

TONGUE RIVER WATERSHED ALLIANCE

April 15, 2006 Meeting Notes *Informational Meeting*

10 stakeholders were in attendance.

Art Hayes called the meeting to order at 7:15 pm and introduced the guest speaker for the night, Doug Martens, Rosebud County Fire Marshall.

Doug spoke to the group about the formation of a bio-mass task force.

Rosebud County Fire has a chipper and they currently chip everything they cut. They realized that if they could find a market for the chips, it could be a self-sustaining operation. Doug has spoken to a number of producers and all were interested since this would be a way for them to clear out some dead trees. When Doug looked into it, he found out that the new owner of the Rosebud Power Plant has four wood-fired plants in California. Doug spoke to him about the possibility of using wood chips at the Rosebud Plant, and he is very interested. He has his engineers working on a feed system to see how much it will cost to set up to burn the chips. He told Doug that he is not interested in making money from the deal; if the task force can make it cheap enough that he could set up the system, he will do it.

Chips are chopped up branches, leaves, and bark. Scrap lumber can also be chipped, as can trees burnt by fire. Logs up to 12" can be chipped. There is a man in Forsyth who is interested in upgrading his grinder to one that can chip up to 36" trees, but due to the expense and the uncertainty of whether or not he will have business, he is hesitant.

RCF is working with both DNRC and BLM in Miles City. The three groups met on April 14th and decided that they need to come up with a list of groups and individuals who might be interested in forming a Bio-mass Task Force. After the group is gathered, the next step is to hire a facilitator.

Doug is also looking into feasibility studies and trying to find someone to conduct one.

The Plant would need about 120 tons of chips a day. The State Forester in Miles City told Doug that enough logging goes on in Rosebud County to produce 80 tons of chips per day, so Doug has guaranteed the Plant that amount.

Once the Plant has set the price it will pay to have the chips delivered to its door, the costs can be figured by working backwards.

The group also discussed storage for the chips. Doug said that Peabody Coal has a large shop they are considering getting rid of, but it is not a sure thing. If the landowners work

it out that they will give the building to the county or give the county a lifetime lease, a year's worth of chips could be stored in the building. However, there are access issues. Doug then pointed out that it doesn't hurt the chips to get wet, so a building is not absolutely necessary. However, the county does need an area that can be accessed year round.

If the task force can obtain grant or federal money to get started, the county would run the operation until it becomes marketable. After that, the county would step out and private industry would take over. Possible grant sources are the Rosebud Power Plant and federal funding sources.

Connie Morris asked if the chips can be burned with the Plant's current power source or if the Plant would have to make a conversion. Doug said that the two sources can be burned together.

Jae Notti asked what the Alliance can do to help the effort. Doug stated that all that is needed from the group is its support. He suggested that the Alliance send two or three representatives to the task force and that we support the feasibility study. Doug said that there will be about four counties involved, so each county can contribute money for the study. He believes each county will be able to give about \$5,000, which may or may not be enough for the study.

How long it takes to get the process started depends on how long it takes for the owner to build the feed system, if he decides to move forward with it. Once it is all going, it could employ 20 to 25 people and hopefully expand from there.

There is also the possibility of an ethanol plant being built in Miles City, which could be another market for the chips.

The switch to burning chips would be beneficial to the Plant because it would save them a lot of money in air quality permits.

The stakeholders present were all in support of the Task Force.

The Bio-mass Task Force will meet June 29th at 1 pm at Fort Keogh in Miles City. Megan will attend.

The meeting adjourned at 8:30 pm.