



Livestock Loss Board Members Present

Seth Wilson – Chairperson
Jim Cross
Doreen Gillespie
Karli Johnson

Staff George Edwards – Executive Director

Guests Evan Waters – Department of Livestock
Brian Simonson – Department of Livestock
Mike Honeycutt – Department of Livestock
Kraig Glazier – USDA Wildlife Services
Quentin Kujala - FWP
Rob Stutz – DoJ Attorney
Butch Gillespie
Thedis Crowe
Linda Owens
Emerald Beep Grant Jr

Chair Seth Wilson called the meeting to order.

Introductions

- Each board member, board staff and guests introduced themselves.

Board Minutes

Board members reviewed the December 14, 2018 minutes.

Motion: Jim Cross made a motion to approve the minutes. Doreen Gillespie seconded the motion. **Discussion:** None. **Vote:** All in favor, none opposed. Motion carried.

Mr. Edwards asked the board if they would allow him to post draft minutes of meetings with a vote on the minutes at the next meeting. Draft minutes will be sent via email so board members can send corrections prior to them being posted. This will help the public to know about discussions held during the meeting on a quicker basis.

Motion: Karli Johnson made a motion to approve posting the draft minutes via email. Doreen Gillespie seconded the motion. **Discussion:** None. **Vote:** All in favor, none opposed. Motion carried.

Centralized Services Administrator

Mike Honeycutt spoke to the board about out of state travel. Department of Administration policies require that out of state travel be approved by the director of the agency. Because George is an employee of the Department of Livestock, approval for his out of state travel is approved by the Board of Livestock. Because the Livestock Loss Board is an attached agency with a separate budget, the board would approve George's travel and then the Board of Livestock would have to also approve the travel. In the case of future requests for George to speak about the Livestock Loss Board in other states, they should be asked to cover his expenses including his wages. The Milk Control Board is possibly going to have their board chair do the initial approval for out of state travel and then sending the request to the Board of Livestock. He suggested approval can be in a meeting like this or to delegate the authority to the Board of Livestock. Granting authority to the board chair would be the simplest method.

Mr. Honeycutt voiced concerns about public notice when the board approved Mr. Edwards travel to California via an email approval. Mr. Edwards said the board will hold a conference call board meeting if a request like the California trip comes up again. Mr. Honeycutt said the wages portion of the California trip could be looked at as professional development. The key is how to explain that his travel is a benefit to Montana taxpayers in case there is an objection from the public.

Mr. Wilson said it sounds like what you guys really need from us as a board is strong documentation on why we think that it's important use of funds for LLB.

Mrs. Gillespie said she saw nothing but a plus when George can go down to other states and help them to accomplish what we're accomplishing. She thinks having George is a good spokesperson as he has a way of really explaining things. She couldn't imagine not using this as a benefit even if they're willing to pay for everything but his salary.

Mr. Honeycutt said Montana has a program that leading in prevention and compensation and pointed out and he is not trying to be contradictory, but we do have to be careful with how we state the justification. He thinks many taxpayers in Montana could say if California wants to establish a program, their taxpayers should pay that bill. We are trying to be careful of that. If a state is making a request to have George speak in their state, advise them you should ask them to cover his wages.

Mrs. Gillespie said I'll answer this this way and I'm not trying to be controversial but my thought on that is when George travels there and then he learns things about them and brings it back to us, then we're helping the taxpayers here because then we're learning more and so that's the plus. This would be a good justification.

Mr. Edwards said he will add a new section to board policies based on this discussion. Mr. Wilson said we always try to make good decisions and we are more than happy to add the travel policy.

Mr. Honeycutt suggested that the board broadcast their meetings like the Board of Livestock. He also suggested using recorded minutes as it would cut down a lot of work George has to do.

Mr. Edwards asked Rob Stutz about a process Mr. Edwards said other state attorneys had advised him as being proper. That was email voting on issues between board meetings such as paying a large dollar horse claim. Mr. Edwards was advised on previous state boards he had managed that this was ok so long as the topic was put on the next board agenda for public comment.

Mr. Stutz said constitutionally in Montana citizens have a right to speak on decisions and matters of interest before agency may take an action. By offering people public comment on a decision, that's already been made and executed to me is not within the spirit of the law, now another lawyer may say you're fine. Courts really over the years moved in the direction of not only allowing the public to participate in the decision but we're requiring agencies to ensure that they assist the public and being able to participate. Notice for an item on the agenda that notifies the public they can speak on agenda items before decision is made about a substance of matter or even so members of the public can come to a meeting and talk about items that aren't on the agenda. That's one of the critical parts about public participation is that somebody might say hey here's this important issue for your report that you've been overlooked, and it's never made it onto your agenda, but I think it should be. Mr. Stutz offered to work with the board on procedural things. He is happy to do it, but if board members have any questions, they can feel free to call him.

Evan Waters, DOL Accounting Bureau Chief

Mr. Waters began by saying they knew the board would be over budget over a year ago. They still found ways to get the bills paid. Using the law that allows ten percent of the roll over funds helped to end the budget year. \$1,200 in roll over funds were used. Since 2012 the board has received \$40,500 from specialty license plate sales. \$12,683 in license plate revenue was used to close out this year. A correction was made for the 20-21 budget as Mr. Edwards salary was captured during the snapshot of wages. The new budget addresses this issue.

The board was shown a budget status report which compares this year to last year for the same time frame. This report shows a \$1,770 increase over last year. The next page shown to the board was Mr. Waters estimated budget projections to the end of the current budget year. The projections are subject to change because of future expenses. At this point in time he calculates that the board will have an excess budget of about 2,700 dollars at the end of the budget year. This is what we typically saw until we ran to the 80 percent wage snafu.

The board has reduced board meetings over the years because mandatory vacancy saving reduced the budget by about \$16,000 over four years. As an agency with only one staff member there is no place to adjust for the lost money. Mr. Honeycutt was asked if there was vacancy savings applied from the recent legislative session. He let the board know it was two percent. A snapshot of Mr. Edwards wages and benefits. From this they take two percent of the board's budget. He said for example the Department of Livestock has almost 150 employees and there a typically a number of vacancies. They can hold them open for a period of time to meet vacancy savings. This board can't do that because there is only one employee. Mr. Edwards is a department employee so the department will be making sure the money is there.

George Edwards, Executive Director

Mr. Edwards provided a page for this year's claims through September 17th along with a comparison for the same time period the year before. The head count is way up at 220 head compared to a 142 the year before. Compared to a year ago the board has paid out \$27,000 more this year. Even though the head count is way up, the value of livestock is lower this year. We did exceed the board's \$200,000 appropriation for the budget year ending June 30th by about \$30,000. Holdover funds accumulated since 2011 allowed all claims to be paid. Thanks to Representative Shaw and industry groups, legislators increased the statutory appropriation to \$300,000. The claims fund will be in good shape moving forward. As far as anything unusual, Mr. Edwards said this is rare and he informs the board when it happens. He will be working from home during the next two months while recovering from knee replacement surgery. During this time all

telephone calls, emails and loss claims will be taken care of by him. Beginning in December he will be attending the Montana Woolgrowers Association and Stockgrowers Association meetings to speak about the per-capita requirements.

USDA Wildlife Services Report

Mr. Glazier provided an update on USDA Wildlife Services. In the last five years they went from around 20 investigations to 138 investigations this past year. That is a significant increase. Glacier County and on down the Rocky Mountain Front has been a high point forever. Southwest Montana is seeing an increase in the last couple years. Wolf investigations are stable.

Mr. Glazier said his staff are informing livestock owners about the new law change concerning per-capita fees when performing investigations. Many of the nontraditional livestock owners don't know what per-capita is or what it is used for.

During the current federal budget year, they handled eleven grizzly bears. That doesn't mean removal. Captures can be for a host of reasons. In some areas it is difficult to capture a bear safely, so they just confirm the damage.

He praised the board on their collaboration with Wildlife Services for the non-lethal program. Adam Baca is their specialist based in Missoula and takes the board's supply trailer out for fladry and electric fencing projects. Another project is a range rider in the Libby Trego area that is working very well. Ranchers are asking for them to continue the project in the future. Mr. Glazier said one thing the board's supply trailer needs are night penning materials. That would be a big benefit if the board has money for supplies.

In the remote areas they are training producers on what to look for and to take pictures. Bite mark measurements also help. They can then piece together that information along with what is left of the carcass for their investigation. Game cameras can be very helpful.

FWP Report

Quentin Kujala with FWP spoke about Wesley Saramento's Facebook page. He said they get a lot of feedback from the page. He gets a mixed reaction from other bear specialists about doing the same thing. This is a tool that works in Mr. Saramento's area. Karli Johnson said she really appreciates the Facebook page. She said she lives less than a mile from Choteau where people like to walk their dogs. People in town don't necessarily think about the bears so the Facebook page is valuable for awareness that they are in grizzly country.

Mr. Edwards spoke briefly about a page provided by USFWS, Hillary Cooley that explains what an individual can do when a grizzly bear shows up. The page is Grizzly Deterrence Guidelines on the board's webpage.

Karli Johnson said she is going to have bear encounters. That's the reality of the world that she lives in and she wants to make sure that she is playing by the rules. She said it's a lot easier for me to play by the rules if they're easily accessible.

Board History & Policies

Mr. Edwards said he wrote a rough draft of a board history. It needs a lot of work to clean it up but at least it is a start. He broke it down into three sections. Some of these policies in the history predate everybody except Jim Cross. Mr. Cross can probably explain the reasoning behind actions taken by the board. He also spoke about how he will continue his work for the board while he is recuperating from a knee replacement over the him during this period.

Mr. Wilson said he would like to add the per-capita into the policies so it's clear we are going check the Department of Revenue website before paying a claim.

Mr. Grant said he sees the magnitude of what the board is dealing with. He is concerned about the board's budget to handle everything. He sees an increase in wolves every year. This job for the board is not going to get any easier. Mr. Cross said we are trying to address it as best we can within the legal framework. Mr. Grant would like to see the board have more meetings. Mr. Edwards said we are trying to but because of our budget we schedule meetings once we know we have federal money coming for grants. That is why a meeting is being held now rather than having a meeting earlier in the year. Circumstances and the board's budget drive when we have our board meetings. The board used to meet more often and held the meetings around the state. These meetings included listening sessions prior to the board meeting. This allowed individuals to meet and speak with board members for a one-on-one discussion. The public was able to get to know board members and board members heard the issues of the area. These meetings were held until the last two years when the board's budget no longer allowed them to occur. In the past the board used to have about three meetings a year and meetings were rotated around the state. Mr. Wilson said he would like a return of holding meetings around the state. This would again allow board members to speak with producers and for board members to explain the board's work.

Mr. Honeycutt recommended teleconference board meetings. A location can be set up for the public to attend and offer comment. He said the cost of the meeting is very minimal expense.

Legislation

Mr. Edwards gave a brief overview of legislation from the last session. SB 166 that would allow the board to hire his position directly was killed in a committee hearing. Another bill was HB520 which would have eliminated this board and the milk board. It was amended before a hearing was held removing both boards. There was strong support by the livestock industry for this board which influenced the amendment. HB558 increased the board's statutory appropriation from \$200,000 to \$300,000 per year. This was a must needed bill as the board's payment account has exceeded the \$200,000 appropriation the past few years.

High Value Claims

The next agenda item was high value claims. Ms. Gillespie requested this to be placed on the agenda because she is concerned that a single claim could drain the board's loss payment account. She gave an example of a bull sold by Holden Herefords that brought \$300,000. Ms. Gillespie said she would like to see a cap placed on an individual animal or the board could lose the board's entire budget. Mr. Edwards said the state law says it's the average value for registered animals of the same sex and age. In the past if a producer provided an invoice for an animal, the board paid the invoice amount. He said this year he has processed claims for two different producers with registered stock. Both claims were in the \$16,000 range. State law already somewhat helps hold a payment because the law says or as determined by the board for cattle. Most cattle and lamb values are set in law based on fair market values. The board could place a cap on what would be paid for a horse. There isn't anything specifically addressing pig values as there are no longer auctions for them in the state. The problem Mr. Edwards said is paying an invoice price. Normal claims are not a problem because the board has him pay the average price paid at the most recent public auction for the type of animal that was lost or replacement values. The law says as determined by the board. Ms. Gillespie said when someone puts on a sale, they spend a lot of money to advertise the sale. She said if she sold an animal and paid a commission fee there is a possibility, she could get a lot more. She also said if she paid a high dollar amount for a bull and used it a couple of years, it would not bring anything other than market price when it is sold. She said the board could look like a cash cow and she makes her nervous. Her point is that she wants to help people out within reason. Mr. Honeycutt suggested the board seek changes to laws and some of the board's policies get converted to administrative rules.

Swine Values

The next topic is swine values. For the first twelve years of the board's existence Mr. Edwards has only paid two claims for swine. In both instances it was for people raising hogs and selling them for slaughter. He paid the invoice price for similar sales that the individuals were receiving for the swine. Mr. Edwards said

this year has brought unusual circumstance where several 4H kid's pigs were killed he was uncomfortable just using a butcher hog values. He thought this was something that the full board should discuss. This is where "as determined by the board" comes into play. The problem he is having is that there is a claim from the Kalispell area for pigs a young lady is raising that are not sold at a 4H sale. It comes down to a fairness issue. How do you justify paying the young lady \$300 and pay another person \$3,000? When Mr. Edwards was at the Inter-Tribal Ag Council meeting, he met with John Cramer who raises hogs. He said he gets a dollar a pound so most of them sell for around \$285. He sells boars for \$250 to \$300 and bred sows for \$500. Mr. Edwards contacted people from several 4H sales and the prices varied to a great amount. He emailed the mail 4H office in Bozeman asking for values from sales but did not get a response back from them. He also asked Hutterite colonies what they were selling pigs for, but they would not provide a price. They suggested using a USDA site but when Mr. Edwards went to the site, values were hidden due to privacy factors. He contacted another rancher who raises hogs and she provided a list of prices from her and others around the state. She does have specific sows just for 4H pigs because they bring more money. The prices she provided were in step with the prices Mr. Cramer had provided. She is also selling pigs for around \$300. The prices Mr. Edwards was able to provide the board are from all over the state. Mr. Edwards said all animal values are for sales occurring in the state. Mr. Grant said he has granddaughters and would like to see them get paid for their pigs. That is the whole basis of the loss board. He would like to see the kids get paid for the feed they put into the animal plus the 4H kids put in a lot of time taking care of them. The kids would like to get paid \$2,500. Most of them paid up to \$150 for a wiener pig but that is the high end. Then they put in maybe another \$150 in feed for them. He said paying the child \$300 to \$350 would recoup their costs not including their time. He said he would feel a lot better if 15 kids were paid \$300 instead of only four kids getting paid \$3,000. Ms. Gillespie said what you are saying is exactly the 4H motto of making the best better and the losses are a learning experience. She said she appreciated what Mr. Grant said because you and I are walking in the same shoes.

Ms. Crowe said her situation is a little bit different because we recorded the predation and it didn't get investigated by USDA Wildlife Service. We are not going to be part of this claim situation but as a 4-H leader, I think we need to bring this to a higher level. Looking at the initial investment and maybe some kind of formula to address the feed that's reasonable based upon the cost. She said they had to go out and hustle around and find replacements for the kids. Ms. Gillespie repeated I look at 4-H kids as making the best better and I've always learned that I learned more by my failures than I ever learned by my successes and this is just my opinion. She admires them because they are the greatest kids that walk the earth and said they should be reimbursed but not at a price of \$3,000. Ms. Johnson asked if the kids were following 4H record keeping requirements like feed costs, time and the price they paid for the pig. Ms. Crowe answered yes. The children have learned about predation and now there are

electric fences around the pens. The bears have returned several times since the original predation. The bear continues to up and down the creeks to all these family's pens. Ms. Johnson said it would be reasonable for us to ask for documentation for the feed and the value of the pig. We may be able to use that to reimburse them. Ms. Gillespie said we have to be fair across the board. Some people will buy high priced feed while others may not. This could open a Pandora's box. She said we need to have a flat rate because it's fair across the board and equitable for everyone.

Mr. Edwards gave an example the board uses for sheep claims. In the case of breeding rams and ewes, the board uses the annual Miles City Ram and Ewe Sale. This price is used for a year until the next sales. The board could do the same thing for swine values by setting a price each year. Everybody has feed costs. That is why he spent a lot of time gathering swine values before this meeting. Average Montana values are in the \$250 to \$300-dollar range. If the board was to set a price of \$300 it would allow for a little extra for those who bought higher grade feed and would address the fairness issue for the child in Kalispell. The 4H kid versus the kid at Kalispell who lost hogs would get paid the same. Mr. Wilson said he thinks we have enough discussion for a motion now.

Mr. Cross asked about livestock markets for prices. Mr. Edwards said livestock auctions don't sell them anymore. Ms. Johnson added that her brother used to raise pigs and would haul them to Great Falls. They didn't sell them the same day. Now all livestock markets discontinued selling hogs because of health issues. It's now all private sales. Mr. Wilson asked Mr. Edwards to keep his contacts so the board can address this issue each year.

Motion: Karli Johnson made a motion that based on the information that Mr. Edwards provided we would pay \$300 dollars for butcher hogs, \$300 dollars for breeding males and \$500 dollars for bread female hogs. Jim Cross seconded the motion. **Discussion:** Mr. Wilson said we are trying to be fair. He thanked the public for coming and being part of the discussion **Vote:** All in favor, none opposed. Motion carried.

Seth Wilson - NRCS

Mr. Wilson said there is a new state conservationist coming in for NRCS and his name is Tom Watson. NRCS can be a resource for producers. They are moving to a more targeted local focus areas. There may be opportunities for loss prevention. The question is how to tap into their funds without so much bureaucracy. He encouraged everyone to look into this opportunity.

Future Grant Form Requirements

Mr. Wilson said he would like to refine the form without having to do multiple attempts. He asked what is okay and maybe the board wants something

different. Mr. Edwards said it would be helpful if the form had a line declaring in-kind value rather than having the applicant list it in their narrative. This will help him with a yearend report he has to do for the board's federal grant. It would really be helpful if the board said not to exceed a certain amount because the federal grant does not allow for some high value in-kind values. The in-kind values should be specific to labor and materials. Current grantees have a wide range of values they have placed for in-kind values. Mr. Wilson asked Mr. Edwards to work on a draft with this included.

Mr. Edwards said the current form can be completed online or printed and filled out by hand. Mr. Wilson said it best to keep the form simple, so producers do not feel the grant process is difficult. We need to keep the form from being cumbersome. Mr. Edwards said he created the current form and made it so someone filling out the form is not required to fill in every section before submitting it to the board. It is not like some forms that require you to fill in a box before being able to move to the next section. He said during past board meetings board members would ask questions that were not asked on the form. This seemed to change with each meeting which made it difficult for applicants and the board. His main concern is to keep the form user friendly.

Ms. Owens said the form was simple but, in her case, she had multiple projects in her request. This made it unclear in parts when a request has multiple projects. Part of the problem was she didn't know which of her projects she wanted to ask for a grant. She said this was her first time coming to the board asking for a grant. She did say it was much easier than other grants she has applied like Vital Ground. Online the grant application allowed her to fill in sections that will grow larger as you type. What worked for her was that she was able to ask for a general amount so she could break it down as she goes.

Mr. Edwards explained how the board had released money in the past. A first payment was made, then a proof of match was required. Then additional payments were made requiring a match. At any time an applicant could show a match equal to the total grant, they would then receive a payment for the entire amount. The problem that occurs now is that the federal money isn't being released in the spring. It's now released in the fall. Now applicants have to fund their projects and get reimbursed. Because of this, not as many applicants are applying. Ms. Owens said she liked the approach the board is currently using.

Mr. Edwards said the point of changing the grant form is to make it easier for the board to review as well as making it easier for him to file the federal report. The thing he needs is to know the hourly rate grantees are paying for labor. He is currently using the Montana Department of Labor rate document that Mr. Wilson provided three years ago. This information is used when applying for the federal grant.

Mr. Wilson said if board members have any suggestions, get them to Mr. Edwards and they will be discussed at a future meeting. We can then incorporate them into the form.

Grant Applications

Mr. Wilson said let's start at the top with the Big Hole Watershed Committee application. Mr. Cross said he thought he read that they were asking for money to cover their delegates travel to and participate in meetings. Mr. Edwards said because the deadline was just two days prior to the meeting so he didn't have a chance to review the applications. Mr. Wilson said they may be using it as a form of an in-kind match. Mr. Cross said okay as he thought he had read it.

Mountain Thinking Cooperative – Mr. Cross said only one application concerns him and that is Mountain Thinking Cooperative with their wolf collar request. FWP buys wolf collars so doesn't fit for a board grant. He said the board should not be supporting an FWP function. Mr. Kunkel said if buying collars can't be used as part of the match requirement, that's up to the board. Other board members also stated the collars will not be considered. Board members said they support the in-kind value for the range riders trailer usage and her mileage. Board members will allow \$4,492 for Mountain Thinking Cooperative's grant. Note: board members missed making a motion on this grant. During the discussion board members tacitly approved a portion of the total grant request.

Madison Valley Ranchlands – Linda Owens came to the board meeting to discuss her grant application. She said she likes the simplicity of the board's grant form. Ms. Owens told board members about a toolkit that will fit in a saddlebag. The kit has board and as Wildlife Services information, so a rancher knows what to do in the event of a loss. It includes pictures of kills by different predators to help a rancher know what they are dealing with. She is going to include flagging tape to mark the kill site. This will help locate the site again for Wildlife Services. Another thing they are doing is to purchase portable electric fencing to put around the site to preserve the evidence. Currently they are working on getting a carcass composting site. She could have asked for more money but decided to ask for \$10,000 to start.

Motion: Jim Cross made a motion that based on the information to approve Madison Valley Ranchlands application. Karli Johnson seconded the motion.

Discussion: Ms. Owens said they could use more money to start their carcass program. **Vote:** All in favor, none opposed. Motion carried.

A further discussion took place because the board had \$20,000 remaining after all grant applications were reviewed. Mr. Wilson said maybe the board will need to circle around to entertain additional grants. Maybe the board would consider changing the amount for Madison Valley Ranchlands. Ms. Owens said they have been having trouble getting an estimate for power to the compost site and it

appears to be terribly expensive. A suggestion was made to increase the grant to \$15,000 if she has the ability to match the grant. Ms. Owens said the landowner for the site could match the additional money.

Motion: Jim Cross made a motion to increase the award for Madison Valley Ranchlands from \$10,000 to \$15,000. Karli Johnson seconded the motion.

Discussion: Ms. Owens said she will be in touch on the progress for their composting site. **Vote:** All in favor, none opposed. Motion carried.

Centennial Valley Association – Mr. Wilson said he likes that they are using GPS devices for the safety of their range riders. There is no cell phone service, but the GPS can text message. They have a person hired that just works on grants. Their matching funds are far greater than the \$10,000 they are asking for this time.

Motion: Doreen Gillespie made a motion to award Centennial Valley Association \$10,000. Karli Johnson seconded the motion. **Discussion:** None. **Vote:** All in favor, none opposed. Motion carried.

Blackfoot Challenge – Seth Wilson is their director and recused himself from this discussion. He offered to step out of the room. Board members said this was not necessary and they may have questions.

Motion: Jim Cross said based upon past requests he is making a motion to approve this grant for \$30,000. Doreen Gillespie seconded the motion.

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

Board Meeting Date

Mr. Edwards said the board will need to meet in April as this is the time for legislative proposals and budget requests. He will work with Rob Stutz to incorporate board member training into this meeting. Board members will be polled for a date sometime in March to set the April meeting date.

Public Comment: None

Motion: Doreen Gillespie made a motion to adjourn. Karli Johnson seconded the motion. **Adjourned**

DATED this 16 day of April, 2020

Approved via Zoom Meeting

Seth Wilson, Chairman
Montana Livestock Loss Board