STATE OF MONTANA DEPARTMENT OF COMMERCE

MONTANA COAL BOARD MEETING

DATE: December 11, 2025 LOCATION: Zoom only

(Applications to be considered for this meeting were due October 31, 2025)

Register in advance for this webinar:

Join from PC, Mac, iPad, or Android:

https://mt-gov.zoom.us/webinar/register/

WN WtMZLXvwRe6ulHi8fUymng Passcode:561436

Join via audio:

+1 206 337 9723 US (Seattle)

+1 213 338 8477 US (Los Angeles)

+1 646 558 8656 US (New York)

Webinar ID: 854 8503 8773

Passcode: 561436

International numbers available: https://mt-gov.zoom.us/u/kdpvkRtlyA

WHEN: 8:30 a.m.

December 11, 2025

Board Members

Scott Rosenthal, Butte – Engineering Jon Wells, Hardin – Impact Area Catherine Laughner, Big Sky – Attorney Sandra Jones, Roundup – Public Administration Tim Schaff, Roundup – Education Hal Fuglevand, Billings -- Impact Area Vacant -- Education

Notice of Public Meeting

December 10, 2025:

6:00 p.m.-The Board typically gathers informally for dinner the evening prior to the meeting. HOWEVER, this DECEMBER 2025 meeting will be held virtually only and the dinner will not be held. Please see Zoom link above for participation at this meeting.

<u>December 11, 2025</u>: The Board will hold a quarterly meeting at 8:30 am, Thursday, December 11, 2025, virtually at the link above. For more information or to request reasonable accommodations for a disability, please contact Community MT staff at (406) 841-2770 or at doccdd@mt.gov before the meeting. Conference call information for this meeting is available on the Coal Board website (https://comdev.mt.gov/Boards/Coal/Meetings).

Agenda:

Informational Items:

- 1. Call to order
- 2. Roll call
- 3. Commerce Updates
- 4. Opportunity for public comment on items not on the agenda, but within the Board's jurisdiction
- 5. Budget Update
 - Community MT Staff update
 - Opportunity for public comment
 - Board discussion
- 6. Project Updates
 - Open and Closed project status

7. New Applications- Presentations(table here)

Applicant #	Applicant	Project Description	Funds Requested	Total Project Costs
1029	Colstrip Hospital District	Electronic Records	\$120,000.00	\$180,500.00
		Management Migration		
		and Implementation		
		Total Requested:	\$120,000.00	\$180,500.00

Board Action Items:

- 8. Approval of Minutes
 - September Meeting minutes (September 11, 2025)
 - Opportunity for public comment
 - Board discussion
 - Board action
- 9. Board Action on Grant Updates
 - 0889 City of Hardin -Wastewater System upgrade extension request
 - 0937 City of Forsyth Water Intake project change of scope request and extension
 - 1013 City of Forsyth Water storage tank and booster station reduction of scope request
 - Opportunity for public comment
 - o Board discussion
 - Board action
- 10. Board Action on Grant Applications submitted for this meeting
- 11. Opportunity for public comment
- 12. Board Matters
 - Confirmation of next meeting dates and location
 - o March 12, 2026 Billings-Hilton Garden Inn (Tentative)
 - June 11, 2026 Billings Hilton Garden Inn (Tentative)
- 13. Adjourn

<u>Updated as of 11/30/2025</u>

Cash Balance as of July 1	\$ 10,149,806.22
Obligated Grant funds from Current Year	\$ 1,867,096.00
Obligated Grant funds from Previous Years	\$ 3,103,132.04
Current Year Expenses	\$ 1,692,938.27
Current Year Revenue	\$ 1,767,745.56
Net Cash Available	\$ 5,254,385.47
Fiscal Year 2026 Available Grant Authority	\$ 3,482,000.00
Current Year Obligated Grants	\$ 1,867,096.00
Current Year Funding Available for Grants	\$ 1,614,904.00

Coal Tax Revenue Comparison

Fiscal Year

July
August
September
October
November
December
January
February
March
April
May
June
TOTAL

_	1 10001 1 001						
	2024	2025	2026	2027	2028	2029	2030
ly	776,652.84	229,874.49	893,125.57				
st	380,203.53	779,907.23	-				
er	6,181.02	6,181.02	1,957.78				
er	1,150,663.76	1,237,774.60	737,645.63				
er	6,181.02	6,181.02	135,016.58				
er	6,181.02	6,181.02	-				
ry	679,293.47	836,814.16	-				
ry	479,636.88	201,066.24	-				
h	6,181.02	50,261.27	-				
ril	686,355.14	910,615.18	-				
ay	343,007.67	6,181.02	-				
ie	6,181.02	-	-				
L	4,526,718.39	4,271,037.25	1,767,745.56	-	-	-	-

Fiscal Year

July
August
September
October
November
December
January
February
March
April
May
June
TOTAL

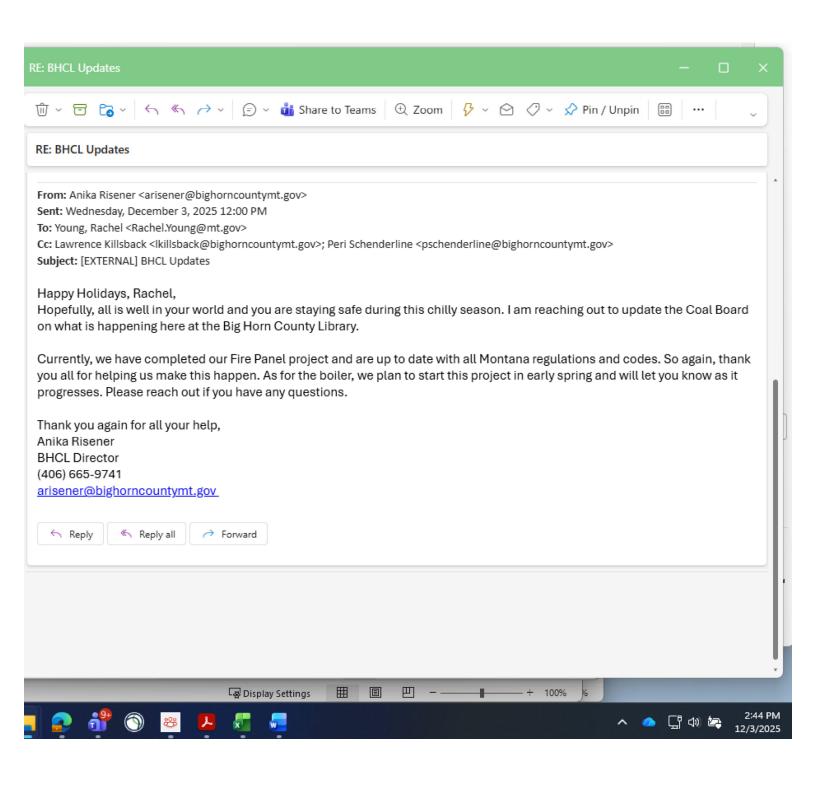
	2017	2018	2019	2020	2021	2022	2023
y	247,193.27			222,429.42	431,312.73	617,761.79	592,505.22
st	693,771.22	740,446.95	918,302.50	539,831.96	6,181.03	6,181.02	557,127.95
r			(504.39)	5,979.51	6,181.03	6,181.02	6,181.02
er	755,932.38	332,719.15	519,416.85	316,099.35	489,138.85	6,181.02	1,326,249.17
er	101,974.55	629,341.43	439,644.24	457,270.54	6,181.03	884,379.21	6,181.02
er		580.99			6,181.03	6,178.12	6,181.02
y	648,624.21	308,187.51	702,308.56	327,851.56	302,836.00	763,081.14	682,360.04
y	80,414.86	551,400.30	235,857.70	316,829.05	238,944.10	182,395.75	329,880.83
h	(1,551.84)			2,063.81	21,376.15	6,181.02	6,181.02
il	531,173.29	721,648.76	625,338.13	557,704.92	863,630.16	972,088.37	801,341.83
y	146,179.43	98,316.33	95,829.81	90,338.94	7,826.03	6,181.02	470,259.15
e	7,422.78	505.97	(505.97)	108,927.02	(84,162.96)	19,694.51	(6,181.02)
ᆫ [3,211,134.15	3,383,147.39	3,535,687.43	2,945,326.08	2,295,625.18	3,476,483.99	4,778,267.25

Open Coal Board Grants

Remaining Funds as of November 30,

2021 Biennium 889 City of Hardin Upgrade Wastewater Collection and Treatment Plants 3/12/2020 \$250,000.00 \$25,116.67 3/31/202 \$2023 Biennium 932 City of Forsyth Water Intake Project 6/9/2022 \$375,000.00 \$89,932.39 9/30/202 937 City of Forsyth Water Intake Project 6/9/2022 \$100,000.00 \$100,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$250,000.00 \$250,000.00 \$250,000.00 12/31/202 \$250,000.00 \$250,000.					November 30,	
2021 Biennium 889 City of Hardin Upgrade Wastewater Collection and Treatment Plants 3/12/202 \$250,000.00 \$25,116.67 3/31/202 \$250,000.00 \$25,116.67 3/31/202 \$250,000.00 \$25,116.67 3/31/202 \$250,000.00 \$255,116.67 3/31/202 \$375,000.00 \$255,116.67 3/31/202 \$375,000.00 \$255,116.67 3/31/202 \$375,000.00 \$255	Grant # Grantee Name	Project Name	Award Date	Grant Amount	2025	Expiration Date
2021 Biennium 889 City of Hardin Upgrade Wastewater Collection and Treatment Plants 3/12/2020 \$250,000.00 \$25,116.67 3/31/202 \$2023 Biennium 932 City of Forsyth Water Intake Project 6/9/2022 \$375,000.00 \$89,932.39 9/30/202 937 City of Forsyth Water Intake Project 6/9/2022 \$100,000.00 \$100,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$215,000.00 12/31/202 \$250,000.00 \$250,000.00 \$250,000.00 \$250,000.00 12/31/202 \$250,000.00 \$250,000.	2017 Biennium					
2023 Biennium 932 City of Colstrip Business Innovation Center Construction Project 3/10/2022 \$375,000.00 \$25,116.67 3/31/202 375 City of Colstrip Business Innovation Center Construction Project 3/10/2022 \$375,000.00 \$89,932.39 9/30/202 937 City of Forsyth Water Intake Project 6/9/2022 \$100,000.00 \$100,000.00 12/31/202 \$255 Biennium 968 Musselshell County Purchase of a Replacement Ambulance 9/14/2023 \$215,000.00 \$215,000.00 \$2131/202 \$985 Petroleum County Courthouse Renovation and Reuse Project 3/14/2024 \$250,000.00 \$98,990.36 12/31/202 \$989 Hysham Public Schools Preparation of a PAR 6/13/2024 \$40,122.00 \$40,122.0	787 Crow Tribe	Phase 3C WW Collection	6/16/2016	\$200,000.00	\$4,000.00	3/31/2026
2023 Biennium 932 City of Colstrip Business Innovation Center Construction Project 3/10/2022 \$375,000.00 \$25,116.67 3/31/202 375 City of Colstrip Business Innovation Center Construction Project 3/10/2022 \$375,000.00 \$89,932.39 9/30/202 937 City of Forsyth Water Intake Project 6/9/2022 \$100,000.00 \$100,000.00 12/31/202 \$255 Biennium 968 Musselshell County Purchase of a Replacement Ambulance 9/14/2023 \$215,000.00 \$215,000.00 \$2131/202 \$985 Petroleum County Courthouse Renovation and Reuse Project 3/14/2024 \$250,000.00 \$98,990.36 12/31/202 \$989 Hysham Public Schools Preparation of a PAR 6/13/2024 \$40,122.00 \$40,122.0						
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932 City of Colstrip Business Innovation Center Construction Project 3/10/2022 \$375,000.00 \$89,932.39 9/30/202 937 City of Forsyth Water Intake Project 6/9/2022 \$100,000.00 \$100,000.00 12/31/202 \$100,000.00 \$100,000.00 12/31/202 \$100,000.00 \$100,000.00 12/31/202 \$100,000.00 \$100,000.00 12/31/202 \$100,000.00 \$100,000.00 12/31/202 \$100,000.00 \$100,000.00 12/31/202 \$100,000.00 \$						
P37 City of Forsyth Water Intake Project 6/9/2022 \$100,000.00 \$100,000.00 12/31/202	2023 Biennium					
2025 Biennium 968 Musselshell County	932 City of Colstrip	Business Innovation Center Construction Project	3/10/2022	\$375,000.00	\$89,932.39	9/30/2026
968 Musselshell County Purchase of a Replacement Ambulance 9/14/2023 \$215,000.00 \$215,000.00 12/31/202 985 Petroleum County Courthouse Renovation and Reuse Project 3/14/2024 \$250,000.00 \$98,590.36 12/31/202 988 Hysham Public Schools Preparation of a PAR 6/13/2024 \$40,122.00 \$40,122.00 3/31/202 993 Savage Public Schools School Building Repairs 9/12/2024 \$281,000.00 \$10,002.30 12/31/202 997 Town of Hysham Phase 18 of the Water Treatment Improvements Project 9/12/2024 \$350,000.00 \$296,121.95 12/31/202 999 City of Colstrip Replacement of Water Main at WWTP/Cedar Street 9/12/2024 \$481,670.00 \$481,670.00 12/31/202 1002 Rosebud County Test and Training Site Feasibility Study 12/12/2024 \$350,000.00 \$35,000.00 12/31/202 1004 Hardin Public Schools Boiler Replacement Project 12/12/2024 \$350,000.00 \$750,000.00 12/31/202 1009 Treasure County Firehall Remodel and Roof Replacement Project 12/12/2024 \$37,500.00 \$37,500.00 \$37,500.00 \$37,500.00	937 City of Forsyth	Water Intake Project	6/9/2022	\$100,000.00	\$100,000.00	12/31/2026
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1008 Big Horn County Growth Policy Update 12/12/2024 \$37,500.00 \$37,500.00 3/31/202 1009 Treasure County Firehall Remodel and Roof Replacement Project 12/12/2024 \$100,000.00 \$100,000.00 12/31/202 1010 Town of Winnett Purchase of a Dump Truck 3/13/2025 \$50,000.00 \$50,000.00 12/31/202 1012 Big Horn County Library Boiler and Fire Systems Replacements 3/13/2025 \$155,620.87 \$155,620.87 12/31/202 1013 City of Forsyth New Water Tank and Installation of a Booster Pump 3/13/2025 \$200,000.00 \$200,000.00 12/31/202 1019 City of Colstrip Updated CEDS 6/5/2025 \$30,000.00 \$30,000.00 12/31/202 1020 City of Hardin Hardin Police Department Communications Equipment 6/5/2025 \$113,457.80 \$113,457.80 12/31/202 2027 Biennium 1021 Treasure County Purchase of a Road Grader 9/11/2025 \$250,000.00 \$250,000.00 12/31/202 1023 City of Roundup Wastewater System Improvements 9/11/2025 \$500,000.00 \$250,000.00 12/31/202 1024 Musselshell County Purchase of a Road Grader 9/11/2025 \$250,000.00 <td>1002 Rosebud County</td> <td>Test and Training Site Feasibility Study</td> <td>12/12/2024</td> <td>\$35,000.00</td> <td>\$35,000.00</td> <td>12/31/2026</td>	1002 Rosebud County	Test and Training Site Feasibility Study	12/12/2024	\$35,000.00	\$35,000.00	12/31/2026
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1028 Pryor Public Schools School Building Improvement Project 9/11/2025 \$500,000.00 \$500,000.00 12/31/202				\$120,000.00	\$120,000.00	
	1028 Pryor Public Schools	School Building Improvement Project	9/11/2025	\$500,000.00	\$500,000.00	12/31/2027

Total balance remaining open \$4,799,230.34



Roll Call of Board Members:

Hal Fuglevand - Present Catherine Laughner - Present

Scott Rosenthal - Absent Sandra Jones - Present
Tim Schaff - Present Sandy Tutvedt - Present

Jon Wells - Present

Montana Department of Commerce Staff Present:

Marta Bertoglio, Director Department of Commerce Becky Anseth, Infrastructure Manager Rachel Young, Administrative Officer Anita Proul, Executive Assistant

Public Present:

Tom Stockert, Musselshell Co Road Dept. Jim Atchison, SEMDC

John Williams, Mayor Colstrip Mike Goffena, Musselshell Co Commissioner

Robert Lee, Rosebud Co Commissioner Tobin Novasio, Superintendent Hardin Public Schools

Ruth Baue, Treasure Co Commissioner Representative Gary Parry, HD 35

Julie Emmons Stoddard, SEMDC Lon Sibley, City of Roundup

Chad Hanson, Great West Engineering Robert Pankratz, Musselshell Co Commissioner

Dixie Seleg, Superintendent Forsyth Pub. Schools Jeff Gruizenga, CON'EER Engineering

Ron Slinger, President Miles Community College Rita Kratky, VP Academic Affairs Miles Comm College

Pat Zent, Public Works Director Colstrip Eric Terrill, Superintendent Pryor Public Schools

Call Meeting to Order

0:05 Chair Wells called the meeting to order at 8:30 a.m.

1:53 Ms. Young called the roll for Board members

Commerce Updates

02:18 Presenter: Ms. Young

Opportunity for Public Comment

04:40 Chair Wells asked for any public comments on items not on the agenda, but within the Board's jurisdiction:

Tom Stockert, Musselshell County Road Dept. Supervisor

Tobin Novasio, Superintendent Hardin Public Schools

John Williams, Mayor Colstrip

Mike Goffena, Musselshell County Commissioner

Robert Lee, Rosebud County Commissioner

Ruth Baue, Treasure County Commissioner

Jim Atchison, SEMDC

Budget Update

Cash Activity Detail - page 3 of binder

14:50 Presenter: Ms. Young

Project Updates

Open and Closed project status - page 5 of binder

16:00 Presenter: Ms. Young

#1003 - Musselshell County - Wier Building Update - page 7 of binder

17:44 Presenter: Ms. Young

#0987 - City of Hardin - Picture Garbage Truck - page 8 of binder

18:04 Presenter: Ms. Young

#1017 - Hardin Public Schools - Tennis Courts Letter and Invitation - page 9 of binder

18:20 Presenter: Ms. Young

New Applications

#1021 - Treasure County - Purchase of a Road Grader - page 11 of binder

0:19:58 Presenter: Ms. Young

#1023 - City of Roundup - Wastewater System Improvements Project - page 37 of binder

0:31:10 Presenter: Ms. Young

#1024 - Musselshell County - Purchase of a Road Grader - page 829 of binder

0:43:31 Presenter: Ms. Young

#1025 - Forsyth Public Schools - School Heating System Repairs/Upgrades - page 1056 of binder

0:56:34 Presenter: Ms. Young

#1026 - Custer County - Costs Associated with the Repairs of a Semi-Truck - page 1083 of binder

1:09:55 Presenter: Ms. Young

#1027 – City of Colstrip – Cemetery Paving Project – page 1137 of binder

1:31:51 Presenter: Ms. Young

#1028 - Pryor Public Schools - School Building Improvement Project - page 1256 of binder

1:49:36 Presenter: Ms. Young

Board Action Items:

Elections

Chair Election

2:05:05 Motion: Vice-Chair Schaff – nominate Jon Wells for Chair

Second: Mr. Fuglevand

Ms. Young called for a vote: all yes except Chair Wells abstained. Motion Passed.

Vice-Chair Election

2:05:56 Motion: Ms. Jones – nominate Tim Schaff for Vice-Chair

Second: Ms. Laughner

Ms. Young called for a vote: all yes, except Vice-Chair Schaff abstained. Motion Passed.

Approval of Minutes

June 5, 2025, MT Coal Board Meeting Minutes – page 1747 of binder

2:06:46 Motion: Vice-Chair Schaff – approve minutes

Second: Mr. Fuglevand

Ms. Young called for a vote: all yes except Ms. Tutvedt abstained. Motion Passed.

Board Action on Grant Updates

#0989 - Hysham Public Schools - Extension Request - page 1750 of binder

2:08:04 Motion: Ms. Jones – approve extension request through December 31, 2026

Second: Ms. Tutvedt

Ms. Young called for a vote: all yes. Motion Passed.

Board Action on Grant Applications

#1021 - Treasure County - Purchase of a Road Grader - page 11 of binder

2:13:00 Motion: Mr. Fuglevand – fund full amount, \$250,000

Second: Ms. Laughner

Ms. Young called for a vote: all yes. Motion Passed.

#1023 - City of Roundup - Wastewater System Improvements Project - page 37 of binder

2:14:05 Motion: Vice-Chair Schaff – fund full amount, \$500,000

Second: Ms. Tutvedt

Ms. Young called for a vote: all yes except Ms. Jones abstained. Motion Passed.

#1024 - Musselshell County - Purchase of a Road Grader - page 829 of binder

2:15:23 Motion: Ms. Laughner – fund full amount \$320,000

Second: Vice-Chair Schaff

Ms. Young called for a vote: N/A.

2:16:03 Motion: Mr. Fuglevand – amend amount to \$250,000

Second: Ms. Jones

Ms. Young called for a vote: all yes except Ms. Laughner and Vice-Chair Schaff. Motion Passed

2:18:31 Motion: Chair Wells – vote on original motion as amended

Second: N/A

Ms. Young called for a vote: all yes. Motion Passed.

#1025- Forsyth Public Schools - School Heating System Repairs/Upgrades - page 1056 of binder

2:19:26 Motion: Mr. Fuglevand – fund full amount, \$247,096

Second: Vice-Chair Schaff

Ms. Young called for a vote: all yes. Motion Passed.

#1026 - Custer County - Costs Associated with the Repairs of a Semi-Truck - page 1083 of binder

2:20:47 Motion: Mr. Fuglevand – fund full amount, \$48,100

Second: No second

Ms. Young called for a vote: N/A. Motion Failed without a second.

#1027- City of Colstrip - Cemetery Paving Project - page 1137 of binder

2:21:57 Motion: Ms. Jones – fund full amount, \$120,000

Second: Vice-Chair Schaff

Ms. Young called for a vote: all yes except Ms. Tutvedt. Motion Passed.

#1028 - Pryor Public Schools - School Building Improvement Project - page 1256 of binder

2:23:13 Motion: Ms. Tutvedt – fund \$500,000

Second: Mr. Fuglevand

Ms. Young called for a vote: all yes except Ms. Jones and Vice-Chair Schaff. Motion Passed.

Opportunity for Public Comment

2:25:17 Chair Wells opened the meeting for any public comment:

Tom Stockert, Musselshell Co Road Dept.

Ruth Baker, Treasure Co Commissioner

John Williams, Mayor Colstrip

Mike Goffena, Musselshell Co Commissioner

Dixie Seleg, Superintendent Forsyth Public Schools

Eric Terrill, Superintendent Pryor Public School

Sandra Jones, Mayor Roundup

Board Matters

Confirmation of next meeting dates and location

2:28:51 Presenter: Ms. Young

Adjournment

2:34:56 Meeting adjourned at 11:19 a.m.

MAYOR
Joe Purcell

POLICE CHIEF
Paul M. George Jr.



PUBLIC WORKS DIRECTOR Michael Hurff Jr.

FINANCE OFFICER/CITY CLERK Andrew Lehr

Ms. Rachel Young
Montana Coal Board
Montana Department of Commerce
Via: email (Rachel.Young@mt.gov)

Subject: City of Hardin Request for contract time extension - Hardin Wastewater System Upgrade Project – Contract #MT-CB-C-21-0889.

Dear Ms. Young:

The City of Hardin Wastewater System Upgrade Project is underway, with a Notice to Proceed provided to NorthCon, Inc. as of May 7, 2025. The number of days currently anticipated for the contractor to achieve substantial completion is 630 calendar days which would result in contract time ending February 26, 2027. The existing contract for the Montana Coal Board grant is set to expire on December 31, 2025. The City of Hardin respectfully requests an extension of the contract to May 31, 2027.

The project has suffered significant delays due to several factors including:

- 1. Combined phases 2 and 3 to reduce overall project costs which also required a change in the engineering responsibilities and agency approval
- 2. Plan review delays
- 3. Bid price beyond the budget which led to:
- 4. Additional application to RD which led to:
- 5. BABA requirements that were not required with the original funding and were not included in the contract documents which led to:
- 6. Immediate change order from the contractor and coordination with his subs which led to:
- 7. Delayed construction start date.

We hope that the Coal Board will understand our reasons for requesting this extension. Thank you for your consideration of our request. Please contact myself at hardinmayor@hardinmt.com or Project Engineer, Dax Simek, P.E. at dsimek@seaeng.com for additional information.

Sincerely,

Joseph Purcell, Mayor

City of Hardin

City of Forsyth

Dennis Kopitzke, Mayor 247 North 9th; Box 226; Forsyth, MT 59327 406-346-2521; forsythmayor@rangeweb.net

November 7, 2025

TO: Montana

Montana Coal Board

Department of Commerce

FROM: City of Forsyth

Re: Forsyth Water Intake Project (MT-CB-CG-23-0937) – Request to Use Funds for the Water Intake Preliminary Engineering Report Instead of Construction

Forsyth has a Water Intake Coal Board Grant for \$100K. The Water Intake project is very complicated. The current water intake goes through the City's levee. Working with the Army Corp is proving to be challenging, and the estimates to replace the current intake where it is located is proving to be very expensive. The last Preliminary Engineering Report the City finished had alternatives that the City explored and all alternatives were either not an option or extremely cost prohibitive.

The City's engineer, Interstate Engineering, has partnered with HDR Engineering to provide a scope of work and cost estimate for a new in-depth PER for a relocated water intake. HDR specializes in intakes and hydraulics. The PER will also explore the option of shallow wells as this option would be less cost prohibitive. The current estimate from HDR for this detailed PER is \$140,000. Forsyth has \$20,000 from DNRC's Renewable Resource Grant Program and \$20,000 from a private business, which leaves a \$100,000 gap in funding.

Forsyth has spent over \$2,000,000 of its own funding in the last year on water projects and the levee project. The levee project borrowed capital reserves from both water and wastewater, reducing cash reserves in the water system. The City is requesting to use the Coal Board funding dedicated to the Water Intake Construction to the Water Intake PER. A PER is necessary before the City can even move forward on a construction alternative. Realistically the Water Intake Construction is four years out as the City determines the best route to move forward.

The current Coal Board funding for the Water Intake was extended to December 31, 2025. If the board approves the above request, one more extension will be needed to December 31, 2026. The Water Intake PER will be completed by the end of 2026.

Sincerely,

Dennis Kopitzke, Mayor

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City of Forsyth

Dennis Kopitzke, Mayor 247 Noth 9th; Box 226; Forsyth, MT 59327 406-346-2521; forsythmayor@rangeweb.net

November 14, 2025

To: Montana Coal Board

Department of Commerce

From: City of Forsyth

Re: Forsyth Water Intake Project (MT-CB-CG-25-1013) Request to Reduce Scope of Work to the

Booster Station Project

Forsyth received \$200,000 from the Montana Coal Board for its Water Tank and Booster Station Project. This project has other funding, specifically MCEP and ARPA funding. Given that the ARPA deadline to expend funds is 12/31/2025, the project was split into two projects: (1) Booster Station and (2) Water Tank, because the Booster Station must be upgraded before the New Water Tank can be constructed.

The Booster Station project went out to bid in May 2025, and comments were received back from DEQ in July 2025. At the same time the City Council, at their July 28, 2025 meeting, decided to hold off on the construction of the new water tank. The plans have been designed, and the City is getting DEQ approval, but the cost of building a water tank needs additional funding sources before it can be bid and moved into construction. It is anticipated that this project will not be completed for another 3-4 years.

Once the Water Tank project was paused, the City asked its engineers to design a bigger booster station to help increase the water pressure for the subdivisions mentioned in the Coal Board Application. The engineers designed a larger booster station with capacity too increase pressures in town and in the noted subdivisions.

The updated booster station design went to DEQ, September 17, 2025. The Booster Station was put out to bid October 1, 2025 and the bids were opened November 5, 2025. The bid tab is attached, and the lowest bid was \$1,597,528. The City's current funds for the project are \$1,242,409, which does not include the \$200,000 from the Coal Board. The City has a gap in funding of \$355,119.

The City is requesting the ability to use the \$200,000 grant awarded by the Montana Coal Board for just the booster station project. Doing so will reduce the gap in funding to \$155,119, allowing the City to self-fund the remaining amount and move forward with the Booster Station construction.

Respectfully,

Venner Wortske Dennis Kopitzke

Applicant 1029-Colstrip Hospital District

The applicant is requesting \$120,000 of a total project cost of \$180,500, in Coal Board funds to purchase and implement a Electronic Records Management System for the Colstrip Hospital District (Colstrip Medical Clinic). The request to the Board is 66% of the total project cost. The applicant is a designated unit.

Coal Board Grant Applicant #1029 Colstrip Hospital District Staff Report / December 2025 Meeting

Applicant: Colstrip Hospital District

Project: Purchase of Electronic Records Management Equipment, Migration and Implementation

Coal Board Funds Requested: \$120,000.00

Total Project Cost: \$180,500.00

I. General Project Information

- A. Eligibility:
 - The applicant is a local government, which is eligible according to 90-6-205(4), MCA.
 - The project would assist the applicant in providing safe medical care, which is eligible according to 90-6-205(4), MCA and 8.101.302, ARM
- B. Application Items:
 - The Coal Board Application form was complete.
 - A PER or PAR is not required for equipment.
 - Environmental review documentation is not required.
- C. Applicant is a designated unit according to 90-6-208, MCA.
- D. Location of applicant:
 - Application lists the City of Colstrip and county region as a service area.
 - The applicant lists Western Energy Coal Mine, Power Plant and Rosebud Power Plant as the nearest coal development area or coal-using energy complexes. These are all located near the City of Colstrip.
 - The applicant is located in the southeastern area of the state.
- E. Grant funding history:
 - Applicant has been directly awarded \$55,000.00 in Coal Board funds since 2009.
 - Applicant has been indirectly awarded funds on behalf of Rosebud County for a roofing project in 2024 for \$138,000. The project is complete.
- II. Coal Board Statutory Criteria (90-6-206, MCA) For the following, provide bulleted analysis of the project against the criteria based on facts in the application.
 - A. Need: Explain how the assistance that is required to eliminate or reduce a direct and obvious threat to public health, safety, or welfare has been caused as a direct result of coal development or decline (Coal Board Application and Guidelines, p. 15).
 - The application stated there is need to upgrade the Clinic health records system.
 - The application did not demonstrate there are any deficiency in basic services.
 - The application did not indicate any violations or mandates are currently in place.

- The applicant notes the majority of Clinic patients are directly or indirectly related to coal development regionally.
- B. Severity of Impact: Explain why the proposed project or governmental services or facilities "are needed as a direct consequence of an increase or decrease in coal development or in the consumption of coal by a coal-using energy complex" (Coal Board Application and Guidelines, p. 16).
 - The applicant did demonstrate a severity of the impact as a direct consequence of coal development with references to
 - The loss of units #1 and #2,
 - General uncertainty in the coal industry
 - Job losses
 - Other energy development impacts
 - Community wide affects and benefits by providing quality services
- C. Availability of funds: What amount of funds is available in light of the total request submitted (Coal Board Application and Guidelines, p. 17).
 - Revenues and appropriations from the legislature related to the Coal Natural Resource account are currently \$1,614,904. The total requested grants for this meeting are \$120,000.
- D. Degree of local effort: As applicable, what bonding, millage effort, or user charge has been made in the past, those currently being made, and what effort has been made to secure funds from other sources to answer needs (Coal Board Application and Guidelines, p. 18).
 - The applicant is asking for 66% of this project to be funded by a Coal Board grant.
 - The applicant demonstrated there is local effort contributing to the project. Application states that \$60,500 is already committed by the Hospital District.
 - The current millage rate from the application is \$31.58 listed for 2025-2026, which is higher than the average rates from the previous three years, \$25.57 (2024-2025: \$21.66, 2023-2024: \$19.90, 2022-2023. All information collected from the application.
 - The average of three previous years millage is \$22.38.
 - Based on the most recent audit submitted (2024), Commerce staff identified no concerns related to financial management.
- E. Planning and Management: 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. (Coal Board Application and Guidelines, p. 20).
 - Applicant states that after the loss of Colstrip Power Plant Units #1 and #2 in 2020, and the continuing depreciation of Units #3 and #4, Rosebud County has faced a decline in taxable valuation.
 - The County and the District have adjusted to lower tax revenue levels, and continue to assess numerous infrastructure needs and prioritize crucial projects that will have long-lasting value, representing their investment in good planning.

- Applicant states that the Electronic Records Management Equipment is listed as an item in their provision of emergency services, and addressed in both their 2019 City of Colstrip Growth Policy and 2025 Rosebud County Growth Policy.
- Applicant states that this equipment is included on the Infrastructure Needs List maintained by the Southeastern Montana Development Corporation. And, is noted as being mentioned on the Comprehensive Economic Development Strategy for the SEMDC region.
- Upon searching Commerce internal files, Five-Year Capital Improvements Plan for the City of Colstrip was amended/updated in 2024.
- From a long-range planning perspective, applicant demonstrates a thorough commitment to updating their most vital Planning documents (GP & CIP).

III. Staff Summary

Commerce staff recommend funding because the application materials are complete and meet the required statutory criteria.

Appendix A: Coal Board Application THE COAL IMPACT GRANT APPLICATION FORM SUBMITTED BY COLSTRIP HOSPITAL DISTRICT

CERTIFICATION

The chief elected official or executive officer of the applicant must sign the application certifying that to the best of the official's knowledge and belief, the information provided in the application and the attached documents is true and correct.

The chief elected official or executive officer of the applicant must also certify that, in accordance with Section 90-6-205, MCA, the applicant is eligible for a Coal Impact Grant and has the authority to administer and make expenditures to provide for the proposed service or facility.

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: John Poole

Title: Administrator

Signature:

Date: October 24, 2025

SUMMARY INFORMATION

1. NAME OF APPLICANT(S):

Enter the name(s) of the entity submitting the application

Colstrip Hospital District (CHD)

- 2. AMOUNT OF COAL IMPACT GRANT REQUESTED \$120,000.00
- 3. TOTAL PROJECT COST: \$180,500.00
- 4. NAME OF PROJECT:

Electronic Records Management Migration / Implementation

5. TYPE OF PROJECT:

Enter the type of public facility project or service, such as water, wastewater, solid waste, first responder equipment purchase, public building/school/hospital repair or expansion, road repair, planning studies, or other type of project.

Purchase, Migrate and Implement an <u>Electronic Records Management System</u> for the Colstrip Hospital District (Colstrip Medical Clinic).

6. CHIEF ELECTED OFFICIAL OR AUTHORIZEDREPRESENTATIVE:

Enter the name and title of the chief elected official or authorized representative of the applicant. Include the mailing address, business telephone, and e-mail address.

John Poole, Administrator PO Box 1858 Colstrip, MT 59323 (406)748-3600 John.Poole@colstripclinic.com

7. PRIMARY ENTITY CONTACT PERSON:

Provide the name, mailing address, business telephone, and e-mail address.

Number of the person or people within the community designated as the primary contact person for the project. This person should be knowledgeable about the project and be authorized to speak on behalf of the applicant regarding the application.

John Poole, Administrator PO Box 1858 Colstrip, MT 59323 (406)748-3600 John.Poole@colstripclinic.com

8. OTHER CONTACT PERSONS:

If applicable and available, provide the name, mailing address, business telephone and e-mail address of any other appropriate contacts (e.g., Public Works Superintendent, project engineer, grant/loan administrator, legal counsel, bond counsel, clerk/chief financial officer, accountant, etc.)

Sarah Kisman, Grant Administrator Southeastern Montana Development Corporation PO Box 778 Forsyth, MT 59327 (928) 377-8677 skisman@semdc.org

9. MILLAGE RATES:

2025-2026 Total Mills Levied = 31.58	Mill Value = \$34,443.00
2024-2025 Total Mills Levied = 25.57	Mill Value = \$38,485.00
2023-2024 Total Mills Levied = 21.66	Mill Value = \$38,768.00
2022-2023 Total Mills Levied = 19.90	Mill Value = \$47,503.00
2021-2022 Total Mills Levied = 18.99	Mill Value = \$48,938.00

10. AMOUNT OF COAL GROSS PROCEEDSTAX:

Please provide the following details:

- Total amount of Coal Gross Proceeds taxes the applicant has received during the last two years
 - o How those monies are allocated (i.e., to general fund, etc.)
- How does the applicant decide the use of the gross proceeds tax?

The CHD does Not receive any Gross Proceeds Taxes

11. MAPS:

Each application must include a legible map showing the boundaries of the proposed project area and the locations of all proposed project activities, such as land to be acquired or public facilities to be constructed or improved.

Please see Exhibit A for Maps. The CHD boundaries are basically the same as the city limits but also include south to Cow Creek, east of the power plant and into Area A on the mine.

12. BRIEF PROJECT SUMMARY:

The project summary should briefly provide some background information including:

- the age of the system, facility, equipment, building;
- the date, type and cost of the last major improvements to the system, facility, equipment, building; and
- The project summary should also clearly state the specific problem(s) with the public facility and how the proposed project will solve the problem(s).

Applications for Coal Board assistance for public services or programs such as community planning, economic development, etc. should provide similar background information regarding the nature of the problem and the proposed solution.

Project is for implementation and migration of electronic medical records. Oracle Health is the leader in Artificial Intelligence which will help providers diagnose patients better, drastically improve efficiency and accuracy of notes, coding and interoperability with other Electronic Health Records Software. This will improve the continuity of care between Colstrip Medical Center and other affiliates sites of Billings Clinic and Logan Health (most of Montana). Patients will be able to access their records faster and help our providers treat them quicker without duplicative and expensive procedures.

The Colstrip Hospital District (CHD) was created in the late 1980s because of the clinic in town going out of business during an extreme growth period due to the building of Units #3 and #4. Community leaders unified, researched and created the Colstrip Hospital District as a local government agency (tax district) that fell under Rosebud County, since at that time there was no city government. This effort was done according to Montana Code Annotated.

Having a clinic and emergency services in town is very important to the residents, especially with the Colstrip energy industrial base that operates 24/7. It is 35 miles to the next clinic/ER so having local services is important and the residents / companies are willing to assist in funding it through their property taxes. Currently, CMC utilizes Aprima which is an integrated system with Electronic Health Records (EHR). We host this software on our own servers and have done so since 2006. CMC was one of the first in the region to utilize EHR. Our current EHR system is falling behind on the AI and is cumbersome to use. Providers are spending way too much time completing notes and coding. Transferring a patient to another facility takes a long time since Billings Clinic and Affiliates utilize Cerner/Oracle Health and Intermountain Health uses Epic. That means notes are not completed when the patient leaves and tests have to be redone in Billings, which wastes time, money and possible patient health/safety. Having Oracle, the provider on the other end will have the records on their computer when the patient arrives. Ordering lab and x-ray will improve. Currently we must log into three BC software systems for X-ray and separate software for lab in addition to the computers at CMC. With Oracle, those reports will come into the ordering providers task on their computer.

With A.I, notes will be completed once the provider leaves the room with a patient, all the providers need to do is read it for accuracy, which is 95%. Currently typing notes will take hours but Oracle will help with retention from a burnout standpoint and from the provider feeling connected with the affiliates. The future of A.I will be amazing as a computer will be able to read an EKG better than a human eye so that providers can treat patients for heart conditions years in advance to a cardiac event. Computers reading images and moving ones with pathology to the top of the list so patients can be treated sooner. Having the new EHR will improve patient health, safety and reduce unnecessary costs.

13. PROJECT BUDGET AND IMPLEMENTATIONSCHEDULE:

A. Project Budget Form:

The proposed project budget *must* include a breakdown of all major project costs, and a description of the proposed source and use of all funds. Designate the total budget of any proposed project as either "Administrative/Financial Costs" or "Activity Costs: (such as engineering or construction). Administrative Costs may not exceed 10% of the total project cost. Refer to the description of expenditure categories shown below that outline the expenditures that may be part of the budget. The Administrative/Financial Costs cover the expenses of administering a local project, including the cost of local government personnel involved with managing the project; the cost of the local project audit; and other contractual costs for professional services (such as hiring a project manager) that may be associated with administration of the program.

Administrative/Financial Costs must be reasonable and appropriate to ensure cost-effective and proper management of the project.

Any proposed Administrative/Financial Costs must be eligible, fully supported, and adequately explained. Applicants which propose to contract for project management assistance with a consultant or other entity must specifically itemize this amount in the Administrative Budget and explain it.

Please see Exhibit B for Project Costs

PROJECT BUDGET								
ADMINISTRATIVE COSTS	SOURCE: MT Coal Board	SOURCE: Colstrip Hospital District	SOURCE:	SOURCE:	TOTAL:			
Grant Administration	*	\$500	\$	\$	\$			
Office Costs	\$	\$	\$	\$	\$			
Professional Services	\$	\$	\$	\$	\$			
Legal Costs	\$	\$	\$	\$	\$			
Travel ng	\$	\$	\$	\$	\$			
TOTAL ADMINISTRATIVE COSTS	\$	\$500	\$	\$	\$500			
ACTIVITY COSTS:								
Capital Cost	\$15,000	\$	\$	\$	\$15,000			
Implementation Cost	\$105,000	\$60,000	\$	\$	\$165,000			
Architectural/Engineering Design	\$	\$	\$	\$	\$			
Product Completion (PER's, studies, etc.)	\$	\$	\$	\$	\$			
Contingency	\$	\$	\$	\$	\$			
TOTAL ACTIVITY COSTS	\$120,000	\$60,000	\$	\$	\$			
TOTAL PROJECT COSTS	\$120,000	\$60,500	\$	\$	\$180,500			

B. Project Budget Narrative:

Include a narrative justification for the specific proposed project construction activities and related administrative/ financial costs. Explain the cost estimates for each item in the proposed budget in the narrative.

<u>Capital Cost</u> will include the software which has been negotiated with Cerner/Oracle Health for the best possible price. It includes HL-7 interfaces for the CMC lab, vital sign and x-ray equipment to be connected to the software so results will automatically populate in the system. Cost will include a patient online portal. All additional licenses for electronic prescribing medications including controlled substances, all upgrades, BC IT time to implement and provide support throughout the year. It also includes training for staff. It includes subscriptions to send claims to third party payers. It also includes Big Sky Care Connect which is a hyperlink to find patient records on non-Cerner/Oracle Health Medical Records systems. Physical Therapy will require separate software called Cedaron which is included in the cost as well.

C. Implementation Schedule:

Each applicant must submit an implementation schedule that describes the overall schedule for project completion.

IMPLEMENTATION SCHEDULE												
	Ql	QUARTERS 2025 QUARTERS 2						2026	026 QUARTERS 20XX			
TASK	lst	2nd	3rd	4th	lst	2nd	3rd	4th	lst	2nd	3rd	4th
PROJECT START-UP												
A. Sign contract with Coal Board				X								
B. Secure approval of other funding				X								
C. Submit progress reports and drawdown request. (Progress reports quarterly if no reimbursements submitted)					X	X	X					
PROJECT CONSTRUCTION												
A. Engineering/Architectural Design B. Conduct pre-construction conference												
C. Purchase and Install Software including Implementation					X							
D. Monitor Progress												
E. Final Inspection												
PROJECT CLOSE-OUT												
A. Submit project completion report.							X					

14. DESCRIPTION OF RELATIONSHIP TO COAL BOARD STATUTORY GRANTCRITERIA

The Coal Board bases awards on the following four statutory criteria (90-6-206, MCA). In addition, State law (90-6-207(5), MCA) requires attention be given to the need for community planning before the full impact of coal development or decline is realized.

A. Need

Explain how the assistance that is required to eliminate or reduce a direct and obvious threat to the public health, safety, or welfare that has been caused as a direct result of coal development or decline. (90-6-206, MCA)

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. Describe the nature and frequency of occurrence and provide supporting documentation.

No, not at this time.

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? Describe the nature and frequency of occurrence and provide supporting documentation.

While there have not been any specific problems / situations occurring, this is an excellent opportunity to add value to the Clinic and the patient. The EHR system simply makes sense, saves money and would provide better patient care and possibly save lives.

3. 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 yes, describe the standard being violated. 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.

There are No Mandates for EHR at this time.

4. Describe how the need for the expansion or improvement to the public facility or public service is attributable to coal-related impacts and provide supporting documentation. Include the nearest coal development areas or coal-using energy complexes to your community and the road miles from your community.

A majority of Colstrip Medical Center patients are directly or indirectly related to Coal Development in the region. These are both residents of the Colstrip (POP. 2,100) or mine / power plant workers (est. 600 FTE's). By incorporating EHR at the Colstrip Medical Center, it would reduce duplicative expenses when patients transfer to affiliate facilities, and it would certainly improve speed and accuracy in treating illness.

B. <u>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</u>

Explain the rapidity of growth or decline and subsequent development of the problem and the number of people affected. (90-6-205(4)(a), MCA) and 8.101.301(2)(b), ARM.

- I. Describe the severity of the coal-related impacts including how coal is affecting rates of change in community statistics (e.g., population, employment, property taxes) and provide supporting documentation.
 - A) Loss of Colstrip Power Plant Units #I and #2 in 2020,
 - B) General Uncertainty in Coal and Energy Industry,
 - C) Loss of 295 FTE Jobs in Rosebud County in the past few years due to coal contraction,
 - D) Departure of two Power Plant Owners in early 2026, with NWE acquiring additional shares,
 - E) Colstrip is evolving from a Coal Hub to an Energy Hub and thus coal is impacted and
 - F) Numerous possible major energy development projects pending in the Rosebud County region which is adding to future uncertainty yet exciting possibilities.

The majority of persons employed at the mine, and both power plants are residents of Colstrip.

2. 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? Describe the number or percentage of people and households affected by the problem and that would be served by the project.

Yes, nearly the entire Colstrip community would be affected and thus would benefit. The Colstrip community is about 2,100 people. A very high percentage would be involved with coal development either Directly, Indirectly or as Induced Jobs. The Colstrip Medical District would also be involved with the annual Overhaul (planned maintenance) Events which bring in hundreds of workers over a 6-8 week period. Colstrip is also an aging community which further adds stress and unique services for elderly patients in this rural and isolated area.

C. Availability of Funds

- 1. Amount requested from the Coal Board: \$120,000.00 or about 66% of the Total Project
- 2. Explain why a coal impact grant is necessary to make the project feasible and affordable.

The Colstrip Hospital District has experienced significant cash flow and general financial challenges since 2018 (See Exhibit C). Expenses continue to increase with insurance reimbursements staying flat. The District is levying the Maximum Mills as allowed by law to manage finances. Leveraging scarce resources such as match funding is a must in these rural areas.

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

Alternative sources of funding would need to be explored, as it is currently not feasible for the Colstrip Hospital District to cover the entire investment independently.

Source	Type of Fund	Amount	Status of Commitment	Loan Rates & Terms
Colstrip Medical District	Cash	\$60,500.00	Confirmed	n/a
Coal Board	Grant	\$120,000.00	Pending	n/a

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

Explain how the funding strategy will change if each proposed funding source is not received. (Discuss how the loss of each of the proposed funding sources would affect the completion of the project. For instance, will the applicant wait and re-apply to the funding source, will the applicant be willing to increase the amount of debt it will incur, or will the project not move forward?)

If the Coal Board funding were not awarded, the Colstrip Hospital District would decide if they could survive by using contingency funding to ensure the EHR System was implemented. But this would add additional stress and future financial uncertainty.

D. Degree of Local Effort in Meeting Needs

I. Provide the current fiscal year millage rates and those for the three years immediately preceding the year of application. Please state the mill value for each of those three years. Specifically list how many mills and each year's total mill value. If current millage rates given are lower than the average rates levied during the previous three years, briefly explain why they are lower.

Current Mills levied are higher than the average of the previous three years. The average of the three previous years is 22.38. The 2025-2026 mills levied is 31.58. The Colstrip Hospital District is taxing at the maximum allowable by Montana state law. A mill value has decreased \$14,505 in just four years.

2025-2026 Total Mills Levied = 31.58	Mill Value = \$34,433
2024-2025 Total Mills Levied = 25.57	Mill Value = \$38,485
2023-2024 Total Mills Levied = 21.66	Mill Value = \$38,768
2022-2023 Total Mills Levied = 19.90	Mill Value = \$47,503
2021-2022 Total Mills Levied = 18.99	Mill Value = \$48,938

2. 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.

The Colstrip Hospital District is contributing about 33% of this Total Project Costs or \$60,000.

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

Not Applicable

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.

Not Applicable

5.	If the	project involves water, wastewater or solid waste, provide the current and projected monthly
	hous	ehold user charges, including operation and maintenance: N/A
	a.	What is the current monthly household user charge? \$
	b.	What is the projected monthly user charge (including operation and maintenance) when the project is complete? \$

Not Applicable

6. What are your current debt obligations?

List current debt obligations. If the applicant is a water, wastewater, solid waste, or other system, which relies on rates and charges for its financial support, only debt related to that system needs be entered. If the applicant is a city, county, or district that relies on general taxing authority for its financial support, or is a not-for-profit organization, debt related to the general obligations of the city, county, district, or not-for-profit organization should be entered.

The CHD currently has No Debt.

CURRENT DEBT SUMMARY FOR COLSTRIP HOSPITAL DISTRICT										
Year Issued	Purpose	Type of Bond/ Security	Amount	Maturity Date (mo./yr.)	Debt Holder	Coverage Required	Annual Payment Amount	Outstanding Balance		

7. What are your current assets?

List all current assets including endowments, cash, investments, certificates of deposit, accounts receivable, and any other current assets not specifically indicated. Indicate whether assets are obligated for a specific purpose and what that purpose is (i.e., Certificate of Deposit, \$100,000 - reserve requirement for SRF loan, Investments,\$200,000 - \$100,000 of it is needed to purchase line inspection equipment in 2005).

Please see Exhibit D

8. 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 2024

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

No Audit Finding in past 18 years.

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

E.

F. Planning & Management

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.

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.

Rosebud County has faced varying levels of Coal Gross Proceeds tax, Federal Mineral Royalties, and taxable valuation (and thereby tax revenue generated for the community) and addressing infrastructure needs has become a huge priority. The taxable valuation will continue to decline since the closing of Units I and 2 and continuing depreciation of Units 3 and 4. Rosebud County and Colstrip Hospital District have assessed numerous infrastructure needs, and the district is prioritizing crucial projects that will have long lasting value while the County and Districts adjust to lower tax revenue levels. This represents good planning. At the same time, budgeting for future capital improvements and establishing capital reserve funds is being completed to better address future needs without the income from coal-related tax revenues.

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

Plans may include a local capital improvements plan, growth policy, transportation plan, comprehensive economic development plan, or any other applicable plan.

The provision of emergency services for Rosebud County and Colstrip is addressed in the Growth Policy of each community and Comprehensive Economic Development Strategy for the SEMDC region which includes Rosebud County. This item is on the Infrastructure Needs List maintained by Southeastern Montana Development Corporation as well.

Exhibit A



bing maps

Colstrip Medical Clinic

Address: 6230 Main St, Colstrip, MT 59323

Phone: +1 406-748-3600

Website: https://colstripclinic.com/

Hours

Monday - Friday 8:00 AM - 5:30 PM



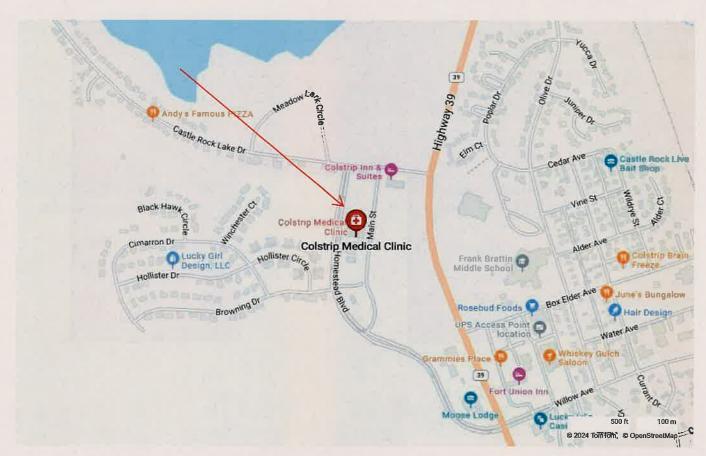


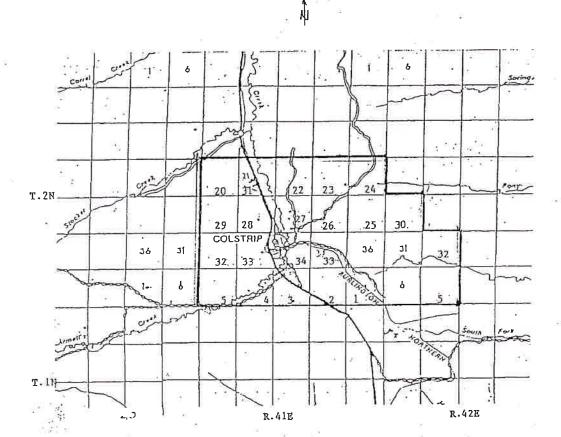
EXHIBIT "A"

COLSTRIP HOSPITAL DISTRICT BOUNDARIES

ROBEBUD COUNTY MONTANA

June 1, 1990

SCALE 1" = 2 MILES



DESCRIPTION

Beginning at the Southeast corner of Section 5, Township 1 North, Range 42 East: thence North to the Northeast corner of Section 32, Township 2 North, Range 42 East: thence West to the Southeast corner of Section 30, Township 2 North, Range 42 East: thence North to the Northeast corner of said Section 30: thence West to the Southeast corner of Section 24, Township 2 North, Range 41 East: thence North to the Northeast corner of said Section 24: thence West to the Northwest corner of Section 20, Township 2 North, Range 41 East: thence South to the Southwest corner of Section 5, Township 1 North, Range 41 East: thence East to the point of beginning.

Exhibit B



Colstrip Medical Center

		9	K.	- 12001			
Colstrip Medical Center		6					
Oracle Health - Core/ and							
add-ons:							
5-YR Total Cost of			*				
Ownership	One-Time Fees	YR 1	YR 2	YR3	YR 4	YB 5	5-YR TCO
Capital Costs	\$15,000						\$15,000
Implementation	\$165,000						\$165,000
Hosting Fee - Cerner		\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$52,500
Annual Maintenance /software support/software subscriptions-		\$15,000	\$15,750	\$16,538	\$17,364	\$18,233	\$82,884
Annual Support Cost - BC/LH		\$17,000	\$17,850	\$18,743	\$19,680	\$20,664	\$93,936
Total	\$180,000	\$42,500	\$44,100	\$45,780	\$47,544	\$49,396	\$409,320



i.,

LOGAN

Exhibit C

	Net Patient Charges	Expenses	Tax Revenue
2010	1320598	1891230	B08040
2011	1455928	2099690	788778
2012	1293412	2090041	872375
2013	1298726	2058216	849597
2014	1346393	2130083	1084252
2015	1409124	2041612	745923
2016	1319477	2047585	930111
2017	1284955	2035520	930009
2018	1223147	2051755	972061
2019	1238594	2265195	1003595
2020	1082425	2361464	1009505
2021	1047347	2325046	988735
2022	1052013	2310379	1209905
2023	995480	2560191	1222392
2024	1175505	2520157	1132728
2024	1186441	2520157	1285594
2025	1100441	2000340	.1203334

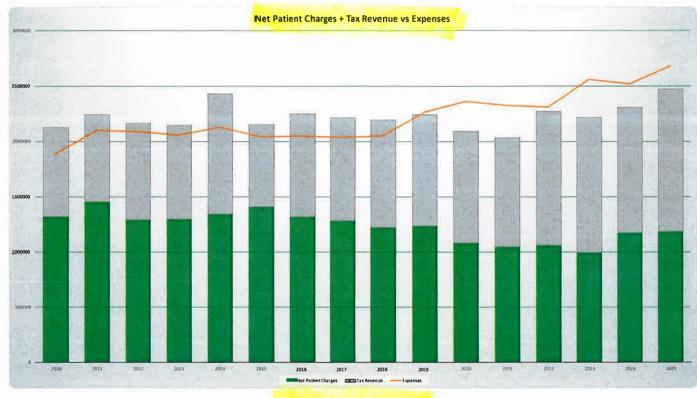


Exhibit D

COLSTRIP HOSPITAL DISTRICT MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2024

NET POSITION:		2024		2023	C	Change
Current and other assets	\$	2,146,945	\$	2,163,786	\$	(16,841)
Capital assets	_	1,561,568		1,589,613		(28,045)
Total assets	_	3,708,512		3,753,400		(44,887)
Deferred outflows of resources						
Current liabilities		215,843		225,983		(10,140)
Long-term liabilities		20,082		10,598		9,485
Total liabilities		235,924		236,580		(655)
Deferred inflows of resources		_		_		_
20.0.1.00010 01.100001000						
Net position:						
Net investment in capital assets Unrestricted		1,555,342 1,917,246		1,589,613 1,927,206		(34,271) (9,960)
Total net position	\$	3,472,588	\$	3,516,819	\$	(44,232)
		_		_		
CHANGE IN NET POSITION:		2024		2023	(Change
Operating Revenues		2024		2020		mange
Charges for services	\$	1,162,696	\$	1,000,081	\$	162,616
Billing services		31,709		30,072	•	1,637
Miscellaneous		20,340		20,737		(397)
Total operating revenues		1,214,745		1,050,890		163,855
On exating Funerage						
Operating Expenses Salaries and benefits		1,552,806		1,432,063		120,743
Medical supplies and expenses		164,228		146,390		17,838
Purchased services		437,116		588,106		(150,990)
Insurance		50,389		37,407		12,982
Non-medical supplies and expenses		12,940		22,554		(9,613)
Administrative Expenses		80,206		100,754		(20,548)
Maintenance and utilities		83,141		108,072		(24,931)
Depreciation		159,034		148,839		10,195
Total operating expenses		2,539,860	_	2,584,185		(44,324)
Operating Income (Loss)		(1,325,115)		(1,533,295)		208,180
Nonoperating Reveneus (Expenses)						
Taxes and Assessments		1,132,197		1,222,392		(90,195)
Donations		1,600		3,979		(2,379)
Grants		24,000		-		24,000
Interest income		60,229		33,631		26,598
Gain (loss) on sale of assets		133		-		133
Interest on capital debt	_	(222)		-		(222)
Total nonoperating revenue (expenses)	_	1,217,937	_	1,260,002	_	(42,065)
Contributions and Transfers						
Capital contributions		62,947		70,594		(7,647)
Change in not position		(44.004)		(202.222)		450 400
Change in net position	_	(44,231)		(202,699)		158,468
Net position, beginning		3,516,819		3,719,518		(202,699)
Net position, ending	\$	3,472,588	\$	3,516,819	\$	(44,231)

John Williams

From:

Michelle Sullivan < Michelle. Sullivan@sullivanmiller.com>

Sent:

Wednesday, June 12, 2024 2:26 PM

To:

John Williams

Cc:

michelle.sullivan@sullivanmiller.com

Subject:

Attorney General's Opinion - Coal Board Grants

Attachments:

Mr B J Swede Goodheart.pdf

Mayor -

As discussed, I've attached the 1977 opinion from the attorney general which discusses whether certain districts can receive a direct grant from the Coal Board.

This opinion concluded that statutorily-created government units or districts that are empowered to exercise delegated, sovereign powers over a defined geographical region of the State are eligible to directly receive impact grants from the Coal Board. This specifically includes water and sewer districts and rural improvement districts.

Special improvement districts may indirectly receive grants from the Coal Board through cities and counties.

Based on this opinion and the statutes and administrative rules I reviewed, if the Colstrip Medical District has an independent governing body that is separate and distinct from the City Council or County Commissioners, then it should be able to directly receive a grant from the Coal Board.

Let me know if you have any questions.

Michelle M. Sullivan Sullivan Miller Law PLLC 406-403-7066

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----Original Message----

From: Westlaw@westlaw.com < Westlaw@westlaw.com>

Sent: Wednesday, June 12, 2024 1:50 PM

To: Michelle Sullivan < Michelle. Sullivan@sullivanmiller.com>

Subject: Mr. B. J. "Swede" Goodheart

Michelle Sullivan sent you content from Westlaw Edge.

Please see the attached file.

Item: Mr. B. J. "Swede" Goodheart Citation: 37 Mont. Op. Atty. Gen. 91 Sent On: Wednesday, June 12, 2024

Sent By: Michelle Sullivan

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Note:

37 Mont. Op. Atty. Gen. 91 (Mont.A.G.), 37 Mont. Op. Atty. Gen. No. 22, 1977 WL 35570

Office of the Attorney General

State of Montana Opinion No. 22 May 11, 1977

*1 COAL BOARD--Local governmental units eligible for coal impact grants under Chapter 18 of Title 50, R.C.M. 1947;

CITIES AND TOWNS--Eligibility for coal impact grants under Chapter 18 of Title 50, R.C.M. 1947, to pay for expenses and improvements of Special Improvement Districts;

COUNTIES—Eligibility for coal impact grants under Chapter 18 of Title 50, R.C.M. 1947, to pay for expenses and improvements of Rural Improvement Districts;

RURAL IMPROVEMENT DISTRICTS-Eligibility for coal impact grants under Chapter 18 of Title 50, R.C.M. 1947;

UNITS OF LOCAL GOVERNMENT--Defined, as used in Chapter 18 of Title 50, R.C.M. 1947;

WATER AND SEWER DISTRICTS--Eligibility for coal impact grants under Chapter 18 of Title 50, R.C.M. 1947.

HELD: 1. "Local governmental units" which are eligible to receive impact grants from the Coal Board under Chapter 18 of Title 50 include counties, incorporated cities and towns, consolidated local governments, school districts, and any other statutorily created government unit or district empowered to exercise delegated, sovereign powers over a defined geographical region of the State. Opinion No. 74, Volume 36 of the Official Opinions of the Attorney General is hereby overruled except that portion of the Opinion which concerns Indian tribes.

- 2. County Water and Sewer Districts organized under Chapter 45 of Title 16, R.C.M. 1947, are "units of local government" which qualify for assistance under Chapter 18 of Title 50, R.C.M. 1947.
- 3. Rural Improvement Districts organized under Chapter 22 of Title 16, R.C.M. 1947, which include areas of more than one county and have separate governing bodies, are "units of local government" which qualify for assistance under Chapter 18 of Title 50, R.C.M. 1947.
- 4. Counties may apply for and receive Coal Board assistance grants to pay for improvements and expenses of Rural Improvement Districts created pursuant to Chapter 16, R.C.M. 1947.
- 5. Cities, towns and consolidated units of local government may apply for and receive Coal Board assistance grants to pay for improvements and expenses of Special Improvement Districts created pursuant to Chapter 22 of Title 11, R.C.M. 1947.

Mr. B. J. "Swede" Goodheart State of Montana Coal Board Montana Department of Community Affairs Capitol Station Helena, Montana 59601

Dear Mr. Goodheart:

You have requested my opinion concerning the authority of the Coal Board to award local impact grants to certain units of local government. The terms of your original opinion request were limited to the authority of the Coal Board to make grants to cities, towns and counties to pay for improvements made by Special Improvement Districts and Rural Special Improvement Districts. Subsequent to your request, I received a similar opinion request from the Custer County Attorney's Office concerning the authority of the Coal Board to award local impact grants to the Custer County Water and Sewer District or to Custer County for the use of the Water and Sewer District. The Coal Board has agreed to combine its own request with that of Custer County. I have stated your questions as follows:

- *2 1. May the Coal Board, pursuant to Sections 50-1806(4) and 50-1809, R.C.M. 1947, make local impact grants to a County Water and Sewer District organized under Chapter 45 of Title 16, R.C.M. 1947, to pay for expenses or improvements of the District?
- 2. May the Coal Board, pursuant to Sections 50-1806(4) and 50-1809, R.C.M. 1947, make local impact grants to cities and towns to pay for expenses or improvements of Special Improvement Districts created under Chapter 22 of Title 11, R.C.M. 1947?
- 3. May the **Coal Board**, pursuant to Sections 50-1806(4) and 50-1809, R.C.M. 1947, make local impact grants to Rural **Improvement Districts** created under Chapter 16 of Title 16, R.C.M., 1947? In the alternative, may the **Coal Board** make grants to counties to pay for expenses or **improvements** of Rural **Improvement Districts**?

The **Coal Board** was created in 1975 by Chapter 18 of Title 50, R.C.M. 1947, specifically Section 50-1804, R.C.M. 1947. It has responsibility for awarding grants of financial assistance to those local governmental units which have to expand the provision of public services as the result of large scale coal development. Sections 50-1806(4), 50-1807 and 50-1809, R.C.M. 1947. Grants are made from the earmarked revenue fund established under Sections 50-1802 and 84-1319, R.C.M. 1947.

Your questions apparently arise as the result of a prior Attorney General's Opinion found in Volume 36, Official Opinions of the Attorney General, Opinion No. 74 (1976). That Opinion defines "local governmental units" which qualify for assistance under Chapter 18 of Title 50 as limited to "incorporated cities and towns, consolidated governments created pursuant to Chapter 34 of Title 11, R.C.M. 1947, and school districts". It is my understanding that since the issuance of that Opinion, several cities, towns and counties have applied for grants which, if made, would be used to pay for expenses and improvements of Improvement Districts and County Water and Sewer Districts. Under the definition adopted in Opinion No. 74, cited above, Improvement Districts and County Water and Sewer Districts are not eligible, in their own right, to receive Coal Board assistance.

In reviewing Opinion No. 74, I find it difficult to reconcile the restrictive definition given "local governmental units" with the language of Chapter 18 of Title 50. Both Sections 50-1801 and 50-1806(4), R.C.M. 1947, use the words "local governmental units:" Sections 50-1807 and 50-1809, R.C.M. 1947, are more elaborate. Section 50-1807 refers to "counties, towns, school districts and other governmental units". Section 50-1809, R.C.M. 1947, provides in relevant part:

"The governing body of a city, town, county, or school district or any other local or state governmental unit or agency may apply for a grant to enable it to provide governmental services which are needed as a direct consequence of coal development. The coal board shall prescribe the form for applications. Applicants shall describe the nature of their proposed expenditures and the time involved. The board may commit itself to the expenditure of funds for more than one (1) year for a single project, as long as the grant does not extend over more than ten (10) years and does not exceed reasonable revenue expectations. * *

*" (Emphasis supplied.)

*3 Although Opinion No. 74 includes consolidated governments within the definition of local government units, consolidated governments are statutorily created municipal corporations, Section 11-3401, R.C.M. 1947. Therefore, Opinion No. 74 in effect declares the words "any other local *** governmental unit" as surplusage.

We cannot assume that the legislature, in employing the words "any other local *** governmental unit", intended the language to be meaningless. See axims of Jurisprudence, Section 49-133, R.C.M. 1947, and also <u>Townsend v. Davidson, Inc.</u>, 166 Mont. 104, 109, 531 P.2d 370 (1970). The words should be given substantive meaning.

The constitutional and statutory provisions cited in Opinion No. 74 do not support the conclusion it reaches. That opinion refers in the first instance to Article XI, Section I of the 1972 Montana Constitution, which defines the term "local government". That constitutional provision expressly states that the term "local government units" is not limited to counties and incorporated cities and towns; further, the provision authorizes creation of "other local government units". The cited statutes are similarly inapposite. Reference is made to Chapter 51 of Title 16 and to Title 47A, R.C.M. 1947, which established local government study commissions and alternative forms of local government. Those sections are cited as providing the background law against which Chapter 18 of Title 50 was enacted. The inference of the Opinion is that since Chapter 18 of Title 50 provides no definition of "local governmental unit" the legislature intended to adopt the definition of that term as used in existing law on the same subject. While the basic legal proposition of the argument may be sound, it is incorrectly applied. Neither Title 47A nor Chapter 51 of Title 16 deal with the same subject matter as Chapter 18 of Title 50. Both provisions concern establishment of local government study commissions and alternative forms of local governments for cities, towns and counties. The definition of local government in Section 16-5102(2) is limited to cities, towns and counties simply because those were the units of general local government for which the legislature established alternative organizational forms. The establishment or existence of other units of local government was not precluded.

In its general sense, the term "local governmental unit" is used to distinguish governmental units of limited regional jurisdiction from state agencies which administer on a state-wide basis. Typical characteristics of any local governmental unit are the delegation of limited powers over a specific, geographically defined region of the State and accountability to a local electorate or other unit of local government. Montana makes provision for numerous local governmental units in addition to counties, school districts, incorporated cities and towns, and consolidated city and county governments. Examples of such units are Conservation Districts, County Water and Sewer Districts, Public Hospital Districts and Urban Transportation Districts. Conservation Districts are authorized by Chapter I of Title 76, R.C.M. 1947, and are expressly defined as governmental subdivisions of the State, Section 76-103, R.C.M. 1947. County Water and Sewer Districts are authorized by Chapter 45 of Title 16, R.C.M. 1947; they have independent, directly elected governing boards which are empowered to incur indebtedness and fix water, sewer and other rates, Sections 16-4506, 16-4517, and 16-4526, R.C.M. 1947. Public Hospital Districts are authorized by Chapter 45 of Title 16, R.C.M. 1947, and have independent, directly elected governing boards, Section 16-4307, R.C.M. 1947, with broad governmental powers, including powers to levy taxes, borrow money and issue bonds, Sections 16-4308 and 16-4309, R.C.M. 1947. Urban transportation districts are authorized by Chapter 45 of Title 11, R.C.M. 1947, and have independent governing boards whose members are appointed by participating counties, cities and towns, Section 11-4506, R.C.M. 1947, and which are empowered to levy taxes and issue bonds, Section 11-4508 and 11-4510, R.C.M. 1947. The foregoing list is not intended to be exhaustive, but only an example. The statutory provisions for these and other units of local government refute the position in Opinion No. 74 that existing law defines the term governmental unit as including only counties, incorporated cities, towns and consolidated governments and school districts.

*4 This opinion overrules that portion of Opinion No. 74, Volume 36, which narrowly construes the term "local governmental units", as used in Chapter 18 of Title 50, R.C.M. 1947. It is my opinion that the term "local governmental units" includes those governmental units, districts and public bodies which are statutorily created and provided with governing bodies empowered to exercise delegated, sovereign powers over defined geographical regions of the State.

Under this broader definition, a County Water and Sewer District is qualified to receive assistance and may apply directly to the Board for an assistance grant.

I have not considered and do not hereby overrule that portion of Opinion 74 dealing with the status of Indian tribes.

Special Improvement Districts and Rural Improvement Districts do not fit neatly within even the broadened definition of "local governmental unit". Rural Improvement Districts are authorized by Chapter 16 of Title 16, R.C.M. 1947. They are created by action of county boards of commissioners, Section 16-1604, R.C.M. 1947. Established districts which include areas lying in more than one county are governed by separate boards of trustees, appointed by joint action of the boards of commissioners of the affected counties. Sections 16-1605.1 and 16-1605.2, 16-1605.3 and 16-1605.4, R.C.M. 1947. A district which includes areas within only one county is governed by the county board of commissioners, which exercises all powers of the district. See Section 16-1605.4 and 16-1607 et seq., R.C.M. 1947. Special Improvement Districts are authorized under the provisions of Chapter 22 of Title 11, R.C.M. 1947. Districts are created by city councils, which exercise all district powers. Sections 11-2201, 11-2214.4, 11-2216, 11-2217, 11-2245, 11-2258 and 11-2286, R.C.M. 1947. There is no provision for separate and independent governing bodies for Special Improvement Districts.

Rural Improvement Districts which include areas of more than one county, and therefore have governing bodies which are separate and distinct from boards of county commissioners, are "units of local government". They are eligible for Coal Roard assistance grants.

In cases of improvement districts operating subjacently to boards of county commissioners and city councils, the definitional solution is more obscure since such districts have no independent governing body. However, it is unnecessary for purposes of this opinion to determine whether such improvement districts are "units of local government". If improvement districts are units of local government then they are eligible for assistance grants; if not, they are merely divisions or branches of county or city or town government, which, in turn, are units of local government eligible for Coal Board assistance. Therefore, the governing bodies of cities, towns and counties may apply for and receive **Coal Board** assistance grants to pay for **improvements** and expenses of **improvement districts**.

*5 In reaching this conclusion, I have considered statutes which require that certain improvements made by improvement districts must be financed by special assessments levied upon benefited property. E.g. Sections 11-2214 and 16-1611, R.C.M. 1947. The question has arisen whether this mandated method of financing prevents cities, towns and counties from using Coal Board grants to pay for improvements and expenses of Improvement Districts.

The rationale and purpose of special assessment financing is that property most directly benefited by improvements should pay for the benefit rather than the taxpayers of the city, town or county. Crutchfield v. Mash, 84 Mont. 556, 563-564, 276 P. 938 (1929); Vail v. Custer County. 132 Mont. 205, 217, 315 P.2d 955 (1957). Thus, cities, towns and counties cannot use local, general tax funds to finance special improvements. See Sharard v. City of Missoula, 49 Mont. 269, 276, 141 P. 544 (1914). However, the special assessment method of financing is not constitutionally required, nor does the Constitution prohibit legislation providing for other methods of payment. Special assessments were adopted merely as a matter of legislative expediency. Crutchfield v. Mash, supra, 84 Mont. at 362. The rationale for utilizing special assessments to finance improvements does not apply where gifts, grants, or private funds are provided to finance improvements. Gifts and grants do not additionally burden local taxpayers.

Special assessment requirements are inapplicable where improvements are paid for by private persons or companies or grants or gifts. Of. Marlin v. Brackman. 130 Mont. 228, 232-236, 299 P.2d 761 (1956). In Marlin, the Montana Supreme Court held that a city may create a special improvement district for maintenance of an electric lighting system even though the cost of erecting the electrical system was borne by a private corporation. Cases in other jurisdictions have similarly held that statutory provisions mandating the special assessment method of financing are not violated by financing, in whole or part, through the use of donations and gifts. B.g., Hearne v. City of Catlettsburg, 40 S.W. 2d 923, 295, (Kentucky Court of Appeals, 1937); State v. Orange, 54 M.J.L. 111, 22 A. 1004 (1891). State and federal grants have the equivalent impact as private donations and gifts - they relieve the property owners from the burden of paying for assessments without burdening the general taxpaying population of the city, county or town.

In the case of counties, there is specific authorization to spend State and federal moneys for purposes which may be attached to the grant of such moneys. Section 16-1185, R.C.M. 1947, provides:

"The Board of county commissioners of any county in the state of Montana shall have the power and authority to appropriate moneys received from the federal or state government regardless of the time the moneys are received, by formal resolution. The resolution shall state the source of the moneys, the expenditure program for the funds, and the effective date of the appropriation. The expenditure of said funds shall be according to federal requirements specified in the federal act, or state requirements specified in the state legislation. The moneys appropriated under this section may include federal revenue sharing funds granted to Montana conservation districts organized under Title 76, chapter 1, R.C.M. 1947." (Emphasis supplied.)

*6 There is no corresponding section applicable to cities and towns, but Section 11-1004, R.C.M. 1947, authorizes cities and towns to accept gifts, donations and grants, and to use them for the particular purposes attached. The Section provides: "Any city or town organized under the laws of the state of Montana is hereby empowered and given the right to accept, receive, take, hold, own, and possess any gift, donation, grant, devise, or bequest, or any property, real, personal, or mixed, or any improved or unimproved park or playground, or any water or water right, water reservoir or watershed, or any timberland or any reserve, or any fish or game reserve in any part of the state, and the right to own, hold, work, and improve the same; and said gifts, donations, grants, bequests, or devises made to any officer or board of any such city or town shall be considered a gift, donation, grant, bequest, or devise made for the use and benefit of any such city or town, and shall be administered and used, by such city or town for the particular purpose for which the same was given, donated, granted, bequeathed, or devised.

If additional support is needed for the conclusion that cities, towns and counties may receive and spend **Coal Board** grants for their improvement districts, that authority may be found in Chapter 18 of Title 50.

Section 50-1806, R.C.M. 1947, empowers the Coal Poard to:

(4) award grants, subject to section 50-1807, not to exceed in any one year seven-elevenths (7/11), and after June 30, 1979, three-sevenths (3/7) of the revenue paid into the local impact and education trust fund account, to local governmental units and state agencies to assist local governmental units in meeting the local impact of coal development by enabling them to adequately provide governmental services and facilities which are needed as a direct consequence of coal development. * * * *"

Section 50-1809 similarly authorizes applications for grants to enable government units "to provide governmental services". The preamble to the Act uses a similar expression, stating that the purpose of the Act is to "assist local governmental units which have been required to expand the provision of <u>public services</u>". Section 50-1801, R.C.M. 1947 (emphasis supplied). The terms "governmental services", "government services and facilities", and "public services" are not defined within the Act. They are used interchangeably and are synonomous. I construe these terms to include those services and facilities which are provided by or through a governmental unit in exercise of powers granted such unit by the legislature. This construction gives the "plain and ordinary" meaning to the terms as commonly understood. <u>State ex rel Woodahl v. District Court</u>, 162 Mont. 283, 292, 511 P.2d 318 (1973). Any other construction would require artificial and technical distrinctions to be made among the various services and facilities provided by local governments. The fact that specific improvements or services provided by government may more directly benefit a particular group or class of persons than the public in general does remove them from the public nature catagory. Cf. <u>Rutherford v. City of Great Falls</u>, 197 Mont. 512, 516-520, 86 P.2d 656 (1939).

*7 Chapter 18 of Title 50 therefore authorizes assistance grants for public improvements and services which are provided through creation of Improvement Districts. By implication, the Act also empowers cities, towns and counties to expend Coal Board grants for special improvements since a statute grants all powers incidental and necessary to make the general grant effective, Montana State University v. Ransier, 167 Mont. 149, 152, 536 P.2d 187 (1975).

In concluding that the Coal Board is authorized to make grants to Water and Sewer Districts and to cities, towns and counties for the use of their improvement districts, I express no opinion concerning the merits of any application presently before the Board. Discretion to select from among applications lies with the Board, which may, within the limitations prescribed by Sections 50-1807, 50-1809 and 50-1806, R.C.M. 1947, determine priorities among competing applications.

THEREFORE, IT IS MY OPINION:

- 1. "Local governmental units" which are eligible to receive impact grants from the Coal Board under Chapter 18 of Title 50 include counties, incorporated cities and towns, consolidated local governments, school districts, and any other statutorily created government unit or district empowered to exercise delegated, sovereign powers over a defined geographical region of the State. Opinion No. 74, Volume 36 of the Official Opinions of the Attorney General is hereby overruled except that portion of the Opinion which concerns Indian tribes.
- 2. County Water and Sewer Districts organized under Chapter 45 of Title 16, R.C.M. 1947, are "units of local government" which qualify for assistance under Chapter 18 of Title 50, R.C.M. 1947.
- 3. Rural Improvement Districts organized under Chapter 22 of Title 16, R.C.M. 1947, which include areas of more than one county and have separate governing bodies, are "units of local government" which qualify for assistance under Chapter 18 of Title 50, R.C.M. 1947.
- 4. Counties may apply for and receive Coal Poard assistance grants to pay for improvements and expenses of Rural Improvement Districts created pursuant to Chapter 16, R.C.M. 1947.
- 5. Cities, towns and consolidated units of local government may apply for and receive **Coal Board** assistance grants to pay for improvements and expenses of **Special Improvement Districts** created pursuant to Chapter 22 of Title 11, R.C.M. 1947.

Very truly yours,

Mike Greely Attorney General

37 Mont. Op. Atty. Gen. 91 (Mont.A.G.), 37 Mont. Op. Atty. Gen. No. 22, 1977 WL 35570

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