



TREASURE STATE RESOURCES ASSOCIATION OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS October, 2017

TSRA 2018 Annual Meeting Date/Location Announced

It's not too early to make plans to attend TSRA's 2018 annual meeting. That will take place at the newly renovated Copper King Hotel & Convention Center in Butte, Montana on **June 20– 21st, 2018**.

The much-anticipated TSRA Golf Scramble will be played at the Butte Country Club - rumor has it the course is in great shape and ready to test even our most "highly skilled" players. The scramble will be held on the afternoon of June 20th. TSRA's "official" annual meeting will be held the following day, June 21th along with a full program.

Please add those dates to your calendar for 2018 and watch for registration information early next year.

New Opportunity to Showcase the Great Work You Do

Another date you'll want to note is January 10, 2018, the beginning of the Montana Chamber of Commerce's Business Days at the Capitol. The Chamber and TSRA are partnering on a special trade show featuring Montana's business and industry sectors in conjunction with the Chamber's Reception and Banquet. Similar to TSRA's Legislative Showcase, the event will give TSRA and Chamber members a chance to highlight their businesses or industry associations with legislators, legislative candidates and others attending Business Days. More details about reserving display space or sponsorship opportunities will be available soon.

Water Policy Interim Committee to Meet

The Water Policy Interim Committee (WPIC) will be meeting in Helena on October 9 – 10th. One of the committee's priorities is a study of exempt groundwater wells. According to information provided by Jason Mohr of the Montana Legislative Council, the legal landscape facing the use of exempt groundwater wells has changed over the last 3 years and WPIC plans to survey the new playing field.

Exempt groundwater wells have long facilitated subdivision development. But others have worried about the long-term effects of thousands of wells on water availability and already existing water users. The legal exemption from water right permitting allows someone to develop a groundwater well or developed spring as long as it does not pump more than 35 gallons a minute and does not use more than 10 acre-feet of water a year. However, district court and Montana Supreme Court decisions in 2014 and 2016, respectively effectively limited the use of exempt wells. New subdivisions must now share one exemption between all of the development lots. As a result, developers must now obtain a water rights permit or create fewer, bigger lots.

In an earlier meeting, WPIC designated a study of exempt wells as a priority in its 2017-2018 work plan. Committee members will begin their work by hosting a panel of opponents to House Bill 339, a bill passed by the 2017 Legislature but vetoed by Gov. Steve Bullock. HB 339 imposed distance requirements on new exempt wells, which would loosen the rules imposed by the courts. Participants on the panel are: Brian Bramlett, deputy chief legal counsel for water, DNRC; Tim Burton, executive director, League of Cities and Towns; Andrew Gorder, legal director, Clark Fork Coalition; Brian Ohs, Southwest Montana coordinator, Montana Trout Unlimited. The Committee will also discuss the proposed administrative rules to address exempt water wells.

WPIC will also launch its study of the water rights change process. Committee members have said they want to better understand how the Department of Natural Resources and Conservation calculates a water user's historic consumptive use, which is a key component when changing a right.

The committee will also hold hearing on the following:

- The status of the Confederated Salish and Kootenai Tribes water rights settlement
- The history of nitrogen levels in Lake Helena
- An update on the state's effort to combat aquatic invasive species
- The National Floodplain Insurance Program, which is up for congressional review in December

More information about the meeting can be found at: <http://www.leg.mt.gov/water>

Environmental Quality Council Meets to Continue Interim Work

The Environmental Quality Council met September 27-28th to hear presentations on a wide spectrum of topics ranging from chronic wasting disease to aquatic invasive species. A major focus of the agenda was the recent fire season, including costs incurred by the state and how budget shortfalls might be addressed. DEQ Director Tom Livers noted budget reductions would make it difficult to meet some permit review timelines, particularly those for gravel operations. In the most extreme case, DNRC may need to consider employee furloughs.

The EQC removed two study topics from their interim work plan. Those were the hard rock mining program evaluation since a review had just been done in the last interim, and a study to determine how well the state was doing in terms of meeting the natural resource goals set forth in the MT. Environmental Policy Act.

Committee members had an extensive discussion regarding the status of grizzly bear populations around the state and whether more timely information might be brought to “bear” on future management decisions. US Fish and Wildlife Service Bear Recovery Coordinator Hilary Cooley agreed on the need to revise the current Grizzly Bear Recovery Plan.

And then, “ta da”...

US considers ending protections for northwest Montana bears

Source: [Billings Gazette](#) September 30, 2017

On the heels of lifting protections for Yellowstone-area grizzly bears, the U.S. government is considering the same action for bruins in northwestern Montana, home to the largest group of grizzlies in the Lower 48, federal officials said Friday...the animals have made a dramatic comeback around Yellowstone and a second area centered on Glacier National Park, known as the Northern Continental Divide Ecosystem.

By year’s end, the U.S. Fish and Wildlife Service expects to release details on criteria it will use to determine if the Northern Continental Divide population has enough habitat to protect it from the threat of extinction, according to U.S. Fish and Wildlife spokesman Steve Segin.

The bears have long since exceeded a minimum population level of 391 grizzlies that was established as a recovery goal in a 1993 Fish and Wildlife plan that’s still in use.

After a public comment period on the draft habitat plan, a proposal to lift protections could come next year, officials said. It would take another year for such a proposal to be finalized.

DEQ Taking Comment on Mine

Source: [Independent Record](#) October 4, 2017

The Montana Department of Environmental Quality is taking initial public comment as it prepares an Environmental Impact Statement under the Montana Environmental Policy Act for the Black Butte Copper Project proposed by Tintina Montana...

The first phase in preparing an EIS is to determine the scope. DEQ is asking for comments from federal, tribal, state and local governments and interested persons and groups that help identify issues likely to involve significant environmental impacts and possible alternatives to be considered in the EIS.

The scoping period will begin October 2 and end November 16, 2017. Public scoping meetings will be held at the following locations and times:

- Great Falls Civic Center, 2 Park Drive South in Great Falls, on Monday, October 30 from 6-9 pm.
- White Sulphur Springs High School Gymnasium, 405 South Central Avenue in White Sulphur Springs, on Wednesday, November 1, from 6-9 pm.
- Park County High School Gymnasium, 102 View Vista Drive in Livingston on Tuesday, November 7, from 6-9 pm.

Scoping comments may be submitted at one of the public meetings, electronically to deqtintinablackbuttecopperproject@mt.gov, or by mail to the following address: Craig Jones, Department of Environmental Quality, P.O. Box 200901, Helena, MT 59620-0901. Comments must be received no later than November 16.

Editors Note: Tintina's Black Butte Copper Project received a draft operating permit from the Montana DEQ on September 17th. That concluded the Compliance & Compliance review and initiated the EIS process.

BLM Cancels 10 Million Acre Sagebrush Focal Area Withdrawal Proposal

Source: U.S. Department of the Interior October 5, 2017

Based on a recent analysis and review of data available that showed that future mining is not a significant threat to sage grouse habitat, the Bureau of Land Management has cancelled the Sagebrush Focal Area withdrawal application and the Department's proposed withdrawal of 10 million acres of federal lands from location and entry under the mining law in Greater Sage-grouse habitat in six Western States. The BLM has terminated the associated environmental analysis process...

The BLM determined the proposal to withdraw 10 million acres was unreasonable in light of the data that showed that mining affected less than .1 percent of sage-grouse-occupied range.

“The proposal to withdraw 10 million acres to prevent 10,000 acres from potential mineral development was a complete overreach,” said Acting BLM Director Mike Nedd. “Secretary Zinke has said from the beginning that by working closely with the states, who are on the front lines and a valued partner in protecting the health of these lands, we can be successful in conserving greater grouse habitat without stifling economic development and job growth. And that’s what we intend to do—protect important habitat while also being a good neighbor to states and local communities.”

The recommendation to withdraw nearly 10 million acres from location and entry under the mining law was one of many land use restrictions proposed for a new management area designated as the Sagebrush Focal Area (SFA). However, that recommendation was unreasonable in light of the data available. In particular, Fish and Wildlife Service’s 2005 “Not Warranted” decision, the 2010 “Warranted But Precluded” Decision and the 2015 “Not Warranted” decision all showed that mining—including locatable mining – was not a significant threat to sage-grouse.

The lands will continue to be managed in accordance with existing plans, programs, policies and regulations in Idaho, Montana, Nevada, Oregon, Utah, and Wyoming. They had been temporarily segregated, or closed to new mining claims for 2 years when the Department originally proposed the lands for withdrawal in 2015, while the agency studied whether locatable mineral exploration and mining projects would adversely affect habitat important to the sage grouse. The temporary segregation period expired September 24, 2017.

More on Sage-Grouse...

BLM invites public to comment on Sage-grouse conservation plans, furthering state collaboration

Source: U.S. Department of Interior October 5, 2017

Given a finding by the U.S. District Court for the District of Nevada that the Bureau of Land Management’s designation of Sagebrush Focal Areas in the 2015 sage-grouse plan amendment for Nevada was illegal, the Bureau today offered the public an opportunity to comment and share issues for its consideration as it explores potential amendments to greater sage-grouse land use plans, to help improve sage-grouse conservation, and to strengthen communication and collaboration between states and the federal government...

“The BLM is committed to being a good neighbor and cooperating with its partners at all levels of government, including states, as well as tribal leaders, industry and conservation groups, ranchers and other stakeholders throughout the amendment process,” said BLM Acting Director Mike Nedd. “During this process, we are particularly interested in hearing from the many governors whose states put hard work and time into collaborative efforts to develop the existing plans. We welcome their input.” ...

The BLM will soon publish a Notice of Intent in the Federal Register to announce the beginning of a scoping process to solicit public comments on greater sage-grouse land management issues that could warrant land use plan amendments. The BLM also wants to receive input on whether that planning effort should occur through state-by-state amendment processes, and in particular looks forward to receiving comments from the Governors of each state. The notice has been sent to the Federal Register and is awaiting publication. Publication of the notice initiates a process that could eventually result in some changes, significant changes or no changes at all...

The public can provide comments for 45 days from the date the notice appears in the *Federal Register* using this webpage: <http://bit.ly/GRSGplanning> The BLM will announce any public meetings it plans to hold through local media in each state.

State sage-grouse management program continues to evolve...

Montana Sage Grouse Oversight Team to Meet November 3rd in Helena

Against the backdrop of a flurry of federal-level activity related to sage-grouse management, the group charged with implementing Montana’s Sage-Grouse program continues to work on developing the Habitat Quantification Tool and the accompanying Mitigation Policy. The latest versions of those documents, as well proposed rules, will be discussed in the Nov. 3rd meeting. Depending on the outcome of that discussion, MSGOT members may give a green light for program staff to move forward with a more formal public comment process.

While the sage-grouse program has continued to review project proposals and provide guidance to applicants and regulatory agencies while these important documents and rules were being developed, having the HQT and related guidance in place will provide more certainty for all involved.

Energy and Telecommunications Interim Committee (ETIC) Hears Updates on Colstrip

ETIC members held their second meeting of the interim on September 29th, hearing reports on timely issues such as Verizon’s coverage in Rural Montana and activities of the Public Service Commission. They fine tuned plans for studies of natural gas customer choice and utility decoupling.

The Committee was also briefed on actions affecting the Colstrip power plant, including a pending settlement involving Puget Sound Energy. Members asked for more clarification from the Montana Attorney General's office as to actions associated with the settlement process, especially expenditure of funds authorized by the 2017 Legislature.

Over the interim ETIC will be hearing from energy-related businesses to determine if permitting requirements or other regulatory issues are proving to be a hurdle to development. At the September 29th meeting they heard from Larry Johnson of the Montana Photonics Industry Alliance.

The following articles reflect information shared with ETIC members concerning Colstrip.

Partial Settlement Reached in PSE General Rate Case

Source: Washington Utilities and Transportation Commission September 18, 2017

Editor's note: This news release reflects a settlement between energy staff of the Washington Utilities and Transportation Commission (UTC) and the company and NOT the views of the three-member commission. It discusses an agreement that the commissioners have not yet reviewed. Any positions taken or comments offered by the commission staff regarding this proceeding should be attributed clearly to staff members and NOT to the UTC.

Staff members of the Utilities and Transportation Commission have reached a multi-party settlement on Puget Sound Energy's request to increase electric rates and decrease natural gas rates for its customers.

The settlement lays out an agreement that recovers remaining costs associated with PSE's Colstrip power plants in Montana, sets aside funds for economic transition efforts in Colstrip, Montana and provides \$2 million for weatherization assistance for low-income customers...

The settlement also revalues the company's (PSE) share of the Colstrip coal-fired plant, reflecting PSE's agreement to close Colstrip Units 1 and 2 by mid-2022, and support the recovery of costs for Units 3 and 4; an annual accounting for decommissioning and remediation expenditures; and an annual evaluation of the sufficiency of funds to decommission and clean up Colstrip Units 1 and 2.

Under the agreement, PSE would repurpose \$95 million in federal treasury grants to an account dedicated to funding the decommissioning and remediation of Colstrip Units 1 and 2. The settlement also allocates up to \$300 million in monetized tax credits to fund unrecovered costs associated with Units 1, 2, 3 and 4.

PSE agreed to set aside \$10 million to fund community development in Colstrip, Montana. PSE committed to work with stakeholders to develop a community transition plan as well as a funding mechanism to mitigate the impacts of the eventual closure of Colstrip.

The parties also agreed to engage stakeholders in workshops to review the future use of the transmission lines that currently carry Colstrip's electric load, which would be hosted by the UTC at later dates still to be determined...

The settlement will have to be finalized by the three-member Washington Utilities and Transportation Commission.

And, not everyone agrees on the details...

Washington counsel: \$10M to help Colstrip too much

Source: [Helena Independent Record](#) October 4, 2017 By: Tom Lutey

Not everyone is sold on a \$10 million golden parachute pledged to Colstrip to help the community adapt to the eventual closure of the West's second-largest coal-fired power plant.

Washington State's Public Counsel argues that the \$10 million Colstrip transition package is too much and that customers of Colstrip co-owner Puget Sound Energy shouldn't have to pony up. Public Counsel represents Washington's consumer interests. Counsel's Regulatory Analyst Carla Colamonici tells Washington utility regulators that Puget's stockholders should pick up the tab.

"While Public Counsel acknowledges that community transition and planning will be a key issue for the community of Colstrip, Montana, that obligation is primarily a shareholder and company obligation," Colamonici testified...

That settlement also puts the end of Colstrip's "useful life" at Dec. 31, 2027, two decades ahead of earlier estimates for the youngest of the power plant's four units. The power plant's oldest units are slated for closure within five years. Coal advocates have argued that there are more than 10 years of life remaining in Units 3 and 4, the power plant's youngest generators.

Public Counsel also contends that Units 3 and 4 could be online until 2035, though its concern is that raising money for the Colstrip plant's 2027 closure will increase the rates paid by Puget's customers too steeply. A 2035 end-of-life plan would stretch the cost burden over 18 years of utility bills.

Puget has said it might not exit Colstrip by 2027, but would be financially ready under the settlement. The "useful life" date sets the timer on how long Puget has to bill customers in order to raise closure money. Two of Colstrip Power Plant's utility owners in Oregon and Washington are circling 2030 as the end of Colstrip's "useful life".

Five years ago, Colstrip's utility owners were in agreement that Units 3 and 4 would burn into the 2040s. But environmentally conscious consumers in Oregon and Washington began demanding changes. Oregon lawmakers in 2016 passed a law requiring PacifiCorp to stop supplying coal power to the state by 2030. The law required the same of Portland General Electric by 2035.

PGE has since estimated Colstrip's useful life to end by 2030. PacifiCorp is required to do the same. Avista Corp., a Spokane, Washington utility now put the life expectancy of Units 3 and 4 at 2037.

Only Northwestern Energy, which has about a half-million Montana customers estimates that Units 3 and 4 will operate for another 28 years.

Natural gas and renewable energy are expected to fill the void as Puget Sound Energy transitions from coal...Washington Utility Commissioners are expected to rule on the settlement later this fall, or by year's end.

Meanwhile, plans for transitioning affected workers move forward...

Preparing for Colstrip's Future

Source: Montana Department of Labor and Industry

The Governor's Office, through the Department of Labor, applied for and received \$4.6 million in funding to assist the community of Colstrip with workforce planning and worker training, and to ensure the successful transition of the region to a diversified economy. \$2.0 million of the grant will be available immediately with the remainder received through application...

In response to the decline in coal mining employment and a lawsuit settlement requiring the partial closure of Colstrip's coal-fired power plant by July 2022, the Montana Department of Labor and Industry (DLI) applied for and received the POWER grant through the U.S. Department of Labor's Dislocated Worker program.

Most of the funding will go directly towards training workers in 23 eastern and south-central Montana counties for new jobs in a diversified economy. (Big Horn, Carbon, Carter, Custer, Dawson, Fallon, Garfield, Golden Valley, McCone, Musselshell, Petroleum, Powder River, Prairie, Richland, Rosebud, Roosevelt, Sheridan, Sweet Grass, Stillwater, Treasure, Yellowstone, Wibaux, and Wheatland) The funding will be awarded as sub-grants through the competitive RFP process to eligible training providers with a connection to the local community, such as community colleges, tribal colleges, labor unions, or other training organizations.

The application was developed with support and guidance from the local economic development corporations, local worker's unions, and other groups interested in the successful transition of the community's workers. Local economic development organizations will also assist with a regional workforce plan to develop a strategy to take the existing workforce and transition them into occupations needed in the future economy.

Additional funding will go towards sub-grants to local and statewide entities to support curriculum development or innovative workforce training consistent with the Colstrip economic development plan. DLI also anticipates providing additional Job Service support to the region, expanding capacity in the Registered Apprenticeship program to recruit more businesses to be sponsors in the coal-impacted region, and hiring a tribal workforce coordinator to work with dislocated workers on the Northern Cheyenne, Crow and Fort Peck reservations.

Notice of TSRA 2018 Dues Adjustment

In their October 6th meeting, the TSRA Board of Directors adopted a Dues Adjustment for 2018 that reflects the impact of annual increases in the CPI (cost of doing business). In recognition of the economic challenges faced by many of our members, the Association has not adjusted dues for several years even though operational costs have increased. However, in order to maintain our level of service, the Board felt it prudent to authorize a modest change at this time. The dues adjustment will be reflected on the 2018 dues statement. TSRA appreciates the support and participation of our members and invites anyone who has questions about the Board's action to please contact Peggy Trenk at 406-443-5541 or ptrenk@tsria.net

Upcoming Events/Dates

October 9 -10, 2017	Water Policy Interim Committee State Capitol, Helena, MT
November 3, 2017	MT Sage Grouse Oversight Team Meeting State Capitol, Helena, MT
December 4-5, 2017	Revenue and Transportation Interim Committee State Capitol, Helena, MT
December 6, 2017	Montana Taxpayers Association Annual Meeting Helena, MT
December 12-14, 2017	MT. Stockgrowers Association Annual Convention & Trade Show Double Tree & Northern Hotels, Billings, MT

January 8-9, 2018	Water Policy Interim Committee State Capitol, Helena, MT
January 10-11, 2018	MT Chamber of Commerce Business Days at the Capitol Great Northern Hotel, Helena, MT* * Joint MT. Chamber/TSRA Business and Industry Showcase is Wednesday, January 10 th at the Helena Civic Center
January 16, 2018	Energy & Telecommunications Committee State Capitol, Helena, MT
January 17-18, 2018	Environmental Quality Council State Capitol, Helena, MT
March 12-13, 2018	Water Policy Interim Committee State Capitol, Helena, MT
March 13-14, 2018	Revenue and Transportation Interim Committee State Capitol, Helena, MT
March 16, 2018	Energy and Telecommunications Committee State Capitol, Helena, MT
March 21-22, 2018	Environmental Quality Council State Capitol, Helena, MT
May 2-3, 2018	Revenue and Transportation Interim Committee State Capitol, Helena, MT
May 17-18, 2018	Energy and Telecommunications Committee State Capitol, Helena, MT
May 21-22, 2018	Water Policy Interim Committee State Capitol, Helena, MT
May 30-31, 2018	Environmental Quality Council State Capitol, Helena, MT
July 10-11, 2018	Revenue and Transportation Interim Committee State Capitol, Helena, MT
July 19-20, 2018	Energy and Telecommunications Committee

State Capitol, Helena, MT

July 23-24, 2018

Water Policy Interim Committee
State Capitol, Helena, MT

July 25-26, 2018

Environmental Quality Council
State Capitol, Helena, MT

September 10, 2018

Energy and Telecommunications Committee
State Capitol, Helena, MT

September 10-11, 2018

Water Policy Interim Committee
State Capitol, Helena, MT

September 12-13, 2018

Environmental Quality Council
State Capitol, Helena, MT

September 13, 2018

Revenue and Transportation Interim Committee
State Capitol, Helena, MT

November 19, 2018

Revenue and Transportation Interim Committee
State Capitol, Helena, MT

If you don't want to receive the TSRA Newsletter, please let me know. If you want to share with others in your company or organization, please do so. The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.