

**Montana Fish & Wildlife Conservation Trust**  
**Minutes from Joint State Federal Board**  
**Meeting – January 18, 2018**

**Attendees:**

David Allen, Chair (USFWS) [david\\_allen@fws.gov](mailto:david_allen@fws.gov)  
Roxanne Peterson, Co-Chair (Bureau of Reclamation) ([repeterson@usbr.gov](mailto:repeterson@usbr.gov)) (called in)  
Rick Hotaling, (BLM) [rhotaling@blm.gov](mailto:rhotaling@blm.gov) (called in)  
John Hagengruber, (USFS) ([jhagengruber@fs.fed.us](mailto:jhagengruber@fs.fed.us))  
Rick Northrup (MFWP) [rnorthrup@mt.gov](mailto:rnorthrup@mt.gov)  
Bill Orsello, Chair, CAB ([williamorsello@gmail.com](mailto:williamorsello@gmail.com))  
Errol Rice, Montana's Outdoor Legacy Foundation ([errolrice@gmail.com](mailto:errolrice@gmail.com))  
Jeff Hagener, Montana's Outdoor Legacy Foundation ([jdhagener@bresnan.net](mailto:jdhagener@bresnan.net))  
Mike Kubas, DA Davidson  
Jay Erickson, CAB  
William Orsello, CAB  
Bruce Bugbee, Apland Exchange  
Alicia Stickney, Dept of Justice  
Deb Lane, Recorder ([deb@mtoutdoorlegacy.org](mailto:deb@mtoutdoorlegacy.org)) (call-in)

Dave convened the meeting at 9:00 am.

Introductions were done to recognize MOLF representatives – Errol Rice and Jeff Hagener.

**The 9/26/2017 minutes were presented. Need to add Rick Hotaling as being present at the meeting. In addition add the statement of the reaffirmation of the JB Chair's ability to approve an invoice up to \$5000 without full board approval. Correct typing error of "sheet" to "sheep" Motion by Rick to approve as amended; Second by John; Vote to approve 5 – 0.**

**Financial:**

DAD provided an account overview of 2017.

Ending 12/31/17 balance of the Trust was \$25,156,837.

Economy and consumer confidence was up with a GDP growth above 3%

Interest rates were down but starting to move up again – DAD will watch the fixed income area closely

No investment in Bitcoin type activity, will stay focused on long-term solid businesses and growth

Growth for the account was 11.58% compared to the benchmark increase of 14.19%

Current asset allocation all within target range

They concur with the Trust Manager's recommendation of a 4% allocation for 2018 project funding.

**The JB discussed the funding recommendation and a motion was made to request an increase of 2018 project funding to \$1,000,000. Motion made by David; Second by John; Vote to approve 5 – 0. The Trust Manager will take the recommendation back to their board for review.**

**TM Transition:**

Mt Outdoor Legacy Foundation is in the process of searching for a new executive director. They will also be moving their office back to Helena. Dennis Konopatzke will serve as interim CEO/ED of Mt Outdoor Legacy Foundation. Errol Rice is the new chairman of the board for the Foundation. TM contacts will be Errol, Jeff Hagener, and Mike Talia.

The Joint Board supported their continuing efforts to evolve. David suggested that from the Trust perspective it would be helpful to have someone that has an awareness or background in realty transactions to work with the Trust. Monitoring was also a high priority in order to assure the Trust's projects are protected in perpetuity. The phone monitoring is current and successful, the next step is to begin a process for site monitoring of projects.

### **Old Business:**

**Grant Agreement:** We are currently modifying the agreement to work more efficiently with our project process. The agreement is signed initially after the funding approval process is complete. It would be used to identify the responsibilities of both parties and commitment of project funding from the Trust as long as all requirements were met within a two year period of time.

**Conservation Servitude:** Fee title projects for NGO's – could the CS be retroactively applied to already completed projects to ensure the Trust's interest in the property? This was discussed as an option for PPLT to receive funds for their already purchased Peeks to Creek project. It was noted that the Trust has already turned away project applicants due to the fact that the applicant already owned the property. At this time, there is enough interest/project availability for standard projects coming before the Trust. If in the future project interest ebbs then the Joint Board would revisit the idea of looking at projects that have already been purchased.

### **New business:**

#### **Interim projects:**

South Billings Bridge FAS is the project brought forward from the Yellowstone Remediation project concept approved for funding in 2017. Yellowstone River Parks Association has submitted the project proposal which would create a fishing access site on the Yellowstone River in Billings. The Trust received 6 comments during the public comment period all in support of the acquisition. The title commitment revealed several issues that must be resolved prior to continuing: Liens on the property total more than the selling price and utility easements might not allow for the construction of a fishing access site by FWP. The Joint Board did not make a decision at this meeting. An email vote would occur when the title commitment issues have been resolved.

Prickly Pear Fishing Access Site is an interim project which would utilize inside the area carryover funds. The project cost would be \$250,000 to \$300,000. Mt Fish, Wildlife & Parks brought this project forward requesting Trust funds to purchase the property and FWP would develop the fishing access site. During the public comment period caution was urged by two individuals who sited prior concerns of contaminants (cyanide) in the two ponds on the property which had come up during a prior subdivision review. The Joint Board delayed voting on this project until the appraisal is complete. An email vote would occur at that time.

**Public Comments:** Bruce Bugbee from American Public Land Exchange came to gain insight on the Trust and the funding cycle. He spoke regarding a project they are looking at for the 2018 Trust funding cycle. It is called Travelers Rest Site near Lolo. A 20 acre site used as an entrance to a Visitors Center.

**Trust Plan Review:** The CAB, JB and MACO (Montana Association of Counties) will look at the Trust Plan to modify and update the plan to the current process and forms (such as the Grant Agreement and Conservation Servitude). It may be necessary to include a more detail list of responsibilities and adding the fiduciary responsibilities (such as monitoring).

**CAB Update:** Bill Orsello, an original CAB member since the Trust inception and Chair of the CAB announced he would stepping aside as chair. Jay Erickson, Co-Chair will now become Chair of the CAB; Chuck Hahn (landowner representative on the CAB) will be the new Co-Chair. Bill is looking to retire by the end of this year. Bill fulfills the "hunter" component of the CAB. Following the original steps to fill these positions, Bill and Rick will draft a letter that will be sent to Montana hunting organizations to request their

nominations for individuals who can fill the hunter position on the CAB. The Joint Board will review the nominations and make a recommendation to the Secretary.

**Project Procedures:** With the settlement in place, the Trust project procedures were reviewed to align with the responsibilities as defined in the settlement. Deb provided a procedure template to use to review projects. New forms (Grant Agreement and Conservation Servitudes) are now in place for all new projects funded by the Trust.

**TM 4<sup>th</sup> Quarter Invoice:** Invoice for the Trust Manager fee was approved by David (JB) and Jay (CAB) in the amount of \$78,464.93.

**Other projects received:**

Toston: BLM project which came before the Trust thru realtor Mark Sweeney. It is inside target area & would require \$637,000 of the carryover funds. There is approximately 240 acres. The Trust engaged an appraiser to verify the fair market value of the parcels. Turner properties adjoin the parcels also however they did not respond with any interest to acquire them. BLM will proceed with the acquisition.

Sand Creek Trail: The Conservation Fund sent in an interim project for outside of the area. They are working with USFWS on purchasing an inholding within the CMR and are asking for \$70,000. Since this was not time sensitive and there were no outside the area carryover funds available, this project will be held for the 2018 funding cycle.

ABN Trail: This was received from Montana Land Reliance. It was denied at this time for two reasons: problematic appraisal and no outside the area funding available.

Cartan & Palmquist: both projects from Mt Fish, Wildlife & Parks. These projects would add to the Canyon Creek WMA. They are not time sensitive and will go into the regular 2018 project funding cycle.

The CAB meeting to review the 2018 projects will be held on May 14<sup>th</sup>. We will check on Montana Wild as a place to hold the meeting. The next Joint Board meeting will be held on May 15<sup>th</sup> at USFWS in Helena. Both meetings will begin at 9 AM.

Adjourned – 12:15 pm