

Tongue River Valley Joint Powers Board Meeting

Meeting Minutes

August 28, 2014

Present: Peter Clark, Norm Anderson, Joey Sheeley, Karen Walters, Laurie Walters-Clark, Jeff Feck, Bob Wood, Dennis Wagner

Next meeting: September 24, 2014

I. Announcements

None.

II. Approval of Minutes from July 22, 2014 Meeting

III. Approval of Agenda

Additions: Discuss scheduling an appointment with Steve Shute's representative.

Deletions: None

IV. Discussion

Old business:

- Update on meeting with WPA
 - WPA did not know about the meetings Source Gas set up; they asked for the info for the meeting on August 6 so they could call in. Biggest concerns the WPA had were 1) the cost of the WBI tap, 2) whether or not WBI has the capacity for our load. They have offered to help us gather that information, if necessary.
- Update on meeting with SLIB (review application requirements) and USDA (loan)
 - USDA: Pre-application must be completed before actual application. Involves a feasibility study and NEPA analysis (likely and EA). None of the board are convinced this is a grand idea as it would save no real time and would cost a bit more.
 - SLIB: Peter called the board after they indicated they had concerns about our last application. The board was concerned about the reality of an average \$500 conversion rate and suggested that we apply for a \$100K planning grant. The JPB is not convinced this would gain us anything in the long run and we'd be stalled another year.

New business:

- Peter, Joey, and Jeremy Smith had an information phone call with Steve Shute prior to the meeting. Highlights included: 1) Steve will send out one of his employees as a representative, at our convenience, to look at the proposed line and update any info as necessary. 2) Steve agreed that the \$100K planning grant is not necessary. 3) Peter believes that the MDU model gives basically the same information as Steve proposed; what the JPB is asking for from the SLIB is almost exactly what MDU wanted from the communities to help pay for the project. 4) Peter will talk to WAM and ask them to lobby the governor for help. 5) Steve is standing by his costs of \$5-7/ft. for distribution line (WPA expressed concern about that cost). 6) Steve agreed that WBI could ask whatever

they want for the tap fee (WPA said it could be as much as \$1 million), but that the cost of the meter is only around \$5K. If they become unreasonable, we can take it to the media. 7) Steve has gotten Rural Economic Development loans in the past. Return is about the same as the SLIB loan (40yr/4.5%). 8) Peter wants to present to the legislators and county commissioners again and nail down the ROWs.

- There were no bills to approve for payment this month. Karen has filled out the legal forms (FF32, proof of cash worksheet, affidavit of publication, public records notice). Public records notice requires the JPB to have a place where interested parties can view JPB documents. The Town of Dayton has provided space in their office. Current balance: \$17,142.
- Peter presented Resolutions #2 (repeat) and #3 (feasibility grant) in case we need them for the new SLIB application. Both were approved.
- Peter asked for a motion and approval to arrange for Steven's rep to travel here this winter to review the route.

V. Public Communique

Steve Shute was added to this portion of the meeting (phone) to address any questions or concerns from the attendees. He first wanted the board and audience to make sure the JPB worded our connection protocol carefully to avoid the same problem Pinedale Natural Gas (PNG) ran into. PNG had built its system from nearly zero, much like JPB will. In a 2006 rate case, the Office of the Consumer Advocate asked the Public Service Commission (PSC) to stop PNG from installing service lines and meters, free of charge, from the trunk line to homes after the line was already in service, citing the rule that new customers could not be funded on the backs of existing customers. PNG's rates always included charges for the cost of the entire system, but none of PNG's existing customers had paid for their own main extension or service line. The PSC changed PNG's practice in 2008 by requiring PNG to charge new customers the full cost of their particular extension of service.

Bob Wood asked Steve if he had looked at the new plastic poly with carbon-fiber wrap pipe. Steve replied that it is real, but it will take a little work before it is approved for general use. Could change the cost of the transmission line from \$20/ft. to \$13-15/ft. He should have a better idea of the possibility of using it in 6 months or so.

Laurie Walters-Clark asked if it would help to send letters of support from the community with the SLIB application. Peter was not sure at this point. He's going to talk to WAM first, possibly the governor directly. The legislators are the folks that we need to get to as they can influence SLIB better.

The meeting was adjourned.