis on those with the greatest financial and operational impact.

If the high cost of maintaining the existing facility(ies) is related to a proposal to modify or replace the existing facility, describe and document these concerns and potential cost savings.

3. Growth - Describe the facility's capacity to meet projected growth needs from the completion of construction through the anticipated useful life of the building

Discuss any potential for future expansion, if applicable, or any consideration given to designing for phased construction or incremental expansion of the facility in the future.

Provide both the number of current users served by the facility(ies) and the projected number of users to be served by the proposed project upon completion.

**B. IDENTIFY THE PLANNING AND SERVICE AREA, INCLUDING THE EXISTING LOCATION AND POTENTIAL, ALTERNATE LOCATIONS OF THE FACILITY.**

Using narrative and drawings, describe the planning and service area and alternate building(s) or sites under review or consideration. The description should include the following information:

1. Location - Indicate legal and natural boundaries, major obstacles, environmental constraints, etc., using maps, photographs, and sketches of the planning and service area, including both the existing location and potential alternate locations for the facility.
2. Growth Areas and Projected Population Trends - Identify specific areas of projected, concentrated population growth and relate these to the forecasted growth in the clientele to be served by the proposed project.

Provide population projections for the project's planning and service area (and for the persons and/or groups the facility will serve) as well as for the projected design period (i.e., the anticipated useful life of the proposed facility).

Base projections for the clientele to be served upon historical records, Census data, or economic projections, citing recognized sources.

**C. EVALUATE THE CONDITION OF THE EXISTING FACILITY(IES).** Describe the existing facility(ies), including at least the following information:

1. History - Provide a brief history of the facility(ies), including when the structure was constructed, major improvements implemented in the past, and any past problems.
2. Condition of Facilities - Describe the present condition and any problems such as code deficiencies, general structural decay, presence of asbestos, mold or moisture, lead based paint, subsidence issues, overcrowding, or handicapped accessibility. Describe the adequacy or capacity of the existing facility(ies) to meet existing and long-term needs.

**II. ALTERNATIVE ANALYSIS**

**A. DESCRIPTION OF ALTERNATIVE SOLUTIONS.** Describe each alternative design, building, or site considered -- i.e., identify and describe existing buildings with potential for rehabilitation or alteration, or alternative building sites considered for new construction.

1. If proposing rehabilitation or alteration of existing buildings - Describe existing buildings within the community that could be modified or rehabilitated to accommodate the proposed facility or need.

Describe the potential benefits and possible deficiencies with each alternative design, building or site considered, including code compliance issues, floor space, handicapped accessibility, and potential for long-term expansion, as applicable.

2. If proposing new construction, describe alternative building sites considered for new construction, any existing structures on the site(s), potential for long-term expansion, proximity to other services, environmental constraints, etc.

**B. REGULATORY COMPLIANCE AND PERMITS.** Describe issues that need to be addressed concerning compliance (for either a new building or a rehabilitated building) with appropriate regulations such as the International Building Code and other relevant codes, zoning issues, asbestos, lead-based paint, permits, handicapped accessibility (American Disabilities Act and HUD 504 regulations), designated 100-year floodplains, and other applicable federal, state, local or tribal requirements.

**C. LAND ACQUISITION ISSUES.** Identify sites to be purchased or leased and any easements needed, if applicable. Specify whether these properties are currently owned, to be purchased or leased, and whether options have been obtained, contingent upon receipt of funding.

**D. ENVIRONMENTAL CONSIDERATIONS.** For the alternative selected for the project, discuss the following:

1. Potential Environmental Impacts - The PAR must include a discussion of environmental resources in the area that might be impacted or that might impact the proposed facility.
2. Mitigation - Evaluate appropriate short and long-term measures to mitigate each potentially adverse impact.

Describe the mitigation measure(s) necessary to minimize potentially adverse impacts upon identified environmental resources. Projects contemplating the renovation of existing structures should thoroughly discuss mitigation measures to address any existing hazards, such as asbestos and lead-based paint, where identified, in accordance with federal and state requirements.

3. Correspondence - Include any environmentally-related correspondence and agency comments (e.g., comments from the State Historic Preservation Office).
4. Exhibits/Maps - Include any exhibits, maps, or drawings as applicable to describe potential environmental impacts.

**E. CONSTRUCTION PROBLEMS.** Discuss potential concerns such as geological constraints, limited access, underground storage tanks, high water table, asbestos, lead-based paint, contaminated soil, noise, odors, or other conditions that may affect cost of construction or long-term operation of the proposed (new or rehabilitated) facility.

**F. COST ESTIMATES FOR EACH ALTERNATIVE.** For each alternative considered, include both:

1. Project Costs (i.e., administrative, financial, engineering, architecture, and construction costs) and
2. Project Annual Operation and Maintenance Costs

### **III. SELECTION OF THE PREFERRED ALTERNATIVE**

- A. ANALYSIS OF ALTERNATIVE SOLUTIONS.** Provide an analysis of why the preferred alternative (design, building, or location) was selected over other alternatives.
- B. SITE LOCATION AND CHARACTERISTICS.** Discuss the site location of any current or proposed facilities, and why the preferred alternative was selected over other alternatives.
- C. PRELIMINARY ARCHITECTURAL PLANS.** Provide preliminary architectural plans (including a proposed floor plan) for the proposed (new or rehabilitated) facility.
- D. OPERATIONAL REQUIREMENTS.** Discuss the expertise required to operate the facility and any unique operational requirements or benefits of the facility and describe why the preferred alternative was selected over other alternatives.
- E. PROJECT COST SUMMARY / PROJECT COST ESTIMATE.** Provide an itemized estimate of the project cost based on the anticipated period of construction including administrative, development and construction, land and utilities, legal, engineering, interest, equipment, contingencies, refinancing, and other costs associated with the proposed project. See 'II. F Cost Estimates for Each Alternative, above.

### **IV. CONCLUSIONS AND RECOMMENDATIONS**

Provide any other conclusions and recommendations and any additional findings that should be considered in the evaluation of the proposed project and the selected alternative.

## Environmental Review

Coal Board grants are a state action subject to the Montana Environmental Policy Act (MEPA). MEPA specifies three different levels of environmental review, based on the significance of the potential impacts. The levels are: (1) exempt or excluded from MEPA review; (2) environmental assessment (EA), and (3) environmental impact statement (EIS). The following outlines the environmental review process that must be completed by the applicant for each project proposed for Coal Board funding. For detailed information on MEPA, see *A Guide to the Montana Environmental Policy Act*, or *A Citizen's Guide to Public Participation in Environmental Decision Making*, at: <http://leg.mt.gov/css/Publications/environmental/default.asp> or <http://leg.mt.gov/css/services%20division/lepo/mepa/mepaforpublic.asp>

All necessary environmental review of the proposed project must be completed prior to submission of the application for grant funding. Any application received without documentation that the environmental review process has been completed may be rejected by the Department.

The applicant must provide documentation of the completed environmental review process and include with the application all documentation of the public review process, including but not limited to, the public notice for and minutes of a public hearing at which the environmental review was discussed, the public comments received, and the final decision on the environmental determination made during a public meeting.

### *Statutory or Categorical Exemptions*

Certain actions are exempt from MEPA review, either because they have been specifically exempted by the statute or, because of their special nature, do not normally have a significant effect on the environment. The following types of actions are statutorily exempt from MEPA review under ARM 8.2.304(5):

- Administrative actions (routine clerical or similar functions, including but not limited to administrative procurement, contracts for consulting services, or personnel actions);
- Minor repairs, operations, and maintenance of existing equipment or facilities;
- Investigation and enforcement; data collection activities; inspection of facilities or enforcement of environmental standards;
- Ministerial actions (in which the agency exercises no discretion and rather acts upon a given state of facts in a prescribed manner);
- Actions that are primarily social or economic in nature and that do not otherwise affect the human environment;

The following types of actions are categorically exempted from MEPA review under ARM 8.2.328(2):

- Projects that will be partially funded by, or for which the applicant must obtain a permit from, a state or federal agency which, by reason of its funding or permitting function, has primary responsibility to consider the environmental impacts of the project under MEPA or the National Environmental Policy Act;
- Activities which do not involve or lead directly to construction, such as planning studies, scientific research and analysis, surveys, or engineering;
- Projects primarily involving the acquisition of capital equipment;
- Projects that involve only minor repairs or rehabilitation to an existing facility, including functional replacement of an existing facility or facility components;
- Projects where the footprint of the proposed structures, pipelines, or other infrastructure would be substantially unchanged from existing conditions, and there is no increase in the population served by the facility; or
- Emergency repairs, reconstruction, restoration, retrofitting, or replacement of an existing facility that

is in operation or under construction when damaged and the action:

- (i) occurs within the existing facility footprint and in a manner that substantially conforms to the preexisting design, function, and location as the original (which may include upgrades to meet existing codes and standards as well as upgrades warranted to address conditions that have changed since the original construction); and
- (ii) is commenced within six months after the date of the emergency.

If the proposed project qualifies for an exemption then the applicant should submit documentation that the environmental process (including public review process) is complete and the applicant has formally approved its determination that the project qualifies for an exemption. An exemption may not be appropriate if significant public controversy exists over the project's potential effect on the quality of the human environment; the proposed project shows some potential for causing a significant effect on the quality of the human environment; or the project might possibly affect sensitive environmental or cultural resource areas or endangered or threatened species and their critical habitats.

### **Environmental Assessment (EA)**

An EA is a written analysis of a proposed action to determine whether an EIS is required or is needed to serve one or more of the other purposes described in ARM 8.2.304(2). Normally, a thoroughly completed Environmental Checklist and responses to the six questions contained in the Environmental Review Form (see Appendix C of these guidelines) will suffice as the draft EA for public review and comment, and may then be revised as necessary to constitute the final EA. Anyone authorized to perform work on behalf of the applicant may prepare the draft EA, using all available information and evidence. The applicant's authorized representative must sign the draft EA, and the final environmental determination must be made by the applicant's representatives or board. Preparation of an EA ensures the fullest appropriate opportunity for public review and comment on a proposed action, including alternatives and planned mitigation, and examines and documents the effects of a proposed action on the quality of the human environment. The EA also allows the project proponent to determine the need to prepare an EIS through an initial evaluation and determination of the significance of impacts associated with a proposed action.

In addition, an applicant may prepare an EA whenever the proposed action is one that might normally require an EIS, but the significant effects of the project appear to be mitigated below the level of significance through design, enforceable controls, and/or conditions imposed by the agency or other government agencies. For an EA to suffice in this instance, the applicant must determine that all of the impacts of the proposed action have been accurately identified, that they will be mitigated below the level of significance, and that no significant impact is likely to occur. The applicant may not consider compensation for purposes of determining that impacts have been mitigated below the level of significance.

An EA is a public document and may be inspected upon request. Any person may obtain a copy of an EA by making a request to the applicant. **The applicant shall submit a copy of each completed EA to the Department as a part of the complete grant application.** The applicant is responsible for providing public review of an EA as necessary to match the complexity and seriousness of environmental issues associated with a proposed action and the level of public interest in the action. Methods of accomplishing public review include publishing a news release or legal notice to announce the availability of an EA, summarizing its content and soliciting public comment; holding public meetings or hearings; maintaining mailing lists of persons interested in a particular action or type of action and notifying them of the availability of EAs on such actions; and distributing copies of EAs for review and comment. Where an action is one that normally requires an EIS, but effects that otherwise might be deemed significant are mitigated in the project proposal or by controls imposed by the applicant, public involvement must include the opportunity for public comment, a public meeting or hearing, and adequate notice. The applicant is responsible for determining appropriate methods to ensure adequate public review on a case-by-case basis.

The applicant shall consider all substantive comments received in response to a draft EA and decide, at a public meeting, that either:

1. that an EIS is necessary;
2. that the EA did not adequately reflect the issues raised by the proposed action and must be revised; or
3. (3) that an EIS is not necessary, and make a final decision on the proposed action (executing the contract with the Department to receive Coal Board funds for the grantee's project).

**The applicant must provide a copy of the Final EA to the Department with documentation of public review, opportunity for public comment, and a final decision on the EA at a public meeting.**

Any time the applicant proposes substantial changes to the project affecting the original EA, the grant recipient must repeat its environmental review for the revisions to the project, assuring the environmental impacts of the revised project are adequately identified, addressed by the grantee, and any necessary public review provided. When completed, the applicant must follow the original process and again provide environmental documents to Department.

### *Environmental Impact Statement (EIS)*

An EIS is required whenever an EA indicates that an EIS is necessary, or an applicant proposes an action that may significantly affect the quality of the human environment (a "major action").

MEPA and Department's rules require that a draft EIS circulated for public review must contain all of the following:

1. a description of the proposed action, including its purpose and benefits;
2. a listing of any state, local, or federal agencies that have overlapping or additional jurisdiction and a description of their responsibility for the proposed action;
3. a description of the current environmental conditions in the area affected by the proposed action or alternatives, including maps and charts, whenever appropriate;
4. a description of the impacts on the quality of the human environment of the proposed action, including: direct, indirect, and cumulative impacts; potential growth-inducing or growth-inhibiting impacts; irreversible and irretrievable commitments of environmental resources, including land, air, water and energy; economic and environmental benefits and costs of the proposed action; and the relationship between local short-term uses of man's environment and the effect on maintenance and enhancement of the long-term productivity of the environment;
5. an analysis of reasonable alternatives to the proposed action, including the alternative of no action and other reasonable alternatives that may or may not be within the jurisdiction of the agency to implement, if any;
6. a discussion of mitigation, stipulations, or other controls committed to and enforceable by the applicant or other government agency;
7. a discussion of any compensation related to impacts stemming from the proposed action;

8. an explanation of the tradeoffs among the reasonable alternatives;
9. the applicant's preferred alternative on the proposed action, if any, and its reasons for the preference;
10. a section on consultation and preparation of the EIS that includes the names of those individuals or groups responsible for preparing the EIS; a listing of other agencies, groups, or individuals who were contacted or contributed information; and a summary list of source materials used in the preparation of the draft EIS;
11. a summary of the draft EIS; and
12. other sections that may be required by other statutes in a comprehensive evaluation of the proposed action, or by the National Environmental Policy Act or other federal statutes governing a cooperating federal agency.

Following preparation of a draft EIS, the applicant must distribute copies to the Governor; the Department; the Environmental Quality Council; appropriate state and federal agencies; and all persons who have requested copies. The applicant must allow 30 days for public comment on the EIS, which may be extended an additional 30 days at the discretion of the applicant or upon application of any person for good cause. When preparing a joint EIS with a federal agency or agencies, the applicant may also extend this period in accordance with time periods specified in regulations that implement the National Environmental Policy Act.

After the time for public comment and review has expired, the applicant must prepare a Final EIS for approval at a public meeting, which must also contain:

1. a summary of major conclusions and supporting information from the draft EIS and the responses to substantive comments received on the draft EIS, stating specifically where such conclusions and information were changed from those which appeared in the draft;
2. a list of all sources of written and oral comments on the draft EIS, including those obtained at public hearings, and, unless impractical, the text of comments received by the applicant (in all cases, a representative sample of comments must be included);
3. the applicant responses to substantive comments, including an evaluation of the comments received and disposition of the issues involved;
4. data, information, and explanations obtained subsequent to circulation of the draft; and
5. the applicant recommendation, preferred alternative, or proposed decision together with an explanation of the reasons.

The applicant must distribute copies of the Final EIS to the Governor; the Department; the Environmental Quality Council; appropriate state and federal agencies; all persons who submitted comments on or received a copy of the draft EIS; and all other members of the public upon request.

The applicant may not make a final decision on the proposed action being evaluated in a Final EIS (executing the contract with the Department to receive Coal Board funds for the grantee's project) until 15 days from the date of transmittal of the Final EIS to the Governor and Environmental Quality Council. Until the applicant reaches its final decision on the proposed action, no action concerning the proposal may be taken that would have an adverse environmental impact or limit the applicant's choice of reasonable alternatives, including the no-action alternative.

Any time the applicant proposes substantial changes to the project affecting the original EIS, the applicant must repeat its environmental review for the revisions to the project, assuring the environmental impacts of the revised project are adequately identified, addressed by the grantee, and any necessary public review

provided. When completed, the applicant must follow the original process and again provide environmental documents to Department.

Coal Board applicants are responsible for compliance with all applicable state environmental requirements. Some of the other state environmental requirements that *may* apply to Coal Board projects include:

- Stream Protection Act, Title 87, Chapter 5, Part 5, MCA
- Montana Solid Waste Management Act, Title 75, Chapter 10, Part 2, MCA
- Clean Air Act of Montana, Title 75, Chapter 2, MCA
- Water Quality Act, Title 75, Chapter 5, MCA
- Public Water Supplies, Distribution and Treatment, Title 75, Chapter 6, MCA
- Floodplain and Floodway Management, Title 76, Chapter 5, MCA
- The Montana State Antiquities Act, Title 22, Chapter 3, MCA
- The Montana Sage Grouse Habitat Conservation Program and Conservation Strategy, Executive Orders 10-2014 and 12-2015 and Chapter 445, Laws 2015 (SB 261) <https://sagegrouse.mt.gov>

Some of the environmental permits that may be required on your project from other state agencies include the following:

- Asbestos Control Program – contact the Department of Environmental Quality (DEQ).
- Montana Stream Protection Act (SPA 124 Permit) – contact the Montana Department of Fish, Wildlife and Parks at 444-2449.
- Montana Floodplain and Floodway Management Act (Floodplain Development Permit) – contact the Montana Department of Natural Resources and Conservation at 444-0860 or the local floodplain administrator.
- Federal Clean Water Act (404 Permit) – contact the U.S. Army Corps of Engineers in Helena at 441-1375.
- Short-Term Water Quality Standard for Turbidity (318 Authorization) – contact the Montana Department of Environmental Quality at 444-3080.
- Montana Water Use Act (Water Right Permit and Change Authorization) – contact the Montana Department of Natural Resources and Conservation at 444-6667 or the local DNRC Water Resources Regional Office. A useful website regarding water rights can be found at [http://www.dnrc.mt.gov/wrd/water\\_rts/default.asp](http://www.dnrc.mt.gov/wrd/water_rts/default.asp).
- Stormwater Discharge General Permits and/or Montana Pollutant Discharge Elimination System (MPDES Permit) – contact the Montana Department of Environmental Quality at 444-3080.
- Please check the DNRC website for a copy of “A Guide to Stream Permitting in Montana.” Their web address is [http://dnrc.mt.gov/permits/stream\\_permitting/default.asp](http://dnrc.mt.gov/permits/stream_permitting/default.asp).
- Cultural Resource Survey – You may need to perform a cultural resource survey for your project. The

State Historic Preservation Office (SHPO) can be reached at 444-7715 for more information. There is guidance for consulting with SHPO at <http://mhs.mt.gov/shpo/archaeology/consultingwith.asp>.

### **Environmental Assessment**

Each Coal Board applicant must either identify that the proposed project qualifies for an exclusion from MEPA, or identify and analyze the environmental impacts of the proposed project.

Any time the applicant proposes substantial changes to the project, after submission of the application but either before or after final ranking by the Department or approval by the Legislature and Governor, the Department will require the applicant to repeat its environmental review as set forth above.

The checklist contained within the *Uniform Application for Montana Public Facility Projects, Tenth Edition*, must be submitted with the Coal Board application. Please use the heading for the environmental assessment as shown below. Letters to the appropriate state and federal agencies must be sent and documented.

*It is the requirement to complete the entire environmental review process and include all documentation with the application.* The responsibility for completing the environmental assessment rests with the grantee. Please refer to environmental review language for specific details regarding completion of the entire environmental process.

The 'environmental review form' must be completed for Coal Board projects and submitted with the construction grant application. The form must be prepared by someone with a thorough knowledge of the project, expertise in environmental issues, and authority to sign for the applicant.

Please ensure all portions of the environmental process are completed prior to application submission.

- a. Environmental Assessment Checklist
- b. Environmental Review form
- c. Final Action taken by resolution or documented local decision

|                                       |
|---------------------------------------|
| <b>ENVIRONMENTAL REVIEW CHECKLIST</b> |
|---------------------------------------|

|                         |                 |
|-------------------------|-----------------|
| <b>NAME OF PROJECT:</b> |                 |
| <b>PROPOSED ACTION:</b> |                 |
| <b>LOCATION:</b>        | _____ , Montana |

**Key Letter:**  
**N:** No Impact; **B:** Potentially Beneficial; **A:** Potentially Adverse; **P:** Approval/Permits Required; **M:** Mitigation Required

**PHYSICAL ENVIRONMENT**

|     |   |   |
|-----|---|---|
| Key | 1 | Soil Suitability, Topographic and/or Geologic Constraints (e.g., soil slump, steep slopes, subsidence, seismic activity)  |
|     |   | <i>Response and source of information:</i>  |
|     |   |   |
| Key | 2 | Hazardous Facilities (e.g., power lines, hazardous waste sites, acceptable distance from explosive and flammable hazards including chemical/petrochemical storage tanks, underground fuel storage tanks, and related facilities such as natural gas storage facilities & propane storage tanks) |
|     |   | <i>Response and source of information:</i>  |
|     |   |   |
| Key | 3 | Effects of Project on Surrounding Air Quality or Any Kind of Effects of Existing Air Quality on Project (e.g., dust, odors, emissions)  |
|     |   | <i>Response and source of information:</i>  |
|     |   |   |
| Key | 4 | Groundwater Resources & Aquifers (e.g., quantity, quality, distribution, depth to groundwater, sole source aquifers)  |
|     |   | <i>Response and source of information:</i>  |
|     |   |   |

| <b>Key Letter:</b>   |    |   |
|--|----|---|
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| Key  | 5  | Surface Water/Water Quality, Quantity & Distribution (e.g., streams, lakes, storm runoff, irrigation systems, canals)   |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 6  | Floodplains & Floodplain Management (Identify any floodplains within one mile of the boundary of the project.)  |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 7  | Wetlands Protection (Identify any wetlands within one mile of the boundary of the project.)   |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 8  | Agricultural Lands, Production, & Farmland Protection (e.g., grazing, forestry, cropland, prime or unique agricultural lands) (Identify any prime or important farm ground or forest lands within one mile of the boundary of the project.) |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 9  | Vegetation & Wildlife Species & Habitats, including Fish and Sage Grouse (e.g., terrestrial, avian and aquatic life and habitats) <a href="https://sagegrouse.mt.gov">https://sagegrouse.mt.gov</a>   |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 10 | Unique, Endangered, Fragile, or Limited Environmental Resources, Including Endangered Species (e.g., plants, fish or wildlife)  |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |

| <b>Key Letter:</b>   |    |  |
|--|----|--|
| <b>N:</b> No Impact; <b>B:</b> Potentially Beneficial; <b>A:</b> Potentially Adverse; <b>P:</b> Approval/Permits Required; <b>M:</b> Mitigation Required |    |  |
|  |    |  |
| Key  | 11 | Unique Natural Features (e.g., geologic features)  |
|  |    | <i>Response and source of information:</i>   |
|  |    |  |
| Key  | 12 | Access to, and Quality of, Recreational & Wilderness Activities, Public Lands and Waterways, and Public Open Space                                   |
|  |    | <i>Response and source of information:</i>   |
|  |    |  |
| <b>HUMAN ENVIRONMENT</b>   |    |  |
| Key  | 1  | Visual Quality – Coherence, Diversity, Compatibility of Use and Scale, Aesthetics  |
|  |    | <i>Response and source of information:</i>   |
|  |    |  |
| Key  | 2  | Nuisances (e.g., glare, fumes)   |
|  |    | <i>Response and source of information:</i>   |
|  |    |  |
| Key  | 3  | Noise -- suitable separation between noise sensitive activities (such as residential areas) and major noise sources (aircraft, highways & railroads) |
|  |    | <i>Response and source of information:</i>   |

| <b>Key Letter:</b>   |   |   |
|--|---|---|
| <b>N:</b> No Impact; <b>B:</b> Potentially Beneficial; <b>A:</b> Potentially Adverse; <b>P:</b> Approval/Permits Required; <b>M:</b> Mitigation Required |   |   |
|  |   |   |
| Key  | 4 | Historic Properties, Cultural, and Archaeological Resources                                 |
|  |   | <i>Response and source of information:</i>  |
|  |   |   |
| Key  | 5 | Changes in Demographic (population) Characteristics (e.g., quantity, distribution, density) |
|  |   | <i>Response and source of information:</i>  |
|  |   |   |
| Key  | 6 | General Housing Conditions - Quality, Quantity, Affordability                               |
|  |   | <i>Response and source of information:</i>  |
|  |   |   |
| Key  | 7 | Displacement or Relocation of Businesses or Residents                                       |
|  |   | <i>Response and source of information:</i>  |
|  |   |   |
| Key  | 8 | Public Health and Safety  |
|  |   | <i>Response and source of information:</i>  |

| <b>Key Letter:</b>   |    |   |
|--|----|---|
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|  |    |   |
| Key  | 9  | Lead Based Paint and/or Asbestos  |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 10 | Local Employment & Income Patterns - Quantity and Distribution of Employment, Economic Impact |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 11 | Local & State Tax Base & Revenues   |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 12 | Educational Facilities - Schools, Colleges, Universities                                      |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 13 | Commercial and Industrial Facilities - Production & Activity, Growth or Decline.              |
|  |    | <i>Response and source of information:</i>  |
|  |    |   |
| Key  | 14 | Health Care – Medical Services  |

| <b>Key Letter:</b>   |    |  |
|--|----|--|
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|  |    | <i>Response and source of information:</i>   |
| Key  | 15 | Social Services – Governmental Services (e.g., demand on)  |
|  |    | <i>Response and source of information:</i>   |
| Key  | 16 | Social Structures & Mores (Standards of Social Conduct/Social Conventions)   |
|  |    | <i>Response and source of information:</i>   |
| Key  | 17 | Land Use Compatibility (e.g., growth, land use change, development activity, adjacent land uses and potential conflicts) |
|  |    | <i>Response and source of information:</i>   |
| Key  | 18 | Energy Resources - Consumption and Conservation  |
|  |    | <i>Response and source of information:</i>   |
| Key  | 19 | Solid Waste Management   |
|  |    | <i>Response and source of information:</i>   |

| <b>Key Letter:</b>   |    |  |
|--|----|--|
| <b>N:</b> No Impact; <b>B:</b> Potentially Beneficial; <b>A:</b> Potentially Adverse; <b>P:</b> Approval/Permits Required; <b>M:</b> Mitigation Required |    |  |
| Key  | 20 | Wastewater Treatment - Sewage System       |
|  |    | <i>Response and source of information:</i> |
|  |    |  |
| Key  | 21 | Storm Water – Surface Drainage             |
|  |    | <i>Response and source of information:</i> |
|  |    |  |
| Key  | 22 | Community Water Supply                     |
|  |    | <i>Response and source of information:</i> |
|  |    |  |
| Key  | 23 | Public Safety – Police                     |
|  |    | <i>Response and source of information:</i> |
|  |    |  |
| Key  | 24 | Fire Protection – Hazards                  |
|  |    | <i>Response and source of information:</i> |
|  |    |  |
| Key  | 25 | Emergency Medical Services                 |
|  |    | <i>Response and source of information:</i> |
|  |    |  |
| Key  | 26 | Parks, Playgrounds, & Open Space           |

| <b>Key Letter:</b>   |    |  |
|--|----|--|
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|  |    | <i>Response and source of information:</i>   |
| Key  | 27 | Cultural Facilities, Cultural Uniqueness & Diversity   |
|  |    | <i>Response and source of information:</i>   |
| Key  | 28 | Transportation Networks and Traffic Flow Conflicts (e.g., rail; auto including local traffic; airport runway clear zones - avoidance of incompatible land use in airport runway clear zones) |
|  |    | <i>Response and source of information:</i>   |
| Key  | 29 | Consistency with Local Ordinances, Resolutions, or Plans (e.g., conformance with local comprehensive plans, zoning, or capital improvement plans)  |
|  |    | <i>Response and source of information:</i>   |
| Key  | 30 | Is There a Regulatory Action on Private Property Rights as a Result of this Project? (consider options that reduce, minimize, or eliminate the regulation of private property rights.)       |
|  |    | <i>Response and source of information:</i>   |

## Environmental Review Form

**On a separate piece of paper, please answer the following as they apply to your proposed project:**

1. **Alternatives:** Describe reasonable alternatives to the project.
  
2. **Mitigation:** Identify any enforceable measures necessary to reduce any impacts to an insignificant level.
  
3. **Is an EA or Environmental Impact Statement (EIS) required?** Describe whether or not an EA or EIS is required, and explain in detail why or why not.
  
4. **Public Involvement:** Describe the process followed to involve the public in the proposed project and its potential environmental impacts. Identify the public meetings -- where and when -- the project was considered and discussed, and when the applicant approved the final environmental assessment.
  
5. **Person(s) Responsible for Preparing:** Identify the person(s) responsible for preparation of this checklist.
  
6. **Other Agencies:** List any state, local, or federal agencies that have over-lapping or additional jurisdiction or environmental review responsibility for the proposed action and the permits, licenses, and other authorizations required; and list any agencies or groups that were contacted or contributed information to this Environmental Assessment(EA).

\_\_\_\_\_  
Authorized Representative, Title

\_\_\_\_\_  
Date

(Name of) District

\_\_\_\_\_  
Chairperson

Date: \_\_\_\_\_

**Sample of a resolution  
to accept the determination that (level of environment finding) is appropriate for the  
(applicant, type of project )**

WHEREAS, the (Name of applicant) has completed an assessment to identify potential environmental impacts to the (describe purpose of project);

WHEREAS, the draft Environmental Assessment was made available for public comment and the findings were presented and reviewed at a public meeting;

WHEREAS, no substantive public comment was received, (or public comment was received and responded to);

WHEREAS, The (Name of applicant) has determined that the (type of Project) will not significantly affect the quality of the human environment and accordingly the (Name of Applicant) has determined an Environmental Impact Statement (or Environmental Assessment and EIS if project is Categorical Exclusion); is not necessary;

NOW, THEREFORE, BE IT RESOLVED by the (Council, Board, Commissioners) as follows;

That (Name of Applicant), Montana adopts the final Environmental Assessment for the (type of project).

Passes and approved on this date of (date)

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attested: \_\_\_\_\_