



## Livestock Loss Reduction & Mitigation Board

October 24, 2008  
State Capitol, Helena MT

### Meeting Minutes

#### Livestock Loss Reduction & Mitigation Board Members Present:

Elaine Allestad – Chairperson  
Hilliard McDonald  
Whitney Wankel  
Larry Trexler  
Janelle Holden  
Brad Radtke  
James Cross

#### Staff:

George Edwards – Livestock Loss Mitigation Coordinator  
George Harris – DOL – Centralized Services Administrator

#### Guests:

John Steuber – USDA, WS  
Carolyn Sime – FWP  
Andrew Huff – Office of Indian Affairs  
Dan Carney – Blackfeet Fish & Wildlife  
Aeric Reilly – Montana Woolgrowers Association  
John Baucus  
Jon & Cathy Konen  
Sven Svenson

#### Call to Order and Administrative Items:

Chairperson Elaine Allestad called the meeting to order at 10:05 a.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 discussed minor amendments and clarification of the February 11, 2008 minutes. **Motion:** Hilliard McDonald made a motion to approve the minutes as amended. Larry Trexler seconded the motion. **Discussion:** Board members asked about the status of administrative rules. George Edwards explained that a delay occurred with a state rule reviewer because of a contract

with the Department of Livestock had expired. The contract has been renewed but the rules have not been advanced in the process. **Vote:** All in favor none opposed. Motion carried.

### **Budget Status**

George Harris welcomed the board. The board is being very fiscally responsible. \$60,000 is budgeted in general fund for the operations of the board that includes salaries for your only staff member. This is a report is for the end of year. It was about this time last year when we interviewed and selected George Edwards so about a quarter of the year before he got started so that's why we only spent \$44,000. This includes other compensation that includes the board. In the budgeted column there is \$900 for at least two meetings a year. \$450 was spent for one meeting. \$2500 was budgeted and \$2254 was spent for supplies and materials. In communications we obtained a cell phone for George and he forwards his office phone so you can always be in touch. Senator Tester put in a funding bill and we sent George to testify and the travel budget was within \$75 so overall a good budget and used 55%. The board does not have a budget for major supplies such as a truck but the board is budgeted for minor supplies. The state fiscal year runs from July 1 to June 30th. Word is getting out and claims are growing but you will have to be careful this year. Your \$30,000 one time only appropriation has been spent on claims. Mr. Harris thanked Defenders of Wildlife for the \$50,000 they donated this year to help pay claims. The governor's budget office is supporting \$70,000 for 2010 and 2011 budget years. Mr. Harris said he does not believe the Board of Livestock would approve of using money from the per capita fee for the LLRMB and probably would not happen. Your big challenge is to shake every bush for donors. The board has to get busy because a legislative bill is not coming from the department to sponsor a bill. As your finance officer it is really important to come up with a match for proposed federal legislation S.2875. The legislature wants the \$120,000 dollars back for the 2008-2009 biennium. The intent of the legislature is to build up the trust fund. This program has been a lot of years coming and is important.

### **Budget Discussion**

Janelle Holden asked if the budget the board was looking at was for 2008.

George Harris responded that it was and he will be preparing a budget status report for the Board of Livestock's November meeting and will have a copy sent to LLRMB members. Mr. Harris went on to explain authority vs. cash for available funding. Leftover state funds from a prior year do not carry over. Donated money is in a separate fund and does carry over.

Janelle Holden requested that the donation fund appear on Mr. Harris's next report. Ms. Holden asked about legal responsibilities when claims come in and the funding is gone.

George Edwards asked the board what they wanted him to do when this happens. Mr. Edwards will ask for a legal opinion of board member liabilities.

George Harris was a former Tort division manager and said the board will not be liable for the claims and will not be personally liable.

Elaine Allestad pointed out payments are based upon availability of funds. When the board runs out of money, the claims will not be paid.

Hilliard McDonald asked if the funds were first come first served. Should the board wait until the end of the year?

Elaine Allestad said we had the discussion at the prior meeting that it is on a first come first serve basis until the money is gone.

Janelle Holden said we came to the conclusion that this would be the fairest. The problems with compensation programs that have waited has caused frustration from livestock owners. That has occurred somewhat with Defenders of Wildlife. This program is setup to be transparent and responsive to livestock producers.

Elaine Allestad asked if there was any way to get the \$30,000 into a more permanent fund.

George Harris said they would need to go to the legislators. This was in HB2 and was a one time only and a separate item.

## Reports

- George Edwards – DOL Livestock Loss Mitigation Coordinator  
Since your last board meeting in February, George has met with numerous livestock and environmental groups. His main focus has been the need for funding and to clarify what a livestock owner needs to do when they suspect a loss is due to wolves.

On the funding issue, LLRMP did receive a \$50,000 donation from Defenders of Wildlife shortly after the February board meeting. Recently LLRMP received a \$1,000 donation from the Greater Yellowstone Coalition. The Wilburforce Foundation has indicated they may be able to make a donation in the future.

Senator Tester introduced a bill in the US Senate to help fund our program. This bill is co-sponsored by Senators Max Baucus (MT), John Barrasso (WY), Larry Craig (ID) and Gordon Smith (OR). It is S.2875 and the title is Wolf Livestock Loss Prevention and Mitigation Act. The current status of this bill is that it has passed out of committee and is part of an omnibus public lands package that will be before the senate the week of November 17<sup>th</sup>. Assuming the House also comes back for a lame duck session the bill may still pass this year and we can start working on federal funding.

George has setup a system for individuals to make donations with a credit card or checking account and this can be done online. George setup a booth at the Montana State Fair in Great Falls seeking donations. Whitney Wankel and Fish, Wildlife and Parks personnel also had donation cards in

booths at the fair. LLRMB's booth won the Best Educational Exhibit at the fair but we did not get any donations.

The number one thing discovered when speaking with livestock owners and groups was the need to explain who they needed to call when they have suffered a wolf related loss. We have stressed the need for livestock owners to call USDA WS first. People are seeing frequent newspaper articles about livestock losses and typically there is a reference to FWP because they are responsible for wolf management. We will be working with the Department of Livestock's public information officer, Steve Merritt to develop an informational brochure which will state contact information for wildlife services, how values are determined and how the claims process works.

Currently our claims process has worked well and after our first six months of processing claims. George is modifying the claim form and letter. State accounting procedures will be changing so the EIN or SS line will be removed from the form and added a generic IRS W-9 form will be added to the application. This information is needed before a check will be written by the state. The other change was to add a line for the number of animals lost with a statement to use separate forms if the age and sex of the animal is different. The introduction letter will be changed to reflect how values are determined.

The modified claim form and cover letter was handed out for review. George explained the modifications. Board members asked to have "as funds are available" added to the letter. Sven Svenson asked about changes to the form that removed the value of the animal. This was on the Wildlife Services form and is covered under John Steuber's report. Elaine Allestad asked that a request for receipts be added to our cover letter.

Mr. Edwards provided the following information on the claims process and general statistics.

#### CLAIMS PROCESS:

- Call Wildlife Services to request an investigation
- Wildlife Services will provide a copy of the investigation and our loss claim form to the livestock owner if loss is due to wolves.
- Livestock owner submits the loss form and a copy of WS investigation to our office
- If the form is complete, a payment is issued within days. Values are determined from USDA Market Reports from Billings each week.
- If the form is incomplete or livestock weights are beyond statewide averages, a letter is sent requesting additional information.
- Claims with unusual circumstances or a need for staff guidance are brought before the board.

## CLAIM STATISTICS:

- Our first claim was received on May 12th
- 53 claims for 171 animals have been received in the past six months
- 34 separate owners, some with multiple claims
- 26 cattle claims have been paid for at total of 32 animals with an average payment of \$579.19 per head for non-registered animals.
- An additional 9 head of cattle claims have not been paid pending further information.
- One registered horse claim has been paid for \$5,000. An adjuster from BLS in Billings was used to help determine the horses value.
- One guard animal (dog) has been paid for \$500.00
- Four llama claims for board review
- Two goat claims for board review
- 120 sheep claims for board review
- One sheep claim pending additional document
- Total of \$30,971.26 paid out in the first six months but this number will potentially double after the board's review of unpaid claims.
- Claims typically are submitted one month after the USDA investigation has been completed.
- 135 of the animals were mortgaged
- None of the animals were insured
- Five heifers and one horse were registered animals.

- John Steuber – USDA WS State Director  
Wildlife Services has been in wolf/predator management since the early 1900's. Most recently they have been involved in wolf management since the 1980's. Since Fish, Wildlife and Parks has been responsible for wolf management, Wildlife Services works under their authority based on a memorandum of understanding. Wildlife Service is the initial contact for predator investigations because of their expertise. About 50% of investigations turn out to be not wolf related. John explained the need to protect the loss site.

The investigative form has been changed and the dollar value of the animals has been removed. Values did not have a legal basis so this section was removed. The form was changed October 1st. and includes definitions on the back. Since there is reimbursement for wolves and not other predators, this form is tailored to wolves. Wildlife Services staff visits with the producer to show them how they determined the type of predator. Fish, Wildlife and Parks is sent a redacted copy of the investigative report. A lawsuit by the American Farm Bureau and Texas Farm Bureau prevents Wildlife Services from providing names of livestock owners who have

suffered a loss. A court in Waco Texas determined the livestock owners names or addresses were a right of privacy issue.

Fish, Wildlife and Parks directs management decisions on how the predator is handled. Wildlife Services does receive a portion of per capita tax, about seven to eight cents per head for predator management. They also receive some funding from a few counties and FWP.

John handed out statistics from his office and used the calendar year. The numbers do not include unconfirmed losses or the ones they don't find. On summer range they have to be extremely lucky to find a dead animal and does not include efforts to move animals back to the proper pastures.

Questions arose about injured animals. John explained that many times the animals are dying while his staff is performing the investigation. If animals are severely injured, this is noted on the investigation. George directed board members to claims in the board book as an example. No payments have been made for injured animals. Neither Wildlife Services or Fish, Wildlife and Parks will be back to check to see if the animals have died.

- Carolyn Sime – FWP Gray Wolf Coordinator  
Fish, Wildlife and Parks takes an annual snapshot of the number of wolves at the end of each year. At the end of 2007 there were 422 wolves, 39 pairs and 73 packs within the state. Preliminary counts as September 2008 were 360 wolves, 36 pairs and 74 packs. These numbers remain close to last year.

FWP has developed a hunting season and quotas in the event that delisting is resolved. The FWP Commission has finalized an administrative rule reclassifying wolves as a species in need of management. This rule would become effective upon delisting of wolves.

U.S. Fish and Wildlife Services proposed delisting wolves in February 2007 and listed two options. The first option was to de-list wolves in Montana, Idaho, Wyoming and portions of Oregon, Utah and Washington. The second proposal was to leave out portions of Wyoming. A decision was made in February 2008 and took effect in March of 2008. By April the decision was challenged in court and an injunction was issued during the summer. The federal government filed a motion to withdraw the decision in September and the case was dismissed. Another attempt to de-list wolves will probably occur in 2009.

## Old Business

- Fundraising  
The board discussed this subject under new business in conjunction with legislation.
- Specialty License Plates  
The board discussed this subject under new business in conjunction with legislation.

## New Business

- Claims  
Corey Guenzler – Mr. Guenzler submitted claims with different weights his animals, injured animals and two unconfirmed losses. Board members discussed payment for injured vs dead animals. Only animals that have died will be compensated. Wildlife Services submitted a corrected report and two animals were moved from unconfirmed to probables. **Motion:** Hilliard McDonald made a motion to pay for the two dead steers. Janelle Holden seconded. **Discussion:** Weights of animals were discussed and if the owner provides prior years receipts, that is the weight that will be paid. George Edwards has been asking for receipts on claims for animals with weaning weights 700 pounds or greater. Board members agreed with this assessment. **Vote:** All in favor, none opposed. Motion carried.

Rebish/Konen – Jon and Kathy Konen provided receipts to help the board determine values of their sheep losses. Konen's included a letter with their claims stating that this is 30% of their breeding stock and the injured animals were euthanized. Kathy Konen explained that they have a closed herd. Their animals are purebred rambouilets. The lost animals were not old or culls, they were prime breeding animals. Jon Konen said they could have been registered and they recently bought more registered rams. Hilliard McDonald asked how values are determined at the Miles City Ram Sale. Jon explained that an average value is determined for a specific breed from both registered and range stock. Konen's paid \$380.00 for each ram. Elaine Allestad asked about the various ages of the animals. Jon stated they did not mouth the animals. In the spring of the year they culled their animals and typically their animals are less than five years old. George Edwards said there were claims for 18 ewes, 43 rams and 30 lambs. Based on the investigative report and a letter from a veterinarian on euthanized animals this is the total claim. Jon said their average ram is valued around \$350.00, lambs are around \$100.00 and ewes around \$145.00. Brad Radtke asked if the wolf pack had been removed. Jon said the pack was removed in July. Two days later their neighbor suffered wolf related losses. Hillard McDonald said this should amount to a payment of \$20,660 dollars. Jon said they have guard dogs and herders with their flock and have moved their animals. Elaine state the board will be looking at multipliers in the future when funding becomes available. **Motion:**

Hilliard McDonald made a motion to pay \$145.00 ewes, \$350.00 rams and \$100.00 lambs for a total of \$20,660 dollars. Whitney Wankel seconded.

**Discussion:** Larry Trexler stated he was sorry for their loss.

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

- Tribal Agreements – moved up in the agenda  
Andrew Huff, attorney with the Governor's staff and works on tribal law and policies asked if board members had seen the agreement (agreement is in the board books). This agreement is with the Blackfeet Nation. The agreement was narrowly drafted and the intent agreement is conform with statutory requirements and to allow folks within reservation boundaries to access the funds. Mr. Huff explained the agreement and stated this is the first tribal agreement because the Blackfeet Nation has submitted a wolf management plan. Existing procedures will be used on Blackfeet tribal lands. The payments are contingent upon available funds and the board has this control for payments and appeals. The effective date for the agreement will be July 1, 2008 and the agreement is for five years.  
**Motion:** Janelle Holden made a motion to enter into the agreement between the Board and the Blackfeet Nation for wolf related payments and grants. Larry Trexler seconded the motion. **Discussion:** Elaine Allestad asked if a wolf management plan is in place. Mr. Huff said there is a final plan in place. **Vote:** All in favor, none opposed. George Edwards asked if additional tribal agreements are brought forth with identical language would the board approve? **Motion:** Larry Trexler made a motion to approve future agreements with identical language. Hilliard McDonald seconded the motion. **Discussion:** Board members asked in any other tribe has agreement. George stated not at this time. **Vote:** All in favor, none opposed. Motion carried.
- Claims, continued  
John Conover – This claim includes injured sheep and died shortly after the Wildlife Services investigation. Janelle Holden clarified that statements from producers should be factored into payment decisions. Larry Trexler said it is important that the Wildlife Services report should contain information that the animals are injured. George Edwards said he does a follow up on claims submitted with statements about a change in the animals status. Larry questioned the values the owner listed on the Wildlife Services investigation because the values are nearly double of what was considered on the Konen claim. **Motion:** Larry Trexler made a motion to compensate Mr. Conover at the same rate as the Konen claim. **Discussion:** Brad Radtke asked how sheep values were based. Elaine Allestad spoke about the law referring to average market weaning values. Larry Trexler stated weaning weights are requested on the loss claim form. Brad Radtke seconded the motion. **Vote:** All in favor, none opposed. Motion carried



Sven Svenson – Mr. Svenson has claims for sheep and a goat and brought receipts for the board to base values. Mr. Svenson is asking for \$75.00 dollars for the goat. He has a contract going to Chicago and based the value based on the contract. On the sheep he had a receipt for ewes purchased out of Bowman North Dakota. Mr. Svenson said the livestock loss is the minimal portion of the loss as the extra efforts for monitoring the flock has increased. **Motion:** Larry Trexler made a motion to pay \$150.00 each for the ewes and \$75.00 for the goat. Janelle Holden seconded the motion. **Discussion:** Larry Trexler said a combination of markets and receipts should be used to help determine values. **Vote:** All in favor, none opposed. Motion carried.

Sieben Livestock – This claim is for a Spanish doe goat. **Motion:** Hilliard McDonald made a motion to pay the same rate as the Svenson claim. Larry Trexler seconded the motion. **Discussion:** Brad Radtke said they used to raise goats and used a Texas market. Board members discussed using the closest market such as Fort Collins Colorado. **Vote:** All in favor, none opposed. Motion carried.

Llama Claims – **Discussion:** George Edwards asked the board to review the law 2-15-3112 MCA for consideration of alternative livestock. Mr. Edwards sent a letter to the owners of the llamas asking if they were used as guard animals. Larry Trexler said it is already covered that they need to be guard animals and they are not. In the Hamilton are there is a llama sanctuary and they will give you a llama. There is not much of a market and they are not included in the definition in law. Brad Radtke said the letter implies they may have been guard animals. Hillard McDonald pointed out that the teeth were removed so they were not guard animals. Numerous board members stated that the llamas did not appear to be being used as guard animals.

Lone Hawk Ranch – **Motion:** Janelle Holden made a motion to deny the claim because the llama was not being used as a guard animal. Larry Trexler seconded the motion. **Vote:** All in favor, none opposed. Motion carried.

Jon & Sue Pearson – Elaine Allestad pointed out that on the second page of the Pearson response they did not have flags or electric fencing but have not had predator problems in the past. **Motion:** Hillard McDonald made a motion to deny the claims. Whitney Wankel seconded the motion. **Discussion:** Board members directed George Edwards to place into a letter that the animals did not appear to be used as guard animals. **Vote:** All in favor, none opposed. Motion carried.

Boomer Ranch – No information was provided from prior sales documents. Hillard McDonald said to pay the same as was done on the Konen claims. **Motion:** Hillard McDonald made a motion to pay \$145.00 for each ewe. Whitney Wankel seconded the motion. **Discussion:** None **Vote:** All in favor, none opposed. Motion carried.

Break: Board members left to get their employee ID's.

**Funding and Legislation:**

George Edwards spoke about the poll of the board done in June requesting to pursue specialty license plates. He attempted to get a contract from a designer throughout the summer and recently received what the fee would be. Motor Vehicles division would charge \$4,000.00 for the plate and the designer fee would begin at \$2,000.00. Since June numerous other plates have been issued and competition with over 100 specialty plate and does not appear to be a viable revenue source. Janelle would like a plate with the county identifier back on them but does not have any current ideas. Larry Trexler said we should go to the government to fund this program. George Edwards told the board that the Department of Livestock is not sponsoring legislation to fund the payments. He went on to explain to the board that they could form a legislative committee and pursue legislation as a board. If the committee agrees to legislation, the full board could hold a quick, noticed, conference call meeting to approve offering testimony in the legislature. Elaine asked for a motion and to join with woolgrower, stockgrowers and other organizations to proceed. Brad Radtke expressed his frustrations with private organizations not funding the program when they supported reintroduction. Janelle Holden said the private organizations survive on donations and the stock market has had a big impact on their funding. Larry Trexler said we should seek government funding. Janelle Holden state that the private organizations probably will not continue funding reimbursements once wolves are de-listed. The groups were supportive of having a government board running a program. Public comment: Aeric Reilly, woolgrowers said the board should ask for money to fill the trust fund instead of asking for a minimal amount. Hilliard McDonald said an additional funder might be the Alberta Bair Trust, (Glen Huff, manager). Aeric Reilly invited George Edwards to an ag coalition meeting to discuss the issue. **Motion:** Janelle Holden made a motion to form a committee to pursue state and federal legislation consisting of three board members, one appointed by the Governor from Department of Livestock and one from Fish, Wildlife & Parks nominations. Larry Trexler seconded the motion. **Vote:** All in favor, none opposed. **Discussion:** The committee will be Elaine Allestad, Larry Trexler and Brad Radtke.

License plates: **Motion:** Jim Cross made a motion to table the license plate issue at this time. Hilliard McDonald seconded the motion. **Discussion:** Pursuing a license plate is not feasible at this time. **Vote:** All in favor, none opposed.

**Future Meeting Dates:**

Board members discussed holding the meeting in late April to see what legislation has passed and how it would affect the program. Helena appeared

to be the most central location for the next meeting. The board tentatively set the meeting date for April 20, 2009.

**Board Member Appointments:**

George Edwards spoke with Patty Keebler in the Governor's office about the four board members whose terms expire January 1st. Board members will need to submit a letter to the Governor requesting reappointment or submit a request via email on the state's website.

**Public Comment**

- Board Chair, Elaine Allestad allowed public comment throughout the meeting and comments are listed within each section of the minutes.
- Aeric Reilly, Woolgrowers, glad to see the compensation worked out as good as it did and that the producers were allowed to visit with the board. Hopefully we can find funding sources be it state or federal. He believes the wolf population will continue to grow and this program helps livestock owners.

**Additional Actions:**

**Motion:** Whitney Wankel made a motion to have claims with a cumulative total of \$10,000 or more be brought before the full board. Janelle Holden seconded the motion. **Vote:** All in favor, none opposed.

Elaine Allestad asked to have available funding for payments on the next agenda.

George Edwards explained that the administrative rules reviewer contract was not finalized so the rules did not progress in the system. He recommended scraping the initial rule package and to begin again with a small rule package now that we have a year of operation under our belts. This will allow the board to focus on specifics for areas the board is currently working on. **Motion:** Janelle made a motion to redraft the rules to be consistent with the board's work. Whitney Wankel seconded the motion. **Discussion:** None **Vote:** All in favor, none opposed. Motion carried.

**Adjournment**

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

DATED this 11 day of May, 2009

Elaine K. Allestad

Elaine K. Allestad, Chair

Montana Livestock Loss Reduction and Mitigation Board