



Big Hole Watershed Committee

Monthly Meeting Minutes

January 20, 2016 – 11:00 am

Fairmont Hot Springs Resort

In Attendance Jennifer Downing, BHWC; Tana Nulph, BHWC; Mark Kambich, BHWC/rancher; Phil Ralston, BHWC/rancher; Doug Finnicum, BHWC/BSB Water; Liz Jones, BHWC/Rancher; Dean Peterson, BHWC/Rancher; Harold Peterson, BHWC/Rancher; Jim Olsen, MFWP (technical advisor); Randy Smith, BHWC/Rancher; Bill Cain, BHWC/sportsman; Jim Hagenbarth, BHWC/Rancher; Peter Frick, BHWC/Rancher; Roy Morris, GGTU (representing Scott Reynolds, BHWC/GGTU); Mike Bias, BHRF (representing Tom Welsh, BHWC/BHRF); Steve Luebeck, BHWC/Sportsman; John Reinhardt, BHWC/Rancher; and Jim Berkey, BHWC/TNC.

Introductions *Attendees introduced themselves.*

2015 Review & BHWC Status Report

2011-2014:

- 2011: Planning & Projects
- 2012: Crisis
- 2013: Hunker Down
- 2014: Back to Work, Year of Bliss

2015: Hard Year, Hard Work, Lots of Change & Development

- Wildlife & smoke, drought came early & hot, Jen moved from Wise River to Missoula, BHWC hosted a Big Sky Watershed Corps member, and there were several partner changes & retirements (most notably, Jim Owens, Brainerd Foundation, who has been a huge supporter of BHWC throughout the years). The weed subcommittee transferred to the Montana Weed Control Association (MWCA).

Wildlife

- Upper Big Hole Range Rider:
 - Year 5.
 - Partnership: BHWC, MFWP, Wildlife Conservation Society and People & Carnivores, USFS, USFWS
 - Rider monitored for 8 producers on USFS allotments July-August-September.
 - No livestock kills. Wolf activity reported
 - Interest in 2nd Range Rider in Middle Big Hole.
- Carcass Removal
 - Remove carcass attractant in the Upper Big Hole
 - Partners: Wildlife Conservation Society, People & Carnivores, MFWP, MDT, DNRC, USFWS/Red Rocks
 - Carcass removal completed Spring 2015.
- Carcass Composting
 - Carcass compost facility at Wisdom MDT site. Managed by BHWC.
 - Pending MDT land lease or agreement for site use.
- CVA Coordination
 - BHWC is investigating the possibility of coordinating with the Centennial Valley Association and the USFWS Red Rocks Wildlife Refuge to provide carcass removal one day/week during calving season in the Centennial Valley.
- Sage Grouse
 - BHWC's November 2015 meeting topic was Sage Grouse. Carolyn Sime, MSGOT/DNRC, Craig Fager, MFWP; and Vanna Boccadori, MFWP talked to the committee and the public about the

new sage grouse Executive Order, grant funding related to habitat restoration, and a variety of other sage grouse topics. BHWC considered next steps and the wildlife subcommittee will follow up on the issue.

Land Use Planning

- Big Hole River Floodplain Maps
 - Beaverhead County adoption complete.
 - Anaconda-Deer Lodge, Madison pending.
- Big Hole River Incentive Program
 - Pilot receives funding: \$300,000
 - Target: Lower Big Hole
 - Preparing for 2016 season start

Drought Management Plan 2015

- Upper Big Hole River Flow Gages at 4 sites: \$5,125
- Temperature July – October at 3 sites: \$3,000
- Had a lot of feedback from both guides/outfitters and irrigators in 2015;
- MFWP feedback on administering the DMP.
- Wise River gage – paid for by contributions from The Nature Conservancy and Trout Unlimited, installed by DNRC, one of the first gages in a new tributary monitoring program. One time cost: \$9,263. DNRC maintains.

Watershed Restoration Plans

- Part I: Upper, North Fork Big Hole/Part II: Middle, Lower Big Hole
- WRP's follow TMDL's: Sediment/Temperature/Nutrients/Metals
- Mt. Haggin WMA – projects continued. MDT road relocation moved forward in 2015.
 - Partnership between Montana FWP, NRDP and Funders – MFWP provides direction and BWHC provides management support.
- Projects:
 - California Creek continues in 2016
 - Mt. Haggin Uplands: applying soil amendments and fertilizers to restore native vegetation on bare upland slopes.
 - French Gulch & Moose Creek: 4 miles of stream restoration, native fishery restoration. Secured ~\$1 million. Hope to hit the ground by June and be finished by October. Will have a watershed tour in 2017.
 - Oregon Creek: project development currently underway. May be on the ground 2017-2018.
 - French Creek: funding pending, may go forward in the future.

Big Sky Watershed Corps Member

- Member: Sarah Washko
- CCAA Hydrology support, Photography/social media, Project reviews/summaries

National Drought Resiliency Partnership

- Upper Missouri is pilot area;
- Work plan under development;
- Jim presented rancher interested in drought management to group.
 - Hopefully this will allow us to access additional funding in the future.

Capacity Building

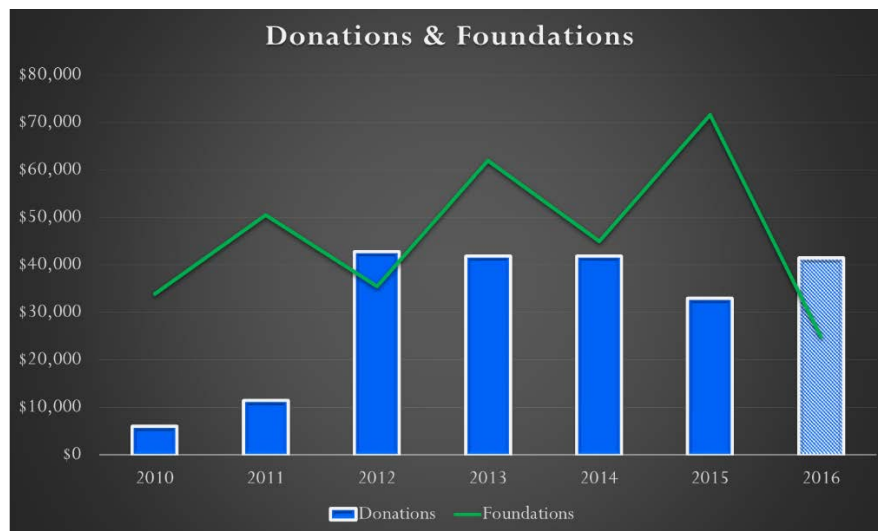
- Focus on: fundraising, structure/policies, staffing, communication, strategy, partnership.
- Goal: Provide BHWC the stability to be effective and consistent long-term so that we can do the work we want to do.
- 2015: High Divide Capacity Program: communications/branding update, governance update, HR additions

Outreach

- 2015 Meeting topics: Annual governing board meeting, MFWP wildlife, grayling/CCAA, weed projects and news, Big Hole River fishery, Butte-Silver Bow water, California Creek Restoration, French & Moose Creek Restoration, Big Hole Sage Grouse.
- August 2015: Wildlife Speaker Series – Bats @ the Kalsta Ranch
- Newsletters: spring and fall
- Social Media – new accounts and use
- Mt. Haggin Restoration Tour: MDT Road Relocation, French & Moose, California Creek, Lunch @ Sugar Loaf Lodge. Attendance was ~40;
- 20th Anniversary Party (August 28, 2015): A great way to celebrate the work we've completed so far and energize people to look forward to the next 20 years.

2015 Financial Review

- BHWC supported **\$1.5 million** in funds secured for the Big Hole River watershed for restoration, education, program development to be spent 2016-2017, where BHWC is an active partner or applicant. This does not include several hundred thousand allocated this year by our partners.
- 2015: last year of \$35,000 annual support from Brainerd Foundation – need to access additional foundations and improve our donations.



2016 BHWC Work Plan & Budget

What do we want to do? Where do we want to go? What is our vision for BHWC for the future? Think long-term.

- Groom future board members:
 - Talk to your kids, bring new people to monthly meetings, and in general start planning for your succession – we have so much knowledge and wisdom in this group to be transferred. Thinking long-term will insure the success of our organization and the conservation of our landscape and lifestyle.
- ***Focus on the board in 2016.***

2016 Events Calendar

- January
 - Monthly Meeting 1/20, 11am - 4pm [Annual Business Meeting]
- February
 - Monthly Meeting 2/18, 6pm, Topic: Elk on Private Lands
- March
 - Monthly Meeting 3/18, 7pm, Topic: Big Hole Area Weeds (?)
 - Carcass Removal (runs March 15-May 10)
- April
 - Monthly Meeting 4/15, 7pm, Topic: Upper Big Hole CCAA
 - Carcass Removal (runs March 15-May 10)
- May
 - Monthly Meeting 5/20, 7pm, Topic: TBD
 - Newsletter
 - Carcass Removal (runs March 15-May 10)
- June
 - Monthly Meeting 6/17, 7pm, Topic: TBD
 - DMP Starts
 - California Creek Restoration continues;
 - French & Moose Creek restoration work begins.
- July
 - Range Rider Begins
 - No Monthly Meeting
 - DMP continues
- August
 - Monthly Meeting 8/19, 7pm, Topic: TBD
 - Range Rider continues
 - DMP continues
- September
 - Monthly Meeting 9/16, 7pm, Topic: TBD
 - Range Rider ends 9/30
 - DMP continues
- October
 - Monthly Meeting 10/21, 7pm, Topic: TBD
 - DMP ends 10/31.
- November
 - Monthly Meeting 11/18, 6pm, Topic: TBD
 - Newsletter
- December
 - No Monthly Meeting
 - Annual Appeal

Big Hole River Recreation Rules

- August is the “fishing shoulder season”;
- Previous rules enforced a limit to the # of commercial fishing days/clients guides could take out, but since 2005-07 there have been no limits in any months except for June/July.
- In 2015, due to river closures in certain sections and water quality issues on the Beaverhead, certain sections of the Big Hole received extremely heavy fishing pressure.
- Difficult to convince irrigators to cut back their water usage when anglers are still fishing, particularly in August.
- **BHWC wants year-round regulations & sent a letter to FWP requesting this change.**
 - Drought Rules & River Recreation rules **MUST** be considered in conjunction with each other.
 - Sacrifices need to be shared equitably.

Articles of Incorporation/Bylaws/Conflict of Interest Policy

- BHWC formed in 1995, created bylaws/articles of incorporation to become a corporation, which allowed the group to apply for 501(c)(3) status in order to accept donations.
- The way it was set up, the Governing Board were members of the organization that deferred their “power” to operate the organization to the Steering Committee, which served as officers. While this works in practice, in reality – the “members” are still responsible for the organization, yet are not participating as members.
 - January 2015 board meeting - discussed 2 options:
 1. All governing board members become Directors – i.e. the Non-Profit Board, Steering Committee serves as the officers; OR
 2. The Steering Committee are the Directors, as the Board. The Governing Board is an advisory board.
 - Spring: had attorney review/revise bylaws;
- Fall: asked governing board members to review and comment on updated bylaws/articles
- New Articles of Incorporation and Bylaws reviewed.
- Errata reviewed (changes made to the version provided to governing board in October)
- Conflict of Interest Policy reviewed
- *Do we want to adopt these new bylaws & articles of incorporation?*
 - **Consensus: Yes: 14, No: 0**
 - **Yes, adopt Articles of Incorporation**
 - **Yes, adopt Bylaws (Bill Cain signed)**
 - **Yes, adopt Conflict of Interest Policy**
 - Everyone present who was previously on the governing board is now a director.
 - Anyone not present that has not opted out is now a director.
 - Present directors signed Conflict of Interest Policy. Those not present will need to sign.
 - Next step: Submit new articles to Secretary of State and notify IRS of changes with 2016 Form 990."

Board Directors & Terms

- Some of “seats” are for organizations, not for individuals. Can those organizations send different representatives?
 - The way the bylaws are currently written, a representative can attend meetings/voice their opinions, but only Directors can participate in consensus. State law requires Boards to be made up of individuals, not organizations. Should only be an issue on the rare occasion that the board has to “vote” on an issue.
- 2016 Year Board of Directors & Terms assigned (*attached*)
- Officer Elections: **Consensus**
 - Randy Smith, Chairman
 - Jim Hagenbarth, Vice Chairman
 - Steve Luebeck, Treasurer
 - Bill Cain, Secretary

- Board Openings:
 - Rancher, Lower Big Hole (previously Jaime Wood)

Questions/Comments/Discussion

- Bylaw 4.5: Board Composition: Don't want to limit the composition/membership of the board by not allowing wealthy landowners who don't generate the majority of their income from agriculture to participate.
 - This shouldn't be an issue because there is an "other" category for board members, and the new bylaws allow us to have 16-26 Board Directors (so we can add additional people if necessary).
- What if we decide we want to change the Bylaws in the future?
 - Bylaw 12: Amendments of Bylaws – Yes, we can revise our bylaws by a majority vote if deemed necessary at any time.

New Role of the New Board – Governance Discussion

Training Video: Ted Talk: "Passion is not Enough": <https://www.youtube.com/watch?v=MIF9yJVldwQ>

- It is imperative that we fill our board vacancies with the right people. We have voices out there that aren't being heard and we need to remedy that.
- Consider succession – who will take over our roles?
- Do we need to revise our mission statement?
- New board members will need time to "get on board" with the committee and the issues – maybe start grooming them now for succession in the future.
- The watershed committee "... is just like running a ranch. You think you'll be caught up next year but you never are." There is plenty to do and our work will likely never be done.
- Telling our story – we need to tell people what we've done.
- The issues from which this group emerged have more or less been addressed – we're having a mid-life crisis – where do we go from here?
- How do we announce/advertise board openings? (maybe advertise via newspaper, social media, website, etc.) Make announcement at meetings, add to minutes.
- Orientation for board members.
- Need to make sure new board directors understand land ethic. If you have control over a resource, it's important that you are knowledgeable over how you use that control and the effects it will have. We need to get young people in, get them excited, make sure they know what land ethic is, and let them know that our actions CAN and DO have an impact. We are solution-oriented and we have integrity and we need our board directors to be the same.
- Let people get involved first; don't make them directors right out of the gate.
- Don't pile new directors up with too much work, but give them one thing they're passionate about and let them run with it.
- Help to define roles: what expertise do we need? What do we want board members to focus on?
- Staff keep list of who we're hearing from – involved citizens may be more interested/willing to become board directors.
- It's important that we promote a working landscape; we don't need to protect it to death. Important to stress multiple use/collaboration.
- Need to come up with new recruitment events/opportunities to engage younger people.

Revisit Board Governance, recruitment, future planning and training throughout 2016.

Adjourn

**Restated Articles of Incorporation
of
Big Hole Watershed Committee
A Non-Profit Corporation**

Pursuant to Montana Code Annotated Section 35-2-226, the Big Hole Watershed Committee adopts these Restated Articles of Incorporation.

Article 1

The name of this corporation is the BIG HOLE WATERSHED COMMITTEE.

Article 2

The organization is a public benefit corporation.

Article 3

The name and address of the registered agent and registered office of this corporation is Randy Smith, #1 Hartwig Lane, Glen, MT 59732 with a mailing address at P.O. Box 21, Divide, MT 59727.

Article 4

Said organization is organized exclusively for charitable, educational, and scientific purposes, including for such purposes the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by any organization exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code, corresponding section of any future federal tax code, or (b) by any organization, contributions to which are deductible under section 170 (c) (2) of the Internal Tax Code, or corresponding section of any future federal tax code.

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for the public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for the

purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Article 5

The period of duration of this corporation is perpetual.

Article 6

The corporation shall have no members.

Article 7

The directors of the corporation shall not be liable to the corporation or its members for monetary damages for breach of a directors' duties to the corporation or its members, except for (a) breaches of the directors' duty of loyalty to the corporation or its members, (b) acts or omissions not in good faith or that involve intentional conduct or a knowing violation of the law, (c) transactions from which a director derived an improper economic benefit, or (d) conflict of interest transactions, loans to or guaranteed for directors and officers or unlawful distributions.

Article 8

The corporation may amend these articles in a manner authorized by law at the time of the amendment.

Article 9

These Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

DATED: _____

BY: _____

Board Officer Signature, Title

Printed Name

**Amended Bylaws
of the
BIG HOLE
WATERSHED COMMITTEE**

Bylaw 1. Name and Designation

The name of this organization shall be the Big Hole Watershed Committee, incorporated under the laws of Montana for public benefit. The area of geographical concern for the Big Hole Watershed shall include the entire Big Hole River Watershed in portions of Beaverhead, Deerlodge, Madison, and Silver Bow counties.

1.1 Registered Office and Registered Agent

Any change in the corporation's registered agent or registered office must be authorized by resolution of the Board of Directors and shall be effective upon the filing of such notices as may be required by law with the Montana Secretary of State.

Bylaw 2. Purposes

2.1 IRC Section 501(c)(3) Purposes

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

2.2 Specific Objectives and Purposes

The specific objectives and purposes of this corporation shall be for public benefit.

2.3 Mission Statement of the Big Hole Watershed Committee

The purpose of the Big Hole Watershed Committee is to seek understanding of the river and agreement among individuals and groups with diverse viewpoints on water use and management in the Big Hole watershed.

The Big Hole Watershed Committee should include all interests that may be affected by water use and management in the Big Hole Watershed, and are willing to seek practical solutions that benefit all interests.

The Big Hole Watershed Committee is committed to:

- Involving all interests that are willing to seek practical solutions that benefit all interests;
- Promoting a common understanding among individuals and groups with diverse viewpoints;
- Fostering the ability of local individuals and groups to create effective solutions to local problems, and;
- Seeking long-term solutions based on sound information.

To accomplish its mission, the Big Hole Watershed Committee has developed the following goals:

- Seek to sustain the rural quality of life in the Big Hole Watershed;
- Promote economic activities that are compatible with the environmental amenities of the watershed;
- Protect and/or enhance the natural resources in the watershed;
- Protect and respect existing water rights;
- Involve all interests that are willing to seek practical solutions that benefit all interests;
- Promote a common understanding among individuals and groups with diverse viewpoints;
- Foster the ability of local individuals and groups to create effective solutions to local problems;
- Seek long-term solutions based on sound information;
- Provide for the exchange and distribution of technical and topical information;
- Serve as a responsible planning entity for developing a coordinated resource plan for the Watershed;
- Seek financial and technical assistance to implement resource planning efforts agreed upon by the committee.

Bylaw 3. Members

The corporation shall have no members.

Bylaw 4. Board of Directors (a.k.a Governing Board)

4.1 Number, Term, and Election

The Board of Directors shall consist of at least 16 directors and no more than 26 directors represented by the interests defined in Bylaw 4.5. Directors to fill expiring terms shall be appointed by consensus, as stated in Bylaw 4.10, for three year terms at the annual meeting. Each director holds office until his or her term expires and successor is appointed. A director may be appointed for successive terms.

This Paragraph Applies to Initial Adoption of Amended Bylaws in Year 2016 Only:

Upon adoption of these amended Bylaws, each individual who is a member (i.e., Governing Body member) immediately prior to the start of the meeting will become a director, unless he/she declines to serve on the Board of Directors. Following adoption of these amended Bylaws, in order to stagger the terms, the Board of Directors shall set the term of each director by resolution according to the formula below, or a similar formula to have approximately one-third of the Board of Directors elected at each annual meeting.

Three-year terms: 8 directors

Two-year terms: 7 directors

One-year terms: 7 directors

4.2 Resignation

A director may resign at any time by delivering written notice to the Board of Directors, the Chair, or the Secretary of the corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

4.3 Removal

A director may be removed without cause by the vote of two-thirds of the directors then in office, provided that each director receives at least seven days' written notice that removal will be voted upon at the meeting.

4.4 Vacancies

A vacancy may be filled by the Board of Directors for the remainder of the unexpired term, provided that at each director receives at least seven days' written notice that a vacancy will be filled by appointment by consensus, as stated in Bylaw 4.10, at the meeting.

4.5 Board Composition

The Board of Directors shall represent diverse views and interests and shall actively seek the input, advice, and participation of individuals, groups, or communities (hereinafter referred to as stakeholders) that are affected by the decisions and actions of the Big Hole Watershed Committee.

(1) Representation on the Board of Directors shall include, but is not limited to the following stakeholders:

- Agriculture/Ranching– These directors shall manage land within the watershed as a working agricultural operation that generates the majority of the individual's income. Agriculture/Ranching shall hold at least fifty percent of the director seats.

The remaining directors shall represent the following stakeholders:

- Conservation
- Fisheries/Wildlife
- Organized Sportsmen
- Outfitters/Guides
- Small Business/Tourism
- Local Government– including County Commissioners, County Planning Boards, and Conservation Districts.
- Utilities – including municipal water users and power companies.
- Other stakeholders as may be identified from time to time by the Board of Directors

For the purposes of this bylaw, the Conservation, Fisheries/Wildlife, and Organized Sportsman shall each be considered to hold a conservation interest. Each Conservation interest must represent an organized stakeholder group or groups.

(2) Stakeholder groups may recommend an individual to the Board of Directors for appointment as a director prior to the annual meeting or a meeting to fill a vacancy.

4.6 Duties and Responsibilities of Directors

In addition to each director's duties pursuant to law, including the duty to act in good faith, with reasonable care, and in a manner the director reasonably believes to be in the best interest of the Big Hole Watershed Committee, directors also have the following responsibilities:

(1) The Board of Directors shall make a commitment to seek consensus. For purposes of the Big Hole Watershed Committee, consensus is defined as agreement among all directors present at any Board of Directors meeting.

(2) Directors responsibilities are defined as follows:

- to fully and consistently participate in the process unless they withdraw.
- to fully explore and understand all issues before reaching conclusions.
- to search for creative opportunities to address the interests and concerns of all stakeholders.
- commitment to seeking consensus. Consensus is reached when directors present at a meeting agree on a package of provisions that address the range of issues being discussed. Directors may not agree with all aspects of an agreement; but they do not disagree enough to warrant their opposition to the overall package.

Directors:

- May disagree with any proposal, but must explain why they disagree and/or present an alternative proposal that constructively responds to the needs and interests of other directors;
- Are committed to implementing agreements that are reached; and
- Will maintain their stakeholders' values and interests.

(3) Responsibility to other directors is as follows: Each director agrees:

- to candidly identify and share their interests.
- to listen carefully and respectfully to other directors and to avoid interrupting.
- to offer suggestions with respect and care.
- to share relevant information regarding the issues under consideration.
- to communicate with each other directly, rather than through the news media, and to challenge ideas, not people.
- to respect the decision of any director to withdraw from the process at any time and for any reason.
- to explain to the other directors the reason for withdrawal from the process.

- (4) Responsibility to stakeholders is as follows: Each director agrees:
- to identify the interests of the stakeholder they represent.
 - to seek the advice of their stakeholder throughout the process.
 - to make every effort to represent and speak for their stakeholder.
 - to objectively explain and interpret the process and its proposed outcomes to their stakeholder.
 - to keep their stakeholder informed of the activities and ideas emerging from the process.

4.7 Board Authority

Subject to the laws of this state, all corporate powers are exercised by or under the authority of the Board of Directors, and the affairs of the corporation managed under the direction of its Board of Directors by reaching consensus at Board of Directors meetings.

4.8 Meetings

(1) The annual meeting of the Board of Directors will be held on the third Wednesday in January of each year, or as otherwise determined by the Board of Directors, and at a place and time as may be determined by the Board of Directors. No less than ten days' notice of the annual meeting of the Board of Directors shall be given to all directors.

(2) Regular meetings of the Board of Directors shall be held on the third Wednesday of every month, except January when the annual meeting occurs, and at such place and time as shall from time to time be set by the Board of Directors or its designee. No notice of regular meetings of the Board of Directors shall be necessary, unless required by law, the articles, or these Bylaws. One week prior to each regular meeting, the record of the last meeting, the up-coming agenda, specific location and time, Executive Committee meeting minutes, and other appropriate documents shall be distributed to directors. Each regular meeting shall be held as scheduled and shall begin and end on time, unless the directors agree to extend the time of a particular meeting.

(3) Special meetings may be called at any time and place upon the call of the president, secretary, or any two directors. Notice of the time and place of each special meeting shall be given by the Secretary, or the persons calling the meeting, by mail, e-mail or facsimile transmission at least ten days in advance of the time of the meeting. The purpose of the meeting need not be given in the notice, unless required by law, the articles, or these Bylaws. Notice of any special meeting may be waived in writing (either before or after such meeting) by any director.

(4) The Secretary shall document the results of each meeting in an appropriate format, including tasks to be undertaken by individuals or organizations and emerging areas of agreement. Directors may make recommendations for agenda items for upcoming meetings.

4.9 Quorum

Not less than one-third of the directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at a meeting. No action shall be taken unless a quorum is present, except that a majority of the directors present may vote to adjourn any meeting to another time and place even if the number of directors present or voting does not constitute a quorum. If the meeting is adjourned for more than forty-eight hours, the Secretary shall give notice of the time and place of the adjourned meeting to the directors who were not present at the time the meeting was adjourned.

4.10 Manner of Acting

Unless otherwise required by law, the Articles, or the Bylaws, the act of a consensus of directors present at a Board of Directors meeting at which a quorum is present shall be the act of the Board of Directors. Consensus is defined in Bylaw 4.6.

4.11 Proxy Voting Prohibited

Proxies and proxy voting shall not be allowed on behalf of any director.

4.12 Compensation of Directors

Directors shall serve without compensation except that they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties.

4.13 Committees

(1) Board Committees

The Board of Directors may create one or more committees of the board and appoint directors to serve on them by the vote of not less than a majority of the directors then in office. Each committee of the board must have two or more directors who serve at the pleasure of the Board of Directors. The sections of these Bylaws that govern meetings, actions without meetings, notice, waiver of notice, quorum and voting requirements, and meetings by conference telephone of the Board of Directors apply to committees of the board and their members. Committees of the board must keep minutes of their meetings and report them to the Board of Directors.

Committees may exercise the Board of Directors' authority as designated in the resolution creating the committee; however, a committee of the board may not: (1) authorize distributions; (2) approve dissolution, merger, or the sale, pledge, or transfer of all or substantially of the corporation's assets; (3) elect, appoint, or remove directors or fill vacancies on the Board of Directors or on any of its committees, or (4) adopt amend, or repeal the Articles or Bylaws.

(2) Steering Committee

The Big Hole Watershed Committee shall have a Steering Committee consisting of the four Officers set forth in Article 5. The Steering Committee shall conduct the day-to-day business activities of the Big Hole Watershed Committee, to include fundraising, personnel matters, making recommendations on proposed projects, grants and other strategic issues, and other business matters concerning the corporation. It shall report to report back to the Board of Directors at regular monthly meetings with recommendations, updates, and minutes of the Steering Committee meetings and quarterly Treasurer's reports. A quorum of the Steering Committee shall consist of a majority of the Officers.

(3) Other Committees

The Board of Directors may create such other committees, appoint members to the committees, and select committee chairs as may be deemed necessary to carry out certain designated duties and responsibilities for the Big Hole Watershed Committee. These committees may consist of any persons with required skills, knowledge and interest and shall act in an advisory capacity to the Big Hole Watershed Committee. Committees shall meet at the discretion of the designated committee chairperson.

Bylaw 5. Officers

5.1 Officers

The corporation shall have four officers; the Chair, the Vice-Chair, the Treasurer, and the Secretary. These officers compose the Steering Committee described, above, in Bylaw 4.13(2). The officers shall include of 50% ranch interests and at least one conservation interest. No officer may hold more than one office simultaneously. Such other officers and assistant officers as may be deemed necessary may be appointed by the Board of Directors.

5.2 Qualification

Each officer must be a member of the Board of Directors. Only those directors who have served for at least one year on the Board of Directors are eligible to become an officer.

5.4 Appointment and Terms of Office

Officers terms shall be for one year. Each officer holds office until his or her term expires and successor is appointed. An officer may be appointed or successive terms. Officers to fill expiring terms shall be appointed by the Board of Directors by consensus at the annual meeting.

5.5 Duties Of Officers

(2) The duties of the officers shall be as follows:

The Chair shall participate in meetings of the Board of Directors. The Chair shall delegate such duties and responsibilities as may be necessary to conduct the normal business and activities of the Big Hole Watershed Committee. The Chair shall serve as spokesman for the Big Hole Watershed Committee and perform such other duties as may be prescribed by the Board of Directors. The Chair may designate another person to serve as the spokesperson on his behalf.

The Vice-Chair shall perform all the duties of the Chair in the absence of the Chair, or in the event of the Chair's inability or refusal to act. The Vice Chair shall have other powers and perform such other duties as may be prescribed by the Board of Directors.

The Secretary shall: (1) keep the minutes of the Board of Directors' meetings; (2) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (3) be custodian of and authenticate records of the corporation; (4) keep a list of the post office address of each director which shall be furnished to the Secretary by such director; and (5) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her.

The Treasurer shall maintain the financial records of the Big Hole Watershed Committee, make periodic financial reports, and present an annual financial report to the Board of Directors. The Treasurer shall perform such other duties as may be prescribed by the Board of Directors.

5.6 Resignation or Removal

An officer may resign at any time by delivering written notice to the Board of Directors. A resignation shall be effective when the notice is delivered, unless the notice specifies a future effective date. The Board of Directors, by consensus, may remove any officer at any regular meeting with or without cause.

5.7 Vacancies

A vacancy may be filled by the Board of Directors for the remainder of the unexpired term, provided that at each director receives at least seven days' written notice that filling a vacancy will be voted upon at the meeting

Bylaw 6. Participants and Technical Advisors

6.1 Advisory Role

Anyone with an interest in the activities of the Big Hole Watershed Committee may be considered a participant. Local, State and Federal agencies shall further participate with the Big Hole Watershed Committee as Technical Advisors. Participants and Technical Advisors shall be considered ex-officio, non-voting partners and may participate in meetings, discussions, and serve on advisory committees by invitation of the Board of Directors of the Big Hole Watershed Committee.

6.2 Participant Responsibilities

Responsibility to other participants is as follows:

- Each participant agrees to candidly identify and share their interests.
- Each participant agrees to listen carefully and respectfully to other participants and to avoid interrupting.
- Each participant agrees to offer suggestions with respect and care.
- Each participant agrees to share relevant information regarding the issues under consideration.
- Each participant agrees to communicate with each other directly, rather than through the news media.
- Each participant agrees to challenge ideas, not people.
- Each participant may disagree with any proposal, but must explain why they disagree and/or present an alternative proposal that constructively responds to the needs and interests of other participants.

Bylaw 7. Nonliability and Indemnification of Directors, Officers, Employees, and Agents

Directors, Officers, Employees, and Agents shall not be individually liable for any action or omission, debt, liability, or other obligation of the corporation made in the course and scope of their official capacity on behalf of the nonprofit corporation, and shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Bylaw 8. Conflict of Interest Policy

The Board of Directors shall adopt, periodically review, and implement a conflict of interest policy to protect the corporation's interest when it is contemplating any transaction or arrangement which may benefit a director, officer, employee, or member of committee of the board with board-delegated powers.

Bylaw 9. Execution of Instruments, Deposits and Funds

9.1 Authorization

The Big Hole Watershed Committee, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

9.2 Checks and Notes

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of

money and other evidence of indebtedness of the corporation shall be signed by at least one Officer or party designated by the Board of Directors.

Bylaw 10. Corporate Records, Reports and Seal

10.1 Maintenance of Corporate Records

The corporation shall keep at its principal office:

- a. Minutes of all Big Hole Watershed Committee and committees of the Board meetings indicating the time and place of holding such meetings, whether regular or special, how called, the notice given and the names of those present and the proceedings;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- c. A copy of the corporation's Articles of Incorporation and Bylaws as amended to date.

10.2 Periodic Report

The Big Hole Watershed Committee shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state to be so prepared and delivered within the time limits set by law.

Bylaw 11. IRC 501(c)(3) Tax Exemption Provisions

11.1 Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provisions of these Bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

11.2 Prohibition against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation

11.3 Distribution of Assets

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for the public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the area of geographical concern for which the organization is dedicated, exclusively for the purposes or to such organization or organizations, as said court shall determine which are organized and operated exclusively for such purposes.

Bylaw 12 Amendment of Bylaws

These Bylaws may be altered, amended or repealed by the vote of not less than a majority of directors then in office.

Date Adopted: January 20, 2016

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 encourage disclosure of situations that may involve conflicts 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 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 conflicts 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 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 the director's spouse, siblings, parents, children, or business entities ("related parties") in which the director or related parties have a financial interest. 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 is comes before the director on the Board or any of its committees, that director must promptly disclose that actual or potential conflict of interest to the Board of Directors or committee. Any such disclosure shall be recorded in the minutes of the meeting.
2. A director shall not vote on or generally be present for 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 parties have a direct or indirect 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, land transactions, or other matters that may apply. 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 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.
4. Directors must refrain from discussing issues about which there may be an appearance of a conflict of interest.
5. A transaction in which a director has a conflict of interest may be approved, provided the foregoing Sections 1- 4 of this policy are observed:
 - (a) In advance by the consensus at a specific meeting of the Board of Directors or any of its committees 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 in good faith reasonably believe 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 or a state district court in an action in which the 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. 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 20, 2016

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

Name (print please)

Signature

Date

Errata Sheet

Updates made to the proposed materials for final adoption 1/20/2015:

Articles of Incorporation

Article 2: Last word of sentence changed from “organization” to “corporation.”

Article 3: Name and address of registered agent updated from Jen Downing to Randy Smith.

Article 4 (paragraph 2): In sentence one, the verbs “distribute” and “distributes” changed to “distribute.” In sentence two, the word “principle” changed to “principal.”

Signatory changed from Bill Cain.

Bylaws

Bylaw 5.6 (page 8): Last word of section changed from “case” to “cause.”

Conflict of Interest Policy

Date of adoption added.

Big Hole Watershed Committee 2016 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.
- Work space and/or storage space for BWHC materials and staff.
- Expand Donor Perfect: Integrate with QuickBooks
- Continue legal and fiscal oversight
- 2016 Focus on Board governance and development

Projects and Contracts

1. Habitat Restoration

- a. Mount Haggin: California Creek/Mount Haggin Uplands
 - i. Montana DEQ 2014 contract - California Creek (end Dec 2016).
 - ii. DNRC – Mount Haggin Uplands (Sept 2016)
 - iii. New NRDP work proposed for 2016+
- b. Mount Haggin: French Gulch/Moose Creek/French Creek
 - i. Work expected summer 2016, with monitoring continuing through 2017. Total budget near \$1.2 million.
 - ii. Montana DEQ 2015 Contract – French & Moose Creek Projects
 - iii. DNRC RDGP (through DLVCD) x 2
 - iv. FFIP x 3
 - v. Several Small grants
- c. Mount Haggin: Oregon Creek
 - i. DNRC Planning Grant for preliminary design, grant request.
 - ii. Potential for DNRC RDGP Request May 2016
- d. Lower Big Hole: Smith Slough
 - i. MFWP led project. BHWC providing some grant request support.
- e. Big Hole River Incentive Program
 - i. Develop program with Future West and operate 2016-2017
- f. Wildlife Programs:
 - i. Compost Facility – pending lease agreement
 - ii. Carcass Management – including service to Sage Creek
 - iii. Upper Big Hole Range Rider, development of 2nd Range Rider
 - iv. Montana Livestock Loss Board Grant Request
- g. Capacity Building
 - i. Brainerd Foundation Capacity Grant – Year 3

Subcommittees

Land Use Planning (with Future West)

- Support floodplain map adoption by Anaconda-Deer Lodge, Madison counties
- Continue to develop Big Hole River Incentive Program
- Support Land Use Planning needs in the Big Hole.

Wildlife & Range Health

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

Big Hole River Drought Management Plan & Sub-Committee

- 2016 Drought Management Plan – final, publish, implement
- USGS Gage Fees (3 temperature, 4 Upper Big Hole)
- Wise River - gage and next steps

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 flooding and emergency response
 - Sage Grouse Assessment
- Missouri Headwaters Partnership determination
- National Drought Resiliency Partnership results and next steps

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 2016)
 - Prepare fundraising information for each newsletter
- Grants
 - Maintain calendar of grant opportunities.
 - Stay apprised of new opportunities
 - Research and apply to additional foundation sources
 - Bi-Annual Grants to Legislature (DNRC RDGP, DNRC RRGL – May 2016)
- Fund management opportunities: Work with Montana Community Foundation

Communication and Branding

- Research and implement display of past restoration projects online
- Complete re-branding (website, brand, etc.)

Partners

- Increase communication 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
- Re-connect with Big Hole landowners & community (outside of BHWC)
- Produce and distribute at least 2 newsletters
- Utilize and promote Social Media and online outlets
- Project public sign for California Creek
- Use video and crowdsourcing for additional support of BHWC work.
- Update website.
 - Add additional materials to website.
 - Seek promotion of content through partners
- 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.