

Montana Association of Oil, Gas & Coal Counties, Inc.
MINUTES
Board Meeting June 21, 2016 Lewistown, MT

President, Richard Dunbar called the meeting of the MAOGCC to order at 9:00 am. Mr. Dunbar led the group in the Pledge of Allegiance.

Roll Call: Chad Fenner conducted roll call. Quorum was met.

Guests: Robert Latimer, TransCanada; Darryl James, Montana Infrastructure Coalition (MIC), Mark Bostrom, DNRC, Senator Duane Ankney, Mike Cooney, Lieutenant Governor candidate, Monica Lindeen, Secretary of State candidate, Jessica Seneca, Montana Petroleum Association, Kristen Gustafson Juras, Montana Supreme Court candidate and Gary Forrester, MDU Resources

Clean Power Plan and Coal in Montana – Senator Duane Ankney reported the court cases are moving along and Talon and Puget Sound will close Units 1&2. The effect of the closure of the power plants and mine on the state in taxes will be huge. Coal production is down 32% this year. There has been millions in coal trust revenues lost. The three main coal counties will be devastated by the shut down in production.

Candidate Introduction- Mike Cooney was introduced to the board and is running for Lieutenant Governor with Steve Bullock. He stated Governor Bullock supports responsible energy development. Montana has 28% of the nation's coal reserve.

Minutes: Gary McDonald made a motion to approve the minutes from the February 2016 meeting in Great Falls. Carl Seilstad seconded the motion. Motion passed.

Treasurer's Report: Bill Nyby gave the Treasurers report:

\$137,126.67 in checking

\$ 60,810.24 in CD's

Income July 1, 2015 through June 20, 2016 \$65,380.09

Expenses July 1, 2015 through June 20, 2016 \$\$45,806.87

Leslie Robinson made a motion to approve the treasurer's report. Gary McDonald seconded the motion. Motion passed.

Richard Dunbar was in Washington, DC in February and will travel to Los Angeles in July for the NACO Convention. Jon and Sandy will take a resolution for the TransCanada Pipeline to Los Angeles.

Board Nominations – The positions of Richard Dunbar and Doug Martens are up this year. Gary McDonald made a motion to nominate Richard Dunbar and Doug Martens for another term. Bob Lee seconded the motion. The voting will happen at the end of the meeting.

TransCanada/Keystone XL Pipeline – Mr. Latimer updated the Board on the latest activities of the pipeline. The permits are being worked on again. In Montana and South Dakota, the permits are in hand, there is no application currently being worked on in Nebraska. And the federal permit (aka Presidents permit) was denied Nov. 6, 2015 and legal challenges are now ongoing. TransCanada remains committed to the project.

Candidate Introduction - Leslie Robinson addressed the board and is running for Lieutenant Governor with Greg Gianforte. She informed the board she will be a liaison between rural Montana, local government and agriculture to Helena.

Montana Sage Grouse Oversight Team (MSGOT)- Mark Bostrom, DNRC Division Administrator addressed the board. Bob Lee is on the advisory committee for the MSGOT. Due to habitat development across 11 states, the federal government did not place the sage grouse on the endangered species list. The 2015 legislature passed the Greater Sage Grouse Stewardship Act. \$10.5 million has been appropriated for the program. The Act guides the development of habitat. The orders require a review of all proposed projects throughout the state in sage grouse habitat areas. Mr. Bostrom spoke about the website which should be used to identify if a project would fall under this order.

Candidate Introduction - Monica Lindeen is running for Secretary of State and is currently the State Auditor. She is passionate about ensuring the voices of all Montanans are heard.

Legislative Review and Preview – Executive Director, Jon Metropoulos informed the board he will work hard to get bills passed that MAOGC feel are important. Jon believes we will see in the legislature a need to balance the state budgets and develop an infrastructure bill that will help all the state. Jon is one of 10 voting members of the MIC.

Lunch Break

President, Richard Dunbar called the meeting of the MAOGCC to order at 1:05 pm. He thanked the Yogo Inn for a nice lunch.

Montana Petroleum Association - Jessica Seneca representing the MPI informed the group there are many new rules coming out from the federal level that will affect the oil and gas producers. The Association is involved in educating communities about oil and gas. Jessica invited the board to the MPA annual meeting in Billings August 30 & 31.

Candidate Introduction - Kristen Gustafson Juras was introduced to the board and is running for the Montana Supreme Court.

Montana Infrastructure Coalition (MIC) – Darryl James, Executive Director
Mr. James, background is in designing highway bridges and water systems for cities. When SB416 failed to pass the Legislature, a group of individuals from across the state got together and started MIC. Jon represents MAOGC on the coalition. There are 50 members, municipal government, county government, architects, contractors and MACO. What is infrastructure? Roads, bridges, water & sewer, buildings, etc. The Coalitions goal is to build a package that will pass the legislature and help communities across the state. Each county needs a consistent flow of funds to care for their infrastructure needs. Where will the funding come from? The coalition is gathering information on all funding sources such as fuel taxes, sales taxes, resort tax, capping the coal trust, ending fund balance allocation, bonds. The coalition will look at all funding sources. Jon Metropoulos serves as the coalition's secretary and the coalition is nonpartisan. Mr. James asked the Board what they want to see addressed by the coalition.

Elections- Nominations from the morning session: Richard Dunbar & Doug Martens. Mr. Dunbar called for further nominations. Gary McDonald made a motion nomination cease and an unanimous ballot be cast for Richard and Doug. Seconded by Jim Reno. Motion passed.

Williston Basin Petroleum Energy Summit - Frank DePriest attended the conference in Bismarck, ND. He reported 2,600 people were registered, 270 exhibitors and 67 presenters, presidents of oil companies, engineers. Discussion about refracking with 1100 wells still waiting to be fracked. Donald Trump spoke at the conference.

Gary Forrester, MDU Resources is watching the nitrate discharge permit and the coal situation. He stated tax issues will be looked at during the legislative session.

Joan Duffield made the Board aware of a bylaw that they may want to change. *Notice of meetings must be delivered within five days of the meeting personally, mailed or via telegram.* Mr. Dunbar advised the board he would bring a bylaw change to the September meeting replacing telegram with email or electronic means.

There being no further business, meeting adjourned.

Loren Young

Officers for the 2016-2017 term will be:

Richard Dunbar – President

Chad Fenner- Vice President

Bill Nyby – Secretary - Treasurer