

**Montana Coal Board**  
**Meeting Minutes**  
**April 20, 2012**  
*Hampton Inn, Billings, MT*

**Welcome - Call to order**

Chairman John Williams welcomed all present and called to order the meeting of the Montana Coal Board at 8:30 a.m. Administrative Officer Ellen Hanpa called the Roll.

**Roll call:**

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

Ellen Hanpa, Administrative Officer and Jennifer Olson, Community Development Grants Bureau Chief, were also present.

**Others Present:**

Duane Ankney	House District #43	David Kojetin	Town of Lavina
Jim Atchison	SEMDC	Brian Kott	Lame Deer Schools
Kathie Bailey	SMDC	Robert Lee	Rosebud County
Steve Ballea	Dean Creek VFD	George Minder	Big Horn Hospital
Mark Betts	Hardin VFD	Sue Olson	Musselshell County
John Bleth	City of Colstrip	Ray Roerick	Powder River County
Kevin Cannon	Hardin VFD	Paula Small-Plenty	Big Horn Hospital
Dawn Colton	City of Miles City	Craig Taft	Big Horn County
Bill Edwards	City of Roundup	Steve Tyrrel	Dean Creek VFD
Sidney Fitzpatrick	Big Horn County	Jerry Wemple	Hardin VFD
Rose Hanser	City of Colstrip	Kristen Wester	Big Horn County
Chad Hanson	Great West Engin.	Doug Whitney	Colstrip/KLJ
Bill Hodges	Big Horn Hospital		

**Opportunity for Public comment**

Chairman Williams began the meeting by saying this was a bittersweet meeting as it is Ellen Hanpa's last meeting with the Board, however we wish her well in her retirement. A beautiful plaque was given to Ellen to thank her for her service. The plaque's final sentiment was "to new beginnings and wonderful memories". Ellen thanked the Board and wonderful people of Coal Country.

Representative Duane Ankney thanked the Board and Ellen Hanpa for all that she has done for Coal Country. He noted that there is concern over rail traffic caused by coal production and that there is

a move to encourage communities to go to the Coal Board for funding to cover those impacts. Representative Ankeny recognized that the Board will need additional funding if those requests begin to be seen by the Board.

Kathie Bailey of Snowy Mountain Development Corporation echoed Representative Ankeny's comments concerning the Board and Ellen Hanpa. She, also, announced that Signal Peak recently set record production from their mine.

Bob Lee, Rosebud County Commissioner reported that their Live Scan project has been completed and the County Courthouse project is well underway, with all Coal Board funds having been expended.

Dawn Colton, Grant writer for the City of Miles City, introduced herself and announced that Miles City will be coming before the Board for a grant to establish a railroad quiet zone in Miles City.

### **Approval of Minutes**

A motion by Ralph Lenhart and seconded by Chad Fenner to approve the minutes of the January 27, 2012 meeting was approved as presented.

### **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.

- Rosebud County Detention Center Upgrades
- Rosebud County Courthouse Roof Repairs
- City of Colstrip Power Road Bridge
- Big Horn County Tandem Truck purchase
- Big Horn County Rural Fire Equipment
- Musselshell County Taser's and Video Equipment
- Musselshell County Old Divide Road Culvert Project

### **Budget & financial report**

Budget & financial report provided by Ellen Hanpa to the Board. Budget & financial report attached **Total funds: \$5.9 million for the biennium. The balance remaining at the end of the meeting was \$501,020.**

### **NEW BUSINESS**

#### **Application #0708 – Big Horn County Growth Policy Update - Requested and Awarded \$23,500**

Ms. Hanpa presented the Big Horn County request for funds to assist in updating the Big Horn County Growth Policy. The request is for 49% of the cost of the project.

Sidney Fitzpatrick, Big Horn County Commissioner and Greg Taft, Big Horn County Health Department presented the need to maintain the County's Growth Policy as well as the need to plan proactively for future growth. Mr. Dutton recommended keeping the growth policy a living document by updating as changes occur.

*Motion:* Moved by Dan Dutton to fund the project at the full amount of \$23,500. Ralph Lenhart seconded the motion. Mr. Dutton summarized the relationship of the criteria and this project. The motion passed with Mr. Fenner abstaining.

**Application #0709- Big Horn County – Heritage Acres Nursing Home Windows Replacement – Requested and Awarded - \$35,000**

Ms. Hanpa presented the Big Horn County request for funding towards the replacement of all the windows at Heritage Acres with energy efficient windows. The total cost of the project is \$163,500 with Big Horn County, the Big Horn Hospital Association and a DEQ grant providing the remainder of the funding.

Bill Hodges, Big Horn County Hospital Foundation Director, George Minder, Big Horn County Hospital CEO and Paula Small-Plenty, Administrator of Heritage Acres discussed the need for the project. The DEQ grant requires completion by August 3, 2012.

*Motion:* Moved by Ralph Lenhart to fund the project at the full amount of \$35,000. Dan Dutton seconded the motion. John Williams summarized the project emphasizing the cost savings and the degree of local effort. The motion passed with Mr. Fenner abstaining.

**Application #0710- City of Colstrip – Water Facilities Master Plan – Requested and Awarded \$36,662**

Ms. Hanpa presented the City of Colstrip's request for assistance with a Water Facilities Master Plan to identify developing problems and prioritize future needs. The City will fund the remainder of the \$66,662 project.

Mayor Rose Hanser thanked the Board for past support and emphasized that 80% of the workforce in Colstrip is coal related. John Bleth, Director of Public Works and Doug Whitney, Kadmas, Lee and Jackson Engineering, explained the need for the planning document. The City of Colstrip provides water services to the power plants and the mine.

*Motion:* Moved by Chad Fenner to fund this project at the full amount of \$36,662. Dan Dutton seconded the motion. Mr. Fenner stated that Colstrip is in the middle of all the coal activity and this is a necessary project. The motion passed with Mr. Williams, abstaining.

**Application #0711 – City of Colstrip – Shop Building – Requested and Awarded \$200,000**

Ms. Hanpa presented the City of Colstrip request for funds to assist with the construction of a new shop building. Total project cost is \$576,328 with the City of Colstrip providing the remainder of the funds.

Mayor Rose Hanser discussed the need for a new building due to the current building being deemed an unsafe working environment by the Montana Department of Labor and Industry Health Division.

Jim Atchison with Southeast Montana Development Corporation indicated that a Brownfields grant is being sought to mitigate the environmental issues of the site once the shop has been moved

*Motion:* Moved by Dan Dutton to fund the project at \$150,000 due to being uncomfortable without plans before the Board. Ralph Lenhart seconded the motion. The motion failed with Mr. Williams abstaining and Mr. Dutton voting aye. Mr. Fenner moved to fund the project at \$200,000. Mr. Lenhart seconded the motion. The motion passed with Mr. Williams abstaining and Mr. Dutton voting no.

Chairman Williams requested that the City bring the building plans to the next Board meeting.

**Application #0712 – Ashland Fire District PAR for fire building – Original Request of \$26,000, lowered by applicant to \$19,000 at meeting – Awarded \$19,000**

Ms. Hanpa presented the Ashland Fire District request for assistance with funding for an emergency services- fire department building. The applicant had received additional funding before the meeting and lowered their request to \$19,000. The total project cost is \$30,000.

Miles Dennis, Fire Chief and Pat Dennis, member of the Board of Directors explained the need for consolidation of emergency services in the area and being proactive in planning for the development of the Otter Creek Tracts in their fire district.

*Motion:* Moved by Dan Dutton to fund the project at \$19,000. Chad Fenner seconded the motion. The motion carried unanimously on a roll call vote. Mr. Dutton summarized that the need is apparent with the planned Otter Creek Development, and applauded the proactive planning in the community of Ashland.

**Application #0713– Powder River County Digital Fingerprinting Machine – Requested \$12,000 – Award Denied**

Ms. Hanpa presented the Powder River County Sheriff's Department request for the purchase of a digital fingerprinting machine. Total cost of the project is \$16,000 with the County committed to the remainder of the funding.

Ray Roerick, Powder River County Sheriff Department volunteer spoke to the need for more timely identification of criminal suspects.

Chad Fenner moved to fund the request of \$12,000. Mr. Lenhart seconded the motion. Mr. Fenner summarized the motion by saying the request is conservative and the need is obvious. The motion failed on a tied roll call vote. Mr. Williams summarized that the lack of justification for the decrease in millage rates presented the Board with a dilemma in adhering to the criteria of the Board. The Board requested that Powder River County re-apply for this grant at the next meeting with a justification for millage decrease included in the application and a County Commissioner to attend the meeting.

**Application #0714 – City of Hardin Volunteer Fire Department Personal Protective Equipment – Requested \$60,000, lowered to \$46,625 by applicant – Awarded \$46,625.**

Ms. Hanpa presented the city of Hardin's request to provide their volunteer fire department with safety equipment. The applicant lowered requested amount to \$46,625 after receiving bids from the provider.

Joe Koebbe, Mayor of Hardin, and Kevin Connor spoke on the need for newer, safer equipment. Sidney Fitzpatrick, Big Horn County Commissioner supported the request. The Hardin Volunteer Fire Department serves as mutual aid with the fire department of the Hardin Generating Plant

*Motion:* Moved by Mr. Dutton to approve the request. Mr. Lenhart seconded the motion. The motion passed unanimously.

**Grant #0685 Amendment Request – Town of Lavina PER- Requested an additional \$8,000 – Award Denied**

Ms. Hanpa presented the Town of Lavina's request to increase their existing grant by \$8,000 to add Phase 1 of the study of the existing water well. This would increase the existing grant to \$49,000 with all funding provided by the Coal Board.

Kathie Bailey of Snowy Mountain Development Corporation and David Kojetin, Mayor of Lavina spoke on this additional need. Board members questioned why this was not included in the original application.

*Motion:* Moved by Dan Dutton to fund the project at \$8,000. Ralph Lenhart seconded the motion. With a roll call vote the motion failed with Mr. Lenhart voting aye. Mr. Dutton summarized the action saying the applicant should find a way to fund a small oversight and emphasized that the Town must be included in the discussion of grant applications.

**Grant #0686 Amendment Request – Musselshell County Dean Creek Volunteer Fire Department – Requested an additional \$15,000 – Awarded \$7,500**

Ms. Hanpa presented Musselshell County's Dean Creek Volunteer Fire Department request for an additional \$15,000. This would increase the grant to \$210,000. The original total project cost was estimated to be \$365,000 with the Coal Board granting 95% of the funds. The Board awarded \$195,000 for Phase I of the project. The applicant now has a cost modification that lowers the total project to \$220,000.

Sue Olson, Chair of the Musselshell County Commissioners reported that the Commissioners are pleased that the Department has tried to cut the costs of this project. Chief Tyrell reported that they have cut all they can. Mr. Dutton stated that the local effort and County support in this project is minimal. Mr. Williams stated he recognized the value of this project, but is reluctant to go back to the Board for the additional funds.

*Motion:* Moved by Dan Dutton to fund at \$15,000. Chad Fenner seconded the motion. With a roll call vote the motion unanimously failed. Ralph Lenhart moved to fund the project at \$7,500 requiring the applicant to find the additional \$7,500 elsewhere. Mr. Fenner seconded the motion. The motion passed unanimously on a roll call vote.

**Grant #0679 City of Roundup Wastewater UV Project – Requested and Additional \$64,747 – Award Denied**

Ms. Hanpa presented the City of Roundup's request for an addition \$64,747 increasing the grant to \$284,747. The bid for this project was \$64,747 over the engineer's estimate and the Town is requesting that the Coal Board fund the entire additional cost. This would raise the Coal Board percentage from 50% to 56%.

Mayor Edwards explained the cost overrun to the Board. The Town used all reserves during the 2011 flood and does not receive any income from the Signal Peak Mine.

*Motion:* Moved by Dan Dutton to fund the project at \$65,000. Chad Fenner seconded the motion. With a roll call vote the motion unanimously failed. Mr. Dutton summarized that there is a need, the impact of coal is evident, however, there was a lack of due diligence when requesting the initial funds.

**Amendment to #0678 – Northern Cheyenne Tribe Utilities Building Project – Requested \$29,500 – Awarded \$15,000 available after July 1, 2012.**

Ms. Hanpa presented the need to increase the request due to additional unexpected construction items such as plumbing and roof repairs. Major Robinson and Winslow Whitecrane spoke about the project.

*Motion:* Moved by Dan Dutton to fund at \$15,000. Chad Fenner seconded the motion stating that the Tribal budgeted funds in the original grant of \$10,000 have not been used as of this date. . The motion passed with a unanimous roll call vote. These funds will not be available until July 1, 2012 as the 7% limitation of yearly funds to tribes has been expended for the 2012 fiscal year.

**Amendment to #0693 – Lame Deer Schools Gymnasium Restroom Remodel – change of scope to completion of the Elementary School Phase 1 Construction Project.**

Ms. Hanpa explained that this request is for a complete change of scope for an awarded amount of funds. Mr. Williams stated that he supported the necessity of the change, however, this becomes a completely different project and the Board needs to examine the project publically as it does all projects.

*Motion:* Dan Dutton moved that the Lame Deer Schools withdraw Grant #0693 and submit a new application for the Elementary School Project. Chad Fenner seconded the motion. The motion passed with a unanimous roll call vote.

**Adjournment** - With no other business, the meeting was adjourned by Chairman Williams at 12:45 p.m. The next meeting will be July 20, 2012 in Billings.

Respectfully submitted,  
Ellen Hanpa, Administrative Officer

  
John Williams, Board Chair  
Date 7/20/12

  
Ellen Hanpa, Administrative Officer  
Date 6/22/12