Criteria

Under State law (Section 90-6-206, MCA) and the Administrative Rules of Montana (Section 8.10.301, ARM), grants must be awarded on the basis of:

Need – what assistance is required to eliminate or reduce a problem that threatens the public's health, safety, or welfare that is the result of coal development or decline?

Severity of impact from coal development or decline – what has been the relative amount of demographic or economic change that is a result of the coal development or decline?

Availability of funds – the weighing of the amount of available Coal Board funds in comparison to the total requests submitted?

Degree of local effort – what other funding sources can the applicant pledge to the project based on the applicant's indebtedness and current taxing efforts, and has the applicant sought out all other reasonable sources of funding to assist with the project?

Planning – does the proposal fit into an overall plan for the orderly management of the existing or contemplated growth problems?

Questions for Grant Applicants

- How is the need for a grant related to impact from coal development or decline?
- Is the need documented to be a high priority project for the community?
- Can you demonstrate community input and support for the project?
- Can you demonstrate how the project will directly meet the stated needs?
- Have other possible sources of funding been seriously explored?
- Is the community's financial commitment demonstrated and secured?
- Is the budget and financial plan for the project realistic, appropriate, and feasible?
- Is a reasonable timeframe established for the completion of the project?
- Questions and requests should be directed to:

Administrative Staff
Montana Coal Board
Department of Commerce
Ellen Hanpa, Administrative Officer
(406) 841-2789
Linda Stangland, Program Assistant
(406) 841-2782
301 S Park Avenue
Helena, Montana 59620

Montana Department of Commerce
The Montana Coal Board

Assisting Communities Impacted by Coal Development

Major Coal Mines
and the Designated Coal Impact Area

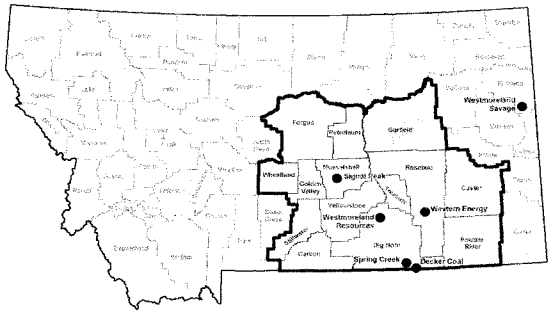


EXHIBIT 2
DATE 3/27/09
SB 100

Funding Authorized

Coal Board Grant Dollars Appropriated by the Montana Legislature for:

Fiscal Years 2008-2009...$ 2,000,000

Coal Board grants are funded by Montana's Coal Severance Tax.

Purpose

The Coal Board's purpose is to assist local governmental entities that must provide expanded public services and facilities needed as a consequence of coal development, consumption, or decline. (See Section 90-6-201, MCA.)

Eligibility

Where a coal impact exists, Coal Board grants may be awarded to any:

- City
- Town (incorporated)
- County
- School District
- Special District
- Federally recognized Indian tribe – 7% limit (See Section 90-6-209)
- State agency (See Sections 90-6-206, 207, 208, MCA)

Fifty percent of the funding appropriated for coal impact grants is reserved for governmental units within the designated coal impact area.

Montana Coal Board

Returning coal severance taxes to coal impacted areas.

The seven-member Coal Board meets quarterly to consider applications for coal impact grants. All Board meetings are open to the public. *Public comment on any public matter that is within the Board's jurisdiction will be allowed at all Board meetings. The opportunity for public comment is reflected on the meeting agenda. All comments are included in the official minutes of the meeting.*

Montana Coal Board Members

John Williams, Chair –Colstrip
Marcia Brown - Butte
Dan Dutton, Vice-Chair – Belfry
Chad Fenner – Hardin
Julie Foley - Missoula
Thomas Kalakay – Billings
Gerald Navratil – Sidney

Coal Board meetings are held at facilities that are fully accessible to persons with disabilities. Any person needing reasonable accommodations must notify the Coal Board at 406-841-2782 or TDD at 406-841-2702 before the scheduled meeting to allow for arrangements.

Alternative accessible formats of this document will be provided upon request. For further information, please contact the above telephone numbers.

Application Process

1. Applicants can download the Coal Impact application form from the Board's website or request information from the Coal Board staff.

2. Applications are due the first of the month before the scheduled month of the meeting. Applicants can contact staff for assistance with application procedures.

3. Staff, Board members, and other appropriate agencies review the application.

4. The applicant appears at a scheduled meeting and formally presents the proposal to the Board.

5. The Board considers the proposal and votes to either:

- **Approve** the Application
- **Table** the Application and request more information, as needed; or
- **Deny** the Application.

If approved, contract stipulations are established and staff prepares a grant contract.

For copies of application form and other information please visit our website:

http://comdev.mt.gov/CDD_CB.asp

Updated January 2009

Tabled until June 2009 (March meeting actio				
Appl	**Entity**	**Project**	**Request**	**Total**
#0581	Apsaalooke Water & Wastewater Authority	Purchase Backhoe	$65,000	$65,000
#0599	Musselshell County	Short-term Staffing Needs	$259,080	$259,080
#0600	Musselshell County	Road & Sheriff's Dept Equip	$579,500	$579,500
#0601	Musselshell County	Ambulance	$130,000	$130,000
#0602	Roundup Public Schools	Capital Improvements Planning Update	$17,274	$17,274
#0603	Musselshell County	Fattig Creek & Majerus Rd Construction	$585,044	$585,044
#0604	Roundup, City of	Stormwater Main Trunk-line	$390,000	$261,785
#0606	Big Horn County	Purchase mini van for Heritage Acres - extended care facility	$20,000	$20,000
#0607	Big Horn County	Motor Grader	$200,000	$200,000
#0608	Golden Valley County	Fire Station Garage	$237,000	$237,000
			$1,570,898	

Tabled until June 2009 (Previously tabled)				
Appl	**Entity**	**Project**	**Request**	**Status**
#0587	Wyola School District	Window Replacement & Renovations	$97,500	Tabled
#0594	Lavina School District	Community Library I-TV Rm	$17,150	Tabled
#0596	Carbon County	Girls & Boys Club	$45,000	Tabled
#0598	Hardin, City of	New Fire Station	$250,000	Moved to Full will apply at June meeting
			$409,650	Total

$2,354,683 Tabled at March 2009 meeting
$409,650 Tabled until June 2009

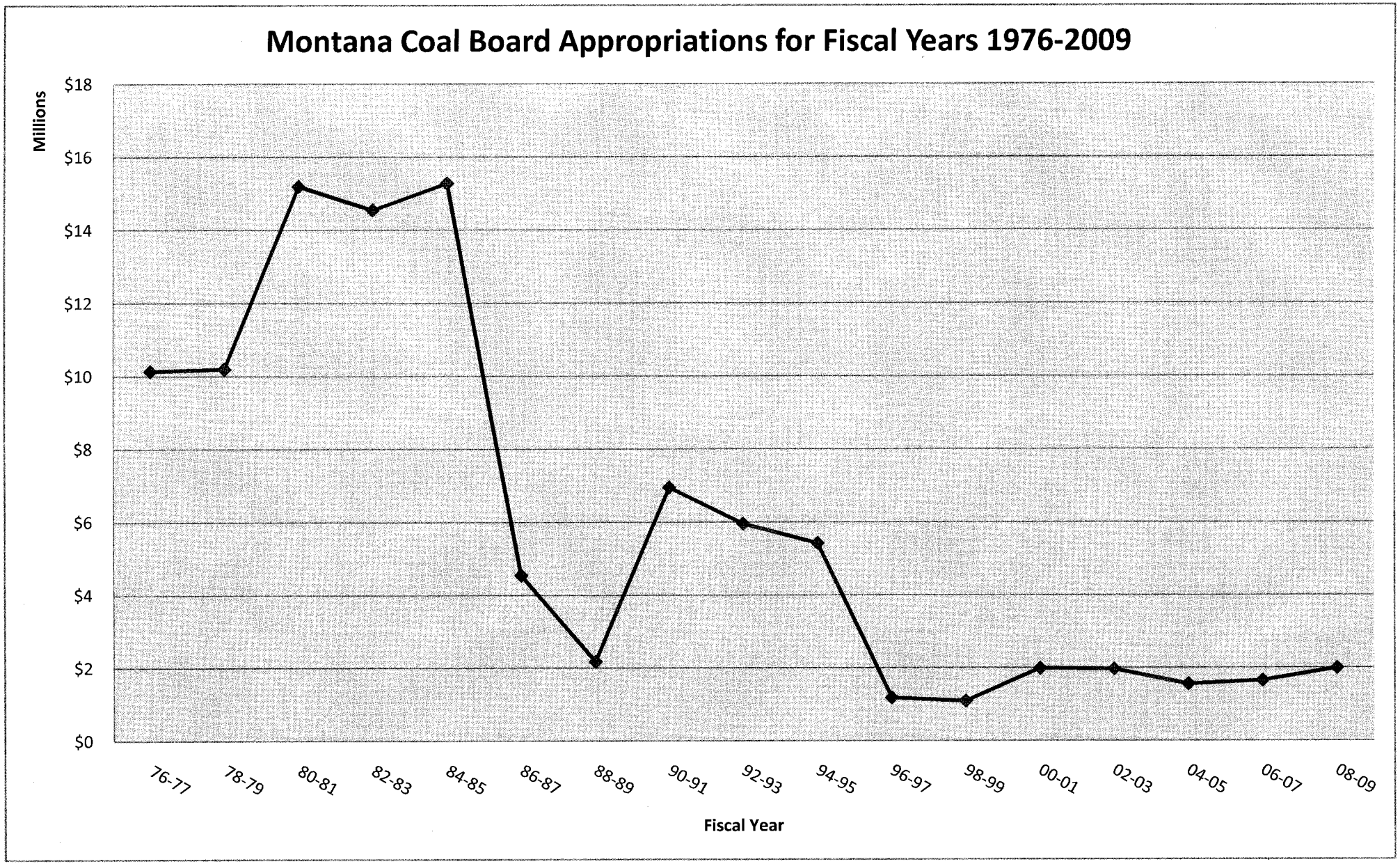
$2,764,333 Total in Pending applications

Musselshell County	$1,553,624
City of Roundup	$390,000
Roundup Schools	$17,274
TOTAL	$1,960,898

71% of the requested funds are from Musselshell County, Roundup & Roundup Schools

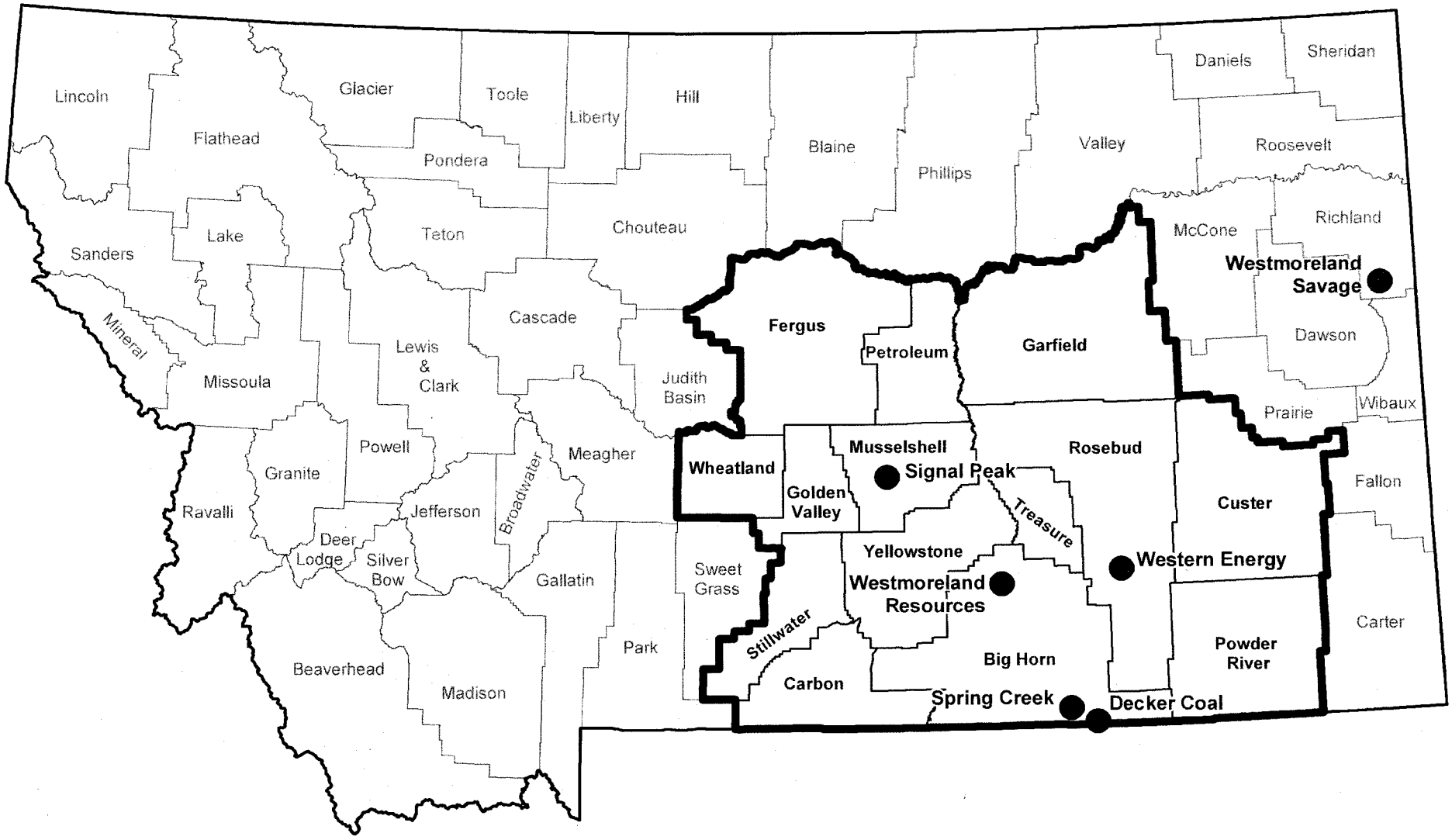
Note: At the December 2008 meeting, Lavina and Carbon County volunteered to be tabled so that a request from Musselshell could be partially funded at that meeting. Musselshell received $33,500 which allowed them to purchase a belly dump trailer. The belly dump has been purchased & grant is closed out.

EXHIBIT 2
DATE 3/27/09
SB 100


Montana Coal Board Appropriations for Fiscal Years 1976-2009
Millions
$18
$16
$14
$12
$10
$8
$6
$4
$2
$0
76-77
78-79
80-81
82-83
84-85
86-87
88-89
90-91
92-93
94-95
96-97
98-99
00-01
02-03
04-05
06-07
08-09
Fiscal Year

Coal Board Funding from 1976 - 2009	
Years	**Appropriation**
76 - 77	$10,139,127
78 - 79	$10,197,720
80 - 81	$15,191,476
82 - 83	$14,545,285
84 - 85	$15,275,075
86 - 87	$4,547,346
88 - 89	$2,177,004
90 - 91	$6,954,035
92 - 93	$5,958,098
94 - 95	$5,426,675
96 - 97	$1,187,005
98 - 99	$1,096,353
00 - 01	$1,990,308
02 - 03	$1,967,784
04 - 05	$1,558,196
06 - 07	$1,655,916
08 - 09	$2,000,000

Major Coal Mines
and the Designated Coal Impact Area



- The Coal Board awarded a total of 32 grants, totaling $2,000,000.
- The 32 grants ranged from a high of $200,000 to a low of $7,500.
- The average grant amount was $62,500, up from $47,500 in 2006 and 2007.
- The 32 projects involve over $13.9 million in other state, federal and local funds.

Existing and Proposed Development In Montana's "Coal Country"

(See map on the following page.)

Current and proposed Montana coal-related projects include:

- During 2005, the MDU Resources' **Rocky Mountain Power** 116-megawatt coal-fired generating plant at Hardin went on line.
- A coal-fired electric and wood co-generation plant, **Thompson River Co-Gen**, in Thompson Falls is currently off-line pending settlement of an air quality permit issue
- **Great Northern Power Development** of Denver and Kiewit Mining Group of Omaha have proposed a $1 billion 500-megawatt coal-fired generating plant near Nelson Creek west of Circle, along with an adjacent coal mine, and related infrastructure.
- **Bull Mountain Power** has proposed two 350-megawatt coal-fired generators using 2.7 million tons of coal per year from the Bull Mountain Mine at Roundup.
- **The Southern Montana Electric Generation and Transmission Cooperative** is seeking permits to build a $515 million 250-megawatt coal-fired generating plant at Great Falls.
- **Kennecott, Bechtel, and Wesco** have proposed building a coal plant to generate 3,000 megawatts at Otter Creek.

Montana has six existing coal mines ***(with total production from Dec. – Nov., 2005)*:**

- **Bull Mountain Mine near Roundup** *(208,755 tons)*
- **Decker Coal Company at Decker** *(8,241,274 tons),*
- **Spring Creek Mine in Big Horn County** *(12,001,290 tons)*
- **Western Energy Company's Rosebud Mine at Colstrip** *(12,413,482 tons)*
- **Westmoreland Resources' Absaloka Mine at Hardin** *(6,588,633 tons)*
- **Westmoreland Resources' Mine at Savage** *(380,042 tons).*