

**Montana Coal Board**  
**Meeting Minutes**  
**September 10, 2020**  
Conference Call

**Board Members Present**

Chairman John Williams, Vice-Chair Sidney Fitzpatrick, Amber Henning, Marianne Roose, Tim Schaff, Sean Smith, and Veronica Small-Eastman.

**Montana Department of Commerce Staff Present**

Jennifer Olson, Division Administrator; A.C. Rothenbuecher, Operations Manager; Rachel Young, Administrative Officer; Anita Proul, Executive Assistant; Jessica Blumberg, Attorney.

**Public Present**

Bill Hodges	Big Horn Hospital Association
Adam Liberty	MSU Billings Foundation
Bob Lewandowski	Superintendent Colstrip Public Schools
Becky Bey	KLJ Engineering
Candy Wells	Administrative Asst. Big Horn County
Brian Mischel	Director, Disaster & Emergency Services Big Horn County
Larry Vandersloot	Commissioner, Big Horn County
Daryl Nordquist	Big Horn County Cemetery District #1
Dianne Lehm	BSED
Patrick Klugman	BSED
Dennis Kopitzke	Mayor, Forsyth
Doris Pinkerton	Clerk Treasurer, Forsyth
Jim Atchison	SEMDC

**Welcome – Call to order**

Chairman Williams called to order the meeting of the Montana Coal Board at 8:32 a.m.

**Roll call**

Ms. Young called the roll for board members. The following board members were present: Chairman Williams, Vice-Chair Sidney Fitzpatrick, Amber Henning, Marianne Roose, Tim Schaff, Sean Smith, and Veronica Small-Eastman.

**Commerce Updates**

Ms. Young updated the Board on the request from the previous meeting to send letters to awardees that had grants awarded contingent upon funds being available and that those letters had been sent out to the following recipients:

- #0890 Carbon County; #0891 City of Colstrip; #0898 Town of Hysham; #0900 Musselshell County; #0901 Colstrip Public Schools

**Opportunity for Public Comment**

- Bill Hodges, Big Horn Hospital Association – Gave update on phase three Big Horn Hospital remodel, up and functional from about six weeks ago.

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- Adam Liberty, MSU Billings Foundation – Thank you and gave update on project

**Approval of Minutes (June 11, 2020)**

- Chairman Williams called for a motion to approve minutes.

**Action by the Board:** Mr. Schaff made a motion to approve minutes. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Minutes were approved.

**Budget Status Update**

Ms. Olson - Question was raised at June meeting if a transfer of funds had previously taken place from the Coal Natural Resource Account (CNRA), from which the Coal Board awards funds.

- Thank you to Fiscal staff at Commerce for research.
- Did have a transfer of funds out of CNRA.
  - In 2107 Legislative Session, Representative Keane proposed HB22 and signed by Governor on April 14, 2017.
  - Bill was specifically transferring \$80,000 out of CNRA to provide to the Department of Justice for monies to assist, intervene, and plan for the closure of coal fired generation operation.
- Reminder, the Department of Commerce does not transfer or move money out of the account without legislative authority or approval.
- Transfer did occur and Department of Justice did expend 100% of \$80,000 appropriation.
- That was the only transfer that came out of the CNRA.

Ms. Rothenbuecher discussed the Budget Update and Revenue History reports.

**2021 Biennium**

• Legislative Appropriation (HB 2 and HB 292):	\$6,961,000.00
• FY 2020 (7/1/19-6/30/20) Appropriation:	\$3,479,000.00
• FY 2020 Revenue Available to Date:	\$2,616,661.44
• FY 2020 Awards Made to Date:	\$3,223,150.00
• FY 2020 Revenue Available to Award:	(\$ 606,488.56)
• FY 2021 (7/1/20-6/30/21) Appropriation:	\$3,482,000.00
• FY 2021 Revenue Available to Date:	\$ 437,493.76
• FY 2021 Awards Made to Date:	\$0.00
• Funds Reverted:	\$0.00
• FY 2021 Revenue Available to Award:	\$ 437,493.76
• 2021 Biennium Awarded:	\$3,223,150.00
• 2021 Biennium Appropriation Remaining to Award:	\$3,482,000.00

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- Revenue Available: \$ 437,493.76
- Revenue Available with Reverted Funds (to award this meeting): (\$ 91,952.00)
  
- Tribal 7% limitations are being tracked and so far, this fiscal year, the Board has made no awards to State or Tribal projects. Currently the available balance for such is \$243,530.00. Also, Designated vs. Non-Designated funds are being tracked. Statute identifies funds can be spent anywhere but 51% must be in designated impact areas and any other projects must meet statute criteria.

**Project Updates**

A. Concurrence of contract amendments

- 831-Miles City; 866-Rosebud County; 867-Big Horn County; 854-Northern Cheyenne Tribe; 825 Lame Deer Public Schools; 846-Hardin Public Schools
- Previously approved to extend/amend but not executed by end of fiscal year.
- Need Board's concurrence to continue to amend contracts and roll into this fiscal year.

**Action by the Board:** Mr. Schaff made a motion to concur to extend contracts to the end of this fiscal year. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

B. Applicant #0830 – Northern Cheyenne requesting change of scope to finish using remaining grant funds.

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to change scope. Ms. Small-Eastman seconded. Discussion from the Board and comments from the public - no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

C. Applicant #0885 – Town of Broadus requesting change of scope to include grant administration and engineering.

**Action by the Board:** Mr. Schaff made a motion to change scope. Mr. Smith seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

D. Applicant #0799 – City of Colstrip requesting contract extension to March 31, 2021.

**Action by the Board:** Ms. Roose made a motion to extend contract to March 31, 2021. Mr. Smith seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes except Chairman Williams abstained. Motion passed.

E. Projects awarded at previous meetings contingent upon revenue and in priority order.

- 0890-Carbon County-Dec; 0891-City of Colstrip-Dec; 0898-Town of Hysham-March; 0900-Musselshell County-March; 0901 Colstrip High School-March.
- Total = \$363,968

F. Open and Closed project status

- Ms. Young reviewed spreadsheets
  - 30 Projects Open

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- Several contracts currently being routed

**Old Business**

**Tabled Applications**

Chairman Williams - Tabled items remain tabled until removed from the table unless you go beyond the quarterly meeting, they expire.

- Make recommendation not to take any action on tabled items
  - They will be removed entirely but does not prohibit the applicants from renewing their application when funds become available.

Ms. Rothenbuecher – Provided comment specific to ARM 8.101.302, item #2, “applications shall be considered by the Coal Board during the next scheduled quarterly meeting after receipt of the completed application and either be approved, denied, or tabled, pending submittal of additional information to Coal Board”. Make sure we are following ARM as it suggests an action still has to be taken on these applications.

Chairman Williams asked for discussion/questions/comments from the Board on the action:

- Vice-Chair Fitzpatrick – In favor of re-table and assess priority.
- Ms. Henning – In favor of denying. Does not mean the Board does not support the applications, it is simply due to a lack of funds. Tabling is misused and leaves everybody in limbo.
- Mr. Schaff – Listening to the explanation of the ARM, we do not have a choice, we have to deny.

Public Comments:

- Bill Hodges, Big Horn Hospital Association – As an applicant, would I have to go through the hearing process, environmental checklist, that entire list of protocols to submit a new app, or may I simply change the date and resubmit?
  - Ms. Rothenbuecher – Yes you can change the date/resubmit. Add any updates, to your knowledge, if anything has been changed or modified since the last time you applied. And anything that was commented from the staff reports; anything that was missing or unclear, encourage the applicant to address.
  - Ms. Henning – Recommend to anyone re-filing, if you are changing your application substantially from the previous filing, please know that would maybe require you to go through the hearing process, the MEPA process.
- Jim Atchison, SEMDC – As an applicant, numerous grant applications submitted throughout the year and always risk of getting denied. From an applicant stand point, sometimes it’s better to obviously get a yes, but sometimes in my opinion, it’s good to get a no as well, because then we know where we sit with that project, with other match funds, with other grant applications, etc. Sometimes tabling these things is a limbo/gray area and it creates a lot of stress on some of these projects to find money...what if the table does not go through next time, etc. I would appreciate a yes or no when we initially apply, that way the applicant knows where we stand.

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- Bob Lewandowski, Superintendent Colstrip Public Schools – We were tabled in March and June, I certainly appreciate the difficulties you guys have to go through in making difficult financial decisions and availability of funds. And certainly, I also appreciate the opportunity to change dates and resubmit because I know the decision making is tied to the financial needs, have and have not, that you guys are dealing with so I appreciate your position and I wanted to let you that we thank you for what you guys are doing.

Chairman Williams called for a motion to un-table applications #0899, #0904, #0905, #0906, #0907, 0908.

**Action by the Board:** Mr. Smith made a motion to un-table applications. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Application #0899 Colstrip Public Schools – LED Lighting** **\$229,470**

**Action by the Board:** Mr. Schaff made a motion to deny application based on lack of available funds. Ms. Roose seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Application #0904 Rosebud County – Replace HVAC** **\$250,000**

- Jim Atchison, SEMDC - Applicant withdrawing application

**Action by the Board:** Mr. Schaff made a motion to accept withdrawal. Ms. Small-Eastman seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Application #0905 Big Horn County – Hospital Improvements** **\$498,759**

**Action by the Board:** Mr. Smith made a motion to deny application based on lack of available funds. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Application #0906 City of Forsyth – Municipal Pool Upgrades** **\$95,000**

**Action by the Board:** Ms. Roose made a motion to deny application based on lack of available funds. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Application #0907 Big Horn County – Cemetery District No. 1** **\$124,870**

**Action by the Board:** Mr. Schaff made a motion to deny application based on lack of available funds. Ms. Small-Eastman seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

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**Application #0908 Big Horn County – Sheriff’s Dept. Purchase Two 4x4 Patrol Vehicles     \$90,086**

**Action by the Board:** Ms. Roose made a motion to deny application based on lack of available funds. Mr. Smith seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Roll Call – Return from Break**

Ms. Young called the roll for board members. The following board members were present: Chairman Williams, Vice-Chair Sidney Fitzpatrick, Amber Henning, Marianne Roose, Tim Schaff, Sean Smith, and Veronica Small-Eastman.

**New Business**

**Application #0910 Lame Deer Public Schools – Purchase One School Bus                     \$100,000**

**Action by the Board:** Vice-Chair Fitzpatrick made a motion to deny application based on lack of funds. Mr. Smith seconded. Discussion from the Board and comments from the public:

- Mr. Schaff – Noted discrepancy on the Superintendent of Schools on the application. Application signed by Ms. Cobell and the contact information for the Superintendent was their old Superintendent; those need to be made parallel when they reapply.
- Chairman Williams – There were a number of issues addressed in the staff review in regard to the application that should be addressed when they do reapply.

No discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

**Application and Manual Review**

Ms. Rothenbuecher recapped the steps to date in the process of updating the application and draft Grant Administration Manual. Ms. Rothenbuecher requested, from the board, a discussion and any relevant motions about what to accept or add, then at the next meeting, staff will be able to provide one red-lined version for any other additional board or public comments – “I appreciate your guidance and thoughts about how you would like to do this”.

The Board provided a final motion following various comments, ideas, and suggestions by staff:

**Action by the Board:** Ms. Henning made a motion directing staff to compile all documentation for one final review at the December meeting. Mr. Schaff seconded. Discussion from the Board and comments from the public – no discussion or comments. Ms. Young called for a vote: all yes. Motion passed.

- Ms. Rothenbuecher inquired if the draft Grant Administration Manual could receive a final review at the December meeting as well?
  - Chairman Williams and Ms. Henning agreed for it to be included to the review at the next meeting.

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**Opportunity for Public Comment**

- No additional public comment provided.

**Board Matters**

- Confirmation of next meeting date
  - December 10, 2020 – Telephone Conference
  - March 11, 2021
  - June 10, 2021
  - September 9, 2021

**Adjournment**

With no other business, Chairman Williams called for a motion to adjourn. Mr. Smith made a motion to adjourn. Mr. Schaff seconded. Meeting adjourned at 10:25 a.m.