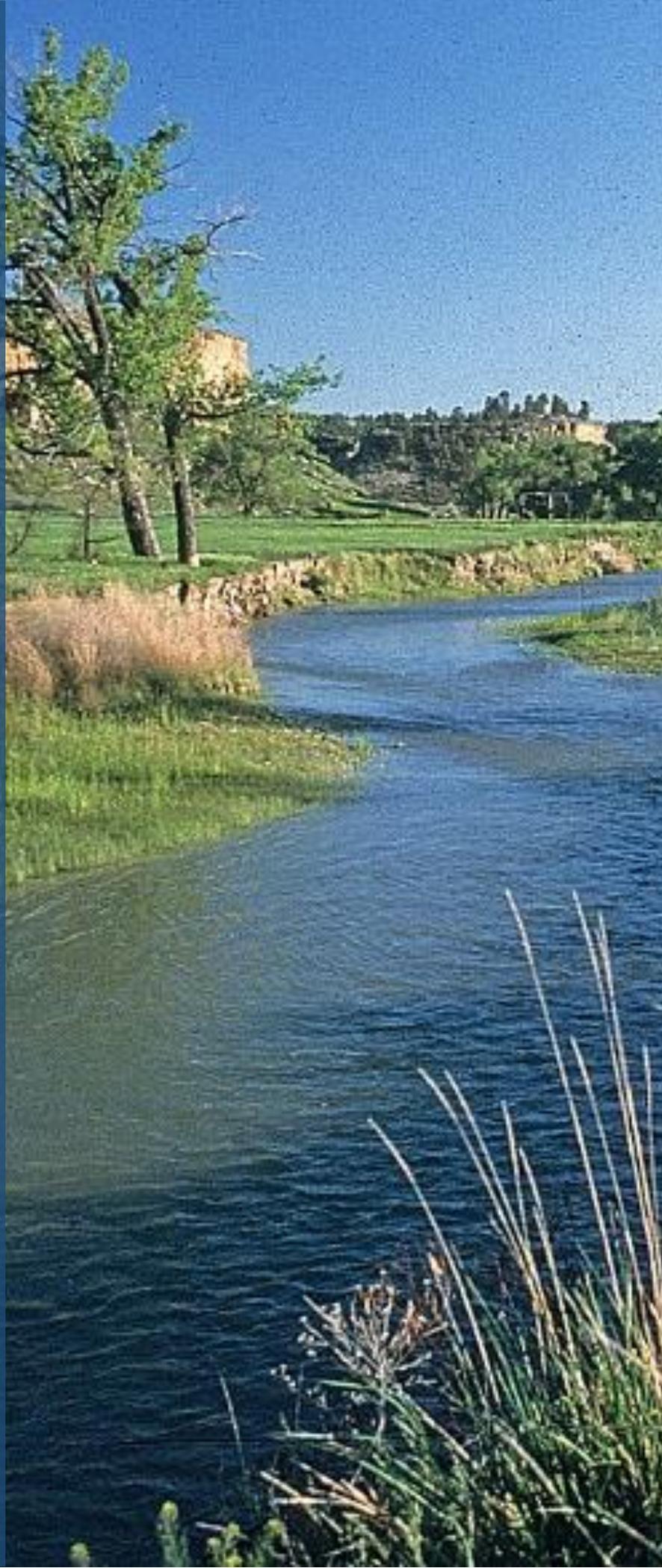




SNOWY MOUNTAIN

DEVELOPMENT CORPORATION



BOARD MINUTES

April 2020

**Snowy Mountain Development Corporation**  
**Board of Directors Meeting**  
**Wednesday, April 15, 2020, 10:00 AM**  
**By Conference Call**  
**Lewistown**

**Attendance:** SMDC Board Members: In Person: Ross Butcher

Via Conference Call: Holly Phelps, Carol Schaeffer, Dean Blomquist, Nicole Borner, Sandra Jones, Gary Barta, Paul McKenna, Richard Moe, Garth French and Leslie Burroughs.

SMDC Staff: Kathie Bailey, Executive Director; Bob Giese, Interim Co-Director; and Diane Pennell, CFO.

**Call to Order:** Chair Ross Butcher called the meeting to order at 10:03 am.

**Minutes:** Minutes of the February 19, 2020, meeting were unanimously approved (Sandra/Carol).

**Financial Report**

- **Financial Report:** Current financial and visual reports through March 2020, were distributed showing net income after receivables of \$240. Diane stated that we may end the year in a negative position due to: 1) Unanticipated moving expense 2) Bob moving to near full-time status compared to .2 FTE last year, 3) Required professional liability insurance, costing \$4,200, for our CRDC grant and 4) Impact of COVID-19 and 5) a reduction in fee-for-service revenue. Worse case would be -\$30K, but if PPP application is approved everything would change. Finances were unanimously approved (Richard/Holly).

**Executive Director's Report:**

- **We've Moved:** New Address 507 W. Main St. in the Bank Electric Building
- **Office is closed to the public as of 3/16/2020:** with all face-to-face meetings suspended. We are, however, in the process of setting up a platform to conduct trainings and meetings electronically.
- **Kathie, Cathy and Carly are working from home:** Carly will continue working there until after maternity leave and Cathy may also continue working at home, depending on what happens with the schools. Kathie is working occasionally at home and also at the office.
- **Kathie's Health Update:** Kathie finished her final chemo and looking forward to returning to work at the office! The board welcomed her back!
- **RLF Clients:** Bob, after getting approval from our funders, has offered payment deferral to our current RLF clients, and some have accepted this offer, with gratitude.
- **New CRDC Insurance Requirement:** Professional Liability costing over \$4200/year. SMDC had no choice but to purchase this costly coverage. Kathie is checking with other CRDC's for alternative insurance options.
- A More Detailed Executive Director's report and Brownfields Projects Reports are attached.

**Public Input: None**

**Old Business:**

- **806 Corcoran House:** SLS, the Mortgage company, holding a lien on the property has accepted SMDC's offer to satisfy the mortgage for \$5000! Closing should proceed on 4/30/2020. We are currently awaiting the release.
- **Brownfields Projects:** Updates are attached.

## New Business:

- **EDA RLF Policy Changes:** Kathie reviewed the current EDA RLF Policies, made recommended changes, and prepared a resolution of adoption. Board approved submission of changes to the plan as well as approval for chairperson to sign the resolution to provide flexibility in lending to our businesses in light of COVID-19 and future disasters. This board action was done by response to the 4/1/20 email. EDA approved the policy changes on 4/8/2020. Motion was made and unanimously approved to ratify approval of the resolution and policy changes. (Paul/Richard).
- **EDA Disaster Supplemental Grant (RLF) Request:** The board approved applying for \$150K, matched with \$150K at the February board meeting. That was the second approval for this grant application, as EDA continues to change their requirements. Now, due to the COVID-19 virus and its effects, EDA will have additional money coming down and will loosen their match requirement. Match requirements and ask amounts have not yet been finalized. Motion was made and unanimously approved to allow staff to apply for an EDA RLF Supplemental **up to 100%** of what EDA will allow in a grant and **up to \$100K** in match (\$90K from Fergus CDBG funds and \$10K from a Wells Fargo grant); nullifying the last, two approved requests. (Carol/Nicole). SMDC will have two years to use these funds, if awarded.
- **Bank Accounts:** With COVID-19, a major disaster declaration, and a fragile economy, staff want to have the authority on file to react quickly to move funds in order to protect our assets. SMDC currently has funds above the FDIC insured limit in one of our banks, without the availability to move it to another account with adequate coverage. Kathie asked for approval to open an account at one or more of the following banks: Well Fargo, Fergus Federal Credit Union, Citizen's Bank – Harlowton, and First Security Bank – Roundup. The account(s) signers would be two SMDC staff and two Executive Chair members; currently that is Kathie A. Bailey, Sara Hudson, Ross Butcher and Holly Phelps. Our checks require two signatures. Avoiding a conflict of interest with funds is of the utmost importance. A motion was made to allow staff to open accounts at the above named banks and unanimously approved (Sandra/Garth).
- **Protecting Payroll Program Application:** The Paycheck Protection Program ("PPP") authorizes up to \$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. SMDC has applied for this forgivable loan through First Bank of Montana in Lewistown. As it is first-come, first-served, staff thought it urgent to get in the queue and are asking for board approval to accept the forgivable loan if it is approved. The dollar amount requested, based on the program guidelines is \$63,718. A motion was made and unanimously approved (Richard/Holly).
- **Auditors:** Staff were informed that SMDC's current auditors have sold the "audit" portion of their firm. SMDC staff were provided a proposal by Carver, Florek & James, CPA's (the purchasers) to conduct our 2019-20 audit and complete our tax return for a cost of \$13,300. Although last year we paid \$11,750 for these same services, the numbers reflect what our current auditors would have charged this year. 2015 was the last year SMDC went out for bid. Staff are requesting approval to forego going out to bid this year and accept the proposal by Carver, Florek and James. Loren Randal has assured us that Clem Lockman, who has been the lead auditor for the past few years, would join the team for our audit. A motion was made to approve the proposal and was unanimously approved (Paul/Sandra).
- **Credit Card:** Staff are requesting approval to apply for a company credit card to be used by staff for expenses such as, but not limited to, travel and recurring charges. The card would be paid off every month. A motion was made to allow staff to apply for a credit card and was unanimously approved (Richard/Nicole).

- **Winnett Wastewater TSEP Application:** Winnett is, once again, requesting help in applying for TSEP funding as part of their wastewater project. Funding was lost due to lack of performance and response in prior applications, in which SMDC spent many hours assisting. Staff asked for recommendation on providing assistance with this project. Kathie added that it will not take a lot and when Winnett gets funds, there will be administration funds. Board asked if there is anything that would indicate more cooperation this time? Kathie stated that there have been four mayors, and the town was delinquent on filing annual financial reports, which has been some of the issues. There is now a new clerk, who Leslie added she is helping get their books up to date. A motion was made to help Winnett with their TSEP application and unanimously approved (Nicole/Leslie). Paul conveyed appreciation to the board and staff for their patience and support, suggesting that the council has struggled but is moving forward.
- **Annual Meeting:** The SMDC annual meeting will be the third Wednesday in June. Staff asked board to please mark their calendars. A budget and nominating committee are needed and staff are recommending the budget committee, which consists of one member from each county be the following: Holly, Carol, Sandra, Dean, Cody and Richard. Budget committee will meet an hour prior to the annual meeting. Staff asked if current officers would serve another year in office- and they agreed. Cody agreed to give the Nominating Committee report.

#### **Board Sharing:**

- The counties said they are doing well despite COVID-19 shut downs. Many are doing things online.
- **Announcements:** The next board meeting is scheduled for **June 17<sup>th</sup>** at a place or format to be determined.

**Adjournment of Meeting:** Chairman, Ross Butcher adjourned the meeting at 11:30.

Submitted by Diane Pennell

#### Executive Director's Report

2/19/2020

Staff are continuing to meet the needs in our six-county region. The following is a list of current projects and their status:

- EDA RLF Grant Application: It was approved at last meeting, for \$400K with \$100K match (80/20), matching it with \$100K (\$90 County, \$10 W/F). We found after the fact that it is a 50/50 match grant. We'll now ask for \$150K and match \$150K with the additional \$50K match provided by SMDC.
- Digital Marketing Workshop – SMDC along with our MT PTAC program participated. Held workshop on January 7<sup>th</sup> and had 39 in attendance.
- Lewistown Area Child Care Feasibility Study – Big Sky Trust Fund awarded \$16,200. Planning start up call with BSTF staff this month.
- Winnett Wastewater
  - Currently working on finalizing USDA Water and Waste Disposal Loan and Grant Program application
  - Waiting to start required start-up conditions for the various other funding sources until all funding is in place.
- PTAC
  - Assisting clients as needed. During the 4<sup>th</sup> quarter of 2019 Carly provided 36 counseling sessions to 19 different businesses that resulted in 15 government contracts totaling \$833,147.39.

- Continually working towards becoming a Certified Procurement Professional (CPP).
  - Attending APTAC Conference March 8-12, 2020.
- Recharge Our Community Nature Tourism Committee- Continuing to work on wayfinding project after receiving \$35,000 from the Eastern Montana Initiative. Currently finalizing wayfinding plan.
- Petroleum County Community Center – working on drawdowns as needed for the CDBG planning grant awarded to Petroleum County.
- CDFI - Continued organizational capacity building toward Community Development Financial Institution certification. This entails an assessment of the needs for capital in the region. A CDFI Financial Award is a flexible revenue stream that SMDC can use to grow, support organizational sustainability and contribute to the revitalization of the communities we serve.
- Opportunity Zones - Continued research on funding opportunities to support the creation of a Redevelopment and Reuse Plan for the Lewistown Opportunity Zone. (This was included in our request for Brownfields Assessment Grant funds which was not funded.)
- Continued partnership with the State's Opportunity Zone contractor to prepare prospectuses for SMDC's two Opportunity Zones; identify all businesses operating within the OZs; and prepare the way for businesses to access the statewide Opportunity Zone Fund (currently being created).
- EDA Disaster Supplemental Musselshell - Continued work with Musselshell County to apply for an EDA Disaster Supplemental Grant to re-route sections of Road #4 which have been washed away in the recent flood. Periodically over the last forty years, segments of this road have been washed away by natural disasters and repeatedly reconstructed. Re-routing the Road is a disaster resilience strategy.
- EDA Disaster Supplemental SMDC - Continued research on the EDA Disaster Supplemental Grant for the Snowy Mountain Region to evaluate the possibility of creating an "Economic Resilience and Recovery Center" to centralize our disaster mitigation, preparedness, response and recovery activities, funding opportunities, and training resources (Brownfields, BLM fuels mitigation, disaster recovery loans, business technical assistance) to provide a streamlined approach to supporting our communities and businesses pre- and post-disaster.
- Harlowton Railyard - Continued work on the development of a Concept Plan for the Redevelopment of the Harlowton Railyard. Proposals are due February 14. We will meet with the Evaluation Committee on February 19 to score proposals and identify top ranking firms for interviews.
- BLM Fuels Mitigation projects starting. Musselshell County has six projects in place which will expend most of their funds. Hoping to get additional funding later this year.
- January Homebuyer Education two-night class had thirteen attendees. Staff also did a one-on-one counseling session in January.
- 2020 CRDC Application was submitted. The PTAC and EDA applications will be due this spring.
- DLA Grants: Three grant applications were submitted. 1) Lavina K-12 HVAC/Boiler 2) Roundup Jr/Sr. High HVAC/Boiler and 3) Lavina Sewer Lift Station back-up generator. Should hear in late March.
- Montana Non-Profit Census Complete Count "Hard to Reach" Groups. Applied for a mini grant of \$1830, to provide chrome books to our local libraries to be used as additional laptops in which people can complete the census.

2/10/2020

### **Fergus County – Lewistown**

On Your Way – (Cleanup - Petroleum) Demolition of the former building complete, site excavated to safety limits of boundaries. The extensive contamination source appears to be “uphill” from where the former ‘On Your Way’ tanks used to be. It appears there may have been a secondary release from a former gas station located where the Fergus County Sheriff’s Office is now. 1943 Sanborn maps show a service station at the corner of Janeaux and 8<sup>th</sup> Avenue South. Contacted MT DEQ to determine if this site is eligible for Petro-Board reimbursement and was determined to be not eligible. Received AR-04 Report on December 24, 2019. Site groundwater and vapor Intrusion monitoring occurred on December 19, 2019.

Eagles Manor – (Assessment - Hazardous) WWC completed the Phase I Environmental and Sampling Analysis Plan, working on the Phase II and Health and Safety Plans. Received the revised Sampling and Analysis Plan on 1/31/2020.

Crowley Building – (Cleanup - Hazardous) Site eligibility was approved by the EPA, WWC working on the Sampling Analysis Plan (SAP) and Analysis of Brownfields Cleanup Alternatives (ABCA) for SMDC and EPA to review. SMDC completed the Community Relations Plan (CRP) which was approved by EPA.

### **Fergus County – Lewistown area**

Berg Lumber – No further information to report.

### **Fergus County – Hilger**

Hilger Meats – (Cleanup - Petroleum) Site excavated to boundary limits. Contamination persists beyond boundary. Nic from Tetrattech (QEP) is discussing with Brandon Kingsbury (DEQ) a petroleum mixing zone. (Nic) is looking into an easement with Montana DOT for this. DEQ sent a letter to Mr. Bielen on 1/29/2020 which requires a Corrective Action Work Plan be provide to DEQ by Mid-March. Nic from Tetrattech has reached out and will write the work plan for Mr. Bielen.

### **Judith Basin County – Hobson**

Dale Longfellow property – Dale requested assistance from SMDC to complete an EPA Targeted Brownfields Assessment application. SMDC assisted and applied to EPA on behalf of Mr. Longfellow. EPA did not approve application and recommended he pursue a Montana DEQ Petroleum TBA Application. With assistance from Brandon Kingsbury SMDC applied for the MT-DEQ TBA and was approved. Awaiting further guidance from Brandon Kingsbury for next steps.

### **Petroleum County – Winnett**

Kozy Korner – (Assessment – Petroleum) SMDC secured a QEP to complete a Phase I Environmental Assessment. Assessment funds became exhausted so MT-DEQ funded Tetrattech (QEP) to complete the Phase II. Tetrattech completed Phase II, SMDC received 1/22/2020. DEQ, SMDC and the Realtor – Morgan Luther are assisting Ms. Wood with completing Form 1R for further action, awaiting response from her insurance company regarding coverage for the release.

Sue McKenna property - SMDC assisted Sue McKenna with applying for the EPA Targeted Brownfields Assessment for the Winnett Community Center. Application was successfully approved. No further information to report.

### **Wheatland County – Harlowton**

Biegel's Bar – (Assessment – Hazardous) The current owner is still pending the transfer of ownership to the City of Harlowton.

Bob's Chevron – (Cleanup – Petroleum) Property is in the process of being land-farmed. Tetrattech is the QEP providing oversight. Sara process request for Petro-Board reimbursement. DEQ sent letter to owner requiring a corrective action work plan by mid-March on Jan. 29, 2020.

Roundhouse – (Cleanup – Hazardous & Petroleum) Request for Proposals published in January for a Concept Plan for the Harlowton Railyard. Lots of interested generated with this request. Proposals due Feb. 14<sup>th</sup>. Selection committee being established. Already received on letter of intent to respond from Stahly Engineering on 1/31/2020.

**Golden Valley County – Ryegate**

Ryegate Conoco – (Cleanup – Petroleum) Still waiting to hear if city initiated tax foreclosure on property.

**Musselshell County – Roundup**

Musselshell FEMA Properties – (Cleanup – Hazardous) Safetech has safely abated all sites. Working with Northern Industrial Hygiene to conduct lead soil sampling after we receive word from the County that demolition of structures has been completed.

Farmer’s Union – (Cleanup – Hazardous & Petroleum) Received State Historic Preservation Officer concurrence from EPA. Completed site eligibility application for a Revolving Loan Fund and was approved by EPA. Working on sub-recipient grant agreement for Musselshell Co and selecting the QEP for going forward.

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**Park County – Livingston**

Teslow Grain Elevator – (Cleanup) The Teslow Group LLC transferred ownership of the property to the Teslow Preservation Group (non-profit, 501 C (3)) which will allow us to provide them a 50/50 grant/loan to help with the cleanup actions. WWC is working on a cost estimate for cleanup. WWC working on the ABCA (Analysis of Brownfields Cleanup Alternatives). SMDC has completed the Draft Community Relations Plan on 2/3/2020.

**Gallatin County – Bozeman**

Innovation Campus/Nelson Dairy Farm – (Cleanup – Hazardous) EPA Site eligibility approved, WWC assigned as QEP. WWC working on the ABCA, and SMDC working on the Community Relations Plan.

**Gallatin County – West Yellowstone**

Stage Coach – (Assessment – Hazardous & Petroleum) Tetrattech assigned as QEP, completed assessments, project on hold until property owner is ready to demolish the structures. Need to know how far the petroleum extends beyond and under the employee housing.

**Broadwater County - Townsend**

Grover’s Exxon – (Cleanup – Petroleum) Forwarded Broadwater County Sub-Recipient Agreement to Brian Obert, awaiting signature and return of agreement.

**Lewis & Clark County – Helena**

Red Alder – (Cleanup – Hazardous) Received signed loan documents and No Further Action letter from MT-DEQ.

Helena Housing Authority – (Cleanup – Hazardous) Tetrattech assigned as QEP. City has a serious methamphetamine problem in these units. We just processed a second cleanup action for same unit.

Memorial Apartments – (Cleanup – Hazardous) No additional activity, similar recurring problem with exposure to hazardous drug chemicals.

