



Livestock Loss Reduction & Mitigation Board

May 11, 2009
Livestock Conference Room
Helena MT

Meeting Minutes

Livestock Loss Reduction & Mitigation Board Members Present:

Elaine Allestad – Chairperson
Larry Trexler
Whitney Wankel
John Herman
Brad Radtke
Michael Leahy
James Cross

Staff:

George Edwards – Livestock Loss Mitigation Coordinator
Patti Thompson – DOL- Milk Control Bureau
George Harris – DOL – Centralized Services Administrator

Guests:

Jacqueline Hud – Keystone Conservation
Becky Weed
Kim Baker – Montana Cattlemen's Association
Maren Olsen – Congressman Rehberg's Office
Tim Tew – Skunk Creek Company
Aeric Reilly – Montana Woolgrowers Association
Sven Svenson
John Steuber – USDA, WS
Carolyn Sime – FWP

Call to Order and Administrative Items:

Chairperson Elaine Allestad called the meeting to order at 1:00 p.m.

Introductions:

- Each board member and board staff introduced themselves.
- Chairperson Allestad asked the audience members to introduce themselves and encouraged public comment.

Board Minutes:

Board members reviewed the October 24, 2008 minutes. **Motion:** Larry Trexler made a motion to approve the minutes. Whitney Wankel seconded the motion. **Discussion:** None. **Vote:** All in favor none opposed. Motion carried.

Budget Status

George Harris— administrator centralized services spoke about the financial status of the board and program. He stated it is a tough situation for the next month and we will have some sweating to do for the next couple of months to get you through this fiscal year, nothing new.

The board and program are structured in the Department of Livestock's Centralized Services Division and within that division we have some flexibility. Another option is a program transfer if there is money in another division. The problem is that LLRMP is statutorily appropriated via general fund. It is difficult to move funds from special revenue and ranchers would not take this to kindly if funding comes from per-capita fees. If the per-capita fee is used it's like a producer paying themselves with their own dollars. The best option is to raise \$5,000 to \$10,000 in the next few months.

George Edwards has done a good job and has worked hard. Harris said he is pleased with his efforts. People are not kicking in the money, it was smart of us to send Edwards to Washington, DC last year and he did good job working with delegation back there. Federal funding will help next year but federal funds won't be available in time for this budget as we need to be done with the 2009 fiscal year by July 21st. In the handout Harris said he zeroed out all budgeted operations columns. The big problem is personal services and we need to get through this year because of an anticipated \$4,000 to \$5,000 shortfall. Federal funds will help in the future to pay operational costs.

The good news comes July 1st when the board will have \$12,000 for operations. Legislators did a 7% across the board vacancy savings for state agencies. This program only has one full time employee so we will need to take 7% from personal services. It will hurt this little program but funding for operations can be moved into personal services and Edwards will have to travel a little less. A board member asked if the 7% could come from another area of livestock. Harris explained this is the only place in centralized services that is funded with general fund dollars. We will be able to save it because next year the board won't see zeros in operations and we will have some federal money. Edwards explained that the sheet handed out is not just his expenses. It also includes board meetings and board expenses.

Harris explained that during the legislative session he spoke with Senator Esp and it looks like \$150,000 will be appropriated for claims. (Elaine Allestad and George Edwards also met with Senator Esp during the beginning weeks of the legislative session). A \$70,000 appropriation in HB2 is separate of the claims fund and is for personal services and operations. No money is carried over from one fiscal year to the next. Harris's handout is an older report and he stated all in all we didn't get hurt to bad. When the federal money comes in we can do a budget amendment. A budget amendment for federal funds is sent to budget director for the governor and will have a few additional steps to meet.

Michael Leahy asked if a private loan could be used to get through this fiscal year and paid back in July. Harris said no, private loans are not an option. The board could possibly have a loan from general fund. Leahy asked if legislature is committed to \$70,000 long term. Harris explained one legislature can't dictate what a future legislature will do. The \$70,000 is the base and future budgets will presented to the legislature for the next session.

Harris explained the trust fund and how it works. The way the law is written the board can use the interest to fund the program so its really important to fill the trust fund. Trust fund money would not be restricted to paying claims. The original law also said the \$60,000 start up funds will need to be paid back. Interest from the trust fund will help accomplish this. Board members need to seek wealthy donors and even small donors or grants wherever you can find it.

Harris said he is not denigrating, minimizing or sub-stating the importance of prevention and mitigation. He stated he wanted this on the record. This program was put in livestock to make sure the producers were taken care of not that other state agencies wouldn't but this is our charge. Prevention is also important too. We need to go in logical steps, when the trust fund gets built up Harris can see mitigation efforts beginning.

Reports

- **George Edwards – DOL Livestock Loss Mitigation Coordinator**

Since the board's last meeting in October, Edwards has met with a few groups and had numerous requests to attend meetings. He has been unable to attend most of the meetings due to budget restrictions. No money has been expended for meetings since the last board meeting.

On the funding issue, LLRMP did received a second \$50,000 donation in April from Defenders of Wildlife. This donation allowed the program to pay claims pending since late December 2008. Recently LLRMP received a \$500 donation from Keystone Conservation. Senator Tester's bill passed and LLRMP will be eligible for a 50 percent cost share for claims paid

since October 2008. Currently Federal rules have not been drafted yet but the funding should be available later this year.

CSKT Tribal officials have developed a draft wolf management plan. Once the plan is approved, Edwards will send an MOU to Elaine Allestad for her signature. (Board members approved the MOU during the October 2008 meeting)

Edwards attended legislative hearings on numerous wolf related bills. Elaine Allestad, George Harris and George Edwards spoke as informational witnesses for HB90 which added llamas to the list of animals eligible for compensation. HB90 was the only bill impacting this board.

In order to comply with the terms of Defenders of Wildlife's 2008 donation, they were provided with redacted copies of all claims received in 2008. DOW questioned a few of the claims LLRMP had processed. We were able to resolve most of their concerns. The main point of contention was the large sheep claim the board reviewed at the October board meeting. Defenders of Wildlife provided 60% of the funding for payments and more than 60% of the overall claims met their criteria.

CLAIM STATISTICS:

- Our first claim was received on May 12th
 - 232 animals were paid for losses during 2008 (87,317.68)
 - 4 llamas, 1 cow and 1 calf did not qualify for payment
 - Claims for 28 animals have been paid for losses through April 2009 (\$6,954.53)
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- **John Steuber – USDA WS State Director**

A Power-point presentation was shown to the board describing the basic elements of Wildlife Services function as it relates to this board. Funding for their operations is primarily from federal funds (3/4) with the remaining funding from various state and local sources.

Wildlife Specialists perform all investigations for this board. Their territories are large and encompass multiple counties. Three helicopters and small airplanes are used for control work. All work is done under a MOU with Fish, Wildlife and Parks. This includes actions from radio collaring a wolf to removal as directed.

Steuber asked that livestock owners who suspect a predator related loss to protect the seen. Their specialists will investigate the sight and will be looking for tracks, measuring bite marks, look for hemorrhaging, interviews, etc....

The current investigative report was shown and is wolf specific. It includes if the loss is determined to be confirmed or probable. Specialists submit the completed investigation to their state office in Billings. The Billings office sends a copy of the investigation along with our claim form to the livestock owner. The livestock owner then has the option to submit a claim for reimbursement. Wildlife Services does not send the investigations to LLRMP. If an animal dies from wolf caused injuries after an investigation is done, the livestock owner needs to call Wildlife Services and/or LLRMP to report the death.

Larry Trexler commended the work done by Wildlife Services. The quick responses are appreciated.

Sven Svenson stated he had numerous injured animals that did die after the initial attack and this is a large financial burden.

- **Carolyn Sime – FWP Gray Wolf Coordinator**

Fish, Wildlife and Parks has completed their 2008 annual wolf report. Wolf populations increased 18%. The highest number of depredations and lethal control actions occurred in 2008. New packs are inhabiting new areas.

Wolves were officially delisted on May 4th so the same rules apply to the entire state. Wolves are classified as a species in need of management in Montana. This classification allows the FWP Commission to establish a hunting season. Tentative quotas will be set on May 14th and a final quota will be set by July 9th.

The Department of Interior has received five notices of intent to sue to stop delisting. Litigation may be underway as early as the first week of June.

A question was asked on the status of CSKT's wolf management plan. Edwards said CSKT has developed a draft plan and as soon as it is finalized he will send a MOU to Elaine Allestad for signature. (The MOU was approved during the October 2008 meeting pending CSKT's finalized management plan)

Old Business

- **Specialty License Plates**

Kim Baker volunteered to work on a specialty license plate as a possible fundraiser for LLRMP. Kim submitted examples of plates she designed

and she has contacted the prison and 3M for specifications. The design is an agricultural background with some wolves on it. Edwards asked if the board would be willing to ask livestock organizations for the \$4,000 or 400 names needed by the state to begin producing plates. The general consensus was that there would be little support by the ag community for a license plate because they are already suffering losses. Board members thanked Kim for her efforts. Michael Leahy suggested with the ag community not likely to support a plate, maybe a plate could have a wolf or range rider on it to get more interest. Leahy asked if anyone had looked into selling fake plates to out-of-staters. This is a new idea that will be looked into via the state and other vendors. Another idea was to challenge groups to sponsor our license plate.

Board members were asked if specialty license plates tabled during the October 2008 meeting should be returned as a possible fundraising effort. **Motion:** James Cross made a motion to remove license plates from the tabled category. Whitney Wankel seconded the motion. **Discussion:** Issue was discussed as part of Kim Bakers offer to donate her design work on a specialty license plate. **Vote:** All in favor none opposed. Motion carried.

New Business

- **Loss Claims**

Three Peaks Ranch – This claim is for a registered bull that was rendered infertile from the scrotum being torn open during a wolf attack. The bull did not die from the attack and was ultimately sold for slaughter. Larry Trexler stated the owner typically buys bulls in the \$4,000 to \$5000 dollar range.

Motion: James Cross made a motion to deny this claim at this time. Whitney Wankel seconded the motion. **Discussion:** Board members discussed a past board to only pay for confirmed and probable death losses. Administrative rules are needed to help both the board and livestock owners on what will be required before payments could be made for injured animals. Available funding will be a key factor on future board actions. **Vote:** All in favor, none opposed. Motion carried.

Arrow S Incorporated – A cow was giving birth to calf as wolves were attacking her. The cow was spinning to get away from the wolves and she stepped on the calf and killed it. **Motion:** Michael Leahy made a motion to pay for the calf. Larry Trexler seconded the motion. **Discussion:** Board members asked if wolves attacked the calf. Kraig Glazier, WS said the wolves did not feed on the calf. The livestock owner arrived on the scene riding an atv while the cow was still trying to protect the calf. Glazier added this is not an uncommon event as the cows do attempt to protect the calf. Board members stated the end result was because of the wolf attack.

Vote: All in favor, none opposed. Motion carried.

- **Public Comment on Claims**

Sven Svenson – Mr. Svenson said wolves killed 31 sheep in the past year. The government trapper asked him to move 194 cow/calf pairs so traps could be set. He estimated the economic loss of two months fall pasture was \$8,536. It took 120 days to resolve the wolf issue and he estimated the minimum daily expense for checking the livestock was \$100 per day or \$12,000. Lambing rates for dry barren ewes was running 1.2 to 1.5 percent. Since wolves arrived on his property the rate has climbed to 6.5 percent. Mr. Svenson said a typical 95 pound lamb averages \$98.50 per head and he figured the loss to be \$13,100. Normal lambing rates went from 140 percent to 120 percent. He runs about 1,700 ewes and with a 20 percent loss, he estimated the lost value at \$23,640. With unseen factors all-in-all Svenson's operation lost \$78,000 in one year. A board member added and this is only one producer out of many. Svenson said he used all non-lethal methods possible.

- **Sheep, Llama and Goat Values**

Since the October 2008 board meeting, claims were paid out at a rate of \$145 ewes, \$350 rams, \$100 lambs and \$95 for goats. Sheep values have not changed since the October meeting. Brad Radtke stated he will have a goat buyer contact Edwards on the current goat market.

Llama values are difficult to determine. Some llamas are given away for free while others may be used for breeding purposes. Documentation will be vital in determining values. Board members stated the process should be in administrative rules. Edwards asked the board to review all llama claims. **Motion:** Brad Radtke made a motion to have the board review all llama claims. Larry Trexler seconded the motion. **Discussion:** A question was asked if we had received an claims for sanctuary animals. Edwards responded no. **Vote:** All in favor, none opposed. Motion carried.

Goat values can be difficult as the Billings market does not have many goats. Brad Radtke said he has used a market in Texas. Edwards mentioned an owner of goats had mentioned a Fort Collins, Colorado market during the claims discussion last October. Mr. Svenson said he had marketed goats in the Chicago are and after expenses his take home pay was about \$85 per head. Edwards stated he will bring goat claims before the full board for review.

- **Multiplier**

The multiplier was placed on the agenda for public discussion and to let the public know the board is pursuing this option. Elaine Allestad brought up the federal funding and that the multiplier could possibly be funded when we get the federal match. The problem is the board will need to fund this item in order to get the matching funds. Edwards stated Idaho has been paying a multiplier at a reduced rate on a yearly basis. They too are looking at ways to obtain the federal funding cost share. He said the federal government has not developed rules yet on the federal cost share. Larry Trexler said the board should come up with an administrative rule to figure out percentages. **Motion:** James Cross made a motion for the board to establish a multiplier policy or concept before the board has funding available. John Herman seconded the motion. **Discussion:** No further discussion **Vote:** All in favor, none opposed. Motion carried

- **2009 Legislation**

HB90 – Added llamas definitions in 2-15-3112, MCA

SR2 & SR34 – Confirmation of board members

HB2 – Makes \$150,000 (restricted/biennial/oto) available to the board for loss payments if signed by the Governor

Future Legislation 2011 Session – George Edwards advised the board to begin thinking about any board proposed legislation as the Department of Livestock will be asked for proposals next spring. Larry Trexler said we need to look at funding legislation at a state level and continue to work on the federal level.

HR146 – Senator Tester's Wolf Livestock Loss Demonstration Project has been signed by the President. This bill provides for a 50 percent cost share for functions administered by the board. Federal rules on obtaining the funds are still in development.

- **Fundraising**

Montana Cattlemen's Foundation has offered their foundation as a pass-through for funding if they can help the board. Board members stated that if this was to be pursued in the future, that all organizations should be sought out for their foundations so that they all would have an opportunity to help out. Board members said they are respectfully declining Cattlemen's foundations offer at this time.

The board's structure is already set up to receive funds similar to a 501(c)(3) non-profit foundation. Under Federal IRS regulations the board is under Publication 78 as a 170(c)(1) state organization and this is the same publication for 501(c)(3) foundations. Edwards researched other state associated foundations such as the FWP Foundation and the

Montana Historical Foundation. Because of the board's funding structure there would be no advantages in forming a separate foundation for this board and program.

Board members discussed the possibility of creating a fundraising committee to seek out ways to generate revenue for the program. **Motion:** Michael Leahy made a motion to create a fundraising committee that is less than a quorum but more than one board member. Brad Radtke seconded the motion. **Discussion:** Volunteers for the committee are Michael Leahy, Brad Radtke and Whitney Wankel. Michael Leahy will be chair of the committee. **Vote:** All in favor, none opposed. Motion carried. Michael Leahy asked if per-capita fees or tourism dollars have been looked into. Edwards had checked with the Department of Commerce and explained that a legislative change would be needed to tap tourism dollars. Carolyn Sime volunteered to help the committee.

- **Administrative Rules**

Edwards asked the board to establish an administrative rules committee. Some of the needed rules are how does the board establish llama values, criteria for funding prevention efforts, etc... He suggested the committee work on some basics via email and he could setup conference calls so the public could be involved. The full board would need to act on approval of committee proposals. When a rule proposal is accepted by the board, an administrative rules hearing may be held.

Motion: Whitney Wankel made a motion to create an administrative rules committee that is less than a quorum but more than one board member. James Cross seconded the motion. **Discussion:** Volunteers for the committee are Larry Trexler, John Herman and James Cross. Larry Trexler will be chair of the committee. **Vote:** All in favor, none opposed. Motion carried.

Future Meeting Dates:

The board tentatively set the next meeting date for October 23, 2009 with October 21st or 22nd as alternate dates.

Public Comment

Public comment was allowed throughout the meeting and no further comments were offered at this time.

Additional Actions:

Proactive measures has been requested to be placed on the fall agenda. USDA WS has hired a resource management specialist based out of Fort Collins, Colorado to work with states on proactive methods. An invitation will be extended to him to see if he could attend the next meeting.

Adjournment 4:46 pm

Motion: Brad Radtke made a motion to adjourn. Larry Trexler seconded the motion. **Vote:** All in favor, none opposed. Motion carried.

DATED this 23 day of October, 2009

Elaine K. Allestad
Elaine K. Allestad, Chair
Montana Livestock Loss Reduction and Mitigation Board