MINUTES
MONTANA SAGE GROUSE OVERSIGHT TEAM

Tuesday, May 24, 2016 Meeting Summary
Montana State Capitol, Helena: Room 172

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, Department of Natural Resources & Conservation, Director
Jeff Hagener, Montana 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 Matt Rosendale, Glendive Montana
Representative Mike Lang, Malta Montana

Staff Present

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

Call to Order

00:00:01 Director Tubbs called the meeting to order
00:00:18 Montana Sage Grouse Oversight Team Introductions

Administrative Matters

00:01:35 Director Livers moved to approve the May 24, 2016 draft meeting minutes. Sen. Rosendale seconded. Motion carried unanimously. Future meeting dates scheduled for August 29, 2016, and December 6, 2016.

Update on Implementation of Executive Order No. 12-2015

00:04:24 Ms. Sime shared information including a brief overview of Program work related to the Stewardship grants, follow-up information on Mr. Baker's question regarding the number of permits that were affected by the exception MSGOT granted at the last meeting. A total of 446 projects were submitted for review under the Executive Order 12-2015. These are proposed activities potentially in Sage Grouse habitat. The program is still receiving projects that would occur outside of designated habitats. Of the 446 total, 19 projects were cancelled and 27 were missing information. Reviews have been completed and correspondence has been sent back to 370 out of 400 project proponents. Specifically in core areas, 38 projects have been reviewed and letters have been sent out to 19. These projects are more complicated as they often involve other land management agencies and our work is timed with their work in addition to

Board of Oil and Gas. Reviews have been completed on 121 proposed projects in General Habitat. Have received 230 requests for review for projects that would have been completely outside of the designated habitats according to the maps and response is about 99%. There has been prior discussion on two (2) major RFP's that were are anticipated to be significant startup expenses for the startup of a new program on new information. The first RFP is for developing a uniform layer of existing disturbance. Instead of developing information about the existing disturbance on a project by project basis, this effort would be to develop a single layer for all core areas. Verification and updates would be done as needed on individual projects going forth. This would help with streamlining the process. The existing disturbance RFP was initiated. Six (6) proposals were received and are currently in review. Decision on these proposals is expected in early June 2016. The second RFP, referenced as Sage Grouse 2.0, is a revamp of the WEB Interface where users provide information to initiate the consultation process. SG2.0 will be a more integrated system, user friendly, and more efficient. Proposals are due June 2, 2016. Both RFPs are expected to be under contract by June 30, 2016 (FY 2016) with deliverables and implementation in 2017.

00:10:46 Director Livers: continuing to work on areas that make sense for Exceptions. Will make sure following the Executive Order but also not including things not intended to be covered under the Order.

00:11:50 Ms. Ahlgren: went to the BLM meeting held in April 2016 and learned more about implementation on the BLM Sage Grouse plan. The Rangeland Resources Executive Committee (RREC) coordinated a Range Forum in Billings and had great participation.

00:13:31 Mr. Halvorson: the BOGC activities continues to be low. The program has stayed busy with routine maintenance activities that require permits. There are a number of well abandonments coming up in the near future -- activity in the Powder River Basin and SE Montana related to well abandonments and transfers to landowners for water wells. There are no drilling rigs in the state; three (3) permits have been issued all year for the Bakken area outside of Sage Grouse habitat. The program may start to get exploratory calls to determine the process due to interest in Central Montana.

00:14:42 Director Hagener: spring lek counts still remain strong and have heard similar reports from neighboring states North Dakota, South Dakota, and Wyoming. Commission may reopen some of those areas for limited hunting and discussion on numbers continues. Wet springs can be a problem with the nesting season so have yet to see full results, but looked good last month.

00:15:24 Sen. Rosendale: no additional activities since the last meeting. Glad to see the oversight addressing Butte-Silver Bow done in a timely fashion. Would like more focus and attention on unincorporated towns located within core and general habitat areas around the state as they are perfect for exemptions. Should be able to devise a method and give them a buffer area around the unincorporated areas so they can continue to pull permits so they are not forced to come before MSGOT. Would like more focus on the Habitat Quantification Tool (HQT) as it is a critical part of making this whole system work and credible.

00:16:41 Rep. Lang, very green in eastern Montana due to all of the rain and anticipates Sage Grouse growth. There is a great supply of insects for the chicks. Concerned about unincorporated cities, specifically Grass Range, Roy and Bohemian Corner. Anyone in the industry now is the time to come forward with foreseen and/or current problems so they can be addressed/corrected before "getting out of the gate" any further. Will see as the grant process goes through, what credits or quantification these grants will bring. Increasing Sage Grouse population is the main goal.

00:18:29 Director Tubbs: DNRC's work continues with the Sage Grouse Program. Trust Lands had a number of projects go through and Water Resources Division – Water Rights is attentive and hasn't had any new applications. DNRC offices assist with electronic submission to input project data online. The unincorporated cities subject is a good discussion, but based on projects that do come up in the unincorporated communities they can get cleared through the program rapidly. When DNRC and Commerce grant programs daylight their grant lists it will be interesting to see the legislative decisions in the upcoming session on whether or not to award the projects. Those decisions will give a sample of how the Sage Grouse Program is impacting or not impacting unincorporated communities.

00:21:00 Ms. Sime [Agenda item, municipal boundaries clarification, Handout 1]: At the April 19, 2016 meeting, the Oversight Team approved a programmatic exception from the consultation requirements of Executive Order No. 12-2015 for state permitted activities, state authorizations, state grants, and state technical assistance programs that would occur within the boundaries of the incorporated municipalities. Based on the approval granted, it applied to boundaries that had been mapped by the Montana Digital Library as of March 20, 2016. Implementation of that decision and with further research it was learned that Butte-Silver Bow County was a consolidated entity as far as the local government, as is Anaconda-Deer Lodge. The entire area within each county is considered a municipal incorporation, respectively. There is approximately 66 sq. miles of general habitat designated in Butte-Silver Bow County and about 54 sq. miles with Anaconda-Deer Lodge, which causes conflict. Under the previously approved exception, any activity in the entire city-county would have been exempted. This agenda item clarifies that the previous exception would apply throughout the incorporated areas for the entire county with the exception of the general habitat designated on the map in Executive Order No. 21-2015; however, consultation would still be required for areas designated as general habitat. MSGOT is encouraged to consider a proposed effective date of June 1, 2016, for this clarification. Similarly, MSGOT is encouraged to adopt effective dates for any future exceptions. This allows time to update the website, reach out to state permitting programs and affected stakeholders.

00:24:51 Sen. Rosendale moved to approve the recommendation as proposed by Ms. Sime to modify the existing Exemption to include the two (2) counties except for the area that is located within general habitat effective as of June 1, 2016, Ms. Ahlgren seconded the motion. No public comment. Motion carried unanimously. Director Tubbs approved for Mr. Baker and Director Tooley by proxy.

00:26:25 Ms. Sime: [Agenda item air quality permitting, Handout 2]): At the April 19, 2016 meeting, several points relevant to the appropriateness of exceptions were raised. First, the U.S Fish and Wildlife Service analysis contained in the "not warranted" decision found state programs adequate in addressing threats to sage grouse and their habitat. Thus, it is important to analyze whether threats will be made worse through exceptions. Also, will exceptions lead to additional disrupting activities or increased habitat loss or fragmentation? Other things considered include, would an exception be consistent with existing building patterns, would an exception result in an expanded footprint, and is the exception primarily a paper process, such as a permit renewal? Key questions are: what happens to the land; what happens to the bird? These are the same questions the U.S Fish and Wildlife Service will ask during the status review in 2020. Streamlining implementation of the consultation process and implementation of Executive Order 12-2015 is key.

There are 4 different circumstances in which the proposed air quality permitting exceptions would occur. First, is a clarification that consultation or MSGOT review is not needed, for maintenance/repair activities on existing equipment. Second is a proposed exception from the consultation process for modifications of air quality permits when there is no related surface disturbance. The third circumstance is for administrative amendments to existing permits that are entirely clerical in nature. The fourth circumstance relates to Title V of the Federal Air Quality Act. Specifically, the exception applies to Title V applicants who have state permits, to Title V applicants who do not require a state permit, and in situations in which the Title V permit has to be renewed. MSGOT took each circumstance individually.

00:43:49 Director Livers moved that MSGOT clarify that routine maintenance of emissions equipment at existing facilities with an air quality permit are not required to consult with the Sage Grouse Program effective as of June 1, 2016. Director Hagener seconded the motion. No public comment. Motion carried unanimously. Director Tubbs approved for Mr. Baker and Director Tooley by proxy. .

00:44:38 Director Livers moved that MSGOT approve the programmatic exception from the Executive Order 12-2015 consultation requirements for: permit modifications within the confines of existing facilities, administrative changes to existing permits, and issuance and renewal of federal Title V Operating Permits effective as of June 1, 2016. Sen. Rosendale seconded the motion. No public comment. Motion carried unanimously. Director Tubbs approved for Mr. Baker and Director Tooley by proxy.

<u>Grant Application Presentations, MSGOT Discussion, Public Comment</u>

01:13:15 Ms. Sime – Introduction [Provided a handout to MSGOT in the packet received for this meeting that was also provided to the Environmental Quality Council that detailed how the pieces fit together, Handout 3; also follow up to DEQ Waste Management Exception granted during the April 19, 2016 MSGOT meeting]. The statutory purpose of the Stewardship Fund is to provide funds to maintain, enhance, restore, expand, and benefit sage grouse populations and habitats primarily on private lands and public lands. The idea is to provide competitive grants to establish a free-market mechanism for voluntary and involuntary

incentive based conservation. There is a close connection with the mitigation aspect of the overall Conservation Strategy. The conservation grants or the Stewardship Fund grants can be thought of as the "kick-starter" fund. The idea is to fund projects to generate a pool of credits for developers which would allow projects to move forward. Even though the Stewardship Fund and mitigation framework are technically separate, can be thought of as "2 halves of the same coin," with the habitat component of Sage Grouse in the middle. Stewardship Fund grants generate conservation credits and private landowners can also generate conservation credits of their own accord separate from the Stewardship Fund. Without a pool of credits in the market place developers would have very few options to move projects forward. The methodology that figures out what it takes to make a conservation credit or a development debit is the HQT (habitat quantification tool). There are companion policy-related decisions about the role of credits, debits, and what impacts there may be. The Stewardship Act enumerates a list of specific projects that would be eligible for funding from the Stewardship Fund, but the list is not exclusive.

MSGOT has full discretion to award funds, the award amount, or not to award. Decisions are bound by the Stewardship Act itself. The Stewardship Act requires a majority of the funds not be disbursed before the HQT has been adopted, which only allows up to $5 million for the grants proposed during this meeting. The majority of funds can't be disbursed to projects that do not generate credits.

If any applications proposed to MSGOT during this meeting are approved the following steps are required: (1) Grant Agreement between the Applicant, MSGOT, and DNRC.; (2) negotiating the statutory requirements that the State of Montana is a third party enforcement right (the easements are held by the land trust organization, not the state; and (3) a Montana Environmental Policy Act (MEPA) process and would allow opportunity for additional public comments specific to proposals.

During the February 19th, 2016 meeting the first grant cycle was initiated. The Stewardship Act required public review of the applications which were made available on the programs webpage. The process that the program used in reviewing the applications began by looking at the eligibility requirements in the statute of Administrative Rule. All nine (9) applications received for this first round were complete. The Program developed a set of standard habitat and sage grouse metrics so applications could be compared. Used GIS to create maps to show conservation status, different variables to help assess the value for breeding habitat, cultivated land, subservice ownership showing BLM property, existing roads and powerlines to show existing disturbance, and a riparian map. The density disturbance percentage was also calculated to compare parcels (DDCT). Proposed grant area was buffered by a 4 mile and 12- mile radius. The independent metrics and application materials forwarded to a peer review committee for independent evaluation and ranking. The committee consists of USFWS, FWP, BLM, a retired wildlife biologist, consultant from the private sector with knowledge of mitigation, and an independent contractor with experience in land conservation projects like easements.

Program considered peer review comments and rankings and makes a recommendation for each proposal, either: (1) do fund -- the proposal has

significant value or resources, significant potential to generate credits, easement terms well settled; matching funds secure, and should be funded at this time; (2) reconsider - proposal should be reconsidered at a later time due to lack of information and critical details necessary to its full evaluation, such as terms of the easement; or (3) do not fund – proposal does not provide resource values specifically for sage grouse even if values for other wildlife were present, not aligned with purpose of the Stewardship Fund grants.

Encourages MSGOT to keep an open mind and a willingness to consider new information presented by applicants during the meeting that was not available at the time the applications were reviewed by the Program and peer reviewers.

01:40:07 MSGOT Q/A and discussion with Ms. Sime for next steps in the granting processes and possible contingencies; potential mitigation needs for possible upcoming development activity, timing of development of HQT relative to decisions on the first round of grant proposals.

[Individual presentations by grant applicants followed by MSGOT member questions for each individual presenters, if any]

02:05:05 Brian Martin, The Nature Conservancy – Julie Burke Conservation Easement Grant Proposal Presentation [Handout 4]

02:31:05 Kendall Van Dyk, Montana Land Reliance, – Watson Conservation Easement Grant Proposal Presentation [Handout 5]

03:03:05 Brian Martin, The Nature Conservancy – Kelly and Tami Burke Conservation Easement Grant Proposal Presentation [Handout 6]

04:12:00 Kendall Van Dyk, Montana Land Reliance – Weaver Cattle Company Conservation Easement Grant Proposal Presentation [Handout 5]

04:36:26 Kendall Van Dyke, Montana Land Reliance – Raths Livestock Conservation Easement Grant Proposal Presentation [Handout 5]

04:50:30 Kendall Van Dyke, Montana Land Reliance – 44 Ranch Conservation Easement Grant Proposal Presentation [Handout 5]

05:11:44 Jim Berkey, The Nature Conservancy – Hansen Conservation Easement and Conifer Reduction Grant Proposal Presentation [Handout 7]

05:40:00 Kendall Van Dyke, Montana Land Reliance – Smith Conservation Easement Grant Proposal Presentation [Handout 5]

05:50:30 Haley Newman-Connolly, National Wildlife Federation – Reducing Conflict through Fence Marking Grant Proposal Presentation [Handout 8]

[break]

[Public comment on the applications before MSGOT; see bottom for list and times]

MSGOT Deliberations on Grant Proposals and Action

06:46:07 Ms. Sime referred MSGOT back to the summary of the overall process [Handouts 9 and 10] and outlines range of potential decisions MSGOT could make on the pending proposals, including approving a proposal with contingencies such as: final conservation easement terms are consistent with what was represented by the applicant during today's meeting and adequate to protect habitat values for sage grouse and offer future mitigation opportunities; matching funds remain committed, credits will be available for compensatory mitigation in the future; the state will become a third party beneficiary to the easement with a contingent right to enforce terms; applicants enter into a grant agreement approved by MSGOT; applicants provide monitoring reports, etc.

06:51:37 Director Hagener moved to approve the Julie Burke Conservation Easement as proposed and include contingencies to review terms of the easement in the future; Director Livers seconded the motion. MSGOT discussion follows.

06:52:12 Sen. Rosendale concerned there are no permits in place, HQT is not created or established, and funds provided by federal sources won't create credits, bulk of easements would generate only a fraction of credits. Have concern with the easement applications being presented as they make reference to the estate planning and the families involved. Do not believe in a poor tax policy that has been created by the federal and state government that puts them in jeopardy of losing their property. Will not support any easements presented for funding.

06:58:00 Director Livers stated that the HQT would be useful but the GIS tools have helped. There are no wolves at the door for credit demand presently. Developing the tool will essentially embed policy considerations, and MSGOT decisions will help move this forward in developing the tool. Valuable to protect habitats now.

07:00:57 Mr. Halvorson, likely will be an O&G project that requires credit; not an easy thing to do with the absence of the HQT but have to accept staff recommendation and the assumption that they evaluated the projects in a manner that would bring the highest ranking projects to ensure credits.

07:01:53 Director Tubbs with respect to Sen. Rosendale's concern on the statue itself in the terms of the tax policy and what this program is intended to do. When the Legislature passed $10 million and up to $5 million investment, it was understood the HQT would not be in place and that we would be making investment in conservation easements. By their nature, conservation easements become part of the dialogue of estate planning. Don't have the HQT, but know the measure is going to be to protect habitat. For Montana, fragmentation and preservation of habitat are on the top of the service list. Conservation easements provide one of few places where investment can be made. One reason the Montana Land Reliance was not recommended was due to lack of information. It had great conservation values but did not have details then but will hear more today. Looking for high sage grouse conservation values in these easements and would be disappointed in my future HQT that did not reflect these high values.

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07:05:53 Ms. Ahlgren agrees with Sen. Rosendale. Does not agree with easements, but should be an option. Need to create credits, don't need to hold up any projects for lack of HQT. Credits would be beneficial to have available when HQT is created, confident credits will generate from these proposals and should fund a few.

07:07:40 Rep. Lang will not be voting on the Burke easements due to personal relationships. All the ranking done by the peer reviewers and when HQT is ready will find out how good or bad we are.

07:09:48 Director Tubbs read conditions from recommendations report and contingencies to the Julie Burke Conservation Easement. Will have to consider votes as preliminary approval(s) due to having to negotiate the terms of the instrument (Grant Agreement), and that the MSGOT committee in August will have agreements before them one more time for a final vote, and at that point all the conditions can be measured.

07:11:50 Ms. Sime, recommended contemplation of the incorporation of any additional information as presented by Brian Martin related to this project that may not have been captured in the original application or Ms. Sime's review.

07:12:19 Director Livers asked whether the Oversight Team would take one more look to ensure all conditions have been fulfilled, or can a project proceed if ready before August, without additional review?

07:13:08 Director Tubbs stated MSGOT would have an opportunity to deliberate the instrument. Final vote would not be on changing project conditions. In August, just an up-and-down approval vote for the instrument will take place. In the future, this step won't be necessary; but this committee has never approved the language about its relationship with the trusts and how provisions that statute require are actually drafted. Once a pattern is established, the Program could take charge of execution. "Instrument" refers to both the Grant Agreement and specific language directed towards the easement.

07:15:49 Ms. Ahlgren asked whether MSGOT should accept the different amounts per acre (for the easements) provided?

07:16:24 Director Tubbs stated that MSGOT does have authority to change the amounts, at the peril of the project. However, the cost per acre are based on (state) match grants.

07:17:40 Ms. Ahlgren said that without HQT, it seems like setting precedence?

07:18:12 Director Tubbs said that we are setting precedence in sense that this is the first time in the state's history that this program is open for business. As far as the cost per value, it will be helpful in the future to have a matrix that tracks total value over a period of time. Additional discussion on costs per acre by MSGOT for the state match, any federal match, or pro rata credit generation.

07:20:56 Question called on Director Hagener's motion to fund the Julie Burke Conservation Easement. Director Tubbs approved for Mr. Baker and Director

Tooley by proxy. Sen. Rosendale voted nay [no] and Rep. Lang abstained. Motion carried by majority.

07:21:22 Director Livers moved to approve the Hansen Ranch Conservation Easement and Conifer Reduction proposal with the standard conditions listed in the recommendations report; Ms. Ahlgren seconded the motion.

MSGOT discussion regarding monitoring and performance measures to determine success. Grant applicant Mr. Berkey commits to vegetation monitoring of the treatment and willing to collaborate with partners on lek monitoring. Unlike elsewhere in Montana and with other sage brush species, the higher elevation areas of mountain sage brush rebound sooner after a burn and seek to balance benefits of mechanical treatment and burning of sage brush. Ms. Ahlgren expressed concern for Stewardship Funds being spent on treatment of noxious weeds and Ms. Sime confirmed that statue permits it. Rep. Lang supportive of easement portion but not the conifer

07:33:40 Ms. Sime clarified that the peer reviewers reviewed the entire project (easement and conifer reduction) and not specifically the conifer reduction project on its own. Subsequently, NRCS match for the conservation easement portion fell through. Ms. Sime took the initiative to split them out for MSGOT's consideration to fund as separate projects and that MSGOT consider funding the conservation easement with contingency that federal match is secured.

07:37:55 MSGOT vote. Director Tubbs approved for Mr. Baker and Director Tooley by proxy in favor. Ms. Ahlgren and Rep. Lang vote nay [no]. Motion passed.

07:38:36 Director Livers moved to approve the Kelly and Tami Burke Conservation Easement proposal with the standard requirements [contingencies]; Director Hagener seconded the motion for discussion purposes.

MSGOT discussion. Ms. Sime said peer review comments indicated that the parcel is on the edge of core habitat but Ms. Sime moved it higher in the ranking because of the associated habitat restoration activities and it was close to public lands. Dir. Hagener agreed that cropland restoration is valuable and most important but that core portion of the project is only 30%. Mr. Martin stated the project is a package and the easement makes sure that the restored cropland remains as habitat and not placed in CRP in the future. Ms. Ahlgren discussed the proposals with the Rangeland Resources Executive Committee (RREC) and all are good. RREC believed that funded proposals need to be for core areas.

Mr. Martin stated that because of the federal nexus with NRCS funding for match, time constraints to secure a match for the NRCS funding. Mr. Martin believes the NRCS Cooperative Agreement states March 2017. TNC concerns if MSGOT delays decision relate to still being able to meet the federal timelines.

07:48:08 Sen. Rosendale made a substitute motion to defer the consideration for the Kelly and Tami Burke Conservation Easement proposal until the August meeting. Ms. Ahlgren seconded the motion. MSGOT vote: Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried unanimously.

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07:49:50 Director Livers moved to approve the Hansen Conservation Easement with the standard requirements [commit to funding the easement portion until June 1, 2017 with the contingency that the applicant secure the match or the state funding would be rescinded]. Ms. Ahlgren seconded the motion. MSGOT discussion about the merits of committing funding now vs. delaying decision for a project with high values out of concern for bumping up against the $5 million cap. Mr. Berkey of TNC stated that better to communicate to other funders that would have state funding when seeking the match, but no firm threshold for when have to secure all the funding. MSGOT recognized high values of the project and still concerned about the $5 million cap.

08:00:19 Director Livers, after MSGOT discussion, withdrew motion to approve the conservation easement component of the Hansen Conservation Easement with the standard requirements. Dir. Tubbs stated that it's a strong project. Ms. Sime clarified that the June 1, 2017 date was selected based on the timing of the next NRCS ALE grant decision timelines (federal fiscal 2017) and that MSGOT's decision is whether to commit to funding the easement portion it now based on resource values with requirement that TNC find the match or wait. Dir. Livers inclined to wait to decide on this proposal, with the opportunity to reconsider after made decisions on other proposals – either at the end of the day's meeting or at a future MSGOT meeting. Dir. Livers withdrew the motion.

08:00:26 This proposal was ranked the highest of all proposal. Mr. Halvorson moved to approve the 44 Ranch Conservation Easement proposal with stipulations; Ms. Ahlgren seconded the motion. MSGOT discussion. Ms. Ahlgren said this is good habitat and it's a family ranch. Director Hagener agreed good project but added details provided during presentation helpful. Director Tubbs noted that staff did not recommend initially because lack of details on terms of the easement and the stipulations would be the details / terms of the easement as presented during the meeting. Sen. Rosendale opposed. Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried.

08:04:59 Ms. Ahlgren moved to approve the Raths Livestock Conservation Easement proposal with conditions; Director Livers seconded. MSGOT discussion, confirming that conditions / stipulations for easement and grant agreement would be as presented during the meeting. Director Tubbs asked Mr. Van Dyk to clarify concerns if MSGOT delayed funding. Mr. Van Dyk stated that no concerns from procedural point with ALE funding, but the landowner's demeanor is such that want to move forward. Director Livers stated it was highly ranked project and Director Tubbs stated it was 100% core. MSGOT vote: Sen. Rosendale opposed. Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried.

08:10:35 Director Tubbs reminded that Ms. Sime recommend reconsider until further details, which were presented today. Rep. Lang moved to approve the Watson Conservation Easement proposal; Director Livers seconded the motion. MSGOT discussion. Director Livers said the project is 100% core. MSGOT vote: Sen. Rosendale opposed. Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried.

08:12:21 Ms. Ahlgren moved to approve the Smith Conservation Easement proposal with conditions for the sake of discussion; Director Hagener seconded the motion. MSGOT discussion. Director Tubbs noted small parcel surrounded by BLM. Rep. Lang said money would be better spent elsewhere. Ms. Ahlgren noted that the building envelop is a large relative to the parcel's size. Mr. Van Dyk said the building envelope has not been finalized yet but would try to keep the entire 2-mile radius as "no build" – hope to identify a development area and the building envelope would be within it. The landowner has not committed to it, however. Mr. Van Dyk stated a delay by MSGOT would not be a fatal flaw and more work can be done; would rather keep it alive.

08:17:07 Director Livers made a substitute motion to delay action on the Smith Conservation Easement proposal until the information on the building envelope is resolved. Director Hagener seconded the motion and said FWP is aware that this area would be attractive for a rural subdivision. Rep. Lang does not want to set precedent that MSGOT would accept and fund projects that aren't complete or leave the door open for them by delaying decisions. MSGOT vote: Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried unanimously.

08:19:54 Director Livers moved to approve the Reducing Conflict through Fence Marking project; Sen. Rosendale seconded the motion. MSGOT discussion. Director Livers stated that approving the methodology should be sufficient and not necessarily to require identification of actual segments; marking fence does have a useful contribution and given low cost, worth funding. Sen. Rosendale stated that short of changing the hunting season, this is the only proposal that has direct effect on birds to increase populations. Rep. Lang stated project working on public lands and private landowners have not really accepted the practice. Ms. Ahlgren stated doesn't see evidence of bird strikes but likes the aspect of the project in getting folks out. MSGOT vote: motion failed.

08:28:58 Director Hagener made a substitute motion to delay a decision on the Reducing Conflict through Fence Marking proposal in order to provide time for associated questions get answered. Mr. Halvorson seconded the motion. MSGOT discussion. Rep. Lang concerned that it's over-publicized that fences kills birds even though fences have been on the landscape and other things affect populations more. MSGOT vote: Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried unanimously.

08:32:00 Director Tubbs summarized that Program recommended 'do not fund'. Director Livers moved to delay action on the Weaver Cattle Company Conservation Easement proposal and reconsider it in the future. Mr. Halvorson seconded the motion. MSGOT discussion. Rep. Lang stated that this property could help core habitat. Director Tubbs stated it would be good to view the properties and appreciated the challenge to the core-only approach yet are limited by the amount of money available. Director Livers noted this project has a habitat restoration component. MSGOT vote: Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried unanimously.

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08:36:50 Director Tubbs and MSGOT discussed merits of the timing of committing state sage grouse funds now vs. other requests that may come in the future – relative to the timing of approving a HQT.

08:41:24 Director Livers moved to approve the Hansen Conservation Easement portion of the TNC application contingent on funding match from NRCS, or others, and standard requirements with an expiration date of June 1, 2017. No 2nd motion. Motion failed.

08:44:22 Director Hagener stated it was a strong project and the key concern was the funding. Director Hagener moved to keep the Hansen Conservation Easement easement portion of the proposal alive for future consideration; Director Livers seconded the motion. Sen. Rosendale opposed. Director Tubbs approved for Mr. Baker and Director Tooley by proxy. Motion carried.

08:44:50 **Ms. Sime: Summary of MSGOT decisions on Grant**

Proposals Funding Approved	
Julie Burke Conservation Easement	$422,000
Hansen Ranch Conifer Removal Only (not including conservation easement)	$202,500
Raths Livestock Conservation Easement	$812,500
Watson Conservation Easement	$162,500
44 Ranch Conservation Easement	$1,500,000
Total	$3,099,500
Proposals to be Reconsidered in the future during Aug. 2016 meeting	
Kelly and Tami Burke Conservation Easement	
Weaver Cattle Company	
Smith Conservation Easement	
Reducing Conflict through Fence Marking	
Hansen Ranch Conservation Easement	

Public Comment on MSGOT Deliberations on Grant Proposals and Action

04:27:00 John Weaver – Weaver Cattle Company Proposal
06:33:49 Nick Gevock – Conservation Director of Montana Wildlife Federation
06:34:52 Glenn Marx – Montana Association of Land Trust

Public Comment on Other Matters

08:46:07 No Public Comment

Adjournment

08:48:24 Adjournment

Acting Chair for this meeting:

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.

/s/ _____
Director John Tubbs

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