

These abbreviated summary minutes and the audio recording will become the official adopted minutes at the next Montana Sage Grouse Oversight Team meeting when they will be approved. Until then, they are considered a draft.

MINUTES MONTANA SAGE GROUSE OVERSIGHT TEAM

Friday, June 2, 2017 Meeting Summary
Montana Room, DNRC Headquarters, Helena: Room 110

Note: Pursuant to Senate Bill 261 Section 1 (2015 Montana Legislature), meetings of the Montana Sage Grouse Oversight Team (MSGOT) are to be recorded electronically. These summary minutes provide an abbreviated summary of the action taken and public comment. The time designations listed are approximate and may be used to locate the referenced discussion on the audio recording of this meeting. Access to the electronic copy of these minutes and the audio recording is provided from the Sage Grouse Habitat Conservation Program webpage hosted by the Montana Department of Natural Resources and Conservation at <https://sagegrouse.mt.gov>. The agenda, summary minutes, MSGOT meeting materials, and audio recordings are listed by meeting date on the MSGOT Meeting Archive webpage.

Members Present

John Tubbs, Montana Department of Natural Resources & Conservation, Director
Martha Williams, Montana Department of Fish, Wildlife & Parks, Director
Tom Livers, Montana Department of Environmental Quality, Director
Jim Halvorson, Montana Board of Oil and Gas, Administrator
Diane Ahlgren, Rangelands Resources Executive Committee
Senator Mike Lang, Malta, Montana
Mike Tooley, Montana Department of Transportation, Director
Patrick Holmes – Montana Governor’s Office, Voting by Proxy
Casey Knudsen – Representative HD 33

Staff Present

Ms. Carolyn Sime, Sage Grouse Habitat Conservation Program, Manager

Call to Order

00:00:05 Director Tubbs called the meeting to order.
00:00:33 Montana Sage Grouse Oversight Team Introductions.

Note to reader: Audio and meeting summary notes reflect the actual order of the meeting.

Update on Implementation of Executive Order No. 12-2015

00:01:26 Director Tubbs: Requested change in order of agenda to take up discussion of Stewardship Grants after the agency update by BLM and mitigation stakeholder team presentations.

00:02:43 Amy Waring: Mitigation Specialist, BLM in Billings. Described her position as being funded with federal sage grouse money and it’s one of three BLM sage grouse positions. Additionally, implementation positions at the field level in Miles City and Glasgow. The BLM has seen uncertainty regarding the new administration with respect to sage grouse plans. The current Plans are being implemented and they do have sage grouse requirements including compensatory mitigation. Presently Land Use Plans do include a requirement for net benefit across the state. The new administration has rescinded some prior Executive Orders calling for landscape scale mitigation, and Interior Secretary Zinke has ordered a review of mitigation policies. The review is ongoing. Until further instructions are handed down, the agency will proceed under current policy guidelines. Committed to working with the State of Montana to streamline projects across the state through consistency. The BLM is working on sage grouse land use plan clarification for example, how livestock pipeline projects are treated in the review process.

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00:5:25 Ms. Algren: Ms. Algren stated she was glad Ms. Waring brought up the pipeline issue. She hopes we can work through those temporary disturbance pipelines because they are very beneficial to farm producers.

Administrative Matters

00:5:50 Director Tubbs: Discussion of MSGOT procedures for proxy voting.

00:6:13 Ms. Sime: Reconfirmed procedures. A proxy form to assign your vote to another MSGOT member of your choosing is in your meeting packet. Return the signed form to me after the meeting and it will be put in the file.

00:7:24 Director Tubbs: Asks if this is clear for everyone and the process could be reconsidered in the future.

00:07:46 Director Tubbs moved to approve the November 18, 2016 and December 6, 2016 meeting minutes. Director Tooley seconded. Motion carried unanimously.

Reports and Implementation of Executive Order 12-2015

00:8:29 Director Tooley: My Annual Report to Mr. Holmes and this group regarding Department of Transportation compliance with the Executive Order was in the meeting packet. We submitted 17 project review applications and received concurrence for all 17. One project required MSGOT approval. From our perspective the Program is working.

00:09:29 Director Livers: The biggest single project since our last meeting was the Spring Creek Coal Mine Transportation Corridor. At the December meeting we asked MSGOT to approve the process. We will come back in fall with EIS to present to MSGOT. There will be mitigation involved. We are continuing to refine internal guidance for sage grouse compliance. Continue to look at potential exceptions from the Program to separate out projects that don't need review. It's more complicated than we thought.

00:13:38 Administrator Halvorson: Board of Oil and Gas has not been challenged with increased activity. We have been finding an increase in maintenance operations that require Program oversight. We are catching people who were not aware of the Program. We have had a few new re-entry projects and deep gas projects.

00:14:36 Director Williams: Preliminary lek counts across the state for this year are 31.2 males per lek on average. This is a little down from last year but still above the long term average. FWP will report an estimate of population size to EQC in September. FWP has been working with Dr. Lucas (University of Montana) and is also looking at trends both inside and outside SG Core Areas. FWP has been prioritizing habitat conservation projects that benefit sage grouse and working with NRCS on 30 year Conservation Leases. . FWP submitted four conservation easement projects through a cost share program with NRCS in FWP Region 7. FWP has also been participating in mitigation stakeholder group.

00:16:05 Director Tubbs: Continue to support the Program. Working with IT staff on 2.0 web upgrade. Trust Lands continues to work with the Program.

00:17:49 Mr. Holmes: Appreciates help from Program getting up to speed.

00:18:03 Mr. Knudsen: Same comment as Mr. Holmes.

00:18:08 Senator Lang: Is glad we're making progress [referring to mitigation]. It's been slow and suggests MSGOT be cautious so we don't create confusion by making inadvertent rules we can't live with. Need to respect private landowner rights. MSGOT has changed the

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rules to coordinate with habitat and populations. Need goals and to ask ourselves, where are we going? Where do we want to end up?

00:20:05 Ms. Algren: Echo Senator Lang's comments. It's complicated. Worries we make it [mitigation] so complicated it isn't useable. Appreciates the level of work. Glad to hear water line pipelines are moving forward.

00:21:21 Ms. Sime: Program launched a new web site in April 2017. Defer demo to July MSGOT meeting. Acknowledged would not have been possible without significant engagement of DNRC OIT. Took about one year from RFP to delivery with extensive internal testing and beta testing with external users (some of whom had used the old website). The Program held two webinars for project proponents, with more in the future. Four key areas of the site: Program, Grants, MSGOT, and portal for initiating the review process. The most important facets of the new website: improved user interface for project proponents to submit information; a secure log in; ability to test run projects before they decide what their footprint might be; and tools for Program. New site provided much more integrated, streamlined submission process through series of tailored questions. For us and DNRC OIT: greater efficiency and have the ability to more easily track our work.

Stewardship Fund Grants. [Handout 1, gray] Decisions on pending applications that have been delayed either by MSGOT or upon request by the applicants are: Weaver Cattle Company Conservation Easement and Troy Smith Conservation Easement. Also pending is a decision whether reallocate prior award of funds from the Hansen Ranch Conifer Reduction Project to the Hansen Ranch Conservation Easement (requested by the grant applicant). A quick update on other proposals that were awarded funding is as follows.

The 44 Ranch Conservation Easement closed November, 2016. It is 18,033 acres of Core Habitat in Petroleum and Fergus counties. Next steps will be to retroactively calculate credits once the HQT is finalized. The Raths Livestock Conservation Easement was awarded \$812,500 from the Stewardship account. This proposal is matched with NRCS, and is 11,229 acres of Core Habitat in Golden Valley County. The Program executed a grant agreement with Montana Land Reliance in December 2016 – after MSGOT approval. Presently working on developing easement terms. When easement terms are worked out, Program will release a draft EA for public comment. Expect Raths Easement to close in state fiscal year 2018.

The Watson Conservation Easement was awarded \$162,500 from the Stewardship account. This proposal is matched with NRCS and is 2,833 acres of Core Habitat in Phillips County. We executed a grant agreement with Montana Land Reliance in Dec. 2016, after MSGOT approval. Sadly, Mr. Watson has passed. Condolences were offered to the family told them to take whatever time is needed. Presently on hold, and await word from them and Mr. Van Dyke.

Project review stats are not available for 2017 yet. When the Program transitioned to the new website, web application and database, the entire thing shifted to a new virtual universe even though it is still housed on DNRC servers. This means that earlier reporting tools in the old system no longer work. That capability has to be recreated in the new system, which has not yet been accomplished. Nonetheless, key takeaway is new system seems to be working well and the Program is keeping up with the workload.

Engaged in interagency meetings on a few larger projects and had several meetings with proponents in the pre-planning stage. One example, Cloud Peak Energy Haul Road.

Working closely with NRCS and BLM to find efficiencies and streamline the process for range improvement projects that cross state, private and BLM lands. These tend to be

larger projects spanning multiple years and crossing multiple surface land ownerships. The BLM is developing some additional internal guidance.

Lately, the Program has run into a few situations where the Program decided to exercise discretion to complete a project review and allowed the proponent to advance through the permitting process without bringing it to MSGOT for review and approval. Ordinarily, new uses and authorizations that deviate from the EO stipulations are reviewed and approved by MSGOT, not the Program. However, the EO also provides guidance that any proposals for deviations from the stipulations must demonstrate that the proposed activities will not cause declines in sage grouse populations. In the instances where the Program exercised discretion, it concluded that the proposed activities would not cause declines.

These have been few in number, and Ms. Sime described them for MSGOT's consideration and direction as to whether she took the appropriate course of action.

One project was an agricultural setting where the DDCT result exceeded the 5% disturbance threshold. The new footprint was almost exclusively already within existing disturbance. The new footprint was adjacent to buildings. The project itself was about 100 yards just off Highway 12. All four active leks in the DDCT analysis area were north of Highway 12 (on opposite side) and were farther than two miles away. The project area itself was also located very near the edge of the Core Habitat boundary line with General Habitat. The closest leks in the adjacent General Habitat were about 5-6 miles to the south. The Program conclusion was that these facts did not rise to MSGOT level and need for consideration.

Another example had to do with residential home sites in Core Areas. The Program has had four situations where the project required a septic permit from DEQ. All were in Core Areas. One project was in Beaverhead County just south of Dillon. It was for a subdivision of land for new home, and consisted of a four to five acre parcel in an agricultural setting having existing cultivation and agricultural structures. It was located between a county road and I-5. It was on the edge of Core Habitat, and there were no leks within two miles. The DDCT result > 5%. Similar to the previous example, having determined that this project would not have detrimental impacts on sage grouse or eliminate sage grouse habitat, the Program exercised discretion to complete the review and not seek MSGOT review. Three residential projects were in Carbon County in a rural area southeast of Red Lodge and south of Bear Creek. The area was subdivided into 20-acre parcels in 2000. The area is largely undeveloped, but is great sage grouse habitat. There are many leks in the area. One lek had 122 birds in 2016. The area has a checkerboard ownership pattern. There are two BLM Areas of Critical Environmental Concern. There has been a recent spate of land sales and owners are ready to build. They or their consultants initiated the consultation process. In all three cases, the DDCT result exceeded the 5% disturbance threshold. In one of these cases, no leks are within two miles of the property, but five leks are within the DDCT analysis area, and four leks are within four miles of the property. On the one hand, the DDCT did exactly what it is designed to do, which is to identify areas where there is already a lot of existing anthropogenic disturbance. Here, the concern is cultivation combined with the addition of rural subdivision and exurban development at the 20-acre parcel level. Both cultivation and exurban development are considered a threat to habitat by the USFWS.

The Program consulted with DEQ, FWP, the Governor's Office, other states, and the Program's legal counsel, as well as a few members of the original Governor's Advisory Council. Throughout the process, the Program periodically provided updates to the property owners themselves and checked in with the Carbon County Commissioner's Office. Ultimately, the Program finalized the reviews and sent out the final letter, with knowledge and understanding that these were circumstances not fully anticipated by the

original Governor's Advisory Council. At some level, Council members did anticipate that development on private lands in Core Habitats would be affected by DDCT results. However, the filter seemed to be commercial development, not necessarily residential development. The Executive Order is somewhat ambiguous. One of our key guiding principles is that the EO respects private property rights and valid rights. Looking for confirmation that the Program did the right thing and provide MSGOT members with the opportunity to discuss this type of situation and provide any guidance they think is warranted.

- 00:36:52 Director Tubbs: Open for discussion.
- 00:37:09 Senator Lang: Regarding the Lewistown Mabeey Road. The Program made good decisions. This project was near a No Surface Occupancy area adjacent to a road. MDT was considering cost for the transport of materials but did not do the correct paperwork. Expressed concern, in this case, requiring MDT to change their plan would cost more money. Hopes rules would allow the Program to exercise common sense to make decisions that allow a project like this to go ahead.
- 00:39:00 Ms. Sime: This MDT project was a learning experience for all. For background, this was a highway resurface project and activity would occur within a lek 'no surface occupancy' area and it would occur during the seasonal timing restrictions. The Program didn't see the project until the MDT contract was already finalized. Our discussions today need to split apart this particular project from the broader process and revisit and improve the interagency process. Here, the contractor found another route that would not deviate from the EO so a contract penalty would not be incurred from MDT and the work could move forward consistent with the EO. Going forward, need better understanding of timing of MDT contracting and provide enhanced info on lek locations.
- 00:41:15 Senator Lang: Fair, but there were more costs to the county, and they had to put material on a different road.
- 00:41:56 Director Tooley: MDT has perspective on this and stated the Program works and Fergus Co. got to use the excess MDT material. MDT didn't think to consult with the Program because the activity was on an existing road and didn't require any permits. The contract included a provision so the contractor was aware the work was in a Core Area. The staging barrow pit was in compliance with the EO, but the Environmental Group missed Provision 24 for the aspect when material would be removed to another location. MDT will take a closer look next time. If MDT anticipates this is going to be an issue, will alert the contractor ahead of time. Fergus County may have incurred more costs, but the Program worked and the contractor was alerted that sage grouse review was needed and followed through.
- 00:45:00 Director Tubbs: It's appropriate to allow the Program to have authority to make day to day decisions and report back to MSGOT on the total habitat deviations. The Program properly screened out subdivision. For home sites or gravel pits, we should look at trends and especially in Core Areas. The Program and MSGOT can revisit if we are seeing trends in an end of year report.
- 00:47:13 Director Williams: Appreciates how conscientious the Program is and would appreciate a quick summary of exceptions.
- 00:47:40 Director Tubbs: There will be a five year status review by U.S. Fish and Wildlife Service (USFWS). We need a strong story to indicate the level of activity so we can show trend and overall impacts.

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00:48:27 Ms. Sime: Would like opportunity to explore exurban and subdivisions and ways to offset impacts.

00:49:15 Director Tubbs: No one says no.

00:49:24 Ms. Sime: Program has been preparing the annual report, which is a statutory requirement. The report is within a few weeks of being done. The report will cover things required by statute. The report is a key link in the status review process to document Montana's conservation efforts. The Program has participated in conference calls on the status review with key leadership from Dept. of Interior, the USFWS, and other states to figure out what states will be asked to provide during the status review. The Program anticipates that the key questions states will have to address: what commitments did you make in 2015, how did you implement them, and are state's efforts effective as regulatory mechanisms and are they effective at reducing or eliminating threats?

Lastly, the 2017 Montana Legislature had three bills signed by the Governor. HB 228 funds the Program and manages the cash flow of the Stewardship Fund account. It allows \$400,000 for Program administration and \$1.6 million/year for grants. SB 284 amends the Stewardship Act and clarifies roles regarding USFWS approval of the habitat quantification tool. HB211 requires Montana Fish Wildlife & Parks to estimate sage grouse populations and report to EQC and MSGOT.

Update, Federal Agency Partners

00:53:16 USFWS – Jeff Berglund: November 2015 Presidential Memorandum and October 2013 Department of Interior Secretarial Order regarding mitigation were rescinded and revoked in March 2017 and are currently under review. The FWS hasn't heard anything about changes and review may be done the end of this month. Because of the review, FWS policies and results from those policies are under review. These policies are the 2014 Sage Grouse Range Wide Mitigation Framework, 2016 Service Wide Mitigation Policy, 2016 Endangered Species Act Compensatory Mitigation Policy and Policy regarding voluntary pre-listing conservation actions. FWS was given direction to continue to implement current policies until they are directed to change. The FWS is continuing to work with all of the stakeholders on the HQT development. CCAA getting close statewide, CCAA draft and EA under legal review but anticipate 30 day comment review soon. USFWS is in early discussion with the Crow Nation on sage grouse mitigation agreement.

00:56:40 NRCS – Kyle Tackett, NRCS SGI Coordinator: Since 2010 working with private landowners. They have developed grazing management systems on ½ million acres of sage grouse habitat. The result is healthy productive habitat. Easements keep landscape in tack with not a lot of cheatgrass. NRCS has been conducting strategic conifer removal. Fiscal Year 17 is the largest year for easement allocation using farm bill funds allocation. There has been 100,000 acres of demand. Conservation efforts focus on communities and partners. There is uncertainty with new administration but will rely on continued collaboration with partners.

00:58:42 USFS – Mary Manning – Regional Office, Missoula: Similar to other federal agencies the USFS is proceeding with implementation of Plan Amendments while awaiting national decisions. While waiting on a decision, USFS has placed grazing permit modifications on hold. USFS has good communication with permittees and doing habitat monitoring. The USFS is working collaboratively with the NRCS and the USFWS Partners Program, the Big Hole Working Group, and the Sage Brush Conservation Working Group in the Beaverhead Deer Lodge National Forest. A training session was recently completed. Four to five new leks documented in the Big Hole, but waiting to confirm. The USFS has two conifer reduction projects on National Forest lands in General Habitat. Custer

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Gallatin National Forest is in assessment phase of their Plan revision process. As they move forward, the plan is to incorporate revision language tied in with the EO. Currently, sage grouse are considered a potential species of conservation concern per the Plan revision process. Conifer reduction is the agency's focus.

Presentations by Professional Collaborators Working with Mitigation Stakeholders

- 01:03:10 Ms. Sime: Gave a brief background on mitigation process, described documents and described mitigation hierarchy. The Program has been working with stakeholders, including 11 meetings in person and conference calls. In December 2016, MSGOT approved set of proposed rules. Public comment included three public hearings, ending in January. The proposed rules were not brought back to MSGOT for finalization because the comments were substantive and diverse. There was ongoing disagreement. Today's presentations are the result of collaborative work to date. Acknowledged work of Willamette Partnership, Sara O'Brien; Jon Kehmeier and Mac Fuller with SWCA Environmental Consultants, who did the document drafting. Also acknowledged Rusty Shaw with Denbury and Len Barson with TNC as playing key roles in the process. MSGOT has May 5, 2017 drafts in packets. Compiled comments of those drafts will be handed out.
- 01:09:15 Ms. Sara O'Brien, Willamette Partnership. Montana Sage-Grouse Mitigation Principles and Processes PowerPoint Presentation [Handout 2].
- 01:34:10 Mr. Jon Kehmeier, SWCA Environmental Consultants. Montana Greater Sage-Grouse Habitat Quantification Tool (HQT) PowerPoint Presentation [Handout 3].
- 01:47:10 MSGOT question / answer discussion with Mr. Kehmeier and Ms. Sime.
- 01:53:15 Director Tubbs: Thank you, asked for questions from stakeholders or open public comment. None.
- 01:54:56 Additional MSGOT question / answer discussion with Mr. Kehmeier and Ms. Sime. Director Tubbs: Asks Ms. Sime to connect the Program role to the step down mitigation hierarchy framework.
- 01:55:30 Ms. Sime: There are areas of uncertainty on goals, such as who does what, when, and how liability moves around, as well as the role of the Program relative to project proponents or credit providers. The original authors of Stewardship Act didn't envision the state as a market actor to engage in actual credit transactions. The role of state is to implement the EO and the Stewardship Act, with MSGOT as the decision maker.
- 01:56:34 Director Tubbs: Asks how we first go through hierarchy prior to compensatory mitigation?
- 01:56:53 Ms. Sime: After avoidance and minimizations efforts, look at the residual impacts, which are then offset through compensatory mitigation. Compensatory mitigation is the last step in the mitigation hierarchy sequence.
- 01:57:59 Director Tubbs: It seems at the reclamation phase there may be a period of compensatory mitigation?
- 01:58:12 Ms. Sime: The HQT does things simultaneously (construction, implementation, and reclamation). Time is built into model estimation math and all is incorporated into the result.

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- 01:59:10 Jon Kehmeier: Look at figure “Loss and Gains Over Time” slide. A little bit of the project area is still impacted after project operations have ceased. The little bit of the project that is still impacted are the residual impacts that remain and are accounted for over the life of the project.
- 01:59:44 Ms. Sime: The entire project timeline is collapsed to a single number as the HQT result.
- 02:00:00 Director Tubbs: Asks, is there a differentiation between Core and General? Is there a policy difference between habitat types?
- 02:00:35 Ms. Sime: The HQT itself accounts for, core, general, or connectivity habitat. The tool itself accounts for number of leks and quality of habitat. The HQT result then is bridged to the policy side. There could be policy incentivizes or disincentives. Additional conversations with stakeholders are required to pin this down better. We do have guidance in the EO that mitigation in General Habitat is less rigorous. How that is determined is yet to be worked out.
- 02:02:30 Director Livers: The controversial areas are not readily apparent. Are there areas where assumptions are imbedded in the tool?
- 02:03:33 Ms.Sime: No, tool is just geeky science. Variables are things like sagebrush cover, leks, anthropogenic disturbance layered on top of each other. Then cut that into squares (pixels) and then sum up the numbers to get a result. Policy adjustments will be the second step where incentives and disincentives can be factored in.
- 02:04:41 Jon Kehmeier: Policy should be included in the Science to some extent because the tool takes habitat quality and habitat values into account using the same data sets.
- 02:05:41 Director Williams: Talking about policy, for the slide with credit debit administration does policy inform all three? Does it inform the administration?
- 02:06:21 Ms. Sime: That is what we are struggling with. We need to be equal in thinking about the impacts and potential mitigation obligation for developers and credit providers who own Core Habitat and coming up with a process that provides incentives for stewardship of their land. There are two sides of the equation that work in tandem. Policy decisions are yet to be made for the policy part of guidance process and administrative rules. Federal agencies hope the state will have framework that can be implemented with their plans as well.
- 02:08:15 Senator Lang: Asked for clarification between Core and General in the HQT. Should credits be the same? If a project is in General, would you expect less debits in General than Core?
- 02:08:57 Ms. Sime: The results and differences in habitats are accounted for in how the math works.
- 02:09:06 Senator Lang: How is this addressing an average of 31.2 males on a lek. How will the HQT adjust for a lek you haven’t looked at in ten years?
- 02:09:38 Ms. Sime: It still needs to be determined how we maintain the HQT over time. Leks are updated every year by FWP, where determinations are made that could result in classification changes in the database. How layers maintained over the years needs to be determined. Lek density is incorporated in the model and question was differed to Mr Kehmeier.

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- 02:10:34 Jon Kehmeier: The tool used the Doherty Lek Density data, which may need to rerun and updated. For example, if certain leks start to contribute large numbers of birds to the population, the model (tool) would be updated annually or biannually as things change.
- 02:11:55 Senator Lang: Have to incorporate Mother Nature, use common sense.
- 02:12:15 Ms. Sime: Sara spoke of risk and uncertainty on the model side and through time. We can think about and use the policy side to account for uncertainty.
- 02:13:04 Ms. Algren: Have been listening to stakeholder meetings. HQT is based on science, but sometimes sage grouse don't abide by science. Asks whether that figured in somewhere in site selection?
- 02:14:03 Ms. Sime: Interesting thing about Montana is that the habitat is more variable. Montana birds are different and will use lower canopy cover than other states. One way to account for that will be site visits. After you get the HQT results, proponents go to site and look at the land to account for things the model can't incorporate through satellite imagery (e.g. noxious weeds). During a site visit, we may see things you didn't know were there or confirm that things like noxious weeds really aren't present on the site. Site visits can help us get a gut check on the model and think about its validity. When satellite images are updated, we can update model.
- 02:16:24 Administrator Halvorson: Asks whether the model works the same in General and Core? Does it work the same for credit vs. debit?
- 02:16:43 Ms. Sime: The model uses the same data and same methods for both.
- 02:17:07 Administrator Halvorson: Assumes there is a potential for policy to include multipliers or reductions?
- 02:17:18 Ms. Sime: The policy side incorporates sweeteners or penalties (e.g. incentives or disincentives). Policy would want to incentivize conservation in higher quality habitat and make it attractive for private landowners to participate.
- 02:18:30 Director Livers: Ultimately, how do you calibrate the model so it is Montana specific? Are these decisions that are to be made?
- 02:19:24 Ms. Sime: The satellite imagery should account for this since the model is using an imagery for Montana, do need some pilot testing. For example, it's possible to look at the Stewardship Account grant award areas and go into the field and compare model results with what's on the ground. Other states have not done much pilot testing and have seen issues when they start to implement their HQTs and policies. It's important that we review results and fine tune as needed.
- 02:21:06 Director Livers: Does the satellite image identify habitat and vegetation?
- 02:21:20 Ms. Sime: The satellite layer identifies vegetation.
- 02:21:25 Director Livers: The satellite layer doesn't have the population?
- 02:21:59 Ms. Sime: The GIS layers incorporate birds (leks and lek density), which is matched up with vegetation. Where there are lots of leks and large leks that will inform and help interpret the vegetation and point out good habitats. Vegetation and bird data inform each other.

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- 02:23:43 Director Tubbs: Encourages Directors to spend time to understand the remaining policy questions.
- 02:24:29 Senator Lang: Did anyone do lek surveys on the 44 Ranch?
- 02:24:51 FWP Catherine Wightman: Note sure so can't answer.
- 02:25:09 Ms. Sime: The current mitigation draft documents will be revised so don't spend too much time reviewing. We will provide revised docs after the next round of edits.
- 02:26:05 Director Tubbs: Half dozen issues came up in our discussion. Directors should take a week to review them and provide comments by the close of business next Friday.
- 02:27:15 Director Williams: What is process?
- 02:27:39 Ms. Sime: We lined out a timeline with the professional collaborators to have the next drafts by June 30. There would be one more review opportunity for stakeholders and some beta-testing of the HQT. There is a placeholder for another meeting in early to mid-August if a lot of red flags come up. A peer review step has to be factored in as well. The Program also recommends the documents be made available for general public review. Rulemaking would occur around September or October.
- 02:30:33 BREAK

Stewardship Fund Grants

- 02:38:46 Director Tubbs: Agenda Item Reallocation of Funding from the Hansen Ranch Conifer Reduction Proposal to the Hansen Ranch Conservation Easement Proposal. [Handout 4, blue] Project sponsor will speak to reallocation of the funds and then we'll take public comments.
- 02:40:00 Ms. Sime: The Nature Conservancy's original grant application in May of 2016 combined a funding request for conifer reduction with a conservation easement. MSGOT funded the conifer reduction portion, but declined to fund the easement portion. The conifer reduction portion moved forward and the Program worked with the project sponsor to move it through the review process. The Program completed a draft EA and solicited public comment on just the conifer reduction portion. MSGOT eventually voted to fund the easement portion of the grant application in November, 2016, pending documentation of matching funds by September 30, 2017. In the spring of 2017, the project sponsor notified the Program that alternative funding through NRCS had been secured to implement the conifer reduction portion. The project sponsor requested that the Stewardship Account award of \$202,500 for the conifer reduction portion be reallocated to the easement portion. Knowing that the conifer reduction efforts would move forward regardless, the Program recommended that MSGOT reallocate \$202,500 from conifer portion of the grant application to the conservation easement portion.
- 02:42:40 Mr. Jim Berkey, The Nature Conservancy: I had originally asked for \$750,000 for the Conservation easement and \$202,500 for the conifer reduction project. TNC won't be using the \$202,500 for the conifer reduction project because it received funding from another source. There will be a crew cutting trees this July. The final appraisal for the conservation easement on the Hansen Ranch came in higher than anticipated. Because of this, the Hansen's contribution could be adjusted. I have received preliminary notification from NRCS that the Hansen Ranch easement was awarded funding to match with state funds. The next step with NRCS will be to sign a cooperative agreement in August or September. TNC now has \$4.95 million from NRCS and asks MSGOT for \$202,500 in Stewardship Account funds for the easement portion (which is the amount

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originally identified for the conifer reduction project). The Hansens will donate \$650,000. The Nature Conservancy will donate \$50,000.

- 02:42:40 MSGOT: Discussion of reallocating funding towards the Hansen easement.
- 02:50:28 Director Tubbs: Asked for public comment and a motion.
- 02:50:35 Mr. Glenn Marx, Montana Association of Land Trusts: Expressed support of the project and allocation of stewardship funds.
- 02:51:28 Director Williams: Moved to reallocate funding and direct the Program to move the conservation easement proposal through the next steps. Director Livers: Seconded.
- 02:51:47 MSGOT: Discussion.
- 03:04:10 Director Tubbs: Called for vote. Representative Knudsen voted no. All other MSGOT members voted aye. Motion passed.
- 03:05:15 Ms. Sime: Next, the Weaver Cattle Company Conservation Easement Proposal. [Handout 5, pink]. This project was submitted in the original pool of applications in May 2016. At that time, MSGOT elected to reconsider it at a later time. The project sponsor, Mr. Kendall Van Dyke from the Montana Land Reliance recently set a letter to the Program and notified the state that he was reducing the requested amount down to \$300,000. Because MSGOT has not yet taken formal action on this application and finality is desired, the Program recommends that MSGOT decide to either award funding or decline to fund the proposal.
- 03:06:53 Mr. Kendall Van Dyke, Montana Land Reliance: The amount requested has gone down because the Weavers would like to move forward. NRCS is the matching funding source through the NRCS "Grassland of Special Significance" and wants to see this project go through. The NRCS has authorized a waiver to their standard federal match requirement. The ranch is in General Habitat near the Bears Paw Mountains. This project has a restoration component, which entails reseeding about 1100 acres to native grasses. The Weavers and MLR are asking for a decision on the Stewardship Account funds because need to know whether to seek non-federal funding elsewhere. A \$300,000 funding request calculates out to 10 cents on the dollar. The Weavers will also donate a portion of the value and will need to make up difference.
- 03:11:37 Director Tubbs: Asks for public comment.
- 03:11:44 Mr. Glenn Marx, Montana Association of Land Trusts: This is the first proposed project entertained in General Habitat. Keep in mind overall goals. Maintain state authority and address threats. Advisory Council document stated Stewardship Fund allows for conservation projects in General Habitat. Core Habitat is a minority of the total habitat, and we cannot effectively maintain sage grouse population by only focusing on Core Areas.
- 03:19:21 Director Tubbs: Asked for any further public comment and then a motion.
- 03:19:33 Director Livers: Moved that MSGOT award \$300,000 from the Stewardship Account to the Weaver Conservation Easement Project. Director Tooley seconded.
- 03:19:50 MSGOT: MSGOT discussion.
- 03:33:11 Director Tubbs: Call for vote Representative Knudsen, Ms. Algren and Senator Lang voted no. All other MSGOT members voted aye, Motion passes.

These abbreviated summary minutes and the audio recording will become the official adopted minutes at the next Montana Sage Grouse Oversight Team meeting when they will be approved. Until then, they are considered a draft.

- 03:33:40 Ms. Sime: Next is Reconsideration of the Troy Smith Conservation Easement Proposal. [Handout 6, tan]. The Troy Smith Conservation Easement Proposal was also submitted back in May, 2016. The requested amount is \$36,000. MSGOT deferred a decision on whether to award or decline funding. The project sponsor Mr. Kendall Van Dyke, Montana Land Reliance is seeking finality. Because MSGOT has not yet taken formal action on this application and finality is desired, the Program recommends that MSGOT decide to either award funding or decline to fund the proposal.
- 03:35:11 Mr. Kendall Van Dyke, Montana Land Reliance: The Troy Smith Conservation Easement is a small easement on private land near other private inholdings within a block of BLM surface lands. This property ties Core Areas together.
- 03:36:49 Director Tubbs: Asked about envelope reserved for development.
- 03:37:10 Ms. Sime: Asks for clarification from Mr. Van Dyke regarding maps provided to MSGOT.
- 00:37:24 Mr. Kendall Van Dyke: Thinks maps are same as were provided previously, but not sure.
- 03:37:56 Director Tubbs: Asked for public comment and then a motion.
- 03:38:28 Mr. Holmes: Moved that MSGOT award \$36,000 from the Stewardship Account to the Troy Smith Conservation Easement Project. Director Williams seconded.
- 03:38:37 MSGOT: Discussion.
- 03:42:42 Director Tubbs: Called for vote. Representative Knudsen voted no. All other MSGOT members voted aye. Motion passes.

Public Comment on Other Matters

- 03:42:59 Director Tubbs: Called for public comment on other matters.
- 03:43:30 Steve Belinda, North American Grouse Partnership. Introduced self. The Partnership is composed of managers and can be a resource for the Program. Will be more active in the state.
- 03:44:39 Director Tubbs: Asked for additional public comment. None. Confirmed July 24 meeting date.

Adjournment

- 03:52:12 Adjournment.

Chair for this meeting:

/s/ John Tubbs

Director John Tubbs