

**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
MINUTES
April 15, 2024, 9:00 a.m.
Supreme Court Chambers, Mazurek Justice Building
Helena, MT**

Members Present

Greg Gianforte, Governor
Austin Knudsen, Attorney General
Troy Downing, Commissioner of Securities and Insurance
Christi Jacobsen, Secretary of State
Elsie Arntzen, Superintendent of Public Instruction

Members Absent

None

Testifying Staff

Amanda Kaster, DNRC Director
Shawn Thomas, DNRC Forestry and Trust Lands Administrator
Ryan Weiss, DNRC Trust Lands Deputy Administrator
Luke Casey, DNRC Attorney

Attachments

Related Materials, Attachment #1 – sign-in sheet
Related Materials, Attachment #2 – Informational Item 0424-4 Ryan Weiss PowerPoint
Related Materials, Attachment #3 – Informational Item 0424-5 Shawn Thomas PowerPoint

Call to Order

00:00:15 Governor Gianforte called the meeting to order.
00:00:25 Troy Downing, Commissioner of Securities and Insurance, moved to approve the March 2024, minutes. The motion was seconded by Austin Knudsen, Attorney General, and carried unanimously.

Business Considered

0424-1 Timber Sales
A. Cliff Lake
B. Olney North
C. The Other Side

00:00:40 Mrs. Kaster gave an overview of the item.

00:02:35 Troy Downing, Commissioner of Securities and Insurance, moved to approve item 0424-1. The motion was seconded by Austin Knudsen, Attorney General, and carried 5-0.

0424-2 Land Banking Parcel: Preliminary Approval for Sale

00:03:00 Mrs. Kaster gave an overview of the item.

00:03:40 Christi Jacobsen, Secretary of State, moved to approve item 0424-2. The motion was seconded by Elsie Arntzen, Superintendent of Public Instruction, and carried 5-0.

0424-3 Easements

00:04:00 Mrs. Kaster gave an overview of the item.

Public Comment:

00:04:45 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:07:15 Greg Gianforte, Governor
00:07:24 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:07:25 Greg Gianforte, Governor
00:07:30 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:08:28 Greg Gianforte, Governor
00:08:31 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:11:45 Greg Gianforte, Governor
00:12:05 Brian McDowell, East Smith Lake, Property Owner
00:14:45 Greg Gianforte, Governor
00:15:10 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:16:25 Greg Gianforte, Governor
00:16:40 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
00:19:10 Greg Gianforte, Governor
00:19:22 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
00:19:30 Greg Gianforte, Governor

00:19:40 Austin Knudsen, Attorney General, moved to approve item 0424-3.

Board Discussion/Comments:

00:19:50 Austin Knudsen, Attorney General
00:20:22 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
00:20:25 Austin Knudsen, Attorney General
00:20:43 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
00:20:50 Elsie Arntzen, Superintendent of Public Instruction
00:21:35 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:22:05 Elsie Arntzen, Superintendent of Public Instruction
00:22:17 Tom Thomas, East Smith Lake, Point of View Ranch – Owner of 5-Star Realty
00:23:20 Elsie Arntzen, Superintendent of Public Instruction
00:23:50 Brian McDowell, East Smith Lake, Property Owner
00:25:10 Elsie Arntzen, Superintendent of Public Instruction
00:25:50 Shawn Thomas, DNRC Forestry and Trust Lands Administrator

00:26:20 The motion to approve item 0424-3 carried unanimously.

0424-4 Informational Item: Department of Natural Resources and Conservation

00:26:45 Mrs. Kaster gave an overview of the informational item.

00:27:15 Ryan Weiss, Trust Lands Deputy Administrator, gave a presentation.

Board Discussion/Comments:

00:37:00 Elsie Arntzen, Superintendent of Public Instruction
00:37:32 Greg Gianforte, Governor

0424-5 Informational Item: Department of Natural Resources and Conservation

00:37:50 Mrs. Kaster gave an overview of the informational item.

These abbreviated summary minutes and the audio recording will become the official adopted minutes at the next Land Board meeting when the board votes to officially approve them. Until then they are considered a draft.

- 00:38:20 The Governor gave an overview of the motion for the informational item presentation.
- 00:41:10 Luke Casey, DNRC Attorney, gave a presentation.
- 00:46:10 Shawn Thomas, DNRC Forestry and Trust Lands Administrator, gave a presentation.

Public Comment:

- 01:02:10 Jon Metropoulos, SAWRA
- 01:04:00 Ross Morgan, President of Montana Stock Owners Association
- 01:06:30 William Walker, Student at The University of Montana
- 01:08:00 Becky Beard, Montana State Senate, District 40
- 01:09:25 Bruce Neal, Helena, MT
- 01:09:40 Carl Devries, RCWUA/SAWRA
- 01:11:20 Will Graveley, Director for Rocky Mountain Stock Growers Association
- 01:12:45 Casey FitzSimmons, Rancher in Canyon Creek
- 01:13:15 Mike Murphy, Montana Water Resources Association
- 01:14:25 John Hanson, Rancher
- 01:15:45 Alan Redfield, Rancher in Paradise Valley
- 01:16:45 Dan Davis, President of the Broadwater and Missouri Water Users Association
- 01:17:15 Harmony Kugler, Landowner
- 01:17:50 Ross Salmond, SAWRA, Salmond Ranch Company
- 01:18:25 Greg Gianforte, Governor
- 01:18:59 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
- 01:19:15 Greg Gianforte, Governor
- 01:19:23 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
- 01:19:25 Greg Gianforte, Governor
- 01:19:35 Shawn Thomas, DNRC Forestry and Trust Lands Administrator

Board Discussion/Comments:

- 01:19:40 Greg Gianforte, Governor
- 01:20:50 Troy Downing, Commissioner of Securities and Insurance
- 01:21:00 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
- 01:21:05 Troy Downing, Commissioner of Securities and Insurance
- 01:21:17 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
- 01:21:25 Troy Downing, Commissioner of Securities and Insurance
- 01:21:47 Alan Redfield, Rancher in Paradise Valley
- 01:23:03 Greg Gianforte, Governor
- 01:23:10 Alan Redfield, Rancher in Paradise Valley
- 01:23:22 Greg Gianforte, Governor
- 01:23:26 Alan Redfield, Rancher in Paradise Valley
- 01:23:50 Christi Jacobsen, Secretary of State
- 01:24:00 Greg Gianforte, Governor
- 01:24:09 Christi Jacobsen, Secretary of State
- 01:24:10 Greg Gianforte, Governor
- 01:24:33 Elsie Arntzen, Superintendent of Public Instruction
- 01:25:00 Alan Redfield, Rancher in Paradise Valley
- 01:25:17 Greg Gianforte, Governor
- 01:25:45 Shawn Thomas, DNRC Forestry and Trust Lands Administrator
- 01:26:08 Greg Gianforte, Governor
- 01:26:13 Austin Knudsen, Attorney General
- 01:27:25 Greg Gianforte, Governor
- 01:27:35 Elsie Arntzen, Superintendent of Public Instruction
- 01:28:17 Christi Jacobsen, Secretary of State

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01:29:12 Greg Gianforte, Governor
01:31:05 Troy Downing, Commissioner of Securities and Insurance
01:31:55 Greg Gianforte, Governor
01:33:35 Elsie Arntzen, Superintendent of Public Instruction
01:34:30 Austin Knudsen, Attorney General
01:35:30 Greg Gianforte, Governor
01:37:00 Austin Knudsen, Attorney General
01:37:05 Greg Gianforte, Governor
01:37:31 Elsie Arntzen, Superintendent of Public Instruction
01:37:40 Greg Gianforte, Governor
01:38:11 Troy Downing, Commissioner of Securities and Insurance
01:38:40 Greg Gianforte, Governor
01:38:54 Troy Downing, Commissioner of Securities and Insurance
01:39:08 Greg Gianforte, Governor
01:39:19 Troy Downing, Commissioner of Securities and Insurance
01:39:40 Greg Gianforte, Governor
01:40:24 Elsie Arntzen, Superintendent of Public Instruction
01:41:25 Greg Gianforte, Governor
01:41:43 Elsie Arntzen, Superintendent of Public Instruction
01:42:00 Greg Gianforte, Governor
01:42:45 Elsie Arntzen, Superintendent of Public Instruction
01:43:18 Greg Gianforte, Governor
01:43:40 Austin Knudsen, Attorney General
01:43:50 Greg Gianforte, Governor, made a motion.
01:44:30 The motion was seconded by Troy Downing, Commissioner of Securities and Insurance.
01:44:42 Austin Knudsen, Attorney General
01:45:35 Greg Gianforte, Governor
01:45:42 Austin Knudsen, Attorney General
01:45:44 Greg Gianforte, Governor
01:45:50 Troy Downing, Commissioner of Securities and Insurance
01:45:56 Greg Gianforte, Governor
01:46:07 Elsie Arntzen, Superintendent of Public Instruction
01:46:12 Greg Gianforte, Governor

01:46:27 The motion was carried 5-0.

General Public Comment

01:46:52 Jocelyn Galt Cahill, Rancher in Broadwater County

Adjournment

01:49:30 Adjournment

PRESIDENT

ATTEST

/s/
Greg Gianforte, Governor

/s/
Amanda Kaster, DNRC Director

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Please note: The Land Board has adopted the audio recording of its meetings as the official record, as allowed by [2-3-212, MCA](#). These minutes provide an abbreviated summary of the Land Board discussion, public testimony, action taken, and other activities. The time designations listed are approximate and may be used to locate the referenced discussion on the audio recording of this meeting. Access to an electronic copy of these minutes and the audio recording is provided from the Land Board webpage at <http://dnrc.mt.gov/LandBoard>. The written minutes summary, along with the audio recordings, are listed by meeting date on the Land Board Archive webpage.

DRAFT

BOARD OF LAND COMMISSIONERS MEETING: SIGN-IN SHEET

April 15, 2024, at 9:00 am

Supreme Court Chambers, Mazurek Justice Building
Helena, MT

NAME	AFFILIATION	E-MAIL	Check to be added to the Interested Parties List
Tom Thomas	East Smith Lake		
Alex Restick	Rancher	vedfield4mt@gmail.com	
Brian McDowell	East Smith Lake	mtpeacemoon@icloud.com	
Michelle D. Daniel			
Jocelyn Cahill	Rancher		
Wm Bandy	Rancher	bandyappraisal@gmail.com	
Melinda Bandy	Rancher	malineesther@gmail.com	
CARL DEKRIES	R.C. WVA SAWRA		
E. J. Redding	Self	e.j.redding70@gmail.com	
Jon Metropoulos	SAWRA	jon@metropouloslaw.com	
Will Graveley	RMSG Rancher	wgraveley@gmail.com	
Don Davis	Breadwinner WVA/farmer	ctiwva@gmail.com	
Ross Morgan	Rocky Mountain Stockgrowers	rossmorgan27@outlook.com	✓
Ross Salmond	SAWRA Salmond Ranch Company	rosssal@3rivers.net	✓
H. Downing		heathu@traydowning.com	
Kelly Kugler	Rancher	kugler@mt.net	✓

Email landboard@mt.gov or indicate on this sign-in sheet if you would like to be placed on the Land Board Interested Parties List.

This sign-in sheet is a public record under Title 2, Chapter 6 of the Montana Code Annotated, but may not be reproduced or distributed for use as a mailing list without the permission of the named individuals under 2-6-1017, MCA.

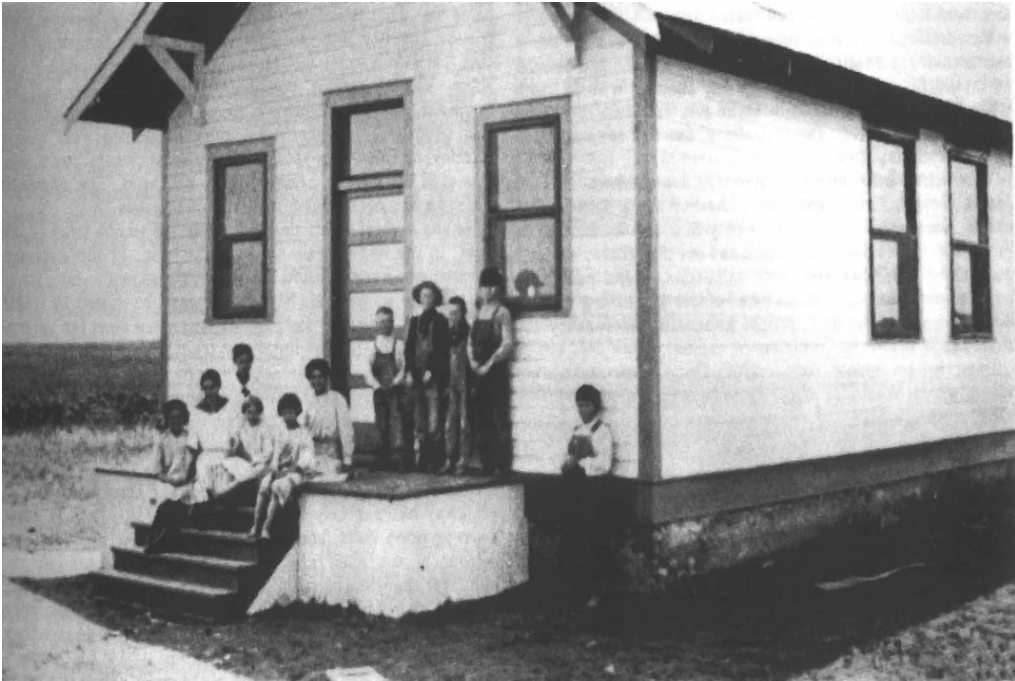
BOARD OF LAND COMMISSIONERS MEETING: SIGN-IN SHEET
April 15, 2024, at 9:00 am
Supreme Court Chambers, Mazurek Justice Building
Helena, MT

NAME	AFFILIATION	E-MAIL	Check to be added to the Interested Parties List
Harmony Kugler	Rancher	khkugler@gmail.com	✓
Abbey Galt	Rancher		
Erin Weisgerber	DNR C	erinweisgerber@mt.gov	
Will Walker	Ranch Hand	will.walker@outlook.com	✓
Brian Quigley	Rancher	quigley@bh.com quigley-bh@hotmail.com	
Reyn Proa	Rancher	reynproa1946@gmail.com	
Chad Koon	Rancher	Koon440@hotmail.com	
Sen. Becky Beard	SD 40	becky.beard@legmt.gov	
Bruce Neal			
John Hanson	Rancher		
Mike Murphy	MWRA		

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Informational Item: How State Trust Lands Benefit Montana's Schools

Ryan Weiss, Trust Lands Deputy Administrator
April 15, 2024



Upper Left Image: Eagle Butte School, Chouteau County, MT, 1915, Geraldine Historical Committee. Lower Right Image: Eagle Butte School, Chouteau County, MT, 2006, Patrick Rennie, DNRC.



State Trust Lands

"There shall be reserved the lot No. 16, of every township, for the maintenance of public schools within the said township."

– *General Land Ordinance of 1785*

- Organic Act of the Territory of Montana
- Omnibus Enabling Act
- State Constitution
- MCA 77-1-101. Definitions. (9) "State trust land" means lands or property interests held in trust by the state:
 - (a) under Article X, sections 2 and 11, of the Montana constitution;
 - (b) through The Enabling Act of Congress (approved February 22, 1889, 25 Stat. 676), as amended; and
 - (c) through the operation of law for specified trust beneficiaries.

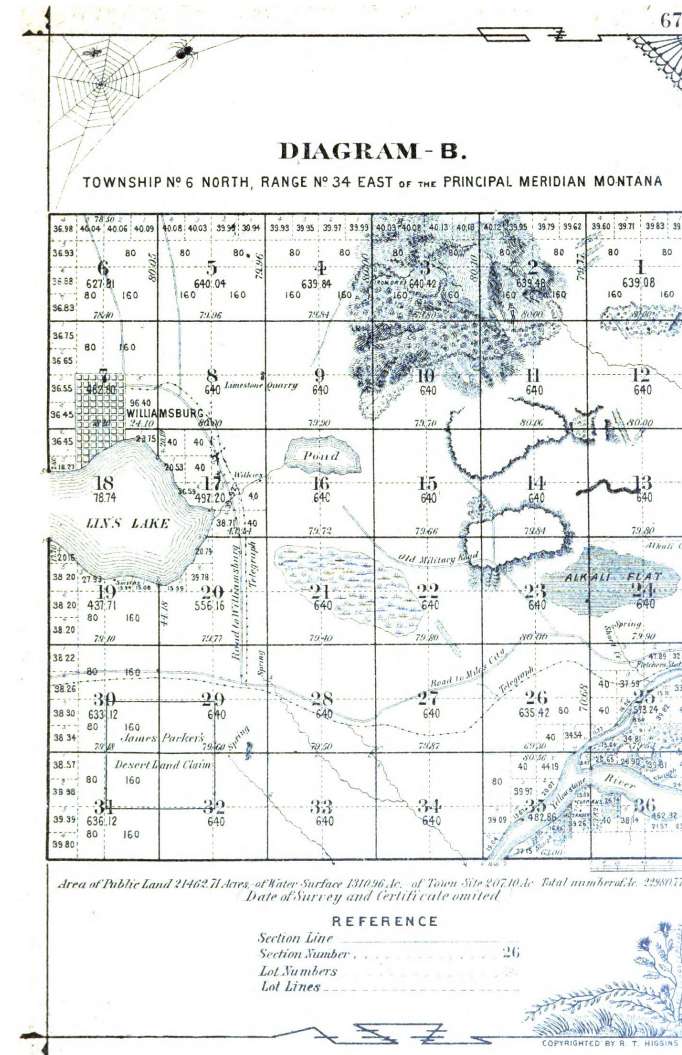
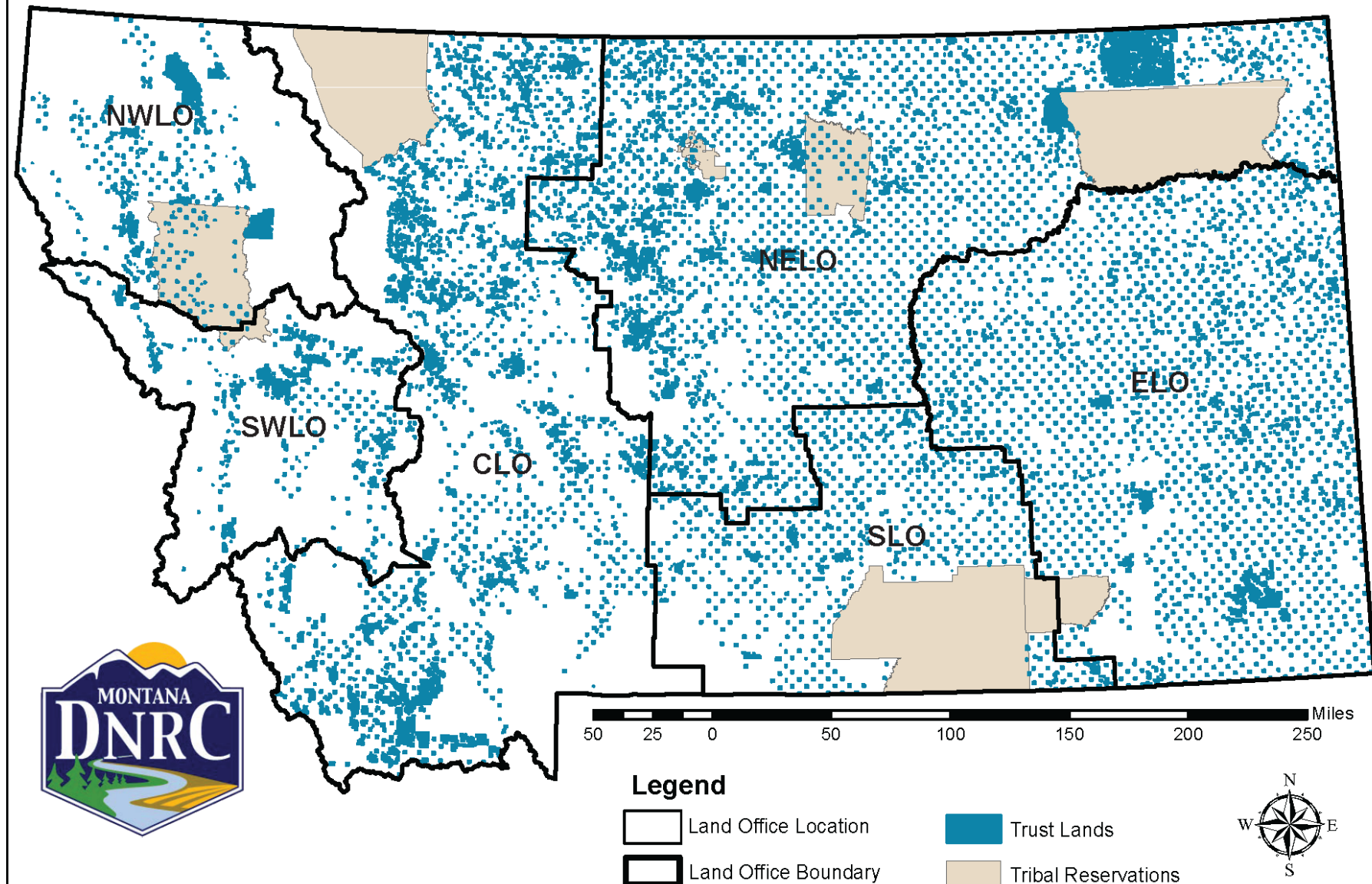
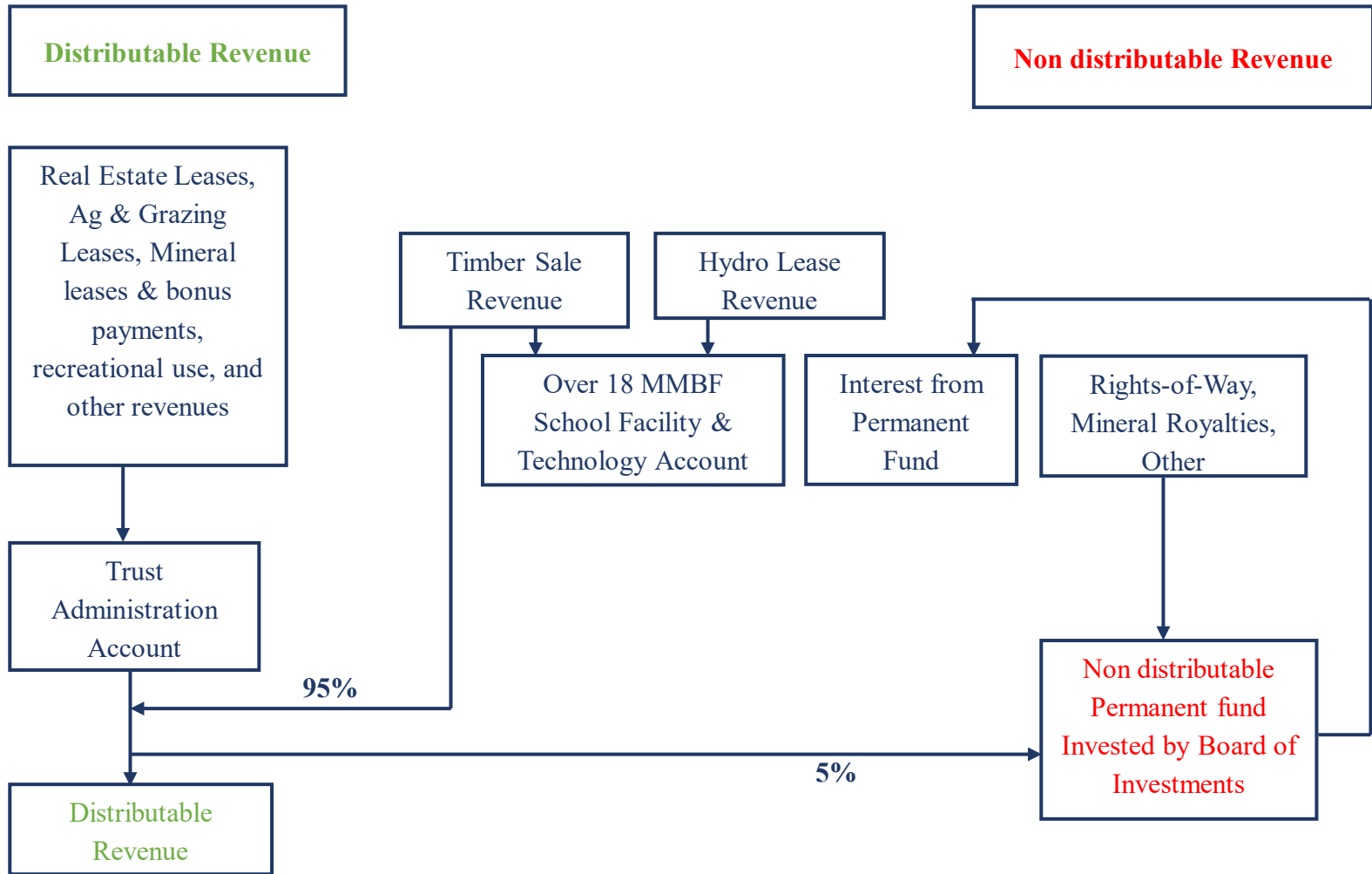


Image source: J. Higgins

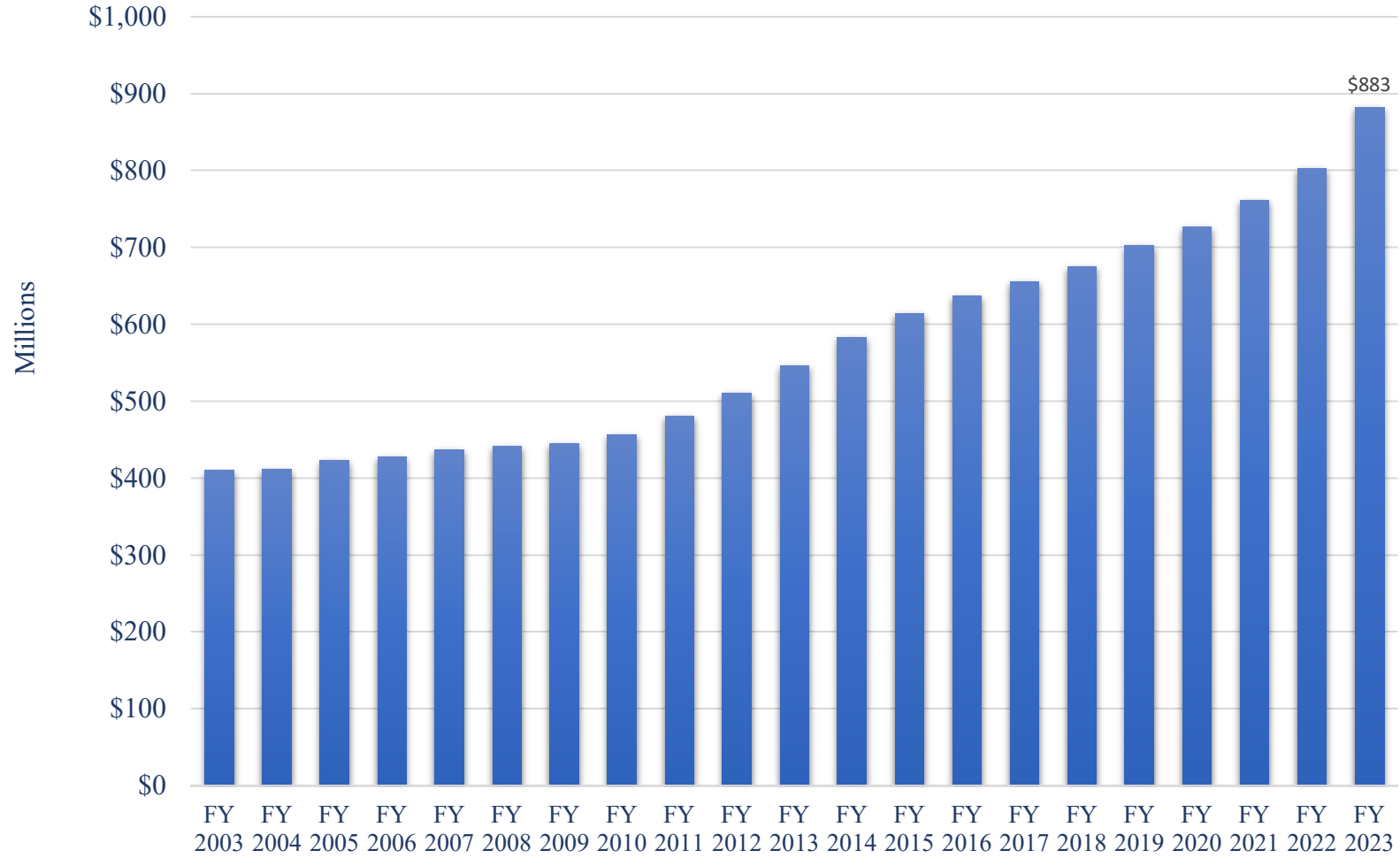


Montana State Trust Lands

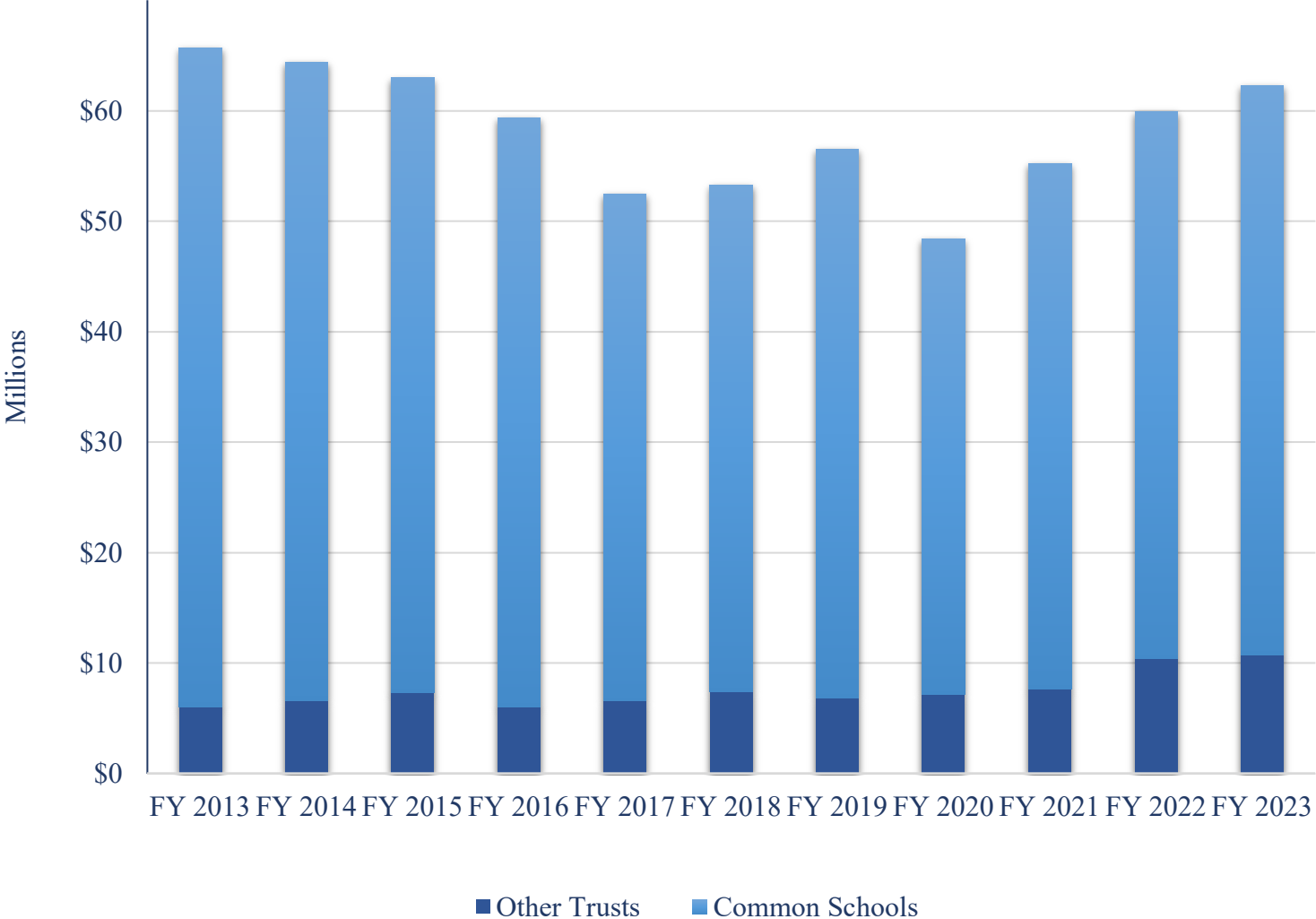




Permanent Fund Balance



Net Distributable Revenues



Funding Montana's Public Schools - FY 2023

2023 K-12 School Year
Enrollment: 150,573

OPI Expenditures: \$927,854,852

OPI Per Pupil Expenditures:
\$6,162

Trust Lands Contribution to the
OPI expenditures: 5.24%

Trust Lands Common Schools
General Fund Distribution:
\$48.6 million,
or \$323 per student

School Facility & Technology
Fund: \$9,034,906



Looking Ahead...



Image: Eagle Butte School, Chouteau County, MT, in 2011, Dustin Lenz, DNRC.



DNRC Delegated Responsibilities for Trust Land Management



Luke Casey, DNRC Attorney

Shawn Thomas, Forestry & Trust Lands Division Administrator

Purpose

A full legal briefing from DNRC and a discussion by the Land Board regarding the DNRC's authority to make legal and management decisions affecting state lands.

Legislative Delegation

MCA § 77-1-301(1)

Under the direction of the board, the department has charge of the selecting, exchange, classification, appraisal, leasing, management, sale, or other disposition of the state lands. It shall perform such other duties the board directs, the purpose of the department demands, or the statutes require.

Executive Delegation

- **Delegations of Land Board duties**
 - 1891 – Delegation to State Land Agent
 - 1895 – Delegation of routine business of the Board delegated to Register of State Lands
 - Succeeded to by Department of State Lands, with delegation legislatively assigned in 1927.
 - **Land Board Agenda Item 273-6, February 20, 1973:**
 - “The Board . . . delegate[s] . . . To the Commissioner of State Lands, or to the employees the Commissioner may designate, all of the functions vested in the Board under the laws of Montana except those functions expressly reserved by the Board, subject to the review by the Board of all actions taken by the Commissioner or the employees of the Department under the delegation given to them by this action.”
- **Land Board Agenda Item 896-5, August 19, 1996:**
 - Ratified 2/20/73 delegation of authority as to DNRC following termination of Department of State Lands.
- **Rulemaking Authority** - The legislature has delegated to the Board—and the Board has exercised—rulemaking authority in a variety of specific instances.

Forestry and Trust Lands Division (FTLD) Overview

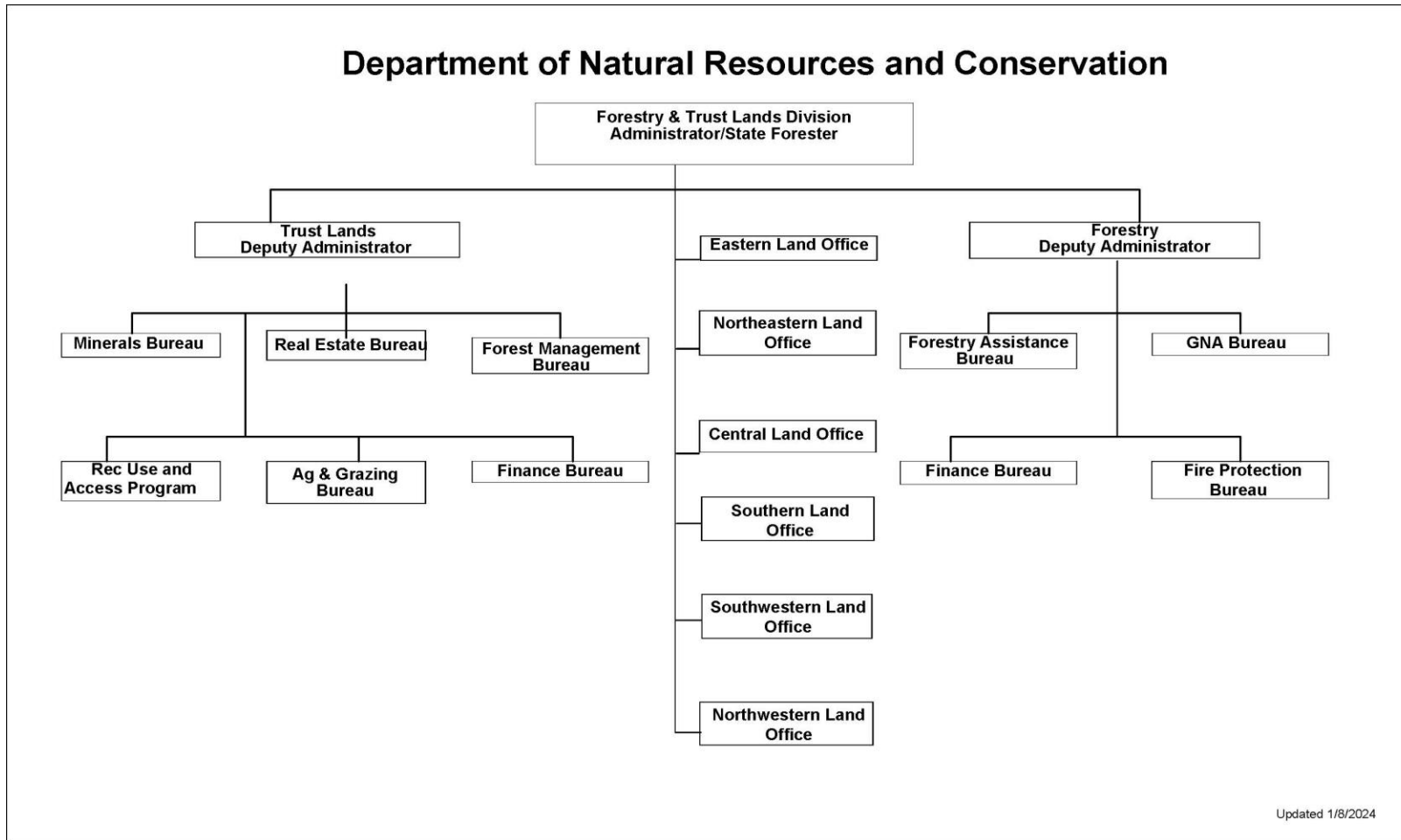
Forestry

- Fire Protection
- Forestry Assistance
- Good Neighbor Authority

Trust Lands

- Forest Management
- Real Estate
- Agriculture and Grazing
- Minerals Management
- Recreational Use and Public Access

Trust Land Organizational Chart



Forest Management Bureau (FMB)

Program Revenue: 5-year average annual revenue is \$10,790,532

Staffing: 55 FTE across the Bureau and Field offices; initiates an average of 31 permits, totaling 4,130 MBF per year

- Staff implement \$1.4 million per year of Forest Improvement work. ~3.5 FTE or ~ 7000 hours

Manages over 780,000 acres of forested state trust land and produces 23% of state's timber harvest

Key Functions: Timber sales, permits and forest improvement projects

Board Involvement: Final approval for timber sales retained by Land Board



FMB Experts in Montana Environmental Policy Act (MEPA)

Most MEPA specialist expertise resides in FMB (5 FTE)

- Soils/Hydrology expert
- Fisheries expert
- Wildlife biology expert
- MEPA planner

ESA and Programmatic Compliance (1 FTE)

- Habitat Conservation Plan with the USFWS
- State Forest Land Management Plan monitoring

Real Estate Management Bureau (REMB)

Program Revenue: 5-year average annual revenue is \$10,703,671

Staffing: 42 FTEs working across the Bureau and field offices

Oversees the leasing, sale, and management of state lands for real estate development

Key Functions: Managing 983 Land Use Licenses (LULs) and MEPA compliance

Board Involvement: Final approval for permanent dispositions of land or interest in land (e.g., easements, land banking sales, land exchanges) and authority on Administrative Rule retained by Land Board



REMB Property Management Section

- Administers 1518 leases and agreements
- Implements and monitors Real Estate Programmatic Plan
- Manages Cabin and Homesite Leasing Program
 - 570 leases
 - 113 lease inspections conducted in the field per year
 - Processes lease assignments to new owners (approx. 25/year)
 - 43 Lease Renewals annually
 - 1215 billings are sent out and processed/year
- Commercial Leasing Program
 - Board retains final decision on commercial lease issuance if lease will generate more than \$50k/year in rent
 - Multi-family housing projects, big box retail, communication towers, and renewable energy proposals
 - One FTE dedicated to coordinating commercial leasing opportunities with help from 7 FTE working in REMB in the field
 - 50 commercial leases; 6 commercial lease options; 4 renewable energy leases; 2 renewable energy lease options; 23 communication site leases

REMB - Lands and Rights of Way Section

- Easements average 130 per year
- Cabin and Homesite sales program (1 FTE)
- Research and title history for land transactions. 3500 hours/year
- Non-trust land inventory maintenance and upkeep. 1040 hours /year
- Proposals for land banking sales, acquisitions, or exchanges - 400 hours/year
- Contract appraisals and review appraisals - 1600 hours per year (approx. 30/year)
- Contracts for surveys and review surveys - 400 hours/year (approx. 5/year)

Agriculture and Grazing Management Bureau (AGMB)

Program Revenue: 5-year average annual revenue is \$30 million

Oversees daily operations on 4.76 million acres of crop and grazing lands, managing 8900 separate agreements


Key Functions: processes lease agreements, conducts competitive bidding, and manages comprehensive noxious weed program

Staffing: 36 FTEs across Bureau and field offices

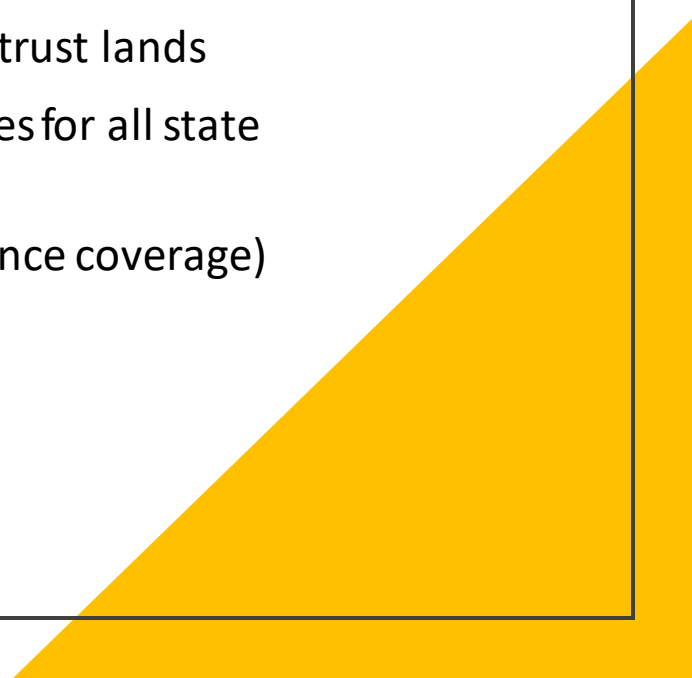
Board Involvement: Final decisions on competitive bid hearings retained by Land Board



AGMB - Surface Leasing Section

- Bureau and Field staff process an average of 1000 lease renewals per year
 - Conducts advertisement and competitive bidding on new leases
 - Reviews and processes assignments averaging 600 per year
 - Reviews and processes subleases, pasturing agreements, custom farming agreements, pledges and mortgages
 - Perform all business processes related to invoicing, payment processing and tracking revenues for 8900 agreements. 8-9,000 hours/year.
- 
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AGMB Land Management

- Evaluation of range and crop condition on an average of 1000 leases per year
 - Staff Archeologist is responsible for Antiquities Act compliance on all state trust lands
 - Staff oversees and manages all noxious weeds programmatic responsibilities for all state trust lands
 - Staff manages all Federal Farm Program participation (CRP, ARC/PLC insurance coverage)
 - Oversees over 12,000 water rights on state trust lands
 - Inventory and track dams and dam safety on trust land dams (1 FTE)
- 
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Minerals Management Bureau (MMB)

Manages 6.2 million acres of mineral estate leases, overseeing daily operations and compliance for 1400 agreements

Key Functions: Lease assignments, navigable riverbed title management, surface reclamation MEPA compliance, LULs and royalty auditing

Staffing: 9.5 FTE in Bureau work alongside 30 field staff

Key Achievements: 5-year annual revenue averages \$35,280,000

- Bureau staff evaluates and processes 75 lease assignments per year
- 2080 hours of MEPA compliance

Board Involvement: Final decision authority on oil and gas and mineral leasing action retained by Land Board

MMB-Oil and Gas Leasing

- Petroleum Engineer (1 FTE)
- 10 Drilling permits per year
- Quarterly Oil and Gas lease sales - 1500 hours.
- Operational oversight and compliance with lease provisions
- Seismic and other Exploration permitting



MMB-Coal and other Mineral Leasing

- Bureau staff oversee leasing activities for Coal, Metalliferous, and Non-metalliferous minerals.
- Bureau and Field staff coordinate permitting and operations for aggregate projects. 20/year



Recreational Use and Public Access

Coordinates public recreation and access on 5.2 million acres, managing approximately 300 agreements

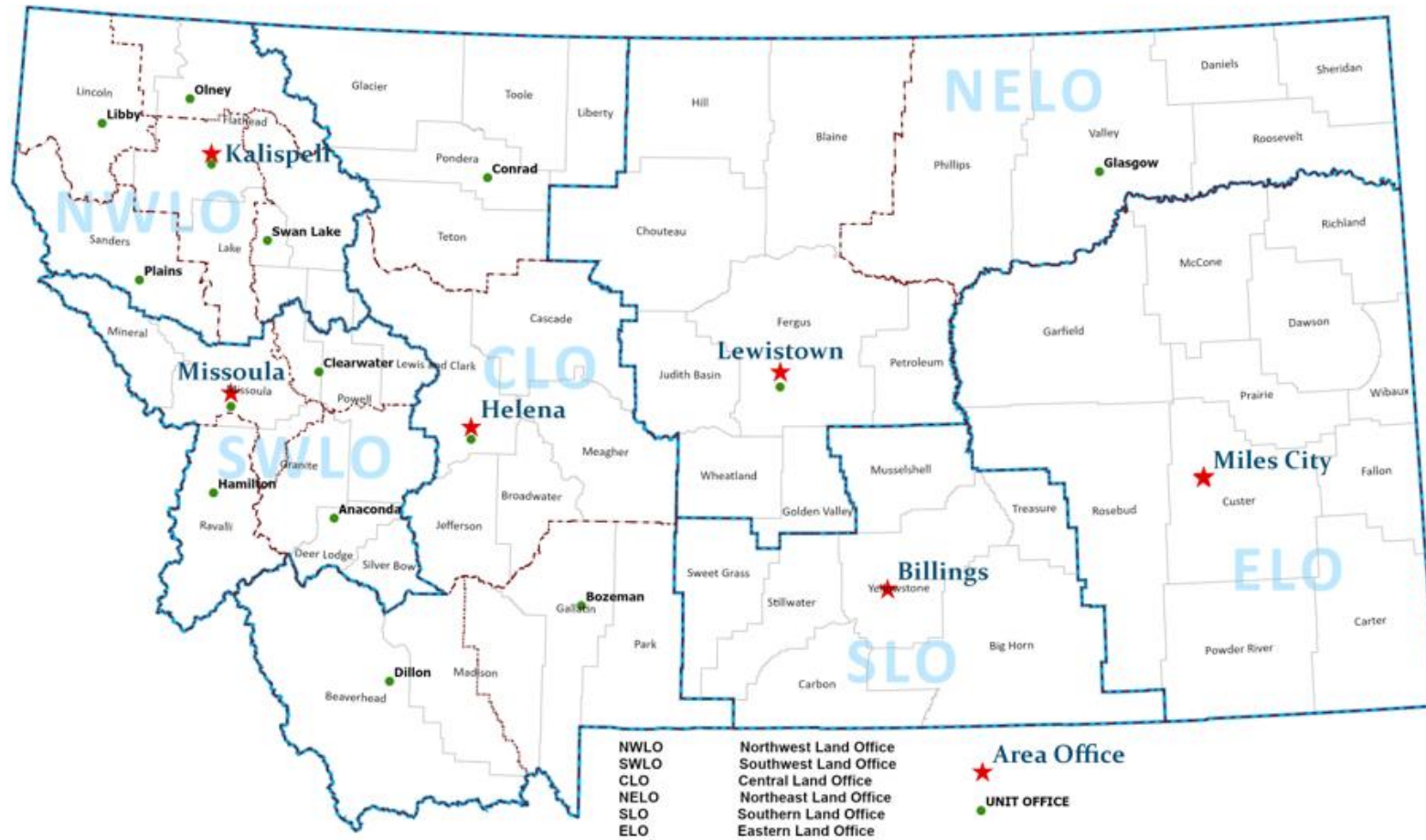
Key Function: Enforcement of recreational use rules, management of closures/restrictions, and coordination of all rec use issues in conjunction with FWP

Staffing: 1 FTE coordinates program of work in conjunction with 60 field staff

Key Achievements: Program 5-year average annual revenue is \$1.5 million



Area and Unit Offices



Questions & Discussion

