

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
January 17, 2023, at 9:00 a.m.
Supreme Court Chambers, Mazurek Justice Building
Helena, MT

ACTION ITEMS

- 0123-1** **Timber Sales:** **APPROVED 5-0**
A. Central Martin 3
 Benefits: Public Buildings. MSU Morrill, School of Mines and State Normal School
 Location: Flathead County
B. Russky Creek
 Benefits: Common Schools
 Location: Lincoln County
- 0123-2** **Cabin and Home Site Sales: Final Approval for Sale**
A. Golden Valley County **APPROVED 4-1**
 Benefits: Common Schools **COMMISSIONER DOWNING OPPOSED**
 Location: Golden Valley County
B. Meagher County **APPROVED 5-0**
 Benefits: Common Schools
 Location: Meagher County
- 0123-3** **Easements: Standard Grants** **APPROVED 5-0**
 Benefits: Common Schools
 Location: Carbon, Hill, and Petroleum County
- 0123-4** **Land Use License: Montana Department of Transportation** **APPROVED 5-0**
 Benefits: Navigable Waterways
 Location: Missoula County

PUBLIC COMMENT

0123-1

TIMBER SALES:

A. Central Martin 3

B. Russky Creek

**Land Board Agenda Item
January 17, 2023**

0123-1A Timber Sale: Central Martin 3

**Location: Flathead County
Sections 19, 20, 29, & 30 T32N R23W**

**Trust Beneficiaries: Public Buildings (10%), MSU Morrill (50%),
School of Mines (10%), State Normal School (30%)**

Trust Revenue: \$99,414 (estimated, minimum bid)

Item Summary

Location: The Central Martin 3 Timber Sale is located approximately 2 miles south of Olney, Montana.

Size and Scope: The sale includes 1 harvest unit (*98 acres*) of tractor logging.

Volume: The estimated harvest volume is 3,888 tons (*578 MBF*) of sawlogs.

Estimated Return: The minimum bid is \$25.57 per ton, which would generate approximately \$99,414 for the Public Buildings, MSU Morrill, School of Mines, and State Normal School Trusts and approximately \$7,679 in Forest Improvement fees.

Prescription: This sale would utilize a seed tree with reserves harvest prescription designed to regenerate western larch stands.

Road Construction/Maintenance: In conjunction with the timber sale, the Department of Natural Resources and Conservation (DNRC) is proposing 0.7 miles of temporary road construction and 2.6 miles of road maintenance.

Access: Access to the timber sale area is obtained through county roads.

Public Comments: Ten public comments were received. One comment of general support for the project was received. An adjacent landowner supported the project but expressed concern about fire danger due to increased fuel loading along private and state property lines. The DNRC assured the adjacent landowner that the highest standard for reducing logging slash adjacent to the property line would be met. Eight comments were received from a group of residents in the neighborhood south of the project area concerned with traffic, roads, noise and dust. The DNRC adjusted the haul route to address these concerns.

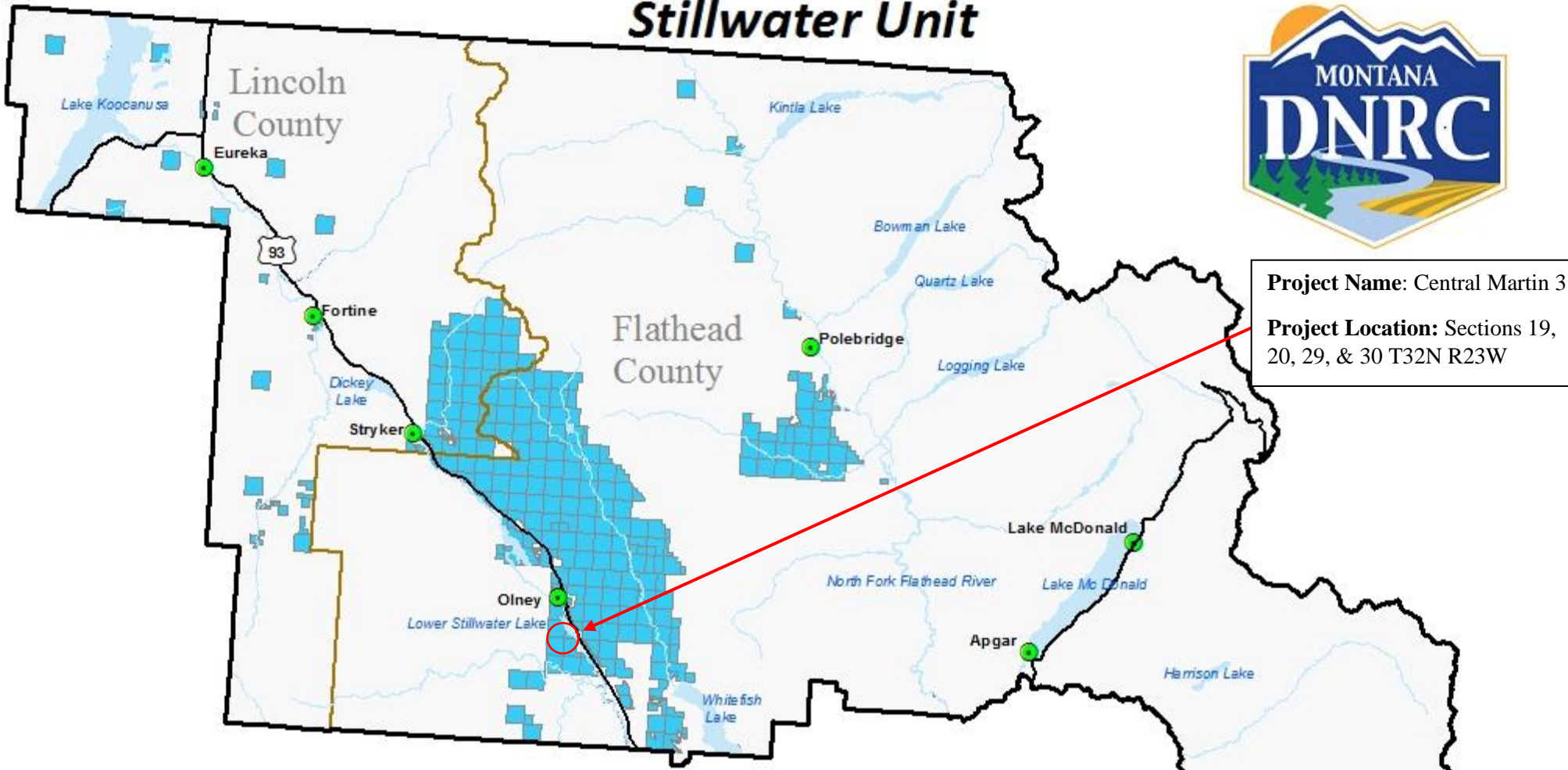
DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Central Martin 3 Timber Sale.

State Trust Land Vicinity Map

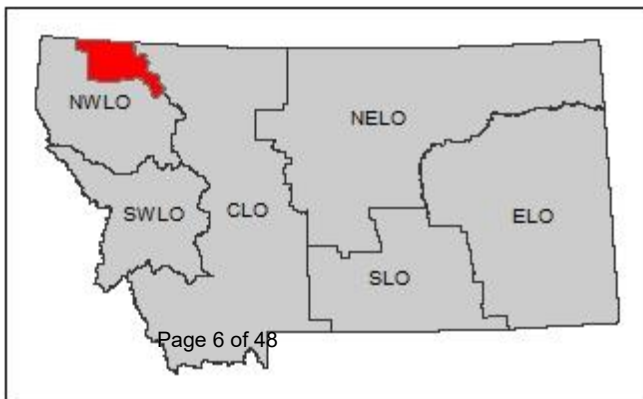
Stillwater Unit

0123-1A

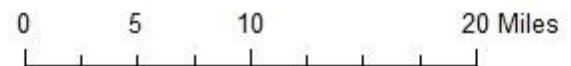


Project Name: Central Martin 3
Project Location: Sections 19, 20, 29, & 30 T32N R23W

CENTRAL MARTIN 3 VICINITY MAP

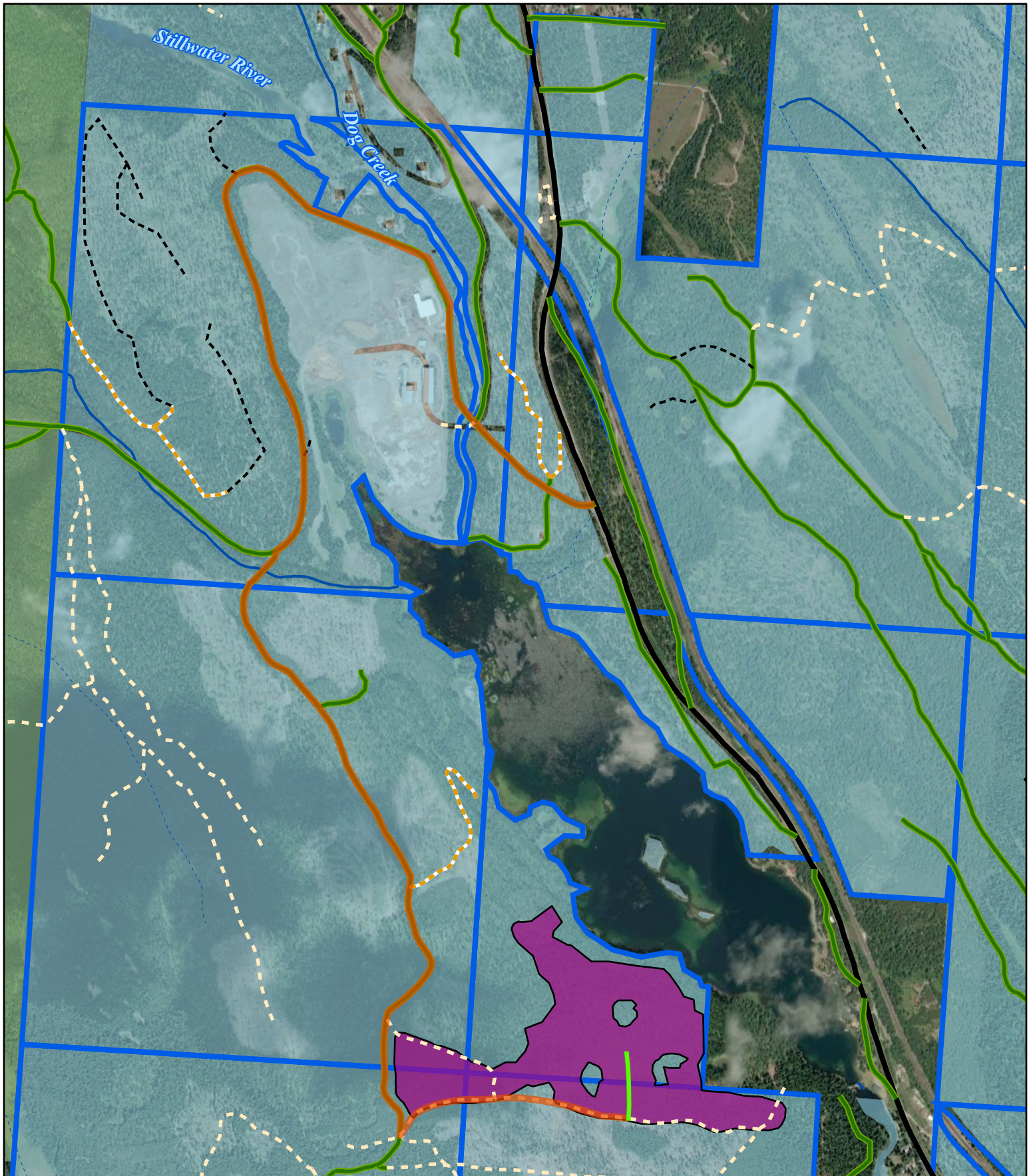


- Towns
- Major Roads
- Rivers
- County Lines
- Water Bodies
- State Trust Land

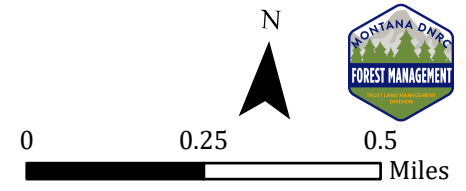


Central Martin 3 Timber Sale Haul Route and Harvest Units

0423-1A



- Haul Route
- Restricted Class A
- Perennial Stream
- New Road
- Restricted Class B
- Intermittent Stream
- Abandoned or Reclaimed
- US Forest Service
- Temporary
- State of Montana Misc.
- Central Martin 3 Harvest Units
- Montana State Trust Lands
- DNRC Trust Lands



**Land Board Agenda Item
January 17, 2023**

0123-1B Timber Sale: Russky Creek

Location: Lincoln
Sections 29, 31, 32, 33 of T35N R24W and Section 5 of T34N R24W

Trust Beneficiaries: Common Schools

Trust Revenue: \$242,503 (estimated, minimum bid)

Item Summary

Location: The Russky Creek Timber Sale is located 7 miles north of Stryker, Montana.

Size and Scope: The sale includes 4 harvest units (362 acres) of cable yarding and ground-based logging.

Volume: The estimated harvest volume is 30,542 tons (4,489 MMBF) of sawlog product.

Estimated Return: The minimum bid is \$7.94 per ton, which would generate approximately \$242,503 for the Common Schools Trust and approximately \$119,419 in Forest Improvement fees.

Prescription: This sale would utilize seed tree with reserves and clearcut with reserves harvest prescriptions.

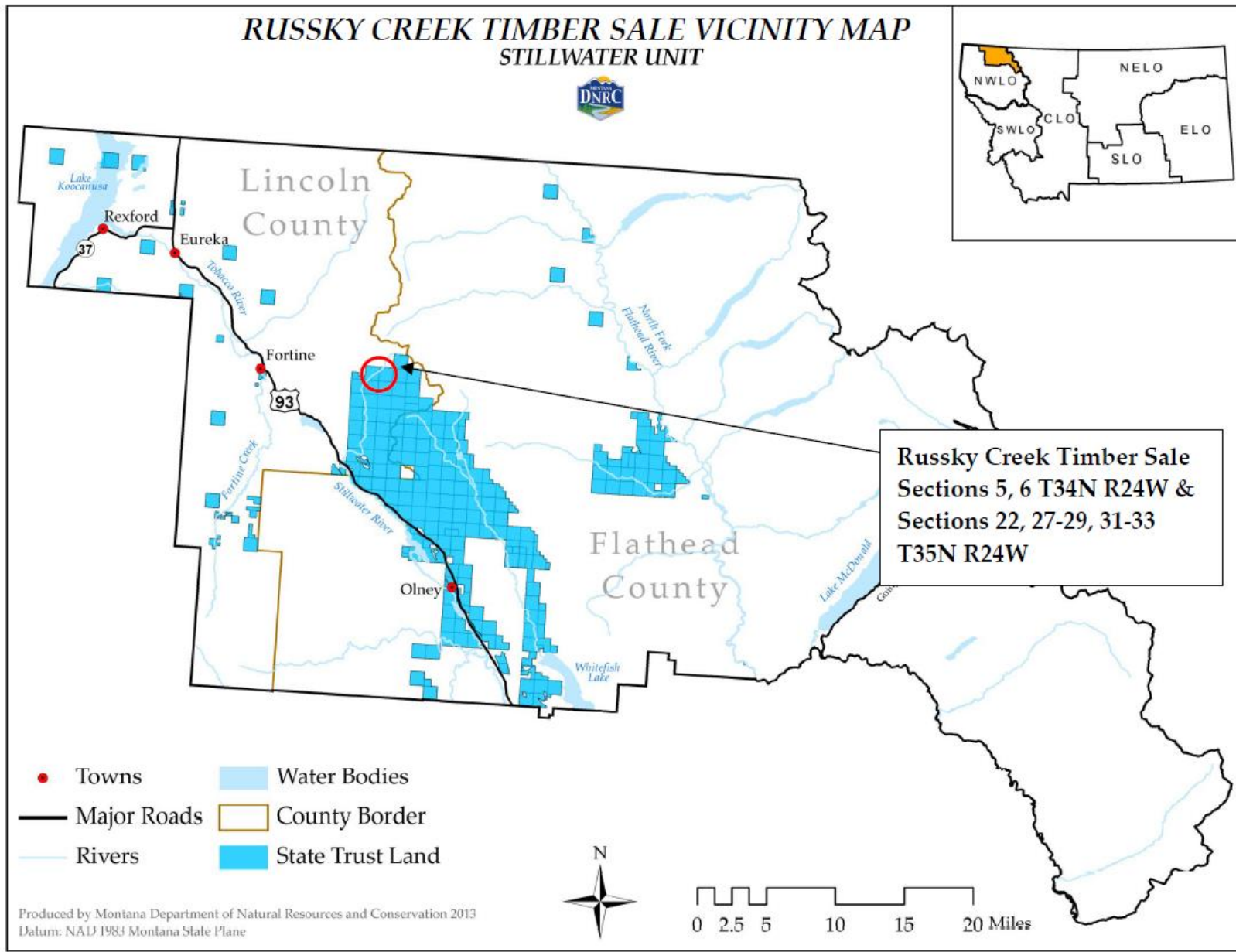
Road Construction/Maintenance: In conjunction with the timber sale, the Department of Natural Resources and Conservation (DNRC) is proposing 4.55 miles of new temporary road construction and 9.25 miles of road maintenance.

Access: Access is obtained through State-owned roads.

Public Comments: Two public comments were received. A nearby resident was concerned about proper stand regeneration, which was addressed by explaining DNRC's site preparation and planting methods to ensure successful post-harvest site regeneration. One comment letter was received from a non-profit environmental organization with concerns about old growth, wildlife, fisheries, roads, soils, weeds and economics. DNRC addressed all concerns in the Russky Creek Timber Sale Environmental Assessment.

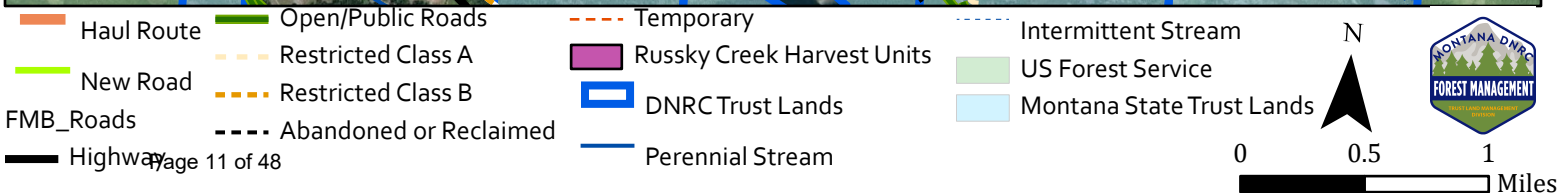
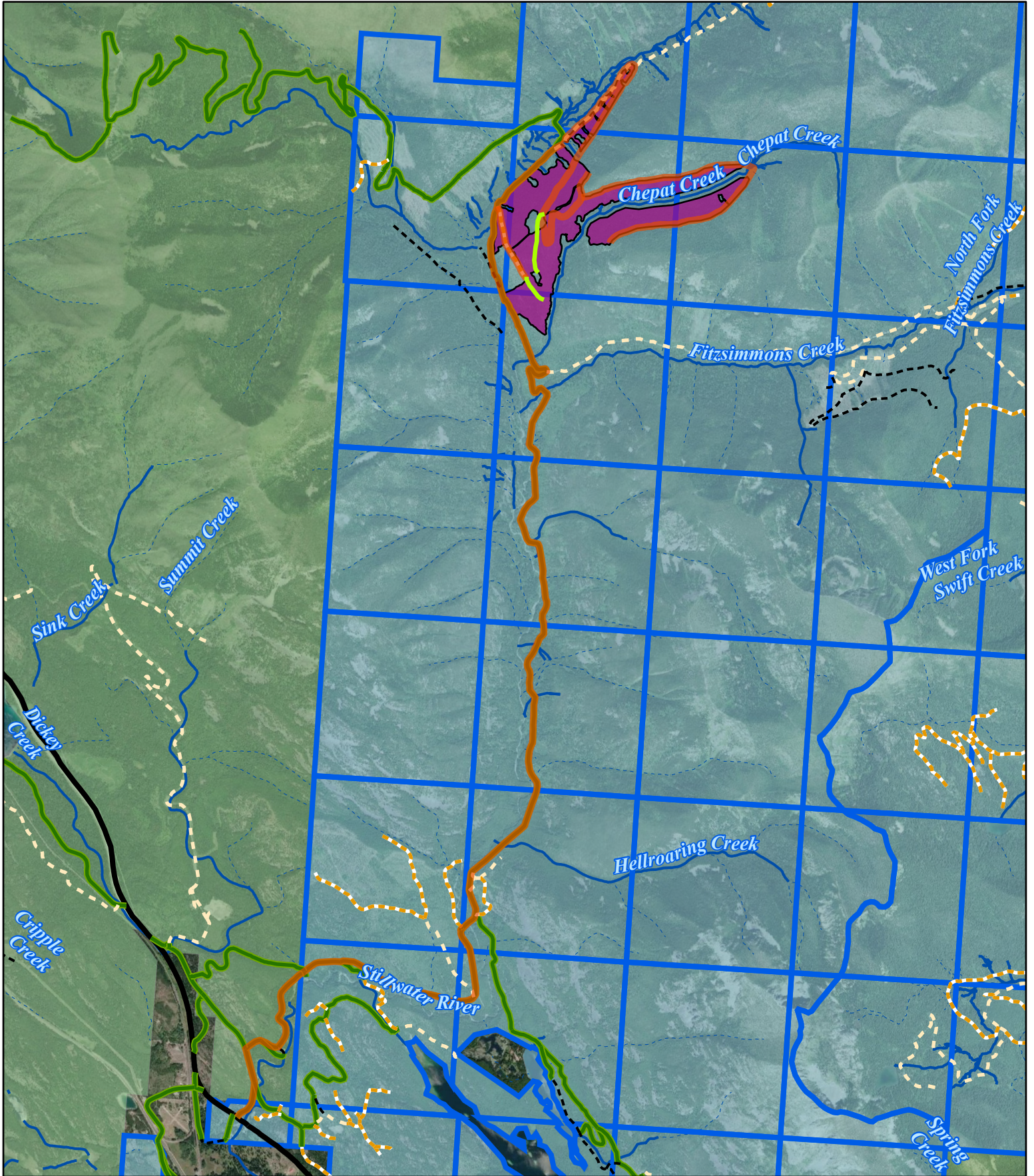
DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Russky Creek Timber Sale.



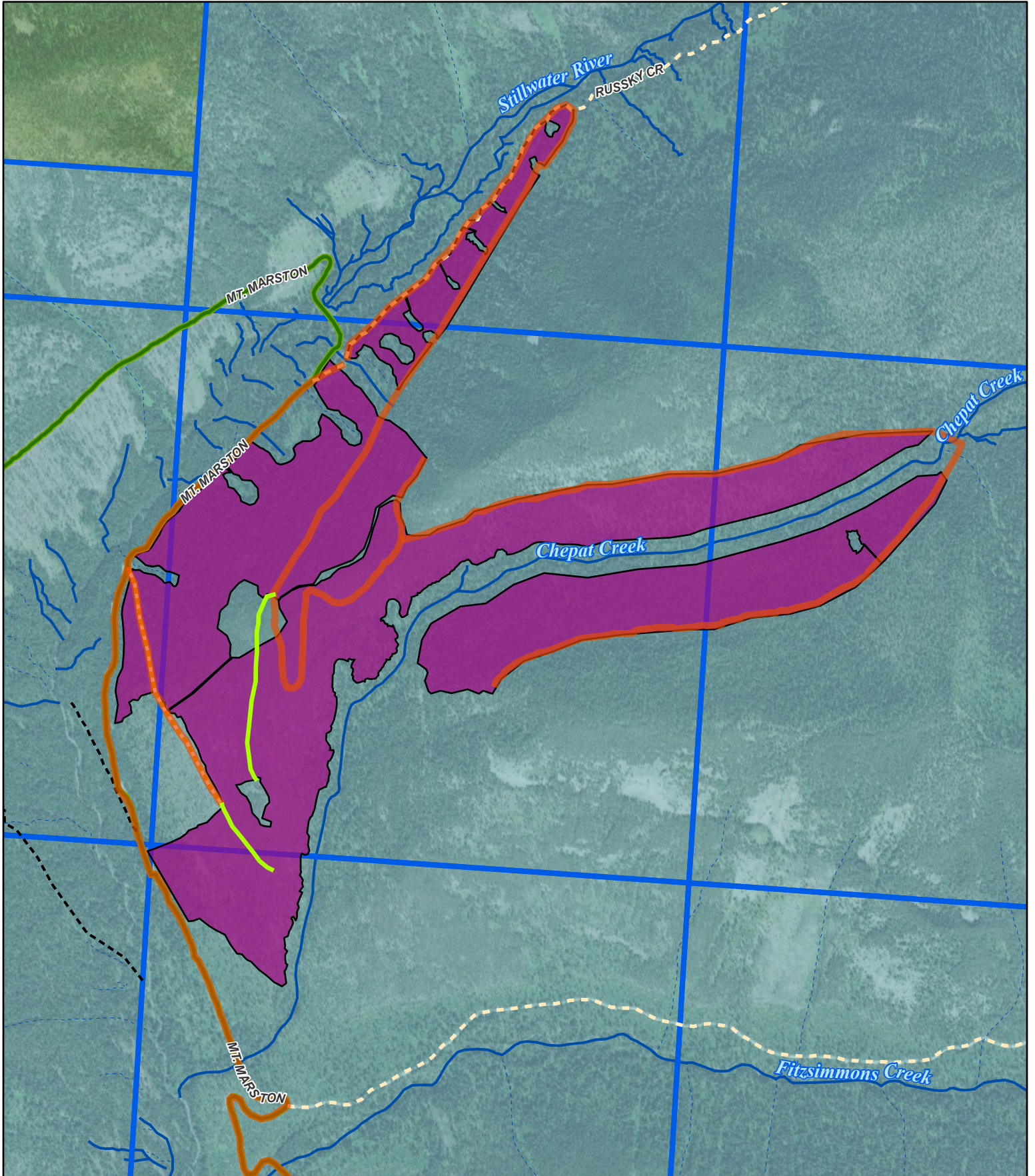
Rusky Creek Timber Sale Haul Route

0123-1B

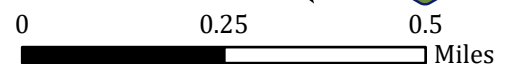


Rusky Creek Timber Sale Harvest Units

0123-1B



Haul Route	Open/Public Roads	Temporary	Intermittent Stream
New Road	Restricted Class A	Rusky Creek Harvest Units	US Forest Service
FMB_Roads	Restricted Class B	DNR Trust Lands	Montana State Trust Lands
Highway	Abandoned or Reclaimed	Perennial Stream	



0123-2

CABIN AND HOME SITE SALES:

Final Approval for Sale

A. Golden Valley County

B. Meagher County

**Land Board Agenda Item
January 17, 2023**

0123-2A Cabin and Home Site: Final Approval for Sale

Location: Golden Valley County

Trust Benefits: Common Schools

Trust Revenue: \$23,000

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for one (1) home site nominated for sale in Golden Valley County. This sale was nominated by the lessee in conjunction with the 2020-2021 Cabin and Home Site Sales Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1161	9.71±	Tract 1, COS 01-2022 in SW4 T5N-R22E, Section 9	Steven Heiken	Common Schools

Background

Preliminary Land Board approval was granted in April of 2020 (Approved 5-0) for this site to be included as part of the 2020-2021 Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values in October 2022 (Approved 4-1).

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. This sale will have no effect to state-owned heritage properties.

Access/Recreational Use:

As part of the cabin and home site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Economic Analysis:

Short term – The average rate of return on this sale parcel is 3.591%. The parcel will continue to receive this return if it remains in state ownership. The income rate of return will likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 3.04% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.46% on acquisitions purchased within the last five years to 3.41% for lands acquired within the last ten years.

Appraised Values of Land and Improvements:

The appraisal was prepared by Montana General Certified Appraiser Ernest F. Goettlich V of Northern Acres Appraisal Services, LLC in Havre.

Sale No.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1161	\$23,000	\$243,000	\$23,000

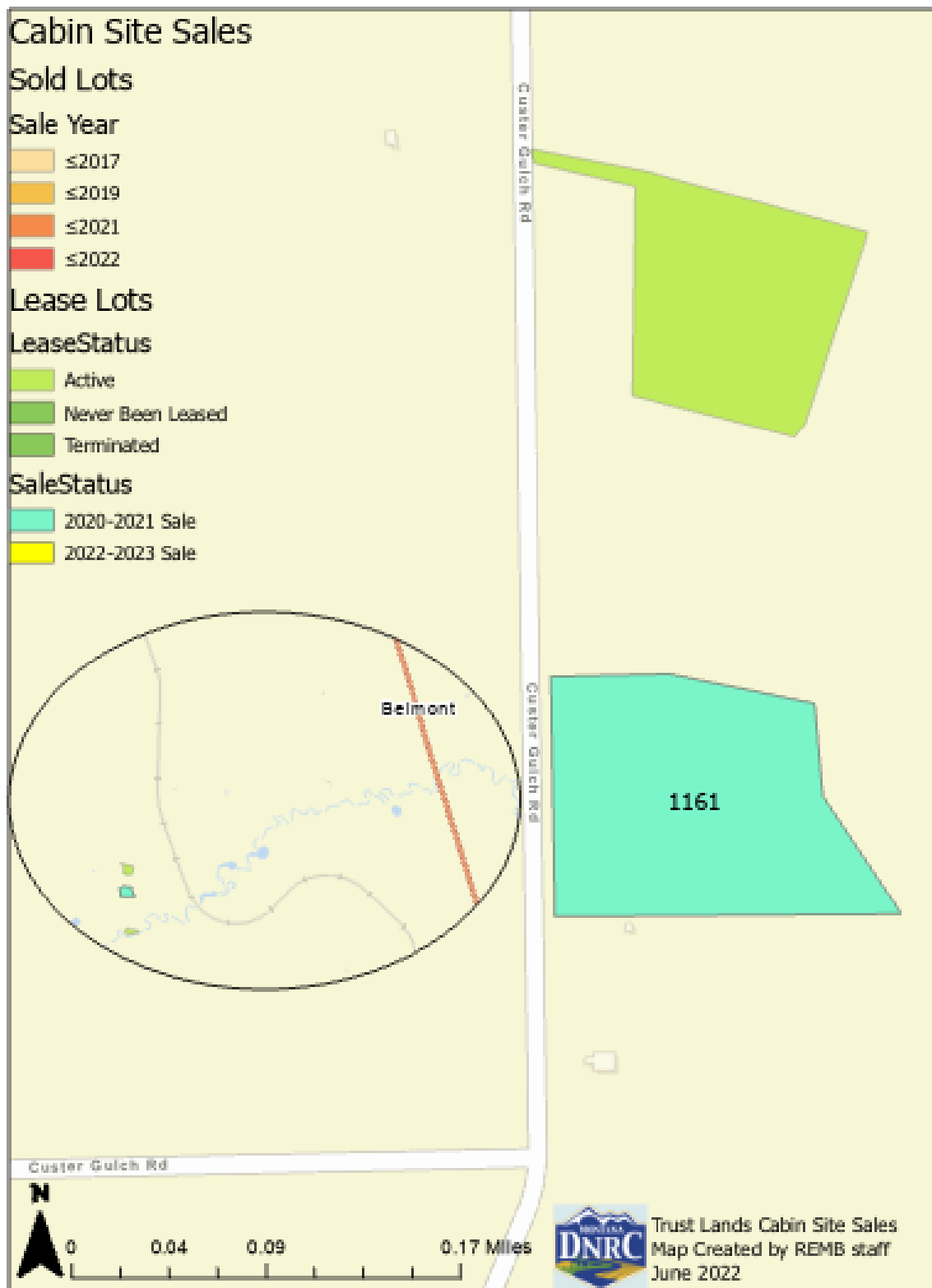
Sale Price

The cabin site sold at public auction on December 15, 2022. There was one qualified bidder for the sale. The site sold for the final sale price listed above.

DNRC Recommendation

The DRNC recommends the Land Board grant final approval for the sale of this home site at the value shown above.

Sale 1161, Golden Valley County



**Land Board Agenda Item
January 17, 2023**

0123-2B Cabin and Home Site: Final Approval for Sale

Location: Meagher County

Trust Benefits: Common Schools

Trust Revenue: \$90,000

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for one (1) home site nominated for sale in Meagher County. This sale was nominated by the lessee in conjunction with the 2020-2021 Cabin and Home Site Sales Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1165	12.4±	Tract 1, COS 148457 T8N-R6E, Section 16	Ben R. Galt	Common Schools

Background

Preliminary Land Board approval was granted in April of 2020 (Approved 5-0) for this site to be included as part of the 2020-2021 Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values in October of 2022 (Approved 4-1).

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. This sale will have no effect to state-owned heritage properties.

Access/Recreational Use:

As part of the cabin and home site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Economic Analysis:

Short term – The average rate of return on this sale parcel is 2.315%. The parcel will continue to receive this return if it remains in state ownership. The income rate of return will likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 3.04% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.46% on acquisitions purchased within the last five years to 3.41% for lands acquired within the last ten years.

Appraised Values of Land and Improvements:

The appraisal was prepared by Montana General Certified Appraiser Ernest F. Goettlich V of Northern Acres Appraisal Services, LLC in Havre.

Sale No.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1165	\$43,000	\$0	\$90,000

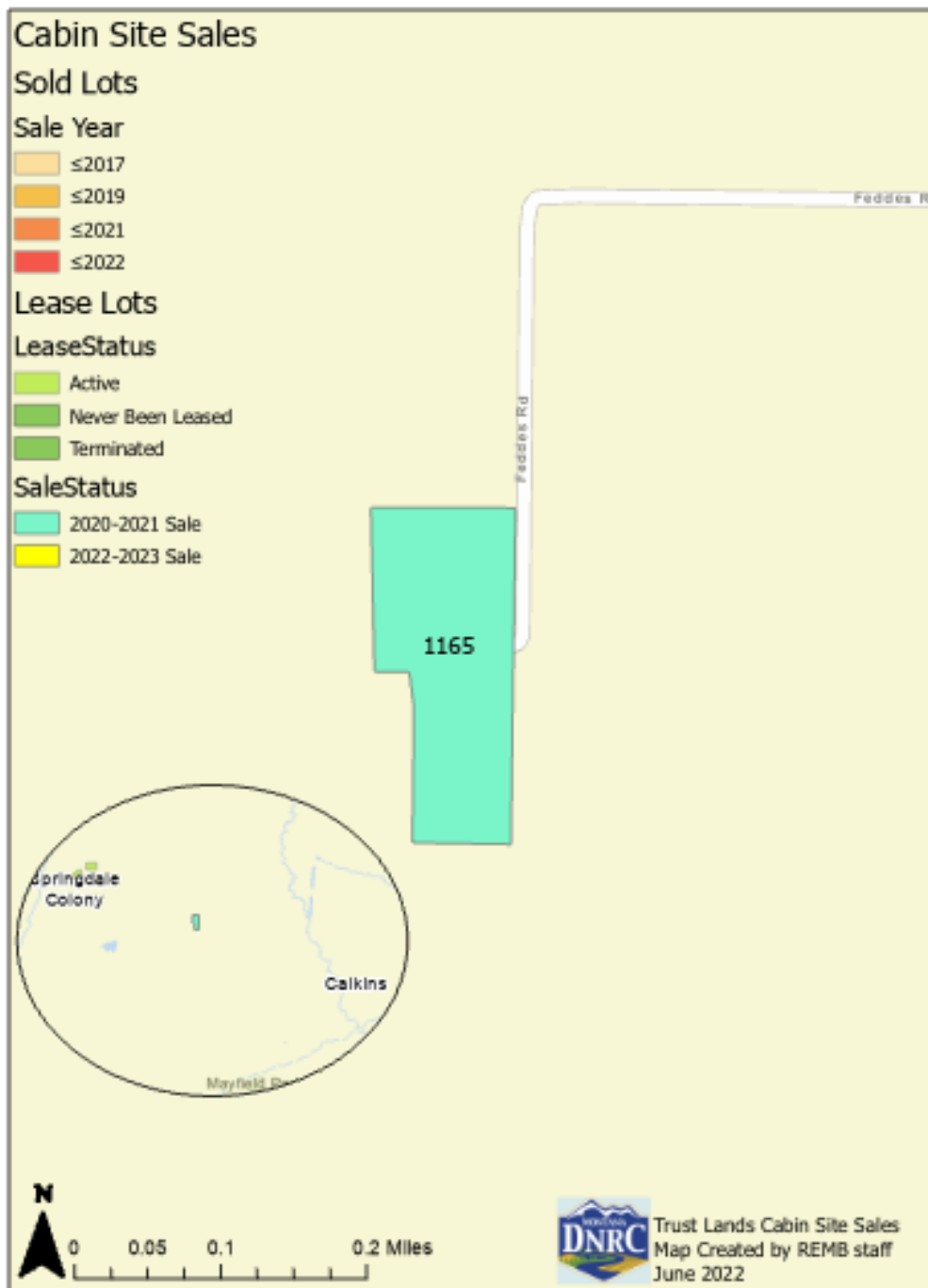
Sale Price

The property was sold at public auction on December 15, 2022. There were five registered bidders for the sale. With competitive bidding, the property sold for higher than minimum bid.

DNRC Recommendation

The DNRC recommends the Land Board grant final approval for the sale of this home site at the value shown above.

Sale 1165, Meagher County



0123-3

EASEMENTS:

Standard Grants

**Land Board Agenda Item
January 17, 2023**

0123-3 Easements

Location: Carbon, Hill, and Petroleum Counties

Trust Benefits: Common Schools

Trust Revenue: Common Schools = \$8,288.00

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Project Telephone Company	Buried Fiber Optic Cable	Permanent	29-30
Triangle Communication System, Inc.	Buried Fiber Optic Cable	Permanent	31-32
Kiehl Ranch Partnership	Private Access Road	Permanent	33-39

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Project Telephone Company P O Box 8 Worden MT 59088
Application No.:	9029 (Amended)
R/W Purpose:	a buried copper telecommunications cable and a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	5.25
Compensation:	\$6,166.00
Legal Description:	20-foot strip through NW4SW4, NW4, SW4NE4, W2SE4, Sec. 16, Twp. 6S, Rge. 18E, Carbon County
Trust Beneficiary:	Common Schools

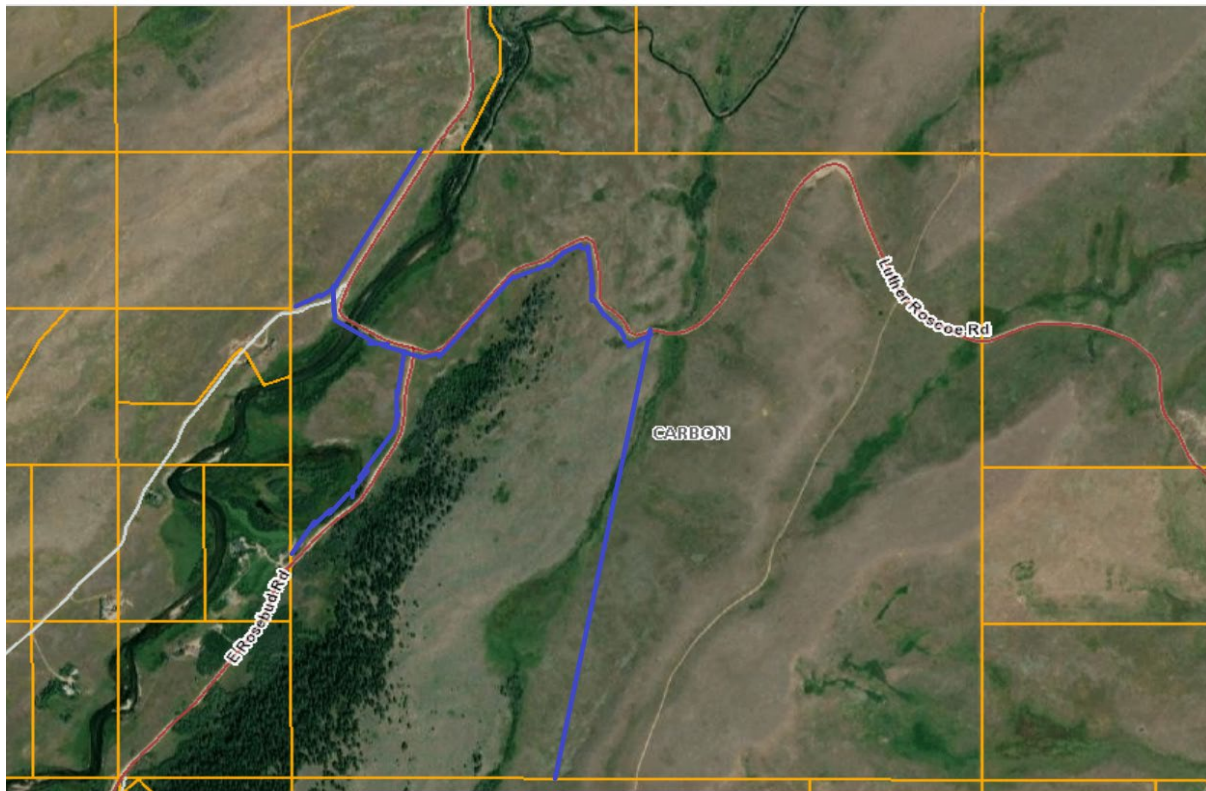
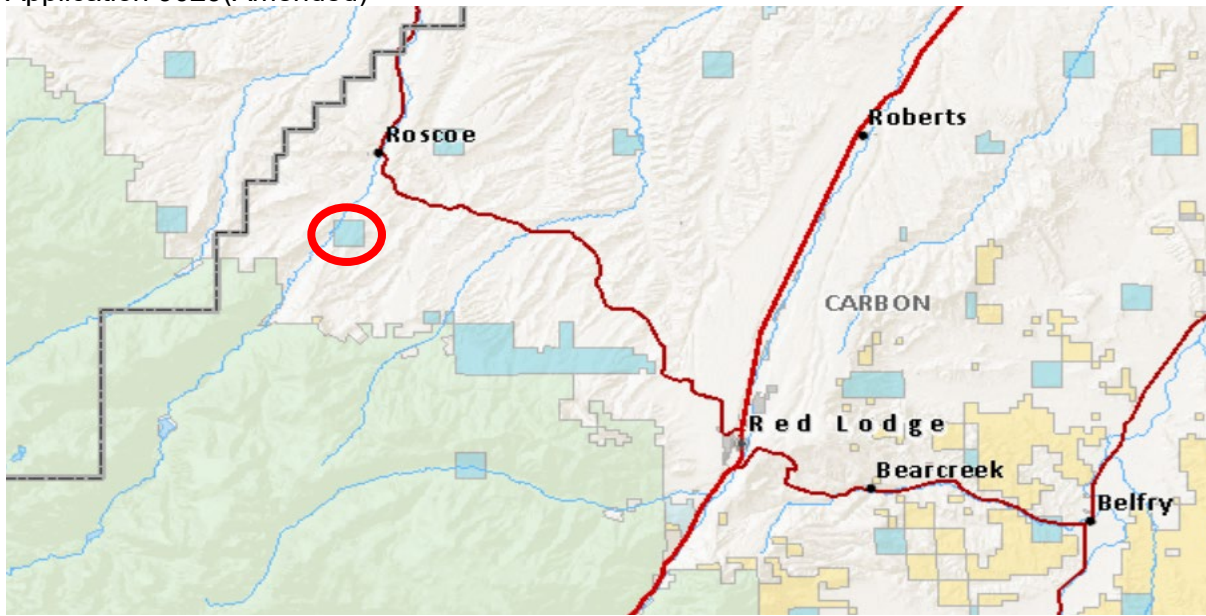
Item Summary

Project Telephone Company is proposing to add a buried fiber optic cable to a segmented portion of an existing easement that contains copper telephonic cable. The existing copper cable will remain in place and continue to be utilized. The new fiber optic cable will be trenched in the existing easement corridor within the W2SW4, NW4SW4 only, which is along a county road, therefore minimal impacts are expected to occur.

DNRC Recommendation

The DNRC recommends approval of the application of Project Telephone Company.

Application 9029(Amended)



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Communication System, Inc. P.O. Box 1140 Havre, MT 59501
Application No.:	19415
R/W Purpose:	a buried fiber optic telecommunications cable
Lessee Agreement:	ok
Acreage:	0.2
Compensation:	\$238.00
Legal Description:	20-foot strip through SW4NE4, Sec. 31, Twp. 33N, Rge. 16E, Hill County
Trust Beneficiary:	Common Schools

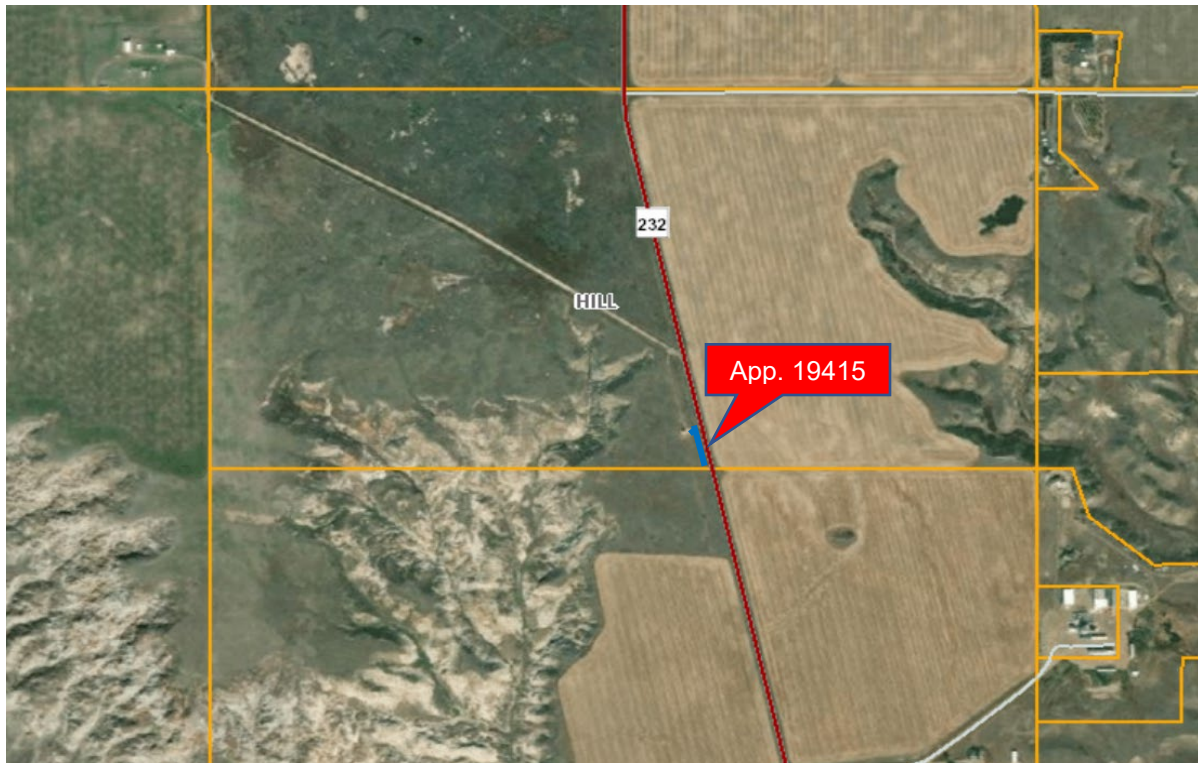
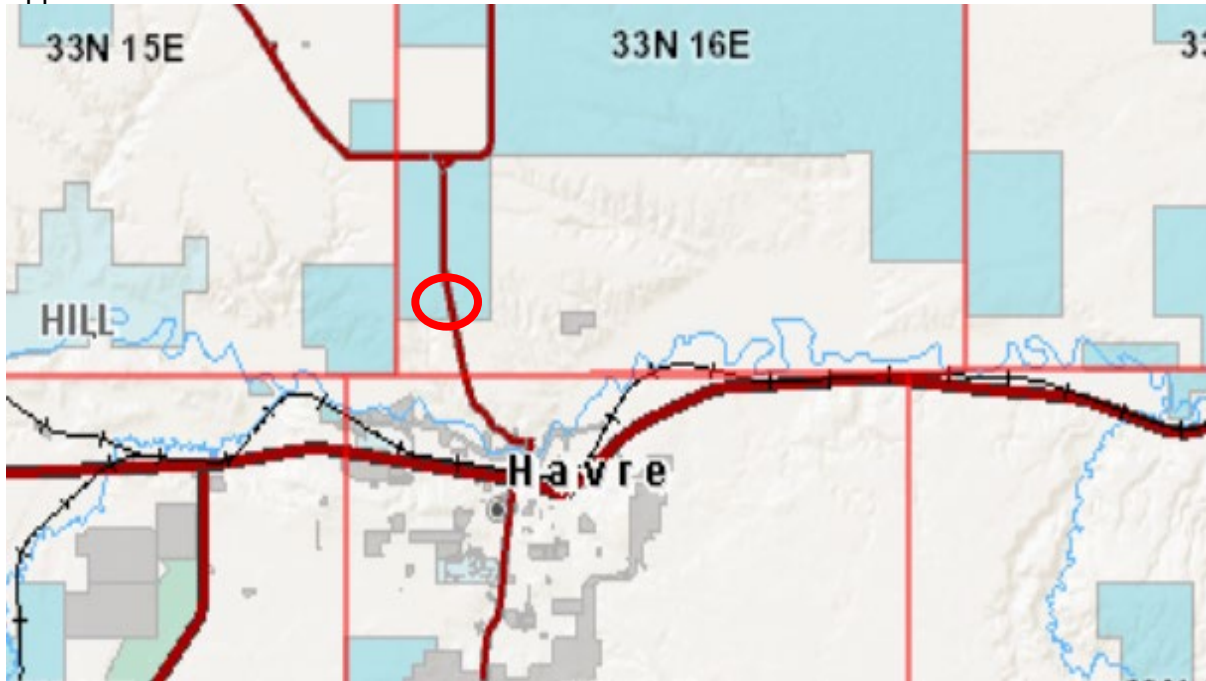
Item Summary

Triangle Communication System, Inc. is requesting an easement to place underground fiber optic telecommunications facilities to provide services to a new customer in the North Havre Exchange service area. The proposed route is the most direct route between terminus locations while also providing access to existing and future network considerations.

DNRC Recommendation

The DNRC recommends approval of the application of Triangle Communication System, Inc.

Application 19415



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Kiehl Ranch Partnership 371 Kiehl Ranch Rd Winnett, MT 59087
Application No.:	19416
R/W Purpose:	a private access road for the purpose of conducting normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	1.2
Compensation:	\$732.00
Legal Description:	15-foot strip through W2SW4, SW4NW4, Sec. 28, Twp. 13N, Rge. 27E, Petroleum County
Trust Beneficiary:	Common Schools

Item Summary

Kiehl Ranch Partnership is requesting an easement for a private access road to their farm/ranch lands. The road has been in place for many years and application was made prior to October 1, 2021, pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State land is legally accessible via Kelly Road, therefore reciprocal access is not considered. Kiehl Ranch Partnerships private land to be accessed is described as follows:

- NW4NW4, Section 28, Township 13 North, Range 27 East

DNRC Recommendation

The DNRC recommends approval of the application of Kiehl Ranch Partnership.

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Kiehl Ranch Partnership 371 Kiehl Ranch Rd Winnett, MT 59087
Application No.:	19417
R/W Purpose:	a private access road for the purpose of conducting normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	0.6
Compensation:	\$354.00
Legal Description:	15-foot strip through NE4NW4, Sec. 28, Twp. 13N, Rge. 27E, Petroleum County
Trust Beneficiary:	Common Schools

Item Summary

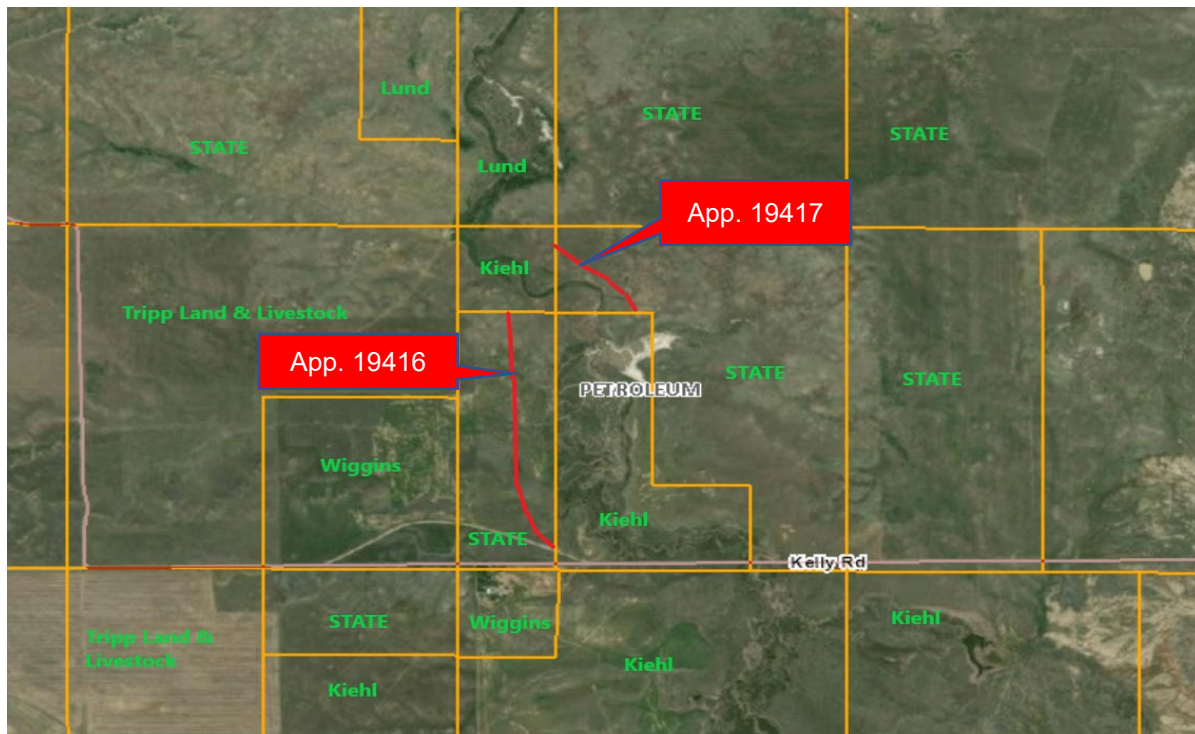
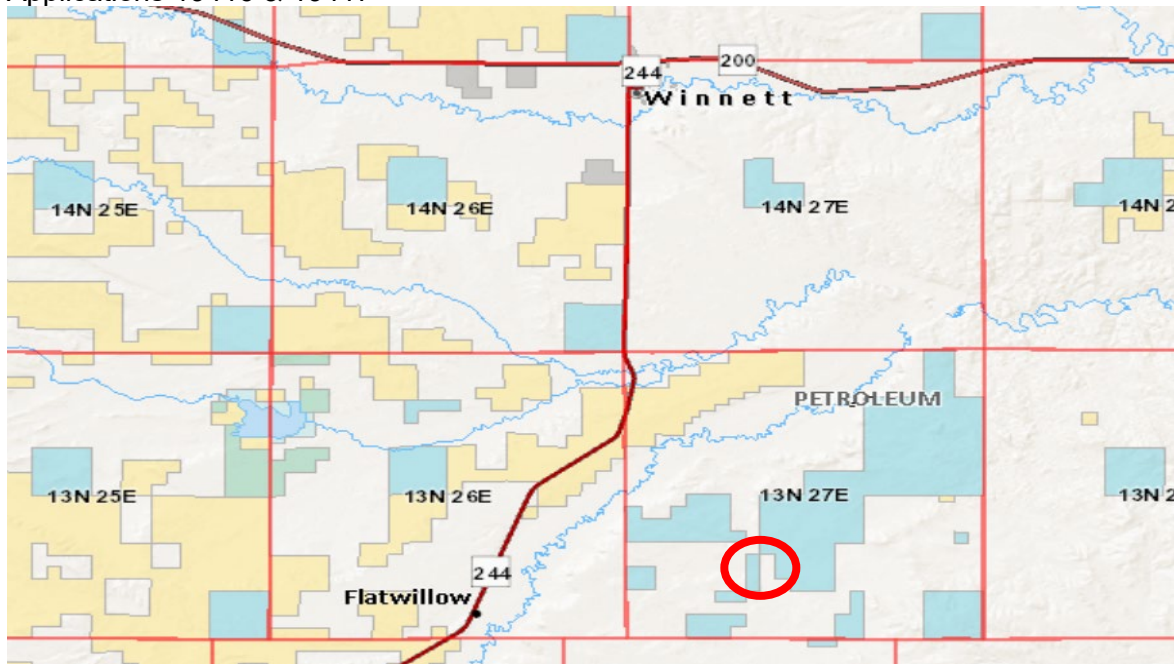
Kiehl Ranch Partnership is requesting an easement for a private access road to their farm/ranch lands. The road has been in place for many years and application was made prior to October 1, 2021 pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State land is legally accessible via Kelly Road, therefore reciprocal access is not considered. Kiehl Ranch Partnerships private land to be accessed is described as follows:

- NW4NW4, Section 28, Township 13 North, Range 27 East

DNRC Recommendation

The DNRC recommends approval of the application of Kiehl Ranch Partnership.

Applications 19416 & 19417



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Kiehl Ranch Partnership 371 Kiehl Ranch Rd Winnett, MT 59087
Application No.:	19418
R/W Purpose:	a private access road for the purpose of conducting normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	0.4
Compensation:	\$234.00
Legal Description:	15-foot strip through NE4NE4, Sec. 16, Twp. 13N, Rge. 28E, Petroleum County
Trust Beneficiary:	Common Schools

Item Summary

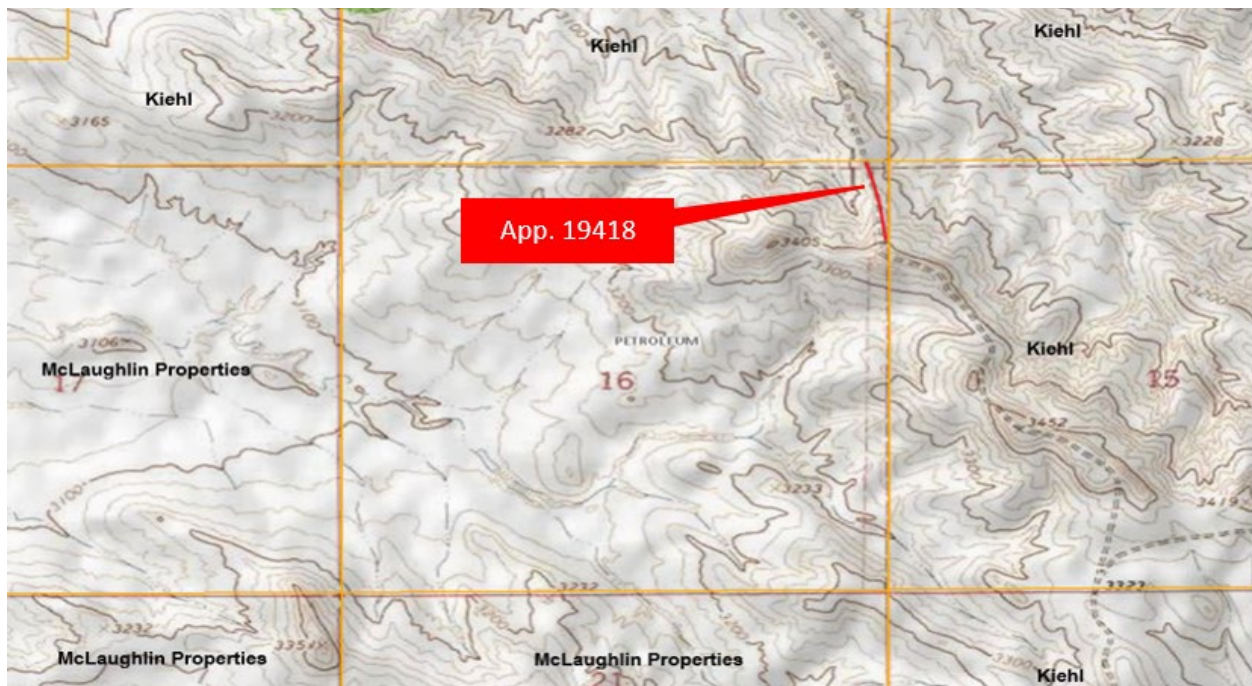
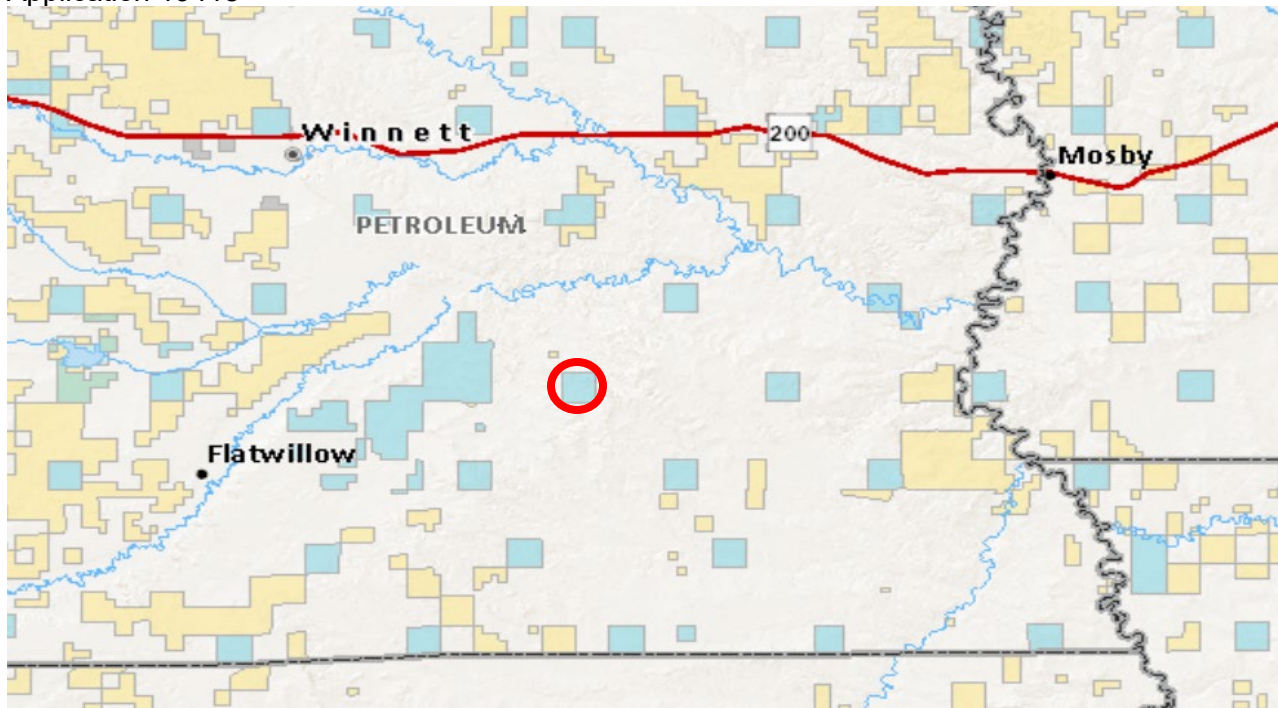
Kiehl Ranch Partnership is requesting an easement for a private access road to their farm/ranch lands. The road has been in place for many years and application was made prior to October 1, 2021 pursuant to §77-1-130, MCA, which allows for recognition of such historic access. There is no legal access to either the Kiehl property or the State Land and there are multiple intervening private landowners to the nearest public access. Therefore, reciprocal access is not an option. Kiehl Ranch Partnership's private land to be accessed is described as follows:

- All of Section 9, Township 13 North, Range 28 East
- All of Section 15, Township 13 North, Range 28 East

DNRC Recommendation

The DNRC recommends approval of the application of Kiehl Ranch Partnership.

Application 19418



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Kiehl Ranch Partnership 371 Kiehl Ranch Rd Winnett, MT
Application No.:	19419
R/W Purpose:	a private access road for the purpose of conducting normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	0.9
Compensation:	\$564.00
Legal Description:	15-foot strip through NW4SE4, E2SE4, Sec. 34, Twp. 13N, Rge. 27E, Petroleum County
Trust Beneficiary:	Common Schools

Item Summary

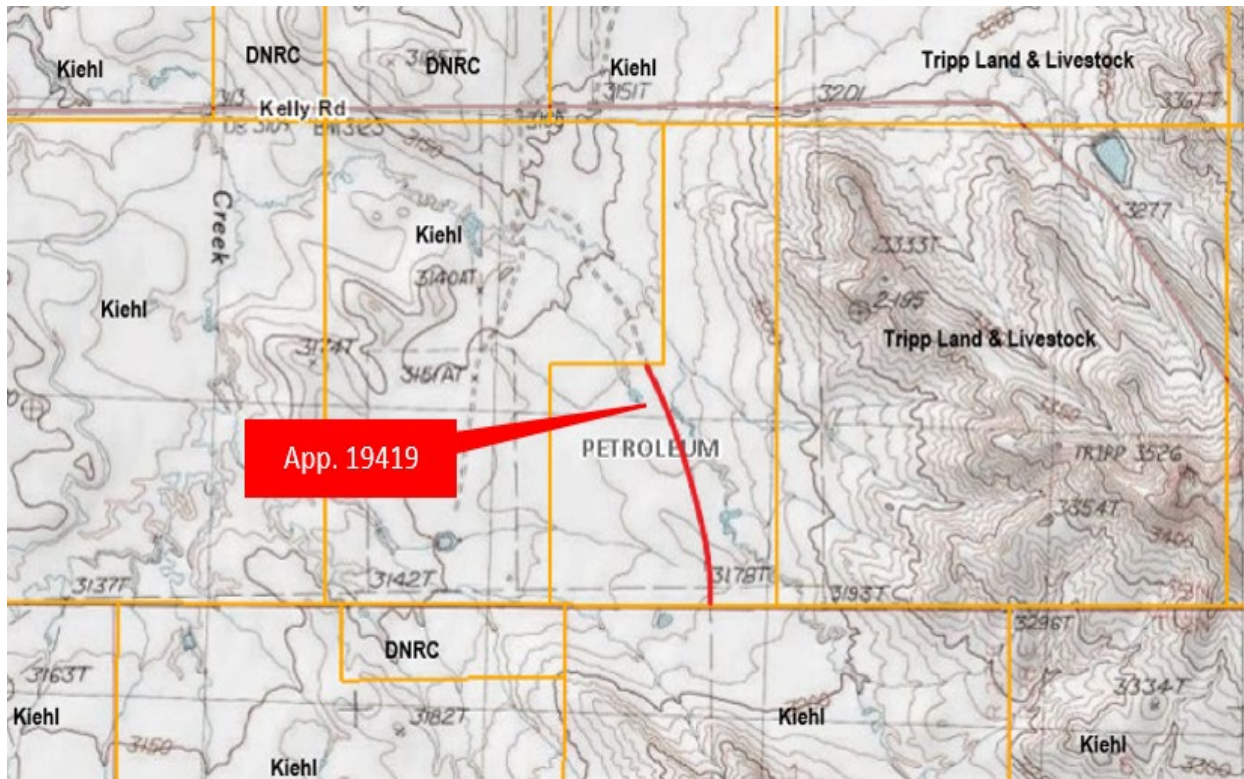
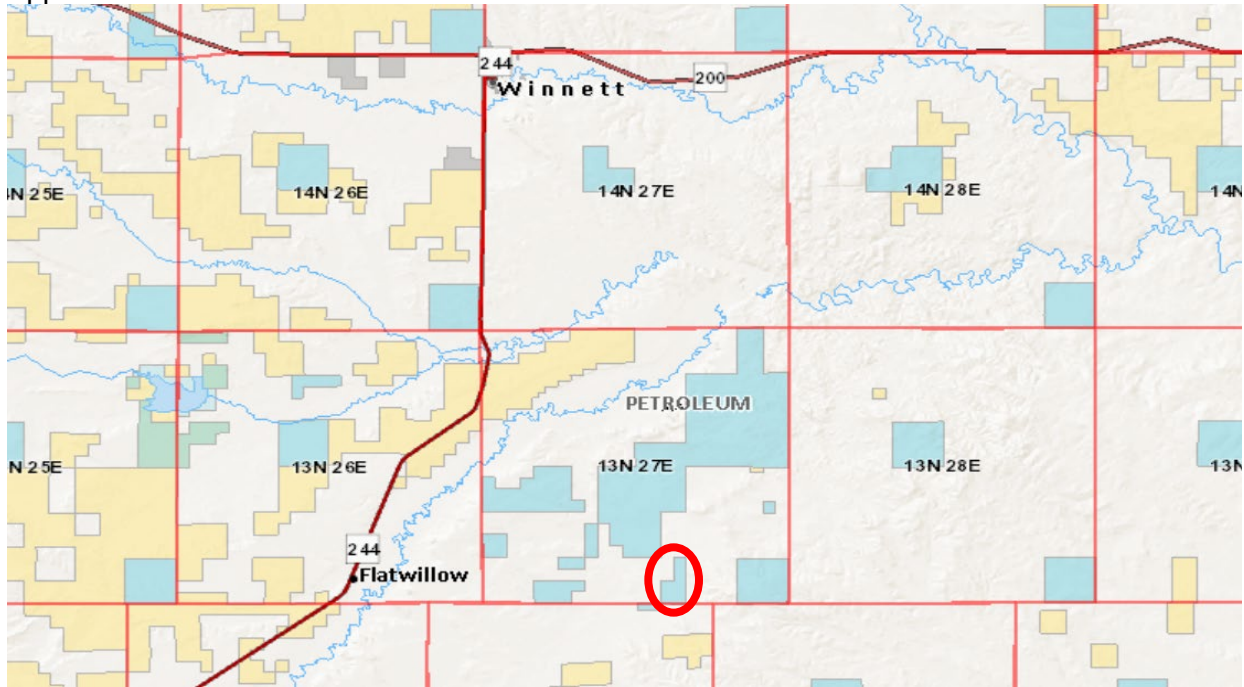
Kiehl Ranch Partnership is requesting an easement for a private access road to their farm/ranch lands. The road has been in place for many years and application was made prior to October 1, 2021 pursuant to §77-1-130, MCA, which allows for recognition of such historic access. Kiehl Ranch potentially could provide a reciprocal access to the State, however they have declined to do so. They are currently the lessee of the affected State section. Kiehl Ranch Partnership's private land to be accessed is described as:

- All of Section 1, Township 12 North, Range 27 East

DNRC Recommendation

The DNRC recommends approval of the application of Kiehl Ranch Partnership.

Application 19419



0123-4

Land Use License: Montana Department of
Transportation

Salmon Lake, Missoula County

**Land Board Agenda Item
January 17, 2023**

0123-4 Land Use License

Location: Salmon Lake, Missoula County

Trust Benefits: Navigable Waterways

Trust Revenue: \$1,500.00

Item Table of Contents

Applicant	Land Use License Purpose	Term	Page(s)
Montana Department of Transportation	Riprap and culvert extensions	10 years	45-48

NAVIGABLE WATER LAND USE LICENSE
January 17, 2023

Applicant:	Montana Department of Transportation 2701 Prospect Ave. Helena, MT 59601
License No.:	LUL 306-2300036
Purpose:	Placement of riprap and culvert extensions in 10 locations along the shore of Salmon Lake as noted within the Montana Department of Transportation, Right of Way Plan, Federal Aid Project STPP 83-1(47)5, Salmon Lake.
Acreage:	0.62
Compensation:	\$1,500.00
Legal Description:	Sec. 4, 5, 9 T15N R14W and Sec 30, 32 T16N R 14W
Trust Beneficiary:	Navigable Waterways

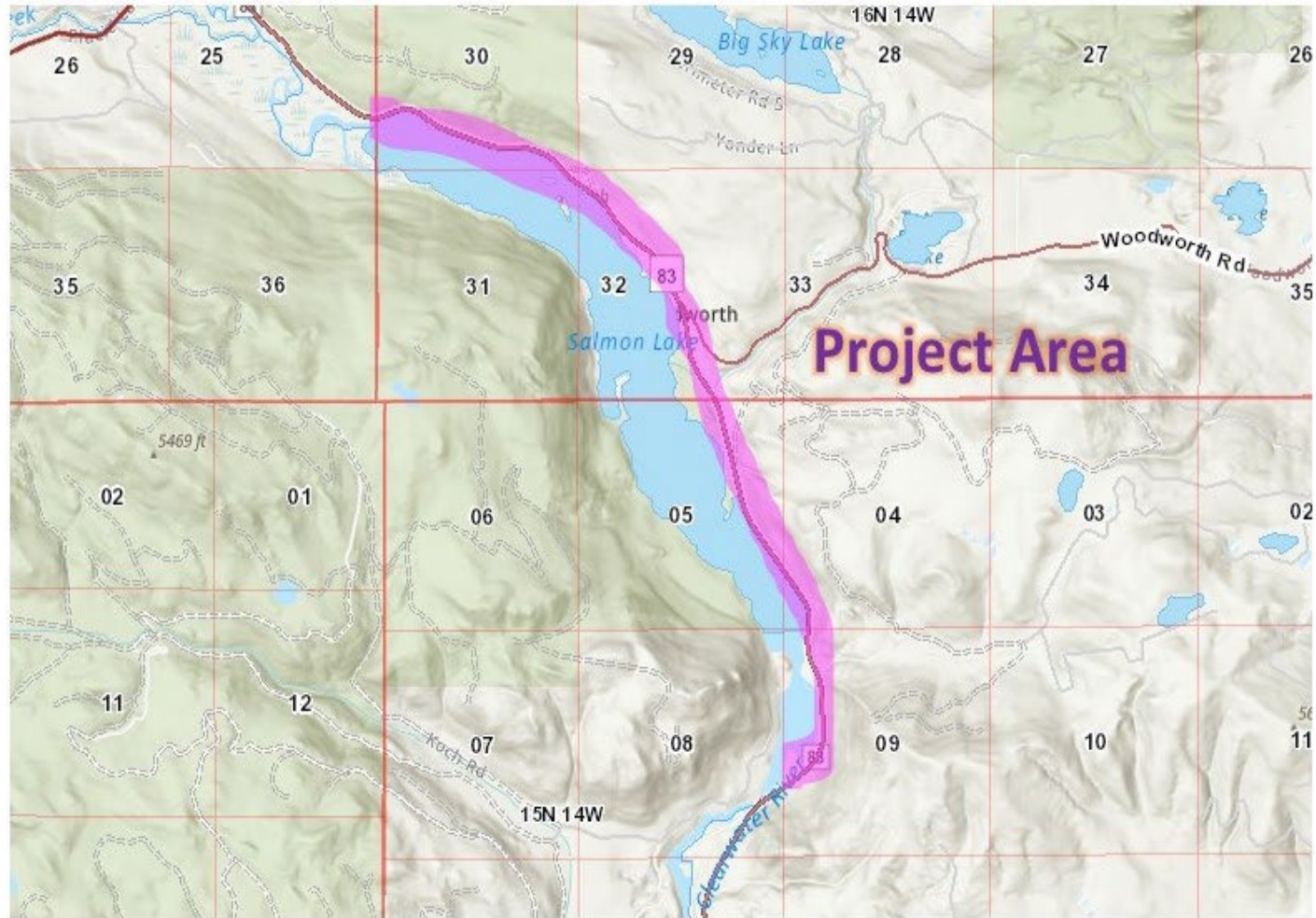
Item Summary

The Montana Department of Transportation will reconstruct four miles of Highway 83 to increase visibility, widen the roadway, straighten curves, improve existing cut slopes, create drainage improvements, and install new signage and guardrail. Part of the construction project will include the placement of riprap and culvert pipe below the ordinary low-water mark on Salmon Lake, a navigable waterway that the State claims ownership based on historical evidence of navigability. Pursuant to ARM 36.25.1102(3), a land use license for this purpose is subject to final land board approval.

DNRC Recommendation

The DNRC recommends approval of the license for the Montana Department of Transportation.

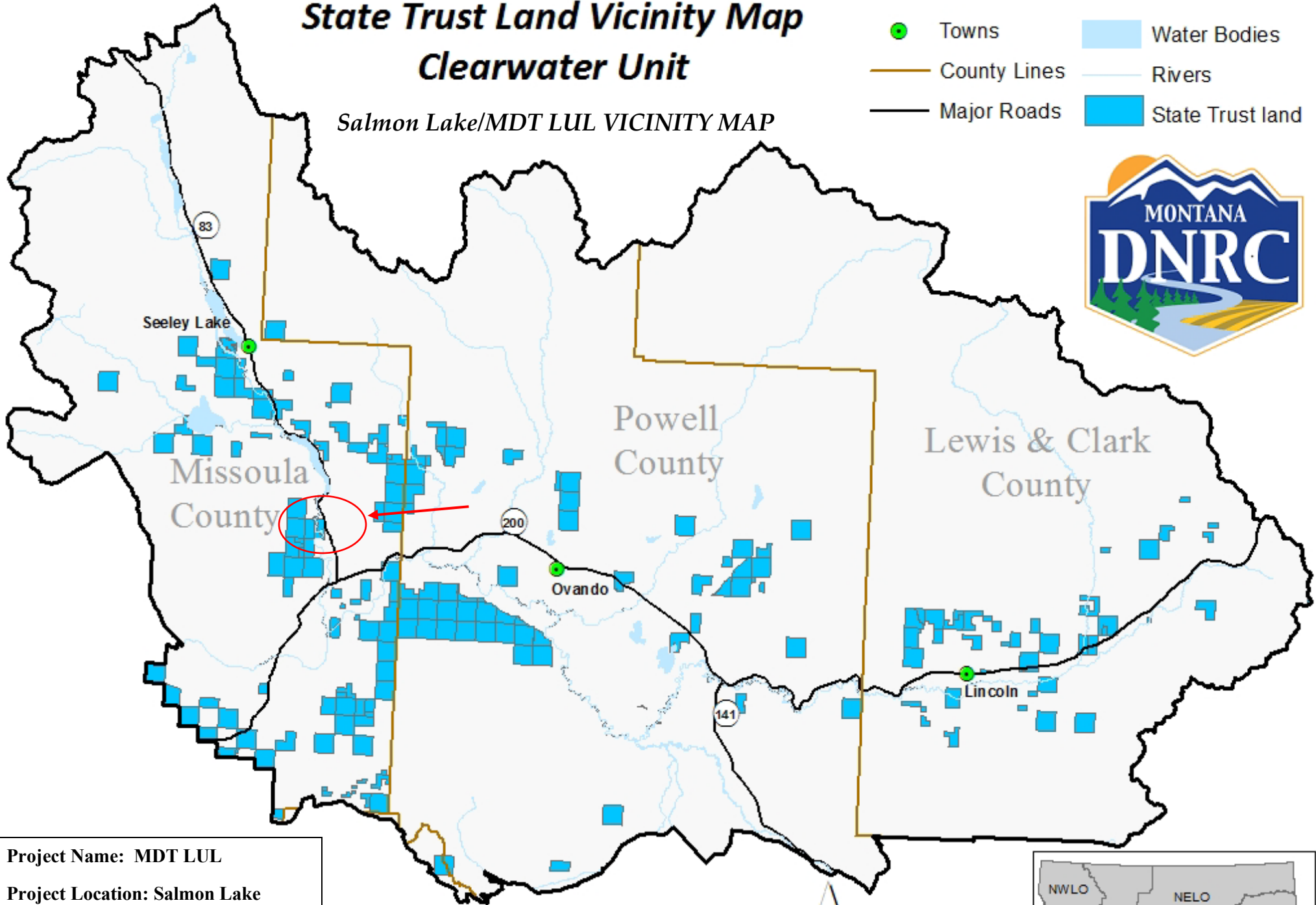
State Trust Land
Project Map
MT Dept. of Transportation – Salmon Lake Land Use License



State Trust Land Vicinity Map Clearwater Unit

Salmon Lake/MDT LUL VICINITY MAP

- Towns
- County Lines
- Major Roads
- Water Bodies
- Rivers
- State Trust land



Project Name: MDT LUL
Project Location: Salmon Lake
 Sec. 4, 5, 9 T15N R14W; Sec. 30, 32
 T16N R14W
County: Missoula 48

0 5 10 20 Miles



Produced by Montana Department of Natural Resources and Conservation 11/1/2019
 Datum: NAD 1983 StatePlane

