

PARTNERSHIPS

LOCAL

Big Horn County
Carbon County
Stillwater County
Sweet Grass County
Yellowstone County



Big Horn Conservation District
Carbon Conservation District
Stillwater Conservation District
Sweet Grass Conservation District
Yellowstone Conservation District

Big Timber - Billings - Bridger - Columbus
Hardin - Joliet - Laurel - Red Lodge



STATE



FEDERAL



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Serving... Big Horn County - Carbon County - Stillwater County - Sweet Grass County - Yellowstone County

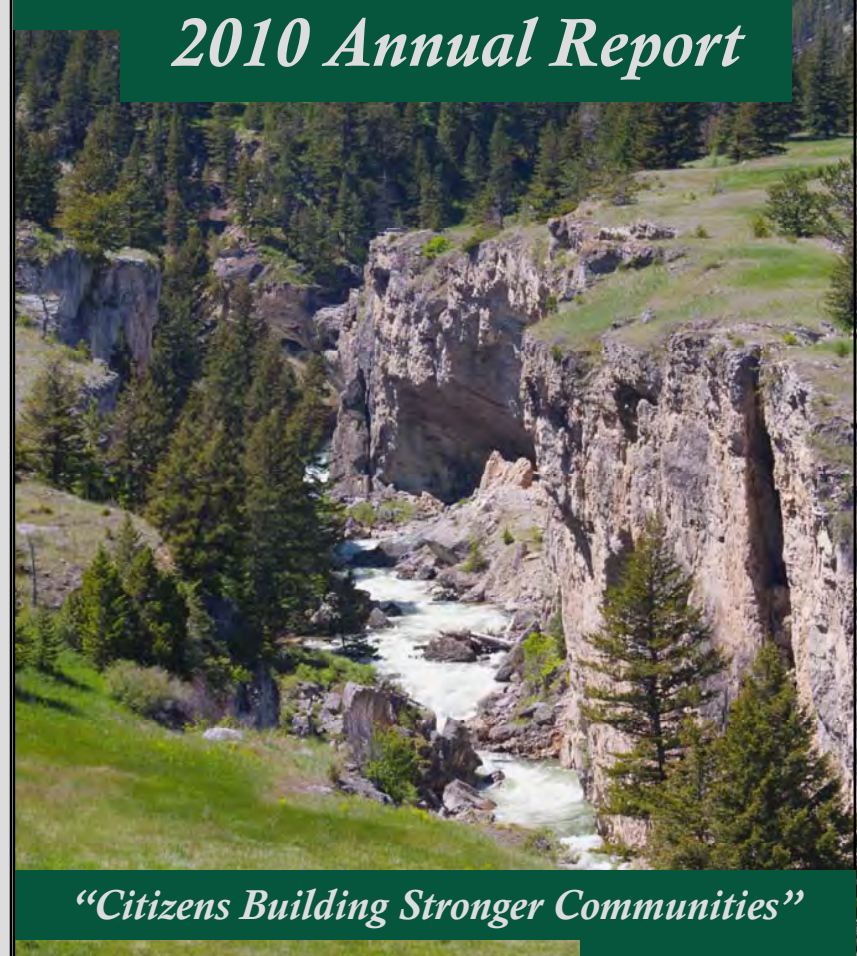


Beartooth

RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.

PO Box 180, 604 West Front Street, Joliet, MT 59041 406-962-3914 FAX 406-962-3647

2010 Annual Report



"Citizens Building Stronger Communities"

ECONOMIC IMPACT SUMMARY

2010 Cumulative Project Activity

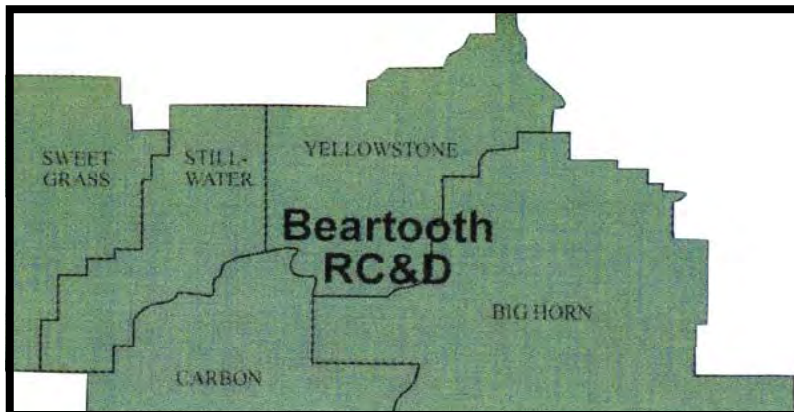
Jobs created: 205
Jobs retained: 400

Public funds leveraged: \$2,001,648
Private funds leveraged: \$2,579,230

Fuels Reduction Impact:
Acres treated: 403
Defensible space protected: 47 structures

Housing Program:
502 clients served
56% of clients were low income
8% of clients represented minority races

Revolving Loan Fund Impact:
Dollars loaned in 2010: \$200,000
Total loans receivable: \$1,454,124
Total portfolio amount: \$2,300,000



Beartooth Board of Directors

| | |
|------------------------------|--|
| Chuck Egan, Chairman | Town of Columbus |
| Marvin Carter, Vice-Chairman | City of Laurel |
| Penny Landon, Treasurer | Carbon Conservation District |
| Ada Iron | Crow Nation |
| Bob VanOosten | Stillwater Conservation District |
| Brian Roat | City of Red Lodge |
| Dan Lowe | Big Horn Conservation District |
| Dennis Hoyem | Stillwater County |
| Dick Rath | Sweet Grass County Conservation District |
| Doug Tucker | Carbon County |
| Ed Ulledalen | City of Billings |
| Emelie Eaton | Yellowstone Conservation District |
| Jeff McDowell | City of Hardin/Two Rivers Authority |
| Jim Reno | Yellowstone County |
| John Pretty On Top | Big Horn County |
| Katie Callahan | Town of Joliet |
| Ken Gomer | Town of Bridger |
| Kendall Hartman | Billings Job Service |
| Lisa Skiner | MSU-Billings, College of Technology |
| Melissa Kramer | Stillwater Economic Development |
| Page Dringman | City of Big Timber |
| Steve Arveschoug | Big Sky Economic Development Authority |
| Susie Mosness | Sweet Grass County |

Beartooth Revolving Loan Fund / Economic Development Committee

Voting Members

Bob Van Oosten, Chairman
David Davidson, Vice-Chairman
Brandon Berger
Bruce Nathan
Deanna Langman

Advisory Members

Beartooth Staff
Kendall Hartman
Melissa Kramer

NATURAL RESOURCES

Goddard Manure and Compost / LTL Inc.

The project is a family ranch-based business that specializes in custom manure spreading. LTL Inc. has provided custom feedlot cleaning & spreading services in Stillwater & Yellowstone Counties for 8 years. RC&D staff assisted the business in applying for and receiving \$48,000 in Growth Through Agriculture grant funding matched with \$51,500 of business resources to purchase needed equipment. The business is also working on creating a nutrient management and monitoring system for its clientele. We were also successful in our application for \$45,000 in Conservation Innovation Grant funds to demonstrate and cost-share manure conditioning and composting for feedlot operations. Partners to date are MSU Extension Service, National Center for Appropriate Technology, NRCS, Montana Department of Agriculture and Beartooth RC&D.



Grassland Exchange Program



This program is designed to provide technical natural resource planning and implementation assistance to landowners in exchange for making available grazing acres following a wildfire event. It was conceived following the Derby Fire in the fall of 2006 and has been evolving since that time.

Pleasant Valley Canal Siphon Rehabilitation Project

Beartooth worked with the Carbon Conservation District, the Natural Resources Conservation Service and the Pleasant Valley Canal, Inc. Board of Directors to develop a Department of Natural Resources and Conservation Renewable Resource Grant loan proposal. This grant would fund the replacement of the 60-year old leaking 880 foot siphon. This canal provides irrigation for 18 property owners on about 2,000 acres in the east bench area, north of Red Lodge.



2010 ANNUAL REPORT

Das Kuchenhaus Bakery

Beartooth staff assisted this bakery business in Bridger to develop a proposal for a Rural Business Enterprise Grant through Rural Development for a marketing plan and materials including signage, to increase their profitability and tax base and add jobs. This grant application was successful and we have facilitated the hiring of a qualified marketing consultant who will assist the business in fulfilling the purpose of the grant.



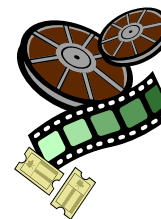
Montana Event Center

The developer of this new rodeo/western events arena sought the assistance of Beartooth RC&D for business and financial planning guidance. We were able to obtain a Big Sky Trust Fund Planning grant to develop building plans, architectural drawings and construction estimates for this 3,800-seat venue near the I-90 Pryor Creek Interchange, south of Billings.



Martin Theatre

Beartooth RC&D recently provided loan funds jointly with Citizens Bank of Big Timber to purchase the Martin Theatre building.



Bear-All-The-Times Gallery

Beartooth RC&D provided loan funds for a three year line of credit for the business to purchase Native American memorabilia. This has retained 3 part time positions. The business is located at the Custer Battlefield Trading Post.



Revolving Loan Fund

The goal of the Revolving Loan Fund (RLF) has been to provide gap lending, which fills the gap between traditional funding, usually from a banking institution, and the additional needed funding. This is a great service to help banks fund projects and for business owners who might otherwise not be able to get a project off the ground. The RLF committee is made up of 5 voting members, 2 advisory members, plus the Beartooth staff. Meetings are generally held monthly.

- 2 new loans were funded and 3 restructured into 1 loan
- 5 loans were paid in full allowing approximately \$590,000 available funding for re-lending
- 22 total loans and \$1,454,124 in loans receivable

COMMUNITY DEVELOPMENT

Little Big Horn College Training Center

Last Spring, Beartooth RC&D helped obtain a grant from the Big Sky Trust Fund for \$25,000 to complete architectural plans for a new training facility to teach job skills in the construction and energy fields. Since that time, the scope and size of the project has significantly expanded and the RC&D assisted the college in developing an application for \$50,000 in Economic Development Administration planning grant funding. The entire architecture and engineering project is estimated to cost \$130,000. Additional partners in this project include: Many Stars LLC, Westmoreland Resources, Colorado Energy and the Montana Department of Labor.



Big Timber Rural Fire Department Grant

Beartooth staff assisted the department with submitting a grant application for a new command vehicle, radios and pagers as part of an equipment upgrading project totaling \$133,000.

St. John's Assisted Living

Beartooth worked with the Carbon County Commissioners to apply for \$25,000 in planning grant funds to provide a financial feasibility study for a new assisted living facility in Red Lodge. The results were favorable and construction began in the fall of 2010.

Wild West

This regional effort combines the attributes of a four state region (Montana, North Dakota, South Dakota, and Wyoming) into a tourism related entrepreneurship expansion program. Professionals from business, tourism, economic development and local government are working together to combine their expertise toward this project.

Hardin Police Department

The City of Hardin was successful in their application for \$105,000 in Coal Board funding to purchase three new police cars. The RC&D assisted Two Rivers Authority and officers with completion of the grant application and hearing preparation. The total budgeted cost of this project for the first year of operation is over \$800,000.

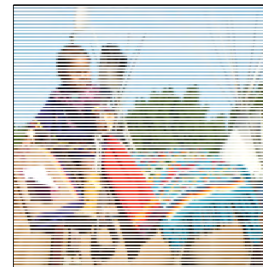
Heartland Leadership Training

In partnership with Triangle Telephone Cooperative, Beartooth RC&D sponsored this leadership development course series in Big Timber. Five courses were provided via web-conferencing. Participants were enthused with the content of the courses and applicability for working in a board environment.

2010 ANNUAL REPORT

Carbon County Maintenance Shop

Beartooth RC&D assisted the Carbon County Commissioners with an application for an Energy Efficiency and Conservation Block Grant (EECBG), through the Montana Department of Environmental Quality for energy efficiency improvements to a new shop building after the County Road District Maintenance Shop was destroyed in a fire. Carbon County was successful with the grant application and received approximately \$63,000 of EECBG funds.



Bridging Cultures Committee

This ongoing effort has produced relationships, projects, student experiences and other benefits to dozens of participants in Billings and Crow Agency. Quarterly meetings provide an opportunity for sharing and promoting ideas that benefit the entire region. Crow Native Days at this year's Montana Fair in Billings was also a result of this effort.

Housing Counseling Services

New this year, Beartooth RC&D began offering **FREE** individual Pre-Purchase, Credit and Foreclosure Prevention counseling services. These services focus on challenges and issues that are specific to the homebuyer and homeowner.



Homebuyer Education Classes

- 393 individuals/297 households have been served this year in Big Horn, Carbon, Stillwater, Sweet Grass and Yellowstone Counties.
- Completion of the 8 hour course enables participants to apply for financial assistance through many programs.
- Classes provide education and hands on tools about understanding your credit, setting up a workable household budget, goal setting, calculating affordability for a new mortgage, lending options, finding a realtor, protecting your assets and shopping for insurance, personal taxes and tax credits, down payment assistance programs, maintaining your investment, what to expect at closing, foreclosure prevention and predatory lending.

BUSINESS ASSISTANCE

Sweet Grass Natural Lamb

This group of local producers are aggressively marketing their high-quality, locally-raised and processed lamb products to restaurants, grocery stores and specialty meat shops. The Beartooth staff has assisted this group with strategic planning, preparation of grant applications, market diversification and development, and business/financial planning.



Laurel Movie Haus



Beartooth assisted the business owners in developing an application for a Big Sky Trust Fund Grant for the development of a Preliminary Engineering and Design Plan for the reconstruction of the old JCPenney building in Laurel into a movie theatre.

Hardin Chevrolet

The owners/managers of this facility are considering a relocation and expansion into the Hardin Industrial Park (HIP) near the West Interstate Exit. This would provide a tremendous opportunity for the Two Rivers Authority to encourage future HIP development. Beartooth staff has been assisting with the project through the planning phases by facilitating discussions with the City of Hardin and exploring alternate financing options.



Rural Business Education

A comprehensive business financial, marketing and strategic planning course was piloted in Stillwater County taught by MSU-Billings Professors, Pat Holman and Tom Hinthorne. Twenty-five businesses completed this twelve-week course. A follow-up course took place in 2010 providing in-depth training in understanding financial reports and strategic planning.

Harwood Enterprise

Beartooth RC&D assisted this vegetation control and conservation consulting business in Joliet with business planning and development of a Rural Business Enterprise Grant for a marketing plan and marketing materials which we are administering, this is expected to increase business and help the business expand and create jobs.



2010 ANNUAL REPORT

Warren Wind Project

Beartooth RC&D assisted the landowner in developing a Rural Development grant for a wind feasibility study, which was completed this year. The study confirmed this site is viable for commercial scale wind development.



Absaroka-Beartooth Wilderness Foundation (ABWF)

The ABWF is an organization dedicated to inspiring people to protect & preserve wilderness & wild lands. The RC&D is providing assistance in accounting, bookkeeping and reporting service for the ABWF, until they obtain their 501c3 status & have administrative support in place, as well as, managing the USDA-USFS grant agreement to carry out their mission.

Hazardous Fuels Reduction Program

For several years, Beartooth RC&D staff has assisted Stillwater County with applying for and administering grant funds for this ongoing, very successful, hazardous fuels mitigation program. With the growth of the program in recent years, it is one of the most active in the state. We partner with Columbus Rural Fire District to implement this important program. Our program continues to grow and expand in Carbon County, with most of the work taking place along the Beartooth Front. Projects continue in Grizzly Peaks, with new projects scheduled to begin at Sheep Mountain near Luther, Red Lodge Mountain and the Yellowstone-Bighorn Research Association Field Camp.

Beartooth RC&D has been providing technical planning assistance to the County Road and the Regional Geographic Information System Department to scope strategic areas for hazardous fuels mitigation throughout Big Horn County. One project has been initiated in a subdivision along the Big Horn River. Others projects have been completed through bottlenecks in the county road system. We are working to obtain grant funding to assist Big Horn



BEFORE



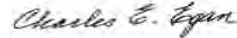
AFTER



**RIGHT-OF-WAY
INGRESS/EGRESS
CLEARING PROJECT**

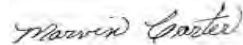
Beartooth Executive Committee

Beartooth Area RC&D has enjoyed a productive year as there has been an expansion of activities and programs that serve the people of the five county area. Additional staff has provided opportunities for communities and business during a challenging time. We appreciate the participation by the board of directors, staff and others involved in the programs of the organization. Dedication and initiative provide the leadership and expertise necessary to have a viable and useful opportunity for the counties we serve.



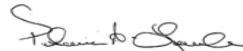
Charles Egan, Chairman

Evan Barrett, Chief Business Development Officer, at the Governor's office, during comments to the people of Laurel, recognized and applauded the Beartooth RC&D. He was explaining the state of the economy and Montana being one of only two or three states in the black. He mentioned the fine work of the Beartooth RC&D, so staff, keep up the good work!



Marvin Carter, Vice-Chairman

Considering the economic downward trend the nation as a whole has been experiencing the last several years, growth and development within the five-county area, which is served by the Beartooth RC&D, has not been as devastating as other parts of the nation. With close monitoring and cautiously thought-out decisions, the Beartooth RC&D continues working from a solid foundation. Hopefully, 2011 will be the start of the uphill trend we are looking forward to.



Penny Landon, Treasurer



Beartooth RC&D Staff



Carla Lawrence
NRCS Coordinator



Chris Mehus
Economic Development
Director



Diana Spint
Housing Coordinator



Dick Rath
Forester



Jillann Knutson
Revolving Loan Fund
Manager/Bookkeeper



Joel Bertolino
Program Technician



Paige Weber
Office Administrator

Greetings from the Staff:

Another year has quickly come and gone and the staff of the Beartooth RC&D would like to thank our Board members and our partners for their support and commitment to the Beartooth RC&D Area, Inc. We are fortunate to work with dedicated members and professionals organizations, whose contributions are the key to our success. We appreciate your guidance and sage advice!

The office, located in Joliet, is fortunate to have a spirited and energetic staff, which makes for an enjoyable, but productive office environment. We have worked hard this past year on building and maintaining relationships with internal and external customers, and to listen to the needs of the communities we serve. We continue to track and monitor projects and activities in the five-county area, in order to assist the staff with scheduling and setting priorities.

As always, we will continue to serve you, our customers, and we are prepared for the challenges and opportunities down the road. Please do not hesitate to give us a call or stop by for a cup of coffee; we always enjoy seeing you and visiting with the Board members and the folks from the area. We welcome your suggestions and we look forward to serving you in 2011!

Staff photos courtesy of Clark Marten Photography, Columbus, MT.