

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
January 23, 2008~7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

Supervisors present: Doug McRae, Wendy Warren, Dave Davenport and Steve Lackman attended the meeting. Jim Rogers and Don Youngbauer were absent.

Others present: Keith Kerbel, Dennis Kenney, Rocky Schwagler, Laurie Kelley and Bobbi Vannattan.

7:00 pm:

Guest Speaker: Keith Kerbel, DNRC, attended the meeting to answer questions about the water adjudication process.

Can you take water from one place of use and use it in another? Yes, but you have to apply through the DNRC to change the water right and you are tied to historical use.

What about tribal water? The tribe has up to 20,000 acre feet of water that they can contract out to an individual. The tribe is part of the equation, as far as water delivery is concerned. Part of the water released is Northern Cheyenne water and they are paid by the people who have opted to buy it from them.

Can water be marketed and sent out of state? Keith said the statute says no. There are two different levels of water rights, at the first level of proof if you are under a certain limit you just have to be reasonable or under 4,000 acre/feet. Anything that appears speculative is kicked out.

If you request more water than that you have to have clear and convincing evidence that it's necessary. There is a much higher level of proof required at this point. The proof must be "beyond a shadow of a doubt".

Fidelity's applications were for water marketing, specifically, so that they could sell the water. The water rights are junior so if someone's well goes dry they can complain and Fidelity's rights will be shut off. They have to offer mitigation agreements to producers within one mile of development, but they don't have to have them in hand.

What about artesian wells that lose their head, but still have water in them? Most of these are located in areas without access to power. The mitigation agreement says they have to restore the water in one way or another. If there's an adverse effect, they have to increase the area of impact to 2 miles. John Wheaton has been doing a lot of water monitoring, which is really helpful and will save a lot of people a lot of problems.

How does sub-irrigation work into water rights? It doesn't. In order to have a water right in Montana you have to have a point of diversion.

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If you aren't using your water right do you lose it? It depends on the length of time and the reason. If they've filed a water right, they have a right to use the water. The Bureau of Reclamation (BOR) and Bureau of Indian Affairs (BIA) have been objecting to a lot of unused water rights on the Yellowstone and the Tongue Rivers. A Prima Fascia claim is valid until it is proven untrue or undocumented. This has to happen through the objection process. BOR, BIA or private landowners can object to the claims.

How does the adjudication process work?

- They take all the claims on Rosebud Creek and the tributaries.
- They have rules given to them by the MT Supreme Court.
- The rules tell them how to examine the claims.
- They examine what the use is. They have certain rules to follow for each type of use.
- A report goes to the water courts.
- The water court reviews the reports to see if there are any inconsistencies.
- They become familiar with the claims so they are prepared when they issue the decree.
- The decree has every claim on there according to priority date.
- Announcements are put in the newspaper and sent to the appropriate offices. There is a six month period to respond.
- They try to contact all people affected before the decree is official.
- The individual landowner needs to look at their rights and their neighbor's water rights to see that they are correct.
- Once the time has passed, all of the objections are given to the water master who sets up hearings with all the objectors.
- The water master tries to meet and resolve the objections. Sometimes attorneys are needed.
- Objections can be legal descriptions, points of diversion, or other incorrect information.
- All of their info comes off of aerial photos.
- Conference calls are made and each objection is thoroughly reviewed.
- BIA and BOR try to work it out without the water masters, so they mediate if they can.
- If a water right claim has been filed it is prima fascia. But if you know that water has been available and the landowner hasn't used it for ten or more years, you can file an objection for abandonment; then you have to argue it in front of the water master.
- The county water resource survey indicates when an area was irrigated.

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- Aerial photos are used to determine if the landowner had been irrigating before 1973.

If someone switches from flood to sprinkler and only uses half the previous amount of water, can he use the water for something else? Yes, and then he can switch back later if he wants to.

Can they put the water somewhere else? No, it's acre for acre. But they can come in and talk to DNRC, then file a temporary change with FWP, to leave the water in the river for fish and wildlife. The temporary change is good for ten years and can be renewed.

Keith told the group that by February of this year there will be a big raise in the cost of permits. They haven't been raised in about 30 years.

Keith told the group when you get a letter or call from the DNRC about your water, be sure to respond in a timely manner. Once it's in the decree it will be very hard to change and you will most likely need an attorney.

Regular Meeting:

Meeting Minutes: Dave made a motion to approve the minutes of the November 28, 2007 meeting minutes and Wendy seconded. The motion carried.

Treasurer's Report: Wendy made a motion to approve the January 2008 treasurer's report and Dave seconded. The motion carried.

Administrator's Report: There were no questions.

Outreach & Education Coordinator's Report: Steve made a motion to donate \$250 to the speech and drama club and Wendy seconded the motion. The motion carried. Bobbi asked if the district would the district to donate trees to the local schools for Arbor Day; the board declined to make a decision.

Meeting Schedule: The next regular meeting will be held on February 27.

Loans:

Justin and Cassandra Schwend submitted a loan application for \$15,000 for stock water development. They offered a first mortgage on 640 acres of rangeland which is valued at \$48,000. Dave was concerned that they weren't asking for enough money to fund the project. Rocky stated that they are getting EQIP money and are asking to borrow 25% of the project cost. Steve made a motion to approve the loan for \$15,000, and

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if they wish to borrow more they be allowed to do so. Wendy seconded the motion and it carried.

Byron Newman submitted a loan application for \$36,000 for irrigation reorganization (pivot). They offered a second mortgage on 13 acres of rangeland, 53.1 acres of irrigated cropland and 3 acres of dry cropland for a total value of \$99,380. Steve made a motion to approve the loan and Wendy seconded it and the motion carried.

310's:

07-10—Annual Maintenance: Arlene Ham submitted a 310 application for annual maintenance to be done on the Yellowstone River near Hathaway. The purpose of the project is to protect an irrigation pump site. The project will disturb 30 to 40 feet of riverbank and the cleanout will extend approximately 20 feet into the river. Fish Wildlife and Parks signed off on the project. Dave made a motion to approve annual maintenance permit application #07-10, Steve seconded and the motion carried.

07-11—Annual Maintenance: Arlene Ham submitted a 310 application for annual maintenance to be done on the Yellowstone River near Hathaway. The purpose of the project is to protect and irrigation pump site. They will impact 50 to 60 foot of river bank and the cleanout will extend 30 to 35 feet out into the river. Fish Wildlife and Parks signed off on the project. Dave made a motion to approve annual maintenance permit application #07-11, Steve seconded and the motion carried.

Annual Plan Items:

January:

Reserved Water:

- Work to ensure one water reservation per year is developed. (Wendy Warren, Steve Lackman) One was developed last year and another is in the works.
- Support the YRCDC by attending meetings and providing input on possible projects (Don Youngbauer). Don is currently chair of the YRCDC.

Water Conservation, Development and Management:

- Inform producers of the availability of no-interest loans for conservation practices. (RCD Board, Laurie Kelley &

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Bobbi Vannattan) The newsletter and website are used to advertise the loans. The brochures and applications are available online and in the office.

Water Quality:

- **Educate people about AFO/CAFO rules and regulations. (RCD Board, Bobbi Vannattan, Laurie Kelley)** The AFO/CAFO resolution was passed at the 2006 convention and MACD has met with state officials to discuss the subject.
- **Continue to work on conservation plans for land use ordinance that will provide protection and conservation for Rosebud Conservation District's soil and water while producing Coal Bed Methane for the nation. (Jim Rogers, RCD Board, Laurie Kelley)** Conservation plans are available to the public as are numerous books and pamphlets on the subject.
- **Continue monitoring the water within Rosebud Conservation District. (RCD Board, Laurie Kelley, Bobbi Vannattan)** The Rosebud Watershed Group discussed their monitoring plan at the 1-16-08 meeting. The group will be working with the EPA to ensure that the proper protocol is being followed.

Soil Erosion:

- **Promote educational programs on such practices and no-till and minimum till in the newsletter and on the website. (RCD Board, Dave Davenport, Laurie Kelley, Bobbi Vannattan)** Articles have been run in the newsletter during the year, promoting the use of no till and minimum till. Links are on the website as well.
- **Refuse to sign conservation plans under soil classification of 6 or greater. (RCD Board)** None have been signed.
- **Provide technical and organizational support to the Rosebud Watershed Group and encourage other groups to form. (Dave Davenport, Doug McRae, Jim Rogers, RCD Board, Laurie Kelley)** The effort continues.
- **Continue to support the YRCDC. (Don Youngbauer, Laurie Kelley)** Don continues as chair of the council and Laurie helps out when needed at the meetings and events.

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- Administer the Natural Streambed and Land Preservation Act (310 Law). (RCD Board, Laurie Kelley) Eleven 310 permits were submitted and reviewed in 2007.
- Promote grazing practices that ensure wind, water and streambank erosion are reduced. (RCD Board, Dave Davenport) The Rosebud Range Committee has been reformed and will be holding a workshop/tour sometime in 2008.
- Promote the District's no-interest loan program for range management practices. (Doug McRae, Dave Davenport, RCD Board, Laurie Kelley) The loan brochure encourages this practice.
- Provide information on the Grazing Land Initiative Conservation Program. (Doug McRae, RCD Board) The information is available in the office.
- Continue to work with and support the Rosebud County Range Committee. (Doug McRae, RCD Board, Laurie Kelley) The committee has reformed.
- Provide information to producers on range management techniques. (Doug McRae, Don Youngbauer, RCD Board, Laurie Kelley) This will be provided at the range tour.

Noxious Weed Control:

- Assist, when possible, in funding projects which control the spread of noxious weeds. (RCD Board) The district continues to help fund the Rosebud Watershed Group and Tongue River Watershed Alliance. Both groups have defined weeds as an ongoing concern. The fair booth this year will feature noxious weed education.
- Support and cooperate in weed education efforts with other agencies. (RCD Board, Laurie Kelley, Bobbi Vannattan) The district works in cooperation with the watershed groups and the weed district.
- Support high school weed project. (RCD Board, Dave Davenport, Don Youngbauer)

Conservation Education and Awareness:

- Develop a website and update it in a timely manner, on matters or issues of concern. (RCD Board, Laurie Kelley) Website is updated on a regular basis.
- Coordinate the annual Conservation Day activities with area schools and agencies. (RCD Board, Doug McRae,

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Laurie Kelley, Bobbi Vannattan) The schools have already been contacted and presenters are being lined up.

- Publish quarterly newsletters with conservation news geared toward producers, students and the general public. (RCD Board, Laurie Kelley) The newsletter goes out on a quarterly basis.

District Management:

- Support the MACD Employees Association. (Don Youngbauer, RCD Board) Laurie was elected secretary of the organization.
- Ensure that employees are aware of procedures outlined in the District Personnel Policy. (Wendy Warren, RCD Board) Employees are required to read the policy prior to employment.
- Conduct employee evaluations on anniversary dates, or as otherwise defined, and review employee job descriptions. (RCD Board) Evaluations are done in June for both employees.
- Ensure Outreach & Education Coordinator receives training to meet and surpass requirements of the position. (RCD Board, Wendy Warren, Laurie Kelley) Coordinator has gone to several trainings covering many different facets of her position.
- Provide necessary training sessions for the Administrator, through alternative organizations. (Wendy Warren, RCD Board) Administrator has attended several different trainings and workshops.
- Review mission statement. (Steve Lackman, RCD Board) Will be done at the same time annual plan is reviewed.
- Develop annual plan which ensures the objectives and goals of the strategic plan are met during the stated time frame. (RCD Board) The plan will be reviewed at the February meeting.
- Periodically review programs and procedures. (Laurie Kelley, RCD Board) This is an ongoing process.
- Assure annual status reviews are performed on all projects under loan program. (Laurie Kelley, Bobbi Vannattan, RCD Board) This is an ongoing process.

Inter-agency Cooperation:

- On a rotating basis, review all Memorandums of Understanding and update when necessary. (NRCS, FSA,

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BIA, Extension). (RCD Board, Laurie Kelley) NRCS MOA was discussed during the 2007 year.

- **Solicit input from NRCS on the annual plan.** (Dave Davenport, Laurie Kelley) Rocky attends all meetings and his input is encouraged and incorporated into the annual plan.

February: There are no annual plan items for February.

Reserved Water: According to Duane Claypool, DNRC, they are still waiting for information from Prince.

OLD BUSINESS:

9:00 pm:

Rosebud Watershed Group: A meeting and election for "at large" directors was held on January 16. Elected to the four positions were Lance Ashley, Doug McRae, Donny Bailey and John Bailey. Their terms begin immediately. In other business the group decided to hold another Know Your Watershed Tour and a committee was formed to plan the event. The committee will consist of Laurie Kelley, Bobbi Vannattan, Gordon Criswell, Scott Egan and Amy Krueger. Another committee was formed to look into funding opportunities. Laurie Kelley, Bobbi Vannattan, Lance Ashley, Dave Davenport and Doug McRae volunteered to be on that committee.

YRCDC: Don was unable to attend the meeting, but asked that Laurie suggest the board look into potential projects along the Yellowstone River. There is funding available.

Range Committee: The next meeting will be held on February 6.

Small Acreage Workshop: The board discussed holding a workshop and decided against it because they did not think it would be well attended. They decided, instead, to put together guidelines to hand out to potential developers. Laurie will talk to other CD's that have guidelines and get their assistance in developing a workable set.

Annual Banquet: The banquet will be held on Sunday February 24. The Forsyth Speech and Drama Club will provide the entertainment. The event will be held at the Joseph Café, starting at 5 pm. Laurie and Bobbi have things well underway.

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9:30 pm:

NRCS Report: NRCS personnel are busy with EQIP contracts. There are 19 new contracts between Rosebud and Treasure Counties for a total of \$800,000 to \$900,000. Forsyth and Colstrip schools are interested in producing stock-water tank wildlife ramps for the district. Rocky will have an estimate of the number needed, probably around 20 or 30.

NEW BUSINESS:

9:45 pm:

Elections: Three board members are up for re-election this year; **Don Youngbauer, Steve Lackman and Wendy Warren.** Wendy will not be running again and Steve will ask Leif if he will run in her stead. Laurie will put up signs in the office and the board will do some recruiting. The proper paperwork needs to be in to the clerk and recorder between January 22 and March 20, 2008.

Open Mike Board Members: Dave mentioned that Don Bailey has concerns that the drilling on the Mars place is in Rosebud County. Laurie will send a copy of the land use ordinance to Pinnacle via certified mail and include a letter outlining their responsibilities.

Dave gave Laurie a letter to send to Mark Roundstone.

Public Comment: There was no public comment.

Future agenda items: No future agenda items were suggested.

10:00 pm: Adjourn

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Supervisors present: Doug McRae, Rosebud Conservation District (RCD) Chair, Don Youngbauer, Dave Davenport and Jim Rogers attended. Steve Lackman and Wendy Warren were absent.

Others present: Dennis Kenney, associate supervisor, Terry Webster, Water Administrator for Pinnacle Gas Inc, Bobbi Vannattan, RCD Outreach & Education Coordinator, Rocky Schwagler, NRCS, and Laurie Kelley, RCD Administrator were present.

Guest Speaker: Terry Webster graduated with a master's degree from the University of Montana. He worked for Montana DEQ for 12 years in the mine department. Later he worked for Wyoming DEQ and then went to work for Pinnacle.

Pinnacle Gas began drilling in the Recluse, WY area and later bought out Marathon Oil's leases, which were mostly federal and state minerals. Terry brought maps to show where Pinnacle is currently drilling and proposing to drill. Most of their development has been in the Powder River area. Recently they drilled one hole in Rosebud County and plugged it. They did this to hold on to their mineral leases. Pinnacle has 132 wells in Montana, mostly in the Deets Pod or Vein.

Terry told the board that Fidelity is producing at the Seven Brother's Ranch and they are doing a lot of irrigating to dispose of the produced water. It drives the minerals down, but they have to add amendments (gypsum and sulfur) to the soil to keep it from becoming impermeable. Wyoming DEQ drilled some wells around the irrigated area in June of 2006 but the report is not out yet. Terry said that Wyoming DEQ permitted 1,400 pits, but only 190 have ground water monitoring in place because it is not required according to Wyoming law.

In Wyoming, the coal wall is 30 feet in some places and they have been pumping water for two years in some areas without producing any methane. Eventually it becomes too costly to produce.

There is a big problem with the water in the Deets Pod. They are using evaporation pits with misters. They are producing 10,000 gallons a day out of 130 wells. The gas production is not very good, they do not have enough wells or the gas just isn't there.

Nance's efforts to drill in the Black Eagle Butte area have been hampered by the sage grouse polygons in the area. They are holding off production until the Environmental Assessment is finished.

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The Benaterra System is a sub-drip irrigation system, first used at Prairie Dog Creek near Sheridan, WY. The drip lines are trenched at 3 foot and at 5 foot so there are two different layers. When you walk on the ground it is dry because the water never gets to the surface, it is absorbed before that. When the ground freezes in the winter, they can use the 5-foot level to continue irrigating. They are getting 3 to four cuttings of alfalfa using this system. The freezing of the soil drives the salt down because salt doesn't like ice. The sodic water leaches out the excess calcium and magnesium that have always been in the soils, so the ratio changes as the salt, calcium and magnesium are driven down. They calculate how much water can be added by how much calcium and magnesium there is. They are monitoring it carefully so that they might be able to use the system in Montana. So far, their calculations suggest that it would be possible to continue irrigating this way for 20 to 30 years. Pinnacle is considering it for their Montana leases, but it has gotten very expensive lately.

Pinnacle has many land leases in Montana, mostly state and federal minerals, so they are working with BLM and the state. They need to be able to do something with the water. Montana allows reservoirs, unlined, but on state sections, they will only allow evaporation pits. Pinnacle has to go through the state land board and they aren't willing to do anything that will upset people.

Don: Aren't you dewatering the aquifers?

Terry: Over in Recluse, the wells are shallow, so they are accessing the same water used for drinking, but here (in Montana and especially Rosebud County) the aquifers are much deeper and no one is drinking out of them or if they are, it is rare.

Jim: Do you monitor soils near the evaporators?

Terry: Neil Fehringer will be taking soil samples for Pinnacle, but what Terry has witnessed personally is that the top quarter inch is salty and the vegetation turns brown because of the iron. The fences are white with salt. Pinnacle took samples on the Porter Ranch where they had put down 3 tons of gypsum and a half-ton of sulfur. Their samples showed that there is a higher salt level in the top ¼, but the rest of the sample did not test out as high. In his opinion, they probably overdid the amendments, but it is difficult to put down just a small amount and Fehringer said they would need it eventually so they put it all down. Fehringer will do soil tests this year to see how it is working.

Jim: What is your plan for Rosebud County?

Terry: Pinnacle expects to be actively drilling in 2011, mainly near the Big Horn County line. The one hole they have drilled so far in Rosebud County was in section 33, township 7 south, 41 east; Forrest Mars own the land and Hosford's owns the lease. Once they are developing the

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methane, they may pump the produced water into dry coal seams if no one wants it. A ten-mile pipeline will be necessary to convey the water. EMIT technology is quite expensive. When they first started treating produced water they were the only ones doing it, but now there are other companies and other technologies available. One example is Puretech, out of Canada, and the Drake's out of Helena are putting together something as well. No matter what type of treatment technology they use, there is a possibility that they can put their brine in with the Fence Creek oil field water and mix it there for reinjection. They could also inject it in to coal sands.

Jim: Are the reinjection wells tested?

Terry: Yes, they are. First, they cement the well, and then the casing is integrity tested. They pull the packer and if the casing is good, they can start injecting. Pinnacle has leases on the Bales' place and Keith would like to use the water for sprinkler irrigation, but Terry thinks it would be better to use the sub-drip system. Even though surface irrigation is a quicker means of disposing of the water, it is only useable for part of the year, whereas the sub-drip system is capable of delivering water to the ground all year around. When the frost is too low for the 3-foot drip line, they can move the water to the 5-foot line. The cost for using the technology has risen, though. It started out at fifteen cents a barrel and now is in the 20's.

Jim: What about Rosebud Conservation District's land use ordinance?

Terry: I think that we will be able to use the water we produce in Rosebud County beneficially, but there may not even be gas there so it might not ever be a concern.

Don: Have you thought about using down-hole separation for extraction?

Terry: There are many different technologies in the development stage right now. One is the Big Cat System, which is a packer with perforations above it and you pump the water back into the coal sands. Another technique is the sonic method, which is supposed to be able to separate the methane from the water before it gets to the surface.

Don: What have you heard about methanogenesis?

Terry: Scientists are studying Methanogenesis in Canada and the US. It is an exciting field because it would make coal bed methane a renewable resource.

Jim: What can you tell us about water quality in Montana?

Terry: The Sodium Absorption Ratio (SAR) seems to get much worse as it progresses towards Montana.

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Rocky: Looking at a sub-drip system for this area, it would take a good filtration system in order to work.

Meeting Minutes: Jim made a motion to approve the minutes of the previous meeting and Don seconded. The motion carried.

Treasurers Report: Laurie reported that all of the loan administration fees had been collected. There is now a new system for billing and recording the loan payments, as well as recording receipts. There was no current treasurer's report because the computer housing the QuickBooks program crashed. Laurie has had to re-enter a few things that were not included in the last system back up. There will be a full accounting at the next meeting. Doug requested that Laurie print off the credit/debit card statements and include them in the board member's packets and Laurie said she would do so. Dave asked that Laurie look into the cost of an audit and Laurie said she get input from the districts that had recently done them.

Administrators Report: In her report, Laurie told the board that the Eastern Montana Biomass Task Force (EMBTf) had approached her about being their coordinator. She asked for their opinion. The group decided that she could attend the meetings on district time and do the work on her own time, which has been the case so far. The group indicated that they would rather only one person from the office attends the meetings.

Outreach & Education Coordinators Report: There were no questions or concerns about the report.

Meeting Schedule: The group agreed to hold the next board meeting on April 23, 2008.

Loans: Steve and Cass Schwend submitted a loan application on Friday March 7. The board member packets had already gone out, so it is not on the agenda. There were no other applications submitted.

310s:

08-01 310 Application: Alan See and Joseph Riget submitted a new application for the river ford on the Tongue River. Dave told the group that he had been to the site and talked extensively with See. Dave said construction on the road is finished, but they have had to move it several times because the riverbank is moving. The plan is to remove dead trees and go straight across using geo-textile material on the banks up to the high water mark. See will plant willows on the bank no matter what the board decides. The group inspected a sample of the geo-textile material. Dave made a motion to approve the project, pursuant to Fish, Wildlife and Parks (FWP) approval and

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Jim seconded the motion. The motion carried. Laurie will contact FWP to see where they stand on the project.

Annual Plan Items: The group reviewed the annual plan items for April and May. There were no items outstanding.

Reserved Water: Duane Claypool, DNRC, needs more information in order to complete the Prince reserved water application. Laurie will contact Duane as soon as possible and relay what he needs to Dennis Kenney who will work with Bonnie Prince.

OLD BUSINESS:

Rosebud Watershed Group: The next meeting will be at the Rosebud School on April 9, at 7 pm. Neal Fehringer will present the latest data on the Agronomic Monitoring and Protection Program (AMPP). Fidelity Oil and Gas previously funded the program, but currently the Montana Board of Oil and Gas is sponsoring the project. Dave told the board that he had spoken to Robert Mitchell, Natural Resources Conservation Service (NRCS); he will take the soil samples on Rosebud Creek for the group. Laurie will include the information on the next Rosebud Watershed Group agenda.

YRCDC: Don reported that he participated in 10 meetings in Washington DC. He met with Congressmen, their staff, NRCS, the National Association of Conservation Districts (NACD), United States Army Corp of Engineers (USACE) and the Bureau of Reclamation (BOR). After he returned, he participated in an interview for an article in the Billings Gazette. Don said that the channel migration zone and inundation studies are going to be available online in June. The council needs approximately \$800,000 to finish their studies. The next big project they will undertake is outreach and education. The Resource Advisory Council (RAC) will be in charge. John Pulaski, Northern Ag Network will assist them. The council is planning a train tour for August. It will show case the Yellowstone River as seen by rail.

Range Committee: The committee is holding a Grass Fed Beef Workshop and barbecue on August 19 at the Diamond Ranch, beginning at 3 pm.

Annual Banquet: Fifty-six people attended the event. The board members thanked Bobbi and Laurie for their hard work.

Elections: Wendy Warren will not be running for office again. Steve Lackman and Don Youngbauer both intend to seek office. Laurie reminded them to get their information in to the courthouse as soon as possible.

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Tongue River Watershed Alliance: The group met in Ashland on March 5. Bobbi reported that Keith Kerbel gave an update on the water adjudication process on the Tongue. She also reported that the group voted to keep the same board members as previously elected. The meeting was well attended.

NRCS Report: Rocky reported that NRCS has finalized the new EQIP contracts. There are 21 new ones between Rosebud and Treasure Counties. For the first time, the dollar amount went over \$1,000,000. Treasure County received more money than Rosebud, also for the first time. Rocky said that grazing plans are in place on all of the contracts and they have some producers working with them for the first time. Personnel are working on existing plans now; doing status reviews and trying to catch up everything before the field season officially begins. Between the two offices, they are managing 80 active contracts and it is hard to follow up on that many of them. Rocky also mentioned that the bald eagle is off the endangered species list. Rosebud County has two species on the endangered list and Treasure has none.

NEW BUSINESS:

MACD: Sarah Carlson has requested that one of the RCD supervisors participate in a committee that will be discussing putting Sage Grouse back on the endangered species list. The group will hold bi-yearly conference calls. Don said he was very interested but did not have the time. Dave said that he would be interested. Laurie will email Sarah and let her know that Dave will be on the committee.

RCD Office Staff Schedules: The board determined that the schedule proposed by the office staff meets the public's needs. When both staff members must be out of the office, phone calls will forward to the district cell phone.

Conservation Days: Bobbi reported on plans for conservation days. Colstrip students will not be attending due to a scheduling conflict, so it will be a two-day event rather than three as in the past. Presenters are scheduled and the sites are reserved.

Annual Plan: The board and staff reviewed the annual plan and added the following objective:

Objective 7: Update small parcel landowner list and make educational materials available to them. Information will include AFO/CAFO definitions, and other pertinent data.

Dave made a motion to approve the annual plan as amended and Jim seconded. The motion carried. Laurie will contact the county for a list of landowners with 25 acre or smaller parcels and determine how much it would cost to mail

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out a packet to each of them. If this proves to be too expensive, another alternative would be to designate a page of the newsletter to educate the public on this subject.

CBMPA: The Conservation District's Coal Bed Methane Protection Act Committee will meet at the Forsyth Country Club on March 17 at 1 pm. Jim will have a report at the next meeting.

Biomass Task Force: The group met in Colstrip on March 5. The group asked for conservation district support in the form of money and letters of support for a study to determine the feasibility of using biomass for animal bedding and/or pellets. Don made a motion to take \$500.00 out of the conservation education budget and put it towards the study and send a letter of support and Dave seconded the motion. It carried.

Open Mike Board Members:

Dave asked that the office staff do more outreach to the schools themselves. Bobbi and Laurie said they would do whatever it takes.

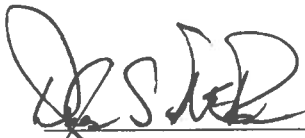
The board discussed the Selleg loan, which did not make the agenda deadline. Selleg asks that we subordinate to third on their original loan so that he can take out another loan through the district. The original loan runs for two more years. The total they owe is \$2,380. The board asked for Rocky's opinion and he said that it was a good project. Dave made a motion to approve the loan and Jim seconded the motion. State law indicates that no voting be allowed on non-agenda items until 48 hours after the subject is discussed, so the board members agreed to call Laurie at their convenience on Monday to cast their vote.

Don, speaking on behalf of Montana Association of Conservation Districts (MACD), told the group that one of his duties as representative for Area IV was to improve communications between MACD and the districts. MACD wants to know why the districts are not paying the dues they have been assessed. Don said he thought that MACD would do the job if they knew what the job was. We need to let them know when we think they are dropping the ball. Don also mentioned that Sarah Carlson was leaving MACD and there will soon be a new leader.

Future Agenda Items: Dave brought up the possibility of putting ½ of a percent of our three percent loan administrative fee into a fund to pay dues to NACD and MACD. If the board decides to designate the money for dues, included in the loan application will be a paper outlining what the money is being used for and how NACD and MACD, on a smaller scale, helps get EQIP dollars to our county. Laurie will add this to the agenda for the next meeting.

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
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Jim made a motion to adjourn at 11:55 pm. More discussion ensued. Dave wanted to be sure that the district is willing to help sponsor the range tour. Laurie said she would write a grant, if the committee provides her with the necessary information. Dave seconded the motion to adjourn and it carried. The meeting adjourned at 12:05 am.



Doug McRae, chair



Laurie Kelley, administrator

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
April 23, 2008~7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

Supervisors present: Jim Rogers, Doug McRae, Steve Lackman, Dave Davenport and Don Youngbauer attended the meeting.

Others present: David Pratt, Andrea Carton, Rocky Schwagler, Denise Woods, Art Hayes and Bruce Waage, Dennis Kenney, Laurie Kelley and Bobbi Vannattan attended the meeting.

Guests:

Tongue River Watershed Alliance: Denise Wood and Art Hayes talked to the board about the district continuing their support of the watershed group. Art said that when the group first organized, they got off on the wrong foot. There was contention in the ranks and it didn't really go anywhere. Some of the people that were involved have dropped out and the ones that remain seem to want to stay involved and work on the problems facing the watershed. Art said the Tongue River Watershed Alliance (TRWA) would appreciate continuing technical assistance and leadership from Rosebud Conservation District. The TRWA are very interested in the woody biomass project, weed issues and there is a high probability that the Tongue Reservoir will eventually become a hydroelectric producer. The new lines put in by REA are capable of carrying 5 megawatts of power and that is what DNRC predicts the dam will provide. Denise said that the Diamond Cross Ranch had been approached by the Wyoming Audubon Society about sponsoring a Sage Grouse documentary.

Sage Grouse: Bruce Waage, NRCS Sage Grouse specialist, told the group that the western watersheds had sued the US Fish and Wildlife Service because they did not list the sage grouse on the endangered species list. The watersheds won the lawsuit so USFWS is once again collecting data to show the negatives and positives of listing or not listing. May 2009 is the deadline. NRCS deals with private lands and landowners; therefore, they do not divulge any information to the USFWS. NRCS doesn't even want to collect the information. There have been changes since the first assessment was done; west Nile virus has affected grouse, CBM development has become much more common and more studies have been done. A lot more information will be used in the decision making process than before. The process is to determine where we stand right now on sage grouse population. There is no real way to predict if they will be listed or not.

Don: what are the theories behind the dwindling of the population?

Bruce: if you graph the population over the long haul the trend is down and the geographic area they habitat is shrinking. In Montana, you have good populations of sage grouse, so it is hard to imagine that their population is shrinking, but on an overall basis, state to state, the population is declining. There is a lot of

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sagebrush, but the ground under it isn't conducive to sage grouse population expansion. Roads, power lines, fences, grazing management, fragmentation, all of that adds to the problem.

Don: there is a decline in the insect population on the prairie and sage grouse have a two-week period where they need a certain amount of nutrition and they aren't getting it.

Doug W: some of the prime land has been subdivided, plowed under and it is possible that only the marginal sage grouse habitat areas are left. Drought, lack of forbs, insects, all of those are possible reasons for the decline. West Nile is also a great concern.

Rocky: suppressing fire all these years has slowed the growth of important plant species. Habitat loss in the Rosebud Creek and Tongue River drainages has been minimal at best, so it is doubtful that habitat loss is the reason for the decline in that area if indeed there is one.

David: how are our numbers?

Doug W: they are going up.

David: Idaho, Utah and Washington are bad.

Doug M: what role do predators play?

Doug W.: in the past, they have had to deal with native predators, but now they also have to deal with raccoons and other species that weren't there before in pre-settlement times. If they have some residual cover, they have a better chance of surviving predators.

Don: isn't it all inter-related? The birds, the insects, the range, the forests, if they are all in harmony won't this take care of itself.

Doug W: if there is no cover, then you know something is happening. It's a complicated issue and a tough one to tackle; we just need to hope that they aren't listed.

David Pratt: A five-year evaluation is being done in the Forsyth office right now. Andrea Carton, NRCS engineer from Glendive, is doing the engineering phase and human rights. They look at what is going right and what needs to be worked on. They have been to the Hysham, Lame Deer and Forsyth offices and it is obvious that they work well together. NRCS, currently, does not intend to close the Hysham office. There have been 283 new EQIP contracts in the state and 1/3 of the contracts were in the eastern part of the state. The total for Rosebud County is around \$450,000, the total for Treasure is a bit higher.

NRCS has realized that they can't ignore the contracts. If the applicant does not fulfill his obligations, they have to pay a fee. If they levee damages, they don't want the field office to take the heat on it, it comes from the area

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office. They try to keep the field office out of it because they have to continue to work with the producers.

The new farm bill places a lot of emphasis on energy efficiency and greenhouse gasses. How it will affect the NRCS is yet to be determined. Cropping systems and other agricultural processes can be altered to offer energy savings. Dave White, NRCS state conservationist, said that the bill is 80 to 90 percent done, but they are arguing over financials. President Bush has said he would not approve it as written. This year there were three contract periods, held in October, January and March. If they delay the Farm Bill, he can see it happening all over again. If we had a normal winter it wouldn't be as bad, but there hasn't been a down period for construction so the offices have been hopping.

Garfield Conservation District had an accident with an NRCS vehicle. The CD assumed that their insurance was good, but the insurance was liability only. The Memorandum of Understanding didn't assume responsibility on the vehicle. NRCS is encouraging CD's to change the phrasing on their current policies so that vehicles are covered. It has not been raising the districts rates. Dave gave the board an addendum to sign, which they did.

Meeting Minutes: Jim made a motion to approve the minutes as written and Don seconded. The motion carried.

Treasurer's Report: David made a motion to approve the report and Don seconded. The motion carried.

Administrator's Report: There were no questions.

Outreach and Education Coordinator's Report: Bobbi asked the board to decide how many scholarships they want to sponsor for Range Days and Montana Youth Camp. Steve made a motion to sponsor 10 scholarships of \$30.00 for Range Days and 10 scholarships of \$50.00 for Range Camp. Jim seconded the motion and it carried. They will be given out on a first-come, first-served basis.

Meeting Schedule: The next board meeting will be held on May 28.

Loans: Joe Hofer is late on his mortgage, but called to say he is refinancing and will catch up then. He would like the board to forego some of the interest. Dave made a motion that if Hofer pays off the entire loan, the district will forego the interest. There was no second. Jim made a motion to amend the loan guidelines to require appearance at board meetings by all loan applicants. Don seconded the motion and it carried. The board asked Rocky if it was possible to get EQIP information included in the loan applications. Rocky said

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it would be, but they needed the producer to give written approval in order to do so. No action was taken.

Lyle Peterson (Hathaway Ranch) submitted an application for pipelines, a solar pump and storage tank. Rocky explained the project and the financials were all in order. Steve made a motion to approve the loan and David seconded. The motion carried.

Reed and Holley Marcy submitted an application for irrigation reorganization. The board discussed it at length and tabled it for lack of information. The administrator will send them a letter asking for clarification.

Steve Seleg loan was approved by a phone vote after being discussed at the previous board meeting.

310's: 08-03 310 Application: Neal Shelton's application was discussed. Jim made a motion to table the application until he can provide more information and a project design. David seconded the motion and it carried. The administrator will send him a letter requesting clarification.

Annual Plan Items: The May and June items were discussed. No action was necessary.

Reserved Water: The Prince Water reservation will be advertised on May 8 and should be finalized at the next meeting.

OLD BUSINESS:

Rosebud Watershed Group: The April 9 watershed meeting was well attended and informative. The common theme among the three speakers was that everyone should stay informed and involved in the legislative process. The next meeting will be held on July 9 at a location to be determined.

YRCDC: Don reported that the committee is now starting on the cumulative effects study. They have enough of the necessary legwork done so that they can start to focus on the main study.

Don is going to talk to the cities; Glendive, Miles City and Forsyth all need to start addressing the river problem. Glendive has already lost McDonald's and may lose K-Mart because of its location. Don said that he is speaking at the Miles City River Awareness Day. Don reported that the Resource Advisory Committee (RAC) is really starting to take off. They are responsible for all of the outreach and education. Don said YRCDC estimates that 80% of the complications on the river are from transportation corridors.

The Yellowstone Heritage Center is interested in housing the data (recordings and transcripts) of the Cultural Resources study. They would show case it with

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a big river display. The economics study is going to start soon. They are looking at a couple of dynamic people to spearhead this portion of the overall study. The Channel Migration Zone (CMZ) data will be on the internet sometime in June.

Financially, YRCDC needs \$800,000 to finish the river study. This year's fiscal allotment was \$200,000, so they can't finish this year. At this rate, it will take about four more years to complete the study.

Range Committee: The Diamond Ranch will host the Tallgrass Beef Workshop on August 19 at 3 pm. David will provide the administrator with the financial information so that she can finish writing a grant to help fund the workshop.

Elections: The three board members running for office did not get their information in to the county in time, but since no one else did either, the remaining board members can reappoint them to their positions. The board will find someone to replace Wendy Warren who does not wish to serve on the board any longer.

Tongue River Watershed Alliance: The next meeting will be held in Ashland at 7 pm on June 5.

Sage Grouse Committee: David will keep the group updated.

Conservation Days: Everything is organized and ready for the event, which will be held on May 13 and 14.

NRCS Report: Rocky said they are busy working on EQIP projects. He also told the board members that there is an irrigation tour in North Dakota and Nebraska on June 25. He said it would be a very interesting tour to attend.

NEW BUSINESS:

MACD/NACD Dues: The administrator will write a letter to include with the loan application telling producers that ½ of a percent of their 3 percent loan administration fee will go to dues for the state and national organization. She will have this ready for the board's approval at the next meeting.

AFO/CAFO Education: The board discussed putting together a small acreage mailing and decided to put it in to the FY 2009 budget. The administrator will put an article in the next edition of the newsletter as well, titled "When you bought your 20 acres, was 'THIS' what you had in mind?" The administrator will also find out who is on the county planning board and find out when the next meeting is. One of the board members will try to attend the next meeting.

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310 Database: The board discussed uploading Rosebud CD's 310 information into the state 310 database. David made a motion to record all future 310's and Jim seconded it. The motion carried.

Open Mike Board Members: David made a motion to get bids on a financial review and Jim seconded it. The motion carried.

Public Comment: There was no public comment.

Future Agenda Items: No agenda items were suggested.

The meeting was adjourned at 10:55 pm.

Doug McRae, chair

Laurie Kelley, administrator

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
May 28, 2008~7 pm
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Supervisors present: Doug McRae, Jim Rogers, Steve Lackman and David Davenport attended the meeting. Don was absent.

Others present: Bobbi Vannattan, Laurie Kelley, Dennis Kenney and Del Dinsdale attended the meeting.

7:17 pm:

Guests: Dick Ferguson and Duane Claypool attended.

7:15 pm:

Meeting Minutes: Jim moved to approve the minutes of the previous meeting and David seconded the motion. The motion carried.

Treasurer's Report: David made a motion to approve the treasurer's report and Jim seconded the motion. The motion carried.

Administrator's Report: There were no questions or concerns were raised over the administrators report.

Outreach & Education Coordinator's Report: Bobbi told the group that the district would be focusing on the Grass Fed Beef workshop at the fair. The group discussed the workshop and decided that the district would donate \$1,500 to the effort.

Meeting Schedule: The next meeting will be held on June 25.

Loans: One loan application was mailed out to Joel Woods, who lives in Miles City but owns land in Rosebud County. After looking over the application, he decided to wait until he has a more concrete conservation plan in place to apply. I told him that we would do whatever we can to help him with his plan. He is already working with NRCS.

310's: Applications 08-04, 05 and 06 are in your packets.

08-02 310 Application: Neal Shelton did not return phone call or attend the meeting. No action was taken.

08-04 310 Application: Dick Ferguson submitted a 310 application for stream-bank stabilization, flood protection, channel alteration, irrigation structure and placement of fill on the Yellowstone River. The main purpose is to keep the bank from eroding and protect his pump site. He wishes to begin this project as soon as possible. He calls it a "typical John Scanlan barb". It will project 15' into the river and 5'-10' onto the land. The site will take 4 barbs. They

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plan to use rock and used pieces of concrete and per our phone call on May 19, he is aware of the requirements for concrete. He will try to attend the board meeting if his work schedule allows it. Dick came to the meeting and explained the weirs. Steve made a motion to approve application 08-06 (Dick Ferguson) pending a satisfactory site inspection and David seconded it. The motion carried. Steve made a motion to approve application 08-04 (Dick Ferguson) pending a satisfactory site inspection and David seconded. The motion was passed. Laurie will arrange for FWP and ACE to inspect the site. Steve Lackman will attend for the district. Laurie will send a letter to Dick and call him, so he can take off work when they are going to be there. Laurie will send out a team member report for Steve to fill out and call to remind him the day before the inspection.

08-05 310 Application: Brown Cattle Company (Art Hayes) submitted an application for a 310 permit for bank stabilization on the Tongue River. The project will affect 350 feet of the bank. No vegetation will be removed or covered; disturbed wheatgrass will be reseeded by hand. Art included a photo of the large local rock he has stockpiled for the project. Jim thinks that on a bank like that it will end up cutting the bank, going in behind it. Since Art was not going to be able to attend, he gave Laurie his cell number so the board could call him with questions. The board talked to him about doing barbs, which is what he meant in the application. The board expressed concern over the type of rock he planned to use, but after discussion, decided that it would silt in last for quite awhile. It was decided to do a site visit and then discuss the project at the next meeting. Doug will attend if he can, if not David will. Laurie will contact Art with the information.

08-06 310 Application: Dick Ferguson has submitted an application for bank stabilization, flood protection, channel alteration and placement of fill on the Yellowstone River. The purpose is to keep the river from eating into his fields. He would like to begin this project as soon as possible. The barbs have been designed by John Scanlan. They will project approximately 15 feet into the water and 5 to 10 feet onto the bank. The situation is much like the one in application 08-04. A site visit will be conducted.

Annual Plan Items:

June

- ❖ There were no June annual plan items.

July

- ❖ Host an irrigation tour every other year. (Laurie, Bobbi, Wendy and board). Email to Wendy, she's not yet answered, she is on vacation. Tabled until we hear from Wendy.
- ❖ Sponsor a fair booth with conservation education related activities. (Laurie, Bobbi, RCD board)

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Reserved Water: Duane Claypool was here to discuss the Prince Water Reservation (FVH Collins Company). Originally, Princes thought it was covered under existing water rights that they held. They pump out of an old channel of the river, Cartersville diverts it into the old channel and then into their ditch. The existing water rights pre-ceded Cartersville, so water was flowing before the dam, though the dam has improved it. There is a 30% conveyance loss. Some of it is covered, technically, by their old water rights, though they will probably lose part of it through adjudication. There is an overlap of water rights and that will be noted on the district water reservation. (Under the adjudication process the DNRC uses maps from the past that show acres that were irrigated during each year, back to the original date of water right) They won't get all the acres they had under the original water right date, but they can come in and get a district water right for the rest. The reserved water ten-year report lays out the reasons why there is a need for the district's reserved water; two of the main reasons include economic development and rural needs. This evidence is compiled so that it can be used later on in case Nebraska, South Dakota, etc. comes here looking for their water. Duane recommended approval of the project. David made a motion to approve the water reservation, Jim seconded it and the motion carried. Doug and Laurie signed the letter of approval and it is contingent upon DNRC's approval at the state level. There are two conditions; it is tied to Cartersville and there are a couple of soils that have a heavier texture and have excess salts, so there is a recommendation that they leave a higher residue on the two soils. Prince has a permit from the county to go under the road. Laurie will get a copy and copy it and mail it to Bonnie once it is approved by DNRC.

OLD BUSINESS:

9:15 pm:

Rosebud Watershed Group: The group is planning a Know Your Watershed Booth at Colstrip Days. They have been very busy planning the event. The next meeting will be held at 7 pm on July 9. The meeting location will be determined by Scott Egan and the coordinator. David suggested that the finance committee meet before the next RCD meeting. David said that Ashley's know someone that can help to market the pheasant hunt, which would be a self-guided walk-in. Jim suggested putting it on our website for \$1,000 a day per gun and see if anyone bites. Rocky said what about a hunting magazine? Really expensive! Bird Dog magazine or Pheasants Forever might be a good one. Kelly Radue is the founder; Laurie will try to contact him to see if he has any ideas.

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YRCDC: Don was not at the meeting so we did not have an update.

Range Committee: The board discussed the Tallgrass Beef Workshop, which will be held at the Diamond Ranch on August 19 at 3 pm. It is hard getting in contact with Cargill, so Laurie will just plug some numbers into the DNRC grant and see if it will fly. Cargill will put some money into it as well. They have not returned our calls or emails, but the staff will keep trying to get an agenda and more information from them. Lynelle Ashley is organizing the tour and we will try to work with him.

Elections: Jim made a motion to appoint Alan Mereness to the board and Steve seconded the motion. The motion carried. Laurie will send out a packet of information and a letter to Alan.

Tongue River Watershed Alliance: Bobbi told the group that the next meeting of the TRWA is in Ashland at 7 pm on June 5. Chris Pileski and Doug Martens will be the guest speakers.

Conservation Days: Bobbi reported that the Forsyth Hysham day went well, but Wednesday (Ashland) had to be cancelled because of bad weather and muddy roads. Alternative sites will be arranged for next year. Schools are getting out second week of May, so it will be held the first week next year, letters have already been sent out to the schools asking that they attend.

District Staff: Laurie will work Monday-Friday 8 to 4 and Bobbi will work Monday-Friday 9 to 5, except on holidays, or when one or the other take vacation or comp days or during trainings that the board feels the district would benefit from both attending. A monthly schedule will be given to the board members at each board meeting.

9:30 pm:

NRCS Report: The staff has been busy planting trees and grass. The new student, Kami, has been out in the field at Sorenson's calibrating the drill. It is a Great Plains drill and they are using it to seed six different species, no-till type drill, calibration is endless. The drill is two fifteen foot drills put together, with three separate boxes and you can seed anything. It is amazing how accurate it is. Rocky was appointed to a committee to determine how to spend all the money in the farm bill without overworking the people in the office. There will be a lot more financial help, but not any more technical help. CSP will be a bit different; Montana will get 800,000 acres a year. Many things are going to change; EQIP funding will go way up, from 23 million to 35 million. The district needs to think of some conservation issues they want to address. If there are watershed groups that want to get on board, the money may be available for tree thinning and conservation planning. They need

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projects that can be pushed as a local work group. Deadline is July 1, 2008 for EQIP, rather than June 1. David suggested that biomass would be good to promote. Look at things to promote energy conservation—strip till, things to reduce trips across the field. “Out of the box” thinking is good. They are talking about incentives, paying people per acre to do irrigation management or prescribed grazing. Rocky said he doesn’t mind paying the incentives when there is an extra risk to the practice. Rosebud County received over a million dollars in cost share last year and this year they will be given a third again as much. If we are going to do the tree program, we will need to get up to speed and develop a program. We planted a significant number of trees this year and it seems that this will be a trend. Rocky suggested a tour to North Dakota (Bismarck), to see the tree systems they have set up. They have climate-controlled buildings, refrigerated trucks, and drip irrigation. Rocky could put together a tour of the facility in Golden. They charge for tree planting and it makes them a considerable amount of money. They charge per foot for planting. Finally, Rocky asked what the district wished to do with the old plotter. Steve suggested giving it to Rocky and he can give it away. The group agreed.

10:00 pm:

NEW BUSINESS:

MACD/NACD Dues: MACD dues of \$3,000 were paid out of the Loan Administration account per the board.

AFO/CAFO Education: There will be a one page spread in the newsletter about small acreages.

FY 2009 Budget: The budget was discussed at length. David made a motion to approve the FY 2009 for \$116,000 and Steve seconded. The motion carried. Laurie will send a cover letter and the document, signed by Doug McRae, chair, to the county commissioners.

Supervisor Travel Vouchers: Travel vouchers were handed out, reviewed and signed. The administrator will send out checks this week. David declined to be paid for travel.

11:15pm:

Open Mike Board Members: There were no comments.

Public Comment: There were no public comments.

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Future agenda items: David asked that a June agenda item be added to discuss transferring \$10,000 from the Loan Administration Account to the County Cash account to pay for a wireless router and cable internet for the office. The money will also be used to purchase a laptop computer to be used for various office duties and to update the district website.

11:30pm:

The meeting went into executive session.

12:15 am:

Meeting was adjourned.

Doug McRae, chair

Laurie Kelley, administrator

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
June 25, 2008~7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

The meeting was called to order by chair Doug McRae.

Supervisors present:

David Davenport, Doug McRae, Jim Rogers and Alan Mereness were present. Steve Lackman and Don Youngbauer were absent.

Others present:

Dennis Kenney, Reg Hoff, Leyton Salsbury and Bobbi Vannattan attended. Administrator Laurie Kelley was ill.

Meeting Minutes:

Jim made a motion to approve the minutes from the previous meeting and David seconded. The motion carried.

Treasurer's Report: David and Jim said they would like a budget breakdown at every meeting, including the total amount budgeted, how much has been spent and what is left. They would like to see what is being paid out of the DNRC grants (all grants) and then see it when it comes back in. Jim made a motion to approve the treasurer's report and Alan seconded the motion. The motion carried.

Administrator's Report: There were no questions.

Meeting Schedule: The next meeting will be held on July 30.

Loans:

Harold Sorenson: Harold Sorenson put in a late application for a \$50,000 no-interest loan. Leyton Salsbury attended for Harold Sorenson. Leyton said that the pump site has been poured and is complete, but nothing else has been done. The plan is to put a pump on the ditch and go to all gated pipe. David asked if the project was justifiable and Leyton said there was no real way to do that. The improvements won't actually make them any money, other than some savings in labor. The project ties in with the irrigation portion of the EQIP program. David asked about water rights and Leyton said that it all fell under the Hammond Valley water rights, so there was no issue there. Because the law requires a 48-hour public notice period, the board could not vote on the loan at this meeting. David made a motion to approve the loan, with the actual vote to be held on July 2. Jim seconded. Laurie will call all members, inform Steve and Don of the motion and keep track of the votes. If the motion carries, Laurie will send the loan application to Doug for his signature. Jim left a proxy vote in favor of the project.

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Reg Hoff submitted a no-interest loan application for a 16-mile pipeline. The total cost of the project is \$134,000. Reg attended the meeting to discuss the project. The project will pump water from a good well (artesian well with 74 to 76 pounds of pressure, sulfates at 900) to a storage tank. It is about an eight-mile run, cross-country. From the tank, it will be gravity fed to a pond. Doug said the equity looks good, but the easements have to be in place before the board can approve the loan. David made a motion to approve the loan with the condition that Hoff provide the board with a copy of the easements, prior to receiving any money. Jim seconded the motion and it carried.

Wade Cole resubmitted his no-interest loan application for a pivot. First State Bank has subordinated to the district, we are now in first place. Wade was unable to attend the meeting. Jim expressed concern over water rights for the extra acreage. Dennis and David want Wade to come in and show the water rights he has in place, because he needs to justify for the extra ten acres. The issue was tabled until the next meeting so that Wade can explain the water rights.

310's: There were no new 310 applications. Two site visits were done since the last meeting. Doug McRae visited the Art Hayes (Brown Cattle) site. He reported that the USACE and FWP were also present at the inspection and had some suggestions on how he should do the barbs. Art has agreed to resubmit a plan. Steve attended the Ferguson site inspection, but was not at the meeting to report. The administrator will find out how the inspection went from FWP.

Reserved Water: The FVH Collins reserved water application has been approved by the DNRC. Bonnie Prince has been notified.

Annual Plan:

- June: there are no annual plan items for June.
- July:
 - Fair: planning for the fair is well underway. It should be a very enjoyable time. The latest edition of the newsletter should hit the newsstands in a week. The next edition will come out before the Tallgrass Beef workshop. David is writing an article for the event.
 - Irrigation Tour: Wendy is on vacation, so the administrator was unable to discuss the possibility of holding an irrigation tour this year. This will remain an agenda item.
- August: there are no annual plan items for August.

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
June 25, 2008~7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

OLD BUSINESS:

Rosebud Watershed Group: The next meeting of the group will be on July 9 at Stevenson's and Sons Funeral Home. There will be a meeting of the finance committee prior to the meeting.

YRCDC: Don was absent, so there was no YRCDC report.

Range Committee: The administrator finished a grant to DNRC to help fund the Tallgrass Beef workshop. David told the group what the workshop would entail: at 3:00, they will ultrasound a carcass. They will talk about marbling and white fat. Lanelle Ashley may also speak. They will charge \$5.00 for attendance to get an idea of who is going to come. The Cargill representative will cook.

MACD Dues: The dues (\$3,000) have been paid out of the loan account. In the future, the money should be moved out of the loan account and into the county cash account before dues are paid. When administrative fees are paid, one-half of one percent should be allocated towards dues, and placed in the county cash account. The other 2.5% will remain in the administrative fees account (which is a sub-account of the loan account).

AFO/CAFO: The newsletter features a one-page article and photo of a much-compromised pasture with the caption "Is this what you had in mind when you bought your 40 acres?"

FY 2009 Budget: The budget and a cover letter have been submitted to the county commissioners.

NRCS Report: Rocky brought in all of the maps for the loans. He told the board that there is still a lot of money for EQIP and the deadline for '09 money is July 1. The new farm bill will provide approximately a third more money, so all interested persons should be encouraged to sign up.

NEW BUSINESS:

Office internet and computer: David made a motion to get wireless internet for the office and Jim seconded the motion. With phone and internet service, the total will be around \$100.00 per month. A computer will be purchased.

Loan Account Administration Fees: Does the group wish to transfer \$10,000 into the county cash account as soon as the fiscal year ends as suggested at the previous meeting? David made a motion to transfer \$10,000 out of the

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administrative fund to the loan account, rather than the county cash account as first discussed. Jim seconded the motion and it carried.

Open Mike Board Members: Steve would like to pre-approve all comp time and make sure it doesn't accumulate. Jim said he thought the rule was that comp time was to be used within a 14-day period.

Public Comment: There was no public comment.

Next Agenda Items:

Review comp time policy

Review job description from Bobbi.

Training for GPS training for the public

Personnel reviews for Bobbi and Laurie

Bobbi will write a job description and present it to the board for their approval, she will figure out how much time to allocate to the NRCS. Rocky will work with her on training.

Miscellaneous:

Bobbi asked to attend water quality testing in Terry in July. The board approved as long as it doesn't cause comp time.

Adjourn:

Jim moved to adjourn and David seconded. The motion carried.

The meeting was re-opened at 10:40 pm:

The board discussed the Wade Cole application. Rocky explained the water situation. A motion was made by David to approve the Wade Cole loan and it was seconded by Alan. The motion carried.

The meeting was re-adjourned at 10:50.

ROSEBUD CONSERVATION DISTRICT MEETING NON-QUORUM NOTES

July 30, 2008~7 pm

USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

The meeting was called to order at 7:20 by Doug McRae, chair. It was decided that the only subject that would be discussed would be the 310's.

Non-quorum meeting notes:

Supervisors present: David Davenport, Steve Lackman and Doug McRae. There wasn't a quorum.

Others present: Donny Bailey, Rocky Schwager, Neal Shelton, Bobbi Vannattan and Laurie Kelley.

Meeting Minutes: The draft meeting minutes are in your packet.

Treasurer's Report: The reports are in your packet.

Administrator's Report: The report is in your packet.

Outreach & Education Coordinator's Report: The report is in your packet.

Meeting Schedule: Laurie will check with the board members and see if August 13, 2008 works for the next meeting. If so, we will hold it then.

Loans: No new loan applications had been submitted by Wednesday the 23. If any come in before the 48-hour time limit, a new agenda will be published.

310's:

- Neil Shelton came in to discuss his project. He brought some photos and asked questions of the board as to what he should do now. USACE expressed concern that there was no real plan or drawings and there wasn't enough information to make a decision. Steve asked about the size of concrete he planned to use; Shelton said they ranged in size from a 4-step piece to sidewalk chunks. Steve said that the width of the sidewalk versus the surface area allows the piece to move in the water. Shelton offered to get some rocks to stick in there as well and only use the larger pieces of concrete. Steve said that surface area per weight is used to determine the size needed to be effective. Doug asked what type of bank armor he was considering using and he said he was here to ask for recommendations. He described what happened to the bank as the water hit it and associated it with the photos he brought in. David suggested that they dig a channel like Muggli did on the Tongue, but Shelton said that it was too deep to do that, approximately 5 feet. Shelton said the weir wouldn't have to come out more than 50 feet and that he has lost about 12 feet this year. He said that the high water in 97

ROSEBUD CONSERVATION DISTRICT MEETING NON-QUORUM NOTES

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dug it down so that it didn't come up as high this year. Doug suggested that Neil set up a meeting with Vic Riggs to discuss the project and get input from him. David suggested that a big track hoe might be able to "walk" over to the sandbar, which is about 100 feet. Steve suggested doing site visits if Vic Riggs comes to survey Shelton's. They could visit Ferguson's at the same time. Neil will contact Vic Riggs, arrange for a visit, and let Laurie know so the district can attend.

- Don Bailey submitted an application for a culvert on a rarely used side channel of Rosebud Creek. David Davenport has already seen the site and FWP has sent a letter, which is in your blue file. Don said that the area he is trying to access is considered an island area. He needs a better bridge because his equipment is heavy and big. The channel is usually dry. He had a 28 feet long x 6 feet wide culvert made. Doug and David said that it wasn't a 310 because it wasn't a main channel. Steve said if it is above the high level mark it would be considered one, but if it's only above flood water level. Doug suggested we not declare it a project, and let the other supervisors know that David's suggestion was that it does not qualify for a 310. Dave made the motion that it was not a project and Steve seconded it. Since there was no quorum present, the other board members will be told of the discussion and allowed to vote via phone after the required 48-hour public notice. If the vote is approved, Laurie will send a letter to Donny. Laurie will talk to DNRC to be sure we have the authority to do this.
- Brown Cattle's project has been put on hold until the water level goes down.
- Ferguson: Vic would like to see engineering done on these projects, but Doug said that it was quite expensive and he didn't want to encourage landowners to have to spend that kind of money. Vic said that in the past, the river has wandered through the area quite a bit. There is a channel there that has been cut off and it has accelerated the flow through there. If it could be opened up it would allow some of the energy to be carried away. There is some past work that was supposed to be done and it was not and that concerns FWP as well. Vic said that only a low percentage of barbs stayed in after ten years. Rocky suggested talking to John Scanlin, Miles City, he would look at it and tell Ferguson how many barbs they need and the best angle for them, and design will work the best.

ROSEBUD CONSERVATION DISTRICT MEETING NON-QUORUM NOTES

July 30, 2008~7 pm

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Annual Plan Items:

- **July:**
 - ✓ Sponsor annual fair booth. DONE
 - ✓ Host an irrigation tour every other year. The administrator talked to Wendy Warren about having a tour this year. We will continue discussing it if the board thinks it is a good idea.
- **August:**
 - ✓ There are no August annual plan items.

Reserved Water: There were no reserved water applications.

OLD BUSINESS:

8:30 pm:

Rosebud Watershed Group: The last meeting was held in Forsyth and the attendance was abysmal. The next meeting will be held in Colstrip on October 8 at either the Moose Lodge or the library, depending upon availability.

YRCDC: Don will have a report.

Range Committee: The board members present discussed the workshop. They felt the cost of travel was too high. They discussed substituting someone local to speak at the meeting. David said we needed to hold a range committee meeting in a hurry to decide what to do. The group decided to hold the meeting on Tuesday, August 5 at the USDA Service Center in Forsyth. Laurie will send out announcements via email and Dave and Doug will call around to remind people to attend.

8:45 pm:

NRCS Report:

9:15 pm:

NEW BUSINESS:

Comp time policy (agenda item suggested at previous meeting): A copy of RCD's personnel policy page on comp time is in your packet, as is an email from Laurie Zeller explaining how comp time is calculated. The gist of the email is this: all comp time is calculated on a 40-hour workweek, rather than 80 hours.

ROSEBUD CONSERVATION DISTRICT MEETING NON-QUORUM NOTES

July 30, 2008~7 pm

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O & E Job Description (agenda item suggested at previous meeting): Bobbi

GPS Training (agenda item suggested at previous meeting): The board has suggested holding a public GPS training workshop.

Open Mike Board Members:

Public Comment:

Future agenda items:

Close meeting for performance reviews (agenda item suggested at previous meeting): The forms are in your packet.

10:00 pm: *Adjourn*

- Draft -
ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
August 13, 2008-7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

The meeting was called to order at 7:02 by Doug McRae, chair.

Supervisors present: Don Youngbauer, Doug McRae, Jim Rogers, David Davenport, Steve Lackman and Alan Mereness.

Others present: Dennis Kenney, Laurie Kelley, Bobbi Vannattan, Neil Shelton and Rocky Schwagler attended the meeting.

Meeting Minutes: David made motion to approve, Jim seconded and the motion carried.

Treasurer's Report: Alan made a motion to approve the treasurer's report, Jim seconded and the motion passed.

Administrator's Report: There were no comments on the report.

Outreach & Education Coordinator's Report: There were no comments on the report.

Meeting Schedule: The next meeting will be held on September 24, 2008 unless something important comes up before then.

Loans: No new loan applications were been submitted.

310's:

- Neil Shelton came in to discuss his project. He brought some photos and asked the board what he should do now. The Army Corp expressed concern that there was no real plan or drawings and there wasn't enough information to make a decision. Steve asked about the size of concrete he planned to use; Shelton said they ranged in size from a 4-step piece to sidewalk chunks. Steve said that the width of the sidewalk versus the surface area might allow the smaller pieces to move in the water. Shelton offered to use rocks as well with the larger pieces of concrete. Steve said that surface area per weight is used to determine the size needed to be effective. Doug asked what type of bank armor he was considering using and Shelton described what happened to the bank as the water hit it and associated it with the photos he brought in. Shelton said he would like to use weirs, which wouldn't have to come out more than 50 feet. He said he has lost about 12 feet this year. He said that the high water in 97 dug it down so that it didn't come up as high this year. Doug suggested that Neil set up a meeting with Vic Riggs to discuss the project and get input from him. Steve suggested visiting Ferguson's at the same time, if Vic comes to do a site visit. Neil will contact

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
August 13, 2008~7 pm
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Vic Riggs, arrange for a visit, and let Laurie know so the district can attend. Update: We have not heard from Shelton.

- Don Bailey submitted an application for a culvert on a rarely used side channel of Rosebud Creek. The board agreed that no permit was necessary.
- Brown Cattle's project has been put on hold until the water level goes down.
- Ferguson: Per the site visit, Vic Riggs, FWP, said he would like to see engineering done on these projects, but Doug said that it was quite expensive and he didn't want to encourage landowners to have to spend that kind of money. Vic said that in the past, the river has wandered through the area quite a bit. A channel closed up and it has accelerated the flow through there. If it could be opened, it would allow some of the energy to be carried away. Some past work was supposed to be done, it was not, and that concerns FWP as well. Vic said that only a low percentage of barbs stayed in after ten years. Rocky suggested talking to John Scanlin, Miles City, he would look at it and tell Ferguson how many barbs they need and the best angle for them, and design will work the best. Laurie will .pdf the files and send them to other districts along the Yellowstone for suggestions.

Laurie and Bobbi talked the board about having Bobbi doing the 310's since she has a lot more free time. The board agreed to make it part of her duties.

Annual Plan Items:

- **July:**
 - ✓ Sponsor annual fair booth. DONE
 - ✓ Host an irrigation tour every other year. The administrator talked to Wendy Warren about having a tour this year. We will continue discussing it if the board thinks it is a good idea.
- **August:**
 - ✓ There are no August annual plan items.

Reserved Water: There were no reserved water applications.

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OLD BUSINESS:

8:30 pm:

Rosebud Watershed Group: The last meeting was held in Forsyth and the attendance was abysmal. The next meeting will be held in Colstrip on October 8 at either the Moose Lodge or the library, depending upon availability. We are still waiting for word from the moose.

YRCDC: Don said that there are a couple of very interesting things going on. The first meeting on the cumulative effects was held at Chico Hot Springs. They went over all of the studies and they have gotten far enough to come to some conclusions. The Rail Tour with MRL is going to go from Livingston to Columbus and back. The number one landowner and permit applicant is the railroad. They've never gotten involved before and this is their chance to do it. They thought they were going to try to get them kicked out of the corridor and when they figured out that that was not what they were trying to do, they were very interested. They have a lot of trouble getting permits to do different things, like fix riverside track before it falls into the river. Karen Boyd has a plan that will give the river room to move and still let the railroad run. The tour is meant to tap into their brains, get them involved. The next people they are going to approach are the department of transportation. Find out what their needs are, get them to talk about it. The thrust of the discussions will be that the rail and highways are crucial to the nation. Even if it goes against what the river needs, we need to have it be able to run. We can look at the problems, and try to determine solutions. Rocky talked about the railroad blowout at Brewer's. The railroad ripped only half way and it looks like the river is going to eat away at that field more now, they should have continued around the corner. The board asked if BNSF had sent in an application yet, which they have not. Bobbi will send a certified letter to the railroad asking for their emergency 310 permit. The general discussion was that there should have been input from the district and the USACE before it was done. That, according to Don, is one of the reasons we need to come up with best management practices.

Range Committee: The board members discussed the workshop. They felt the cost of travel was too high and discussed substituting someone local to speak at the meeting. Laurie said that the DNRC grant that she wrote was fully funded, so there will be \$500 to help cover costs. David said we needed to hold a range committee meeting in a hurry to decide what to do. The group decided to hold the meeting on Tuesday, August 5 at the USDA Service Center in Forsyth. Laurie will send out announcements via email and Dave and Doug will call around to remind people to attend.

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9:15 pm:

NRCS Report: Rocky said there was another special initiative, this time for Russian olive and salt cedar. They received seven applications will probably end up with five contracts. They will pay up to \$400 an acre to cut the trees, pile and burn and treat the stump with Remedy. With Russian olive, you have to treat the stump within eight minutes or it doesn't die. These will be 3-year contracts, the first year major removal and spraying then 2 years of follow-up. Depending on the situation, there will be prescribed grazing or something else. They anticipate that one area will see a lot of hounds tongue jumping out of the ground because there is a lot of seed source. That is what happened on Hawery Island. They aren't causing a great deal of ground disturbance in most of the areas so it won't cause as many problems as going in with a cat would. The contracts will be rather loose, because there is no real standard to compare it to. NRCS can't pay an hourly; they will have to pay by the yard because not everyone can operate equipment at the same level. They've hardly had time to get to the 2009 ones, but they have to be done with the salt cedar and Russian olive initiative contracts done by Friday so then they can start with the 2009 stuff. Another practice that was funded was converting flood irrigation to pivot. Five of these practices were funded. One area is below Brewer's feedlot in Custer County. It will save a lot of water. He's been working with them to convert to irrigated pasture. They could do almost as well on their own without putting the cattle in a feedlot.

9:45 pm:

NEW BUSINESS:

Comp time policy (agenda item suggested at previous meeting): Jim made a motion to amend the compensation time section in the personnel policy so that any comp time not used within an 80-hour pay period will be paid out at time and a half. If comp time is to be paid, it must be pre-approved by Steve or Doug before the end of the pay period. Steve or Doug will decide whether to pay the overtime or send the employee home. Don seconded the motion and the motion carried. The board asked that it be document on personnel policy cover that it was changed. Jim made a motion to keep the office open from eight to closing except during fair days and conservation days. Dave seconded. This policy will be upheld unless pre-approved by Steve or the chair.

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tree sales, Conservation Days, Arbor Days, Tongue River and work as an administrative assistant to Laurie.

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Open Mike Board Members: Doug mentioned the area meeting, which will be held October 2 at Harlowton. He asked that board members consider attending.

Public Comment: There were no comments.

Future agenda items: Update on area meeting. Work with Jan to find a time when she can stop in the office to review QuickBooks.

The meeting was closed for performance reviews

11:00 pm: Adjourn

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Vic Riggs, arrange for a visit, and let Laurie know so the district can attend. Update: We have not heard from Shelton.

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Open Mike Board Members: Doug mentioned the area meeting, which will be held October 2 at Harlowton. He asked that board members consider attending.

Public Comment: There were no comments.

Future agenda items: Update on area meeting. Work with Jan to find a time when she can stop in the office to review QuickBooks.

The meeting was closed for performance reviews

11:00 pm: Adjourn

Doug McRae, chair

Laurie Kelley, administrator

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
October 22, 2008~7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

The meeting was called to order at 7:02pm by Doug McRae, Chair.

Supervisors present: Dave Davenport, Doug McRae, Don Youngbauer, Alan Mereness, Steve Lackman

Others present:

Larry Woodley, Steve Mc Mullen, Bobbi Vannattan, Duncan Bartholomew, Dennis Kenney, Rocky Schwagler

Signature

7:00PM:

Guest Speakers:

Steve McMullen from Shannon & Wilson, Inc. & Clyde Stack from BNSF will be available to discuss the revised 310 application.

- Doug gave the floor to Steve McMullen, Shannon & Wilson.
- Steve- after the meeting, Kyle Gunther went out to the site and they did extend the original endpoint down 30 feet, they worked on transition and progressed to where just a soil slope, and graded out part of brewers slope, also hydro seeded little farther down stream. Tried to put in transitional elements, don't know what the river is going to do but think they helped the situation by providing some smoother curvature, believe haven't increased the rate of erosion. Steve M has photos from 1948, the rate of erosion averages 15 feet year. In the modified application they went into detail on what they did on downstream transition and how trying not make things worse hopefully make better. Sketches are new for downstream, figure 6 and 7 are new based on measurements he took after the last board meeting.
- New compared to what had at last meeting. There is a lot more text in the application, about the downstream end, what they did to prevent increased erosion on downstream end. And text about the historical rate of erosion that has been happening since 1948.
- Doug, has this met favorable with Kevin,
- Steve, don't know if he has seen, However suspect that he would like to see the rip rap extend 1300 feet downstream because that is what is in the letter.
- Steve M- there was an abrupt jog in the bank where the existing eroding bank jumped out and what they did was blend in their ending point where it jumped out, Steve did extend out about 40 feet, and it does transition into a graded bank, bank stabilizations ending about 230 feet from the railroad track. We picked this place because we are trying to match the curvature of the bank, It is described in better detail in the text on the application and we are try and prevent any negative impacts from what they have done.

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
October 22, 2008~7 pm
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- Steve one more element- at the east end they have hydro seeded, next week contractor will be back to put in willow stakes, using rebar and placing in 2 foot centers, 3400 willow stakes. Park construction has hired subcontractor Jensen construction and worked with Becky Nitron from Shannon Wilson, with types of willow and planting procedure. Without access to groundwater, if not planted low enough, the chance of survival might not be great, but if half survive would be ok. Spring vs. fall.
- Steve better to plant in the spring, but water will be higher and hoping that will be dormant over winter and then germinate like the grass seed, they hydro seeded two weeks ago and may not get any until the spring.
- Doug two decision pending- there is a provision in 310 law that need to discuss whether take action on the 15 day notification required in an emergency 310, and feel the board will represent the local landowner, and would hope that they would address his concerns;
2nd is whether they would like to approve the application.
Would like to give the landowner the opportunity to give input with action being taken.
- Steve M- explains to Larry about how he was not aware of the 310 emergency requirements,
- Doug- aware that homeland security act was emplaced after the 310 laws.
- Doug- the district would support that the Rail Road stay proactive in agreement with Vic Riggs from FWP.
- Don explained to Steve McMullen, the river mitigation map put together by YRCDC, about the whole Yellowstone river, it is available on the internet, under Yellowstone River Council and he would like it to get used, something to keep proactive involvement.
 - Dave moves to approve the Railroad 310 Application
 - Don seconded the motion.
 - The motion passed 3-1.
 - Allen Mereness voted against approving the application.
- Doug- about the violation?
- Dave how to address?
- Doug-provision states that they are subject to fine, failure subjects to civil and criminal as stated in 310-Law 757123. First time dealing with a situation on the Yellowstone.
- Bobbi- talked to Chuck Strum, about the 15 days to file the permit.
- Steve M-There was a revetment that was built last year, and went through the same permitting, it wasn't under the emergency permitting, what he did was look at that and started calling all of the agencies listed.
- Doug- has the Army Corp been out?

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
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- Steve-they do know what they are doing, they all have copies, and they have been working on some of the things with Jeff Ryan at DEQ, and are doing what they can.
- Doug-The board does not want to take any legal action regarding the 310 violation.
- Doug- Is there anything further to discuss?
- Larry W- It looks good, I have walked the site and with what they have done it is a very nice job shoring up and appreciates all your cooperation.
- Extend application to September 23rd 09. Bobbi will send a copy of signed approval to Steve at McMullen.

Meeting Minutes: *The draft minutes are in you packet.*

Need to add that Dave was at the meeting.

- Dave moved to approve the minutes.
- Alan seconded the motion.
- Motion passed all in favor.

Administrator's Report:

- The board reviewed the administrators report.

Outreach & Education Coordinator's Report: Conservation Days is Scheduled for 2009. Rosebud, Forsyth, Colstrip and Hysham Schools have all confirmed. Bobbi has been working on scanning the 310 files into an electronic folder so that they will easily be uploaded to the 310 Data Base DNRC is working on. Spent a day in the Field with NRCS when they were doing Clippings and to observe the Russian Olive Demonstration at Craig Weights on October 8th.

Meeting Schedule: According to the schedule, our next meeting will be held on November 26th, this is the day before Thanksgiving. Does this work for everyone?

- The board will meet on December 3rd, 7pm.

Loans: *No new loan applications have been submitted by October 15, 2008. If any come in before the 48-hour time limit, a new agenda will be published.*

310's:

- *An application for stream bank stabilization and altercation has been submitted by Ham Development Company. Attachments and a copy of the signed application should be available at the meeting.*
 - A signed application was not available at the meeting.

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- Graveyard creek coming in what happened before approved application to clean out a pump site, pivot center is close, there is the old supply ditch acting as a dike.
- Dave how come not a barb, because really not on the river more on graveyard creek. Pumping out of river because graveyard goes dry. Side channel coming what is the material, rock on his place that will work and Mike Balensky will put it in, listed self as contractor. They will lease a track hoe with Rocky-Dave Jewel was there and told him what he needed to do. They will not need a 310 for Graveyard Creek, but will because it will come from the Yellowstone River.
- Steve Moved to approve with the stipulation that the application gets a signature and there is a completed application.
- Don seconded the motion.
- Motion passed.
- *Neal Shelton has visited the site with Vic Riggs from FWP. I have not heard any comments yet from Vic. Neal is in the process of rewriting and will resubmit a new and revised 310 Application this winter.*
- *Steve McMullen from Shannon and Wilson Associates on the Rail Road 310 Application RCD file # 08-07, has resubmitted a revised application for voluntary review. A copy of the application is included in your packets. NOTES ABOVE.*
- *Dick Ferguson: He needs to resubmit an application, Bobbi will contact him. Would it be less costly to move the power than the barbs in?*

Annual Plan Items:

- **October:** *Dave Davenport and or Don Youngbauer will attend annual weed district meeting and provide report to the board. Invite the Weed Board coordinator to attend a regular meeting to provide update on activities.*
 - ✓ Bobbi will find out when the meeting is.
- **November:** *There are no November annual plan items.*

Reserved Water: *There were no reserved water applications.*

OLD BUSINESS:

Rosebud Watershed Group: *The next meeting is scheduled in Colstrip on November 12th.*

YRCDC: *Don will have report*

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- Set up studies 10 years ago, studies are now getting done, now need to develop management recommendations, next phase is public awareness, create an awareness of the river. Finish in next couple of year's, Russian olive is first recommendation trying to develop a management plan, for Russian olive and salt cedar, draw a line at bighorn confluence, find a way to do . Work with Wyoming tell them what a hell of a job they are doing, taking out salt cedar. Developed a bug that eats it, weed is take a segment 20 miles a year and concentrate, doing demonstration plots, 300,000, trying to develop a management plan for the entire Yellowstone. With that approach much in line for government funding. Trying to develop an outreach to get out to the public, John Pelaski is in the middle and developing a resource council , now need to revitalize and put back together, need a way to approach the public on it, when went to DC, wrote a bill that says to direct 30 million dollars, having a symposium the first Thursday and Friday in December, different operations are going to be there and try and make some guidelines for this 30 million dollars.
 - Doug- if BNSF would be interested in the 30 million, figure out what they can accomplish want to re do the dam in Forsyth, fish friendly irrigator friendly, problem is the fish screen, down to wire mesh, how to clean it off, our situation is different, only 17 million in Forsyth putting a concrete facing and minimizing the maintenance. Would like to see them do something with the irrigation ditches, if going to put all this money in dams focus on irrigation.
 - Doug- what about spray? If had outside funding may become viable to do. Ninety percent of recharge in the Yellowstone is from irrigation. Pivots are changing some, need to look at. Need to find ways to get money for ditches,
- Going to Missoula to visit with MRL, channel migration zone maps and an indication map. Gave our copy to the trainmaster. What trying to do is develop and approach, where trench, where does it leave off protecting the railroad and the landowners land. Do something in a preventative manner,
- MRL meeting came out of railroad tour. Mac Cole is going to get together with BNSF for a rail tour, they have got to get something out of it.
- Dave- you get funded?
- Don- no applied for 800 thousand and got 200 thousand.

Range Committee:

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- Dave-would like to do something with DNA this winter, thought if did it and people showed up and maybe have another grass fed beef person from Minnesota.

Tongue River Watershed Alliance: The next scheduled meeting is Friday January 9th, In Ashland at 2:00 pm.

- Alan See called Dave and there is some discrepancies with the Amish about water right having trouble getting water to the upper end of the ditch, and so their point of diversion is where they need to get the fish and game to stick to it, Sam Sam pivots, pumping, how many acres have allocated water rights, that is on the upper end, Bunny Hayes is responsible, hadn't measured, starting but not in main ditch.

NRCS Report:

- Rocky-working on new sign ups, haven't heard nothing for funding for equip, they will have a workgroup meeting and will open to the general public, but you still the chair of it, not only input into equip but into the conservation stewardship program, which is the program that pays you.
 - Michelle is out with baby.
 - Becky Resdal came in and they might sign her up as a volunteer.
 - Achievement award, need to do, get some pictures, Moen was last year.
 - Dave- how bout Craig weight, he is doing grazing, rangeland this year?
 - Steve L- Craig is also doing stuff with fertilizer, something out of ocean, cleanings off of fishing boats rather than using fertilizer,
 - Claim it works, started this year, but it is supposed to rather than fertilize it is supposed to fix the land to work.
 - Should have by next meeting. Think of something rocky will look through the files, will put on the agenda for next meeting.

NEW BUSINESS:

Colstrip has advertised the open board position in the local paper.

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Bobbi looked into the price of desks from both Boss and the Gallery. Quotes for the Gallery were approximately \$3500 for a suite that is similar to Laurie's. A Modular Suite from Boss is around \$2500/plus time for Assembly.

A small portable computer desk for Laurie will cost approximately \$388.

- Bobbi mis-calculated the price of a desk from the Gallery and the cost is similar to BOSS with the benefit of coming assembled and buying locally. Boss did not have anything similar to Laurie's desk.
- Alan moved to buy a desk from the Gallery supporting the local business.
- Don seconded the motion the motion passed.
- The board decided not to vote on a computer desk for Laurie.

Open Mike Board Members:

Public Comment:

Future agenda items:

Meeting closed at 9:00

Meeting End at 11:00 pm.

take stubs to Deed by
for Chris Tech - Two weeks Apps Derby Two 5th Dec 7th
call Insurance to make sure current

for Wills

Deposits

500 - Bank for Raydon.

website

call Verizon

Legal Doc. for leg/offs

ROSEBUD CONSERVATION DISTRICT MEETING AGENDA
November 6, 2008~7 pm
USDA Service Center, 270 S. Prospect, Forsyth, MT 59327

The meeting was called to order at _____ by Doug McRae, Chair.

Supervisors present: doug, dave don steve

Others present: deveny

7:00PM:

Guest Speakers:

Deveny Fjeslstead of Fjeslstead Accounting is attending to discuss how the board would like her to handle the District Accounting.

Meeting Minutes: The draft minutes are in you packet.

Deveny what do you want to do. She talked to brett and what couldn't find like payroll, right no quarterly reports nothing, dave asked about quarterly dev-worst case no record she could call state and ask if they have received anything a person could find. Would need number can go back and if you haven't filed in a while thye can penalize you. Expect to be done and haven't happened. Ask to abate the penalty plead thaqt thought they were getting done.

A person if don't have a file look for 941 and unemployment files. Make call to find out where we are at. Authorize deveny to do that,

Don where at with audit. Showed devany the coupon books and some payments have been made. They are not current and are out of date.

Can deveny take and find these things out, but would have to sign a power of attorney, the bank would say its ok to show all of the deposits and they payments made to the state, call and say it is ok they cdan give a printout of deposits that were made, so that not pay a big fine. Brett has records of all of deposits and they are there but the reports, steve will call the bank to give deveny ok to get reports, in the event that more information needed, doug what about irs, do you need power of attorenty, dev. If you have made depositis and not paid the quarterly she can do that, about state, doesn't look like the unemployment she will ask brett to see if payments were made to unemployment if not they haven't been there. Dave has given her other check. Who did w-2's payroll, would only be maybe 100 per month, they are 4 paychecks,

Doug do we have to have a bid process to do these. Is there a process. Bobbi can call laurie zeller. Find out if need to do bids, do you approve once amonth to pay, how don and alan and steve can sign checks. Dave always wanted to pay the bills, but hasn't been getting done. Stgeve thinks they decided to put her on but odnt remember. Steve she fill out checks and they sign here or go there and sign. Have them, here to there can fax or bring in invoice, meet every month. Don would rather bring them by dons office. Go get checks from deveny then take to don to sigh and then bring back to office.

Doug as far as monthly do we need to call in advance, bobbi can call deveny 2 days in advance for treasure report.

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What about other accounts.

Deveny will put all check into a binder, would have to know if it is a loan, Steve explain it can be done in threes.

Who did, Laurie, Steve would prefer that Deveny take care of that as well. Breet the loan one should be looked at the hardest. A lot of activity,

Bobbi can bring copies of deposits to Deveny.

What about administrative should it go to loan program.

Is he going to tell how much, to move. Need to keep up on it.

Dave usually treasure indicate who needs to pay, each month and who has paid, Bobbi will do that. Find out who pays and who hasn't had all of them for a year in some of the payments

Benefits what about prs. What is withholding

Stubs are not allwrote on probably fine with the state

Who should be making payments,

Computer generated,

Only the third quarter for unemployment.

Deveny will do what ever is easier. If current should be good.

Take in bills do all at once.

Insurance are we good on that?

Bobbi call and make sure current

Bobbi bring or fax over a bill. Take to don to sign checks for

Do you want one of them to sing for invoice.

Before take a travel to Deveny have them look, there will be travel otherwise, like dons. Need some sort of form that says mileage is X for some function. Put on agenda for travel reimbursed. Let put on agenda every month for travel. For dons travel to MACD- don will pay motel and then reimburse for travel.

Just need a cover sheet that has all of the information or Deveny to write a check.

Steve brought in checks already signed by don, do void or give to Deveny, just one signature, can use them up Deveny. Give to Deveny all checks. If its something Bobbi will let her know which account it comes out of. Anything future for Deveny will run a statement by to see what need for meeting. changes could be made to adjust to what needs to be done.

Steve moves that pay once a month starting on January 1st, 2009. Don seconded all in favor motion passed.

Steve requirement that all employess fill out government time book but also have to write down what doing in time slots and that they are required, also have to take a half an hour-hour lunch office should shut down during lunch. Don seconded, motion passed.

Dave is insurance monthly. Deveny fine tune and get to Deveny.

Bills:

Bobbi has put together a report of all the bills that have been paid since October 20th, and a bill that has come in this week.

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Bobbi will be sending out notices for Loan payments due through December when she has the information gathered.

Deposits:

Bobbi has put a list together of the deposits made up to October 30th. There are also deposits pending for both a loan and the Conservation District.

Need some way of monitoring all of the grants whether than running it through the court house, need to use the little check book, need to let Deveny know that all of the watershed activity should go through the bank, and flags. Everything would profit for the district to the bank deposits.

Only loan moneys, that are payments or administrative fees and filing fees

Taxes:

The IRS sent a letter that they have not received the Employers Quarterly Federal Tax Return for Tax periods 03-31-2008, Form Number 941.

The Montana Department of Revenue has sent a letter about withholding tax to determine payment requirement for the 2009 Calendar Year. They will send a voucher booklet in December.

Deveny will check out where the district is on the taxes.

Also the State of Montana has sent prevailing wage survey for Non Construction Service occupations and ask that it be returned by December 31, 2008.

If not required don't worry

H Drive:

An order to access Laurie's H Drive has been placed; we have not heard anything yet. When access is given copy to flash drive and send to Brett in Miles City. Find out tomorrow and

Watershed Group Grants:

Bobbi spoke with Dave Martin from MT DNRC about the grants. They have not been billed at all and both have \$5,050 remaining. They both need to be billed, Dave is willing to help Bobbi with the process of billing these grants. He is sending out sample bills and is willing to come to Forsyth to help if need be.

Indicate that interest will start immediately on the 31st day delinquent. Go through everything and bring list of payments due and if late send a notice.

Website:

The website bill is due, it is \$12.95 a month, Laurie sent Bobbi an email with a past due notice that she had received. Laurie wants to know if the board wants to keep the website. Dave Motion to keep the website at max hours a month contingent of passwords don second, steve moved amend to 4 hours Dave seconded approved all. All in favor motion.

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Newsletter:

A newsletter was planned to be ready and sent out this month. All work on that newsletter has been deleted. Bobbi has not done any work to date on this newsletter, and would like input from the board. Would like to do with cooperation with other districts, put on hold for now.

LOANS: could take back to 35,000. Put on next meeting agenda.

Annual River Network: no

A letter requesting if the Rosebud Conservation District would like to renew its Partnership.

Reg Hoff Loan:

Bobbi has been preparing the loan paperwork for this loan. The District Approved the loan in June, but would not release any funds until Reg had rightaway agreements to the land he would be crossing with the pipeline. Reg has not yet gotten these signed or obtained Title insurance. Bobbi Spoke with Tina from Montana Title and she has concerns because Reg only owns two of the parcels on the legal description of the land, and there will be an issue that the Conservation District would also need to have the rightaways to secure the loan, and it will require large amounts of work to do the title insurance. They are going to table it at their office until they get more information from the District and Reg Hoff explaining how this is going to be done.

Laurie was the Authorized Agent for the District on the Loan Applications.

When he gets the easement. Call steve or don to sign the loan applications. Talk to cleark and recorder or at the bank. Cant give check until there is a lein on the land, given to the district for 50,000. Provided description of property to match the loan application. We file the lean before anything is given. Called dick.

310- steve will go to the Ham, and tell em we are not interested in possible violation mon wed or thurs anytime Monday after 3.

bobbi

Bobbi would like some direction from the board as to how to conduct business in the office with Laurie's resignation and what the board's expectations are from her.

Laurie performed many tasks and worked with many groups and organizations.

Bobbi will come in earlier take half to one hour lunch.

Give grogan the \$500 for.

Support the watershed group and work 10 hours on my time. But it is written in to grant bill to the. Make sure bills get paid and filing. .

What about phone. Dave makes motion to discontinue the verizons, don second,

Steve an option to be a prepaid phone. Without phone completely. Inform dennis. Call and find out what it will cost to get out. Can drop if up then drop if there penalty agenda item.

ROSEBUD CONSERVATION DISTRICT MEETING AGENDA
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Expand to title of administrator,
Agenda item for dec 3rd meeting for a part time cons dist. 20 hours/week, must advertise for 2 weeks, twice in newspaper, put in knowledge of auto cad- part time conservation district tech, must be knowledgeable with auto cad, ag background is prefereable. Motion by steve to hire tech don seconded familiar with programming in the nracs office passed. Have applicaqtion in by December 3rd 5 pm. Wage depending on experience.

Open Mike for Board Members:

Open Mike:

Do you want laurie to submit a letter of resignation officially needs to be provided. will figure out what owe laurie and tell what the until she submits letter of resignation.

Request a letter of resignation, request for passwords, and or pertinent to job. Check out Montana code annotated to see what. Request the day that you sent rocky his key. Steve signature. Have to resign to the vice president.

Make in annual plan to make sure current on all benefits in November. That way pay for Christmas. Take off books you want the year to start clean. Put on agenda item to sick and vacation leave.

Adjourn:

Moved by steve to make the loans to 40,000 second by don, all in favor motion passed. Hoff is grandfathered. I

Next meeting agenda item, bring loans back to 35,000. When decided to go to 50 were over 400 thousand. Call and find out benefits from jerry custer on benefits for county for part time.

Over at 10:50 pm

ROSEBUD CONSERVATION DISTRICT MEETING MINUTES
December 10, 2008~7 pm
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*Approved
1-14-1*

Meeting was called to order at 7:00 pm by Doug McRae, Chair.

Supervisors present: Dave davenport, Doug McRae, Alan Mereness
Steve lack man

Others present: Steve Schmitz, Mark Bloxham, Jim Rogers, Rocky Schwagler
Deveny Fjelstad

7:00 pm:

Guest Speaker: Dick Ferguson to discuss his resubmitted 310 Application, Deveny Fjelstad, Fjelstads Accounting, and Steve Schmitz, Montana Department of Conservation District Bureau, Bureau Chief.

- Dick Ferguson will not be attending he was bucked off a horse today.

Deveny-

Couple of things:

- Dividend that will come back. First quarter dividend, one report was not filed, it needs to be signed and sent off. Prevailing wage form also needs to be filled out and sent.

Checking accounts:

- First State Bank- the Treasures office expressed that the District should not have the accounts at the bank.
 - Deposits:
 - FSB-closed from debit account and was deposited \$263 & credited service charge and \$195 was flags and wildlife ramps, the balance is \$596.

Geri Custer also told Deveny about a County Soil Conservation Writ Grant fund with \$17,000, it comes back from 2002 money from MT EPA and with lots of expense to Montana Tech; there has been no activity since 2005.

- It could be from admin fees out of grants for wages.
- All of the money in the account came in 2002 and 2003.

Geri said she would transfer it over. Could use that grant account instead of using the one at the bank.

Admin fees might have been transferred.

Wheaton might have wrote the grant for over 100,000, a lot was to do spring, Dave-got changed to do TMDL's, checking springs CBM.

Doug- could be admin fees.

Devany-listed one in 2005 that said conservation.

Dave- Would have to be coal bed methane with EPA,

Discussion-

Geri can go back and print; there is nothing except for interest.

Doug-hopefully admin fees and the Conservation District can utilize the funds.

Jim-if go to files should be able to find out from the files of the grants.

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Doug-several CD's were involved and RCD got an additional benefit from managing the funds.

Devany-need to figure out and work it out

Steve-go to John Wheaton and find the records for grants from 1999 forward.

Steve- can we set up more accounts?

Deveny- as many as you want you can.

- Loan account-\$257,000
- Regular account- \$42,000
 - County sent outstanding checks are listed and there would be \$42,000 in regular account.
 - Got \$62,000 but because the balance was negative there is \$42,000.

Devany-on back of regular account she gave a record of the checks that were written before that so know what was paid up on all payroll accounts and all up to date to November.

Dave-did you get the insurance? When do we pay you- monthly?

Deveny-quarterly- wait two weeks for payroll and then pay me quarterly.

Dave-do we want to do a payback to loan account every month? Can we take it of the top of the \$17,000 account?

Doug- we need find out more about the account. It would be nice to pay back. We will definitely pay it once a month.

Dave-\$1000- a month.

Dave- the range committee is owed \$325 for the Tall Grass Beef Workshop.

Deveny- just let Bobbi know and she will let me know.

- Dave-move to approve the treasure report
- Don- seconded the motion
- All in favor and the motion passed.

Meeting Minutes: Copies of the October 22, 2008, November 6, 2008, and November 17, 2008 minutes are in your packets.

Doug-recommend that we have a signature on the minutes.

Have a signature line on it. Minutes need to be complete.

- Dave- motion that chairman sign.
- Don- second- have minutes after approval sign by chairman.
- All in favor and the motion passed.

- Doug-Motion to approve the minute of the previous meeting.
- Don-move to approve the minutes of the previous meeting.
- Alan-second.
- All in favor and the motion passed.

Doug and Dave do minutes in complete format vs. the condensed version.

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Treasurer's Report: Deveny Fjelstad will be attending the meeting to discuss and fine tune the financials?

Bobbi will have a list of regular bills that need to be paid; there is still a bill or two that is seriously past due that needs to be paid as soon as possible. Laurie Zeller recommended that the board sign checks once a month, instead of running checks around for signatures, once everything is in order.

Bobbi spoke with Dave Martin regarding the watershed grants.

Bobbi spoke with Laurie Zeller and if it is going to cost less than \$5000.00 a year then the board does not have to put out for bids on Deveny doing the accounting for the district.

Administrator's Report: Bobbi has been working on loan invoices, 310's, water reservations, bills and deposits, and she is just beginning to dive into Laurie's work area. Remember that Bobbi has not had any administrator training and the trail of crumbs is meek. Tina Bonnell from Treasure and Carol Watts from Custer are helping greatly with any questions.

Outreach & Education Coordinator's Report: Due to recent occurrences there is not an O & E report this meeting because there has been none done.

Meeting Schedule: The next regular meeting date is January 28th, 2009, will that work for everyone?

The next meeting will be on January 14th at 6:00 p.m.

Loans: There are no new loan applications.

Joe Hofer has sent a check to the district for his final payment on his no interest loan, minus the interest, he will notify Bobbi when she can deposit the check and credit his loan.

Bobbi waived the interest on Bernard Hansen's loan when he and his wife came into the office regarding a payment they had made in May that was never credited to their loan and of which the check was never cashed.

All notices for December have been mailed out.

Bobbi has a question on Mark Holmes Loan, re: possible overpayment.

Bobbi has visited with Don Youngbauer to clear up the question she has re: his loan account.

Bobbi also spoke with the court house and anyone who works for or with the district is considered an authorized agent. Would you specifically like to appoint one of yourself to sign all of the loan papers, mortgages, releases etc.? Bobbi did sign and mail two releases of mortgages that have been waiting.

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Bobbi will contact mark Holmes and give the opportunity to transfer to the other account and let him know that there is a suspicion that overpaid.

Dave-the ones that sign the checks can be the authorized to sign the loan papers.

SteveL-it would be an item of business in a meeting that would require the review of the supervisors.

SteveL- there may not be an issue, but if anyone does need an immediate release, that can be taken care of.

Paul Hofer release on Jan 28, on the Agenda.

Deb and bill Anderson with, send another letter.
Put on meeting agenda,

310's:

08-09 Dick Ferguson has been working with the Army Corp of Engineers and is resubmitting a new application, with the suggested changes from ACE.

Rocky- might be cheaper to bury a pipe and a head gate
Would be better and wouldn't have to worry about the pump site.
Alan-about 10 grand a piece.

Alan-when we did that was the cost.

Rocky-talked to Dick about the cost, and discussed it would be cheaper to bury the pipe.

Alan- have a bigger picture.

Dave-How many acres?

Steve-thinks maybe 50 acres.

Dave-50 thousand for 50 acres better if 200 acres.

Rocky- he thought it could potentially be an option, better off to bury a big piece of pipe.

Don-How much area Rocky? Know, how big pivot, around 90 acres, proposed pivot.

Steve-if 90 acres has to be at least 200.

Rocky-up on top is 190. He wants irrigated pasture he want to bring his cows home.

Rocky-look at other things?

Dave-when would he have to put the barbs in?

Alan-now.

Steve-he's been piling concrete. He Will need to find rocks.

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Steve-when down at Ballensky, his opinion is that Vic Riggs is against the project and the barb system.

Rocky-thinks a pipe would be way cheaper.

Steve-would 18 inches be enough?

Dave-7 barbs is too many.

Steve-if put a pipe in, is it going to eventually wash away anyway?

Rocky-how deep and how far you stick it out in the river.

Rocky-a 21 inch pipe would be cheaper than the barbs.

Dave- Just sticks it out in the river.

Steve-gravity flow.

Rocky-would want a screen, and would have to keep it open.

Might have to dig a pump site but nothing.

Rocky-once pipe is in it would be below the high water line.

Steve- doesn't think even in a flood plain is a 310.

Rocky- it seeps through there not totally dry.

Dave- have you ever done anything like that across the river in the channel would that be a 310.

Steve-yes, it would be.

Dave-that or 7 barbs.

Alan-bet whole project would cost around \$20,000. The cost will be in rock.

No decision made.

Rocky- quick note: if Dick develops he will need reserve water.

Annual Plan Items: The district needs to write an annual plan for 2009.
Table for another night.

Reserved Water: Bobbi has submitted the annual report to Alice Stanley, and has sent out all of the forms for Reserved Water pumping records to the 13 active reservations. There are also three reservations that had not filed a notice of completion and Bobbi has been working with the producers to get them filed. Duane Claypool explained the process of Reserved Water to Bobbi.

Steve Schmitz-

Do you have any recommendations or help?

SteveS has heard that in transition a lot of question and issue a lot of unknown and is in the position to give guidance and help, don't know enough at this point to know what those issues are or how could he help. He needs to know more. Steve did talk to Don and thought it would be good to come and get involved.

Dave-if the watershed groups go and ask the state for grants will it hurt them to go and ask for another maintainance grant?

SteveS-each grant where there is a problem with records or funding or mishandling, each issue needs to be resolved.

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SteveS-Two main jobs are to look ahead and, looks like working on pretty hard and move forward to not have that problem that we have had in past, in future.

How do set a good firm basis on new administrator-look back was money handled properly? Any irregularities in funding? So can assert that financing got. Looking forward and back at the same time. Need to be fair to Bobbi and board members recommend that have an audit and move forward..

Dave-all districts should have an audit.

SteveS-with state wide interest maybe comes and self audit of 10 percent of districts a year.

Dave-the treasure reports were so off that nothing was close.

SteveS- how does it work when the county manages the money?

He deals with districts that manage their own and the bank accounts are sent to the treasurer and not to the district, and once a year it needs to be reconciled. When funds spill into accounts.

SteveL- one issue is when see a deposit made and didn't know what that deposit was for. Deposit for st mt? What does it mean?

Dave-at least one, two, three, grants were going in and don't know which one was which.

SteveS- can get to the bottom to some degree.

Dave-in the computer and there doesnt seem to be any activity since 06.

SteveS-files were encrypted, should ask formally for key and if refused, take issue to the county attorney, it may be legal issue, and you deserve to have access to the information that is hidden.

Question is: Did you ask for password? Whoever encrypted would have the keys.

Rocky- the ITS couldn't get in.

SteveS-To be honest that part is what might be some suspicion, there are some things where there were shotty things, but if have some encryptions. That can't get into is where suspicion. Talk to county attorney.

Doug-waiting for review.

Dave-as soon as sing then be done

Doug-if there is suspicion it would go to the sheriff and then if they determine it would go to the attorney.

SteveS- what triggers to go to County Attorney?

Doug- if the review account suggest that there may be suspicious, then we turn over to the sheriff, and they go from there then would be a forensic audit,

Steve-with the evidence that the board has, is there evidence?

Dave-don't think there is and Brett doesn't think there is

Doug-a lot of the things that occurred w/o realizing that the boards allowing actually made it policy they had made policy by not correcting it when it occurred.

If board approved, then it should have been aware of those things.

SteveL-do know it was taken off of paycheck to pay it back.

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SteveS- discussion informally and one thought was that to save some money would be to skip the accountant audit and went straight to forensics.
SteveS-need to have someone to dig in on first level and second level and go further.

Dave-

There is a \$3400 travel that we never saw and we accepted all of the treasure reports

Doug-but they were accepting false reports

Dave-we're guilty of letting her.

SteveL-is almost 100 percent sure he made the motion to put her on the card.

Dave-didn't ever go back in and resign.

Jim-

if it isn't in the minutes then it didn't happen, if it isn't in the minutes then Laurie is as \$12 and Bobbi is \$7.

SteveS- did you put her on as signature?

Steve-it did happen.

Doug-there should be a record.

SteveL-

this is what was happening before- they were signing two signatures on the check, the admin would put down 40 and then there was 40 sitting with two signatures, Steve these checks anyone could walk in and sign. She can write out any checks she wants, what is the difference if put Laurie on? Let put Laurie and everyone agreed.

SteveL-

it was a bad situation either way just because, her signature was on paycheck, the only difference with her signature is that some one couldn't come off the streets and take a check.

- Bobbi will find the minutes, if cant find go onto the website. And see if can find where Steve made the motion.

Dave-the paper acknowledges that.

SteveL-

decided to go back and look at Laurie pay checks for the time she started working. Bobbi put in order, was looking to see if vacation and sick wasn't accurate, didn't see how she could get 550 hours. He didn't really look at sick much, because it was half insignificant.

When going through he would right down what she was making .

Found that she was paid this date and went through to see how went.

She started in June of 04 and looks like the first pay period in question would have been March of 06, a little less than two years, that pay period wasn't double, she had two checks due on the 31st and it looked like she wrote a whole paycheck, and then would she get paid for watershed.

Dave-travel CBM Colorado?

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Steve-

she would take an 80 hour two week period and charge to district, then take a 30 hour two week period and charge to a watershed or CBM

Dave-didn't happen in December 06?

SteveL-

then goes may there was a double pay check done the same way both for over \$1000 a piece.

One payperiod she worked 27.5 hours a day 7 days a week for two weeks, according to pay stubs.

7-31 and 8-08there was paycheck for each.

If you go back looks like if she took all hours and spread over whole pay period 52 hours a week.

To her looks ice she did, and had worked 52 hours a week

The date it says the pay period paid through turned out to be paid through

In 2007 pay period, checks in order. Steve went over pp ending dates and ex.

From time happened in 06 she was always paid ahead.

Things were about the same in 07 and 08 as they were in 06.

07 was less overpay than 06 the end of 07 the dates really started jumping. One extra pay check then 11-09 was twice.

The dates don't really mean anything.

Two 11-19 Steve- there were others that were double.

Jim-how about spring of 08 what was happening there?

Steve-really the first pay check would have been in March. When Dave started about three paychecks on the treasure reports.

Dave- on treasure reports.

Steve-the vacation- what he did at the end:

Her calculation 454 hours, vacation at 10 hours a monthly, 120 hours a year, Steve took form the first date how many months came to 530 hours and took out what her computer stubs was 128, came to 401 so there was 53 hours difference. Deveny said she was not using the right calculations to build vacation time. Steve don't know if extra paychecks were comp time.

Dave-she made \$60,000 on w-2 form.

Jim-how come we never saw?

Dave-never asked?

Jim-

If the board left that many doors open to her she has what ever she wants to come back.

SteveS- there are a lot of things that cold be explained by poor practices and could explain, if there is stuff to hang a hat on and it is clearly illegal than go for it, if not and it just sloppy.

Rocky-why lock files up?

Send certified letter asking for inscription keys.

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Jim- when do go to back of the computer which one you are looking for.

Doug-

will it get to a point where it exceeds what can afford.

Is there an obligation to pay for this forensic audit?

Don & Alan- what is cost of forensic?

Alan-maybe \$10,000.

Steve- what are going to gain?

Dave-

wait until auditor gets done. If he says no problems, he said if he sees anything he won't go any farther, he would stop and send to Billings forensic auditor and he hasn't said anything.

The loan account hasn't been that bad off.

Steve- say she got double pay periods she could argue that she worked that.

Dave-

he is going through 10 years of loan account.

She could only take the budget each year.

Steve L-

Started at \$7 then got \$2 dollar raise at 05 then 06 in January another \$2 then by middle of 06 she had another \$3 raise. In 07 she got \$2 to \$16.67 then \$17.17 with SCOL increase in 07 she was at \$17 then in middle of 08 she was at \$18.20. which would have been a dollar, which would have been 1 dollar then she moved to \$19.20 one a dollar raise on a SCOL, then she started making \$20 right at the end. Steve anytime at a meeting that talked about a raise they got one,

Jim-was an advocate to give her raise and she was able to do her work.

Jim-\$

17 understand, last meeting he came through SCOL went through and Bobbi raise, Dave when gave Bobbi two dollars, she got it and worked it into her.

Doug-none of these were approved.

Jim-course of action?

Doug-send a letter and wait for audit and review to go through.

Rocky- the auditor is saying ok? Then why was there all of a sudden no money-?

Dave-Couldn't make five loans nothing to do with audit.

Rocky-understand there was really no more loans going out didn't understand why cut back.

Steve-

loans bigger and money going faster.

Could only make one loan per year.

Changed it to \$40,000.

SteveS- employee how issue self loan not illegal.

Doug-she told him he gave her approval.

SteveS- discuss with county attorney?

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Doug

if not exceed 100,000 he wont pursue an action.

Questio is: If under \$10 thousand do you want to pursue?

Steve S- if things appears to be illegal, 27 hours per day giving self a loan

SteveL- which now she pay back.

SteveS- should list what seems to be pretty clearly illegal then broad. Clearly she was taking illegal liberties.

SteveL-is it illegal to want to go to Colorado, so set an up meeting, and drive down and visit?

Dave

-watershed grants-who is treasure?Laurie was never saw a treasure report there either.

Send letter for encrypted codes certified.

Wait for audit to get idea find out what forensic will cost.

SteveS- they few and far between.

Doug- one in Billings & one in Dakota.

Dave-will ask and find out.Doug has to sign the paper.

SteveS-do you know how many grants are active?

Dave-

the he other ones have money, CBM that you were involved in and watersheds.

Dave-make sure GLCI grant money is available. \$2200 is federal money.

SteveL-if you look at paystubs she was taking a couple of thousand dollars a month.

There are four grants.

SteveS-how much there is still to do it.

Dave-would like to find out what money is left in them, if could arrange to a meeting and have all chairman's of the watershed and Dave Martin.

SteveS-

will work with and if open contract can work with how much to be spent and billed for, if reports missing to get back current. Need to do with each grant. for one the rosebud needs got as administrator of the grant can ask grantor what is there.

SteveL-

Laurie said when she got back she was going to file all the money for the grant.s

Doug-who wants to be responsible for documentation.

SteveL-his paper needs to be filed.

SteveS-

does know of a guy that did work with government and is now a consultant working out of Billings. To see he might be available to do some work but do have a sense of direction and has seen alot of these things.

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Document list:

Loan
Irregular travel expense
Treasure reports inaccurate 27.5 hour days
Pay period irregular
Encrypted files
Passed out password
Put in agenda for next meeting
Send letter certified for codes

Balance and distribution of grants.

Need to have a meeting and chairmen of grants
Art and Scott
Dave-will encourage to have done by next meeting.
What after send a letter to get the key?
Rocky-made a note if needed to take off site.
Don-who contact?
Rocky-don't know, find out who could guaranteed to read the encrypted files.
Bobbi will make calls.

Dave there was justification she was writing grants to pay her wages.

OLD BUSINESS:

9:00 pm:

Rosebud Watershed Group: The November 12 meeting was cancelled.

Tongue River Watershed Alliance: Bobbi has not done any work since the last meeting with the group other than an email or two. Previously the board decided that Bobbi would continue to do her work on the watershed 10 hours a week on her own time and then bill the grant for \$2500 a year. Bobbi spoke with Dave Martin, DNRC, and it is not an option to work the 10 hours on her own time, the district may pay time and a half for the extra 10 hours a week, but the grant is administered through the district as is the agreement and if she goes over her 40 hours. If the district would like to put up for bid a private contractor to coordinate for the groups then the funds would still be run through the district but it wouldn't be taking my time.

YRCDC: Don will have a report.

Biggest thing is tester watershed bill

Been in to the hill went to Black Foot Challenge and got, Deschutes watershed in Oregon but trying to undermine the conservation district role in watershed,

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and based on water for America, which is all of the potential I the worked will became a water stealing program.

Don- rosebud cd sponsored a resolution- talked to Liz Ching, Tester, Baucus are sponsoring, if read the bill don't want.

Warren Kellogg working with Liz to change the language to include conservation districts

Doing legislative dinner on Jan 30.

Going to that

Studies are where they are going to get at this time

Cancelled symposium when get done,

Another five years

Finished, mapping up and down the river found guy to do economics study

Lots going on because of administration

Core wants to jump in middle

Don-pushing to do work on this dam here is similar to what they are doing at Intake.

\$30 million authorized.

Want to line irrigation ditches

Its go through gravel pits, water leaking out,

Dave-Agri-news, Martin Slew suit when start ditch lining, research and improve fisheries, if do anything to improve seams to him that then the public has access. Lined his slew with rocks and improved and then public FWP took it over made it into public

Don that is a good consideration

Major consideration is that 90 percent of Re-charge in Yellowstone is from irrigation

What decide here is need a way to approach this

Companies are lining up for this water, warren and don saw problem when first tool a look at this, when line and make efficient what is going to happen to the water.

Want to get people in cd's to discuss what we think is important and want to see done on the Yellowstone want to see what it s done on the Yellowstone come out of the cd's want grass roots driven.

Dave planning boards, subdivisions. Dave more sewer system designs with AFO and CAFO.

You think about what you think should be done with \$30 million.

Alan-what do you think the time frame is for here at dam?

Don-5 years.

Alan-will they take the dam out?

Don-He thinks it will be similar to what they did at Intake.

Lining irrigation districts.

Planning boards.

Be thinking about what we can do.

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Want to encourage people to come to the conservation districts to have local what they want
Each district should get their pay.

Range Committee:

Dave-move that reimburse the range committee for the workshop.

Don second.

Discussion

All in favor passed

Desk-Bobbi ordered the desk from the Gallery, payment needs to be made and she will call when it arrives.

Bobbi has been filling out daily log of work she is doing. If you would like copies at each meeting please let her know, when the New Year starts she will be using the red appointment book.

9:30 pm:

NRCS Report: Rocky will give report

We been working on won audit

Whole agency in the nation

Have to account for every active equip for right balance for open obligations kind of what FSA went through with right signatures has to be done by the end of December between two counties about 85 to look at and are pretty active.

Have a second level review go through once certify

Going through if need to terminate are terminating if have an open obligation and expired, if expired 3 months later extend and then pay, going through own audit, going through lease's signature

Went to new Ag Waste guy that took Mark Okely and McNeal =new regulator DEQ guy pretty sharp AG engineer by trade, knows AG Waste, compared to kids out of college, so that push might be on again, workshop for people who have existing permits, he will send out letters in eh count, good that didn't get some of these things installed, new issues the circular 9 has been certified which is the law for Ag-Waste no idea about the 100 yr flood plain cant do anything with these guys on the river.

NEW BUSINESS:

Jim is to point of cease order could be in 25 years.

Rocky-would have to build a dike within 1 foot of the 100 year and pump it out.

Going to do an inventory which he thought they had done.

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The technology they are going to be using in feedlots is if you don't know how many cows you have in feedlot he can tell you.

Nothing on new Ag Bill for EQIP, probably until get done with audit

Want input from ranking at local work groups if you think need to be doing certain things, ex strip till, Russian olive,

Annual Banquet:

Hysham is hosting the annual banquet in 2009. Bobbi will assist where she is needed. What type of presentation would the board like her to work on for RCD? February 8th.

Work with Danae on power point

Conservationist of the year award: need to make a decision.

Rocky-Craig Weight has been doing things.

Doug-have pictures?

Rocky-yes.

H & H Farming- Mark Helend in Angela is doing interesting things grazing summer flow gone to no til and he buys stockers to graze his fowl year and now no-til back into blocks that grazing saves on chemical

Darryl Luther has done a good job with stock water.

Craig Weight

Doug -pictures?

Rocky- yes.

Dave-did they do any rich tilling?

Rocky-

pretty much staging no till and messing around with some of annual legumes with plow down.

Don Bottrell done a lot of work on his own.

Or Luman, and Hartmans.

- SteveL- Moved that Mark Hellend of H&H Farms be the recipient of the Conservation Distrct Producer Of the Year Award.
- Don-seconded.
- All in favor the motion passed.

Insurance: Bobbi has not yet spoke with the county on their insurance

Insurance is 550 month with the same benefits

Verizon phone:

Bobbi has requested that the phones be disconnected on December 10, and worded with Dennis Kenney so that when he gets his own lines he may have the same number as before.

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Personnel Policy & Handbook:

The board would like to make some changes to the personnel handbook. A copy of the personal handbook on file at the district is included in your packet. Please review in advance so you are prepared.

Board Members-

Oath of office-will need to be done in January-who is up for election?
Petitions for nomination of office?

There has been no response from Colstrip to fill Jim Rogers position on the board.

Bobbi is working with DNRC to make sure that you are all qualified and have all of the information that you need.

Put on agenda

- Alan-moved that Dave be appointed Treasurer.
- SteveL-seconded.
- All in favor motion passed.

Dave will go and get report s and statemenst from treasure office and the bank.

Which deposits where?

All loan deposits and Administrative fees are deposited into the Loan account. Bobbi needs specifics on which deposits to make into the District account at the Court House and the District Account at the Bank.

Contact Dave if there is a question

Conservation District Tech Applications-write a note that funding has delayed and in the position will be reevaluated in the spring.

Copies of all of the application(s) received are in your packet who and when would you like to have interview(s).

Bobbi & Laurie Payroll-

Bobbi has gone back to the first day that Bobbi worked and Laurie worked through the pay vouchers (Stubs) and mapped on calendars when each was paid. Please review both Bobbi and Laurie's pay calendars. It will give the board a better understanding of where they are with payroll. These are not guaranteed to be 100% accurate because each time was different. I also started with 2007-2008, and then went to 2006, then 2004 to 2005. 2007 is assuming that Laurie was not ahead on payroll and then 2006 are the same. I apologize I did try and make them as simple as possible but you can see where it gets confusing. The amounts are that was take home pay not gross pay and they are the total amount including all travel and reimbursement checks. They are

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placed on the calendars the day that Laurie printed or wrote out the checks.

Website:

When the website was shutdown, all rosebudcd.org email addresses were as well. Don does have dyoungbauer@yahoo.com. Alan yours was never set up anyways, so no worry there. I do want to confirm that all email and contact information is correct for all board members and me. If/when the board would like to start a new website with the district, Bobbi will look into the emails as well.

Newsletter:

Time has not permitted Bobbi to work on the Newsletter due out this month. It will be late. Bobbi has sent out an email to Big Horn conservation district regarding the newsletter.

Open Mike Board Members:

Steve L-

Vic Riggs was upset that the 310 was approved before he even saw it, it was approved before he had a chance to tell his opinion

Steve it isn't the first time that the board has approved pending his approval, Steve did try and explain to him that it might be a while, Vic said that as soon as approved pending FWP and they have no authority, then it make what he is doing not even relevant, he want the district to wait until he has a chance to give his opinion,

Doug-

what if he turns it down, if he turns it down and it is approved he has not authority?

Dave-nothing really against the Ballensky project by itself.

SteveL-

tried to explain our side, that sometimes it might be 6 weeks for a meeting.

Dave-it would be nice if he to come to meeting then could explain our points.

Dave-what is sense of 310 apply here,if have to go to him first.

Steve are approving all of the information.

Doug-without their information not impertinent.

Invite Vic to meeting to explain to board.

Public Comment:

Future agenda items:

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11:20PM: Adjourn

- Alan-motion to adjourn.
- Dave-second.
- All in favor motion passed.



CHAIRMAN, DOUG MCRAE

1/14/2008

DATE



ADMINISTRATOR, BOBBI L VANNATTAN

1-17-08

DATE

