

## **Tongue River Valley board to resubmit for SLIB funding by mid-September**

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DAYTON — The Tongue River Valley Joint Powers Board decided at its regular meeting Thursday it will likely submit a second application for a grant and a loan to the State Loan and Investment Board by mid-September in its continued pursuit to bring natural gas to Dayton and Ranchester.

The SLIB application will request a \$2.5 million grant and a \$3.5 million loan. The board's last try for state funds to build the natural gas pipeline was denied due to minimal funds and a large amount of requests at the time.

Chairman Peter Clark said the board is also considering submitting a secondary application for a \$100,000 SLIB grant that would be used to conduct an environmental assessment and feasibility study, both of which are necessary to complete a pre-application to the U.S. Department of Agriculture Rural Development office for a USDA loan to complete the project.

Clark said the rate for the USDA loan is competitive with the rate for a SLIB loan but that the board is not 100 percent certain on pursuing that option due to the delays caused by the longer application process and needed studies. Still, Clark said, it is an option, and the board will consider pursuing both SLIB and USDA funds to increase its chances of securing funding.

SLIB applications submitted in September will be awarded funds, if chosen, in January 2015.

If nothing else, Clark said his discussions with the USDA Rural Development office — and with the Wyoming Pipeline Authority, the Wyoming Infrastructure Authority, Montana-Dakota Utilities and the Wyoming Business Council — will show the SLIB board that members of the natural gas board are pursuing all available avenues for assistance to build the pipeline.

Along that same line, Clark said the board has discussed setting up a meeting with Gov. Matt Mead in order to make their case that high propane costs in the valley are hurting families forced to choose between heating their house and eating, as well as turning away businesses considering locating in the area.

Although prices fluctuate, the cost of heating with natural gas is often approximately one-third the cost of heating with propane or electricity.

Clark said the board has also considered applying for a \$100,000 grant from the Wyoming Business Council but has hesitated because most of those grants require a match of up to 25 percent, which the board does not have at this time.

Since forming in October 2013, the natural gas board has received \$10,000 from the Board of County Commissioners, \$31,000 from Sheridan County School District 1 and the towns of Ranchester and Dayton (the three entities comprising the joint powers board), and \$6,700 from 45 residents who donated to support the cause.

Funds have been used to pay attorney fees, consulting fees and operation costs including a survey to determine support for bringing natural gas to the area that found 97 percent of residents

were in favor.

“We’re just trying to figure out different kinds of strategies to keep this thing rolling,” Clark said.

Also at Thursday’s meeting, the board voted to have Wyoming Pipeline Solutions, owned by its consultant Steve Shute, come to the area this winter to determine “hard figures” on the proposed route for the pipeline from Sheridan to Ranchester and Dayton.

The quest to bring natural gas to the Tongue River Valley began in 2008 when Dayton Mayor Bob Wood contacted MDU about bringing in natural gas. At that time, MDU proposed a 42-mile pipeline and distribution system at a cost of about \$6.5 million that would require a monthly surcharge per customer of \$185 — in addition to the price of the natural gas — to pay for construction costs if 30 percent of potential customers converted.

The effort was dropped because it would offer no savings in heating costs. The Tongue River Valley Joint Powers Board reignited the effort in October 2013. It is the board’s hope to provide natural gas for less than \$50 per month for customers.

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