

BHWC Monthly Meeting Agenda
September 19, 2007
7:00 pm
Divide Grange Hall

- 7:00 – 7:10 pm Introductions and Review of August minutes
- 7:10 – 7:20 pm Flow report by Mike Roberts, DNRC
- 7:20 – 7:35 pm Drought Plan Discussion
- 7:35 – 7:45 pm Weed Committee Report
- 7:45 – 7:55 pm Break
- 7:55 – 8:15 pm Update of current projects and activities
- 8:15 – 8:30 pm Update of grant status
- 8:30 – 8:40 pm New Business and October meeting agenda topics
- 8:45 pm Adjourn

BHWC Monthly Meeting
August 15, 2007
7:00 to 9:30

Those Attending:

Erik Kalsta, Rancher, Jami Murdoch, TMDL-BHWC, Garth Haugland, Bvhd. Co. Commission, Art Christensen, BCD, Noorjahan Parwana, BHWC, Bill Cain, local resident, Kevin Greenwood, USFS, Hans Humbert, Rancher, Mark Kambich, Rancher, Randy Smith, Rancher, Phil Ralston, Rancher, Marty Hovan, BSB Water, Harold Peterson, Rancher, Liz Jones, Rancher, Andrew Hanson, Outfitter, John Reinhardt, Rancher, Ray Weaver, Rancher, George Trischman, Rancher, Mike Roberts, DNRC, Jeanne Caddy, BHWC Weed Committee, Dan Downing, USFS, Ian Varley, MT Land Reliance, Els Van Woert, Interested Party, Kevin Greenwood, USFS

Introductions

Review of July minutes - Approved

Noor posted a copy of the ground rules on the wall for review. Ground rules are reviewed from time to time at BHWC meetings. These abbreviated ground rules are as follows:

- Listen respectfully and carefully,
- Avoid interrupting

- Offer suggestions with respect and care
- Challenge ideas NOT people
- Explore and understand all issues before reaching conclusions
- Search for creative opportunities to address interests and concerns of all
- You may not agree with all aspects of an agreement. Explain why you disagree and/or present an alternative that responds to the needs and interests of other participants.

Noorjahan also had two separate questions posted on the wall regarding the Drought Management Plan and asked members of the committee to respond during the break. Questions and responses are as follows:

The Drought Management Plan: What is working?

- The irrigators are cooperating
- Fishing is stopped, though not early enough. Irrigators are cooperating
- You can't put hair on a dog's back after you shave him.
- Upper Big Hole ranchers' cooperation for maintaining stream flows. Something should be done for them.
- How can there be fish kill between North Fork and Dickie Bridge and no fishing closure? Pelicans? They dive.

What is not working and how do we fix it?

- Doesn't deal with long term drought or climate change.
- Tributary storage essential
- If you expect the irrigators to bear the brunt of drought plan, outfitters have to do more and shut down on their part.
- Trying to use the DMP to keep river open for fishing – DMP should be used to protect resource.
- Users are not practicing or following the Drought Plan. Fix it by assessing the problem and educate users of the resource.
- Ask someone to present information, climate change and predictions, 25 + years.

These comments will be added to the list of concerns addressed by the DMP Technical Committee this winter.

Mike Roberts – Flow update

We are in the ninth straight year of drought in southwestern Montana.

Lower Big Hole Flow summary

	<u>Current</u>	<u>August 13, 2006</u>	<u>Long term Median</u>
Below Mudd Creek:	73 cfs	61 cfs	76 cfs
Near Melrose:	143 cfs	164 cfs	414 cfs
Near Glen:	150 cfs	156 cfs	260 cfs
Near Mouth:	77 cfs	61 cfs	---

These data must be viewed with the understanding that they reflect different time periods. The "Melrose" gauge is much higher than that of the "Glen" gauge, because the "Melrose" gauge period-of-record includes 83 years of data. The "Glen" gauge has only nine years of record, and the "Mudd Creek" gauge has only a seven year record - which

have all been drought years. The USGS gauge near the river mouth is new, but the old Jefferson Watershed Council gauge shows that last years flow was 61 cfs.

Upper Big Hole Flow summary

Flows in the upper basin near Wisdom are extremely low.

- 2nd lowest July cumulative flow for 19-year period of record
- 2nd lowest daily flow for August 15th for the 19-year period of record.
- 2007 similar to 1988 when river went dry
- Maximum daily temperature in July was 88.1° F
- Historic average daily maximum temperature is 78.1° F.

Precipitation

July precipitation in Wisdom is average (1.08 inches). Most precipitation was received in two storms.

Conservation Easements

Ian Varley, summer intern with MT Land Reliance gave a presentation on conservation easements and discussed new Tax Incentives.

What is a Conservation Easement? It is a voluntary agreement between a landowner and a land trust or public agency that restricts development and maintains open lands. Granting an easement can yield tax savings. Think of land ownership as holding a bundle of rights that may include the right to subdivide, construct buildings, irrigate, harvest timber or restrict access. A landowner may sell or donate the whole bundle of rights or just one or two of those rights. To give away certain rights for the purpose of conservation, while retaining others, a property owner grants a deed of conservation easement to a land trust like the Montana Land Reliance (MLR). The donation of an easement may qualify as a charitable contribution. As such, it may reduce income, estate and gift taxes.

Easement Compensation The easement value is called a conservation contribution for tax purposes. The value is equal to the property's value before the easement minus the value of the property after the easement. The value of an easement is often influenced by its terms.

Income Tax Deductions for Farming and Ranching Corporations Prior to the Pension Act, corporations faced a limitation of up to 10% of their taxable income for qualified conservation contributions. The Pension Act allows corporations earning more than 50% of income from the business of farming to deduct up to 100% of taxable income with a 15 year carry forward period for a qualified agricultural conservation easement. In order to qualify, the stock of farming or ranching corporation cannot be readily tradable on a securities markets

Estate Tax CE's reduce the value of ranch property for estate tax properties. In addition, there is an IRC 2031C that allows for additional state tax exclusion. It allows an executor to enter into an easement within 9 months of landowner passing.

Harold Peterson – Water Storage Discussion

At the last meeting a suggestion was made that we revisit storage. Harold Peterson is Chair of the Storage Committee. Harold suggested the Storage Committee tried really

hard to do something for ten years and when we get a year like this storage would really help out.

The Storage Committee met several times over the past year or two. With the help of Mike MacLane-then DNRC- a list of 18 impediments to storage was identified, along with a list of people with knowledge to address those impediments. The storage committee discussed water rights issues with Holly Franz (water rights attorney) and wetland mitigation with Dennis Havig (USFS). These challenges seemed surmountable.

Liability and ownership of dam were the issues that caused the storage committee to hit the wall. Harold thinks we need agency support.

There was a great deal of discussion about this issue. Some of the thoughts and suggestions brought forward included:

- There are times snowpack will not fill a reservoir in the upper Big Hole
- If a reservoir were on private ground, would we be able to get the funding to construct?
- Some newcomers do not want to support the dam.
- Sites looked at were below Twin Lakes (store 1500 acre feet), Miner (3,000 acre feet). Harold thinks you could run 20 cfs at the one below Twin Lakes.
- Is the BHWC in a position to take ownership of a dam?
- Operations and maintenance are very expensive. Who would pay for that?
- Smaller offstream storage might be a good option.
- Let's look at the potential to improve existing dams such as Brown's Lake. These might not help grayling but would help the river.
- If storage worked to raise flows, the Big Hole could face issues of overcrowding by anglers.
- Some of the water management and habitat restoration projects going on in the Big Hole could keep as much water instream as a small reservoir at less cost.
- If storage is ever to get accomplished, the concept will have to have the support of all interests.

The BHWC steering committee will take this issue on at their next meeting, scheduled for September 11.

New Business

Drought Management - Noor received a suggestion from a member that the BHWC dedicate time for discussion of the drought plan at all summer meetings. There was no opposition to that idea.

Fire updates – Kevin Greenwood from the Wisdom Forest District updated the committee on the Pattengail and Rat Creek fires. Pattengail is 8,000 acres and growing slowly. Rat Creek fire is growing fast and is currently at 12,000 acres. They anticipate it will come out into the valley in the next day or so. A team from California has taken over management of both fires. There are no other resources available to help fight these fires.

Cannivan Gulch Core Exploration – Dennis Havig signed the decision for the project today. Anyone who wishes to read the decision may get a copy from the Wisdom Ranger Station or Jill can email it to you. The probability any exploration will be done this

year is slim since all helicopters are dedicated to fire-fighting and this is a helicopter operation.

September Agenda

Suggestions were made that we should discuss thoughts on water storage and brainstorm on how to conquer this process.

Meeting adjourned at 9:30 pm

BHWC Steering Committee Meeting Minutes Monday, September 10, 2007 6:00 -8:15 Hitching Post, Melrose

In attendance: Bill Cain, Jim Hagenbarth, Randy Smith, Noorjahan Parwana

Strategy for Next Appropriations Request:

Prior to meeting, Steve checked in with Baucus' staff, John Lewis, on status of our 2007 request. The response was as follows: "We submitted your appropriation request to the Interior Appropriations Subcommittee as a priority. Unfortunately, they did not fund it at the Committee level. Overall, they have cut earmarks in half this year. We will continue to push our priorities as the process moves forward".

Randy will contact Matt Jenkins (Tester) to get his take on our request status. He will also check in with Heather Stefanik (Rehberg) to get her feedback on how to proceed on future appropriations requests.

There was discussion about other strategies for raising funding necessary to implementing Big Hole projects. Two potential collaborative efforts were discussed:

- Regional Partners for Conservation - effort organized by Blackfoot Challenge
- A collaborative planning effort organized by MFWP and land-trust community (conference in November - funded by Wildlife Conservation Society and Doris Duke Charitable Foundation)

BHWC is a participant in both efforts. BHWC was requested to make a presentation at the November conference. Jim and/or Randy will make a presentation. Steve will also be invited to team up on this. Bill will be away. The Steering Committee will have further discussions about project funding strategy following the two upcoming conferences/meetings.

Storage Issue:

Discussion on this topic ranged from determining if all participants on the BHWC would support a storage development effort, to determining where upper levels of State and Federal agencies stand on this issue. A decision was made to dedicate a future meeting-in early 2008- to a discussion by all members of the BHWC which will determine the level of support from our membership. If support is not 100 percent, it is unlikely we will be able to move storage issue forward.

Potential Topics for Next Newsletter:

- Letter from the Chair: Are irrigators cooperating?
- DMP: Assumptions vs Reality
- Project Focus- Big Picture

- Article from Andrew Hanson(?)

General Business:

There was a budget review, update on grant writing activity, current contract management, and projects underway. In addition, there was a brief review of Work Plan.

Next Steering Committee date was not set.

Next BHWC meeting agenda will be as follows:

- Flow report by Mike Roberts, DNRC
- Drought Plan discussion
- Weed Committee Report
- Update of current projects
- Update of grant status