

January 21, 2020

Montana Coal Board
Montana Department of Commerce
A.C. Rothenbuecher
301 S. Park Avenue
Helena, MT 59601

RE: Hysham Coal Board Grant – Request for Additional Funds

Dear Ms. Rothenbuecher and Members of the Coal Board,

Please find attached a new request by the Town of Hysham for additional Coal Board funds to be utilized for the Town of Hysham Wastewater System Rehabilitation, Phase 1 Project. This project was previously considered by Coal Board in October 2018, at which time the Coal Board graciously awarded Hysham \$60,000 toward this project. We returned to the Coal Board in November 2019 with a request for additional funds at which time the Board determined given the prior award was in a different year/biennium and the request was substantial, it was more appropriate to return with an updated application. We are asking for an additional \$125,077 to complete this project.

In 2018, when Hysham originally approached the Coal Board for funding assistance, the Town's application requested \$154,000. At that time, available Coal Board funds were minimal, and the Board was faced with difficult decisions related to several pending applications. Because of the situation, and because Hysham hoped to begin some of the outlined work immediately, the Town reduced their initial request to \$60,000 and this amount was awarded.

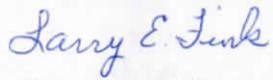
Hysham received additional grant funds and work began on the project during the summer/fall of 2019. Since that time, as often happens once work begins, costs that were not originally anticipated have been added to the total cost of the project. In 2018, the engineer's estimate for the project was \$754,000. The current estimate for completion of Phase I is \$785,077; an increase of \$31,077.

The Town is humbly requesting Coal Board consider an additional award of \$125,077 to allow for completion of this project in the 2020 construction season. This amount is calculated based on the difference between the Town's original 2018 request (\$154,000) and actual 2018 award (\$60,000) for a request of \$94,000, as well as the increased calculated costs of \$31,077.

The updated application is attached. Additionally, because the environmental checklist was completed in conjunction with the PER and original application, Hysham is holding an additional public meeting to ensure the public is kept up to date regarding the project and specifically that they have another opportunity to review any environmental considerations. That meeting will be held in February and all notices, agendas, minutes and public comment related to that meeting will be provided to the Coal Board 10 days in advance of the Board's next meeting.

Thank you in advance for your consideration and your time. We look forward to discussing the project and answering any questions the Coal Board may have at the March 2020 meeting.

Sincerely,



Mayor Larry Fink
Town of Hysham

Montana Coal Impact Grant Application

Submitted to the Montana Coal Board By

THE TOWN OF HYSHAM

For

WASTEWATER SYSTEM REHABILITATION PROJECT – PHASE I

Date Submitted: January 21, 2020

**THE COAL IMPACT GRANT APPLICATION
FORM SUBMITTED BY THE TOWN OF HYSHAM**

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: Larry Fink

Title: Mayor

Signature: *Larry E. Fink*

Date: *January 8, 2020*

SUMMARY INFORMATION

1. NAME OF APPLICANT(S):

Town of Hysham

2. TYPE OF ENTITY:

Incorporated Town

3. FEDERAL TAX ID NUMBER:

4. SENATE AND HOUSE DISTRICTS:

State Senate District 20, State House District 39

5. AMOUNT OF COAL IMPACT GRANT REQUESTED:

\$125,077

6. NAME OF PROJECT:

Town of Hysham Community Wastewater System Rehabilitation – Phase I

7. TYPE OF PROJECT:

Wastewater Collection/Treatment Facility Improvements

8. POPULATION SERVED BY PROJECT:

312 (2010 Census)

9. NUMBER OF HOUSEHOLDS SERVED BY PROJECT:

183 (2018)

10. CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE: Larry

Fink, Mayor of Hysham; 502 Elliot Avenue, PO Box 228; Hysham, MT 59038
(406) 342-5544 (phone); (406) 342-5754 (fax); townofhyshamclerk@rangeweb.net

11. PRIMARY ENTITY CONTACT PERSON:

Robert Keele, Director of Public Works, PO Box 228, Hysham, MT 59038
(406) 342-5544 (phone); (406) 342-5754 (fax); townofhysham@rangeweb.net

12. OTHER CONTACT PERSONS:

Bryan Vanderloos PE, Engineer, KLJ, 2969 Airport Rd., Suite I B, Helena, MT 59601
(406) 441-5790 (phone); (855) 288-8055 (fax); bryan.vanderloos@kljeng.com

13. MILLAGE RATES:

2019-2020 Total Mills Levied: 439.05	Mill Value: \$96,462
2018-2019 Total Mills Levied: 408.92	Mill Value: \$93,574
2017-2018 Total Mills Levied: 401.41	Mill Value: \$88,403

Average of three (3) years: 416.46

14. AMOUNT OF COAL GROSS PROCEEDS TAX:

Hysham does not receive coal gross proceeds revenues/tax.

15. IMPACTS FROM COAL INDUSTRY:

For an estimate of coal industry employees currently residing in Hysham/Treasure County, please see attached map entitled Home Locations of MT Coal Miners.

16. MAPS:

Please see attached.

17. BRIEF PROJECT SUMMARY:

Historical Information: The last major improvements/upgrades to the Hysham wastewater system were in 1997. In 2015, the town had a lift station summary evaluation completed which indicated that Lift Station I was significantly deteriorated and in need of replacement. In addition, the evaluation indicated that Lift Station II was probably in need of rehabilitation. In 2017, Hysham procured professional services and, in 2018, completed a PER to further investigate the concerns outlined in the 2015 summary evaluation, provide ample information to understand the full extent of the problem, and propose solutions to remedy any identified issues.

Problem: The PER completed in April of 2018, identified the following specific problems associated with the Hysham Wastewater System:

1. The wet well and pumps in Lift Station I are in extremely poor condition.
2. Lift Station II has experienced physical damage due to location.
3. The lagoon cells appear to be leaking to a degree greater than allowable for MDEQ limits
4. The Wastewater Treatment Facility has limited hydraulic capacity for the projected I/I contribution.
5. The Wastewater Treatment Facility flow control structures are not functioning properly and have physical damage to their covers.
6. Given the existing deterioration of the system, any future equipment breakdown could result in catastrophic failure of the lift stations and system.

Proposed Solution:

1. Replacement of Lift Station I.
2. Component replacement of Lift Station II. This will result in utilizing the existing lift station wet well, but completely replacing the pumps and electrical control panel.
3. Further evaluation and rehabilitation of the existing collection system to include a full map of the current system (no full system map currently exists), cleaning out of manholes and collection system pipes, and completion of a complete inventory of deficiencies and plan for deficiency corrections.
4. Further quantifying the extent of the lagoon leakage and determine if leakage exceeds allowable MDEQ limits.
5. Replacement of three (3) flow control structure lids, fix five (5) leaking Wastewater Treatment Facility valves and repair the dike deterioration that has occurred.

18. PROJECT BUDGET AND IMPLEMENTATION SCHEDULE:

A. Project Budget Form:

Town of Hysham Wastewater System Rehabilitation, Phase 1

PROJECT BUDGET

ADMINISTRATION	Source: DLA or Loan	Source: Coal Board	Source: DNRC- RRGL	Source: TSEP	TOTAL
Office Cost	\$3,680				\$3,680
Professional Services	\$7,574		\$8,746		\$16,320
Legal Costs			\$5,000		\$5,000
Travel & Training			\$5,000		\$5,000
Bond Costs					\$0
TOTAL ADMIN	\$11,254		\$18,746		\$30,000
CONSTRUCTION					
Preliminary Design		\$30,000			\$30,000
Final Design		\$35,578	\$33,500		\$69,078
Construction Inspection Eng.		\$52,999			\$52,999
Construction	\$88,746	\$66,500	\$72,754	\$300,000	\$528,000
Contingency				\$75,000	\$75,000
TOTAL CONSTRUCTION	\$88,746	\$185,077	\$106,254	\$375,000	\$755,077
TOTAL PROJECT BUDGET	\$100,000	\$185,077	\$125,000	\$375,000	\$785,077

- Budget assumes the already awarded \$60,000 from Coal Board as well as the additionally requested \$125,077
- In addition to the request to Coal Board for additional funds, the Town of Hysham has applied for a DLA grant. Should the DLA grant not be awarded and/or additional Coal Board funds are not awarded, the Town will adjust a loan request accordingly.
- Both additional funding resources listed (DNRC-RRGL and TSEP) are awarded

B. Project Budget Narrative:

BUDGET NARRATIVE FOR HYSHAM WASTEWATER SYSTEM REHABILITATION

ADMINISTRATIVE/FINANCIAL COSTS

Administrative and Financial Costs include those costs necessary to manage and facilitate the grant and loans anticipated for the project as follows:

Office Costs:	\$3,680
Professional Services:	\$16,320
Legal Costs: Retention/utilization of bond counsel and related legal costs.	\$5,000
Travel and Training Costs:	\$5,000
Bond Costs: There are no Bond Costs for this project.	\$0
TOTAL ADMINISTRATIVE/FINANCIAL COSTS:	\$30,000

CONSTRUCTION COSTS

Activity Costs include those costs necessary to manage and facilitate the design and construction anticipated for the project as follows:

Preliminary Design Costs:	\$30,000
Final Design Costs:	\$69,078
Construction Inspection Engineering Costs	\$52,999
Construction Costs Construction includes all identified solutions as outlined in Project Summary Proposed Solutions as well as any construction engineering costs (\$60,000)	\$528,000
Contingency: Contingency is estimated at 10 percent of total project cost	\$75,000
TOTAL CONSTRUCTION COSTS:	\$757,077
TOTAL PROJECT COSTS (2020)	\$785,077

C. Implementation Schedule:

**Hysham Wastewater Project
IMPLEMENTATION SCHEDULE**

TASK (as applicable)	QUARTERS, 2019				QUARTERS, 2020			
	1st J F M	2nd A M J	3rd J A S	4th O N D	1st J F M	2nd A M J	3rd J A S	4th O N D
<u>START UP CONDITIONS</u>				X				
Completion of Section 5(1)								
<u>PROJECT DESIGN</u>								
Commence Final Design				X				
Complete Project Design				X				
Submit Plans to DEQ				X	X			
Prepare Bid Documents					X			
Finalize Acquisition								
<u>PRE-CONSTRUCTION</u>								
Prepare Bid Documents					X			
Complete relevant funding agreements					X			
Public Bid Advertisement					X			
Open Bids & Examine Proposals					X			
Select Contractor & Award Bid					X			
Conduct Pre-Const. Conference						X		
Issue Notice to Proceed to Contractor						X		
<u>PROJECT CONSTRUCTION</u>								
Begin Construction						X		
Monitor Construction Work						X	X	
Conduct Labor Compliance Reviews						X	X	
Hold Const. Progress Meetings						X	X	
Final Inspection								X
<u>PROJECT CLOSE OUT</u>								
Closeout Documents								X
Project Completion Report								X
Submit Final Certification								X

19. DESCRIPTION OF RELATIONSHIP TO COAL BOARD STATUTORY GRANT CRITERIA

A. Need

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.

APPLICANT'S RESPONSE: Yes, as evidenced by the 2018 PER, there are deficiencies that exist in the Hysham Wastewater system (a necessary community public facility and service). The Lift Stations are in disrepair, requiring rehabilitation of one and replacement of the other. Additionally, there are concerns related to leaking in the lagoon cells, requiring further assessment. Lastly, there are issues with the treatment facility that need to be addressed.

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?

APPLICANT'S RESPONSE: Yes, the current condition of the lift stations and portions of the Wastewater Treatment Facility are such that any additional equipment breakdown will result in potential health and safety risks to the community. Additionally, it is believed that the leakage occurring in the lagoon cells is significant enough to exceed allowable Montana DEQ limits for public safety and environmental pollution.

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?

APPLICANT'S RESPONSE: Yes, the entire community (312 residents) is impacted by the deficiencies in the lift station and the wastewater treatment system.

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 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: Yes, although there are no court orders or state or federal agency directives impacting the project, there are issues that potentially violate state health/safety standards. Specifically, the PER recommends replacement of Lift Station I. The current condition of that Lift Station is such that it has, in prior winter seasons, experienced pump failure, requiring a back-up pump and posing a threat to public health. Additionally, the lagoon cells require further evaluation to determine the degree of leaking. It is suspected that leakage exceeds MDEQ standards and is a rehabilitation priority to avoid violation of state standards and related directives.

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: Yes, Lift Station I is critically deteriorated and requires replacement. The pumps in this lift station have failed previously and future failures pose a risk to health and safety. Although the threat is small and not likely, lagoon cell leakage can also threaten public health/safety. Leakage can permeate ground and/or surface water and seep into the drainage channel that runs adjacent to the treatment facility. Water from the drainage channel, although not utilized for drinking, is utilized for irrigation. Should untreated wastewater seep into that drainage channel, it would result in bacteria in irrigation water utilized for crops, including food crops for human consumption.

6. Additional information supporting the NEED for this project.

APPLICANT'S RESPONSE: Both the 2015 Lift Station Summary Evaluation and 2018 PER indicate significant deficiencies in the Hysham wastewater system. Although MDEQ has not formally intervened, it is probable they will should the outlined remedies not be pursued. There is an urgent need for Hysham to address the identified system deficiencies to avoid a catastrophic system failure.

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

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.

APPLICANT'S RESPONSE: The wastewater system serves the entire community, including individuals employed by and retired from the coal mine and coal-burning energy facility. It is an essential public service that directly impacts an estimated 6-20 Hysham households in which community members are directly employed or retired from these facilities.

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: The nearest coal mine (Westmoreland Mining LLC) and the nearest coal-using energy complex (Colstrip Power Plant) are in Colstrip, approximately 52 miles away.

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: Hysham is near Colstrip. As coal development continues to decline, so do the resources in Hysham, making it difficult for residents to be repeatedly burdened with increased taxes and fees to improve and maintain community services such as water and wastewater. The pending closure of Colstrip Units I and II, along with the anticipated continued decline in the coal and coal-energy industry will continue to negatively impact the residents of Hysham and their families.

C. Availability of Funds

1. Amount requested from the Coal Board: \$125,077.
2. Amount of Coal Board funds available at the time of application \$_____.
3. Explain why a coal impact grant is necessary to make the project feasible and affordable

APPLICANT'S RESPONSE: Hysham is a small, rural, Montana community, residents of which are predominantly employed in coal and farming industries. Decline in both make it difficult for residents to pay increased costs, fees, and taxes to repair and maintain critical infrastructure. There are substantial costs associated with this project. Without grant assistance, the Town cannot take on the additional cost burden, resulting in an inability to address the system deficiencies in a timely manner. Ultimately, inability to complete the project, could result in catastrophic wastewater system failure and MDEQ sanctions.

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

APPLICANT'S RESPONSE: The Town is prepared to borrow \$100,000 from SRF and has applied for the following additional grant resources: Treasure State Endowment Grant (TSEP) \$375,000, Renewable Resource Grant (RRGL) \$125,000, and DLA Grant \$225,100

FUNDING SOURCES SUMMARY FOR HYSHAM WASTEWATER REHABILITATION PROJECT – PHASE I				
Source	Type of Fund	Amount	Status of Commitment	Loan Rates & Terms
Coal Board	Grant	\$60,000	Awarded October 2018	N/A
DLA	Grant	\$100,000	Application submitted October 2018	N/A
TSEP	Grant	\$375,000	Awarded June 2019	N/A
RRGL	Grant	\$125,000	Awarded June 2019	N/A
Coal Board	Grant	\$125,077	Application submitted January 2020	N/A

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

APPLICANT'S RESPONSE: Should any of the outlined resources be declined, the Town will proceed as follows (and in this order): (1) Re-assessment of capacity to increase the SRF loan amount and (2) If the loan needed will exceed the Town's debt capacity, the project will be reassessed in phases to address emergency/immediate needs in 2020 and additionally identified needs at a later date when grants can be applied for again.

D. Degree of Local Effort in Meeting Needs

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: Current millage rates are the highest they have been in the past three years (212.261) and higher than the average of those three years (191.75).

- I. 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: The community is committed to a loan of \$100,000 or more of the cost of the anticipated project total. In addition, the community has applied for and received TSEP and RRGL grants and has also applied for a DLA grant. If the second Coal

Board grant is awarded, total Coal Board funding would be approximately 16 percent of the total project total.

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

APPLICANT'S RESPONSE: The community of Hysham currently maintains approximately \$13,000 annually in the Sewer Operation and Maintenance Budget. This amount is increased slightly each year in anticipation of annual increases in cost and potential smaller replacement/rehabilitation issues. Additional Operation and Maintenance information can be provided at the Board presentation as requested.

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: Hysham has provided basic maintenance of the wastewater system. However, like many small Montana communities, the system is aging and reaching the end of the anticipated useful life. The rehabilitation and equipment replacement as identified in the 2018 PER will ensure the wastewater system will continue to operate effectively and safely for years to come. Hysham Public Works is committed to ongoing maintenance to ensure system efficiency and a long life.

5. If the project involves water, wastewater or solid waste, provide the current and projected monthly household user charges, including operation and maintenance:
 - a. What is the current monthly household user charge? \$16.18 per month (residential)
 - b. What is the projected monthly user charge (including operation and maintenance) when the project is complete? \$21.43 per month (residential)
 - The Town has consolidated prior debt related to the water system upgrades and is now anticipating being able to lower water rates by \$5.25 per month, resulting in an increase in sewer rates, but no increase in the overall combined water/sewer rate.
6. What are your current debt obligations?

APPLICANT'S RESPONSE: There are no current debts related to the wastewater system. The Town is prepared to apply for a SRF loan in the amount of \$100,000 moving forward if grant applications are unsuccessful.

7. What are your current assets?

APPLICANT'S RESPONSE: Water Operating Budget: \$175,990; Sewer Operating Budget: \$13,678; Solid Waste Operating Budget: \$13,054. If the Board would like additional detail/asset information, this can be provided at the application presentation.

8. What financial accounting system do you use?

APPLICANT'S RESPONSE: Hysham utilizes the Blackmountain software system for accounting and utility records.

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 X No _____ Date of last completed audit or financial report: February 2019

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

APPLICANT'S RESPONSE: There have been no audit findings in the past 5 years.

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

APPLICANT'S RESPONSE: Hysham has recently completed a significant upgrade to the community's water system, utilizing loans, grants, and an increase in user fees to accommodate this cost. Having finished that project in 2016, the Town turned their attention to the wastewater system and has committed resources and time to move forward addressing the concerns as identified in the 2018 PER. The Town's financial commitment to the pro-active completion of the PER, a \$100,000 loan should grant applications end unsuccessfully, and their willingness to adjust their sewer rates are examples of the community's willingness to participate in continuing to meet local citizen needs.

E Planning & Management

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: Hysham has been experiencing slow decline in population and revenues related to both coal and farming industry declines. In anticipation of that, the public works department is continuing to assess the current condition of the essential public services and rehabilitate, repair, and replace systems as the community can garner financial support. Addressing the identified resolutions to existing wastewater system deficiencies is part of this overall public service management plan.

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

APPLICANT'S RESPONSE: Hysham does not have a current capital improvement plan, growth policy or related planning document that would list this project. Public works does, however, have a priority list of projects in which this has been identified as a priority. In addition, South Eastern Montana Development Corporation also keeps a list of regional priority projects. The Hysham Community Wastewater System Rehabilitation Project is included in this. The project is consistent with meeting essential community public service needs.

ENVIRONMENTAL REVIEW CHECKLIST

Name of Project: Hysham Wastewater System Rehabilitation Project Phase I
Proposed Action: Categorical Exemption
Location: Hysham, Montana

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

PHYSICAL ENVIRONMENT	
<u>Key</u> N <hr/>	<p>1. Soil Suitability, Topographic and/or Geologic Constraints (e.g., soil slump, steep slopes, subsidence, seismic activity)</p> <p><i>Comments and Source of Information:</i> NRCS Soil Survey</p>
<u>Key</u> N <hr/>	<p>2. Hazardous Facilities (e.g., power lines, EPA 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)</p> <p><i>Comments and Source of Information:</i> RCRAInfo Facility Search</p>
<u>Key</u> B <hr/>	<p>3. Effects of Project on Surrounding Air Quality or Any Kind of Effects of Existing Air Quality on Project (e.g., dust, odors, emissions)</p> <p><i>Comments and Source of Information:</i> Consistent operation reduces odors</p>
<u>Key</u> B <hr/>	<p>4. Groundwater Resources & Aquifers (e.g., quantity, quality, distribution, depth to groundwater, sole source aquifers)</p> <p><i>Comments and Source of Information:</i> Project will decrease infiltration/exfiltration</p>
<u>Key</u> B <hr/>	<p>5. Surface Water/Water Quality, Quantity & Distribution (e.g., streams, lakes, storm runoff, irrigation systems, canals)</p> <p><i>Comments and Source of Information:</i> Project will decrease infiltration/exfiltration</p>
<u>Key</u> N <hr/>	<p>6. Floodplains & Floodplain Management (Identify any floodplains within one mile of the boundary of the project.)</p> <p><i>Comments and Source of Information:</i> FEMA Firm 300170 0125 A</p>
<u>Key</u> N <hr/>	<p>7. Wetlands Protection (Identify any wetlands within one mile of the boundary of the project.)</p> <p><i>Comments and Source of Information:</i> USFWS National Wetlands Inventory</p>

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

<u>Key</u> N <u> </u>	<p>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.)</p> <p><i>Comments and Source of Information:</i> Project located within Town limits.</p>
<u>Key</u> N <u> </u>	<p>9. Vegetation & Wildlife Species & Habitats, Including Fish (e.g., terrestrial, avian and aquatic life and habitats)</p> <p><i>Comments and Source of Information:</i> MT National Heritage Program</p>
<u>Key</u> N <u> </u>	<p>10. Unique, Endangered, Fragile, or Limited Environmental Resources, Including Endangered Species (e.g., plants, fish, sage grouse, or other wildlife)</p> <p><i>Comments and Source of Information:</i> MT National Heritage Program</p>
<u>Key</u> N <u> </u>	<p>11. Unique Natural Features (e.g., geologic features)</p> <p><i>Comments and Source of Information:</i> Project contained within existing footprint.</p>
<u>Key</u> N <u> </u>	<p>12. Access to, and Quality of, Recreational & Wilderness Activities, Public Lands and Waterways (including Federally Designated Wild & Scenic Rivers), and Public Open Space</p> <p><i>Comments and Source of Information:</i></p>
HUMAN POPULATION	
<u>Key</u> N <u> </u>	<p>1. Visual Quality – Coherence, Diversity, Compatibility of Use and Scale, Aesthetics</p> <p><i>Comments and Source of Information:</i> Aesthetics will remain similar.</p>
<u>Key</u> B <u> </u>	<p>2. Nuisances (e.g., glare, fumes)</p> <p><i>Comments and Source of Information:</i> Nuisance odors will be decreased</p>
<u>Key</u> N <u> </u>	<p>3. Noise -- suitable separation between noise sensitive activities (such as residential areas) and major noise sources (aircraft, highways & railroads)</p> <p><i>Comments and Source of Information:</i> No relocation of existing infrastructure</p>
<u>Key</u> N <u> </u>	<p>4. Historic Properties, Cultural, and Archaeological Resources</p> <p><i>Comments and Source of Information:</i> Montana SHPO</p>

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

<u>Key</u> N	<p>5. Changes in Demographic (population) Characteristics (e.g., quantity, distribution, density)</p> <p><i>Comments and Source of Information:</i> Project supports current population</p>
<u>Key</u> N	<p>6. Environmental Justice – (Does the project avoid placing lower income households in areas where environmental degradation has occurred, such as adjacent to brownfield sites?)</p> <p><i>Comments and Source of Information:</i> Project provides reliable collection for all residents</p>
<u>Key</u> B	<p>7. General Housing Conditions - Quality, Quantity, Affordability</p> <p><i>Comments and Source of Information:</i> Increases reliability of collection system</p>
<u>Key</u> N	<p>8. Displacement or Relocation of Businesses or Residents</p> <p><i>Comments and Source of Information:</i> No permanent impacts to residents or businesses</p>
<u>Key</u> B	<p>9. Public Health and Safety</p> <p><i>Comments and Source of Information:</i> Project reduces risk to Town staff</p>
<u>Key</u> N	<p>10. Lead Based Paint and/or Asbestos</p> <p><i>Comments and Source of Information:</i> No lead or asbestos is anticipated</p>
<u>Key</u> N	<p>11. Local Employment & Income Patterns - Quantity and Distribution of Employment, Economic Impact</p> <p><i>Comments and Source of Information:</i> Project will not impact local incomes</p>
<u>Key</u> N	<p>12. Local & State Tax Base & Revenues</p> <p><i>Comments and Source of Information:</i> Project will not impact tax base</p>
<u>Key</u> N	<p>13. Educational Facilities - Schools, Colleges, Universities</p> <p><i>Comments and Source of Information:</i> Project will not impact schools</p>
<u>Key</u> N	<p>14. Commercial and Industrial Facilities - Production & Activity, Growth or Decline</p> <p><i>Comments and Source of Information:</i> Project will not impact commercial/industrial facilities</p>

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

<u>Key</u> N	<p>15. Health Care – Medical Services</p> <p><i>Comments and Source of Information:</i> Project will not impact medical services</p>
<u>Key</u> N	<p>16. Social Services – Governmental Services (e.g., demand on)</p> <p><i>Comments and Source of Information:</i> Project will not impact government services</p>
<u>Key</u> N	<p>17. Social Structures & Mores (Standards of Social Conduct/Social Conventions)</p> <p><i>Comments and Source of Information:</i> Project will not impact social structures</p>
<u>Key</u> N	<p>18. Land Use Compatibility (e.g., growth, land use change, development activity, adjacent land uses and potential conflicts)</p> <p><i>Comments and Source of Information:</i> Current land use does not change</p>
<u>Key</u> B	<p>19. Energy Resources - Consumption and Conservation</p> <p><i>Comments and Source of Information:</i> New equipment should decrease power consumption</p>
<u>Key</u> N	<p>20. Solid Waste Management</p> <p><i>Comments and Source of Information:</i> Project will not impact waste production</p>
<u>Key</u> B	<p>21. Wastewater Treatment - Sewage System</p> <p><i>Comments and Source of Information:</i> Project increases sewer system reliability</p>
<u>Key</u> N	<p>22. Storm Water – Surface Drainage</p> <p><i>Comments and Source of Information:</i> Project will not impact surface drainage</p>
<u>Key</u> N	<p>23. Community Water Supply</p> <p><i>Comments and Source of Information:</i> Project will not impact water supply or distribution</p>
<u>Key</u> N	<p>24. Public Safety – Police</p> <p><i>Comments and Source of Information:</i> Project will not impact public safety</p>
<u>Key</u> N	<p>25. Fire Protection – Hazards</p> <p><i>Comments and Source of Information:</i> Project will not impact fire protection</p>

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

<u>Key</u> N	26. Emergency Medical Services <i>Comments and Source of Information:</i> Project will not impact emergency medical services
<u>Key</u> N	27. Parks, Playgrounds, & Open Space <i>Comments and Source of Information:</i> Project will not impact parks or open spaces
<u>Key</u> N	28. Cultural Facilities, Cultural Uniqueness & Diversity <i>Comments and Source of Information:</i> Project will not impact cultural facilities
<u>Key</u> N	29. 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>Comments and Source of Information:</i> No permanent impact transportation networks
<u>Key</u> B	30. Consistency with Local Ordinances, Resolutions, or Plans (e.g., conformance with local comprehensive plans, zoning, or capital improvement plans) <i>Comments and Source of Information:</i> Project conforms to Town's directives
<u>Key</u> N	31. 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>Comments and Source of Information:</i> No private, MDEQ will regulate the project

Environmental Review Form

1. Alternatives:

The following alternatives and improvements have been identified to address the current deficiencies in Hyshams' existing wastewater collection and treatment systems:

- Alternative C1 No Action
- Alternative C2 Collection System Cleaning
- Alternative C3 Irrigation Ditch Lining
- Alternative C4 Lift Station No 1 Relocation
- Alternative C5 Lift Station No 1 Rehabilitation
- Alternative C6 Lift Station No 1 Replacement
- Alternative C7 Lift Station No 2 Rehabilitation
- Alternative C8 Lift Station No 2 Component Replacement

2. Mitigation:

The environmental impacts of the proposed project are expected to be minimal. The only enforceable mitigation measure is to ensure compliance with the Town's MDPES permit during construction. This will require the selected Contractor to install temporary bypass pumping or pump and haul wastewater directly to the Town's waste water treatment facility during the lift station rehabilitation process. This will decrease the potential for an illicit discharge.

3. Is an EA or Environmental Impact Statement (EIS) required?

Neither an EA or an EIS is required for implementation of this project. The project is statutorily exempt from MEPA review under ARM 8.2.304(5) for the following reasons:

- 1) The Collection System Cleaning (C2) and Leakage Study (T3) components of the project are considered "investigation" and "data collection" activities; and
- 2) The Flow Control Structure and Dike Rehabilitation (T4) project components are considered "minor repair."

Additionally, the project is categorically exempt from MEPA review under ARM 8.w.328(2) for the following reasons:

- 1) The lift station improvements (C6 & C8) are "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;" and
- 2) The lift station improvements (C6 & C8) are also "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."

The Town will be applying for/acquiring a loan through the Clean Water SRF program which has an obligation to consider impacts under MEPA.

4. Public Involvement:

The Hysham Public Works department has been discussing the need for assessment of deficiencies in the wastewater treatment system since completion of the drinking water system rehabilitation project completed in 2016. To that end, the PER for this project was funded in 2017 and completed in 2018. Specific to the proposed alternatives identified in that PER and the related Environmental Review, Hysham held a special public meeting on Tuesday, April 10, 2018 at 5:30pm and then also discussed the PER and Environmental Review at the Council meeting later that evening (Tuesday, April 10, 2018 at 7:30pm). (Please see attached public meeting notices, agendas and minutes related to both meetings) Given the time between the last public meeting and submission of this grant, Hysham is planning another public meeting in February 2020. Materials from that meeting will be provided to the Board prior to the March 2020 meeting.

5. Person(s) Responsible for Preparing: Andrew D. Evensen, PE with KLJ is responsible for reviewing the information and accurately identifying the environmental resources in the area and the potential impacts that the project could have on those resources. Comments have also been incorporated into the Preliminary Engineering Report (PER).

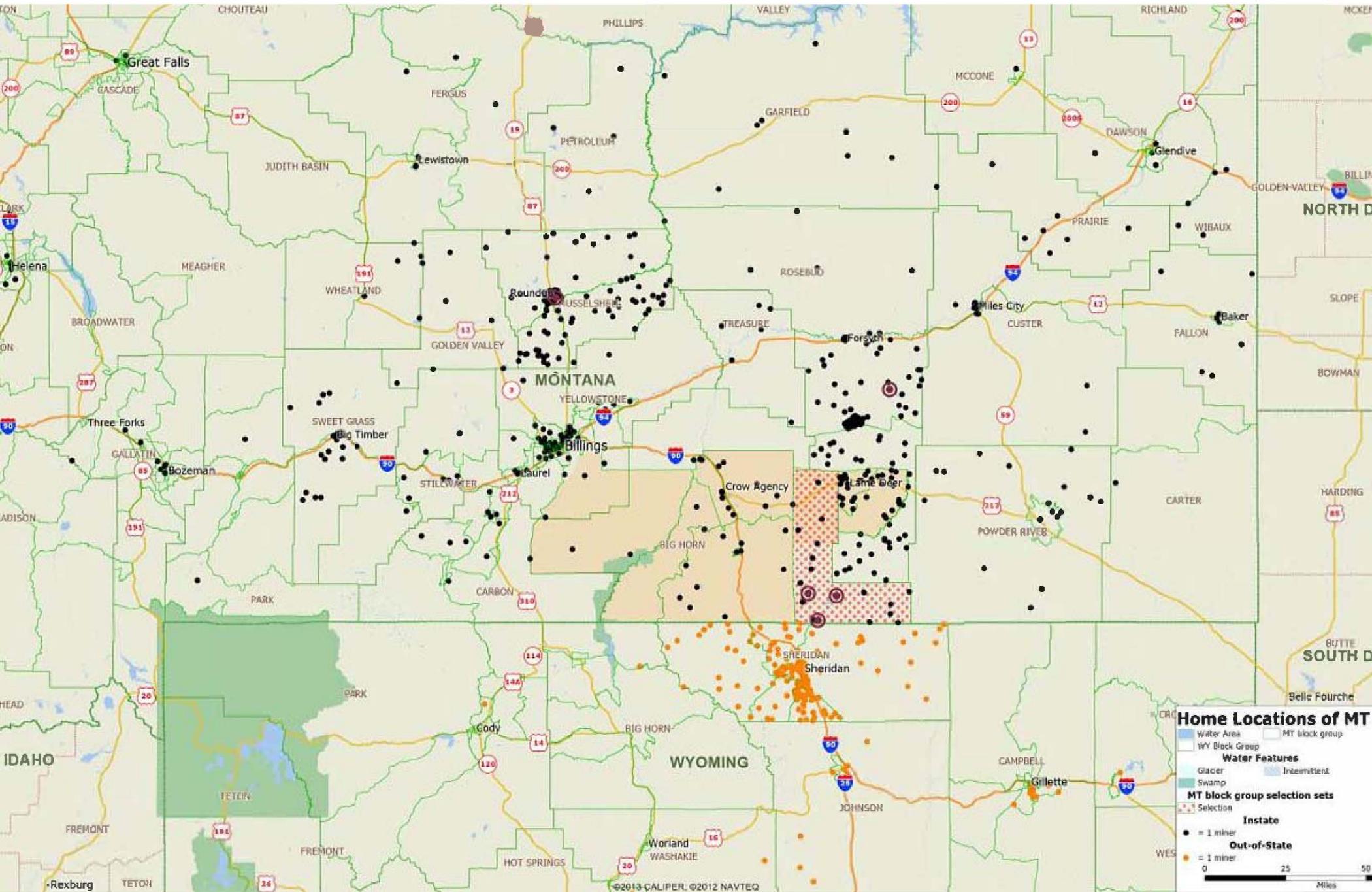
6. Other Agencies: Montana Department of Environmental Quality (MDEQ) has additional environmental review responsibility for the proposed action and will be responsible for ensuring that all necessary permits and authorization are granted. Accordingly, time for submission of the construction plan and environmental assessment to MDEQ for their review and approval has been included in the work plan and overall time line for the project.

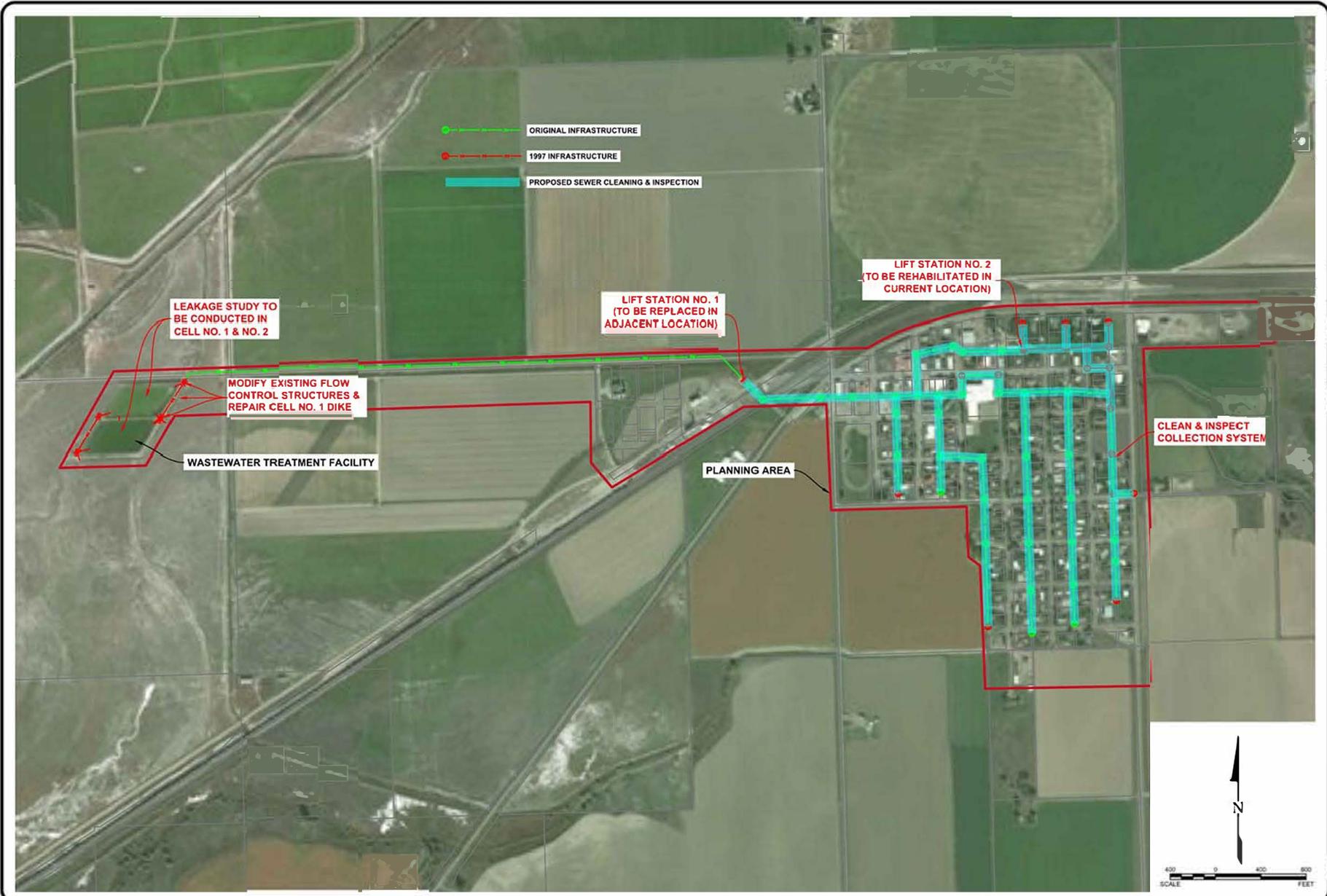
Andrew D. Evensen Design Engineer
Authorized Representative, Title

3-8-2018
Date

Town of Hysham
Robert Kulevskii
Public Works Director

Date: 4-13-2018





REV	DATE	REVISION

PROJECT: AE
 DRAWN BY: BV
 PROJECT NO: 2416107
 DATE: 2018

HYSHAM WASTEWATER PER
 TOWN OF HYSHAM
 HYSHAM, MONTANA

SHEET
5.1-1

Mar 08, 2018 - 11:08am - \\blgs-fes01\p\cay\MT\hysham\2416107\Hysham PER\Cadd\model files\2416107E\X01\B1TS.dwg (ENV5.1-1)

FIGURE 5.1-1: HYSHAM WASTEWATER IMPROVEMENTS

TOWN OF HYSHAM
502 Elliott Ave. PO Box 228
Hysham, MT 59038-0228
Phone : (406)342-5544 Fax: (406)342-5754
townofhysham@rangeweb.net
TTY:1.800.253.4091/(866)253-409 (voice)

Sewer System Town Hall Meeting

Purpose: Presentation of Environmental Checklist

Where: Hysham High School Multipurpose Room

When: Tuesday April 10, 2018

Time: 7:00 pm

Speaker: Bryan Vanderloos KLJ Engineering

Time will be allotted for community input and a Q&A period.

Public Sign In Sheet

Sewer System Town Hall Meeting

Tuesday, April 10, 2018 7:00 p.m.

Hanna Schantz

Marij Cunningham

Donna Otter

~~Kittie Otter~~

Jeny Vanderbos

Sharon DeCock

Clara Jensen

R. Steen Thorsen

~~Tate~~

Shawn Mitchell

Ben Vandenberg

Bob Kule

Ralph Sattah

Larry Link

TOWN OF HYSHAM
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townofhysham@rangeweb.net
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MINUTES – SPECIAL MEETING
Tuesday, April 10, 2018
7:00 PM

Mayor Larry Fink called the Special Meeting to order at 7:05 p.m. on Tuesday April 10, 2018. Council Members present were Sharon DeCock, Arlo Jensen, Stuart Thrower and Leo Cunningham. Also present was Clerk, Shawn Mitchell, Public Works Director, Bob Keele, City Attorney Hanna Schantz, and several town residents. See attached list.

KLJ engineer, Brian Vanderloos showed the council and residents a power point presentation on the Preliminary Engineering Report.

Mayor, Larry Fink explained to the residents that the sewer rate would be increased by \$5.25 but the water rate would go down \$5.25.

Council person Stuart Thrower moved and council person Sharon DeCock seconded to adopt the Waste Water System Preliminary Engineering Report (Resolution #4-10-18). All were in favor.

Council person Arlo Jensen moved and council person Leo Cunningham seconded to adopt the Resolution Accepting Findings of the Environmental Checklist (Resolution #4-11-18). All were in favor.

Council person Leo Cunningham moved and council person Stuart Thrower seconded to pay KLJ \$5,000 for matching funds for the PER with check # 13848. All were in favor.

Adjournment

Council person Arlo Jensen moved and council person Sharon DeCock seconded to adjourn the meeting 7:37 p.m.

Larry Fink, Mayor

Shawn Mitchell, Clerk

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Town of Hysham, Montana (the "Town"), hereby certify that the attached resolution is a true copy of Resolution No.4-11-18, entitled: "RESOLUTION ACCEPTING FINDINGS OF THE ENVIRONMENTAL CHECKLIST" (the "Resolution"), on file in the original records of the Town in my legal custody; that the Resolution was duly adopted by the Town Council of the Town at a meeting on April 10, 2018, and that the meeting was duly held by the Town Council of the Town and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: Leo Cunningham, Sharon DeCock, Stuart Throuer, Arlo Jensen; voted against the same: 0
_____ ; abstained from voting thereon: 0 ; or
were absent: 0 .

WITNESS my hand officially this 10th day of April, 2018.

Shawn Mitchell
Town Clerk-Treasurer

RESOLUTION NO. 4-11-18

RESOLUTION ACCEPTING FINDINGS OF THE ENVIRONMENTAL CHECKLIST

WHEREAS, the Town Of Hysham has completed an assessment to identify potential environmental impacts of construction improvements to its water system;

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;

WHEREAS, the Town of Hysham has determined that the proposed Waste Water System Improvements Project will not significantly affect the quality of the human environment and accordingly, the Town of Hysham has determined an Environmental Impact Statement is not necessary;

NOW, THEREFORE, BE IT RESOLVED by the Town Council as follows:

That the Town of Hysham adopts the final Environmental Checklist for the Waste Water System Improvement Project.

Passed and approved April 10, 2018.



Mayor

Attest:



Town Clerk-Treasurer

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Town of Hysham, Montana (the "Town"), hereby certify that the attached resolution is a true copy of Resolution No.4-10-18, entitled: "RESOLUTION APPROVING PRELIMINARY ENGINEERING REPORT FOR WASTE WATER SYSTEM" (the "Resolution"), on file in the original records of the Town in my legal custody; that the Resolution was duly adopted by the Town Council of the Town at a meeting on April 10, 2018, and that the meeting was duly held by the Town Council of the Town and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: Leo Cunningham, Sharon DeCock, Stuart Thruwer, Arlo Jensen ; voted against the same: 0 ; abstained from voting thereon: 0 ; or were absent: 0 .

WITNESS my hand officially this 10th day of April, 2018.

Shawn Mitchell
Town Clerk-Treasurer

RESOLUTION NO. 4-10-18

RESOLUTION TO ADOPT THE WASTE WATER SYSTEM PRELIMINARY ENGINEERING REPORT FOR THE TOWN OF HYSHAM, MONTANA, AS PREPARED AND PRESENTED BY KLJ ENGINEERING.

WHEREAS, the Town has experienced problems with its waste water system;

WHEREAS, the Town Hired KLJ Engineering (the Engineer) to complete a comprehensive preliminary engineering report (PER);

WHEREAS, the Engineer has completed the PER and presented the findings at a local public hearing, which was open to public comment;

WHEREAS, the PER includes a funding plan and schedule for the highest priority improvements;

WHEREAS, the public and Council have noted approval of the plan and preferred alternate, and are aware of and accept the presented cost per user anticipated to be required to fund the improvements.

NOW, THEREFORE, BE IT RESOLVED by the Town Council as follows:

That the Town of Hysham does hereby adopt the 2018 Preliminary Engineering Report for the Waste Water System as prepared by KLJ Engineering; and

That the PER shall serve as a basis for the water system improvements planning.

Passed and approved April 10, 2018.

Larry E. Link
Mayor

Attest:

Shawn Mitchell
Town Clerk-Treasurer



February 14, 2020

Montana Coal Board
Montana Department of Commerce
Rachel Young
301 S. Park Avenue
Helena, MT 59601

RE: Hysham Coal Board Grant – Public Meeting Verification Information

Dear Ms. Young and Members of the Coal Board,

On behalf of the Town of Hysham, please find attached verification of the Town's public meeting to update the community on the status of this project and review the environmental checklist and related environmental recommendations.

We are asking that you please include this updated information with the previously submitted application for funding submitted in January of 2020 for review at the March 2020 meeting.

Thank you in advance for your consideration and your time. We look forward to discussing the project and answering any questions the Coal Board may have at the March 2020 meeting.

Sincerely,



Becky Bey, Government Relations Specialist II
KLJ

TOWN OF HYSHAM
502 Elliott Ave. PO Box 228
Hysham, MT 59038
Phone: (406) 342-5544
townofhyshamclerk@rangeweb.net

**There will be an
Environmental Review Meeting
for the waste water project
during the Regularly Scheduled
Council Meeting on Tuesday,
February 11, 2020.**

TOWN OF HYSHAM
502 Elliott Ave., PO Box 228
Hysham, MT 59038-0228
Phone: 406-342-5544

AGENDA – Regular Meeting and Environmental Review for Waste Water
Tuesday, February 11, 2020
5:30 P.M.

1. Public Comment
2. Environmental Review for Waste Water Project-KLJ
3. Approval of Claims- with check #'s 14535-14565 and electronic check #'s 99737 & 99738
4. Approval of Minutes –January 14, 2020 Regular Meeting
5. Reorganization of Town Council/Appoint Council President
6. Budget Review
7. Streets
 - a. Street Maintenance
8. Old Business
 - a. Street Maintenance Position or Town Maintenance Position
 - i. Full or part time
 - b. Viking Broadband
9. Bob's Report
10. Sewer Project
11. Clerk's Report
12. Adjournment

“This institution is an equal opportunity provider”.

TOWN OF HYSHAM
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Phone : (406)342-5544 Fax: (406)342-5754
townofhysham@rangeweb.net

MINUTES – REGULAR MEETING and ENVIRONMENTAL REVIEW MEETING
Tuesday, February 11, 2020
5:30 PM

The Regular meeting of the Town of Hysham Town Council was called to order by Mayor, Larry Fink at 5:31 p.m. on Tuesday, February 11, 2020. Council members in attendance were Sharon DeCock, Stuart Thrower, Arlo Jensen, and Leo Cunningham. Also present was clerk, Shawn Mitchell.

Public Comment

No public comment.

Environmental Review for Waste Water Project-KLJ

The council and mayor went over the environmental review that was presented to the town from KLJ. No one from the public showed up for the Environmental Review for the Waste Water Project.

Approval of Claims

Council person Leo Cunningham moved and council person Sharon DeCock seconded to approve the claims (check#'s 14535 thru 14565 and electronic check #'s -99737 & -99738) of the February 11, 2020 meeting. All were in favor.

Approval of Minutes

Council person Stuart Thrower moved and council person Arlo Jensen seconded to approve the minutes of the January 14, 2020 regular meeting. All were in favor.

Reorganization of Town Council/Appoint Council President

Council person Arlo Jensen moved and council person Sharon DeCock seconded to retain Leo Cunningham as the Town Council President for 2020. All were in favor.

Budget Review

The mayor and council reviewed the 2020 budget.

Old Business

- a. Street Maintenance Position or Town Maintenance Position
 - i. Full or Part Time

Council person Stuart Thrower moved and council person Sharon DeCock seconded to post Town Maintenance Job Opening. It will be posted as 20 hours a week for permanent part time all year, or Seasonal, from Mid-April through Mid-October. The starting wage will be \$17.00 an hour. Arlo Jensen left the meeting at 6:55, so was not present to vote on this. The rest of the council were in favor.

b. Viking Broadband

There is nothing new to report on Viking Broadband.

Sewer Project

There is nothing new to report on the sewer project.

Bob's Report

Bob reported that there have been issues at the water treatment plant. Among these are chemical changes in the incoming water and feed pump failures. All samples have been completed year to date and all of 2019 samples were completed without issue. Bob's full report is available at the town office.

Clerk's Report

Shawn reported that all W2s and 1099s will be e-filed to both the State of Montana and the IRS by the end of February. She also told the council that Strom and Associates will be here March 2, 2020 to do the 2019 audit.

Adjournment

Council person Stuart Thrower moved and council person Sharon DeCock seconded to adjourn the meeting at 7:35 p.m. All were in favor.

Larry Fink, Mayor

Shawn Mitchell, Clerk

Coal Board Grant Applicant-Town of Hysham #0898 Staff Report / March 2020 Meeting

Applicant: Town of Hysham

Project: Wastewater System Rehabilitation – Phase 1 to include replacement of lift station #1, components of lift station #2, lids/valves, repair of dike at lagoon, and evaluation of the collection system and lagoon leakage.

Coal Board Funds Requested: \$125,077

Total Project Cost: \$785,077

Project Information: The applicant is requesting \$125,077, of a total project cost of \$785,077, in Coal Board funds to complete Phase 1 of the Town of Hysham community wastewater system rehabilitation to include the replacement of the lift station #1, components of lift station #2, lids/valves, repair of the dike at the lagoon, and evaluation of the collection system and lagoon leakage. This is an additional request from the Board's award of \$60,000 in September 2018. This request to the Board is 16% of the project costs. The total request to the Board for the project is 24% with the additional request of \$125,077. The purpose of the project is to address wastewater system deficiencies. **The applicant is a designated unit.**

Categories:

Need:

- **Applicant:**
 - Problems identified in the application included the following:
 - lift station #1 is in poor condition;
 - lift station #2 has some physical damage;
 - lagoons appear to be leaking;
 - treatment facility has limited hydraulic capacity possibly because of I/I; and
 - treatment facility flow control structures are not functioning properly.
 - The applicant states that the entire community (312 residents) is impacted by the deficiencies in the lift station and the wastewater treatment system.
 - The environmental review process was complete at the time of the original application to the Coal Board in 2018 and documentation is included in the application. Documentation of meeting minutes for the additional meeting was included in the application.
- **Staff Review:**
 - The proposed solution included the replacement the lift station #1, components of lift station #2, lids/valves, repair of the dike at the lagoon, and evaluation of the collection system and lagoon leakage.
 - Staff has determined that the environmental process is complete.

Degree of Severity of Impact:

- **Applicant:**
 - The applicant states that the wastewater system serves the entire community, including individuals employed by and retired from the coal mine and coal-burning energy facility.
 - The applicant states that the nearest coal mine (Westmoreland Mining LLC) and the nearest coal-using energy complex (Colstrip Power Plant) are in Colstrip, approximately 52 miles away.

- The applicant discusses how the pending closure of Colstrip Units I and II, along with the anticipated continued decline in the coal and coal-energy industry will continue to negatively impact the residents of Hysham and their families.
- **Staff Review:**
 - Documentation provided for severity of impact included narrative in the application.

Availability of Funds:

- **Applicant:**
 - Without grant assistance, the Town states that they cannot take on the additional cost burden, resulting in an inability to address the system deficiencies in a timely manner.
 - Funding sources include TSEP (\$375,000), RRGL (\$125,000), and DLA or loan (\$100,000).
- **Staff Review:**
 - **The applicant is a designated unit.**
 - The applicant did not receive a DLA award.
 - Revenues related to the Coal Natural Resource account are not sufficient to fund the costs associated with this project request.

Degree of Local Effort in Meeting Needs:

- **Applicant**
 - The applicant states that it has consolidated prior debt related to the water system upgrades and is now anticipating being able to lower water rates by \$5.25 per month, resulting in an increase in sewer rates, but no increase in the overall combined water/sewer rates.
 - The applicant states that its public works department is committed to ongoing maintenance to ensure system efficiency and a long life.
 - The applicant states that the current millage rates are the highest they have been in the past three years (212.261) and higher than the average of those three years (191.75).
- **Staff Review:**
 - Millage rates provided by MDOR data demonstrates the average millage rates for the previous three years are lower than the current year millage rates. MDOR data years: 2016-2017, 2017-2018, 2018-2019.
 - The applicant states that it is prepared to borrow \$100,000 from SRF and has applied for additional grant resources.

Planning & Management:

- **Applicant:**
 - The 2015 Treasure County Growth Policy addresses the Town of Hysham's planning outlook, including the infrastructure for which this grant was submitted.
 - 2017 American Fact Finder statistics states that 18% of Hysham residents are employed in mining or related natural resource positions.
 - The recent closure of Colstrip Units 1 and 2 negatively impacts the residents, as stated in the application.
- **Staff Review:**
 - The need to improve Hysham's wastewater system is mentioned as a community priority in the 2015 Treasure County Growth Policy.

- The community has completed some planning and coordinated well between Treasure County and the Town of Hysham. It is recommended that the town's planning documents be updated.

Grant History:

Since 2009, the applicant has been awarded five projects totaling \$316,000. For more information on Coal Board projects for this or any other applicant, please visit the Commerce Grants Database at <https://commerce.mt.gov/About/FundedProjects>.

Supplemental Documents (not included in this staff report): environmental review documentation from 2018, environmental review documentation from February meeting, maps.

Staff Summary:

See engineer memo.

The environmental review record in this application is complete.

Staff does not recommend funding due to the statutory criteria: Availability of Funds.

MEMO

To: Coal Board Members and Commerce Staff
From: Division Engineer
Subject: Hysham - wastewater system
Meeting: March 2020

History – The Hysham wastewater system includes collection lines, two pumping stations and a two-cell facultative lagoon. The collection system was constructed in the 1930s or 1940s and the lagoon was constructed in the 1960s. The last major improvement to the wastewater system was in 1997. The lagoon is permitted to discharge to an unnamed tributary of the Yellowstone River.

Problem – Problems identified in the application included the following:

- lift station #1 is in poor condition;
- lift station #2 has some physical damage;
- lagoons appear to be leaking;
- treatment facility has limited hydraulic capacity possibly because of I/I; and
- treatment facility flow control structures are not functioning properly.

Solution – The proposed project includes the following items:

- replace lift station #1;
- replace components of lift station #2;
- evaluate collection system and quantify extent of lagoon leakage; and
- replace three flow control lids, fix five valves and repair deteriorated dike.

The purpose of the project is to address wastewater system deficiencies. Problems have been identified with lift stations #1 and #2. Problems have also been identified with the wastewater treatment facility, including the following: lagoon cells appear to be leaking; cells have limited hydraulic capacity; and flow control structures are not functioning properly. The most serious health and safety problem is the condition of lift station #1.

The Coal Board grant request is for \$125,077. The total cost is \$785,077. Funding sources include TSEP (\$375,000), RRGL (\$125,000), and DLA or loan (\$100,000).

The Coal Board awarded Hysham \$60,000 for this project in October of 2018. The Project Budget shows Coal Board at \$185,077; which is the previously awarded \$60,000 plus the requested \$125,077.

The applicant reports that they are holding an additional public meeting in February of 2020 to ensure the public is kept up to date regarding the project and specifically that they have another chance to review environmental concerns. Public meeting documentation from April of 2018 was also included with the Coal Board application.

Hysham prepared a wastewater system preliminary engineering report in 2018. An environmental checklist was included with the Coal Board application.