



Big Hole Watershed Committee

Annual Governing Board Business Meeting Minutes

Wednesday, January 18, 2017
Fairmont Hot Springs Resort – Fairmont, Montana

In Attendance

Jennifer Downing, BHWC; Tana Nulph, BHWC; Pedro Marques, BHWC; Jim Dennehy, Butte-Silver Bow Water Utility, BHWC; Tom Welsch, Big Hole River Foundation, BHWC; Hans Humbert, Rancher/BHWC; Roy Morris, GGTU/BHWC; Erik Kalsta, Rancher/BHWC; Steve Luebeck, Sportsman/BHWC; Jim Hagenbarth, Rancher/BHWC; Mark Kambich, Rancher/BHWC; and Peter Frick, Rancher/BHWC.

Introductions *Attendees introduced themselves.*

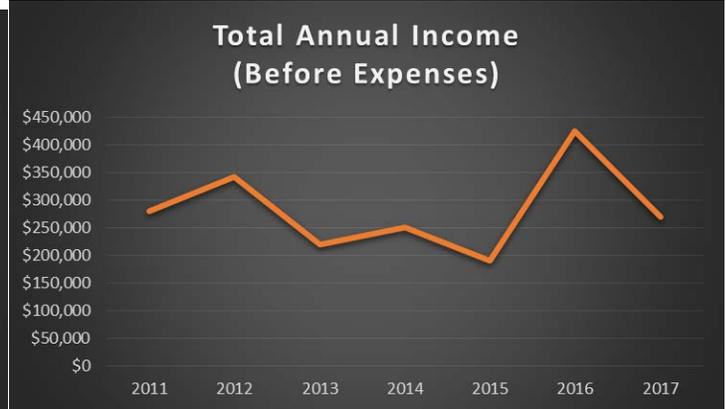
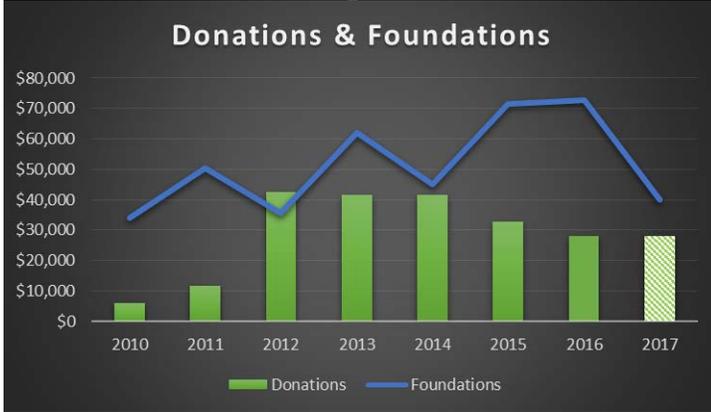
2016 Year in Review

- New branding tools, new website launched June 2016.
- Governing Board updates:
 - New governance:
 - As of 1/20/2016, all governing board members became “Directors of the Organization”, Steering Committee members are “Officers”.
 - Bylaws updated.
 - Articles of Incorporation updated.
 - Conflict of Interest Policy updated.
 - Bill Cain, Garth Haugland, Doug Finnicum, and Joe Willauer retired from Governing Board.
- Staff:
 - Full-time:
 - Jennifer Downing, Executive Director.
 - Tana Nulph, Conservation Programs Coordinator.
 - **NEW in 2016** – Pedro Marques, Restoration Programs Manager.
 - Seasonal:
 - Chet Robertson, Upper Big Hole Range Rider.
 - Kim Bingen, Wildlife Programs Technician (drives Carcass Removal dump truck and will manage operations at Carcass Compost Facility).
 - **New in 2017** – Middle Big Hole Range Rider (to be selected pending availability of funding).
- Big Hole River Incentive Program launched:
 - 3 landowner contracts in place and payments made in 2016: \$59,000.
 - 5 landowner contracts drafted for 2017.
 - 5 additional landowners with proposed lands.
 - Project contract moved to BHWC.
 - Payment structure and resource benefit refined.
 - Alignment with similar programs.
 - Lessons learned and applied to Year 2.
 - Future funding and strategy.
- Mount Haggin partnership and tours:
 - Partners:
 - Natural Resources Damages Program, ARCO, and advisors.
 - Montana Fish, Wildlife and Parks.
 - Big Hole Watershed Committee and contractors.
 - Montana Department of Transportation.
 - Hosted Water Activities Working Group (WAWG) Tour in August.

- Interpretive sign installed at California Creek.
- Oregon Creek project development.
- 4 funding proposals made to DNRC RDGP and DEQ 319 (none of these proposals were funded, but we will adapt our funding strategy and may find that it's a good thing to be less dependent on State funding).
- French and Moose Creek construction:
 - Construction July-November, finished ahead of schedule and under budget, with additional work completed.
 - 8 acres of new floodplain.
 - 30,000 cubic yards of mine tailings removed.
 - Stream length increased 25%, sinuosity increased 30%.
 - 2200 container plants, 200 pounds of seed and thousands of willow stakes installed.
- California Creek and Mount Haggin Uplands:
 - Restoration of smelter-impacted lands – reseed uplands, repair riparian, improve road and culverts, and plug gullies.
 - Work completed through partnership between NDRP-MFWP-BHWC. (Pedro has invested significant effort and has been the driving force behind these projects – great job Pedro!)
 - Reduce sediment, increase natural water storage and improve natural habitat function.
 - Additional \$60,000 awarded.
 - Uplands seeded in 2015 showed growth in 2016.
- Big Hole River Drought Management Plan (DMP):
 - DMP 2016 published.
 - DMP in action June-October.
 - USGS fees:
 - \$3,100 = 3 temperature.
 - \$5,280 = 4 Upper Big Hole.
 - River Conditions webpage – introduced with new website in June. Has already experienced a great deal of use.
 - Drought management within upper Missouri/National Drought Resiliency Partnership.
 - DMP subcommittee met in December to plan for 2017.
- River Recreation Rules:
 - River Recreation Rules review and shoulder season issue.
 - River Recreation Rules and interaction with Drought Management Plan.
 - River Recreation Rules up for review, discussed at 2016 BHWC Governing Board Business Meeting.
 - Divide between guiding community and everyone else grew as a result.
 - Commentary:
 - Social media, editorials, blogs, magazines, emails, phone calls.
 - Recreationist commentary increasing.
 - Takeaway message: Education and understanding is the greatest limiting factor. Our voice is important. Will consider communication strategy.
- Wildlife & Uplands:
 - Wildlife program growing.
 - Range Rider photographed a grizzly bear in the Upper Big Hole:
 - BHWC produced press release – was distributed nationwide.
 - Officially introduced grizzly management to the Big Hole watershed. Invited to participate in Southwest Montana Bear Education Working Group.
 - Big Hole Sage Grouse Working Group convened.
 - Wildlife Speaker Series event held at Jim Hagenbarth's ranch – 2016 topic was reptiles and amphibians.
 - Upper Big Hole Range Rider – 2016 was Year 6:
 - Operates July-September.
 - No livestock loss on Upper Big Hole Range Rider program allotments in 2016.
 - Middle Big Hole Range Rider – proposed for 2017:

- Requested by producers.
 - Developed in 2016.
 - Will operate in 2017 pending availability of funding.
- Carcass Management and Wisdom Compost Site:
 - Carcass Removal service provided in 2015 but not in 2016 due to funding delay.
 - Carcass Removal will be provided in 2017 pending availability of dump truck; funding secured.
 - BHWC's Upper Big Hole Carcass Compost Facility:
 - Adjacent to the Wisdom MDT Maintenance Shop.
 - Lease agreement between BHWC and MDT reached, in place. BHWC leases State land for \$150/year.
 - Carcass Compost Facility expected operational spring 2017; funding secured.
 - BHWC staff will operate.
- Leading Partnerships:
 - **NEW** – BHWC has a seat on the Montana Watershed Coordination Council.
 - **NEW** – BHWC severing as Chair of Missouri Headwaters Partnership.
 - Partner in:
 - National Drought Resiliency Partnership.
 - High Divide Collaborative.
 - Beaverhead Interagency Coordination Meetings.
- Monthly Meetings and Outreach
 - 10 monthly meetings held, including cloud seeding seminar and coordination meeting with CCAA staff.
 - 2 newsletters published.
 - Emails.
 - Social media.
 - Regular website posts and updates.
 - State and Federal Employee Charitable Giving Campaigns (contributions through workplace).
- Happening Around Us:
 - State updating Drought Response Plan in 2017.
 - State adjusting funds available and response to water issues and other watershed issues.
 - Increasing public pressure and attention on water and natural resources.
 - Watershed groups growing statewide.
 - Zebra/Quagga mussels located in Montana.
 - More Endangered Species Act listing decisions coming.
 - 2017 Legislature in session.
 - New changes anticipated in federal funding, etc.
- Financial Trends:
 - Net Profits:
 - Total Annual Income (before expenses):
 - 2016 was a record year. Annual income expected to decrease in 2017, as 2016 was a special case – there won't be many years like that!
 - Donations and Foundations:
 - 2012-2013: huge amount of donations due to crisis situation.

- 2014-2016: donations down, foundation contributions down. Can be a direct reflection of how much effort we are putting towards ensuring people remain engaged and bought into our organization and cause. In 2017, at bare minimum, we hope to bring in as much in donations as in 2016 –hopefully more! Effort has been more focused on project dollars and grant funds.



- 2016 Balance Sheet (attached).
- 2016 Profit & Loss Budget Overview (attached).

- *Discussion: Reflect on 2016 and our Current Status. Thoughts, Feedback?*
 - *I think we have a great legacy and there's a lot of trust involved with the group. I'm sad to see some people not with us anymore. As I look at the last year, it's been so divisive. I'm discouraged by it, because there's such a thing as a water right and such a thing as a privilege to use the water. Looking forward, I'm hoping something can be done to reduce that division. But I think you guys do a good*

job.

- *I think the move you're making with the marketing is a great thing. Having seen the High Divide video this fall, I think that lays a lot of groundwork for what we're talking about here. Maybe a lot of the contention is a generational issues with our guides – they've turned over and the current ones are not as up-to-date on the issues. They need to be educated. I think the lack of education is where a lot of the friction is coming from. (High Divide video available at <https://vimeo.com/184296972>).*
 - *We've talked about putting together some sort of material to address the information gap – this era of commercial users on the river have never really experienced the extreme low flows that the DMP was created to prevent. They think fishing occurs all summer, every year and something is wrong if it doesn't. But the DMP was never meant to provide fishable flows each year; it was created to prevent extreme low flows from causing permanent damage to the fishery. We need to put together a pamphlet or video to let people know about extreme drought conditions we've faced in the past (like in 1988) and how those years compare to current drought years. People have forgotten what it was like back then – the new commercial fisherman don't really understand what the DMP is protecting and what it would be like in the absence of a drought plan.*
 - *In 2016, we had less precipitation and hotter conditions than in 1988, but our lowest flow was ~90 cfs higher than our lowest flow in 1988. We need to get that message out there to show how important and effective our DMP is. If commercial fisherman could visualize what it was like in 1988 – with the river nearly dry in places – they would be more able to understand the impact of the drought plan.*
 - *We need multiple entities/groups to get behind this.*

- *MFWP videography team may be a good option to put together a DMP video.*
- *There are two big parts to this – once the video is made, we need to get it to the right people.*
- *We need to encourage more participation among board members at the meetings – we should address that in 2017. We especially need to get more guides at the table. At a meeting in Dillon this year, there was a group of younger guides that were there to not in support of BHWC – luckily, one of our board members was present and was able to educate them and get them on the right track. It's very important to get them involved and informed. And we need to put ourselves in their shoes – many of them are young, have families to support, and they lose money when sections of the river close and they have to cancel fishing trips, so their frustration is understandable. We have a huge opportunity to get these folks involved.*
- *We're facing less and less support from agency partners and increased pressure to keep water in the river. We've got a lot of steam behind our organization, and we hope to be able to pick up that slack and keep the resource stable or increasing in terms of quality.*
- *We need to think 10 years out and get more young folks at the table.*

2017

- Governance:
 - Director Vacancies and Roles:
 - Term Elections:
 - Peter Frick: **Approved – 3 year term.**
 - Liz Jones: **Approved – 3 year term.**
 - Mark Kambich: **Approved – 3 year term.**
 - Tom Welsch, BHRF: **Approved – 3 year term.**
 - Jim Berkey, TNC: **Approved – 3 year term.**
 - Harold Peterson, BVHD CD: **Approved – 3 year term.**
 - Steering Committee Elections:
 - #1: Chairman – Randy Smith: **Approved – 1 year term.**
 - #2: Sportsman – Steve Luebeck: **Approved – 1 year term.**
 - #3: Secretary position (previously held by Bill Cain) – proposed replacement: Roy Morris, GGTU.
 - *Discussion:*
 - *What is Roy's background?*
 - *He delivered bulk fuel in SW Montana and knows most of the Big Hole area ranchers. He works for a guiding outfit. He has good business sense and ran a couple of convenience stores for several years.*
 - *I think he'd be a good fit because he's been very knowledgeable sitting in on this governing board.*
 - **Consensus: Approved – 1 year term.**
 - #4: Vice Chairman – Jim Hagenbarth: **Approved – 1 year term.**
 - Board Vacancies:
 - #16: Fishing Guide representative – proposed replacement: Eric Thorson, Sunrise Fly Shop.
 - #22: Rancher – lower Big Hole – proposed replacement: Mark Rafferty.
 - #17: Resident & Sportsman – proposed replacement: Paul Cleary.
 - *Comments: Bought some land near the notch – a good guy, good candidate for our board.*
 - #20: Beaverhead County Representative (previously Garth Haugland).
 - *Discussion:*
 - *Can we have more than one guide on the board?*
 - *Yes, only one would be the official guiding community representative, but there can be additional guides on the board.*

our water. They should be up there logging now. But it's a tough industry to crack with the USFS facing lawsuits, lack of resources, etc.

- *See if BHWC can support work.*
- *Certain states want to take Federal land and put them under State control. States don't have the resources, but decisions should be made locally. Working groups like ours should be providing information.*
 - *It's difficult because we all only have so much time – we all have businesses to run, jobs to go to, etc.*
 - *It's important for each board member to choose 1-2 issues that they're informed and passionate about and champion those.*
- *Congratulations to Jen on the effort put into the organization and this meeting.*

Upcoming Meetings

- February 15, 2017, 6pm @ the Divide Grange – BHWC Monthly Meeting. Topic: TBA.
- March 15, 2017, 7pm @ the Wisdom Community Building – BHWC Monthly Meeting. Topic: Upper Big Hole Arctic Grayling Recovery Update.

Adjourn

Big Hole Watershed Committee

Balance Sheet

01/17/17

As of December 31, 2016

Accrual Basis

| | <u>Dec 31, 16</u> |
|--|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 10100 · First Montana Bank | 72,220.80 |
| 10700 · CD's - Temp Restricted | 15,589.41 |
| Total Checking/Savings | <u>87,810.21</u> |
| Other Current Assets | |
| 12000 · Undeposited Funds | 49,364.71 |
| Total Other Current Assets | <u>49,364.71</u> |
| Total Current Assets | 137,174.92 |
| Fixed Assets | |
| 16400 · Furniture and Equipment | 21,818.30 |
| 16415 · Accumulated Depreciation F & F | -12,976.00 |
| Total Fixed Assets | <u>8,842.30</u> |
| TOTAL ASSETS | <u>146,017.22</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20100 · Accounts Payable | 1,955.49 |
| Total Accounts Payable | <u>1,955.49</u> |
| Other Current Liabilities | |
| 21100 · Payroll Taxes Payable | 4,690.84 |
| Total Other Current Liabilities | <u>4,690.84</u> |
| Total Current Liabilities | <u>6,646.33</u> |
| Total Liabilities | 6,646.33 |
| Equity | |
| 32001 · Unrestricted Net Assets | 139,824.90 |
| Net Income | -454.01 |
| Total Equity | <u>139,370.89</u> |
| TOTAL LIABILITIES & EQUITY | <u>146,017.22</u> |

| |
|--|
| Checking Acct: \$72,220.80 + \$49,364.71 = \$121,585.51 |
|--|

Big Hole Watershed Committee Profit & Loss Budget Overview January through December 2016

| | Jan - Dec 16 | Budget |
|---|-------------------|-------------------|
| Ordinary Income/Expense | | |
| Income | | |
| 40100 · Donations / Ind. Contributions | 28,140.67 | 41,400.00 |
| 40110 · Donations/Ind. Contrib - Unrest | | |
| Total 40100 · Donations / Ind. Contributions | 28,140.67 | 41,400.00 |
| 42300 · Foundation and Trust Grants | 72,771.33 | |
| 42310 · Found. & Trust Grants - Unrestr | | |
| Total 42300 · Foundation and Trust Grants | 72,771.33 | |
| 42500 · Nonprofit Organization Grants | | |
| 42510 · Nonprofit Org. grants - unrestr | 0.00 | 25,000.00 |
| 42500 · Nonprofit Organization Grants - Other | 25,000.00 | |
| Total 42500 · Nonprofit Organization Grants | 25,000.00 | 25,000.00 |
| 45000 · Government Grants | | |
| 45310 · State Grants - reimbursed | 298,291.95 | 287,659.00 |
| 45000 · Government Grants - Other | 0.00 | 26,000.00 |
| Total 45000 · Government Grants | 298,291.95 | 313,659.00 |
| 53610 · Interest-Savings, Short-term CD | 151.21 | 240.20 |
| 54910 · Miscellaneous Revenue | 250.00 | |
| Total Income | 424,605.16 | 380,299.20 |
| Gross Profit | 424,605.16 | 380,299.20 |
| Expense | | |
| 72000 · Payroll | | |
| 72200 · Salaries and Wages | 136,522.50 | 116,956.00 |
| 72500 · Payroll taxes, etc. | 10,197.77 | 7,476.52 |
| 72600 · Health Care Premiums | 5,486.55 | 2,278.92 |
| Total 72000 · Payroll | 152,206.82 | 126,711.44 |
| 75000 · Contract Services | | |
| 75200 · Accounting Fees | 1,004.58 | 1,200.00 |
| 75300 · Legal Fees | 2,397.25 | 2,950.00 |
| 75400 · Professional Fees - other | 470.00 | |
| 75410 · Outside Contract Services | 232,826.78 | 207,546.90 |
| Total 75000 · Contract Services | 236,698.61 | 211,696.90 |

Donations declined

1. Awarded additional funding.
2. Moved Pedro from contract to staff.

Big Hole Watershed Committee Profit & Loss Budget Overview January through December 2016

| | Jan - Dec 16 | Budget |
|---|-------------------|-------------------|
| 80000 · Operations | | |
| 81100 · Supplies | 3,094.59 | 1,200.00 |
| 81200 · Bank charges | 232.32 | 250.00 |
| 81300 · Telephone, Telecommunications | 3,300.00 | 2,760.00 |
| 81400 · Postage, Mailing Service | 2,075.55 | 2,810.41 |
| 81700 · Printing and Copying | 6,192.78 | 6,082.40 |
| 81800 · Books, Subscriptions, Reference | 3,486.16 | 3,021.00 |
| 81900 · Credit Card Processing | 325.98 | 240.00 |
| Total 80000 · Operations | 18,707.38 | 16,363.81 |
| 82000 · Facilities and Equipment | | |
| 82200 · Meeting Room Fees | 581.98 | 450.00 |
| 82600 · Equip Rental and Maintenance | 0.00 | 24.89 |
| Total 82000 · Facilities and Equipment | 581.98 | 474.89 |
| 83000 · Travel and Meetings | | |
| 83100 · Travel | 4,799.31 | 0.00 |
| 83200 · Conference, Convention, Meeting | 1,130.92 | 1,090.00 |
| 83300 · Mileage Reimbursement | 4,887.33 | 4,800.00 |
| 83400 · Meeting Refreshments | 1,567.12 | 300.00 |
| 83000 · Travel and Meetings - Other | 162.52 | 0.00 |
| Total 83000 · Travel and Meetings | 12,547.20 | 6,190.00 |
| 85000 · Other Types of Expenses | | |
| 85210 · Insurance - Liability, D and O | 1,603.07 | 2,431.34 |
| 85300 · Memberships and Dues | 135.00 | 150.00 |
| 85400 · Staff Development | 0.00 | 89.00 |
| 85600 · Outside computer services | 269.25 | |
| 85700 · Advertising expense | 1,303.49 | 181.37 |
| 85800 · Tax and Licenses | 15.00 | 15.00 |
| 85900 · Other expenses | 40.00 | |
| Total 85000 · Other Types of Expenses | 3,365.81 | 2,866.71 |
| Total Expense | 424,107.80 | 364,303.75 |
| Net Ordinary Income | 497.36 | 15,995.45 |
| Other Income/Expense | | |
| Other Expense | 951.37 | |
| 90000 · Ask My Accountant | 951.37 | |
| Total Other Expense | -951.37 | 0.00 |
| Net Other Income | -454.01 | 15,995.45 |
| Net Income | -454.01 | 15,995.45 |

1. Added 1 employee
2. Much more project travel for incentive program and Mt Haggin.

2016 \$ pushed into 2017

Big Hole Watershed Committee Elections & Proposed Replacements 2017

Governing Board may have between 16 and 26 Directors. Current = 18.

| Seat | Name | Representing | Term Start | Gov Board | | Election Results or Next Steps | |
|---|--------------------------------------|---------------------------|------------|---------------------|------------------------------|--------------------------------|--|
| | | | | 2016 Length (years) | Governing Board Renewal Year | | |
| 1 - Chairman | Randy Smith | Rancher - Lower Big Hole | 1/20/2016 | 3 | 2019 | | |
| 2 - Treasurer | Steve Luebeck | Sportsmen | 1/20/2016 | 2 | 2018 | | |
| 3 - Secretary | Vacant (Bill Cain - Resigned 9/2016) | | | | | | |
| Proposed Replacement: Roy Morris, GGTU | | | | | | | |
| 4 - Vice Chairman | Jim Hagenbarth | Rancher | 1/20/2016 | 3 | 2019 | | |
| 5 | Dean Peterson | Rancher - Upper Big Hole | 1/20/2016 | 2 | 2018 | | |
| 6 | Peter Frick | Rancher - Upper Big Hole | 1/20/2016 | 1 | 2017 | | |
| 7 | Ray Weaver (!) | Rancher - Upper Big Hole | 1/20/2016 | 3 | 2019 | | |
| 8 | Hans Humbert | Rancher - Upper Big Hole | 1/20/2016 | 2 | 2018 | | |
| 9 | Liz Jones | Rancher - Middle Big Hole | 1/20/2016 | 1 | 2017 | | |
| 10 | Phil Ralston | Rancher - Middle Big Hole | 1/20/2016 | 3 | 2019 | | |
| 11 | John Reinhardt | Rancher - Middle Big Hole | 1/20/2016 | 2 | 2018 | | |
| 12 | Mark Kambich | Rancher - Middle Big Hole | 1/20/2016 | 1 | 2017 | | |

* Steering Committee members need to be elected to officer positions annually, in addition to Governing Board terms.

| | | | | | |
|---|--|--------------------------------------|-----------|---|------|
| 13 | Erik Kalsta | Rancher - Lower Big Hole | 1/20/2016 | 3 | 2019 |
| 14 | Cindy Ashcraft | Rancher - Lower Big Hole | 1/20/2016 | 2 | 2018 |
| 15 | Tom Welsch | Big Hole River Foundation | 1/20/2016 | 1 | 2017 |
| 16 | Vacant | Fishing Guides | | | |
| Proposed Replacement: Eric Thorsen, Sunrise Fly Shop | | | | | |
| 17 | Roy Morris | George Grant Chapter Trout Unlimited | 1/20/2016 | 2 | 2018 |
| 18 | Jim Berkey | The Nature Conservancy | 1/20/2016 | 1 | 2017 |
| 19 | Jim Dennehy | Butte-Silver Bow County Water Dept. | 1/20/2016 | 3 | 2019 |
| 20 | Vacant (Prev. Garth Haugland - Resigned 12/2016) | Beaverhead County | | 2 | 2018 |
| Replacement? | | | | | |
| 21 | Harold Peterson | Beaverhead Conservation District (!) | 1/20/2016 | 1 | 2017 |
| 22 | Vacant (prev. Jaime Wood) | Rancher - Lower Big Hole | | | |
| Proposed Replacement: Mark Rafferty | | | | | |
| Replace 17 | Vacant (Prev. Bill Cain) | Resident & Sportsman | | | |
| Proposed Replacement: Paul Cleary | | | | | |
| Recruitment: | | | | | |
| Proposed: Andy Sueneram | | | | | |
| | | Resident & Sportsman Lower Big Hole | | | |
| Proposed: Blake Huntley | | | | | |
| | | Upper Big Hole Rancher | | | |

Governing Board Members – for January 18, 2017: Below is a proposed 2017 conflict of interest policy, a subsequent draft to the conflict of interest policy that was adopted January 2016 after additional reviews were made. The black wording is 2016 language. The blue are the 2017 proposed changes – either adding new language or crossing out 2016 language to be deleted. Please review and be prepared to either adopt the new 2017 version or offer additions/changes at the January 18 meeting. The intent is to revise some of the wording for improved readability and use.

Big Hole Watershed Committee Conflict of Interest Policy

Purpose

The Big Hole Watershed Committee is committed to operating with integrity, trustworthiness, and in compliance with the law. The purpose of this policy is to require that members of the Board of Directors disclose to the Committee any situation that may involve a conflict of interest, so the organization can review and handle these situations properly.

Having interests and relationships that may involve a conflict of interest is almost inevitable, because our directors are active in their communities and have private lives apart from their role with the Big Hole Watershed Committee. Violation of this policy occurs only from the failure to disclose and handle such situations properly, not from the mere fact that a conflict of interest exists.

The Big Hole Watershed Committee wants its directors to err on the side of caution in disclosing situations that may involve conflicts of interest, so the organization can determine independently whether a conflict of interest is involved. Failure to disclose or to properly handle a conflict of interest violates this policy and may result in discipline, as well as potential tax penalties to those who improperly benefit from or approve a transaction involving a conflict of interest.

Policy

1. A director shall ~~act in the best interest of the organization and not in their own self-interest or that of not use his or her position or information gained through their position with the Big Hole Watershed Committee for personal financial benefit or for the personal financial benefit of related parties, including~~ the director's spouse, siblings, parents, children, or business associates or entities- in which the director or related parties have a financial interest ("related parties"). Whenever any director first becomes aware that he or she may have a direct or indirect, actual or potential conflict of interest concerning any matter that comes before the director or -the Board, or any of its committees, that director must promptly disclose that actual or potential conflict of interest, in writing or orally,- to the Board of Directors or to the interested relevant committee. Any such disclosure shall be attached to or recorded in the minutes of the ~~next~~ meeting of the Board of Directors or committee at which the disclosure is made.

~~_____ Note: This is somewhat narrow because it is limited to 'personal financial benefit.' May _____ want to consider broadening it to include any substantial benefit, consistent with the language of the next paragraph.~~

2. At any meeting, a -director shall not vote on or participate in the discussion of an issue (other than to provide facts or to answer the Board's or committee's questions) in which the director or any related party has a direct or indirect conflict of interest, or which otherwise personally and substantially affects the director or related parties, or if the issue could be viewed as giving rise to a conflict or a potential conflict of interest. Such issues may include, but are not limited to,

legal matters, vendor and services contracts, and land transactions, ~~or other matters that may apply. (Last phrase has no clear meaning.)~~ Any such recusal shall be recorded in the minutes of the meeting.

3. Directors shall not use their position to provide themselves, related parties, or others with private inurement or private benefit (as defined by the Internal Revenue Code and its regulations), and the Big Hole Watershed Committee shall not confer prohibited private inurement or private benefit on or to any other party. This provision is intended to protect the integrity of the Big Hole Watershed Committee and to comply with its duties and obligations ~~(How do you protect 'duties and obligations'?)~~ as a non-profit, tax-exempt organization to operate in the public interest and not for the financial or personal benefit of any person.
4. ~~Directors must refrain from discussing issues about which there may be an appearance of a conflict of interest. (This is too broad, and the intent is unclear.)~~
5. A transaction in which a director has a conflict of interest may be approved by the organization, provided the foregoing Sections 1- 4 of this policy are observed, on the following terms:

(a) In advance of consummation of the transaction by consensus at a meeting of the Board of Directors or any of its committees at which a quorum is present if:

- (i) the material facts of the transaction and the director's interest are disclosed or known to the Board or the committee; and
 - (ii) the directors who approve of the transaction reasonably believe, in good faith, that the transaction is fair to Big Hole Watershed Committee and serves the public interest;
- or**

(b) before or after the transaction is consummated by obtaining approval of the Attorney General of the state of Montana, or by a Montana state district court in an action in which the Montana Attorney General is joined as a party.

For purposes of this Section 5, a conflict-of-interest transaction is authorized, approved, or ratified if it receives the approval by consensus of all directors present who have no direct or indirect interest in the transaction, so long as those directors represent a majority of the disinterested directors on the board or on the committee then in office; however, a transaction may not be authorized, approved, or ratified by a single director. If a majority of the disinterested directors on the board or on the committee then in office authorize, approve, or ratify the transaction by consensus, a quorum is present under this section. Any such approval shall be recorded in the minutes of the meeting, including who was present for the discussion and approval.

6. Each director shall sign a statement which affirms that the director has received, read, understands, and agrees to comply in all respects with this conflicts of interest policy.

Date Adopted:

I have read the Conflict of Interest Policy and agree to abide by it.

Name (print please)

Signature

Date

Big Hole Watershed Committee Conflict of Interest Policy

Revised January 2017

Purpose

The Big Hole Watershed Committee is committed to operating with integrity, trustworthiness, and in compliance with the law. The purpose of this policy is to require that members of the Board of Directors disclose to the Committee any situation that may involve a conflict of interest, so the organization can review and handle these situations properly.

Having interests and relationships that may involve a conflict of interest is almost inevitable, because our directors are active in their communities and have private lives apart from their role with the Big Hole Watershed Committee. Violation of this policy occurs only from the failure to disclose and handle such situations properly, not from the mere fact that a conflict of interest exists.

The Big Hole Watershed Committee wants its directors to err on the side of caution in disclosing situations that may involve conflicts of interest, so the organization can determine independently whether a conflict of interest is involved. Failure to disclose or to properly handle a conflict of interest violates this policy and may result in discipline, as well as potential tax penalties to those who improperly benefit from or approve a transaction involving a conflict of interest.

Policy

1. A director shall act in the best interest of the organization and not in their own self-interest or that of the director's spouse, siblings, parents, children, or business associates or entities in which the director or related parties have a financial interest ("related parties"). Whenever any director first becomes aware that he or she may have a direct or indirect, actual or potential conflict of interest concerning any matter that comes before the director or the Board, or any of its committees, that director must promptly disclose that actual or potential conflict of interest, in writing or orally, to the Board of Directors or to the relevant committee. Any such disclosure shall be attached to or recorded in the minutes of the meeting of the Board of Directors or committee at which the disclosure is made.
2. At any meeting, a director shall not vote on or participate in the discussion of an issue (other than to provide facts or to answer the Board's or committee's questions) in which the director or any related party has a direct or indirect conflict of interest, or which otherwise personally and substantially affects the director or related parties, or if the issue could be viewed as giving rise to a conflict or a potential conflict of interest. Such issues may include, but are not limited to, legal matters, vendor and services contracts, and land transactions. Any such recusal shall be recorded in the minutes of the meeting.
3. Directors shall not use their position to provide themselves, related parties, or others with private inurement or private benefit (as defined by the Internal Revenue Code and its regulations), and the Big Hole Watershed Committee shall not confer prohibited private inurement or private benefit on or to any other party. This provision is intended to protect the integrity of the Big Hole Watershed Committee and to comply with its duties and obligations as a non-profit, tax-exempt organization to operate in the public interest and not for the financial or personal benefit of any person.

5. A transaction in which a director has a conflict of interest may be approved by the organization, provided the foregoing Sections 1- 4 of this policy are observed, on the following terms:

(a) In advance of consummation of the transaction by consensus at a meeting of the Board of Directors or any of its committees at which a quorum is present if:

(i) the material facts of the transaction and the director's interest are disclosed or known to the Board or the committee; and

(ii) the directors who approve of the transaction reasonably believe, in good faith, that the transaction is fair to Big Hole Watershed Committee and serves the public interest;

or

(b) before or after the transaction is consummated by obtaining approval of the Attorney General of the state of Montana, or by a Montana state district court in an action in which the Montana Attorney General is joined as a party.

For purposes of this Section 5, a conflict-of-interest transaction is authorized, approved, or ratified if it receives the approval by consensus of all directors present who have no direct or indirect interest in the transaction, so long as those directors represent a majority of the disinterested directors on the board or on the committee then in office; however, a transaction may not be authorized, approved, or ratified by a single director. If a majority of the disinterested directors on the board or on the committee then in office authorize, approve, or ratify the transaction by consensus, a quorum is present under this section. Any such approval shall be recorded in the minutes of the meeting, including who was present for the discussion and approval.

6. Each director shall sign a statement which affirms that the director has received, read, understands, and agrees to comply in all respects with this conflicts of interest policy.

Date Adopted: JANUARY 18, 2017

I have read the Conflict of Interest Policy and agree to abide by it.

Name (print please)

Signature

Date

Big Hole Watershed Committee 2017 Work Plan

Priority 1: Strengthen BHWC as organization to establish long-term stability and capacity.

Priority 2: BHWC restoration interests with BHWC partners.

Organization

- Complete organizational requirements, including insurances, banking, records, taxes etc.
- Maintain staffing, seek additional employee benefits or support programs. Revise staff descriptions and compensation packages to align with incoming labor requirements and suggestions.
- Expand Donor Perfect: Integrate with QuickBooks
- Continue legal and fiscal oversight
- 2017 – Continue emphasis on Governing Board development, organization longevity.

Projects and Contracts

- a. Mount Haggin: California Creek/Mount Haggin Uplands
 - i. Montana DEQ - California Creek (end June 2017).
 - ii. New NRDP work proposed for 2017+
- b. Mount Haggin: French Gulch/Moose Creek/French Creek
 - i. Final implementation, Monitoring and Final Report
 - ii. DEQ, DNRC, other funders = Final Report Deliverable Fall 2017
- c. Mount Haggin: Oregon Creek
 - i. Not currently funded
- d. Lower Big Hole: Irrigation Infrastructure – refer to next in priority
- e. Lower Big Hole: Smith Slough
 - i. MFWP led project. BHWC providing some grant request support.
- f. Lower Big Hole: Big Hole River Incentive Program – Year 2
 - i. DNRC contract ends 12/2017
 - ii. Develop long-term strategy and additional funding.
- g. Wildlife Programs:
 - i. Compost Facility – Operate facility year 1
 - ii. Carcass Management – potentially including service to Sage Creek
 - iii. Upper Big Hole Range Rider
 - iv. Middle Big Hole Range Rider
 - v. Montana Livestock Loss Board funding
- h. Drought
 - i. 2017 Contract to expand drought management plan
- i. Missouri Headwaters Partnership
 - i. BHWC Chair 2 years
- j. Montana Watershed Coordination Council
 - i. BHWC has position on board.
- k. Organizational Capacity Building
 - i. Next steps in branding materials

Subcommittees

[PEOPLE] Land Use Planning

- Support floodplain map adoption by Anaconda-Deer Lodge, Madison counties
- County DES Plans to be adopted Spring 2017 – use to pursue FEMA funds
- Continue to develop Big Hole River Incentive Program
- Support Land Use Planning needs in the Big Hole.

[WILDLIFE] Wildlife & Range Health

- Support Wildlife program and activities
- Work with partners to identify possible projects to reduce wildlife-livestock conflicts
- Support Big Hole Sage Grouse committee and determine next steps.
- Support weed information and weed spray days
- Grizzly Bear awareness, next steps

[FISH and WATER] Big Hole River Drought Management Plan & Sub-Committee

- Shift to broader water management focus
- 2017 Drought Management Plan – final, publish, implement
- USGS Gage Fees (3 temperature, 4 Upper Big Hole)
- Wise River - next steps for water management opportunities

Projects & Issues

- Identify next project and seek implementation, based on watershed restoration plans.
 - Identify needs and interest
 - Identify pre-project requirements and needs
 - Identify possible funding sources
- Potential Projects
 - Wise River (several)
 - Irrigation Improvement opps.
 - Expand Drought Management Plan to water management, flooding, and emergency response
 - Sage Grouse Assessment
- National Drought Resiliency Partnership results and next steps
- Stay engaged with agency led projects – USFS Pintlar Face

Fundraising

- Develop and implement BHWC Fundraising
- Promote BHWC livestock donations
- Work with Board/SC on fundraising
- Annual Appeal
 - Produce 1 annual appeal mailing per year (fall 2017)
 - Prepare fundraising information for each newsletter
- Grants
 - Maintain calendar of grant opportunities. Stay apprised of new opportunities
 - Research and apply to additional foundation sources
- Fund management opportunities: Work with Montana Community Foundation

Communication and Branding

- Include past restoration projects online
- Next steps in re-branding (print materials, display, web content)

Partners

- Communicate and work with our partners – especially The Nature Conservancy, MFWP, Conservation Districts, local government, etc.
- Engage Technical Advisors to review the recovery and implementation plan and projects.
- *CCAA/Grayling*: Continue to support grayling recovery by supporting of CCAA implementation requirements and CCAA partner needs. Provide annual update of CCAA-reach projects.
- *DEQ and TMDL Progress*: Work with DEQ on progress in attaining water quality standards of TMDL
- *Participate in Partnerships*: High Divide Collaborative, Beaverhead Interagency Council, Missouri Headwaters Partnership, Montana Watershed Coordination Council, The Nature Conservancy programs, National Drought Resiliency, State Water Plan, etc.

Education & Outreach

- Hold 10 Monthly Meetings
- Connect with Big Hole landowners & community (outside of BHWC)
- Produce and distribute at least 2 newsletters
- Utilize and promote Social Media and online outlets
- Use video and crowdsourcing for additional support of BHWC work.
- Continue to populate and update website.
- Public notices (newspapers, online, posters, e-mails, etc.)
- Improve BHWC relationship with outreach resources
 - Increase public exposure to BHWC activities
 - Work with Steering Committee to engage local media in Butte and Dillon.
 - Produce press releases upon the completion of priority projects.
 - Determine potential advertising options to highlight work of BHWC.

Big Hole Watershed Committee Profit & Loss Budget Overview January through December 2017

| | Jan - Dec 17 |
|---|-------------------|
| Ordinary Income/Expense | |
| Income | |
| 40100 · Donations / Ind. Contributions | |
| 40110 · Donations/Ind. Contrib - Unrest | 35,135.67 |
| Total 40100 · Donations / Ind. Contributions | 35,135.67 |
| 42300 · Foundation and Trust Grants | |
| 42310 · Found. & Trust Grants - Unrestr | 44,000.00 |
| Total 42300 · Foundation and Trust Grants | 44,000.00 |
| 45000 · Government Grants | |
| 45310 · State Grants - reimbursed | 189,566.00 |
| Total 45000 · Government Grants | 189,566.00 |
| 53610 · Interest-Savings, Short-term CD | 151.21 |
| 54910 · Miscellaneous Revenue | 250.00 |
| Total Income | 269,102.88 |
| Gross Profit | 269,102.88 |
| Expense | |
| 72000 · Payroll | |
| 72200 · Salaries and Wages | 164,266.00 |
| 72500 · Payroll taxes, etc. | 13,322.00 |
| 72600 · Health Care Premiums | 5,842.85 |
| Total 72000 · Payroll | 183,430.85 |
| 75000 · Contract Services | |
| 75200 · Accounting Fees | 1,004.58 |
| 75300 · Legal Fees | 1,220.00 |
| 75400 · Professional Fees - other | 470.00 |
| 75410 · Outside Contract Services | 26,276.00 |
| Total 75000 · Contract Services | 28,970.58 |
| 80000 · Operations | |
| 81100 · Supplies | 1,200.00 |
| 81200 · Bank charges | 225.00 |
| 81300 · Telephone, Telecommunications | 3,480.00 |
| 81400 · Postage, Mailing Service | 2,075.55 |
| 81700 · Printing and Copying | 7,100.00 |
| 81800 · Books, Subscriptions, Reference | 3,486.16 |
| 81900 · Credit Card Processing | 325.98 |
| Total 80000 · Operations | 17,892.69 |

Big Hole Watershed Committee Profit & Loss Budget Overview January through December 2017

| | Jan - Dec 17 |
|---|-------------------|
| 82000 · Facilities and Equipment | |
| 82200 · Meeting Room Fees | 570.00 |
| Total 82000 · Facilities and Equipment | 570.00 |
| 83000 · Travel and Meetings | |
| 83100 · Travel | 4,800.00 |
| 83200 · Conference, Convention, Meeting | 5,000.00 |
| 83300 · Mileage Reimbursement | 6,000.00 |
| 83400 · Meeting Refreshments | 1,700.00 |
| 83000 · Travel and Meetings - Other | 0.00 |
| Total 83000 · Travel and Meetings | 17,500.00 |
| 85000 · Other Types of Expenses | |
| 85210 · Insurance - Liability, D and O | 1,772.01 |
| 85300 · Memberships and Dues | 135.00 |
| 85600 · Outside computer services | 400.00 |
| 85700 · Advertising expense | 1,000.00 |
| 85800 · Tax and Licenses | 15.00 |
| 85900 · Other expenses | 1,000.00 |
| Total 85000 · Other Types of Expenses | 4,322.01 |
| Total Expense | 252,686.13 |
| Net Ordinary Income | 16,416.75 |
| Other Income/Expense | |
| Other Expense | |
| 90000 · Ask My Accountant | 0.00 |
| Total Other Expense | 0.00 |
| Net Other Income | 0.00 |
| Net Income | 16,416.75 |