

**Livestock Loss Board**  
**July 2, 2021**  
**Board Meeting**  
**Augusta MT**  
**Meeting Minutes**

**Livestock Loss Board Members Present:**

Doreen Gillespie – Chairperson  
Elaine Allestad  
Patty Quisno  
Joe Kipp

**Staff:** George Edwards – Executive Director  
Brian Simonson – DoL Centralized Services Administrator  
Mike Honeycutt – DoL Executive Officer

**Guests:** Butch Gillespie  
Marge Edwards  
Dave McEwen  
Lenore McEwen  
Ray Pellen  
Kraig Glazier  
Jamie Rammell  
Justin Krause  
Kathy Kipp  
Mike Hofer  
Greg Fullerter  
Lynn Preston  
Taylor Bogden  
Randy Bogden  
Trina Bradley  
Kristen Juras

**Call to Order and Administrative Items**

**Introductions**

- Each board member and board staff introduced themselves.

## **Board Minutes**

Board members reviewed the August 11, 2020 minutes.

Ms. Gillespie said she read the minutes and asked if other board members had looked them over. All board members indicated they had read the minutes. She then asked to have someone make a motion to approve the minutes of the last meeting.

**Motion:** Elaine Allestad made a motion to approve the minutes noting she wasn't there at the last meeting. Joe Kipp seconded the motion. **Discussion:** It was noted that only Doreen Gillespie was present during the August 11<sup>th</sup> meeting. **Vote:** All in favor, none opposed. Motion carried.

## **Budget Status, Rollover Funds**

Mr. Edwards said he provided the board the same budget status sheets that were presented to the Board of Livestock two days ago. He said we are making it through the budget year this time without having to go out and use the board's license plate fund. Primarily this happened because during the covid times, the board did not hold regular meetings and he did not attend other meetings as well. He said budget sheets somewhat self-explanatory. Evan Waters is the accounting bureau chief, and he writes a little paragraph at the bottom of the sheets to give you explanations about the budget.

Mr. Edwards said what he really wanted to talk about is the roll over funds and what happens with excess money from the claims account. Excess money in the claims fund rolls over into the loss prevention fund. Board members have the option to split the roll over into segments. The board can retain up to 10% of half of that for operations which the board has consistently done. Typically, the board provides 40% of the remaining half for wildlife services for their grizzly bear work. The remaining balance is used for loss prevention efforts. Mr. Edwards said the board would need to do a motion to direct how the money is used. He noted the board did get a slight increase to the governor's budget. This will help the board to resume in person meetings again, but he would still recommend the board to take the 10%.

Ms. Gillespie ask for a motion. Ms. Allestad asked if she wanted it all in one motion or just say the 10% and have a second motion. Mr. Edwards asked if it could be in two separate motions. Ms. Gillespie called for a motion for the 10% and then call the next motion for the remaining money.

**Motion:** Elaine Allestad made a motion to retain 10% of the rollover funds for administrative expenses. Patty Quisno seconded the motion. **Discussion:** No further discussion. **Vote:** All in favor, none opposed. Motion carried.

Mr. Kipp asked for some discussion before the next motion. He asked Mr. Glazier if they needed the money. Mr. Glazier responded they do need the money to help with investigations.

**Motion:** Joe Kipp made a motion to provide 40% of the rollover funds to Wildlife Services. Elaine Allestad seconded the motion. **Discussion:** No further discussion. **Vote:** All in favor, none opposed. Motion carried.

Mr. Edwards said the remaining 50% will automatically go into the loss prevention fund. He went on to explain there is a blue sheet in the board's meeting book that is the projected expenses. There was a little short fall in personal services which is where the board gets hit with the vacancy savings every time because his is the sole employee with no vacancy. That is what always what hurts the budget. We save some via the operations section to cover that. Looking at the bottom it shows \$7,182 for the first time in a couple of years. The next page is a comparison of 2020 to 2021 expenses so the board can see the difference from one year to the next.

The 2124 fund shows \$403,000 dollars. Each year \$300,000 is added into this fund. Mr. Edwards said Mr. Simonson could probably explain this sheet better than he could because he is the CFO. Mr. Simonson said he is pretty sure there will be \$103,000 for the total roll over fund.

Mr. Edwards stated Evan Waters has started investing board funds into the state investment pool, so the board has increased funding by a small amount. All the license plate funds have been invested. Mr. Waters shows \$39,876 dollars in the license plate fund.

The 2125 fund is for loss prevention. Mr. Waters showed some money in that account. That is from investments. This fund is restricted so it cannot be diverted for any other purpose.

## Reports

### **Livestock Loss Board Executive Secretary**

Mr. Edwards said he put a statistics sheet in the board books which shows payments through June 23<sup>rd</sup>. One line shows zero in Lake County for 10 sheep and five goats. This is because the owner had not paid per-capita fees. After speaking with the individual, it was found out that they were new residents of the state. It turned out they had just purchased these animals and it was after the reporting date. This makes them eligible for payment, because they had not owned them when the reporting was due. Because of this Mr. Edwards will be

able to pay the claim within the following week. Most of the time people who had not paid per-capita fees have been west of the divide. Almost every one of them had no knowledge of how the livestock are handled in the state. Claims begin to peak during the September to November time frame.

He directed the board to look at Glacier and Powell Counties as the two hardest hit counties in the state. In Glacier County losses are primarily due to grizzlies. Powell County is a mix of grizzly and wolf caused loss. Most of the Powell County losses have occurred on one ranch near Helmville. Ranchers in this area use the Blackfoot Challenge's carcass pickup program.

Mr. Edwards said comparisons to Wildlife Services numbers will not add up as a comparison because they report losses from October through September using their budget year. FWP reports are on calendar year. They request our numbers each year. 2020 was unusual as the board received fewer claims than normal. Looking at a comparison, this year has the same number of animals as last year to date. 2019 was the record year for total payments.

Day to day operations has been running extremely smooth with all claims being processed with days and sent over to Department of Livestock accounting for the payment to be sent out.

### **USDA Wildlife Services**

Kraig Glazier began by saying if the state is broken down into areas like the Rocky Mountain Front, depredations are up about 40% here on the front. About the 50-60% confirmed the probable are from grizzly bears. Investigations this year are going to be picking up now that people are taking cows out the grass and all that stuff especially down in the southwest part of Montana. Madison County numbers really increase once the cattle are taken to their allotments. Some producers are not taking their livestock to allotments because of high predation and the area is difficult to find a carcass in time for an investigation. Glacier County is historically the hardest hit area.

Disposition of grizzlies caught predating is under the US Fish & Wildlife Service. When we catch a bear, it is up to them whether it is released back on site, relocated or euthanized. So, for Wildlife Services standpoint, bears are smart. They have a memory like an elephant. They will sometimes return to an area after being relocated and it can be very fast. There are a lot of things to do with the ESA and listing requirements. If you have twice as many bears or whatever the number is, you're going to have twice as many, predation problems. In a sense with these issues that everybody's dealing with is a good thing in a way because it shows recovery. Now it's just getting the legal framework to build management.

Hillary Cooley with the USFWS has a real problem. She doesn't really have areas to put problem bears. New state legislation puts the issue straight on them

because FWP hands are tied when it comes to relocation. Again, bears that have been relocated tend to come back. We are not the agency that decides on the disposition of caught bears. Ms. Cooley has made the call to euthanize some of the caught bears. Once a bear has been trapped, it is extremely difficult to ever catch it again.

## **Old Business**

### **Agency Relationships**

Mr. Edwards said because we had so many new board members, he included a legal document that was prepared by the attorneys for the Department of Livestock. Karli Johnson resigned the day before this meeting. She and Ms. Gillespie were going to look into this topic, but they did not get a chance as Ms. Johnson recently had a baby and was very busy with her new child. Ms. Gillespie and Kristen Juras had spoken with Karli prior to this meeting. Although her resignation is not an agenda item, it is included in the minutes to reflect on this topic. It is on this agenda to ensure we have smooth relationship with the Department of Livestock. Ms. Gillespie explained to the audience that if anyone is interested in filling the open seat to contact the governor's office. She asked the board members to review the document in case they see things that may need to be smoothed out or made better with the Department of Livestock.

## **New Business**

### **Prevention Grants Process**

Board members were asked if a new grant process was needed and during past grant reviews, board members were sometimes looking for additional information. In the past, it has been primarily non-profit organizations applying for grants and receive the bulk of the money. Livestock owners rarely apply so board members were asked if a new form may be necessary to encourage more rancher participation. Mr. Edwards said in state law 2-15-3111 it references livestock producers for grants. It appears that legislative intent was for the ranchers to receive the grants.

Mr. Edwards said that federal grants have a fifty-fifty cost share requirement. With the new state funding, the board has more flexibility to change this requirement to help more ranchers to apply. He said this is just one idea he had for the board. He said the board may want to put a value on in-kind labor for part of a match requirement. Mike Hofer put in many miles of electric fencing and the value of labor to do this would be very high. If a rancher knows how the board values their time, it would be easier for them to fill out an application. Another thing that Ms. Allestad had brought up during past grant reviews was to wean off organizations who can find funding from other sources more easily than a typical rancher. Many of these organizations have grant writers so they may have an easier time finding funding for their projects. Mr. Edwards said changing the

process to be more rancher oriented may get more projects on the ground. For example, if the grant form listed \$20 per hour for labor and an estimated time to complete a project, a rancher could check that box knowing what the board is expecting. A form that basically lays out the items board members would need for a grant review while making it simple enough for all to understand may help to get more rancher involvement.

Mr. Edwards asked if anyone wanted to say something to please do because it helps it helps the board better serve everybody. Both Ms. Allestad and Ms. Gillespie have always asked for public comment during board discussions.

**Motion:** Elaine Allestad made a motion to incorporate a process to help get money down to individual producers and for the chair to appoint a subcommittee to come up with the parameters and a form. Joe Kipp seconded the motion.

**Discussion:** No further discussion. **Vote:** All in favor, none opposed. Motion carried.

Mr. Edwards asked to make a comment. Would you want someone from the public involved too? Kristen Juras said they can reach out to stakeholders but only board members can serve on the committee. That's helpful as far as anybody that who wants to get a hold of the committee. Their contact information is on our board page, [www.llb.mt.gov](http://www.llb.mt.gov) under board and meeting information. Board members contact information includes their address, and telephone number. People can contact any one of these board members to visit with them about topics under the board's purview.

Ms. Rammell said if you give me \$5,000 for our livestock guardian, dog, and then I resell it for \$7,000. How do you keep people from doing that? Mr. Edwards said we can't keep people from reselling it their property, but they do have to supply LLB receipts for those purchases under a grant award. We know that money was spent on for a guard dog to protect livestock.

Mr. Edwards explained that the board has the discretion on loss prevention grants. Money for grants related to grizzlies began on July 1<sup>st</sup> so it will be up to the board on the time frames this money will be used. It will probably be within the current state budget year.

Ms. Gillespie asked for two board members to volunteer to be on a grant process committee. Both Ms. Allestad and Ms. Quisno volunteered and were appointed to the board's new grant committee. The committee is to come up with items for a new form and procedures to make it more rancher friendly.

## High Value Claims

Ms. Gillespie began the discussion on high value claims. She brought this before the board because a limit may be needed for payments on registered livestock. As an example, she said some registered bulls can bring up to \$300,000 which is the board's entire budget and she asked other board members for their input. Mr. Kipp said he had been thinking about this for quite a while and he disagrees with current process for paying these claims. He said only a portion of a registered producer's livestock are sold as registered stock. It can range from 50% to 70% and many are steered out. Ms. Gillespie said they sold club calves and some of their herd did not reach this quality because a few could become crippled. Mr. Edwards noted almost all of the registered claims are for very young calves. Kristen Juras said the board's discretion is somewhat limited by the statute. She went on to say the board may reimburse, confirmed and probable livestock losses at an amount, not to exceed the fair market value of the livestock. Fair market value is defined for registered livestock, the average price paid to that producer at public or private sales for animals of similar age or sex. It may take rulemaking to factor in the average price.

Mr. Kipp said, but again we have to look at that area. These guys will advertise what percentage of their calves are going into the wholesale market. They can provide that number. If not, it ought to be very clear with the per-capita tax. So, the fair market or private market value would be between the steers that get castrated out combined with the bulls in their percentage of what are they selling at that price. He wants to see it production animal times the percent of animals coming to the bull sale for registered market sales. Mr. Edwards said we really need to get an attorney involved in a rule making process with your input to initially write rules. Mr. McEwen said he really has to go with Joe on this and thinks discretion is useful in in this regard. He said he doesn't think there's anybody sitting up there that's obligated to pay the average for sales because if it would have been good at the sale it would be in their sale and he would have got that average price at the sale, not afterwards. Mr. Edwards said most are week old calves and that is the problem. Mr. McEwen said that discretion is with this board. He added like Joe has said, he's still knows what percentage of his cattle will go to that sale. A percentage is what to do. Mr. Edwards advised the board to follow Ms. Juras recommendation to begin rulemaking on this topic. Mr. Honeycutt said the Department of Livestock uses Julia Swingley for legal matters.

Ms. Bradley said the board had paid a claim for her dad's old horse which she called a \$500 dollar canner. She asked the board to do their research before paying a claim like this. She went on to say if you have a really high value animal you will have insurance on it. Mr. Edwards said unusual claims are taken before the board and are not instantly paid. As an example, the high value claim paid a few years ago was brought before the board. The owner sent in a statement that this horse was not insured. Horse claims are submitted to Jann Parker with Billings Livestock Commission. This includes additional information such as neighbor statements about the horse. She appraised the horse based upon

breeding and neighbor statements for the horse claim Ms. Bradley was speaking about. Mr. Edwards added most horse claims are from \$1,500 to \$2,000. The board has had appeals on a previous pony claim. The board had him average four BLS horse sales for ponies for a value. The result was providing a higher payment to the owner of the ponies.

Mr. Edwards was asking the board if they would consider placing a set value for covered livestock other than cattle and sheep because it is very difficult to set a value for payment. The board has discretion for animals other than cattle and sheep. He said in the case of horses, it is impossible to tell if the horse may have been crippled and a value based on this cannot be made.

Mr. Edwards said he has averaged eight to ten registered angus sales from the Montana Angus Association for registered heifers and cows. He has done this form many of the claims for registered cattle in the past. This is done when the owner of the registered stock did not have a sale for registered females. Typically, this is a little over \$2,000 dollars per head. State law requires averages from registered cattle of a similar age and sex. Ms. Gillespie said she is concerned if a very high dollar animal can be verified, it could deplete board funding to pay other ranchers for their claims.

### **Legislation**

Mr. Edwards supplied the board with board laws including changes made during the 2021 legislative session. One of the new law changes makes it clearer that the board may pay a multiplier by regions. Funding to pay a multiplier was not taken up by legislators. Tribal agreements are no longer necessary to pay a claim on tribal lands. Senator Gillespie carried both law changes. The third law change was made by Senator Cuffe who after several previous attempts, was able to secure \$100,000 per year in state funding for loss prevention. All three law changes will help ranchers dealing with covered predators. He said he will continue to keep legislation on the agenda in case the board identifies law requests for the next legislative session. Board proposed law changes need to go through the governor's office to be considered.

### **Possible Prevention Requirement**

Joe Kipp asked the board to consider a possible prevention requirement for ranchers who submit numerous claims. He lives in one of the highest predation areas in the state. Mr. Kipp said he has several neighbors who are very proactive while others do nothing but turn in claims to this board. They don't use sound cannons, guard dogs, or attempt to keep their livestock out of riparian areas where bears are found. They feel the federal government should take care of it but it's not federal dollars paying these claims. He sees those who are using prevention as helping him out too because bears are not becoming accustomed to feeding on livestock. He is thinking about those producers that have had a history of like two or three years of continued claims. Maybe they could they be



required to do some type prevention practice, whether that's to rent a sound canon for the calving, season or whatever.

Mr. Edwards said Powell County has ranchers with repeated claims even though they are doing prevention efforts. He added there's nothing in the law that allows the board to stop paying a claim because the rancher hasn't used prevention. This is something the board may consider for a legislative change. Ms. Bradley said this is a private property rights issue. You can't come to my ranch and tell me how to operate.

Mr. Rammell spoke about putting up an electric fence around his property. He said having bears around puts a lot on them and is a big investment. Mr. Edwards spoke about the board always operating on not requiring prevention first before paying a loss claim. A reason behind this is the rancher may not know they have a predator problem until an event happens. Past claims show some ranches have predation sporadically, skipping some years before and event happens again. Mr. Kipp said he is talking about people who are hit two or three years in a row. Eventually you would consider buying insurance. He added he would like to see all of his neighbors in some kind of loss prevention. Mr. Kipp gave many examples about grizzly bears on ranches in Glacier County.

Mr. Edwards spoke about attending grizzly bear meetings and hearing comments about ranchers doing prevention and funneling the problem into a smaller area. A few of the Hutterite Colonies have said they are worried the fencing an area may put the problem on their neighbors, and they want to remain good neighbors. Another common thing he hears is how labor intensive it is to maintain an electric fence. Mr. Hofer spoke about putting up electric fencing and next year a bear showed up in the Conrad area.

Mr. McEwen said he understands where Mr. Kipp is coming from with the scenarios he has brought up. He said this board was formed legislatively because the NGOs refuse to pay. He asked Mr. Kipp to be careful when he figures out a resolution to this issue because he knows exactly what Mr. Kipp is saying. He gave the example of you are spraying your weeds and your neighbor isn't. He's got to do something sooner or later and help everybody out. The board may need to ask that person to do something. He added it's going to get into a real situation because he doesn't think this state is ready to jump into that big monetary problem the way they're going to have to jump into it. Everybody's going to have to do their part in whether that comes from enforcement from this board or someone else. Mr. McEwen said Burlington Northern is given a permit to kill something like 18 bears a year. Ms. Juras said the railroads spent hundreds of thousands of dollars to obtain the take permit.

### **Public Comment**

Ms. Gillespie asked the audience for public comment. Ms. Bradley said Mr. Edwards sends a letter to people submitting a claim but have not paid their per-

capita. Is the board required to do this? Mr. Edwards said no the board is not required to send the letter, but this lets the livestock owner know they will not be paid until their per-capita is current. It just seems like the proper thing to do. If they don't receive a payment, they are going to wonder why. Ms. Juras said there actually is a requirement if the government denies a claim to explain why and so they're explaining why because they must pay per-capita. Ms. Bradley when you have predators you know you need to pay per-capita to get paid your claim. Mr. Edwards explained the board is required to collect a W9 form to process a claim through state accounting. Almost without exception he has noticed the people who have not paid per-capita also have out of state social security numbers. It's people moving into Montana and when they receive the rejection letter telling them to pay per-capita, their first reaction is to ask what is per-capita. The next question is what is it used for and why should I pay it. Mr. Edwards then directs them to the Department of Livestock as well as explaining what the money is used for and it is required if you own livestock. He said it is rare to find someone from this state that hasn't paid the fees. Ms. Gillespie added it's listed on every inspection form and you can't miss it. Ms. Allestad back when we didn't pay for llamas, we discovered there is a lot of small 10-20-acre places that have no clue that they need to pay per-capita and there is not brand on them.

Ms. Bradley had a second question about the multiplier in the last legislative session. Is the Livestock Loss Board going to be responsible for figuring out what it will be or is it the Department of Livestock? Mr. Edwards said it is the board and they are a separated agency for the department. This board may need to create a committee to begin this discussion. It can be placed on a future agenda. Because the new law says it's determined by regions, the board will need to determine those regions and what a multiplier may look like per region. Currently, the board does not have funding to pay a multiplier. Before this board may ask for more state funding, it first must go through the governor's budget office. Stockgrowers has it in their policy and they might find a legislator to run a bill. This board cannot move forward on a bill that would need at least \$800,000 more without budget office approval. Mr. Edwards said to keep in mind that all agencies look for money so this board would have to compete with them to get the funding within the governor's budget.

Ms. Bradley stated you do still have your trust fund that anybody could put money into and that could go towards people's livestock. Mr. Edwards said there is the five-million-dollar trust fund in the original laws from 2007 but no one has put any money into it. Ms. Allestad said it's really a zero-dollar fund that can have up to five million dollars in it. Senator Gillespie said he told people if you don't support my other bills, at least support his multiplier bill but they probably never will. Mr. McEwen said we proposed to federally fund this but the NGO's said we need that money to fund conservation. We knew how to get the money from the parks who are breeding our problem. That proposal is now dead, we go nothing. He added we should look at Wyoming before trying to figure out how to pay for it. It ate up a lot of coal tax dollars. The value of coal is now worth almost zero and they are mandated to pay a multiplier and don't know how to do it.

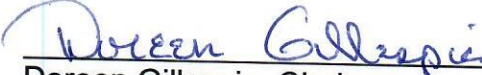
Mr. Rammell stated, so he's got dogs to protect his sheep, right? I got dogs to protect my family, our kids, 10 little ones. So, he's had to purchase dogs, I've had to purchase dogs. So how much money do we get back after we purchase these high dollar dogs? Mr. Edwards said up until this month, this board did not have funding for grizzly prevention. He added it must be livestock related. Ms. Allestad and Ms. Quisno will be working on information needed on the board's new grant form. He said it will be up to the board after a new grant process is completed and the board begins to accept grant requests. Board member contact information is on the board's website for people wanting to discuss things this board is being tasked with for help. Mr. Rammell explained the situation he is in with added costs for electricity and dog food to protect his family. He said he now has three guard dogs and in the past three years there are bears all around his place. Mr. Edwards said he doesn't know what the board will be accepting under the new grant process so he advises people to keep receipts in case they may be used for a future grant.

Ms. Juras said she believes the board can pay a multiplier with existing state funds but it would deplete the fund quickly so others would not be paid. She suggested the board form a committee to begin working on it before the next legislative session. Mr. Edwards said this would also be very helpful when testifying before a committee. Ms. Allestad said we have a lot of history in this area so it's not like reinventing the wheel again.

Doreen Gillespie asked if there were any more discussions. No further discussions.

**Motion:** Joe Kipp made a motion to adjourn. Patty Quisno seconded the motion.  
**Adjourned**

DATED this ~~14th~~ day of Oct 14 - 21, 2021

  
Doreen Gillespie, Chairman  
Montana Livestock Loss Board