

Montana Coal Board
Meeting Minutes
Friday – July 15, 2011
Hampton Inn & Suites, Billings, MT

Welcome - Call to order

Chairman John Williams welcomed all present and called to order the quarterly meeting of the Montana Coal Board at 8:30 a.m. Board Assistant Linda Stangland called the Roll Call.

Roll call

The following board members were present: John Williams, Chair, Dan Dutton, Vice Chair, Chad Fenner, Gerald Navratil, Ralph Lenhart, and Loren Acton. Marcia Brown was excused.

Department of Commerce persons present: Ellen Hanpa, Administrative Officer, Linda Stangland, Program Assistant, Jennifer Olson, Grants Bureau Chief

Others Present:

Gary Robertson, Big Horn Hospital Association
Pat Zent, City of Forsyth
Doris Pinkerton, City of Forsyth
Rick Harbin, City of Colstrip – Public Works
Bill Hodges, Big Horn Hospital Foundation
Troy Spang, NCUC, Northern Cheyenne
Major Robertson, Redstone Consulting for NCUC
Joe Fox, Jr., Vice-Pres Northern Cheyenne Tribe/NCUC
Kristen Wester, Big Horn County
Kasey Roan, Big Horn County Road & Fire
Chad Hanson, Great West Co.
Jim Atchison, SEMDC
Woodrow Weitzel, Musselshell County Sheriff Office
John Pfister, Roundup MSU Extension
Larry Reinlasoder, PC, City of Colstrip
Pat Dennis, Ashland Fire Department
Bryan Adolph, Musselshell County
Doug Martens, Rosebud County Commissioner

Wayne Robison, Treasure County Sheriff
Dan Murnion, City of Forsyth
Jill Cook, Morrison-Maierle, Billings
Evan Stewart, City of Colstrip
Winslow White Crane, NCUC
Kathie Bailey, Snowy Mountain Development
Roy Armstrong, NCUC, Northern Cheyenne
Don McDowell, Powder River County Commissioner
Matt Redden, Big Horn County Road & Fire
Sidney Fitzpatrick, Big Horn County Commissioner
Robert McLean, Northern Cheyenne Utilities
Chad Sealey, Roundup Schools
Kathryn Pfister, Roundup Schools
Robert Scheidler, TW Enterprises, Billings
Urban Bear Don't Walk, Crow Tribe
Miles Dennis, Ashland Fire Department
Ryan Tooke, Rosebud County Health Care Facility
John Doyle, Chair Apsaalooke Water & Wastewater Authority

Approval of minutes

A motion by Chad Fenner and seconded by Dan Dutton to approve the minutes of the March 11, 2011 and June 22, 2011 meetings were approved as presented.

Opportunity for Public comment

Kathie Bailey, Director, Snowy Mountain Development Corporation thanked the Board for support of past projects in Musselshell County. Kathie posted the board criteria for determining funding a project – Sub-chapter 3 of the ARMs Rule was missing – following is the criteria for the board:

CRITERIA FOR AWARD OF COAL IMPACT GRANTS

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

(I) 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.**

Kathie talked about SB 266 Gross Proceeds Tax bill which exempts Signal Peak Mine only. This is a \$2.8 million break for 10 years at the local level. Kathie showed a chart with the following Gross Proceeds Tax from the Department of Revenue for 2009 (this tax is paid twice/year):

Rosebud	\$9.9 m	Musselshell	\$328,617	Richland	\$222,625
Yellowstone	\$126,910	Big Horn	\$9.1 m		

Jim Atchison, Executive Director, Southeastern Montana Development Corporation (SEMDC) (a group of concerned counties and communities in Southeastern Montana who came together to provide local financial support for economic development. The group formed the (SEMDC) and has been providing services since July 1997.)

Current Project Updates

Ellen Hanpa updated the Board on current projects. The report is attached to these minutes. The following projects closed out during this quarter.

- **#0559 Big Horn County Museum Project**
- **#0599 Big Horn County Hospital Mammography Equipment Replacement**
- **#0660 Big Horn County Little Big Horn College training equipment**
- **#0661 Big Horn County Law Enforcement Vehicles**
- **#0665 Big Horn County Anesthesia Equipment**

Budget & financial report

Budget & financial report provided by Ellen Hanpa to the Board. Budget & financial report attached
Available funds: \$5.9 million for the biennium. Requests for today’s board meeting total \$3.7 million.

Applications

Ellen Hanpa introduced all 4 Big Horn County applications together. The coal fired generation plant in Hardin impacts county roadways 24-7, 365 days a year. The Mines in Big Horn County employ nearly 750 people. The audit status is current and the County uses an approved financial system.

#0683 – Big Horn County – Tandem Truck & Dump Box (Requested \$74,000 - Award: \$ 74,000)

This request is for the purchase of a tandem-axle truck to haul one of the department's existing side dump gravel trailers and a replacement end dump box. The request to the Coal Board is for 52% of the total \$144,000 cost of the project.

Sidney Fitzpatrick, Big Horn County Commissioner spoke on behalf of the project. Mr. Fitzpatrick stated that they would like to replace a 1982 tandem as the engine is out. There is 600,000 miles on the truck. Currently they are renting a tandem by the month at \$4,800.

Dan Dutton made a motion to fund the project at \$74,000. Mr. Navratil seconded the motion. With a roll call vote the motion passed with 6 yes and Mr. Fenner abstaining. Mr. Dutton summarized the issues of need and coal impact in the county.

#0684 – Big Horn County – Rural Fire Equipment – (Request \$34,000 – Award: \$34,000)

Big Horn County's request is for the purchase of 12 turnout gear ensembles and one thermal imaging camera. The total project cost is \$44,000. The current condition of the turnout gear is inadequate for firefighter safety. The department provides fire suppression services to any calls associated with the coal mines in the county.

Matt Redden spoke on behalf of the project. Mr. Redden stated that the fire department suits and boots were worn out; that they are approximately 30 years old. Also the department would like to purchase a camera to detect hot spots in coal seams, for house fires, and also search and rescue. Mr. Acton asked if the county would base the camera purchase on bid or use – Mr. Redden said by bid price – the cost would be approximately \$15,000.

Gerald Navratil made a motion to fund the project at \$34,000. Mr. Acton seconded the motion. With a roll call vote the motion passed with 5 yes and Mr. Fenner abstaining. Mr. Navratil summarized that the need is supported. The Fire Department covers a great deal of area. Personal threat, safety and a need to be protect. The impact has been described for Big Horn County and also there is a contribution in cash to this project.

#0667 - Big Horn County - Hospital Generator – Request \$425,000 – Award: \$0 - failed

This request is 29% of the cost of replacing the generator at Big Horn County Memorial Hospital. Total project cost is \$1,468,631. The present generator operates at about 40% efficiency. The hospital serves all of Big Horn County.

Gary Robertson, CEO, Big Horn County Hospital Foundation Director spoke on behalf of the project. Mr. Robertson stated that the hospital had applied for Congressional funds for the past 3 years but were not accepted. They are looking at borrowing – the project has increased by \$200,000 in the last few years. Robert Scheidler, TW Enterprises, Billings answered several technical questions for the board.

Dan Dutton made a motion to fund the project at \$425,000 Mr. Navratil seconded the motion. With a roll call vote the motion failed with one yes, 4 no and one abstaining. Mr. Dutton summarized that the project lacks details for the money requested. Obviously there is a need but this project is overkill. The applicant was encouraged to reapply, presenting options A, B and C.

#0671 - Big Horn County - Crow Agency Water Distribution and Disinfection System (Request: \$148,300 - Award \$148,300)

This request is on behalf of the Crow Tribe of Indians for partial funding for an ultraviolet disinfection system and the replacement of 8,000 feet of distribution lines. Total estimated cost of the project is \$3,205,000. There is a critical, ongoing problem with source water quality. The problem constitutes non-compliance with the Safe Drinking Water Act, specifically the Long Term w (LT2) Enhanced Surface Water Treatment Rule. 70% of the 160 employees at Westmoreland Resources, Inc are Tribal members.

Sidney Fitzpatrick, Big Horn County Commissioner and resident of Crow Agency spoke on behalf of the project. Mr. Fitzpatrick stated that they are in need of safe drinking water. Lori Benner, Grant Writer with Nittany Grantworks told the board that money has been secured for this project all but \$148,300.

Jill Cook, Morrison & Maierle told the board that chloride cannot kill cryptosporidium. UV attacks the vital DNA of the bacteria directly. The radiation initiates a photochemical reaction that destroys the genetic information contained in the DNA.

Chairman Williams reminded everyone to reiterate decrease or increase of coal development – state law gives attention to planning – overall existing or contemplated growth or decline.

John Pretty on Top mentioned that Crow Agency is close to the mine and employees use the services.

Gerald Navratil made a motion to fund the project at \$148,300. Mr. Dutton seconded the motion. With a roll call vote the motion passed with 5 yes and Mr. Fenner abstaining. Mr. Navratil summarized that the need is adequately presented. The problem has been adequately outlined, the risk is high. Impact from coal development on the community is present.

#0672 - Crow Tribe - Crow Agency Wastewater Ultraviolet (UV) Disinfection System - (Request \$95,106 - Award: \$95,106)

Ms. Hanpa presented the Crow Tribe application. This application is for an ultraviolet disinfection for the wastewater system in Crow Agency. Total cost of the project is \$386,106. The remaining funding is committed. The Crow Tribe could be in violation of the Clean Water Act if it does not install an ultraviolet disinfection system. 90-6-209, MCA, limits the Coal Board grants to Indian Tribes to 7% of the funds available each year. The amount for FY 2012 is \$206,500. The amount for FY 2013 is approximately the same.

Sidney Fitzpatrick, County Commissioner spoke on behalf of Big Horn County stating that they are in support of the Crow Tribe UV project. John Doyle, Chair of the Apsalooke Water & Wastewater Authority spoke on behalf of the project. The end of the project result is to put clean water back into the Little Big Horn River. Lori Benner, with Nittany Grantworks told that board that \$291,000 has been secured for this project.

Gerald Navratil made a motion to fund the project at \$95,106. Mr. Fenner seconded the motion. With a roll call vote the motion passed unanimously. Mr. Navratil summarized that the need is apparent and with regulations there is a legal requirement for cleanliness. Coal impact is present. A significant amount of work and funding has been done to date.

#0670 - City of Colstrip - Emergency Alert System - (Request: \$35,000 reduced to \$25,000 - Award: \$25,000)

Evan Stewart, Council President, City of Colstrip reduced the amount of the request to \$25,000. Ms. Hanpa presented the City of Colstrip application. This application is for the purchase of an emergency alert system for the City of Colstrip. The four coal-fired generating plants, the railroad and highway #39 are within City limits and

present unique concerns if there were a natural or man-made emergency. The City has budgeted for 46% of the total cost of the project. The audit is current and the city uses an approved financial package.

Mr. Stewart stated that this project has been in the works for a very long time. Larry Reinlasoder, Police Chief, City of Colstrip said that Rosebud County has contributed \$10,000 to this project thereby reducing the requested amount. There is an impact on people as we are a coal city.

Mr. Dutton moved and Mr. Lenhart seconded the motion to fund this project at \$25,000. The motion passed with six voting yes and Mr. Williams abstaining. Mr. Dutton summarized that the need is evident and funding support through the city and county is available.

#0673 –Treasure County – Sheriff Office Patrol Vehicle - (Request \$25,684 - Award: \$25,684)

Ms. Hanpa presented the Treasure County application. This request is for the purchase of two new 2011 Ford Expeditions with full police packages. Total cost of the project is \$57,684. Treasure County has committed \$32,000 toward the purchase. Five percent (5%) of the County residents are employed through the coal mines and the County is a thoroughfare to the coal industries located in Rosebud and Big Horn Counties.

Sheriff Wayne Robison spoke on behalf of this application mentioned that customized firefighting equipment included in patrol vehicle – 100\$ fires/ambulance.

Motion by Mr. Navratil to fully fund and seconded by Mr. Acton. The motion passed unanimously. Mr. Navratil summarized by stating the need adequately demonstrated and kinds of emergencies – impact but no producers and local effort was well thought out.

#0678 - Northern Cheyenne Tribe - Utilities Commission Admin Office – Request: \$92,001 – Award: \$92,001

Ms. Hanpa presented the Northern Cheyenne Tribe application. The Board awarded \$160,000 for this project in December, 2010, contingent on completion of the funding package. They did not receive the grant that was pending. They have scaled the project back and this application is to complete the funding package. Financial hardship is paced on operations of the utilities commission through the high heat bills of the current facility. The applicant states that without this funding the project may not move forward. The audit is current and they use an approved financial package.

Mr. Dutton moved to fund this application at \$92,001. Mr. Fenner seconded the motion. The motion passed unanimously. Mr. Dutton stated that the need is there and that many Cheyenne work in the coal mines. Mutual aid goes back and forth with the county. They have tightened their belt and are getting things done. They are providing a much needed and essential service. Troy Spang, NCUC mentioned that BIA Vocational Rehabilitation – construction training students will assist with construction to help defray costs.

#0680 - Powder River County - Growth Plan/Land Use Plan Update- Request: \$15,000 – Award: \$15,000

Ms. Hanpa presented the Powder River County application. Powder River County is planning ahead for the Otter Creek development as well as other energy developments. Total cost of the project is estimated at \$20,000. The County will issue an RFP for a consultant to complete these updates. A planner with the Department of Commerce feels the cost estimate may be low, and if so, updating one or the other would be beneficial.

Don McDowell, County Commissioner spoke on behalf of this application for the Powder River County Growth Plan/Land Use Plan. As a result of floods, county focus will be on roads. Jim Atchinson, SEMDC stated that he supports this 150% proactive planning versus reactive planning. Direct impact from the Otter Creek Development has started.

Mr. Navratil moved and Mr. Dutton seconded the motion to fund this project at \$15,000. The motion passed unanimously. Mr. Navratil summarized the issues of need and coal growth impact. Also that this is a routine application and that the state requires that Growth Plan and Land Use be updated periodically.

#0681 - Ashland Fire District - Protective Fire Clothing – Request: \$18,000 – Award: \$18,000

Ms. Hanpa presented the Ashland Fire District application. The fire district is requesting funds to assist with the purchase of eight new sets of turnouts. Total cost of the project is \$20,046. The improvement of Highway 212 has increased the amount of truck and car traffic. The present turnouts do not meet current NFPA codes and standards. The department estimates that 60% of the activity of the fire department is attributable to coal related impacts. The district will serve the area surrounding the Otter Creek development.

Mike and Pat Dennis spoke on behalf of this application for the Ashland Fire District Protective Fire Clothing. The department's current clothing is from 1977. The department covers Arch Coal, the railroad, Colstrip to the northwest – mutual aid agreement with the Northern Cheyenne and all the way to South Rosebud County. Pat Dennis mentioned that Arch Coal contributed money to the department. Jim Atchinson, SEMDC stated that he supports this project

Mr. Dutton moved and Mr. Fenner seconded the motion to fund this project at \$18,000. The motion passed with unanimously. Mr. Dutton summarized the issues of need and coal impact.

Break 12:00 – 12:40

#0668 - City of Roundup - Water Distribution System – Request: \$500,000 – Award \$500,000

Ms. Hanpa presented the City of Roundup application. This application is for Phase 1 of improvements to the water distribution system for the City. Total cost of the project is \$1,260,000. The City did not receive the Community Development Block Grant program's funding listed in the application which could affect the total funding for this project. The City of Roundup has seen an increase from 883 households in 2000 to 993 households in 2009. The City does not receive tax benefits from Signal Peak Mine, but does have additional demands on it due to the increased population. The audit is current and the city uses an approved financial package.

Kathie Bailey spoke on behalf of this application for the City of Roundup for the water distribution system. There is a severe impact on the city from the Signal Peak mine. There are 242 employees and 60 contract employees currently at the mine. Traffic count: 35/day prior to mine opening; 180/day during construction, currently 300/day. School enrollment: K-6 number of students: 279 – 2006-07, 335 – 2010-11. Also there has been a 20% increase in arrests and emergency medical.

Mayor Bill Edwards thanked the board for funding past projects; especially the bulldozer which was quite helpful during the recent flooding. Chad Hanson, Great West Engineering said that a PER has been completed.

Mr. Dutton moved and Mr. Fenner seconded the motion to fund this project at \$500,000. The motion passed unanimously.

#0679 - City of Roundup - UV Disinfections Project – Request: \$220,000 – Award: \$220,000

Ms. Hanpa presented the City of Roundup application. The City of Roundup is requesting funding for a wastewater ultra violet disinfection system to meet stricter discharge standards that become effective January 1, 2012. Total cost of the project is \$442,102. An InterCap loan will fund the remainder of the project. The City of Roundup has seen an increase from 883 households in 2000 to 993 households in 2009. The City will be exceeding the target rate for services when the project is complete. The City does not receive tax benefits from Signal Peak Mine, but does have additional demands on it due to the increased population. The audit is current and the city uses an approved financial package.

Chad Hanson of Great West Engineering spoke on behalf of this application for the City of Roundup for the UV Disinfections Project.

Mr. Navratil moved and Mr. Fenner seconded the motion to fund this project at \$220,000. The motion passed unanimously. Mr. Navratil summarized the significant needs and coal impact from Signal Peak Mine. He also noted that Roundup doesn't receive any tax money from the mine.

#0676 - Roundup Schools - Ceiling Tile Repair in the Library – Request: \$12,638 – Award: \$12,638

Ms. Hanpa presented the Roundup Schools application. This project will replace grid and ceiling tiles damaged by leakage during heavy precipitation this spring. The roof has been repaired to prevent further damage. There is the risk of falling tiles and mold as a result of the damage. The City of Roundup has seen an increase from 883 households in 2000 to 993 households in 2009. School enrollment has increased from 279 in 2007 to 335 in 2010. The audit is current and the school system uses an approved financial package.

Kathie Bailey spoke on behalf of this application for the Roundup Schools. Chad Sealey, Superintendent stated that the library was built in 1975 and the school spent \$45,000 in roof repairs in the spring of 2011. .

Mr. Navratil moved and Mr. Dutton seconded the motion to fund this project at \$12,638. The motion passed with 4 voting yes and Chad Fenner and Loren Acton voting no. Mr. Acton rose in opposition to this application. He stated that he serves on the library board in Bozeman and they do fund raisers for maintenance and mentioned it was advantageous to do this for themselves. Mr. Navratil summarized the issues of need, coal impact and that there is local support.

#0677 - Roundup Schools - Two Portable Classrooms – Request: \$ 43,727 – Award: \$43,727

Ms. Hanpa presented the Roundup Schools application. The Roundup School District is requesting assistance in leasing two portable classrooms – one to be used as a library and one as a classroom. This is a temporary solution to overcrowding. Total cost of the lease is \$43,727. The school has a functional capacity of 230 student and had 335 students enrolled during the past school year. The school district will benefit from Gross Proceeds taxes. The audit is current and the school district uses an approved financial package.

Chad Sealey, Roundup School Superintendent spoke on behalf of this application for the Roundup Schools. He stated that there are 57 students in 2 classrooms; 43 kindergarteners for the next year; 3 First Grades and 3 Kindergartens. The high school ballot to build a new school failed by 120 votes. Mr. Fenner asked if the school board had any money available. Mr. Sealey said the board will pay for an additional teacher. Chairman Williams said that when Colstrip experienced growth the companies funded temporary classrooms. Signal Peak is responsible for growth and should be assisting with some of the impacts.

Mr. Acton moved and Mr. Fenner seconded the motion to fund this project at \$43,727. The motion passed unanimously. Mr. Acton summarized the issues of need and coal impact by stating that there is an increased load on the school due to Signal Peak. They are not receiving tax funds at this time. This is a good use of Coal Board funds.

#0674 - Rosebud County - Rosebud Health Care Center Rural Health Clinic – Request: \$750,000 – Award: TABLED

Ms. Hanpa presented the Rosebud County application. This application is for 50% of the expected cost of a new Rural Health Clinic Building at the Rosebud Health Care Center. Total project cost is \$1,487,750. The present facility has significant code violations with the Fire Marshall, the Building inspector and the Montana Department of Health and Human Services. The Rural Health Clinic serves clients from Rosebud and Treasure Counties. An effort to create a county-wide nursing home district failed during the last legislative session. The audit is current and the county uses an approved financial package.

Ryan Tooke, CEO, Rosebud County Hospital spoke on behalf of this application for the county. Dennis Kopitzke, Hospital Board member noted that this is a county owned building. The Board and Foundation are 100% behind this facility. Mr. Navratil stated that the application has too much information and is going in many directions and he is inclined to table at this time. Mr. Tooke said he would be willing to table this project.

Chairman Williams requested a motion to table the application. The board has never funded a project this costly. Mr. Navratil moved and Mr. Fenner seconded the motion to table this project. The motion passes unanimously. Mr. Navratil requested that the hospital project be broken into steps and that other funding sources be sought.

#0682 - City of Forsyth - Wastewater Collection System Improvements - Reward: \$400,000 - Award: \$250,000

Ms. Hanpa presented the City of Forsyth application. The City of Forsyth is requesting assistance to fund a wastewater rehabilitation project by removing and replacing existing pipe and manholes. Total project cost is \$3,499,900. The existing sanitary sewer does not meet current design standards defined by the Montana Department of Environmental Quality. The audit is current and the city uses an approved financial package.

Brad Matteson, Mayor of Forsyth spoke on behalf of this application for City. Ray Armstrong of HKM and Dan Murnion spoke on the technical aspects of this application. The rates need to be increased. Mr. Armstrong stated that lines have collapsed and there is infiltration next to the Yellowstone River. Mr. Acton asked if city funds are committed and without WRDA funds if the project can be scaled back. After discussion with the applicant and board members it was decided they could do Phase A and A1 first.

Mr. Dutton moved and Mr. Navratil seconded the motion to fund this project at \$250,000. The motion passed unanimously. Mr. Dutton summarized the issues of need and coal impact. People live in Forsyth and work at Colstrip. The city has been diligent in taking on debt and they are currently working on a growth policy with Rosebud County.

#0666 - Forsyth Public Schools - Elementary School Boiler Replacement - Request: \$423,500 Award: \$125,000

Ms. Hanpa presented the Forsyth Public Schools application. The boiler at the Forsyth Public Schools is aged and significantly dysfunctional. A number of students are the children of coal industry employees. The applicant states that the project will not be completed without a Coal Board grant. The audit is current and the school district uses an approved financial package.

Principal Kelly Anderson spoke on behalf of this application for Forsyth Public Schools. They have been denied twice for Quality School grant funding for this project.

Mr. Dutton stated that they need to make citizens in the community aware of the problem.

Mr. Dutton moved and Mr. Fenner seconded the motion to fund this project at \$423,500. Mr. Dutton stated that he could not support this project; the school needs to put on a campaign to get assistance and moved to amend the amount to \$125,000. This was second by Mr. Fenner. The motion passed unanimously. Mr. Dutton summarized the issues of need and coal impact on the community. Chairman Williams reiterated that the board was struggling with the requested amount for this project and that there is not enough local support or effort. Mr. Dutton informed the applicants that they need to submit a new budget and that the control issues on the system are to be addressed with these funds.

#0675 - Musselshell County - Fattig Creek Road Chip Seal and Old Divide Road Crack Seal - Request: \$70,000 - Award: \$70,000

Ms. Hanpa presented the Musselshell County application. Musselshell County is requesting funds for chip-sealing the new portions of the Fattig Creek Road and crack sealing a portion of Old Divide Road. Both roads are primary routes to the Signal Peak Mine. A traffic count study in the area showed 35 vehicles daily before the mine

expansion and over 300 vehicles per day now. The county states that these projects will not be completed without coal board funding. The audit is current and the county uses an approved financial package.

Sue Olson, County Commissioner spoke on behalf of this application for Musselshell County stating that Fattig Creek Road is now a beautiful road due to the funding in the past from the Coal Board. Kathie Bailey explained the route to the mine. Old Divide Road was chipped sealed 8 years ago. The need has been identified; there is an increase in the mine impact. The county is tapped, no reserves or debt service. Local support, and county put in \$120,000 for the road and the mine will provide the gravel.

Mr. Dutton moved and Mr. Lenhart seconded the motion to fund this project at \$70,000. The motion passed unanimously. Mr. Dutton summarized the issues of need and coal impact. He stated the Coal Board helped build this road and we need to help maintain it.

#0669 - Musselshell County - Ongoing Staffing Request – Request: \$263,514 – Award: \$263,514

Ms. Hanpa presented the Musselshell County application. Musselshell County is requesting the continuation of the funding for short-term staffing needs. This grant is for the salaries for two road department employees and one law enforcement employee. SB266 passed in the recent legislature, gave Signal Peak energy an estimated \$2.8 million annual tax break from coal gross proceeds taxes. 60% of those taxes would have gone to the schools and 40% to the county. The need is caused by increased workers and contractors related to the Signal Peak Mine expansion. The audit is current and the County uses an approved financial package.

Sue Olson, County Commissioner spoke on behalf of this application for Musselshell County. Ms. Olson stated that 2 years ago the Gross Proceeds tax was cut to the county and they were counting on the money for staffing. Sheriff Wetzel stated that crime and arrests have increased.

Mr. Navratil moved and Mr. Acton seconded the motion to fund this request. The motion passed unanimously. Mr. Navratil summarized the ongoing need of coal impact with no funds available. The Board suggested the County Commissioners approach Signal Peak to begin supporting some of the impacts. Mr. Fenner said Signal Peak could plow the roads.

Amendments

Ellen Hanpa presented the following amendments to the board:

#0663 - Rosebud County - Hospital Boiler (additional funds) – Request: \$ 81,447 Granted: \$81,447

The Rosebud County Commissioners volunteered to be awarded a lesser amount so that all applications could be funded at the March meeting. Commissioners were encouraged to ask for an amendment at the July meeting when funding was again available. The following is the Summary from the original application. They were awarded \$18,523 and are asking to increase the amount to the original request of \$100,000.

A motion was made by Mr. Navratil based on previous meeting to fund this request. The motion was second by Mr. Fenner and passed unanimously.

#0644 - Musselshell County - Hospital Boiler (additional funds) – Request: \$46,242 – Amendment Award: \$46,242

The Coal Board has provided a total of \$421,200 toward the boiler replacement at Roundup Memorial Healthcare. The project came in over budget by \$46,242. The County is requesting an amendment to the original construction contract in that amount.

Kathie Bailey presented the request to the board. The county has a 20 mil levy for the next five years but will not cover all costs.

A motion was made by Mr. Fenner and second by Mr. Navratil to fund this request. The motion passed unanimously.

Board Matters:

Colstrip Letter for Transfer of Van ownership to the Parks and Recreation programs. The van is 10 years old and wheelchair equipped.

Mr. Navratil moved and Mr. Fenner seconded the motion. The motion passed with 5 voting yes and Chairman Williams abstaining.

Big Horn County/City of Hardin Interlocal Agreement was presented to the Board for informational purposes only.

Adjournment - With no other business, the meeting was adjourned by Chairman Williams at 4:45 p.m. The next meeting will be September 30, 2011 in Billings, MT.

Respectfully submitted,
Linda Stangland
Coal Board Program Assistant

John Williams, Board Chair

Ellen Hanpa, Administrative Officer

Date_____

Date_____