

WIRED Quarterly Report:3rd Quarter 2009, Montana's Agro-Energy Plan (MAP)

Grantee Name: Montana Department of Labor and Industry
Name of Project: Central and Eastern Montana WIRED Region
Agreement #: WR-15402-06-60
CFDA#: 17.261
Quarterly Reporting Period: July 1 – September 30, 2009
Date: November 13, 2009
Contact Person: Adam de Yong, Montana Department of Labor and Industry

**sections I-IV detail progress towards the four primary goals of Montana's WIRED initiative*

I

Goal: Develop a world-class bio-products industry that catalyzes regional economic transformation from an agricultural commodity driven economy to a value added economy that supports regional prosperity in Central and Eastern Montana.

Efforts to meet the goal of developing a world-class bio-products industry must address many issues. Some of these issues must be dealt with simultaneously and others must be addressed in anticipation of future requirements created by such an industry. To accommodate this multi-pronged approach for Montana's Agro-Energy Plan, multiple agencies and groups are involved. These include the Montana Department of Commerce, the Office of the Commissioner of Higher Education, the Department of Labor and Industry Workforce Services Division, the Department of Environmental Quality, and the Montana Department of Agriculture. Each of these agencies must play a role in the transformational initiative and they in turn will involve other organizations to meet this goal.

A. Efforts underway at agency level to meet this goal:

1. Montana Department of Commerce (DOC)

Early in the WIRED program, the DOC identified and provided funding to multiple businesses within the WIRED region that could advance the bio-products and bio-fuels industry in various ways through the application of employee training. Examples of this activity include the following:

- *Earl-Fisher Biofuels, LLC*: This company is located in Chester Montana and their mission is to create local economic growth and employment opportunities by building a biodiesel production facility. The model envisioned at Earl-Fisher is well suited to the transformational goals of Montana's Agro-Energy Plan. The Earl-Fisher model is to create a market for oilseed crops that can be grown locally, converted to fuel locally, and consumed locally. By

employing such a model they are transforming their local region by adding value to agricultural commodities and spurring economic transformation of a small town within the WIRED region. While this project is small in comparison to others, it has embodied the concept of transformation. This company has given a small town hope that they will not have to face another school consolidation or the loss of another business on Main street. The creation of this business has not only created hope, it also has allowed for the town family physician to retire and be replaced by one of the owner's spouses. Finding replacements for family physicians in these small towns is nearly impossible.

Current developments at Earl-Fisher include:

EFBF began training another employee on the biodiesel section of the plant in the second quarter. They have two employees training on the crushing end of the facility. Their current plan is to train one employee on the biodiesel section of the plant in the 4th quarter of 2009. The Department of Commerce anticipates that this contract will be closed.

2. Office of the Commissioner of Higher Education (OCHE)

OCHE is a critical component in developing a workforce pipeline for the bio-products industry. Curriculum development and student training is being done at community colleges, Tribal colleges, and universities in the MAP region. These institutions are in turn partnering with the local community and industry. Examples of this include the following:

- MSU-Northern is the site of the Bio-Energy Innovation and Testing Center. This center provides a vital component in the development of world class bio-products industry. The capabilities of this center rival those of any private sector lab in America as well as those of government research labs. The lab at MSU-N is creating a niche for itself in the areas of biofuels and lubricants testing. The faculty and staff at MSU-N continue to both increase the capabilities of this lab and also increase the curricula and offerings related to biofuels and bio-products at MSU-N. This is a constant process in the face on continually evolving technology and standards. MSU N submitted a request in the last legislative session for a state procurement, \$400K, to sustain the center. The funding was received through HB2 and will be used to fund the three positions that were hired through the original WIRED grant. Those funds will keep the Center functioning through 2011. MSU N also submitted and received a federal procurement for \$2.25 million through Senator Jon Tester to advance the Bio-Energy Center. Those funds were awarded and will be used to complete the installation of the AC dyno that was purchased through WIRED, renovate an existing structure and incorporate that structure into a research wing of the existing facility (ATC). The funds will also allow MSU N to expand their research capabilities in oil seeds (crushing

and processing using a commercial grade reactor), and most importantly, allow expanded research into chemical transformation and development of bio-derived aviation fuel (JP8). MSU N has budgeted for another research scientist and support positions that are critical in helping advance future research activities. For details see page 48.

- Miles Community College offers curricula that provide an introduction to biofuels and renewable energy for students. In addition, they help to increase awareness to potential students by performing outreach activities across Eastern Montana. The faculty and staff present information and conduct demonstrations at high schools and at industry and community gatherings. For details see page 47.

3. Department of Labor and Industry Workforce Services Division (DLI WSD)

DLI WSD plays a critical role in ensuring that the region's workforce has the skills that will be required to support a world-class bio-products industry. Some of these skills include welding, CDL training, concrete technologies, utility lineman training, and more. DLI WSD collaborates with universities, community colleges, and tribal colleges in the region to implement programs. DLI WSD also works closely with the Tribal nations in the region to leverage the significant workforce available in those locations. An example of this activity follows:

- In Cut Bank the Bear Traxx Truck Driving School has trained participants who were able to find employment with Blackfeet Transit. These participants are obtaining work experience by driving school buses and hauling FEMA trailers for families on the Blackfeet Reservation.

4. The Montana Department of Environmental Quality (DEQ)

Although the DEQ was already involved in MAP through partnerships, they were officially brought in at the agency level in 2008. As the environmental regulatory and permitting agency for Montana, it is critical the DEQ be involved in the creation of a world-class bio-products industry in the region. This transformational initiative will involve the development of industry that has not before been seen in the region or in Montana. Therefore, active involvement by DEQ can facilitate a smoother path for the transformation of the region. An example of DEQ's involvement follows (for complete information, see page 56):

- DEQ drafted a training workshop and presentations on biodiesel blends and biodiesel impacts on new emissions equipment for operators and mechanics of Yellowstone National Park and Xanterra Parks and resorts out of Gardiner, MT. The workshop will be conducted on October 21, 2009.

5. The Montana Department of Agriculture (DOA)

The DOA has a Bio Product Innovation Center (BPIC) Network that provides customized training for bio-product businesses, entrepreneurs evaluating new business opportunities, members of cooperatives pursuing bio-product and related agricultural business opportunities, and producers interested in growing feedstock for the biofuels industry. The network has centers throughout the MAP region. Areas of training include feasibility studies, writing business plans, and more. Due to the nature of the training provided, many of their clients are companies or entities in an early stage, or are individuals or groups with an idea. Examples of some of the groups they work with follow (for complete information see page 32):

- **A & W Wood Products**
This is a pair of entrepreneurs from Columbus planning to open and operate a pellet mill that would impact Golden Valley and Stillwater Counties by adding value to locally generated wood products. They are looking for funding and resources to pursue feasibility study.
- **Sunburst Unlimited**
BPIC staff is coordinating with this group that is looking into building an organic self-sustaining greenhouse project powered with alternative energy and operational year round. This type of project has been successful in Russia, where they operate a 300 acre greenhouse with 1800 employees and supply to all local stores and markets in the area. They would like to develop this model on a smaller scale in Virgelle, and create a business model that can be easily replicated all over the Northwestern United States. In addition, they are also working on an organic fertilizer with a scientist from Hawaii that uses flour millings and a formula of sixteen different microbes, and can also be used as a septic system additive.

II

Goal: Develop a highly trained and stable/growing workforce to support the bio-products, biofuel, and energy industries.

Many of the skills that will be required to support the bio-products and energy industries are in high demand in Montana and across the nation. Although there is a high demand for these skills, it can be difficult to fill positions with people from the WIRED region. This situation is due, in part, to a decades-long trend of decreasing population and opportunity. Most areas and communities in the MAP region reached their population peak in the 1920's. This creates a cycle of opportunity attrition. That is, the more people leave the region to pursue opportunity elsewhere, the fewer people are left in the region to create a core community that can build businesses and opportunities for future generations.

Therefore, it is critical to address the need to assist in the development of a highly trained and stable/growing workforce. To focus on the other areas in

the development of MAP's world-class bio-products industry without addressing this need would result in a vacuum of trained people in the region that would need to be filled from outside areas.

The goal of developing a highly trained and stable/growing workforce for those people within the MAP region is being pursued at many levels. The DOC, DLI WSD, and OCHE are all involved in helping to develop the skills of the workforce. This is being done at businesses for new and incumbent workers, at community colleges and universities for students, at workforce service centers for unemployed and underemployed individuals, at Tribal colleges and reservation locations for the Tribal nations, at industry specific seminars for farmers, ranchers, and entrepreneurs, and more. The skills required for the bio-products and energy industries are many and more will emerge with new developments and technology. MAP has identified the core skills needed to prepare a workforce for the biofuels, bio-products, and energy industries. These skill sets also support the growth of the energy and construction industries within the region, also a major opportunity for transformation. Couple those skills with the capacity to add specific skill sets needed in the biofuels -bioproducts industry, and we are positioning the region's workforce for success.

A. Efforts underway at agency level to meet this goal:

1. Montana Department of Commerce

The DOC is assisting in developing a trained workforce via new and incumbent worker training at new and existing businesses. These funds give the businesses added ability to train workers with specific skills as their business needs dictate. This training can be done in-house, at remote locations, or via third party provider. This training not only supports the growth of a highly trained workforce, but also supports the growth of the biofuels – bioproducts and energy industries in the region.

Examples of this training follow:

- D&M Water Service: The purpose of this grant is to provide funding for training for nine new employees. Training will consist of safety, operation, and maintenance of the equipment (trucks, trailers, forklifts). Operation is located in Baker. For more details see page 25.
- Signal Peak Energy, LLC: The purpose of this grant is to provide training for up to 191 employees in the operation of the mining industry. Operation is located in Roundup. For more details see page 26.

2. Office of the Commissioner of Higher Education

OCHE primarily focuses on workforce training for the bio-products and energy industries with students in universities, community colleges, and Tribal colleges. Examples of this work follow:

- MSU-Northern will be conducting the following training in the upcoming months:
 - Quality Control & Testing—Oct 2-3, 2009
 - Safety & Hazmat Training—Oct 23, 2009
 - ABC's of Biodiesel---November 3-4, 2009—Missoula, MT
 - Fuel Performance---November 17-19, 2009

MSU-Northern will be awarding a Departmental Certificate of Completion in Biodiesel for those that complete all training segments. MSU-Billings COT will be performing the Safety and Hazmat Awareness Training where participants will be given OSHA and EPA certification. MSU-Northern will be bringing in specialists for the Fuel Performance Training. For more details see page 48.

- Dawson Community College: The preparation for a regional Bio-Fuels and alternative Energy conference is underway. The date is December 8, 2009. This is a cooperative effort between NCAT, Montana State University, Montana Department of Environmental Quality, University of Idaho, Montana State University – Northern, with other participants arrangements pending. For more details see page 48.

3. Montana Department of Labor and Industry Workforce Services Division

DLI WSD is helping to develop a highly trained workforce for the bio-products and energy industries by providing training via their workforce center network. DLI WSD is able to focus not only on the unemployed, but also on moving people up the earning ladder by adding skills to their current skill-sets. The Tribal workforce has also been a focus of DLI WSD. The reservations have high rates of unemployment and have established community networks with whom to facilitate training. Examples of DLI WSD work in support of this goal follow (for further details see page 52):

- In Havre, the WIRED training coordinators coordinated services with Rural Employment Office to leverage funds to enroll a participant for heavy equipment operator training. The client never scored below a 97% on any section of his training. He received an outstanding student achievement award and within one week of completing his training he had already completed and submitted eight applications. He received two interview appointments from these applications.
- In Miles City, 42 Native Americans were trained with WIRED funding. The participants are members of a variety of tribes including the

Northern Cheyenne Tribe, Crow Tribe, Omaha Tribe, Shoshone-Bannock Tribe, Eastern Shoshone Tribe, and The Three Affiliated Tribes of Mandan, Hidatsa, Arikara Nation.

III

Goal: Create an agile, integrated talent development system (workforce, education, and economic development) that will prepare state residents to act quickly to take advantage of new economic opportunities and is responsive to business needs.

Integration and cooperation amongst government agencies, businesses, investors, academic institutions, entrepreneurs, and citizens are critical components to achieve the goals of MAP. Because the goals of MAP are broad and cross into many varied disciplines this cooperation is a necessity.

The ability to respond to needs quickly and comprehensively is critical for the development of an emerging industry or the transformation of a well established industry. Failure to act in a timely manner can mean lost opportunity for industry and the region. The integration of the talent development system can help to eliminate slow responses by creating a platform for communication amongst industry, education, economic development, and the workforce system.

One tool used take advantage of new economic opportunities and respond to business needs is the State Workforce Investment Board (SWIB.) This board is comprised of representatives from state government, industry, labor, education, workforce, and economic development. As needs or issues arise they can be brought to the attention of the SWIB to help create solutions through cooperation and coordination of resources.

A. Efforts underway at agency level to meet this goal:

1. Multi Agency Efforts

The agencies continue to cooperate on program development and coordinate training resources and programs for individuals and businesses in the region.

2. Montana Department of Labor and Industry Workforce Services Division:

The DLI has engaged in multiple transformational steps to support better collaboration and cooperation within the talent development system. The most recent transformation came in the 2009 legislative session with reorganization within the Department. The reorganization was initiated to better align programs within DLI with the WIRED philosophy and to promote better coordination with Industry, education, and economic development. The new Bureau is call the 21st Century Workforce Bureau and includes the Workforce Services Division, Jobs

for Montana Graduates, State Workforce Investment Board, and Apprenticeship. Another transformation came through the consolidation of Montana's Workforce Investment Boards into a single state wide board. DLI also reorganized the Job Service Workforce Centers regional areas to align with the DOC regional economic development offices. This will facilitate better communication and cooperation amongst the economic development and workforce services. Efforts that illustrate the WSD system's ability to act quickly to take advantage of new economic opportunities, or in the case of the current economic downturn, to offer additional options to displaced workers include:

- The Havre WIRED consultants met with CMT/JSEC partners regarding status of trainings being held or planned and requirements of program for recruitment of potential applicants. Attendees included organizations such as Vocational Rehabilitation, HRDC, Veterans Affairs and other community partners. They continued to coordinate with West Coast Training on participants in Heavy Equipment training and coordinated with M.O.V. Training LLC on HVAC and Niagara X training for an incumbent Veteran participant. They kept in touch with REO on co-enrollment and networked with MSU-Northern on retesting backflow training for three participants at the Montana Environmental Training Center. The Havre consultants continued their contact with Sage Technical Services to coordinate requirements/schedules for a client to finish testing for the driving portion of CDL from the Fort Belknap training. In the event more funding becomes available, they continue contacts with MT Tech on lineman training participation for fall 2009 class.

IV

Goal: Create an inclusive and sustainable regional identity and leadership structure that will promote innovation and ensure the long term success of the transformational initiative.

The MAP initiative is of limited duration and much of the progress will just be underway at the scheduled end of the program. However, the impact that the program has had inside and outside the region will be lasting. Transformation within the DLI has been spurred by this initiative and will remain intact long after the program funding has expired. The network connections and leadership structures that are being established during the MAP program will exist and continue to operate to address issues in the future, as dictated by an executive order from the Governor. The importance of moving towards sustainable processes and renewable energy is continuing to increase and public and private pressure continues to build. The regional identity and leadership structure that MAP has helped to create is in place to act during this new era of opportunity.

Montana's Agro-Energy Plan is a part of the regional identity of Central and Eastern Montana. The opportunities presented in value-added agriculture and the new frontier of domestic, clean, renewable energy, in all its forms, offer

incredible avenues to bring economic security and prosperity to Central and Eastern Montana.

B. Efforts underway to meet the goal of sustainability:

The SWIB is currently under transformation due to the recent consolidation of the local workforce boards into one state wide board. Part of this transformation is the rethinking of the board's methods of doing business and primary goals. Industry leaders on the board are looking to make it more responsive and effective in dealing with workforce issue. This transformation is an opportunity to transition the MAP concept into the SWIB's. The SWIB is an optimal structure to take on the sustainability of MAP as it is made up of members of the ESC as well as other industry representatives.

The director of MAP was planning on drafting a white paper on sustaining the MAP model in Montana. However, due to recent funding opportunities released by the USDOL as well as the transformation of the SWIB the Director will instead focus his energy on sustaining the WIRED MAP progress and processes by convening diverse partners to help form a State Energy Sector Plan. The SWIB will be the driving force behind the sector plan and is considering the development of more sector plans focused on other significant industries in Montana.

V

Common Performance Measures Reporting

MAP has begun collecting and reporting data to enable the calculation of the common measures performance outcomes. The Department of Labor and Industry, Workforce Services Division, is using the existing infrastructure and reporting mechanisms of the Montana Works system to enter the data and report the results and outcomes of individuals trained with WIRED funds. The local WSD Job Service offices have been collecting and reporting data into the Montana Works system. The DOC grantees have been given the appropriate forms dictating the data to be collected and turned into the WSD. WSD then enters this data into the Montana Works system. WIRED participants have been co-enrolled in WIA programs when appropriate and have been tracked as both WIRED and WIA participants. For details on this, please see Attachment A on page 58.

VI

Summary of grant activities this quarter

During this quarter the WIRED director engaged multiple organizations and individuals in discussions about the WIRED philosophy and approach as it relates to the President's Green Jobs initiatives. Multiple Green Jobs grants were announced through the USDOL and these grant opportunities were a natural continuation of the work in which MAP has been. Thus it was appropriate for the Director to impart his knowledge of the MAP initiative and how these new grant opportunities could build on the MAP initiative. The Director facilitated discussions focused around three of the grant announcements, Energy Training Partnership, Pathways out of Poverty, and State Energy Sector Partnership. Multiple groups were engaged in the facilitated discussion and with the assistance of a grant writing team from the Montana DLI, grant applications were submitted for each SGA. By facilitating the discussion the MAP Director was able to stress the importance of partnerships, industry participation, training that resulted in a degree or certificated, and utilizing existing programs to leverage resources. The grant applications represent an opportunity to sustain the training and focus of the MAP initiative throughout all of Montana.

The WIRED director presented and met with various audiences during this quarter, including Virtual Policy Academies presented by the National Governor's Association and a Corporation for a Skilled Workforce, SWIB Executive Committee meeting, the Dillon Energy Conference, and many others. The Director continues to participate in the Rockies Energy Workforce Collaborative. REWC is a multi-state collaborative lead by the oil and gas industry to develop a qualified workforce for the energy sector in the region, the director sits on the steering committee of the collaborative.

ESC meetings were held in July and September to evaluate the current budget and determine if any reallocations needed to occur.

The Montana Department of Commerce: The following took place during the third quarter of 2009 (complete information on the activities for the quarter can be found in section VIII of this report):

- No new applications are being accepted at this time as all available funding has been allocated. DOC continues to monitor grantees.

The Montana Department of Agriculture: Through its Bio-Product Innovation Centers, the Montana Department of Agriculture is providing training for multiple projects. The following projects are new for the third quarter of 2009 (complete information on these projects, other new projects, and ongoing projects, can be found in section VIII of this report):

- Jim's Online Fish Shop
Jim Knott in Grass Range operates a tilapia fish farm. Jim has requested training for development of market strategies to facilitate sales to local and regional fresh food markets. Other services will include training on business

planning, cash flow, and market assessments along with licensing and certification by various oversight agencies.

- **MonDak Energy Alliance**
This group of people from both Montana and North Dakota has formed a group. At this time they are calling themselves the MonDak Energy Alliance. They would like to establish an energy complex in the immediate region. The energy complex will ultimately be a petroleum refinery, but will also be able to process bio-diesel and ethanol, along with jet fuel. In a separate, but combined effort, this group would also like to see a horse slaughter plant established in this area. Discussions are proceeding to determine what training needs can be met by the BPIC.

The Office of the Commissioner of Higher Education (OCHE): Efforts continue at Miles City Community College, Montana State University-Northern, Fort Peck Community College, and Dawson Community College to enroll students, develop curriculum, link with industry and partners, and develop facilities and laboratories. For a comprehensive list of this quarter activities see page 47.

The Department of Labor & Industry Workforce Services Division (DLI WSD): DLI WSD reports that demand for their services within the WIRED program continue to exceed their expectations. Original projections estimated that DLI/WSD would train 500 individuals. Recent figures show that approximately 1150 individuals have been trained or are currently enrolled in training. Of this number, approximately 518 are Native Americans. The following is a sampling of the grant activities conducted or coordinated by Workforce Services Division WIRED consultants during the quarter. For a comprehensive list see page 52.

- The Billings WIRED consultant shares that people have continued to contact him to see if WIRED funds are available to help them attend training. He has been collecting their eligibility information so that, should there be funding, they would be prepared to begin training. Anticipating that WIRED funds could be available in November, he has been coordinating with the Crow Tribe Roads Department and instructor Dan Archer to tentatively plan for an 80-hour Heavy Equipment Operator training course. Also, he has been coordinating with the Hardin High School and READI Workforce Training Center of Belgrade to offer another 60-hour Arc Welding training course in Hardin starting in January.
- The Cut Bank WIRED consultant explained the WIRED program to Working Friends Community Management Team, Rocky Mountain Front Community Management Team, Tribal Employment Rights Organization, Blackfeet Manpower, Blackfeet Community College, and Office of Public assistance, several county extension agents and the Blackfeet Tribal Veteran Representative. He has also coordinated several truck driving and cement laying classes. Should additional funding become available, heavy equipment operator training and welding courses would be of interest to participants.

Montana Department of Environmental Quality (DEQ): DEQ began WIRED activities in May of 2008. Below is an example of their activity this quarter (complete information on DEQ activity can be found in section VIII of this report):

- DEQ has drafted an agenda and has partners for a training workshop on biodiesel, December 8, 2009, at Dawson Community College, Glendive. The training was delayed largely due to the unusual growing season and late harvest, making most prospective processors about 6-weeks behind harvest schedule.
- Activities dealing with infrastructure changes with respect to school bus fleets: DEQ worked with the Office of Public Instruction, the Montana Department of Public Health and Human Services, and others to promote use of cleaner fuels and school buses. This partnership was able to develop and evaluate the replacement of 31 school buses in Montana this past quarter.

VII Challenges to project progress

Grant utilization has been an issue for the MAP initiative. Obligated funds are being spent but may not end up being fully utilized and thus may end up needing to be redistributed. The MAP staff has been working diligently to evaluate the progress of each grantee or program that was funded to determine the status of unutilized funds. It is imperative that MAP grantees have time to fulfill their contract and meet their goals, but it is also imperative that grantees reevaluate the scope and timeframe of their grant and make any adjustments necessary. This is a difficult balancing act and requires blunt conversation at both the grantee level and the ESC level. MAP staff is being proactive in addressing this issue and is meeting on a monthly basis to evaluate spending levels and redistribute funds as needed. The WSD has a waiting list of individuals interested in training and a discussion with training providers has occurred to allow for quick enrollment and training of individuals on the waiting list. This demand will allow MAP to turn over unutilized funds in a responsible and effective manner.

Current economic climate: Economic trends have lead to increased difficulty in advancing the MAP initiative. The current financial situation has drastically lowered investment capital available for development of Montana's bioproducts industry. The economic downturn has also resulted in increasing numbers of individuals seeking training to increase their employability. This has lead to an increased demand for training at the one stop centers. .

VIII Promising innovation and processes and success stories

The cooperation and coordination with the tribal governments and tribal organizations and DLI WSD one stop centers has yielded tangible results and relationships that will continue to deliver results well into the future. The programs delivered on tribal lands have been referenced as a model of success for cooperation amongst governments and are viewed as a template for future cooperation. These concrete examples of success were utilized in the development of the Pathways out of Poverty grant, a cooperative grant application between the Blackfeet Manpower Certified OneStop Center, Stone Child College on the Rocky Boys Reservation, and Fort Peck Tech on the Fort Peck Reservation. WIRED best practices from both the Blackfeet and Fort Peck communities were shared amongst partners and if funded will be replicated and enhanced for all three communities.

The utilization of camelina oil for jet fuel development continues to progress and a company that is contracting for camelina in Montana has procured a contract for 40,000 gallons of BioJet fuel for testing with the Navy. This coupled with the recent FDA approval of camelina meal, the bi-product of crushing the seed for oil, for feeding to various livestock present a bright future for this new crop.

MSU Northern received supplemental funding through the last legislative session in Montana as well as federally for continued development of the Bio-Energy Innovation and Testing center. The increased funding will be utilized to enhance the building that the new AC dynamometer will be located in and will also allow the testing center to begin working with BioJet fuel, or JP8. The non-WIRED dollars add up to \$2.9 Million.

Recent Green Job grant opportunities, if funded, will allow Montana to continue training a workforce in the green industries that MAP has focused on as well as other lucrative green industry sectors that present an opportunity for the region and all of Montana. The formation of the State Energy Sector Partnership (SESP) will provide a format for sustaining the focus on the energy sector with the cooperation and leadership of the industry. The SESP will also provide a venue for the collaboration and cooperation of various state agencies so that programs and funds targeted at the energy sector will be utilized to the fullest extent possible.

Below are some excerpts from the second BPA report that represent success of the WIRED MAP initiative in Montana.

A **Montana** Job Service manager jokingly referred to collaboration as *The Miracle of the Pies*: “As the pies shrink, everybody brings their pies to the table. When they do, they find there’s an extra pie that no one noticed before.”

“The **Montana Agro-Energy Program (MAP)** lets us go beyond the tried and true things to ask what is really working and what is not. This is a rural frontier

area. We need to be creative, and in fact we have been for a long time. MAP gives us an opportunity to honor that creative tradition. The whole concept is innovative. First, the initiative is truly regional. We have seen regional elements in specific projects, but never at this scale. Second, it's flexible, not one-size-fits-all in terms of service delivery and training options. Third, it is many-layered, with training, business development, and university research... So there's much more variety in what can happen." – *Montana Job Service regional manager*

Relationships have grown at the local level as well as the state level. Respondents in Montana stated that one of the biggest accomplishments of the Montana Agro-Energy Plan is that local Job Service staff members have established relationships with both the tribal colleges and Montana State University, Northern. As one respondent said, "We are now a lifetime partnership."

IX	Summary of grant activities to date
----	-------------------------------------

Montana Department of Commerce

Ongoing Activities:

- Internal MDOC weekly meetings are held to discuss WIRED staff activities in support of the WIRED project.
- MDOC has received from MDLI the USDOL WIRED reporting matrix and is collecting information from grantees and including it as a quarter reporting requirement beginning with Q1 2008.
- MDOC staff continually monitors grantee's progress toward completion of their contract as the end date for the WIRED program is drawing near.
- US DOL performed a fiscal monitoring visit with MDOC. Response from MDOC sent to MDL&I
- Contracted with Ft. Peck Tech Services
- All remaining WIRED funds have been utilized; no new WIRED applications are being accepted.

Challenges:

MDOC has completed all monitoring activities.

Montana Manufacturing Extension Center (MMEC)

\$699,134 WIRED Funds 1.6:1 Match

Project Description: MMEC will work with existing and new bio-product businesses within the WIRED region to increase manufacturing and production efficiency by training company employees. This activity will assist in WIRED funds being distributed to qualified Montana manufacturers in an effort to diversify and increase the economic base in the WIRED region.

Ongoing Activities:

Subcontract with a qualified vendor to conduct a census of manufacturers in the 32 WIRED counties that will identify bio-products manufacturers and their training needs: (100% Complete)

The Montana WIRED Manufacturers Survey was completed by the Bureau of Business and Economic Research at the University of Montana. The results show that there are 338 manufacturers in the WIRED region that meet the operational definition of bio-manufacturer. Of these, 84.3% are either sole proprietors or they employ the proprietor and up to four employees. Only 15.7% employ five or more additional workers.

The results are now available at the following link on the MMEC website:

http://www.mtmanufacturingcenter.com/PDFs/MT_WIREDmfgSurvey07.pdf

The WIRED Field Engineer analyzed the survey data. As a part of this process, he divided the WIRED region into 10 sub-regions based upon geographic and economic factors. The field engineer is in the process of visiting each of these sub-regions. During these trips, he is coordinating with and visiting as many of the bio-manufacturers as possible. These visits are helpful in determining the status of each manufacturer and determining if they are actually bio-manufacturers. This provides an opportunity for him to meet these manufacturers and provide them with information regarding the WIRED program as well as the services offered by MMEC and other economic development agencies.

Recruit, hire, house, and provide appropriate training for a dedicated professional FTE (100% Complete)

Recruitment for the WIRED Field Engineer is complete. Jim Haider was offered and accepted the position. Jim did not receive any training during the quarter.

Build relationships with qualified manufacturers in the Montana WIRED region (Ongoing throughout the WIRED grant)

Manufacturers and individuals that Jim has met with this quarter to provide information about the WIRED program and conduct training coordination and planning include: none

Work with qualified manufacturers to submit applications to the MDOC for WIRED funds: (Ongoing throughout the WIRED grant)

MMEC will no longer submit applications to the MDOC due to lack of remaining funds at MDOC.

Develop and deliver general and customized new and incumbent worker training to companies in the Montana WIRED region: (Ongoing throughout the WIRED grant)

Training delivery: Both Good Manufacturing Practices (GMP) overview training and Hazard Analysis and Critical Control Points (HACCP) training was provided to nine different employees of Montana Specialty Mills, LLC.

Hydraulic Heat Transfer Training was delivered to the president of Native Seedsters, Inc.

Training development:

MMEC continues to evaluate the development of training focused specifically on energy reduction for industrial users and manufacturers in the region. This is a role that MMEC is uniquely qualified to fill as it requires an organization that has a solid understanding of each individual manufacturer or industrial user.

Identify and secure knowledgeable, professional third-party providers, as needed, for development and delivery of training programs: (Ongoing throughout the WIRED grant)

During this quarter, MMEC contracted with Beki Brandborg to provide strategic planning training to Little River Smokehouse and Little Rockies Meat Packing Inc. This training was conducted July 14 and 15 in Great Falls to three employees.

Work with WIRED partners to build client driven training partnerships: (Ongoing throughout the WIRED grant)

MMEC submitted an application to USDA Rural Development under the Rural Energy for America Program (REAP). This application was in partnership with the Montana Department of Natural Resources and Conservation (MT DNRC) and the Montana Community Development Corporation (MCDC.) MMEC's proposed involvement in REAP would involve delivery of training to reduce energy intensity at manufacturers in rural areas of Montana. A specific focus will be the timber industry and will coincide with efforts among several mills to move forward with grid tie combine heat power (CHP) systems. This application was denied by USDA due to lack of sufficient funding during this round of funding. However MMEC, MT DNRC, and MCDC will partner together for future projects to address this need.

As detailed above, MMEC conducted strategic planning training for the Little River Smokehouse and Little Rockies Meat Packing Inc. This training was conducted in partnership with Leesa Nopper of the Montana Department of Commerce's Business to Business Marketing Program.

Report on progress and provide information required by MDOC: (Ongoing throughout the WIRED grant)

MMEC maintains open communication with all WIRED partners in addition to providing all required MDOC reporting. MMEC provides quarterly status reports to MDOC.

MMEC also provides all necessary forms to training recipients so that they may submit these forms to the Montana Department of Labor & Industry as required by the WIRED grant. This includes WIRED Incumbent Worker Training Forms 1.07 and 2.07.

Provide oversight and administration necessary to support the dedicated resources, including 0.1 FTE of the MMEC Director and Business Manager: (100% Complete)

The MMEC Director and Assistant Director are dedicated 10% to the oversight and administration required by this project.

The Assistant Director continues to maintain a relationship with the National Institute of Standards and Technology (NIST) regarding the WIRED pilot project. This pilot provides connections to other Federal agencies that will benefit the MT WIRED project.

Steve Holland continues to seek funding to compliment and continue the WIRED project. MMEC has secured funding to allow continued work with bio-products manufacturing (and expand the work beyond training and the 32 counties) for approximately 1.5 years from the completion of MMEC's WIRED funding.

Provide training support personnel including training seminar coordination: (100% Complete)

Recruitment for 0.5 FTE support personnel is complete. August Uhl was hired with an official start date of December 12, 2006.

Track and report on project impacts using the existing NIST MEP and MMEC survey processes: (Ongoing throughout the WIRED grant)

Projects that have been initiated are currently being tracked and are independently surveyed via NIST MEP six months to one year from completion. This quarter, three project surveys were returned and six additional surveys are scheduled over the next 12 months. The surveys indicated increased sales in the amount of \$20,000; retained sales of \$28,000; 5 increased jobs; 4 retained jobs; \$50,000 investment in plant, equipment; and almost \$51,000 in cost savings.

Projected Completion Date

Due to the extension from the Montana Department of Commerce, MMEC will complete this project October 31, 2009.

Information Related to Specific Areas of Interest

Business development on the tribal nations: Little River Smokehouse, Harlem: This Native owned and operated smokehouse is run by the Fort Belknap Indian Community. They produce jerky, meat sticks, and sausages from buffalo. The field engineer has been providing costing training for this company. This training further enables a determination of the cost of goods sold will allow the smokehouse to better set a pricing schedule. Additionally, strategic planning training was delivered.

Increased employment of tribal members

Acre increase in oilseed crop production

Media visibility

Jobs created or retained through workforce training

Average wage growth: The three companies that completed the survey mentioned earlier in this report indicate manufacturing jobs average 24% higher than the median Montana wage as a result of the services they received from MMEC under the WIRED project.

Pursuing new and innovative bio-product ideas: The MMEC has been providing training to employees of Native Seedsters, Inc. This company has moved beyond the research and prototyping stage and into production. As the biofuels industry matures, most experts agree that there will be an increased need to use second generation feedstocks for production of ethanol, biodiesel, and other biofuels. Many second generation feedstocks are derived from non-traditional crops. The harvesting of non-traditional crops will require machinery capable of performing this task. The Native Seedster is an example of such a machine. This quarter, the field engineer provided design for manufacturability training related to seed collection systems to Native Seedsters employees.

Challenges: Significant Problems Encountered

The conclusion of available funds for WIRED training inhibits the training that the MMEC can facilitate. Thus far, the MMEC has provided training via the Field Engineer and third party providers. Larger training needs were identified by the WIRED Field Engineer and then routed via an RDO for application to the MDOC. This was the preferred method as it allowed the MMEC to facilitate the smaller training needs and allowed the MDOC to focus on the larger applications. The Field Engineer is now providing training in areas where he has expertise. Due to cost savings, MMEC has approximately \$5,000 to secure external training providers for our clients. However, MMEC continues to work with the RDOs and other WIRED partners and economic development agencies to seek out other funding and solutions for training needs at WIRED Region companies. MMEC is also seeking additional, complimentary funding to provide training for WIRED businesses and employees.

WIRED agreements MMEC has with businesses

Big Sky Quality Wool: Big Sky Quality Wool (BSQW) needed to improve the capabilities of their operation by purchasing and installing an MJD series spin/twist machine from Carolina Specialties Inc. This machine allows BSQW to spin their wool into yarn and eliminate the need to outsource this step. BSQW purchased the machine and MMEC used WIRED funds to pay for the training associated with this machine.

Big Sky Quality Wool: One of the current objectives of BSQW is to increase their sales and improve their markets. To accomplish this, two of the owners attended marketing training in Billings. MMEC used WIRED funds to pay for this training.

Cream of the West, LLC: One of Cream of the West's (COTW) current objectives is to increase their sales and improve their markets. To accomplish this, two of their marketing staff attended marketing training in Billings. Another objective of COTW is to train one of their staff to be a certified low pressure boiler operator. To accomplish this, COTW sent one staff member to the Montana Low Pressure Boiler Operation and Maintenance Seminar in Billings.

Eisele's Custom Boots: This company both manufactures custom boots as well as custom orthotics and footwear for individual clients. The pedorthist of this company is the only licensed pedorthist in the region and he required continuing education training to maintain his orthotics license. WIRED funds were used to send the owner to Nashville to complete his continuing education training at the Pedorthic Footwear Association's Annual Symposium in Nashville, Tennessee.

Powder River Forestry: One of Powder River Forestry's (PRF) current objectives is to increase their sales and improve their markets. To accomplish this, the owners are exploring opportunities for the use of waste woody biomass from local forests. In order to accomplish this, two of the owners attended the Biomass '08 Conference in Minneapolis.

Granrud's Lefse Shack: This seasonal manufacturer of potato lefse is located in Opheim. Demand for their product exceeds their staff's ability to produce lefse. The small population of Opheim and the surrounding communities makes it difficult to find additional employees. The owners of the Lefse Shack determined that automating some of their processes would allow them to produce more lefse with the same staffing level. WIRED funds were used to pay for KB Consulting to provide automation training for their new automated lefse rolling machines.

Sidney Sugars, Inc.: Sidney Sugars Inc. (SSI) performs almost 100% of their own electrical work with their staff of seven maintenance electricians. Electricians at SSI required training to keep current with the NEC code that was updated in 2008. To accomplish this, two staff electricians were sent to electrician training provided by AE Tech in Rapid City, South Dakota.

Sidney Sugars, Inc.: Sidney Sugars, Inc. owns VibrAlign equipment used for precision pump alignment in their facility. Two employees were trained on this equipment. SSI wanted to expand the training knowledge base on this equipment to all of their mechanics and electricians. This expansion would allow SSI to minimize downtime related calling in employees that are on call. To accomplish this, 11 employees were trained on site by VibrAlign.

Snowy Mountain Coffee: One of Snowy Mountain Coffee's (SMC) current objectives is to increase their sales and improve their markets. To accomplish this, one of the owners attended a Roast Profiling and Cupping Course in Mill Valley.

University of Montana College of Technology
\$572,734 WIRED Funds Less than 1:1 Match

Project Description: The purpose of the grant is to provide start-up funds for a 2-year Associate of Applied Science degree program to train Energy Technicians. After the initial start-up phase the program will be self sustaining and producing trained energy technicians in support of the bio-products industry.

Ongoing Activities:

Student Recruitment

New student enrollment for Autumn Semester 2009 was 37 as of June 15, 2009. Program entry capped at 60; 17 on waiting list for spring 2010. Number of students active in program at end Spring Semester 2009 was 69. Number of students graduated Spring Semester 2009 was 2.

Conferences/Workshops/Field Experiences/Internships

Program Director

Panel member "Made in America Jobs Tour -- A panel discussion on opportunities in the green economy," University of Montana, Missoula, Montana, September 16, 2009.

International Conference on Woody Biomass Utilization, Starkville, MS, August 4-5, 2009

Member "Climate Action Planning Technical Working Group", ongoing.

Students

One Miles Community College student completed an intensive Home Energy Rater Training course and successfully passed the qualifying exam to certify new homes for the Federal Tax Credit for energy efficiency.

Collaboration/Networking (ongoing)

Earth Restoration Project, Missoula, Montana

Flathead Valley Community College; course articulation agreement in process for offering Energy Tech program at FVCC

Scholarships

Fall 2009 semester recipients of the Miles Community College, University of Montana College of Technology WIRED Scholarships:
Robert Potts, Matthew Nelson, and Charles Marsh..

Challenges to project progress: No challenges listed this quarter.

Earl Fisher Bio-Fuels, LLC

\$234,500 WIRED Funds Nearly 5:1 Match

Project Description: The purpose of the grant is to provide funding to train employees and regional farmers in the benefits of oilseed crops. Earl Fisher's mission is to create economic growth and employment opportunities by building a biodiesel production facility in Chester, Montana. This will create a self sustaining industry in rural north central Montana, by creating a market for oilseed crops that can be grown locally, converted to fuel locally, and consumed locally. By year end, their goal is to have hired 7 new employees.

Ongoing Activities:

Earl Fisher Bio Fuels (EFBF) currently has two employees plus two owners working at the facility. They will maintain this level of full time staff until the pricing pressure for biodiesel stabilizes.

EFBF began training another employee on the biodiesel section of the plant in the second quarter. They have two employees training on the crushing end of the facility. Their current plan is to train one employee on the biodiesel section of the plant in the 4th quarter of 2009.

EFBF has continued training on the sample preparation process in the lab.

Their goals for the next quarter include optimizing the crushing section of the plant on safflower, completing facility test run on a solids/liquid separation system for the crushers, and start training the third employee on the biodiesel production facility.

Challenges to project progress:

The biggest challenge next quarter will be finding markets for meal and finding oil sources that will dollar cost average down the camelina purchased in 2008. There is some interest in winter sales and more volume will be pushed through the plant in the winter months.

Decker Coal

\$1,526,000 WIRED Funds Nearly 2:1 Match

Project Description: The purpose of this grant is to provide job training for 165 employees in the mining industry. Operation is located in Decker.

Ongoing Activities:

CDL Hazmat Training - Commercial Drivers License – CDL's are required to hold many of Decker Coal job classifications. Decker hires many employees that do not hold this type of license and many of their current employees need this license to change job classifications. People that hold a CDL are required to maintain their Medical Certificate, but as long as they do not let their license expire or have their license revoked they will need no further training. Hazmat/Security Plan training is required of all personnel holding a CDL every three years.

CH150 Training Training - Consists of teaching the safe operation of 150 ton coal haulers. Teaches basic maintenance to identify potential mechanical failures before they happen, teaches basic operating procedures of loading around large shovels, operating coal hauler down steep grades and on maintained haul roads. This training also teaches how to dump a load into the crusher, how to build a coal stockpile, and how to work around other smaller equipment safely.

R170 Training - Training consists of teaching safe operation of end dumps. Teaches basic maintenance to identify potential mechanical failures before they happen, teaches basic operating procedures of loading around large shovels, procedures of operating end dumps down steep grades, or building stockpiles, and how to work around smaller equipment.

Dozer Training – Training consists of teaching the safe operation of large track type dozers. Teaches basic maintenance to identify potential mechanical failures before they happen, teaches basic operation of production dozing, stripping topsoil, lay down of topsoil, building a ramp, cleaning coal, extinguishing coal fires, maintaining s shovel dirt dump, and working around large draglines.

Driller Training – Training consists of the safe and productive operation of both track drills: D-75 Drilltech and D-245 Drilltech. Go over operators manual, pattern design, how to read pit plans and proper technique for hauling drill on lowboy. Some minor maintenance of machine and the changing of drill bits.

834 Rubber Tire Dozer Training – This training includes training manuals, operator's manual, walk around inspection, safe operation practices, in cab controls. Some basic rubber tired dozer projects; coal pile maintenance, dirt dump maintenance, clean up around shovel. Decker hires inexperienced operators and this is a part of their training program. This training will be ongoing.

Dragline Oiler – This position takes care of all trailing cable, moving machine (dragline), lubrication system, boom inspection, bucket inspection and small

maintenance problems. This training includes training manual, walk around inspection, proper lubrication of wear components, electrical trailing cable, how to move machine and boom inspection. This training is ongoing.

Caterpillar 5230 Training – Employees are taught the safe and productive operation of our Front Shovel. They are also taught the lube system maintenance, the proper digging sequence and some machine maintenance. They are taught the safe operation around trucks and other support equipment.

Plant Operator Training – Training includes belt startups, belt speeds, silo selection, feeder operation (traps), training belts, calculating coal blending requirements, training plant oilers, controlling crusher speeds

Dragline Operator Training – Employees are taught the safe and productive operation of the two draglines: B.E. 1300 and B.E. 1570 walking draglines. First they are taught as oilers the maintenance of the machines and electrical safety and lube systems. Dragline Operator training consists of all oiler training and how to read pit design, proper placement of spoil dirt and the safety of the entire three man crew working in area.

Water Truck Training – Employees are taught the safe and productive operation of Euclid 16,000 gallon water truck. Teaching from the training manual and best practices developed at Decker coal. Taught are the operation of the truck, different truck fill points, road maintenance and some fire fighting skills.

Pre-MSHS White Card Test – pre-test training course, subjects that reviewed is MSHA permissibility, A/C theory, D/C theory, Instrumentation and Control Circuits, and Part 77-J-F, and S.

Training on Water/Utility Tech – Water treatment Plant Operation – Applicant should be able to calculate and administer water treatment chemicals, test water sources monthly, maintain a Water Plant Operators License (class and tested). Should be able to trouble shoot and diagnose well problems; run and maintain treatment plant & facilities; conduct periodic water quality testing; submit reports, inspect lagoons; suggest repairs, etc.

Electricity Troubleshooting, Skills – Trained to review and troubleshoot off basic wiring diagrams, calculate voltage, AMPs and resistance in circuits.

Electrical Training – Required under MSHA law for 1year of onsite training for apprentice type personnel. Some skills taught are dragline motor and generator inspections and repairs; hot start inspections and repairs; lighting changes; plant circuit trouble shooting, plant motor and MCC inspections and repairs; and monthly MSHA inspections throughout the mine site.

Crane Rigging Certification – training to ensure safe crane operation

Michelin Tire School – training primarily for production type employees in haul road design, maintenance and the operation of their large trucks. The class also covers tire design and selection to obtain the best tire for the application.

Scraper Training – training includes training manuals, operator’s manual, walk around inspection, cab controls, low speed & high speed driving. Some basic scrapper projects, cleaning coal, trapping coal road maintenance, topsoil stripping. Decker Coal hires inexperienced operators and this will be an ongoing training.

Blaster 1 Course Training – training included blasting and techniques and MSHA requirements

Basic Emergency Care – This is a 48 hour entry level class for First Responders, and can be used as continuing medical education required for recertification. The Class is used by the Company’s Mine Rescue Team.

Global Positioning System – GPS units are installed in track dozers and allow the operators to know when a desired grade has been established. The class taught the basics of how to use the GPS, program a grade, and how to do some trouble shooting.

Challenges to project progress: No challenges reported.

D&M Water Service

\$62,928 WIRED Funds 1:1 Match

Project Description: The purpose of this grant is to provide funding for training for nine new employees. Training will consist of safety, operation, and maintenance of the equipment (trucks, trailers, forklifts). Operation is located in Baker.

Ongoing Activities: D&M Water completed a total of 513 hours of orientation training with four current employees as tank truck operators.

Orientation training consists of basic knowledge of operation and safety training. Two Tank Truck Operators have completed 177 hours of instruction at Sage Technical School and 26 hours in truck training under direct supervision of a senior operator performing duties including but not limited to,

- Basic truck operation
- Oil field map reading
- Completion of paper work
- Well head configuration, connections, procedures, hazards, and safety
- Vac pump, gear pump, and pressure operation

Flowline operations
Fluid transfer

This is an ongoing process as the industry is under constant change. To date this has been a great program for D&M Water and its employees. They are gaining qualified people and their employees are receiving valuable training at the start of their new career.

All D&M employees have gone through a STOP (DuPont Safety Resources: Saving Lives and Livelihoods) training and participated in a Fire Safety/Heat Stress/H2s program in the third quarter of 2009 which utilizes 2/3 of the remaining WIRED grant funds.

Challenges to project progress: No challenges were listed this quarter.

Signal Peak Energy, LLC

\$300,000 WIRED Funds Match 1500 : 1

Project Description: The purpose of this grant is to provide training for up to 191 employees in the operation of the mining industry. Operation is located in Roundup.

Ongoing Activities: Signal Peak Energy hired 40 new employees during the third quarter which brought Signal Peak's total employee count to 189. Signal Peak has reached a hiring plateau and doesn't anticipate having more than 200 total employees.

Challenges to project progress: No significant challenges reported.

Fort Peck Tech Services

\$51,849 WIRED Funds Match 1.5 : 1

Project Description: The purpose of this grant is to provide funding for training of eight new and 11 existing employees in the skills of welding and metal fabrication.

Ongoing Activities:

Provided AWS (American Welding Society) Certification training to 28 trainees. This is the second year Fort Peck Tech Services has provided such training and they have had a 100% success rate, which means that every trainee who stuck with the program passed the test.

Challenges to project progress: No significant challenges reported. Grantee does not anticipate utilizing the remaining \$18,020.04 of grant funds available. As such the grantee has actually provided a 3.5:1 match for this project.

Closed Contracts:

Safflower Technologies International, LLC.

\$73,325 WIRED Funds 4.4:1 Match

Project Description: The purpose of the grant is to provide funding for the training of eight employees in the operation and maintenance of a seed cleaning and storage facility. Operation located in Fairview.

Activities:

Nine employees received training with WIRED funds. STI found that they would train staff members and lose them to the oil drilling sector. They currently have seven staff employed at the elevator, four of which were newly created jobs. Recruitment for an assistant manager/ plant operator is underway.

STI has requested the remainder of their WIRED grant award, as training costs in the first quarter exceeded the remaining WIRED funds. No further reporting will occur and STI's WIRED contract will be closed up processing of their latest request for funds.

Challenges to project progress: The training costs and time requirement for the operation and maintenance of the elevator and seed cleaning plant were underestimated and considerably higher than what was listed in their application for the WIRED grant.

Sustainable Systems, LLC

\$700,000 WIRED Funds 17:1 Match

Project Description: This oil seed crushing plant is located in Culbertson. The award was used for direct training of employees in conjunction with a large remodel and equipment upgrade and will provide support to growers.

Activities: Sustainable Systems submitted a request for funds for the training that occurred in the fourth quarter of 2008, which nearly closed out their WIRED grant. The WIRED contract for Sustainable expired on January 31, 2009. All training costs were submitted to the Department of Commerce. The remaining funds were reallocated to the MT Department of Commerce. No further reporting from Sustainable Systems will occur.

Challenges to project progress: No additional challenges were noted.

Ethanol Producers and Consumers (EPAC)

\$87,500 WIRED Funds 2:1 Match

Project Description: This non-profit mutual benefit corporation has 150 active members and is located in Nashua. This award was used to fund a series of workshops to train employees and businesses on providing education, information and referral services to promote the bio-fuel industry resulting in a heightened awareness of biofuel development and E-85 pump installation procedures in the WIRED region.

Activities:

EPAC was granted a contract extension from January 31, 2009, to March 31, 2009.

EPAC along with partners CHS, KATZEN International, Montana Ethanol, Montana Microbial Products and WIFE (Women Involved in Farm Economics) hosted a legislative reception on Monday, January 19th in Helena. Members of the House and Senate that represent communities in the WIRED region were specifically targeted and reached with materials made possible by the WIRED funding. Representatives from the other areas of the state had the opportunity to pick up the same materials at the event. The information packets for the 23 WIRED legislators was a compilation of the printed and CD information that has been mailed and received by the community college and high school libraries in their WIRED areas. Packets for the WIRED legislators that did attend were mailed and delivered to their capital offices. The reception was attended by more than 69 Senators and Representatives. EPAC produced with WIRED funds a small booklet "Questions and Answers about Biofuels" that was distributed to each attendee. The reception was advertised for public attendance and received coverage in many local papers and radio stations both prior to and after the event. By reaching out to the Montana Legislators EPAC continued to engage the conversation about the biofuel industry, answer Legislator's questions and what it means to the citizens of the state of Montana.

EPAC then took the opportunity to reach out to high school students in the WIRED region that were coming together for the Montana State FFA Convention in Great Falls, March 25-27th. With 35 FFA Chapters representing communities and youth in the WIRED region EPAC participated as a sponsor and trade show display at the convention. EPAC developed a material packet for each WIRED FFA Chapter; was the sponsor of the Agri-Science Poster competition, distributed the Biofuel Questions And Answer Booklet along with other Montana and Industry Biofuel information and developed and distributed an "Eat the Best, Drive the Rest" Distiller Grain Recipe booklet. More than 80 students "registered" and asked questions about Biofuels with more than 1/3 representing the WIRED communities; while another 100 or so parents, advisors, teachers, speaking guests too came to the EPAC booth to get materials.

The workshops that were held in 2008 were featured and covered as news stories by TV, radio, newspaper and agricultural publications as well as national

publications such as Biomass Magazine and Ethanol Producers, and the conventions and conferences that EPAC attends are covered with pre and post press releases.

EPAC'S WIRED contract has expired and any remaining funds were reallocated to the MT Department of Commerce for other WIRED projects.

Challenges to project progress: No significant challenges reported.

Fort Peck Tribe/Fort Peck Community College (FPCC)
\$50,000 WIRED Funds 4:1 Match

Project Description: This award was managed by the Fort Peck Community College in Poplar. The funds were used to train no less than 25 unemployed individuals to be prepared for opportunities in the bio-product related industry within the WIRED region.

Activities:

Fort Peck Community College utilized their remaining WIRED grant funds with the completion of concrete II training. Concrete II with small equipment WIRED training focused on "train to the standard and not time" indicating that if a student met the objective and could perform the standard, but circumstances prevented them from completing the hours in a block, they were allowed to progress to training. Performing to the standard also included the minimum requirements in their grading system and satisfactory academic progress.

Concrete II training consisted of four trainees and four instructors.

Training included: Bobcat Training, Know the Worksite, Changing & Using Attachments, Bystander Awareness, Getting on/off Safely, While Operating, and Review the Operator Manual.

Increased employment of tribal members:

- A) Fort Peck Tech has retained the 10 welders for commercial work.
- B) Two participants enrolled in the Fort Peck Community College Vo-Tech curriculum.

Average Wage Growth

- A) Average wage of welders increased from \$7.50 an hour to \$12.50 per hour.

Fort Peck Community College's WIRED grant has expired. All WIRED funds were reimbursed and no further reporting will occur.

Challenges to project progress: No significant challenges reported.

Peaks & Prairies, LLC
\$410,000 WIRED Funds 9:1 Match

Project Description: This bio-refinery crushes oil crops grown by members and refines the oils into bio-lubricants. Projections included the creation of 19.5 new jobs by the end of 2008 and up to 30 new jobs by the end of the project resulting in growth of the industry.

Activities:

In January, Peaks and Prairies hired a sales/ development representative. This new staff trained with current staff and Mike Redd on history, products, and future goals. She was also trained in public relations and marketing.

Staff also received training from Gallusha, Higgins, and Gallusha in new accounting software. The plant manager continued his training with Mike Redd on researching pilot plant equipment. The last week in January staff attended the Harvesting Clean Energy conference in Billings. They attended workshops, demonstrations, and listened to other speakers.

The WIRED contract for Peaks & Prairies expired on January 31, 2009. No further reporting will occur.

Challenges to project progress: No significant challenges reported.

New Century Ag
\$25,000 WIRED Funds 32:1 Match

Project Description: The purpose of the grant was to provide funding for the training of new employees in the operation of a proposed grain elevator in Westby, Montana.

Activities: Approximately 100% of the work is done at the new office building and at the elevator site. They have used WIRED funds to train six new employees, one in the office and 5 in the elevator. New Century Ag has drawn their funds and their contract has been closed out. No further reporting will occur.

Challenges to project progress: No significant challenges reported.

Mr. Pipetech, LLC
\$22,200 WIRED Funds 5:1 Match

Project Description: This award provided for the training of employees in various aspects of pipe bursting operations. Individuals were trained in specialized skills to be better prepared to enter the bio-product workforce.

Activities: Mr. Pipetech has completed their training requirements and have drawn their funds. This contract is closed out and no further reporting will occur.

Challenges to project progress: No significant challenges reported.

Intercontinental Truck Body (ITB)
\$300,000 WIRED Funds More than 3:1 Match

Project Description: The purpose of the grant was to provide funding to ITB to further train their current employees and approximately 15 new employees in specialized skills that would allow the employees to be better prepared to enter the bio-product workforce.

Activities:

High fuel prices, in conjunction with the demise of the construction sector, and automotive sectors resulted in a 30% decline in ITB's traditional business segment.

In the face of these difficulties, ITB was not able to increase their labor force as projected in the original WIRED application. Fortunately, the government business segment increased approximately 38%, and ITB was able to continue using surplus traditional labor to manufacture tow trucks and aircraft ramps.

ITB has completed their training and drawn their grant funds. Their contract was closed in June 2008. This contract is closed out and no further reporting will occur.

Challenges to project progress: High fuel prices, in conjunction with the demise of the construction and automotive sectors, resulted in a 30% decline in ITB's traditional business segment.

Fort Belknap Indian Community (FBIC)
\$50,000 WIRED Funds 2:1 Match

Project Description: FBIC provided job training for a workforce in the production of smoked meat products made by their tribal enterprise, the Little River Smoke House. The goal was to develop the smokehouse capability to produce high end meat products from low end cuts of meat allowing the Tribe to develop a flow of meat products for all cuts of meat.

Activities: The WIRED grant for Fort Belknap has been 100% expended as of September 30, 2007. All funds have been used according to the terms of the grant. Three positions were trained and incorporated into the Little River Smokehouse staff. Ongoing training is required for all staff at the smokehouse for maximum efficiency. Training will be ongoing during their development progress.

The staff received training in the Little Rockies slaughter/ packing facility as well as the Little River Smokehouse. With funds from the WIRED grant trainers were provided for this purpose.

During the course of this grant, the Little River Smokehouse received their 90 day grant of inspection from the USDA as well as HACCP certification training for 14 individuals. They will be receiving their 90 day review on their certification within the next month and they are confident they will receive their final approval for USDA certification. All of this was made possible with the assistance of the WIRED program.

They are now able to produce their products under USDA inspection and market nationally. The next stage of development will be to market their product on a national level and eventually on an international level.

This contract is closed out and no further reporting will occur.

Lake County Community Development Corporation (LCCDC) Mission
Mountain Food Enterprise Center
\$49,732 WIRED Funds 1:1 Match

Project Description: The goal was to assist developing food companies in the 32-county region via the Mission Mountain Food Enterprise Center located in Ronan, to ultimately build processing capacity in the communities that produce significant value-added products from Montana agriculture and create living wage jobs that are filled with a trained workforce.

Activities: The following summarizes Western Bio-Product Innovation Center project quarterly activities from April 1, 2008 through June 30, 2008.

A consultant has completed the script for the program and has recorded with SKC media contractor. She developed additional interviews for the DVD and finished the booklet for the production.

The grantee completed their training contract and has drawn their WIRED grant funds. This contract is closed out and no further reporting will occur.

Challenges to project progress: No significant challenges reported.

Montana Department of Agriculture
--

Bio Product Innovation Centers:

New Projects – Individuals / Businesses Directly Served:

Beartooth RC&D, Inc.

Montana Ranch Beef

Center staff discussed the potential of being able to resurrect the Montana Ranch Beef brand from the group that currently owns the entire product line. Involved in discussions was one of the original women that started the Montana Ranch beef line of canned beef 30 years ago. She is interested in canning beef again utilizing a potential cooperative of beef producers from south central and eastern Montana.

A & W Wood Products

This is a pair of entrepreneurs from Columbus planning to open and operate a pellet mill that would impact Golden Valley and Stillwater Counties by adding value to locally generated wood products. They are looking for funding and resources to pursue feasibility study to supply and cash flow this operation.

Bear Paw Development Corporation

Sunburst Unlimited

This group is looking into building an organic self-sustaining greenhouse project powered with alternative energy and operational year round. This type of project has been successful in Russia, where they operate a 300 acre greenhouse with 1800 employees and supply to all local stores and markets in the area. They would like to develop this model on a smaller scale in Virgelle, and create a business model that can be easily replicated all over the Northwestern United States. In addition, they are also working on an organic fertilizer with a scientist from Hawaii that uses flour millings and a formula of sixteen different microbes, and can also be used as a septic system additive.

Great Northern Development Corporation

MonDak Energy Alliance

This group of people from both Montana and North Dakota have formed a group, at this time are calling themselves the MonDak Energy Alliance. They would like to establish an energy complex in the immediate region. The energy complex will ultimately be a petroleum refinery, but will also be able to process bio-diesel and ethanol, along with jet fuel. In a separate, but combined effort, this group would also like to see a horse slaughter plant established in this area.

Snowy Mountain Development Corporation

Jim's Online Fish Shop

Jim Knott in Grass Range operates a tilapia fish farm. Jim has requested education for development of market strategies to facilitate sales to local and regional fresh food markets. Other services will include education on business planning, cash flow, and market assessments along with licensing and certification by various oversight agencies.

Don Knox

Don operates a tree farm on upper Spring Creek in Lewistown. Don has requested education for development of market strategies to broaden his service area beyond Fergus County.

On-Going Projects

Beartooth RC&D, Inc.

Pioneer Meats

They are working on a business expansion to enable them to process cull animals and lower grade cuts of meat and sell them as value-added products such as various types of sausage, bacon, and other products. Training is being provided in access to capital and business planning.

Cattle Development Center

Staff visited with the business owners regarding a purchase of new equipment to make use of a large amount of bakery excess items that go to the Billings landfill every day. This bovine genetic development facility is located east of Custer, and houses livestock from Big Horn, Yellowstone, and Treasure counties. This is a green project that would greatly reduce feeding costs, reduce landfill costs and requirements, and make use of a bio-product that is currently being wasted. Training is being provided in business planning and funding resources.

Native Seedsters

This three year old business was started by a rancher from Alzada who invented a machine to harvest native grass and wildflower seed. Staff trained the business owner on the development of a marketing plan and grant proposal for the RBEG program which would provide new technology to Plant Material Centers and Educational Facilities in six locations across the country. The business owner will work with these institutions to demonstrate the seed harvesters and establish studies to test the effectiveness of the equipment to harvest various types of grass and wildflower seed. This will provide an opportunity to get the equipment into the field and demonstrated to producers of difficult-to-harvest species of seed.

Mountain View Colony

In just seven years, this colony in Yellowstone County has constructed a new, state of the art, mechanized egg production facility capable of supplying local grocery retailers with over 19,000 eggs per week. Recent food safety requirements may force them out of business. The Colony has invested all they can afford to get this facility to this point. Staff is training them in business planning, including training them to use the GTA program.

Rocky Mountain Compost

This business operates its bagging, distribution, and sales facility out of Yellowstone County. They are partnering with a business in the Lewistown area, which will supply a great deal of their wood stock. The Beartooth RC&D has assisted them with business plan training as well as training on developing a loan proposal for capital improvements and equipment.

Custer's Battlefield Trading Post

The business employees are 90% Crow or Cheyenne and the business pays the employees to employ traditional crafts and mentor the younger employees on traditional beading, which is then sold at the store, and mentor on traditional foods like frye bread that is sold at the attached café. The frye bread ingredients and some of the products used for the beaded products are locally grown and processed. Training was provided to the business on business plan development and sources of capital.

Headwaters Floating Islands

The business would like to expand their manufacturing operation with this location operating on a licensing agreement from Floating Islands International out of Sheperd, MT. The islands are often used to grow flower or vegetable gardens, trees etc while assisting with the natural filtering of the water below.

On Thyme Gourmet

Bonnie Martinell operates a diversified greenhouse and orchard operation raising fresh fruits, vegetables and seasonings which she successfully markets via trade shows, farmers markets and the internet. Training was provided to them on marketing and promotion.

3 Bros. Pizza

The 3 Bros Pizza is Restaurant with a diversified menu that includes pizza, calzones, soups and sandwiches. The owner Greg Smith takes much pride in his in house pizza sauce and has been marketing it on its own for about a year. Training was provided on a marketing plan.

Montana Hanna's Restaurant

This restaurant was initially owned and operated by Jack Hanna and for years featured quality entrees with some local ingredients. Since it was purchased by the current owner they have gotten away from using the local products in their menu selection and have at the same time lost some of their market. Training was provided to them on marketing to increase visitation.

Billings Food Bank and Community Kitchen

Training is being provided on how to access capital as well as their processes for their community kitchen.

Paul Miller

He has developed an idea for a business to assist farmers that produce oilseed crops by contracting with them to perform on site oil seed crushing and bio diesel

refining with a mobile unit. The bio diesel would be for on farm use only and the processing unit would be able to travel to any oilseed producer throughout the region. Training is being provided on how to access capital.

Montana Hog Marketing Association

The group is made up of hog producers mostly from Hutterite colonies that have had a long standing relationship with a processor in Modesto, California. The owner of the processing facilities has been buying the hogs on the hoof from the organization that meet specifications previously agreed upon. This has been a good relationship for several years and the processor is now looking to locate a processing facility on the Interstate 15 corridor and ship the processed meat not only to California but also to other possible locations. Training is being provided on site selection and business development.

Sheep Marketing Coop

Coop members from the region, including producers from the BPIC region, have set up booths at the Reed Point Sheep Drive featuring various lamb recipes for sampling by visitors to raise the level of awareness for lamb. Training is being provided on marketing.

Red Lodge Ales

Red Lodge Ales has proven to be an extremely successful value added business located in the town of Red Lodge. The business redeveloped an old feed and seed building in town and has operated their brewery and a popular local tap room out of that location for eight years. In that time period the business has continued to grow along with their marketing and distribution area. The business has consistently purchased its malted barley for brewing from the malting operation in Great Falls where the barley purchased is guaranteed 100% Montana grown and delivered from counties across the state including those in the BPIC region. The owner is looking to build a new and much larger operation North of Red Lodge. We have provided training on a radiant heat system that would utilize solar energy to heat the building.

Stillwater Packing

Stillwater Packing Company of Columbus processes fresh and value-added meat products for customer all across Montana. Many private labels have sprung up across the state because of the owner's talents for recipes and other product development. BPIC-eligible producers utilize the packing services to process meat for their private labels. Training in business planning has been provided. Continued training will be provided in marketing.

MT Bio-Industries Cooperative (MBIC)

This is a start-up biodiesel production cooperative in southeastern Montana. They have been researching Green Diesel rather than the typical biodiesel production. Their project is on hold to determine whether blending credits will be made available for green diesel to make this a viable project.

Grains of Montana, Inc.

The Nielson family has farmed for generations near Nashua, MT and recently has created a value added component by utilizing grain grown on the family farm for the baked goods sold in their family restaurant in Billings. The business is planning for growth and has completed the work to begin franchising, three of which have already been sold and are at various levels of completion. Their proposed 10,000 square foot bakery would add high-paying jobs to the Montana economy both in Billings as well as on the farm in Nashua, as it would be the source for all baked goods sold in the franchises. Training is being provided for business/operations planning, financial, training and other assistance for a value added, farm to consumer grain business.

Midland Bull Test

The Midland Bull Test has been an international seed stock industry leader in marketing as well as providing valuable data through animal production testing. This facility provides testing and marketing for beef producers from all across the state and nation including many in the WIRED region. Midland has discovered a cutting edge system to measure feed efficiency in cattle on a large scale that allows for a more accurate analysis of the amount of feed it takes each animal to gain a pound of weight (as well as other performance characteristics), thereby giving each animal an efficiency rating. This will revolutionize the seed stock business by giving expense-wary commercial cattlemen the data to select the most efficient bloodlines and potentially better leverage their operation's feed stuffs. This is important considering that feed accounts for greater than 70% of the cost of maintaining cattle. Training is being provided in general business management.

Community Food Campaign

Regional group of value-added producers that have formed around an existing organization to develop a drop point, regular schedule, and process for ordering and delivering locally grown, value-added agricultural products. The group has developed a mailing list and flyer that lists each producer with their products and price lists for ordering. Training has been provided on business planning, business operations and marketing.

Wood Products Innovations Cluster

The intent of this project is to form a network of wood processing businesses across the region so that they can work together to promote and build their respective businesses together. We have coordinated with Elk River Building Products, Beartooth Log Homes, Black Dog Timber Products, Rocky Mountain Compost, Contractor's Equipment Funding, Inc., Blake Nursery, The Wood Lady, Columbus Nursery, and other small business to train them in the development of a network. Many of these businesses have clientele that operate businesses in and around the WIRED region.

Bear Paw Development

Teton Wind Project

Brett DeBrucker is moving forward with the development of a 40 MW wind generation facility on a ridge in the Dutton and Brady area. The project originally began in 2005, but has been on hold until approximately 4 months ago. Interconnection studies with NorthWestern Energy are nearly complete, as well as the environmental studies on the property. Mr. DeBrucker has requested the assistance of Bear Paw Development's BPIC to train him in steps to prepare the project for construction, and in how to identify potential funding sources for the project.

Brookside Woolen Mill

In 2006, the Mackeys purchased a complete commercial scale woolen mill from Utah, and moved it to their family farm east of Malta. At the time, they were unsure as to how to proceed with their business, and were still operating their family farm. Last year, they sold their farm, and have begun construction on a building to house their equipment, and are getting ready to begin producing environmentally friendly wool insulation. Availability of this product in the US is scarce, and they believe that they will have an excellent market with the increase in green building in the country. They have requested the assistance of Bear Paw's BPIC to train them in business planning as they set up their business and begin producing their insulation.

Gerald Martin

Gerald has a patent for a type of hydro-electric generator that works in a creek bed or river to produce hydro-electric power on a small scale. He would like to find funding to build a prototype of his invention and market it as a potential renewable energy source. He feels that Alaska would be the ideal area for marketing his project, as many individuals live near creeks and rivers. Training is being provided in business planning.

Tim Busby

Tim has been researching a project idea for a barley-based ethanol plant 15 miles south of Malta. He would take the distillers grain byproduct and use it for hog feed. He wants to feed the hog waste into an anaerobic digester that would in turn produce natural gas with byproducts that could be filtered to produce pure natural gas. He would use the natural gas to power 200kw generators, and then sell that power into the existing grid. Business planning training is being provided.

Kenfield Wind Park I

The Kenfield family of Chester, MT is in the process of negotiations with Northwestern Energy to develop a wind power generation facility on their family farm. They are seeking BPIC training on document preparation, facilitation with consultants, and grant writing feedback as they pursue funding to finish their interconnection agreement.

Waid Ranch Timber Division

Lon and Stacey Waid began thinning the timber on their family farm and producing custom rough-cut lumber approximately one year ago. At present, this product is not provided within a 250-mile radius of Havre, so they have developed a successful business, with very little structure or planning. The Waids are now looking to expand and purchase more equipment, and have requested training to develop a business plan, and marketing strategy, and they are also looking for training in finding federal and state grant and loan programs.

East End Colony

East End Colony is building a fish hatchery to raise freshwater tilapia and market in the local areas. They are working with Todd Hanson as a contractor to assist them with their business plan and financials, and in order to sufficiently run the hatchery, they will need to extend additional power at the colony, and pay for line upgrades. Bear Paw is providing East End with business development training.

Native Salsa

Bara Buffalo-Hide is producing her own family-recipe salsa in the kitchens at Stone Child College. Training will be provided on USDA certification to export their salsa to markets out of state, and potentially internationally. They are also seeking training with QuickBooks to become more efficient with their books.

Earl Fisher Bio Fuels, LLP

Earl Fisher Bio Fuels is a biodiesel production facility located in Chester. They are leasing a facility from Liberty County and have used the first year of business to install manufacturing and testing equipment. They have begun production of biodiesel by purchasing feedstock oil from surrounding areas as well as having Brett Earl and Logan Fisher's crops contract crushed for feedstock. They have received training on the development of a business plan, marketing plan and access to capital.

Peaks & Prairies, LLC

Peaks and Prairies is pursuing funding for development and marketing of a pilot plant model that they can sell as a package to other states, countries, etc. with their patented technology for bio-lubricants. They are in the planning stages of this portion of their project, and have asked for training on access to capital.

Great Plains, The Camelina Company

Great Plains has been researching camelina for approximately 12 years, and is interested in constructing a crushing facility and biodiesel refinery in the Havre or Shelby area. They have had a presence in Montana for approximately one year, and have pursued potential locations in Shelby, Judith Gap, Wolf Point, Lewistown, and now Havre. They have indicated that Havre is their preferred choice, as it is located on the BNSF rail system, and is in the general vicinity of

the growers they will be contracting with to grow their Camelina. Training is being provided on site location.

Little River Smokehouse

Little River Smokehouse is currently having the buffalo they use for their jerky processed at the Meat Packing Plant in Malta. The tribe is considering closing the meat plant due to funding constraints. Bum Stiffarm (manager of the smokehouse) is looking for assistance in the expansion of the smokehouse operations. They would like to pursue USDA certification and begin marketing their products internationally. Training is being provided on USDA certification and marketing.

Treasure State Beef

Mr. Grant has formed an LLC that will be providing Montana Branded Beef. The beef will be locally raised and locally consumed by area restaurants and grocery stores. He is having issues with the formation of his company, and lacks working capital to purchase the beef, which will be processed at the packing house in Malta, assisting with the sustainability of that operation as well. Training is being provided on business planning.

Eastern Plains RC&D Area, Inc.

Terry Steffen

Terry Steffen from Savage, MT grows three varieties of june berries and will be planting more this spring. Training is being provided on marketing of product.

Day Spring Aquaculture

The concept of Day Spring Aquaculture was conceived by Paul B. Jarvis who has more than 20 years experience in the aquaculture industry including work with larval perch culture and perch diet development at the university level. Day Spring Aquaculture will be located in Montana or south Central Idaho, this location has been chosen for a number of reasons such as there is a geothermal water resource, close proximity to a fish feed mill, close proximity to a processing plant, close to a community college with an aquaculture program (skilled labor), and an easy access to several large west coast markets. Business planning training is being provided.

Farm-to-Table

Eastern Montana Farm-To-Table Project is to develop a producer-owned, agriculture marketing cooperative that would operate a shared-use, commercial kitchen; a farm-to-table restaurant; and a regional cooking school for vocational training. Business development training is being provided.

Beaver Creek Brewery

Beaver Creek Brewery recently opened in Wibaux and sells their beer as well as brats and homemade bread. Training is being provided on regulations for food processing.

Great Northern Development

Drew's Custom Saddles

This business is a family owned business that has interests in leather-work; anything from wallets to saddles and everything in between. They are receiving training in business development.

Fort Peck Landowners

This group is interested in renovating tribally owned tracts of land to a usable state. To accomplish this, they would like to start a training program for citizens in this area to take and complete CDL training and also heavy equipment training. They would also be trained in areas such as pipeline installation, farm management, and growing/harvesting berries for future marketing of jams/jellies or other such products. This group is currently working with the Fort Peck Community College and the BIA to form a partnership to further a training program.

Elaine Schouchard

Business currently makes lotions and foot cream in the owner's basement. She currently has a limited market around NE Montana. Training is being provided in marketing and sourcing supplies.

Sylvan Walden

Currently has a home-based business buying mohair and making custom cinches. She currently makes about 20 cinches per year for family & friends. Training on business planning is being provided.

A&S Diversified

This is a tribal enterprise that is in negotiations with Sustainable Systems in Culbertson to purchase vegetable oil and bottle it in a facility on the reservation. Training on feasibility studies is being provided.

Can-India Pulses International LTD / Samyak Global

They provide pea and lentil processing as well as flour milling. Training is being provided in business start-up and operations.

Sustainable Systems

Sustainable Systems continues to grow and explore new avenues of adding value to locally grown agricultural products. The facility currently employs 21 individuals and, based on projected growth, is planning to hire and train more. Communication has been occurring throughout this last year. Paul Miller of Sustainable Systems spoke at informative workshops such as the NE Montana

AG Conference and a bio-fuels workshop for high school students. Training is being provided on business planning.

Prairie Hills Seed Company

Brent Hurst and his wife own Prairie Hills Seed Co, a seed cleaning and seed marketing operation. They are interested in getting assistance with marketing. Information on developing a trade show booth was provided to them. They are also pursuing the internet to market flax for human consumption and also to the equine market. Training is being provided on marketing.

Granruds Lefse Shack

This is a lefse producer located in Opheim. Training is being provided for business planning.

Fort Peck Tech

This tribally owned business currently employs 11 welders. They would like to increase their workforce and obtain updated training for all employees, including pipe welding. Training is being provided in how to access capital as well as resources for training their employees.

Montana Grassland Mixes

This small company in northeastern Montana mixes and retails quick breads and pancake mixes and also a salad dressing mix. Training is being provided on product marketing and distribution.

Dennis Nelson

Dennis has spent his life raising chickens. Due to health problems, he is unable to work at a regularly scheduled job, so he has started writing a book on raising chickens. Training is being provided on a business plan and access to capital.

Lake County Community Development Corporation

Montana Food Incubation Center Program

This group is collaborating to develop a statewide food innovation center program. Training was provided to locate opportunities for partners, and collaborate on funding opportunities.

Amy Sibra

Development of a value added organic Kamut product. Amy and her husband are working with Bob Quinn to develop an organic roasted Kamut snack product. She requested training in facility layout, regulatory compliance and packaging.

Two Rivers Economic Growth Inc.,

This group is involved in the development of a commercial kitchen. They have requested assistance with plans to develop the facility and the regulatory issues

they must comply with. Preliminary training has been conducted on facility needs and the regulations.

Irene Whitmere

This business packages gluten free mixes. They are seeking training on gluten free certification, packaging, and general food processing information.

Yellowstone Caviar

This group processes caviar from paddlefish. They requested training on plant design and HACCP.

US Omega 3

This camelina processing company requested assistance in the design of a mobile processing unit for camelina. Training was provided for equipment design and sourcing.

Sustainable Systems

Training has been provided with labeling, packaging and processing. The specialty oil line consists of sunflower, safflower, and canola oils that are brand labeled for the niche market of consumers wanted to know their food is source verified. The company was also trained on kosher certification and trade show displays.

Farm to Table/Prairie Industries

Training was provided for the cooperative in labeling and packaging. We trained them on sourcing supplies and development of trade show displays.

Timeless Seeds

Timeless was created in 1987 by four organic farmers to market the production from their farms. They now help support dozens of organic family farmers throughout Montana and the surrounding region with new markets for their quality crops. The hallmark of Timeless has been the introduction of unique and highly nutritious specialty grains like our Black Beluga ® Lentils, Purple Prairie ® Barley, and Black Kabuli ® Chickpeas. While they remain a small, farmer-owned company in rural Montana, their bulk grains are marketed world-wide. Training has been provided on access to capital and researching a business management system.

Elk Creek Products

This business makes spice blends. Training is being conducted on food processing and production.

Will Anderson

This business makes old fashioned apple butter. Training is being provided on labeling and production.

Snowy Mountain Development Corporation

Chris Brewer

This entrepreneur has an alternative energy product he is trying to develop. Chris has come to SMDC requesting training on business planning and financing opportunities for development of this project.

Montana Bar-BQ Co

This business currently sells barbeque sandwiches, sauces, and salsa at various events around Montana and Wyoming and would like to establish a “brick and mortar” location in Lewistown. Training is being provided on business planning.

LD Construction

They are interested in developing, building and operating a 1 – 5 mgw biomass (small diameter waste wood) electrical generation plant. Training is being provided on business planning.

OurMontanaMarketplace.com

This group plans to create a cooperative point-of-sale website to support cottage industries in the Lewistown area. Training is being provided on business planning as well as identification and “recruitment” of cottage businesses as potential website participants.

Brett’s Busy Bees Honey

This honey production business is being provided training with labeling, packaging, and marketing their product.

Fergus County Fairgrounds

This project involves upgrades to the existing kitchen facility in the Trade Center. Training has been provided on a feasibility study and business plan, in addition to layout and design.

Autumn Creek Farms

This project includes an organic vegetable farm and delivery service. Training was provided on access to capital.

Becky’s Berries

This business owner produces, markets and sells jam, jelly and syrup from wild berries harvested on the family ranch. Training has been provided in many areas, including labeling, licensing, content description, pricing, cash flow, marketing, and equipment purchase.

Stradtman Logging and Lumber

Tim Stradtman has a logging operation and small sawmill. Training was provided in the development of a business plan and access to capital.

Barta Industries

Randy Barta was looking to manufacture fiber roll and fiber blanket for use in the road construction and building industries to aid in erosion control. These items can be made from certified weed free straw. Training was provided on a feasibility study and business plan.

Gebhardt Post and Pole Plant

This post and pole manufacturer expanded with the addition of a shaving mill and bagging station. Training is being provided on business planning.

Winnett Convenience Center and Campground (proposed name)

Dave is looking into development of a convenience center to compliment a campground and RV park already in existence. Included in the convenience center would be a meat processing facility, for both domestic animals and wild game. There currently is no processing facility in Petroleum County and Mr. Harris believes this could provide a service to satisfy a real need for the area. Training is being provided on business planning.

North Frontier Foods and Montana Morado Maize

The owner of this business leases a farm/ranch north of Lewistown on which he produces organic corn and other products. He has received training for marketing his products and in securing trademarks.

Bar T Timber and Sawmill, Inc.

The owner is developing an idea to utilize most waste type wood products by running it through chipper, shaver, shredder type equipment to make shavings for livestock, particularly horses. The shavings would be bagged for transport. Training is being provided on business planning and management.

Rod King

This individual would like to start a sawmill in the Lewistown area. Training is being provided on starting a business in Montana as well as sourcing a workforce.

Bob Coats

This individual plans to start a USDA Inspected Kill/Pack facility in Stanford. Training is being provided on business startup, business planning and USDA inspection regulations.

Plumber's Sauce

This cottage scale BBQ sauce and marinade operation is run by a husband and wife team. Training is being provided on product packaging and marketing.

KL Process Design Group

This group plans to start a 5 million gallon per year wood fiber cellulose to ethanol plant with the possibility of a cogen site in Central Montana. Under employed local timber contractors will be utilized to harvest and deliver forest

waste for feedstock. Training is being provided on location specific information, forest conditions & partnering agencies.

Cumulative Impact

TRAININGS CONDUCTED – Total of 267 participants

Northeast Montana Ag Conference – 45 Participants
Food Training (Glasgow) – 5 Participants
Field to Table Training
 Culbertson – 20 Participants & Circle – 31 Participants
MonDak Ag Open
 Tour – 16
 Conference – 150
Eureka! Winning Ways – 45 Participants
Understanding Purchase Behavior – 12 Participants
How to Compete with Big Box Stores and Online Companies – 17 Participants
Made in Montana workshops – 27 Participants
Concept to Consumer workshops in Great Falls & Havre – 18 Participants

FUNDING LEVERAGED – Total of \$4,100,820 leveraged

Allied Bio Energies: \$50,000 GTA; \$200,000 Equity
Earl Fisher Bio Fuels: \$44,400 GTA; \$588,667 Equity; \$1,000 In-kind; \$234,000
Commerce WIRED
Midland Bull Test: \$47,588 GTA; \$399,900 Business Investment
Grains of Montana: \$50,000 GTA; \$1,946,500 Business Investment
Fergus County Fairgrounds: \$50,000 USDA
Stradtman Logging & Lumber - \$80,000 financing
Barta Industries - \$9,500 – Big Sky Economic Development Trust Fund
Gebhardt Post and Pole Plant - \$123,175 financing
Natural Tomatoes - \$44,590 GTA, \$19,800 equity
Randy Reed - \$5,400 GTA; \$6,300 equity
Yellowstone Caviar - \$50,000 Montana Fish & Game; \$50,000 equity
Timeless Seeds - \$100,000 equity
Hill County Agro Energy Industrial Park - \$42,800 GTA; \$150,000 land donation

JOBS IMPACTED – Total of 35.50 FTE impacted

Westwind Designs – 5 new FTE
Stillwater Packing Company – 3 new FTE upon completion
Midland Bull Test – 3 new FTE upon completion
Grains of Montana – 12-15 new FTE upon completion (3 in WIRED region)
Becky's Berries – 2 new FTE created
Stradtman Logging & Lumber – 1 new FTE created
Natural Tomatoes – 2.5 seasonal FTE created
Earl Fisher Bio Fuels – 2 FTE created to-date
Sustainable Systems – 2 new FTE
Timeless Seeds – 3 new FTE

Office of the Commissioner of Higher Education (OCHE)

Director's General Activities

Leadership to the National Ag Ed Content Standards Project: The National Ag Ed Content Standards Project has been completed including the new AFNR Biotechnology Pathway. Dr Hall is currently chairing the Implementation Committee. The first activity was to recommend an eight member industry AFNR advisory committee to the National Council for Agricultural Education. The committee is scheduled to start review of student assessment development processes.

Lead to the National Agriculture, Food, and Natural Resources Career Cluster: The Agriculture, Food and Natural Resources Career Cluster continues to be a leader in the national Career Cluster movement.

Miles Community College

Kristin Buck, WIRED-MAP Director

MAP Activities conducted/attended Over the Quarter:

Classes (Kristin Buck):

General Chemistry (MWF lab Tues, and Thurs) started Aug 26th: 42 students
Fundamentals of Physics 1 (MWF and lab W) From Aug 26th: 4 students)
Hazardous Materials (Tues and Thurs) started Aug 26th: 3 students
Introduction to Biofuels (Tuesday) started Aug 26th: 4 students

Public Events:

Public Events demonstrations:

Richland County Fair Aug 5-8th Sidney MT: 485 attended
Fallon County Fair Aug 14-16th Baker MT: 34 attended
McCone County Fair Aug 20-22nd Circle MT: 75 attended

Workshops and Conferences demonstrations:

Colstrip Energy Tour canceled due to weather
MCC Hosted Presentation in Columbus MT Sept 14th: 3 attended

Total contacts in public events: 597

High School Presentations (John Munsell):

Shields Valley High School (Clyde Park, MT) Sept 14th (47 students and 4 faculty members in attendance)
Columbus High School (Columbus, MT) Sept 15th (200 students and 7 faculty members in attendance)
Bridger High School (Bridger, MT) Sept 16th (38 students and 3 faculty members in attendance)
Frazer High School (Frazer, MT) Sept 21th (37 students and 4 faculty members in attendance)
Scobey High School (Columbus, MT) Sept 22th (155 students and 9 faculty members in attendance)
Lambert High School (Lambert, MT) Sept 24th (59 students and 5 faculty members in attendance)

Total contacts in high schools: 568

Other:

Kristin and John attended the EERC Biomass Workshop in Grand Forks ND July 14-15th
Amatrol Trainers Delivered
Ethanol Trainer Delivered

Dawson Community College

Bruce Bainbridge, WIRED-MAP Director

The WIRED "Clean Energy program continued its capacity development in the July- September quarter of 2009.

The wind generators are on order, and were delivered in September. Processing and preparation for erection is underway. A Wind Generator installation and operation training class is scheduled for December of 2009.

The preparation for a regional Bio-Fuels and alternative Energy conference is underway. The date is December 8, 2009. This is a cooperative effort between NCAT, Montana State University, Montana Department of Environmental Quality, University of Idaho, Montana State University – Northern, with other participants arrangements pending.

One CDL class was completed, with 12 graduates. Individuals completing training, attending conferences etc. totaled 185 this quarter.

MSU Northern

Jessica Windy Boy, WIRED-MAP Director

Local and National Conferences Outreach Activities

National Energy Summit & International Dialogue—*Washington, DC*. In September 2009, the Council on Competitiveness brought together a broad coalition of CEOs, presidents of major research universities, labor union leaders, and top government officials both from the U.S. and abroad – a single voice for moving forward on energy transformation. That powerful voice is reflected in *Drive: Private Sector Demand for Sustainable Energy Solutions, a Comprehensive Roadmap to Achieve Energy Security, Sustainability and Competitiveness*. *Approx Attendance: 350*

Student Education

MSU-Northern Bio-Energy Innovation and Testing Center partnered with several entities to provide a series of hands-on technical training workshops. A key partners has been Opportunity Link Inc., a community based non-profit organization. The Montana Department of Agriculture and NorthWestern Energy Inc. have also been important supporters of the workshop series. The workshops are scheduled from September through November 19, 2009. The materials that are developed as part of the series are available for teachers and professors as resources.

The ABC's of Biodiesel—Sept. 2-4, 2009, Total Attendance: 11

The Center conducted this training as a two-day technical hands-on training of biodiesel chemistry and manufacturing basics. The objective and course outline are as follows:

1. Introduce the participants to the benefits of utilizing biodiesel as an alternative fuel.
2. Provide hands-on experience in preparing biodiesel in laboratory scale.
3. Introduce participants to the basics and Chemistry of biodiesel production technology, testing, quality and performance.
4. Provide demonstrations on biodiesel utilization.

Pressing Oils & Feedstock Analysis—Sept 11-12, 2009, Total Attendance: 8

In the second workshop, presentations on oil pressing, economics of small scale oil processing in Montana and biodiesel feedstock analysis were presented by Eric Hamilton of Circle Energy Inc., Joel Schumacher of MSU-Bozeman and the Center's research scientist Jon Soriano. Participants were trained on operation and maintenance of German Kern Kraft presses and pressed different Montana grown oilseeds including camelina, canola and safflower. The workshop also included training on how to analyze feedstock for biodiesel production.

The intent of the training was geared toward farmers, teachers and students who are interested in sustainable energy options or on-farm production of

biodiesel. However, due to the last harvest most of the farming community was unable to attend. The Center is planning on hosting this training again during Cabin Fever in January of 2010.

Process Engineering---September 24-26, 2009, *Total Attendance: 10*
The three-day workshop included lectures, hands-on and laboratory section. The workshop consisted of several presentations that tackled all process design, engineering aspects and safety issues associated with biodiesel production.

The participants also had a chance of operating the pilot plant to produce 50 gallons of biodiesel derived from canola oil. The participants were able to produce biodiesel that meets the ASTM specifications.

In the lab, participants were trained to performed simple chemical test and titration procedure to analyze the biodiesel that the participants produced using the MSU-N Biodiesel Pilot Plant.

MSU-Northern Electrical and Plumbing Classes Tour—*Total participants: 48*
Center staff gave a short lecture and tour of the new biodiesel processor to the electrical and plumbing classes. The plumbing class was interested in the process and system controls of the processor as well as operation.

Fuel Additive lecture and lab—*Total participants: 42*
Dr. Soriano conducted the fuel additive lecture and lab to the Diesel Intro to Fuels and Advance Fuels class.

Training Program

MSU-Northern will be conducting the following training in the upcoming months:

- Quality Control & Testing—Oct 2-3, 2009
- Safety & Hazmat Training—Oct 23, 2009
- ABC's of Biodiesel---November 3-4, 2009—Missoula, MT
- Fuel Performance---November 17-19, 2009

MSU-Northern will be awarding a Departmental Certificate of Completion in Biodiesel for those that complete all training segments. MSU-Billings COT will be performing the Safety and Hazmat Awareness Training where participants will be given OSHA and EPA certification. MSU-Northern will be bringing in specialists for the Fuel Performance Training.

Mid-South Community College Collaboration

The partnership and collaboration is progressing with MSCC. Dean Kegel made a site visit to Mid-South CC Sept. 29-30, 2009. Mid-South has started the Diesel 2-year program and is preparing to begin MSU-Northern's 4-year diesel program in the fall of 2010.

Equipment Procurement

The Biodiesel Pilot Plant was installed at MSU-N campus Auto Diagnostic Building on the week of Sept 14, 2009. Piedmont Biofuels Industrial, LLC sent Mr. Spencer Johnson to oversee the installation. The following week Mr. Nick Fox, member of Piedmont Biofuels Design Team, trained the Center's staff on all aspects of processing involved in the Biodiesel Pilot Plant.

The pilot plant includes all unit operations typically found in biodiesel plants. It is equipped with:

- a. Methanol-catalyst mixing tank
- b. 70 gal stainless steel reactor with temperature control, agitator, circulating pump and options for hydrodynamic cavitation
- c. Methanol recovery system by flash evaporation
- d. Decanter which is also suitable for water washing. The decanter is equipped with an agitator, circulating pump, temperature control, agitator, and spray nozzles.
- e. Surge tank
- f. Column containing resin for final purification step
- g. Biodiesel storage tank

Training Evaluations:

The Center felt it was important to include an evaluation from all participants after each workshop. This was to gauge how effective the workshops and materials were and locate areas for improvement of future trainings.

Fort Peck Community College

Carrie Archdale, WIRED-MAP Director

Priority Component 1: Develop educational materials that will assist entrepreneurs in developing bio-energy ventures.

Priority Component 1 is complete. Educational guides have been produced on the following subjects and are available at the MSU Agricultural Marketing Policy Center:

Federal and State Tax Incentives

Bio-Energy Technologies, Costs, and Opportunities

Historical Prices: Energy and Oilseeds

Oilseed Processing Technologies, Cost, and Opportunities

Farm Policy Implications

Priority Component 2: Provide entrepreneurship training sessions for potential entrepreneurs, producer industry groups and community leaders in the WIRED region.

Priority Component 2 is complete. Biofuel Production Workshops for Entrepreneurs and Industry Leaders were held in the following locations: Glendive, Miles City, Poplar, Fort Belknap, Havre, Rocky Boy, Lewistown, Choteau, Fort Benton, Malta, Little Bighorn College, and Chief Dull Knife College. One *Biofuels: Boom of Bust* seminar was held in Bozeman.

Priority Component 3: Provide entrepreneurship training sessions for potential small scale wind energy producers in the WIRED region.

Priority 3 will be completed in year three of the proposal.

Montana Department of Labor & Industry: Workforce Services Division (DLI/WSD)
--

Workforce Services Division WIRED consultants participated in the following grant activities to provide information on the WIRED Program or to discuss training options related to the agro-energy occupations.

John Rife, Billings: This WIRED consultant shares that people have continued to contact him to see if WIRED funds are available to help them attend training. He has been collecting their eligibility information so that, should there be funding, they would be prepared to begin training.

Anticipating WIRED funds could be available in November, he has been coordinating with the Crow Tribe Roads Department and instructor Dan Archer to tentatively plan for an 80-hour Heavy Equipment Operator training course. Also, he has been coordinating with the Hardin High School and READI Workforce Training Center of Belgrade to offer another 60-hour Arc Welding training course in Hardin starting in January.

Fred Greco, Cut Bank: This WIRED consultant explained the WIRED program to Working Friends Community Management Team, Rocky Mountain Front Community Management Team, Tribal Employment Rights Organization, Blackfeet Manpower, Blackfeet Community College, and Office of Public assistance, several county extension agents and the Blackfeet Tribal Veteran Representative. He has also coordinated several truck driving and cement laying classes. Should addition funding become available, heavy equipment operator training and welding courses would be of interest to participants, if training were available locally as participants in the Cut Bank area prefer to not leave their community for training.

Tom Friese, Glasgow: This WIRED consultant handled general inquiries about the WIRED Program and existing training agreements. No additional activities were performed to promote the WIRED Program because of the lack of available funding.

Dawn Guenzi, Glendive: This WIRED consultant had no activities due to lack of funding.

Brenda Evans and Bev Hagen, Havre: These WIRED consultants met with CMT/JSEC partners regarding status of trainings being held or planned and requirements of program for recruitment of potential applicants. Attendees included organizations such as Vocational Rehabilitation, HRDC, Veterans Affairs and other community partners. They continued to coordinate with West Coast Training on participants in Heavy Equipment training and coordinated with M.O.V. Training LLC on HVAC and Niagara X training for an incumbent Veteran participant. They kept in touch with REO on co-enrollment and networked with MSU-Northern on retesting backflow training for three participants at the Montana Environmental Training Center. The Havre consultants continued their contact with Sage Technical Services to coordinate requirements/schedules for a client to finish testing for the driving portion of CDL from the Fort Belknap training. In the event more funding becomes available, they continue contacts with MT Tech on lineman training participation for fall 2009 class.

Kevin Conner, Lewistown: This WIRED consultant had no activities.

Ron Nemec, Miles City: This WIRED consultant reported no activities due to funding being expended.

Jacklyn Damm, Sidney: This WIRED consultant indicated lack of funding has kept them from promoting the WIRED program. She had some funds from participants that did not follow through with their planned training and used those funds to enroll a couple of new participants.

Challenges to Project Progress

Some participants completing classes are frustrated as they are unable to find employment immediately to utilize their newly acquired skills. Some jobs listed require experience as well as license and without the experience the employer does not consider the participant for employment. Although it is discussed upon enrollment, individuals may not always realize WIRED is training the workforce for when those jobs/employment become available.

With three participants completing the Pre-Apprentice Lineman Program at Montana Tech, the challenge is now to help them get apprenticeships in Montana. Most county electric co-ops are at their maximum ratio of apprentices per journeyman. Given the current economic climate, the prospect of co-ops increasing the number of journeymen on staff remains low.

The Billings WIRED consultant reported several people started training but did not complete it. When possible, he contacted them to find out why they dropped out. Their reasons for not completing the training vary widely and include:

- Incarcerated;
- Moved out of the area;

- Medical problem;
- No transportation;
- Pregnant;
- No childcare;
- Started drinking again; or
- Obtained employment.

In Havre, an ongoing challenge has been transportation for some applicants including no reliable transportation along with weather related issues.

In Sidney, as always, the distance participants need to travel for training is a barrier. Unemployed job seekers have had more time to attend training which has helped with the distance barrier. Of course, limited funding has kept Sidney from promoting available training. They have kept a list of applicants that are interested in training if and when funding is available.

Promising Innovative Processes and Success Stories:

The Billings WIRED consultant stated that in September READI Workforce Training Center started their second 60-hour Arc Welding class in Hardin. They are meeting at the Hardin High School two nights per week through December 7. WIRED funds were used to pay for eight Native American students to attend. Two other people are also taking the class and paying their own way. Students are progressing rapidly and seem to be enjoying the training.

In Cut Bank Bear Traxx Truck Driving School has trained participants who were able to find employment with Blackfeet Transit. These participants are obtaining work experience by driving school buses and hauling FEMA trailers for families on the Blackfeet Reservation.

In Glasgow two on the job training contracts for IT Field Service Technicians were completed and the employer assumed both trainees as regular full-time employees at \$13.00 per hour each.

WIRED follow-up paid for the gas and tools for a co-enrollment with AARA WIA-Adult BOS Program participant that obtained employment as a carpenter for \$12.00 per hour. The participant is a Native American and the job he obtained was on the Fort Peck Indian Reservation.

WIRED paid for the hand tools for a co-enrollment with WIA-Dislocated Worker Program participant who is enrolled at Fort Peck Community College in the Line Worker curriculum.

In Glendive this quarter, two on the job training participants completed their training, one as a fabricator/assembler and the other as a heavy truck/diesel mechanic. Glendive also had five participants that took the truck driver training with Sage, which they completed on July 1st.

In Havre, they coordinated services with Rural Employment Office to leverage funds to enroll a participant for heavy equipment operator training. The client never scored below a 97% on any section of his training. He received an outstanding student achievement award and within one week of completing his training he had already completed and submitted eight applications. He received two interview appointments from these applications.

A young gentleman that was co-enrolled with WIA and assisted with the backflow prevention training went on to obtain employment as an instructor for the Youth Build program in North Central Montana. This young man has overcome great odds to do so. He is the only male child in his family out of three who has not been incarcerated and the only one to attend college as well.

They are assisting an incumbent veteran worker in HVAC training. Upon completion of both sections of this training he will be able to instruct others in the HVAC process as well as program the HVAC computer systems.

In Lewistown two individuals completed NCCER certified Heavy Equipment training in Montana's first ever nationally certified training of this type.

In Miles City, 42 Native Americans were trained with WIRED funding. The participants are members of a variety of tribes including the Northern Cheyenne Tribe, Crow Tribe, Omaha Tribe, Shoshone-Bannock Tribe, Eastern Shoshone Tribe, and The Three Affiliated Tribes of Mandan, Hidatsa, Arikara Nation.

Sidney has seven participants currently active in college or training. All of them have been working hard towards their training goals including welding, heavy equipment training, CDL, process plant technology, and HVAC. All of these participants will be earning a higher wage than in their past employment.

Upcoming Activities/Capacity Building:

The Billings WIRED consultant indicated two representatives from Berkeley Policy Associates are planning a site visit. He contacted members of the Crow Tribe to see if they are willing to meet to discuss the WIRED program. So far, they plan on meeting with representatives from the Crow Tribe Roads Department, the Tribal Employment Rights Office, the Education Department and the Veteran's Affairs Office.

In Cut Bank, the WIRED consultant is hoping construction of Rim Rock Wind Farm with 300 turbines will offer employment opportunities to people trained by the WIRED program.

In Glendive the consultant indicated if additional funding becomes available they have tentatively scheduled another Sage Truck Driver Training class to start November 16th. Glendive has seven on the job trainings that will continue until the end of the year.

Havre consultants continue to provide services to those individuals with obligated funds for upcoming training.

The Sidney WIRED consultant hopes to participate in the SAGE CDL Training planned for Glendive on November 16th pending funding. Sidney continues promoting the WIRED program in Richland County.

Montana Department of Environmental Quality

A. Biodiesel for School Districts:

A1. DEQ prepared for the upcoming Montana Conference on Education Leadership (Missoula, October 14-15, 2009). Details will be reported next quarter, but DEQ was able to contact an additional 50 school district superintendents.

A1b. DEQ drafted a training workshop and presentations on biodiesel blends and biodiesel impacts on new emissions equipment for operators and mechanics of Yellowstone National Park and Xanterra Parks and resorts out of Gardiner, MT. The workshop will be conducted on October 21, 2009.

A2. Biodiesel training and pilot demonstrations: DEQ processed a number of payments this quarter on biodiesel for schools and other fleets as the school year began. Earl Fisher Biodiesel LLP remains the only certified biodiesel producer in Montana as of this writing.

A3. Activities dealing with infrastructure changes with respect to school bus fleets: DEQ worked with the Office of Public Instruction, the Montana Department of Public Health and Human Services, and others to promote use of cleaner fuels and school buses. This partnership was able to develop and evaluate the replacement of 31 school buses in Montana this past quarter.

A4. Provide expert knowledge, technical assistance and training for student efforts at high schools, technology and community colleges: No new activities this quarter.

B. Technical and Training Assistance for WIRED-Region Colleges and Universities

B1. DEQ has drafted an agenda and has partners for a training workshop on biodiesel, December 8, 2009, at Dawson Community College, Glendive. The training was delayed largely due to the unusual growing season and late harvest, making most prospective processors about 6-weeks behind harvest schedule. In other words, the target audience is still harvesting crops in the field. Advertising for the workshop made the front page of the Trader's Dispatch, a monthly newspaper that is free to Montana producers.

B2. MSU-Northern reported no activity this quarter, but anticipates analyses of a number of samples next quarter.

B3. DEQ received a number of interim reports and a draft updated Montana Bioenergy Guidebook from the National Center for Appropriate Technology. DEQ anticipates the final guidebook by early November, with printing completed for the December 8 training in Glendive.

C. Training and data development of biodiesel co-products:

C1. DEQ reviewed an additional three interim progress reports and meeting results on this project with MSU-Bozeman. Over 10 students and several organizations have been trained through this project to date. The final report is expected on-time October 28, 2009.

D. Training for Industrial Users

D1. Petroleum Industry: DEQ reminded both Fraser's Oil Inc. and Hingham Motors regarding biodiesel and the startup of schools. They are carrying biodiesel and blends for school districts and other local fleets. Roosevelt Oil canceled their agreement, and the amounts were moved to Story Distributing for additional training to be reported next quarter.

X

Matrix – See attached document

Attachment A

- SUBJECT:** Tracking common performance measures for the Department of Commerce WIRED Incumbent Worker Training Program
- FORMS:** W.I.R.E.D. Incumbent Worker Training Form 1.07
W.I.R.E.D. Incumbent Worker Training Form 2.07
- REFERENCES:** TEGL NO. 15-05
Memorandum to WIRED Regions – April 27, 2007
- PURPOSE:** To systematically capture data required to report common performance measures for incumbent workers receiving training through grantee businesses involved in the Department of Commerce, WIRED Incumbent Worker Training Program. The data will be used to track entered employment, retention and earnings increase, core purposes of federal workforce investments as detailed in the Workforce Services Field Operations Bureau proposal.

POLICY:

To enable the collection of common performance measures outcomes, all grantees of the Department of Commerce Incumbent Worker Training Program will provide requested data for workers receiving training through WIRED funding. Upon receiving the data, the Department of Labor and Industry, Workforce Services Division, will use existing infrastructure and reporting mechanisms to enter the data and report the results and outcomes of trained incumbent workers and incumbent workers in training regimes through the Department of Commerce, WIRED Incumbent Worker Training Program.

Grantees will provide data to the Department of Labor and Industry, Workforce Services Division through the following process:

1. At the start of the training or training regime, grantees will complete W.I.R.E.D. Incumbent Worker Training Form 1.07 and mail the completed form to the address provided on the form. The Form 1.07 should also be completed on all incumbent workers currently receiving training or in a training regime.

2. Within 30 days of completion of the training or training regime, complete W.I.R.E.D. Incumbent Worker Training Form 2.07 for incumbent workers in the Department of Commerce Incumbent Worker Training Program. Mail completed Form 2.07 to the address provided on the form.

Per the Montana Department of Commerce incumbent worker training contract, all businesses receiving WIRED training dollars must provide requested documentation from Montana Department of Labor and Industry. Employees who receive training under the program or the employer must complete W.I.R.E.D. Incumbent Worker Training Form 1.07 and W.I.R.E.D. Incumbent Worker Training Form 2.07. Failure to comply with this request could result in withdrawal of training dollars.