



MINUTES

Beartooth RC&D Area, Inc. Board of Director's Meeting
Thursday, May 20, 2010

Reminder: Meetings scheduled for third Thursday of odd numbered months.

<p>Board Members Present Chuck Egan, Chairman, Town of Columbus Marvin Carter, Vice-Chairman, City of Laurel</p> <p>Ada Iron, Crow Nation Dan Lowe, Big Horn Conservation District Jeffrey McDowell, City of Hardin Ken Gomer, Town of Bridger Page Dringman, City of Big Timber Steve Arveschoug, Big Sky EDA, Billings Susie Mosness, Sweet Grass County</p> <p>Members at Large Present Melissa Kramer, Stillwater Economic Development</p>	<p>Sponsors Not Represented Bob Van Oosten, Stillwater Conservation District Brian Roat, City of Red Lodge Dennis Hoyem, Stillwater County Doug Tucker, Carbon County Emelie Eaton, Yellowstone Conservation District Ed Ulledalen, City of Billings Jim Reno, Yellowstone County John Pretty On Top, Big Horn County Katie Callahan, Town of Joliet Penny Landon, Treasurer, Carbon Conservation District</p> <p>Members at Large Not Present Kendall Hartman, Billings Job Service Lisa Skriner, MSU-Billings, College of Technology</p>
<p>Guests Chuck Roloff, NRCS DC, Big Timber Field Office Dave Kascht, ASTC- Headwaters Jennifer Villacorta Tim Ouellette, ASTC- Operations Yolanda Old Dwarf, Revolving Loan Fund Manager – Crow Tribe Economic Development</p> <p>Congressional Staff Rachel Court, Senator Tester's office</p>	<p>Staff Chris Mehus Diana Spint Jillann Knutson Joel Bertolino Paige Weber</p> <p>Staff Not Present Dick Rath Carla Lawrence, NRCS Coordinator</p>

The meeting was called to order at 6:20 p.m. by Chairman Egan in Big Timber, MT at the Stillwater Mine Palladium Lodge.

Welcome - Egan

Chairman Egan welcomed all present, led the Pledge of Allegiance and everyone in attendance introduced themselves. Board member, Ken Gomer shared with the group a brief history of the Palladium Lodge and Stillwater Mine's operations.

Office Administrator – Paige Weber

Approval of March 18, 2010 - Minutes

Motion: To approve minutes, as written.

By: Jeffrey McDowell

Second: Marvin Carter

Action: Carried

Knutson presented the Beartooth financials. We have been waiting on the EDA funds to come available and were finally able to draw for our first and second quarterly funding. We've done some new loans and have some administrative money coming in. Knutson is also in the process of changing the bank accounts and direct deposits to the Bank of Joliet.

Approval of Treasurer's Report - Financial Report

Motion: To approve the treasurer's - financial report, as presented.

By: Steve Arveschoug

Second: Jeffrey McDowell

Action: Carried

Revolving Loan Fund Manager/Bookkeeper – Jillann Knutson

Revolving Loan Fund (RLF)

The RLF committee has approved two new loans: the Big Timber Martin Theatre and the Bear All The Time Gallery located in the Custer Battlefield Trading Post at Crow Agency.

Update - The Beartooth RC&D's annual audit began the last week in April and the auditor's have about 80% completed with the 2009 books.

Economic Development Director – Mehus

Goddard Manure and Compost Project/ LTL Inc.

Mehus submitted a request for assistance to continue working with the Goddard's on their Manure and Composting business. Mehus was able to help them secure a Growth Through Agriculture (GTA) grant with matching funding of business resources to help purchase needed equipment. The new equipment is in operation and they are working collaboratively with the NRCS, MSU-Extension Service, National Center for Appropriate Technology (NCAT) and Beartooth RC&D on a Small Business Innovation Research (SBIR) proposal to generate funds for research and development. Currently, most of their compost product is applied directly to fields. Mosness suggested looking into consumer size bagging to market their product to a broader area. Lowe pointed out concern with adhering to the Montana noxious weed law so as not to be moving around possible noxious weeds. Mehus stated that this would be tested further through the SBIR grant. Ouellette commented that they use a lab at Texas A&M that specializes in working with post digestive materials, the NRCS has y have used it primarily to test the nutrition end for livestock, but in the analysis' have found the use of this lab to be inexpensive, very accurate and would be a resource to keep in mind. Mehus stated that they would be putting in for an NRCS Conservation Innovation Grant (CIG) for this project and thanked Chuck Roloff, with the Conservation District in Sweet Grass County, for writing a letter of support for them on the Goddard Manure and Compost project.

Cash encouraged the RC&D to keep the NRCS field staff aware of our projects and continuing to work towards more conservation projects.

Motion: To accept the Goddard Compost and Manure/LTL Inc. as a project.

By: Marvin Carter

Second: Dan Lowe

Action: Carried

Housing Program – Diana Spint

Spint presented a Request for Assistance to become a Community Housing Development Organization (CHDO). By receiving CHDO certification, it could open up new opportunities for growth within the housing program at Beartooth RC&D and serve the need for this assistance, especially in the rural areas.

Motion: To pursue and submit an application to the Montana Department of Commerce Housing Division to become a Community Housing Development Organization (CHDO).

By: Marvin Carter

Second: Dan Lowe

Action: Carried

If our CHDO application is accepted, Beartooth RC&D would like to work towards becoming a HOME Down Payment Assistance Program to serve low and very low income families to obtain affordable housing. Beartooth RC&D would need to form a housing committee to review and accept loan applications. Spint would need to become licensed through the state to be a loan originator.

Motion: For Beartooth RC&D to apply to become a HOME down payment assistance program for the five counties that we serve.

By: Dan Lowe

Second: Jeffrey McDowell

Action: Carried

As part of the procedure to become a CHDO, the Beartooth RC&D organization must meet a list of criteria and have certain required policy's in place within our organization. Currently, we do not have a Drug-Free Workplace policy, a Complaint Resolution policy or a Fair Housing Resolution policy in place. Spint drafted these policies after similar templates in other organizations to be adopted by the RC&D. Arveschoug led some discussion about the Drug-Free Workplace policy. There may be future revisions made to this policy which will be voted on and adopted by the board as necessary.

Motion: To adopt the Fair Housing Resolution, Drug-Free Workplace and Complaint Resolution as part of Beartooth RC&D's policies.

By: Jeffrey McDowell

Second: Ken Gomer

Action: Carried

AG Program Technician – Bertolino

American Food Products / Montana Cattle Company

Bertolino reported that they were successful in receiving a Big Sky Trust Fund grant for developing a business and marketing plan for American Food Products. They have also submitted a Rural Development Rural Business Enterprise Grant for a feasibility study on opening the larger processing facility.

Motion: To accept American Food Products/ Montana Cattle Company as a project and continue working with them.

By: Ken Gomer

Second: Marvin Carter

Action: Carried

Pleasant Valley Canal, Inc.

Bertolino submitted an application for the Renewable Resource Grant and Loan (RRGL) Program to the Department of Natural Resources and Conservation (DNRC) on behalf of the Pleasant Valley Canal users. This is an irrigation siphon rehabilitation project that encompasses about 2,000 Acres and effects about 20 landowners. The siphon system is leaking, and has been causing land slides. Tim Ouellette with the NRCS was able to help the RC&D receive \$3,100.00 in funding to continue working on this project with the Pleasant Valley Canal users and with the DNRC.

Project Updates

The Lavender Bundle store in Red Lodge is working with Bertolino on the development of a grant to hire a consultant who specializes in growing lavender. This consultant would assess whether the crop could be grown locally at a site outside of Red Lodge or if it would necessitate a greenhouse to optimize growing conditions. The store currently harvests the Lavender they use out of Washington State. Ouellette stated there was a program through the NRCS to build hoop houses and that this is the type of conservation project the NRCS is looking to help its partners to fund.

The Laurel Movie house has been looking for funding for architectural help to redevelop the old JC Penney building in Laurel to convert it into a movie theatre. Bertolino put in a Big Sky Trust Grant for the owners to get assistance with this project and received \$9,000.00 for architectural and design costs.

Kramer gave an update on the Growth Through Ag (GTA) grants they put in for. They had three interested applicants, but only ended up with one submission. Midland Bull Test is looking at a cost-share program to help Montana cattle producers offset the cost of testing cattle for feed efficiency, to educate producers on the importance of feed efficiency and to encourage producers to get more Montana cattle in their feed lots. The competition in this area is growing rapidly and they are hoping to educate producers to make them competitive.

NRCS

Ouellette gave an update on the Rapid Assessment program review, which is part of the national NRCS organization's effort to look at the RC&D's, and all their programs across the nation, to assess how their funds are leveraged and the ability to leverage these funds for these programs, especially with the current budget. The assessment will look at the value of these programs, what changes need to be made to improve them, how to move them back towards the original focus of the organization and to make them partners, not supported by the funding they are provided.

Ouellette stated that Beartooth RC&D was the first in the state to submit funding for the "mini/micro" grants the NRCS is offering and are using this template for the other RC&D's across the state. Ouellette encouraged the RC&D to continue working with traditional conservation programs, such as: the Pleasant Valley Canal Siphon Rehabilitation Project, the Lavender Farm and the Goddard Manure and Compost projects.

Ouellette reported the building status process is currently on hold.

The Absaroka-Beartooth Wilderness Foundation (ABWF) is modeled after the Bob Marshall Wilderness project. Lawrence and Knutson have been working with the ABWF to use our 501(c) (3) status as a pass through account for their funding. Kramer commented on there being more questions about using this status and Knutson commented on some of the issues that arise by us allowing these organizations to use this status.

Announcements – Miscellaneous

Rachel Court announced Senator Tester is hosting a Treasure State Export Seminar on June 3rd at Rocky Mountain College in Billings. The Export/Import Bank Chairman and President, Fred Hochberg, will be there and they are asking everyone to RSVP on the website if they are planning to attend. This is a free, all day seminar to discuss expanding opportunities in agriculture marketing and manufacturing of products to sell overseas and boost Montana's economy.

Court also expressed that if anyone had any questions or concerns about the new healthcare program, especially small business owners, to please contact their office as they would be happy to discuss this in more detail with them and put them at ease about rumors circulating regarding the healthcare legislation.

Mehus questioned Court as to whether the homebuyer tax credit might be extended again. Court was doubtful there would be another extension, but would look into it.

McDowell commented on the Small Business Enhancement Class / QuickBooks training in Hardin. He stated the class instructor (a Certified QuickBooks trainer and CPA) took a good approach towards teaching with a lot of clarity making the class easy to follow. Due to the interest in the class, Bertolino is looking for funding to expand this class into other communities. The Hardin class had a good turnout with good responses to the training and follow up visits.

Project List -

We have scaled down the areas on our project list summary to three areas – Business, Community and Natural Resources. The projects with numbers assigned to them represent those that required more than ten hours of staff time. The numbered projects have been brought before the board for review and approval as a Request for Assistance to work on them. This ensures that the projects the staff works on meet the RC&D's mission and objectives.

Mehus gave an update on the status of the ABWF. The Absaroka-Beartooth Wilderness Foundation (ABWF) is an effort modeled after the Bob Marshall Wilderness project. The intent was to put together a group of multiple users who formed an oversight committee of those who use the wilderness area. This group helps the forest service with getting funding, doing fundraisers and budgeting for trail maintenance, developing trail heads, with weed maintenance, with building different facilities in and around the wilderness area, etc. The Forest Service is not doing all the work with their own funding only. The Forest Service puts up a grant and the ABWF matches this funding. This request for assistance was previously approved by the board. Lawrence and Knutson have been working with the ABWF to use our 501(c) (3) status as a pass through account for their non-profit oversight committee. The RC&D gets administrative money for allowing the ABWF to use our non-profit status to administer their grant funds. Kramer commented on their being IRS changes and that they are cracking down on organizations that use and allow the use of pass through accounts for funding. She cautioned about jeopardizing our own non-profit status to assist these other organizations. Knutson commented that there is getting to be more scrutiny on using this pass through status and more questions during the audits about using our organizations 501(c) (3) status.

Egan gave an update on the team building workshop with the staff in March. There were some intense discussions as to the future direction of the RC&D and areas were identified that need to be worked on to meet the needs of the staff and communities we serve.

Gomer commended the RC&D on the direction they provided to the Town of Bridger on their swimming pool project. Gomer stressed how the RC&D helped this community to gather together to stand on their own to solve their long-term needs by creating their own park and recreation committee, rather than relying on a grant to get them a short-term fix. This was a great example of the RC&D's motto, "Citizens Building Stronger Communities".

Next Scheduled Board Meeting- July 15, 2010 is tentatively planned to be held in Joliet. Location to be announced.

Adjournment: 8:10 p.m.

Respectfully Submitted,

Paige Weber
Office Administrator
Beartooth RC&D Area, Inc.