

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Monday, November 18, 2013, at 9:00 a.m.
State Capitol
Helena, MT

ACTION ITEMS

- 1113-1 **FWP: Land Acquisition – Red Hill Road Access**
Benefits: N/A (non-trust land)
Location: Fergus County
APPROVED 5-0
- 1113-2 **Timber Sales**
A. Firestone Flats (Fire Salvage)
Benefits: Common Schools
Location: Lake County
APPROVED 5-0
B. Upper Lynch M'Toe
Benefits: Public Buildings
Location: Sanders County
APPROVED 5-0
- 1113-3 **Land Banking Parcels: Preliminary Approval for Sale**
Benefits: Common Schools
Location: Gallatin County
APPROVED 5-0
- 1113-4 **Land Banking Parcels: Set Minimum Bid for Sale**
A. Pondera County
Benefits: Common Schools
Location: Pondera County
APPROVED 5-0
B. Toole County
Benefits: Public Buildings
Location: Toole County
APPROVED 5-0
- 1113-5 **Easements**
A. Rights-of-Way
Benefits: Common Schools, Eastern College-MSU/Western College-UM
Location: Carter, Cascade, Liberty, Musselshell, Sheridan, and Yellowstone Counties
APPROVED 5-0
B. Department of Environmental Quality: Easement
Benefits: N/A (non-trust land)
Location: Cascade County
APPROVED 5-0
C. Reciprocal Access Agreement: DNRC/FWP – Milk River Ranch
Benefits: Common Schools, Public Buildings
Location: Hill County
APPROVED 5-0

INFORMATION ITEM

- 1113-6 **Fiscal Year 2013 Highlights**
Benefits: All Trusts
Location: State of Montana

PUBLIC COMMENT

1113-1

FWP: LAND ACQUISITION –
RED HILL ROAD ACCESS

**Land Board Agenda Item
November 18, 2013**

1113-1 FWP: Land Acquisition – Red Hill Road Access

**Location: Fergus County (approx. 20 miles south of Lewistown, MT)
Lewis and Clark National Forest
Section 35 T13N R19E**

Trust Benefits: N/A (non-trust land)

Trust Revenue: N/A (non-trust land)

Item Summary

The Red Hill Road - East Fork Access Acquisition is a proposal for Montana Fish, Wildlife, & Parks (FWP) to purchase a 40 acre parcel to improve access to Lewis and Clark National Forest lands in the Big Snowy Mountains, Fergus County, MT (Judith Ranger District; Figure I). This property was acquired by the Rocky Mountain Elk Foundation for \$190,000 and will be sold to FWP at a bargain sale of \$50,000. This 40 acre parcel provides a 29.27-foot overlapping corner crossing (public access point) with USFS lands.

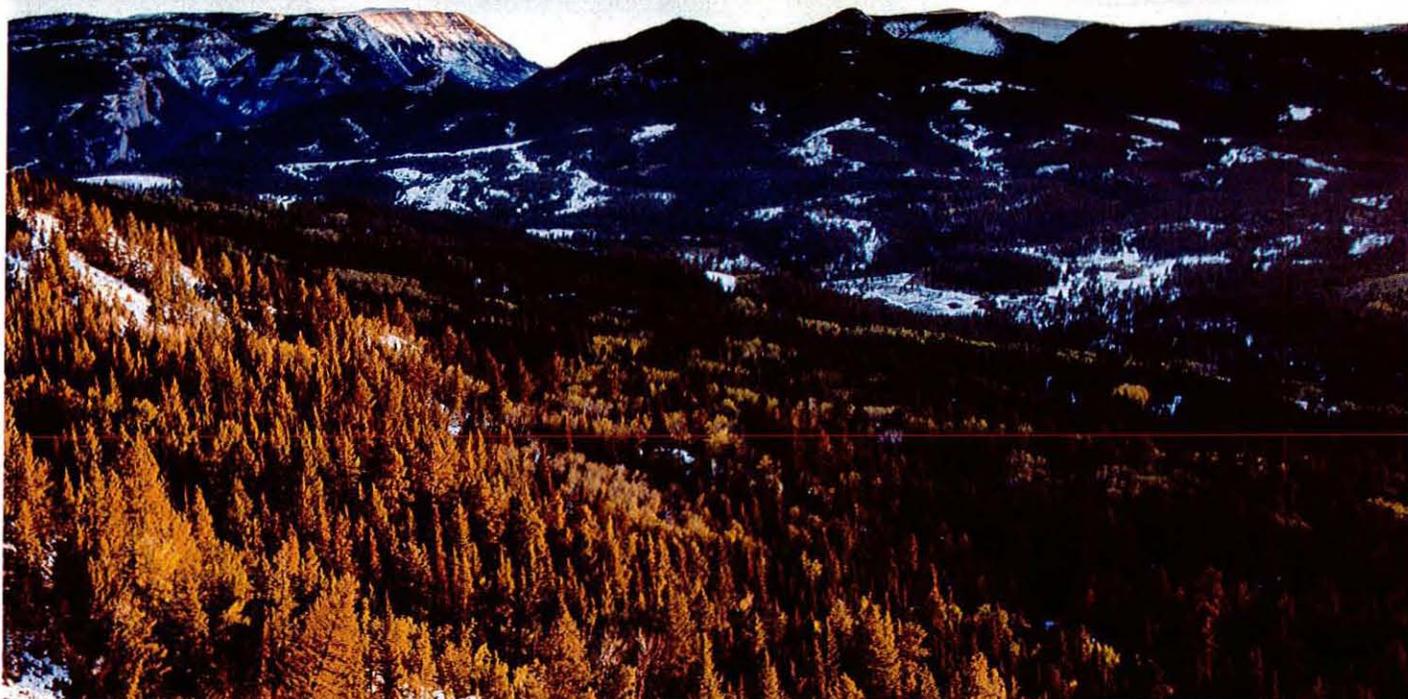
Due to land ownership patterns and topography, this property would provide the only practical public hunting access into the East Fork of Big Spring Creek drainage, approximately 18,000 acres of USFS lands. Funding will be provided by FWP's Access Public Lands (APL) program. Currently, public access to USFS is limited to access via a few portions of Bureau of Land Management lands along Red Hill Road further south. These access points do not provide adequate public access to the East Fork drainage, due to steep topography and cliffs south of this property.

The property is primarily range and woodland and contains an ephemeral stream. Adjacent private land north, west and south east is primarily the Lewis Ranch, and public land is USFS to the southwest of this parcel. This and surrounding areas receive high use by elk, mule deer, black bear, mountain grouse and turkey, and provide hunting opportunities for each species. Elk are currently >400% above objective in the Snowy Elk Management Unit, mainly due to lack of hunting access. Private lands surrounding this parcel are currently outfitted or provide no public access to this area of Lewis and Clark National Forest.

FWP Recommendation

FWP recommends that the Land Board approve FWP's acquisition and development of the 40 acre Red Hill parcel for \$50,000.

RED HILL ACCESS PROJECT



SUMMARY

LOCATION

Fergus County, MT

PROJECT SIZE

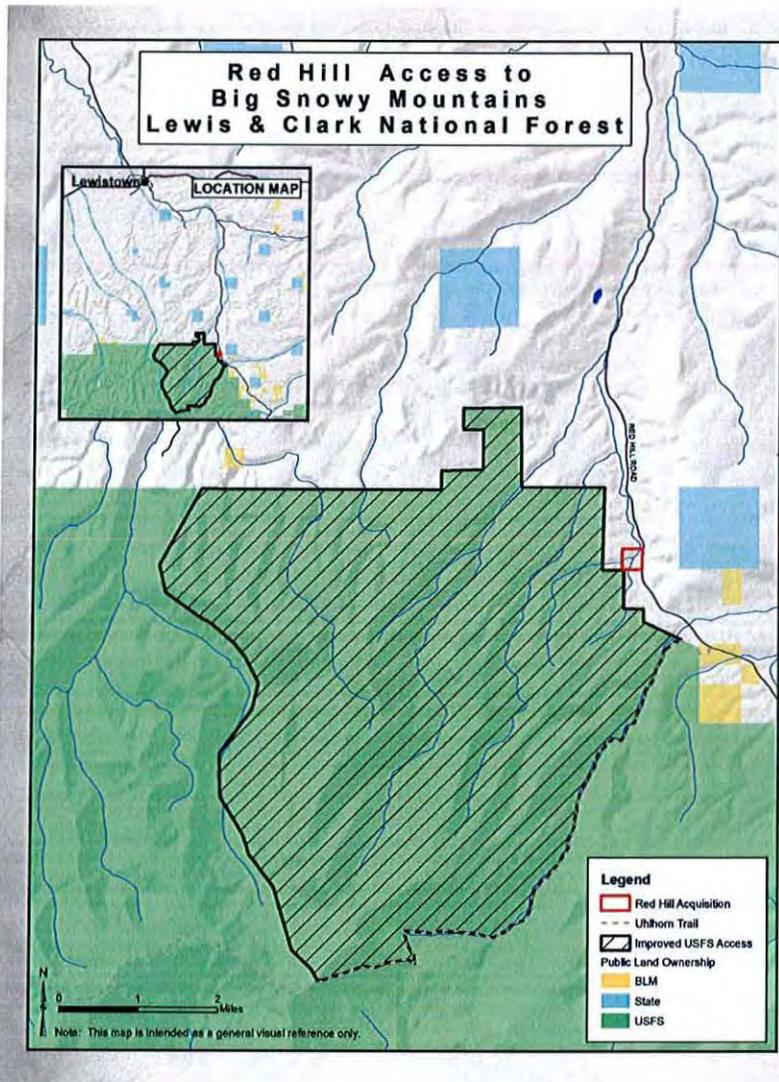
40 acres—Improving access to 18,000 acres

COMPLETED

September 6, 2013



In September of 2013, the Rocky Mountain Elk Foundation acquired a crucial 40-acre tract of land in the Big Snowy Mountains improving access to nearly 18,000 acres of important habitat for elk and other wildlife. Located 20 miles from Lewistown and containing a 30-foot common boundary with the Lewis and Clark National Forest (LCNF), the Red Hill acquisition will be conveyed to Montana Fish, Wildlife and Parks (MTFWP) improving access to National Forest lands for hunting and recreation.



This acquisition conserves a diverse mixture of forest and aspen, grass meadows, wetlands, a spring and an intermittent stream. Due to its location next to the LCNF, the land was a prime area for development. The property and neighboring public lands contain high quality elk habitat and habitat for deer, black bear, turkey, and grouse. Recent MTFWP elk population estimates are 400% above objective in the Snowy Elk Management Unit, mainly due to a lack of hunting access. The newly acquired lands will be completely open to the public and accessible for hunters and recreationists. MTFWP ownership will ensure improved public access including a new parking area and signage as well as enhanced management capability.

RMEF contributed \$190,000 toward the purchase and will offer the parcel to MTFWP for \$50,000, with funding for the project derived from the Torstenson Family Endowment, which is used solely to further RMEF's core mission programs of permanent land protection, habitat stewardship, elk restoration and hunting heritage.

The Rocky Mountain Elk Foundation is proud to work with Montana Fish, Wildlife and Parks, the Lewis and Clark National Forest, and private landowners to permanently protect this important landscape and improve access to public lands in Montana's *Elk Country*.

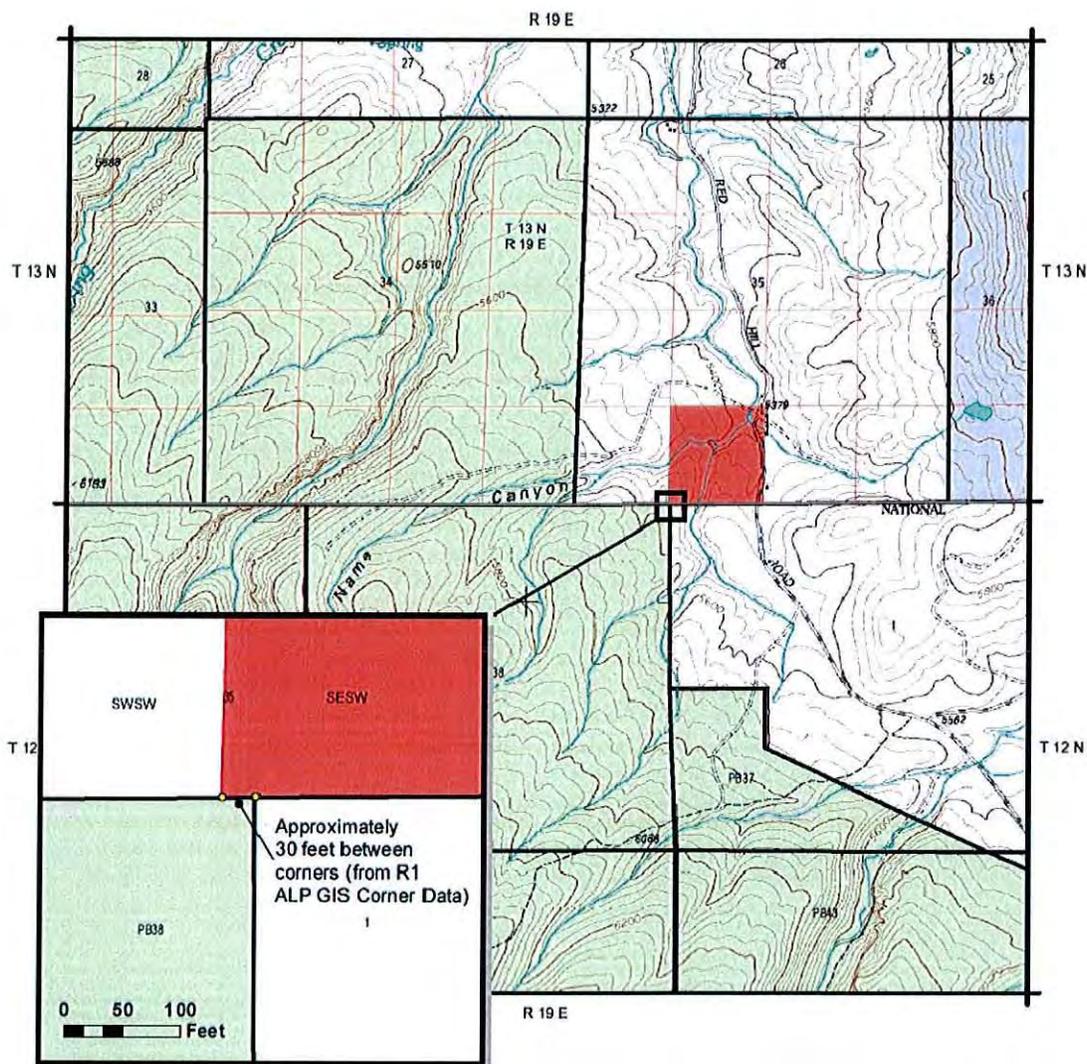
FOR MORE INFORMATION, CONTACT MIKE MUELLER AT (406) 493-6650 OR MMUELLER@RMEF.ORG.



RMEF.org | 800-225-5355

The mission of the Rocky Mountain Elk Foundation is to ensure the future of elk, other wildlife, their habitat and our hunting heritage.

Exhibit C. Red Hill Area proposed RMEF Acquisition Access Opportunity showing public access point on southwest end of property.

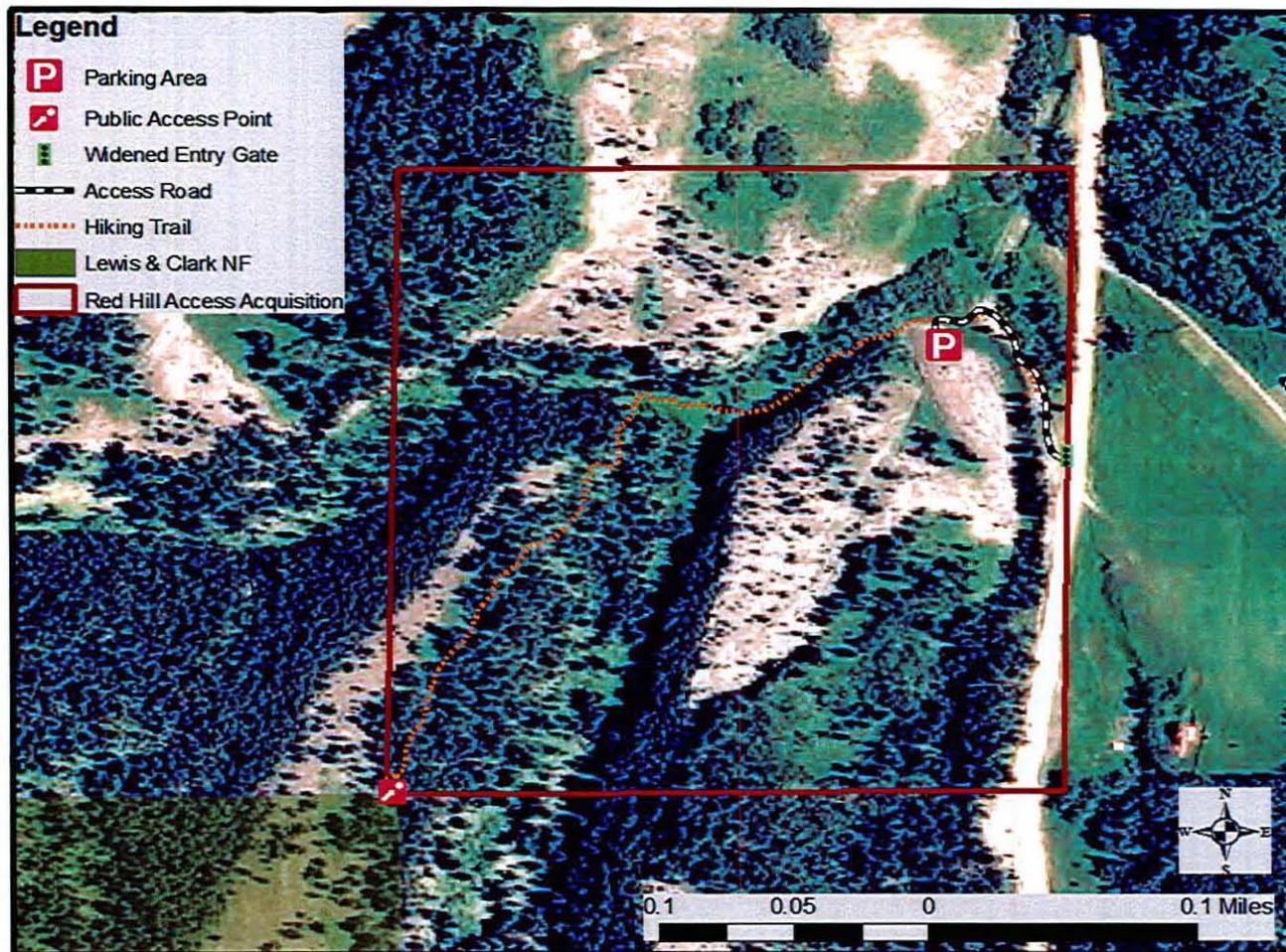


Red Hill Area RMEF Acquisition Access Opportunity
Map showing overlap between USFS/Private Parcel
T13N, R19E, SESW Sec. 35

- Corner Data from R1 Automated Land Status Program (ALP)
- PLSS First (section) and Second Division (aliquot) data from the Cadastral National Spatial Data Infrastructure (NSDI) Publication Dataset (4/11/2011) - used because ALP clip box stops at the proclaimed Forest Boundary.



Map by: kmccartney 19 June 2013



DECISION NOTICE
Red Hill Road-East Fork Access
Region 4 Headquarters
4600 Giant Springs Road,
Great Falls MT 59405
(406) 454-5840

DESCRIPTION OF PROPOSED ACTION

Montana Fish, Wildlife and Parks (MFWP) proposes to purchase a 40 acre parcel of grazing, agricultural and forest lands in the Big Snowy Mountains, approximately 20 miles south of Lewistown, MT from the Rocky Mountain Elk Foundation (RMEF). This parcel borders mainly private land, but contains a ~30 foot corner overlap (hereafter, public access point) of United States Forest Service (USFS; Lewis and Clark National Forest, Judith Ranger District) land. This purchase would increase public access in the Big Snowy Mountains, Fergus County, MT. Funding will be provided by MFWP's Access Public Lands (APL) program. If the property is acquired, a parking area, non-motorized trail and signage will be established that leads to this public access point onto USFS property, thereby minimizing private land trespass issues in the area. A wildlife-friendly border fence will also be constructed to mark the property boundaries and limit trespass by livestock.

MONTANA ENVIRONMENTAL POLICY ACT PUBLIC PROCESS AND COMMENT

FWP is required by the Montana Environmental Policy Act (MEPA) to assess potential impacts of its proposed actions to the human and physical environments, evaluate those impacts through an interdisciplinary approach, including public input, and make a decision based on this information. FWP released a draft environmental assessment (EA) for public review of this proposal (Red Hill Road Access) on September 13, 2013 and accepted public comment until 5:00 P. M. on October 13, 2013.

Notice of the proposal and availability of the Draft EA was published in the *Lewistown News Argus*, *Great Falls Tribune* and the *Billings Gazette*. Copies of the environmental assessment were distributed to neighboring landowners and interested individuals, groups, and agencies to ensure their knowledge of the proposed project. The EA was available for public review on FWP's web site (<http://fwp.mt.gov/>, "Recent Public Notices" and "Submit Public Comments") from September 13, 2013 through October 13, 2013. An FWP statewide news release was issued September 13, 2013 and posted on FWP's website (<http://fwp.mt.gov/>, "News Releases") the same day.

A public informational meeting was held in Lewistown, MT on September 26. Approximately 44 members of the public attended and were subsequently asked to render their opinion on the Proposal through established lines of comment. Those comments are further considered below.

SUMMARY OF PUBLIC COMMENT

FWP received 51 total comments (42 online, 5 during the public hearing, and 4 via mail). Of the 51 total comments, 49 were in support of the proposal, 2 did not specify (individuals simply left a suggestive comment or a question), and 0 opposed it.

RESPONSE TO PUBLIC COMMENT

Below are FWP responses to summarized comments addressing issues of mutual concern and interest. For ease of response, similar comments are grouped together if they express a similar view.

Comment: With changes in land ownership in the area, and a notable lack of access in the Snowies, this project will provide access to public lands for both hunting and also, non-hunting recreation. These are the kind of purchases FWP should be looking for. Please find more opportunities like this.

FWP Response: FWP is committed to finding and working on more access opportunities, whether via access programs to private lands or access to public lands. Access benefits not only hunting and helps FWP meet its management goals for wildlife, but also benefits the non-hunting recreating public.

Comment: I normally don't believe in government land purchases using tax-payers' dollars, but as long as FWP has the resources to maintain the property I am in support of this access opportunity. FWP needs to do their homework and make sure the access point is actually there.

FWP Response: Funding for this acquisition comes from FWP's "Access Public Lands" program, funded entirely by sportsmen (through the "Home to Hunt" license sales) and not through state or federal taxes. The property, including the "public access point" has been officially surveyed and the 29.27-foot overlap providing access to Lewis and Clark National Forest has been confirmed.

Comment: Please make sure the property is well-signed to prevent inadvertent trespassing on neighboring private lands.

FWP Response: The public access point and boundary of the property have been properly signed to prevent trespassing onto neighboring private lands. The trail leading up to the public access point has been bladed and signed and is easily discernible.

Comment: This new "non-motorized path" on state land will be designed to accommodate administrative ATV use. There may well be good reasons why ATVs are needed for administrative use, but it wasn't explained in the EA. More important, the EA doesn't explain how recreational ATV users will be prevented from trespassing onto the non-motorized trail, or how the trail restrictions will be enforced. There are plenty of examples on national forest lands where trail restrictions have been or are being ignored by ATV users. Is some type of restrictive barrier being considered to prevent or at least make more difficult, ATV access onto the non-motorized areas??

FWP Response: Administrative ATV use will cover activities such as fence construction of the boundary fence (e.g., using a post-pounder), fence-maintenance, weed-spraying, and other needs. The property will be signed for "non-motorized use," and via game warden and Forest Service ranger patrolling, and public reporting, we anticipate most violations to be reported enforced. A restrictive barrier at the parking area to prevent vehicular use is being considered.

Comment: In the draft EA, the National Forest (NF) lands are inaccurately described as inaccessible. True, the NF lands adjacent to the proposed acquisition currently have difficult access because of distance, terrain, vegetation, etc. However, those features that make access difficult are highly valued by some members of the public for the opportunity for solitude. It should be acknowledged in the EA that the proposed acquisition would decrease the level of difficulty in accessing the NF lands. Therefore, the level of public use of those lands would likely increase. For the recreationists that enjoy maximum opportunity for solitude, those opportunities would likely decrease.

FWP Response: The draft environmental assessment will be amended to illustrate that access is “improved” to Lewis and Clark National Forest with this acquisition. While it is expected that during the relative novelty of this property it will receive a fair amount of use, the extent of the area this acquisition provides access to will still allow privacy for those who seek solitude. Increased access to National Forest lands via this parcel may also better disperse recreationists and hunters using other areas of the forest, reducing crowding in other areas.

Comment: Increased public use of this area would increase the rate of what few elk there are moving to higher-quality adjacent private land.

FWP Response: Elk on and around this property are common but not present in high densities. Also, given that this property improves access to nearly 18,000 acres of public land, it provides a relatively large amount of room for hunters to disperse. Neighboring private lands are currently outfitted and see hunting pressure, which should also balance out the hunting activity provided by this access point.

Comment: In regard to impact, the inclusion of “East Fork Access” to the title of the EA might be problematic. There are no established pack trails leading into the East Fork drainage from the proposed access site. I am concerned about members of the public who may be misled, and either end up lost and hurt, or cause resource damage by blazing trees. While I favor FWP's acquisition of this parcel, I strongly urge FWP to caution the public on the limitations involved in this particular access, as to educate the public in regard to the rules, regulations and respect to the land use status of the Forest Service.

FWP Response: Ultimately it is the responsibility of the public to be prepared while recreating in the outdoors. The Forest Service may work with private groups or other organizations to construct a trail leading into the East Fork in the future; however plans are not in place at this time. FWP has signed the property with “primitive camping area” signs and a listing of WMA rules, and the public land beyond will be subject to the same National Forest rules as other public access areas in the Snowies.

Comment: I hope plans include a nice trail connecting the old East Fork of Big Spring Creek trail. After this trail is restored it will be an amazing addition to Central Montana recreation. It would be great to have future plans of a new trail system in this area, Dry Canyon etc. and connect all these trails so great loops can be made connecting Half moon, the Uhlhorn trail all the way to Crystal Lake as well as Cottonwood Creek trail.

FWP Response: Lewis and Clark National Forest may work with private citizens and organizations to further develop a trail system in the future as time and funding allows. Such consideration is beyond the scope of this Assessment.

Comment: I am a land owner on Red Hill Rd, and I have concerns pertaining to high-powered rifles, open fires, and people parking in my driveway. I would like a safety zone placed along Red Hill Rd, and fire restrictions, and I do not want to see people parking or trespassing on my driveway.

FWP Response: The Red Hill Access Area will be subject to Wildlife Management Area (WMA) rules, which

cover issues such as camping, target shooting, and fire restrictions. Visitors arriving to use the Red Hill Access Area are directed by signs to park within the property or along the west side of the road. Any land owner concerned about the possibility of a gate being blocked or a driveway accessed can sign their property and notify law enforcement if these postings are violated. A parking area has been constructed on the interior of the property with enough room to permit multiple vehicles, including vehicles with horse trailers. An area along the property periphery and Red Hill Road has been sufficiently widened to allow for parking space during periods of snow accumulation. It is likely that winter activity will be limited to intermittent snow-shoeing and/or cross-country skiing, therefore an abundance of vehicles will not be likely when the area is snowed in and parking is limited.

Comment: One potential issue not addressed in the EA is how the new access point might affect elk security over the long run and what actions would be taken if management objectives are not being met?

FWP Response: Part of this area is characterized by rough topography and there are no roads in this immediate area of National Forest. Therefore elk security issues caused by increased public access will be minimal. Elk in the Snowy Management Unit are currently above objective and will remain so until further access opportunities (particularly on lower-elevation private lands) are realized.

Comment: I would like to see no fishing in the East Fork bowl - those native fish have survived because access is so limited.

FWP Response: FWP does not foresee any negative impacts to native fish populations with this access area. However, if issues and concerns arise relative to the East Fork fishery, they will be addressed by Fisheries Management staff.

Comment: Will FWP be monitoring the amount of vehicles in the parking area? I don't want the land to be over-hunted. Consider a check-in box perhaps? And please, no outhouse!

FWP Response: While activity at the opening of this access area may be relatively busy, the area will likely receive use similar to other areas of access into the Big Snowy Mountains (e.g., Lost Peak Trail, Uhlhorn Trail/Halfmoon Pass, etc.). The Forest Service does not currently monitor vehicle numbers or recreational use in these areas. Plans for an outhouse are not currently considered or addressed in the EA.

Comment: Constructing a campground would be nice, as well as a trailhead with room to turn around horse trailers.

FWP Response: Plans for a campground are not currently in the works, but primitive camping using a Pack It In-Pack It Out approach is allowed on the property and addressed in WMA rules, which will also govern the use of this access area. A parking area has been identified and signed that provides sufficient area for several vehicles, campers, and/or horse trailers.

DECISION NOTICE

Utilizing the draft EA and public comment, a decision must be rendered by FWP which addresses any additional concerns and issues identified for this proposed action. FWP's analysis supports acquiring the 40-acre parcel from the RMEF to deliver additional access to public land in the Big Snowy Mountains and the Lewis and Clark National Forest as proposed.

I find there to be no significant impacts on the human and physical environments associated with this project. Therefore, I conclude that the Environmental Assessment is the appropriate level of analysis, and that an Environmental Impact Statement is not required.

After review of this proposal, it is my decision to accept the draft EA as supplemented/modified by this Decision Notice and the response to public comment contained herein. In combination, these documents constitute the Final EA. I recommend acquisition of the parcel as a point of public access to public land known as the Red Hill Road Access.

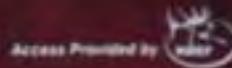
This Decision Notice may be viewed on FWP's Internet website: <http://www.fwp.mt.gov> or be obtained upon request from Montana Fish Wildlife and Parks, Region 4 Headquarters, 4600 Giant Springs Road, Great Falls, MT 59405 at (406) 454-5840.

October 28, 2013

A handwritten signature in cursive script, appearing to read "Gary Bertellotti".

Gary Bertellotti
R4 Regional Supervisor

BIG SNOWY MOUNTAINS



Thanks to the Rocky Mountain Elk Foundation, Montana Fish, Wildlife and Parks, the U.S. Forest Service, committed hunters, and willing landowners Marshall and Leslie Long, the public now enjoys permanent access to approximately 18,000 acres of the Lewis and Clark National Forest from this location.



RMEF purchased this 40-acre property in 2013 as a key point to improve access into the Lewis and Clark National Forest and conveyed it to MT FWP which manages it for the public to hunt and other enjoy.

RMEF's Turstenson Family Endowment provided funding for MT FWP's Access to Public Lands Program.



1113-2

TIMBER SALES

- A. Firestone Flats (Fire Salvage)
- B. Upper Lynch M'Toe

**Land Board Agenda Item
November 18, 2013**

1113-2A Timber Sales: Firestone Flats Fire Salvage**Location: Lake County****Trust Benefits: Common Schools****Trust Revenue: \$385,115 (estimated, minimum bid)****Item Summary**

The Firestone Flats Fire Salvage Timber Sale is located approximately six miles east of Arlee, MT. Of 1,750 acres burned, the Firestone Flats fire burned approximately 435 acres of State trust land at a high severity (stand replacement fire) in late July, 2013. The sale includes one harvest unit totaling 355 acres with an estimated sale volume of 27,988 tons (5,183 MBF or 28,269 cubic meters) of sawlogs and contains no old growth. The minimum bid value is \$13.76 per ton.

Harvest prescriptions are designed to capture the value of dead and dying timber by removing fire-killed, fire-damaged, and insect infested and diseased trees. Prescriptions would result in an even-aged treatment throughout the harvest unit and would retain woody debris and submerchantable and cull trees for soil stabilization.

In conjunction with the sale DNRC will maintain 7.9 miles of existing road. Approximately 1.9 miles of new road will be built. Post-harvest, approximately 0.25 miles of road will be reclaimed.

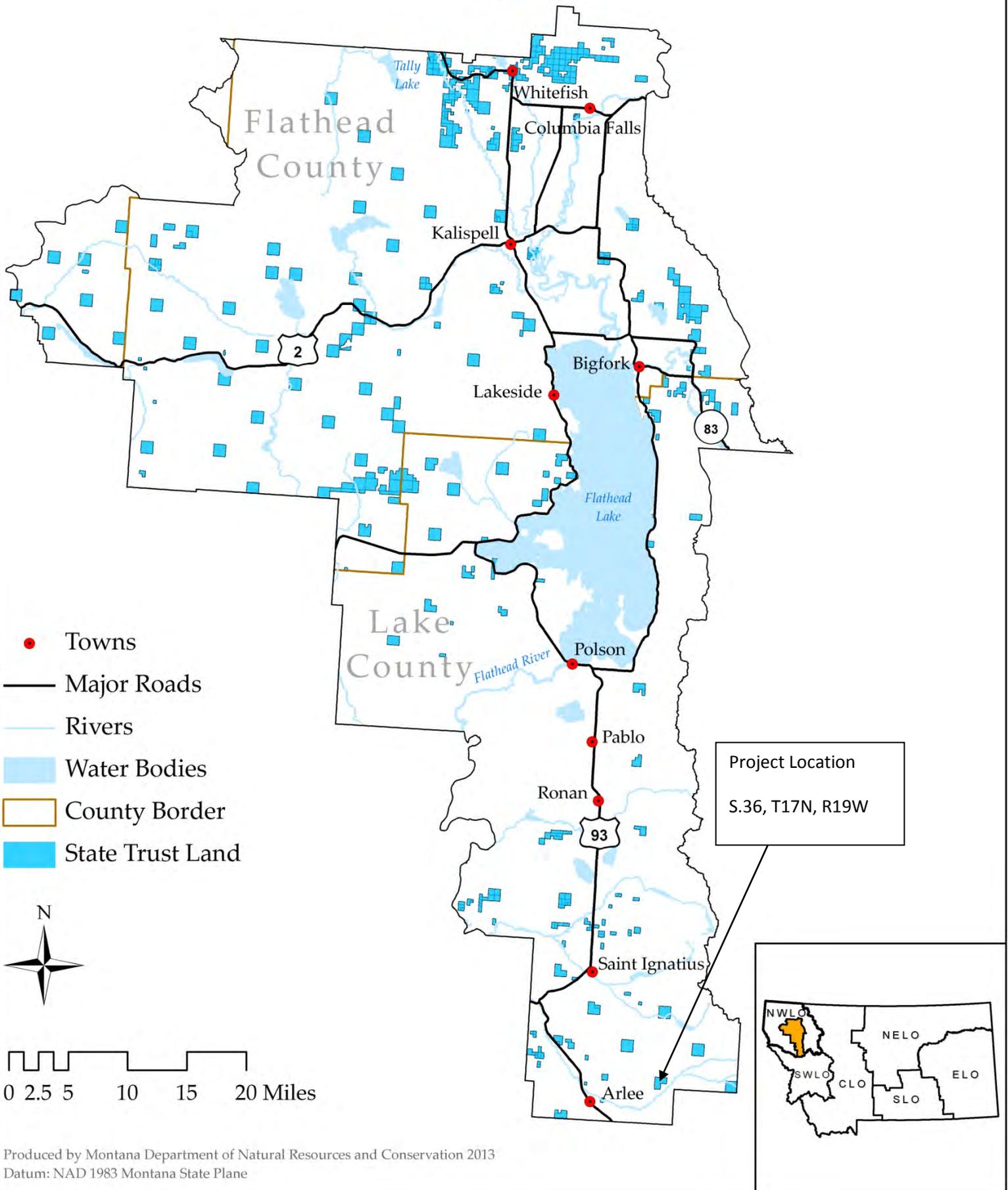
A scoping letter was sent to adjacent landowners and interested parties on August 15, 2013. Legal ads were placed in the Sunday edition of the Missoulian on August 18 and August 25, 2013. Three letters were received from adjacent landowners, one letter from the CSKT Tribal Historic Preservation Office, and one letter from F.H. Stoltze Lumber. The main issues expressed by the adjacent landowners included concerns that harvest activities could cause erosion, spread noxious weeds, and increase traffic on the County Road. Site specific mitigations developed in response to those concerns include: slope limitations for ground-based harvest systems, retention of woody debris, and re-vegetation along roads. The letter from the Tribal Historic Preservation Office stated that they knew of no cultural resources that would be impacted by this project and asked to be contacted should DNRC find any material during implementation of the project. The Stoltze letter offered support for the project. DNRC specialists have reviewed the proposal and comments, analyzed conditions and incorporated mitigations into the sale area.

DNRC Recommendation

The Director recommends the Land Board direct DNRC to sell the Firestone Flats Fire Salvage timber sale.

FIRESTONE FLATS FIRE SALVAGE KALISPELL UNIT

1113-2A



Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

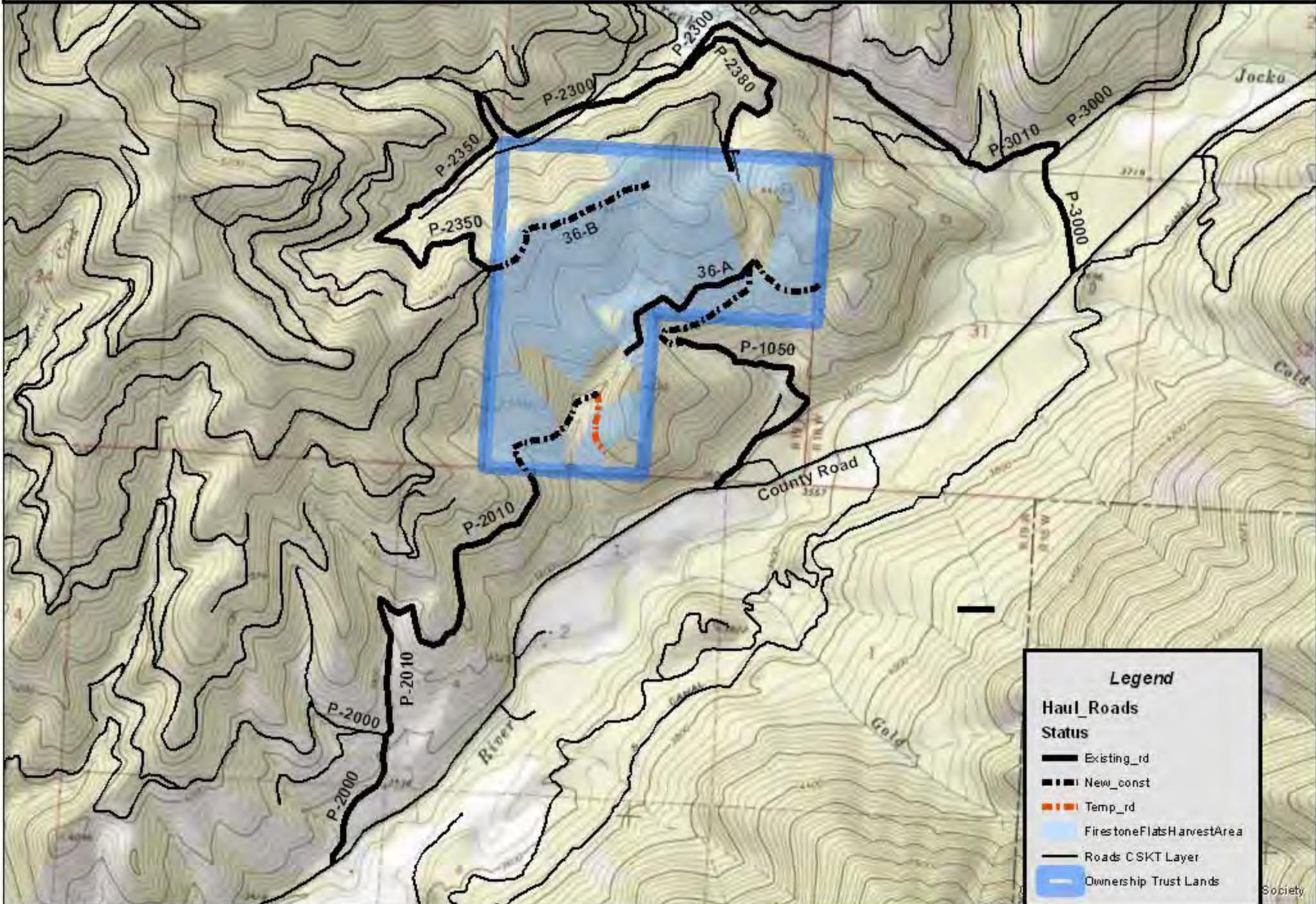
Firestone Flats Fire Salvage - Transportation Map

S. 36, T17N, R19W



Attachment A

1113-2A



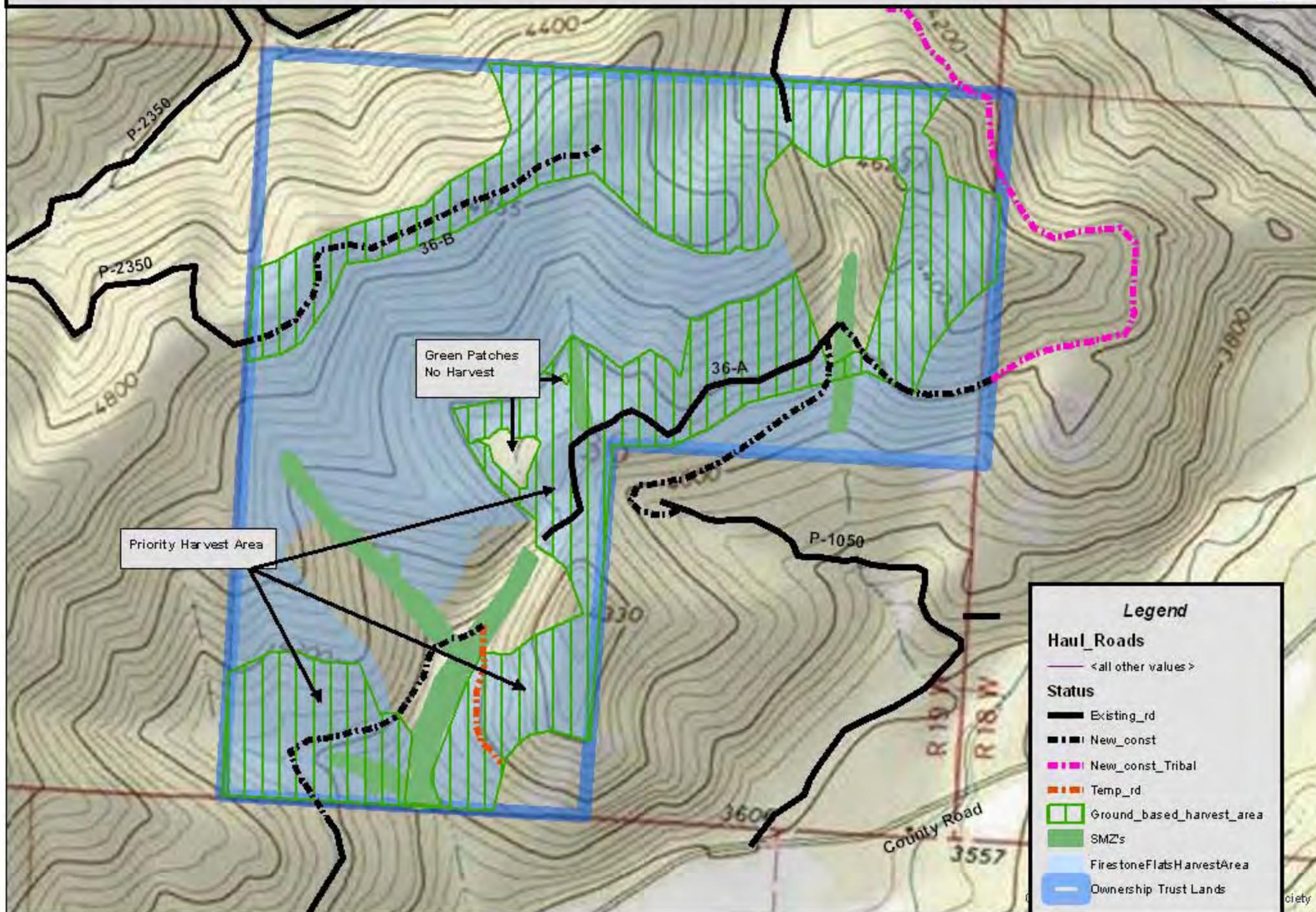
Firestone Flats Fire Salvage - Sale Map

S. 36, T17N, R19W



Attachment A

1113-2A



Legend

Haul_Roads

- <all other values >

Status

- Existing_rd
- New_const
- New_const_Tribal
- Temp_rd
- Ground_based_harvest_area
- SMZ's
- FirestoneFlatsHarvestArea
- Ownership Trust Lands

**Land Board Agenda Item
November 18, 2013**

1113-2A Timber Sales: Upper Lynch M'Toe

Location: Sanders County

**Trust Benefits: Public Buildings
Section 14, T21N-R26W**

Trust Revenue: \$47,957 (estimated, minimum bid)

Item Summary

The Upper Lynch M'Toe Timber Sale is approximately 7 miles north of Plains, Montana. The sale includes one harvest unit totaling 94 acres with an estimated sale volume of 2,094 tons (334 MBF or 1,928 cubic meters) of sawlogs. The minimum bid value is \$22.90 per ton.

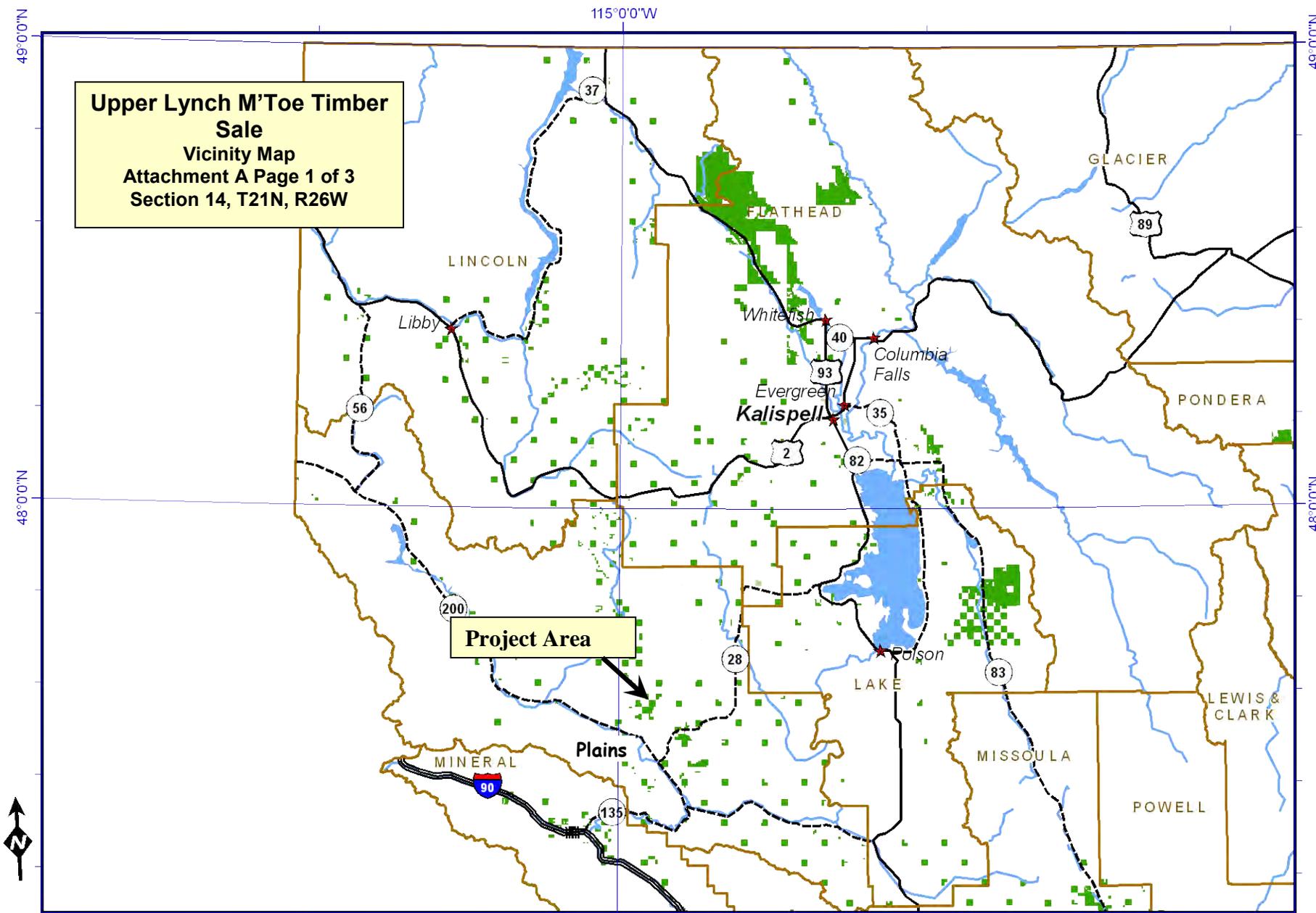
Prescriptions would consist of removing mixed conifer species using selective tree harvest on approximately 94 acres. Treatments are designed to remove trees experiencing infection and infestation from dwarf mistletoe, mountain pine beetle, and root disease along with trees felled during DNRC saw training exercises. Treatments are designed to promote natural ponderosa pine and western larch regeneration in areas where Douglas-fir is becoming the dominant component in the stand. The timber sale would treat no old growth acres.

DNRC would maintain approximately 2.0 miles of road to meet Best Management Practices. No new road construction is required.

Scoping letters were mailed to interested parties in April 2013. Public notices were published in area newspapers including the Sanders County Ledger, Valley Press and the Missoulian. One letter was received from the public in support of the project. DNRC specialists have reviewed the proposal, analyzed conditions and incorporated mitigations into the sale area.

DNRC Recommendation

The Director recommends the Land Board direct DNRC to sell the Upper Lynch M'Toe Timber Sale.



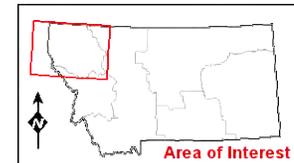
Upper Lynch M'Toe Timber Sale
Vicinity Map
 Attachment A Page 1 of 3
 Section 14, T21N, R26W

Project Area

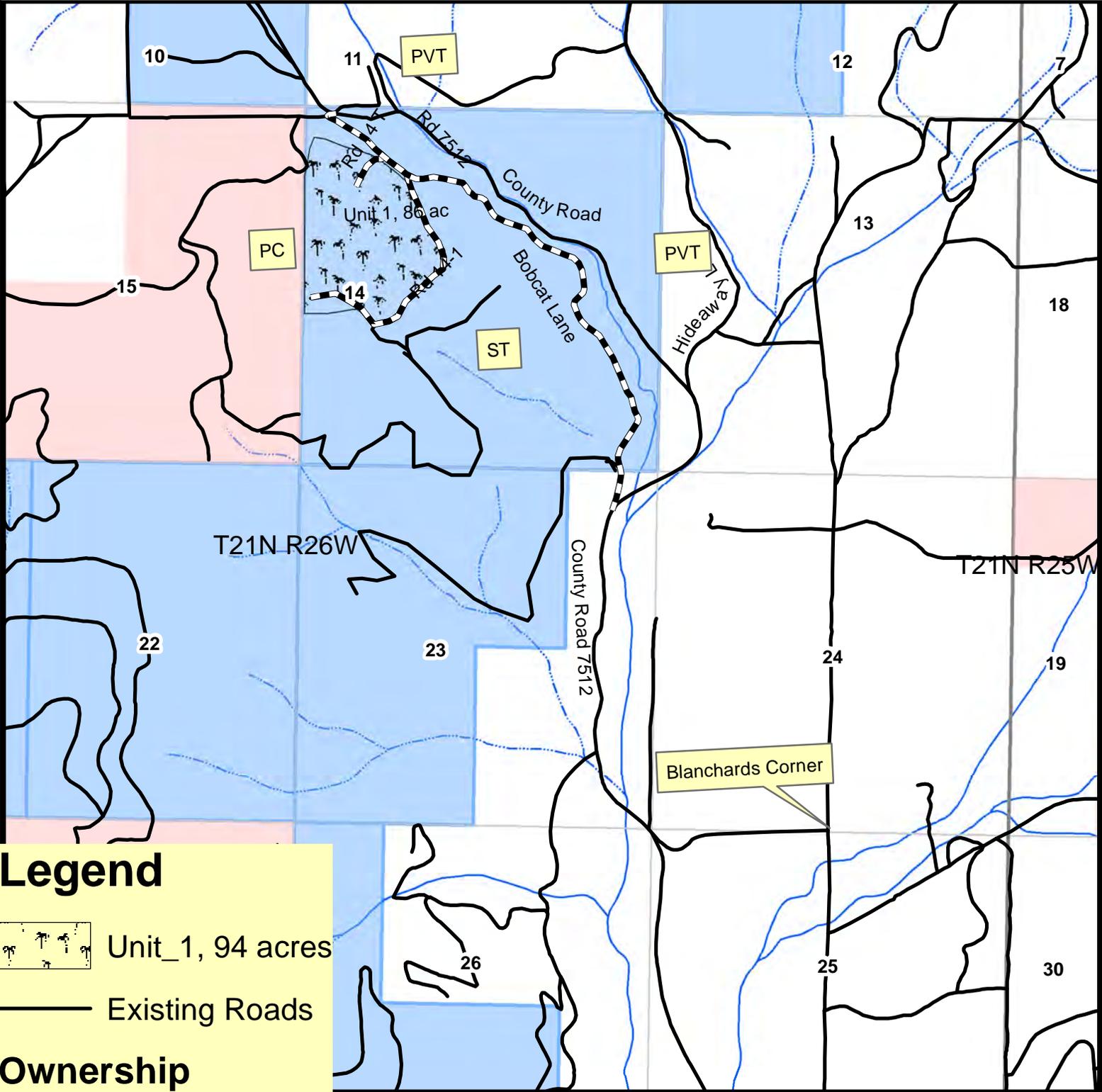


	Interstate Highway		Rivers		Lakes
	U.S. Route		City		DNRC managed for timber
	State Highway		County		DNRC other

21 February 2007
 Montana DNRC
 Technical Services Section/dr



Upper Lynch MToe TS Haul Route S14, T21N, R26W



Legend

Unit_1, 94 acres

Existing Roads

Ownership

MT DNRC

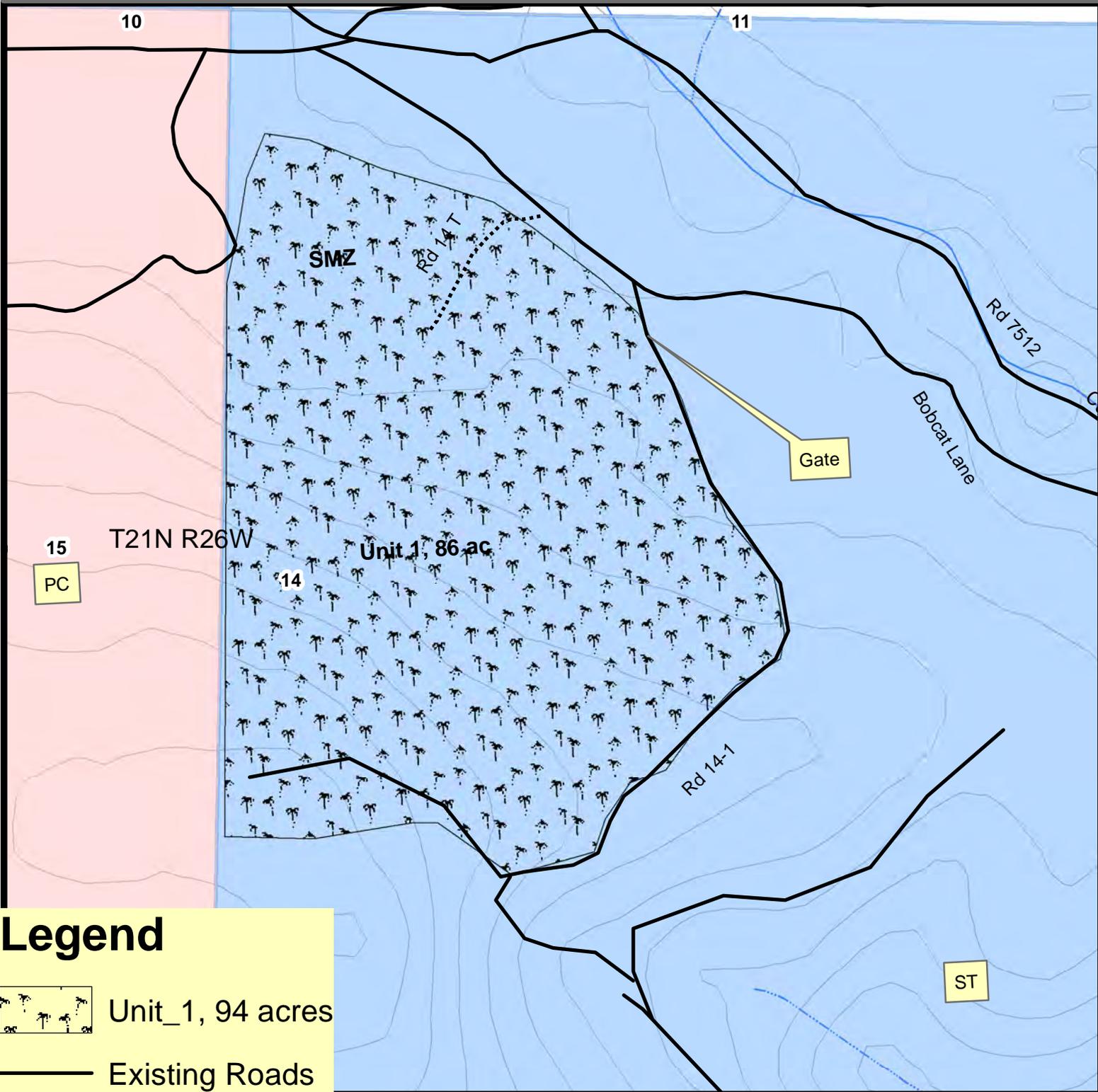
Plum Creek

Haul Route

Montana DNRC
Northwestern Land Office
Timber



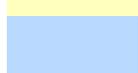
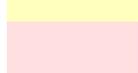
Upper Lynch MToe TS, Harvest Map S14, T21N, R26W



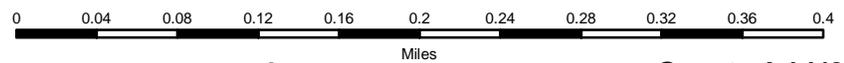
Legend

-  Unit_1, 94 acres
-  Existing Roads

Ownership

-  MT DNRC
-  Plum Creek

Montana DNRC
Northwestern Land Office
Timber



1113-3

LAND BANKING PARCELS:
PRELIMINARY APPROVAL FOR SALE

1113-3 Preliminary Approval for Sale of Land Banking Parcel

Location: Gallatin County

Trust Benefits: Common Schools

Trust Revenue: Appraisal to be completed after preliminary approval

Item Summary

Requesting preliminary approval for sale of one parcel totaling approximately 8 acres nominated for sale in Gallatin County. The sale was nominated by the lessee and the parcel is located approximately 20 miles northwest of Bozeman.

Sale #	# of Acres	Legal	Nominator	Trust
692	8±	PT N½N½NE¼NE¼, Section 16, T1S-R3E	Dan & Nancy Bates and Ron & Sherry Bates	Common Schools

Sale parcel 692 is currently leased as two home sites and produces an average income for residential lands statewide.

The parcel is legally accessible by the public by a county road.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

DNRC Recommendation

The Director recommends that the Board give preliminary approval to sell this parcel.

Gallatin County Sale Location Map

1113-3



Sale #692

1113-3

PT N½N½NE¼NE¼, Section 16, T1S-R3E
Dan & Nancy Bates and Ron & Sherry Bates



1113-4

LAND BANKING PARCELS: SET MINIMUM BID FOR SALE

- A. Pondera County
- B. Toole County

**Land Board Agenda Item
November 18, 2013**

1113-4A Minimum Bid for Sale of Land Banking Parcels

Location: Pondera County

Trust Benefits: Common Schools

Trust Revenue: \$88,535

Item Summary

Requesting to set the minimum bid on five parcels totaling 324.48 acres nominated for sale in Pondera County. The sales were nominated by the lessees and the DNRC Conrad Unit Office and are located within approximately 30 miles of Conrad.

Sale #	# of Acres	Legal	Nominator	Trust
697	241.33	Lots 2 & 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 2, T30N-R3W	Troy & Lou Wanken	Common Schools
699	10	SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 10, T26N-R1E	Larry Banka	Common Schools
700	20	W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 16, T28N-R2W	Sunrise Properties Inc.	Common Schools
703	27.85	Lots 1-3, Section 10, T31N-R5W	Conrad Unit Office	Common Schools
704	25.30	Lot 3, Section 15, T31N-R5W	Conrad Unit Office	Common Schools

Sale parcels 697, 703 & 704 have rolling to steep topography and are used primarily for livestock grazing purposes. These parcels have below average productivity for grazing lands statewide.

Sale parcels 699 & 700 are currently leased as home sites and produce lower than average income for residential lands statewide.

Sale parcel 697 is surrounded by private land and not legally accessible by the public.

Sale parcels 699 & 700 are legally accessible by a county road.

Sale parcels 703 & 704 are legally accessible by stream access only.

No potentially negative issues were identified through the MEPA process regarding the sale of these parcels.

Economic Analysis:

Short term – The average rate of return on these sale parcels is 0%. The management costs on these parcels are higher than the income generated. The parcels would continue to receive this return if they remain in state ownership.

Long term – The sale of these parcels would result in acquisition of lands that generate a higher rate of return. To date the average annual rate of return on acquisitions has been 2.06% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:**Sale Parcels 697 & 703**

The state parcels were inventoried to Class III standards for cultural and paleontological resources in April of 2013. No such phenomena were identified. Sale of the tracts will have No Effect to Heritage Properties.

Sale Parcels 699 & 700

The state parcels were inventoried to Class I standards for cultural and paleontological resources in April of 2013. No such phenomena were identified. The parcels consists of fully disturbed land that contain personal residences and associated outbuildings. Sale of the tracts will have No Effect to Heritage Properties.

Sale Parcel 704

The state parcel was inventoried to Class III standards for cultural and paleontological resources in April of 2013. A single, poorly defined stone circle was indentified. Because the stone circle is located on a portion of the tract that will very likely never experience a change in land use, disposition of the parcel will have No Effect on state owned Heritage Properties. Further, because the stone circle is minimally sodded, does not exhibit any unique structural aspects, and exhibits no surface evidence of associated artifacts or dateable materials, no additional archaeological investigative work is recommended in order for the proposed land sale to proceed.

A formal report of findings has been prepared and has been filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

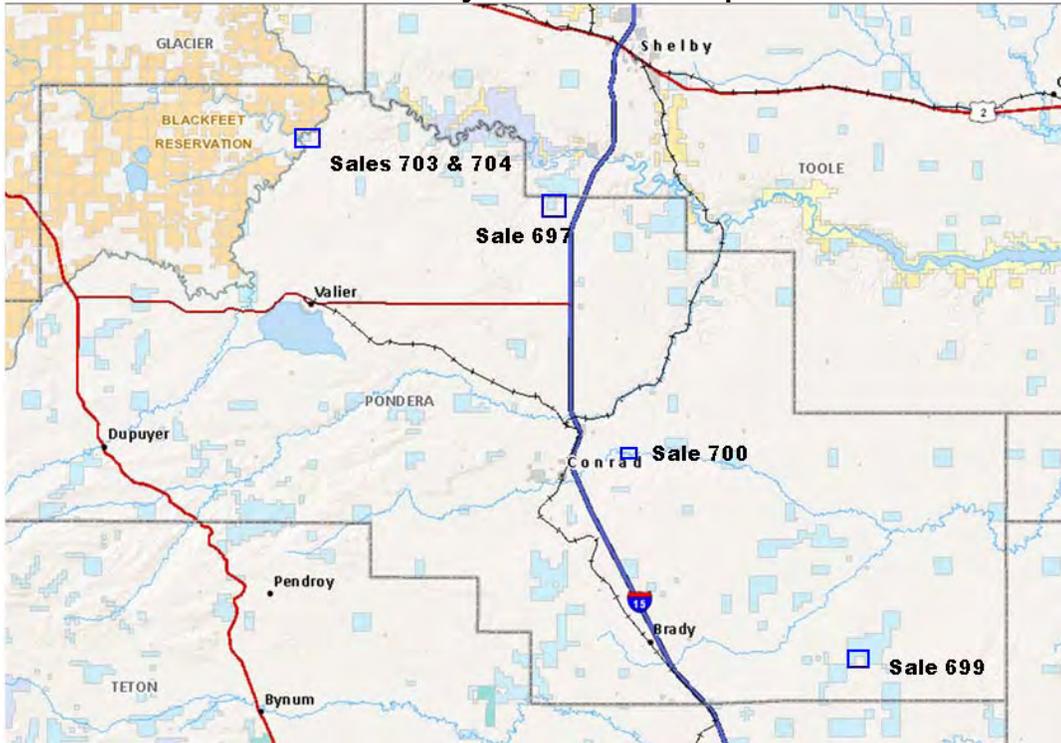
Appraised Values of sale parcels:

Sale #	Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
697	\$42,233	\$175	\$42,233
699	\$7,000	\$700	\$7,000
700	\$30,000	\$1,500	\$30,000
703	\$ 4,874	\$175	\$ 4,874
704	\$ 4,428	\$175	\$ 4,428

DNRC Recommendation

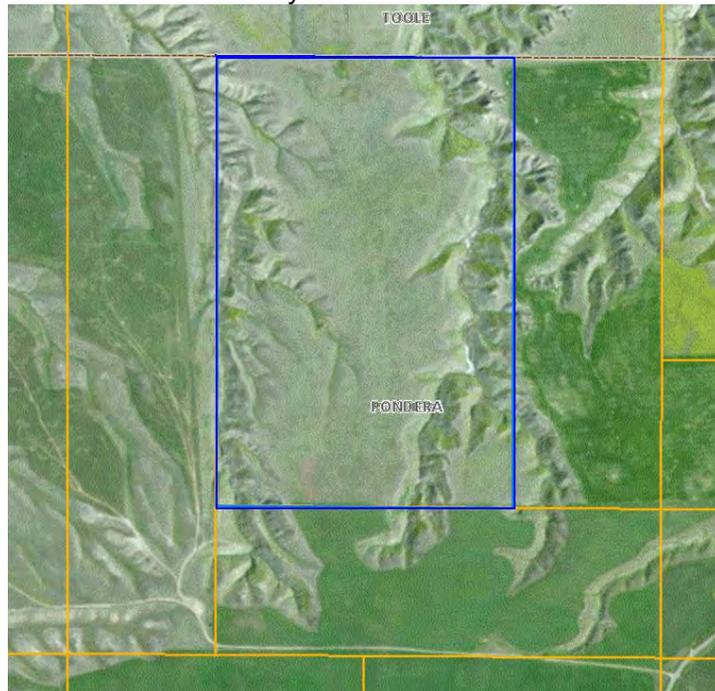
The Director recommends that the Board set the minimum bid for the parcels at the appraised values shown above.

Pondera County Sale Location Map



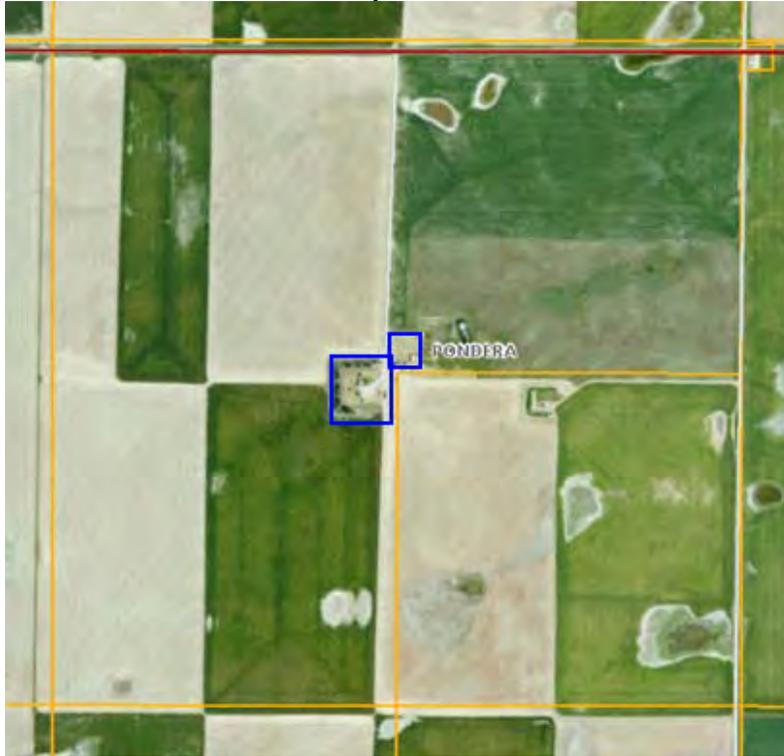
Sale #697

Lots 2 & 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 16, T2N-R1W
Troy & Lou Wanka



Sale #699

SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 10, T26N-R1E
Larry Banka



Sale #700

W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 16, T28N-R2W
Sunrise Properties Inc.



Sale #703
Lots 1-3, Section 10, T31N-R5W



Sale #704
Lot 3, Section 15, T31N-R5W



**Land Board Agenda Item
November 18, 2013**

1113-5B Minimum Bid for Sale of Land Banking Parcel

Location: Toole County

Trust Benefits: Public Buildings

Trust Revenue: \$11,444

Item Summary

Requesting to set the minimum bid on one parcel totaling 76.29 acres nominated for sale in Toole County. The sale was nominated by the lessees and is located approximately 20 miles northwest of Shelby.

Sale #	# of Acres	Legal	Nominator	Trust
695	76.29	Lot 7, SE¼SW¼, Section 6, T34N-R3W	Curtis Stene	Public Buildings

Sale parcel 695 has rolling to steep topography and is used primarily for livestock grazing purposes. The parcel has below average productivity for grazing lands statewide.

Sale parcel 695 is legally accessible by a county road.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

Economic Analysis:

Short term – The average rate of return on this sale parcels is 1.37%. The parcel would continue to receive this return if it were to remain in state ownership.

Long term – The sale of this parcel would result in acquisition of lands that generate a higher rate of return. To date the average annual rate of return on acquisitions has been 2.06% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel was inventoried to Class III standards for cultural and paleontological resources in April of 2013. No such phenomena were identified. Sale of the tract will have No Effect to Heritage Properties. A formal report of findings has been prepared and has been filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Appraised Value of sale parcel:

Sale #	Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
695	\$11,444	\$150	\$11,444

DNRC Recommendation

The Director recommends that the Board set the minimum bid for the parcel at the appraised value shown above.

Toole County Sale Location Map



Sale #695

Lot 7, SE¼SW¼, Section 6, T34N-R3W
Curtis Stene



1113-5

EASEMENTS

- A. Rights-of-Way
- B. Department of Environmental Quality:
Easement
- C. Reciprocal Access Agreement:
DNRC/FWP – Milk River Ranch

Land Board Agenda Item
November 18, 2013

1113-5A Easements: Rights-of-Way

Location: Carter, Cascade, Liberty, Musselshell, Sheridan, Yellowstone Counties

Trust Benefits: Common Schools, Eastern College-MSU/Western College-UM

**Trust Revenue: Common Schools = \$12,176
Eastern/Western = \$875**

Item Table of Contents

HISTORIC COUNTY ROAD – *Musselshell County* (Pages 13-14)

**HISTORIC PRIVATE ROAD – *Greg Williams Ranch* (Pages 7-8)
- *Glen Smith* (Pages 9-10)**

HISTORIC TELEPHONE UTILITY – *Northern Telephone Coop.* (Pages 1-2)

NEW WATER PIPELINE FACILITY – *Dry Prairie Rural Water* (Pages 3-6)

STATE HIGHWAY RECONSTRUCTION – *Dept. of Transportation* (Pages 11-12)

Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northern Telephone Cooperative Inc. PO Box 190 Sunburst MT 59482
Application No.:	16399
R/W Purpose:	a buried fiber optic line
Lessee Agreement:	N/A (Historic)
Acreage:	1.08
Compensation:	\$540.00
Legal Description:	20-foot strip through NE4NE4, SW4NE4, NW4SE4, Sec. 16, Twp. 35N, Rge. 4E, Liberty County
Trust Beneficiary:	Common Schools

Item Summary

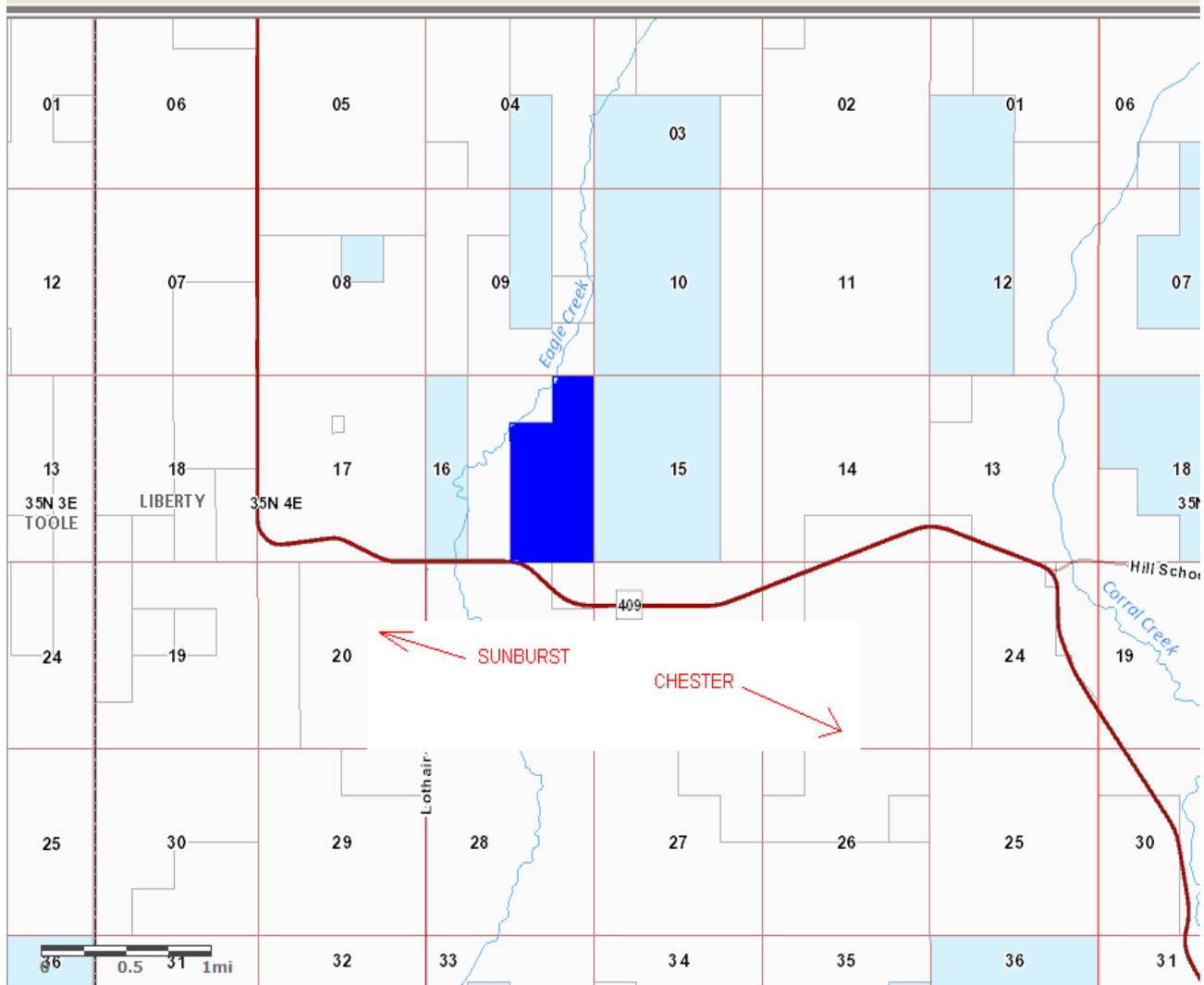
Application is made pursuant to §77-1-130, Historic Rights of Way. The fiber optic line provides service to Errol Fritz Ranch. Commonly known name of the exchange service site is Whitlash Exchange.

Department Recommendation

The Department recommends approval of the historic right of way in Liberty County.

Rights of Way Applications

November 18, 2013



Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dry Prairie Rural Water Authority PO Box 577 Culbertson MT 59218
Application No.:	16400
R/W Purpose:	three buried water pipelines with diameters of 2, 2.5 and 3 inch and associated appurtenances
Lessee Agreement:	needed
Acreage:	2.33
Compensation:	\$1,748.00
Legal Description:	30-foot strip through W2NW4, Sec. 28, Twp. 35N, Rge. 55E, Sheridan County
Trust Beneficiary:	Common Schools

Item Summary

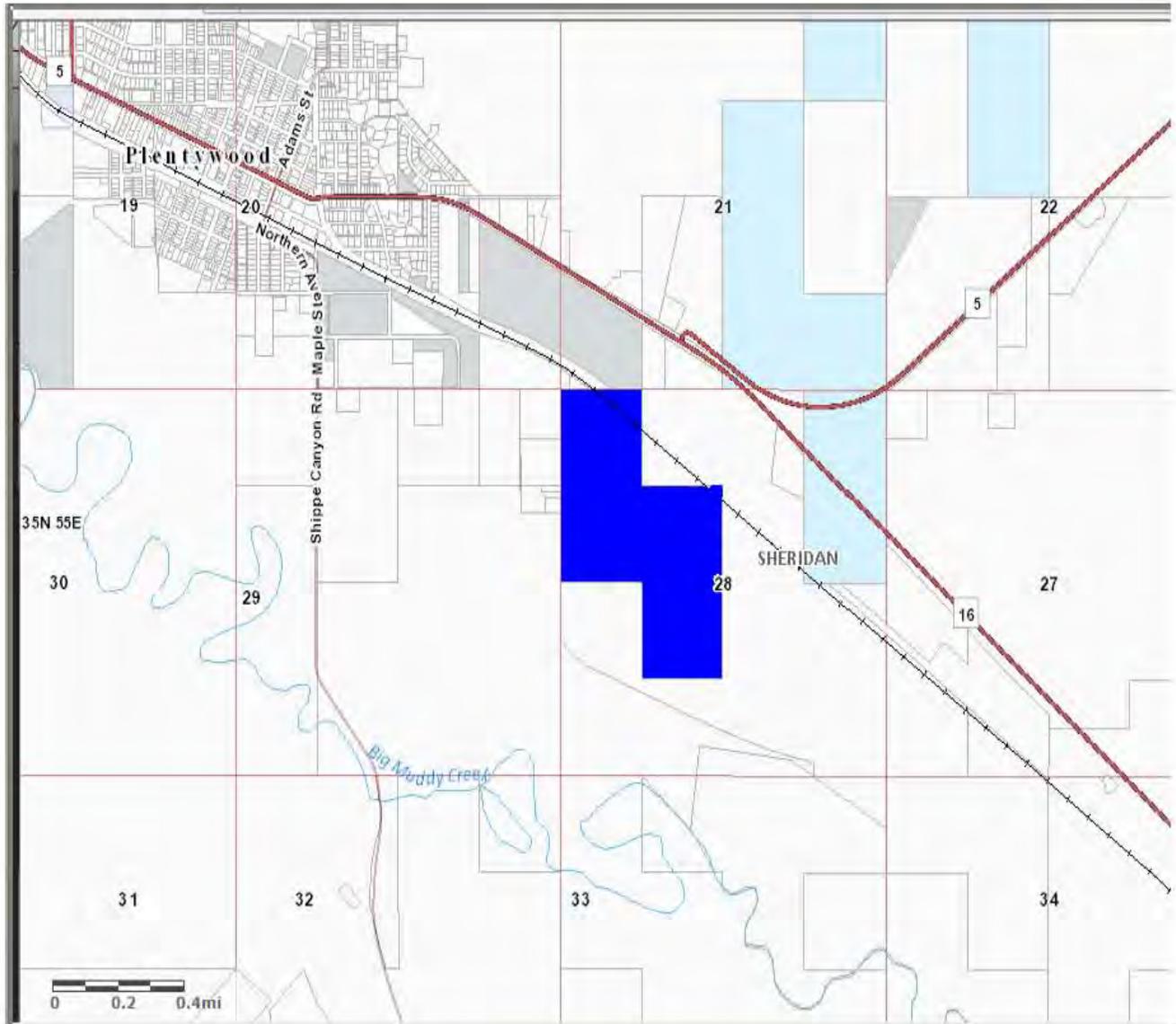
This water project consists of constructing water transmission main, distribution main and appurtenant items throughout Sheridan County. The selected pipeline route across state lands is the most cost effective route for this project.

Department Recommendation

The Department recommends approval of this easement request for buried 2", 2 1/2" and 3" water pipelines.

Rights of Way Applications

November 18, 2013



Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dry Prairie Rural Water Authority PO Box 577 Culbertson MT 59218
Application No.:	16401
R/W Purpose:	a buried 2-inch water pipeline and associated appurtenances
Lessee Agreement:	needed
Acreage:	1.22
Compensation:	\$854.00
Legal Description:	30-foot strip through W2SE4, Sec. 21, Twp. 35N, Rge. 55E, Sheridan County
Trust Beneficiary:	Common Schools

Item Summary

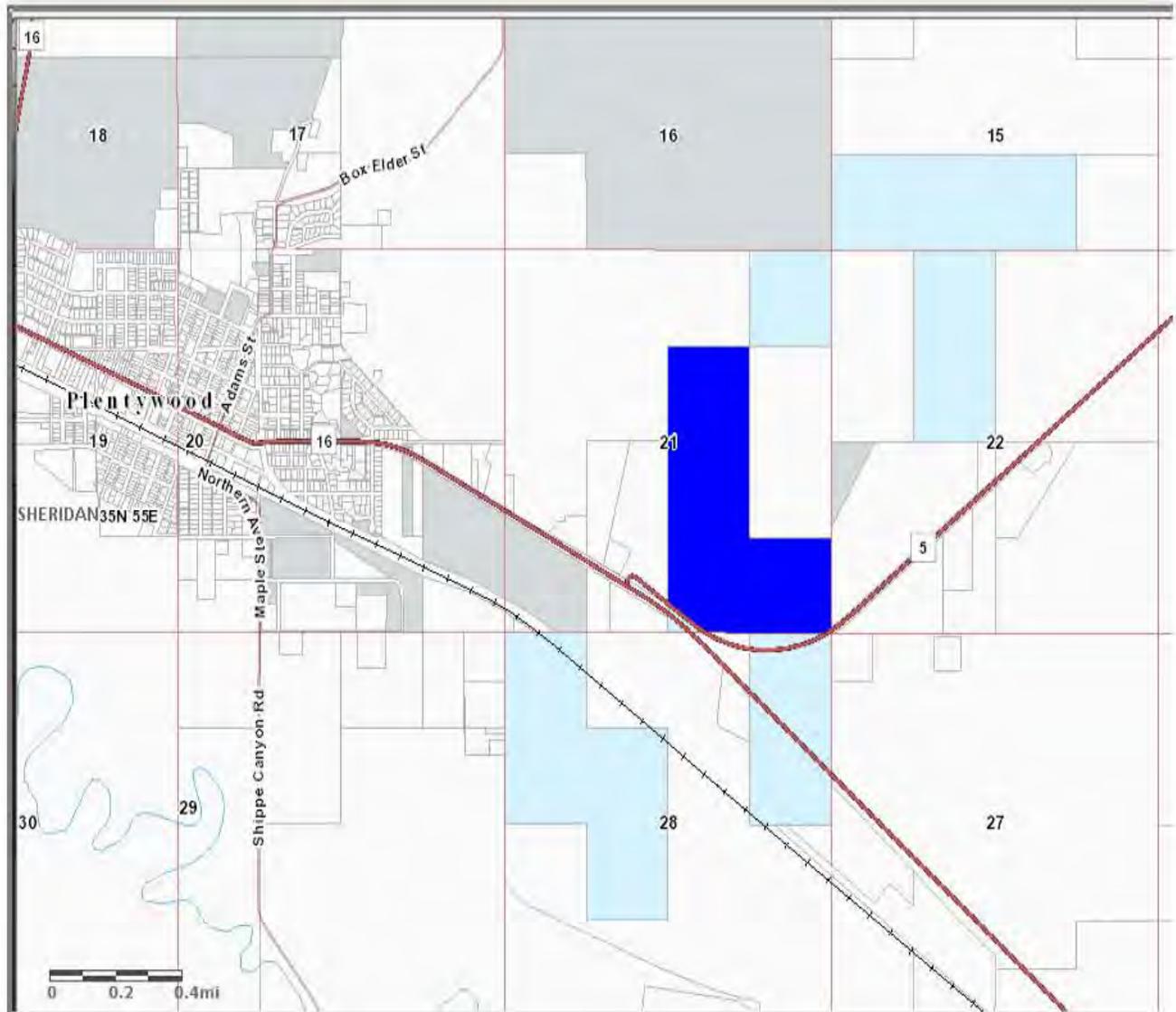
This water project consists of constructing water transmission main, distribution main and appurtenant items throughout Sheridan County. The selected pipeline route across state lands is the most cost effective route for this project.

Department Recommendation

The Department recommends approval of this easement request for a buried 2" water pipeline.

Rights of Way Applications

November 18, 2013



Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Greg Williams Ranch, Inc. PO Box 203 Ekalaka MT 59324
Application No.:	16403
R/W Purpose:	a private access road for the purpose of conducting normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	2.42
Compensation:	\$484.00
Legal Description:	20-foot strip through SW4NW4, SE4NE4, N2SW4, N2SE4, Sec. 36, Twp. 3N, Rge. 58E, Carter County
Trust Beneficiary:	Common Schools

Item Summary

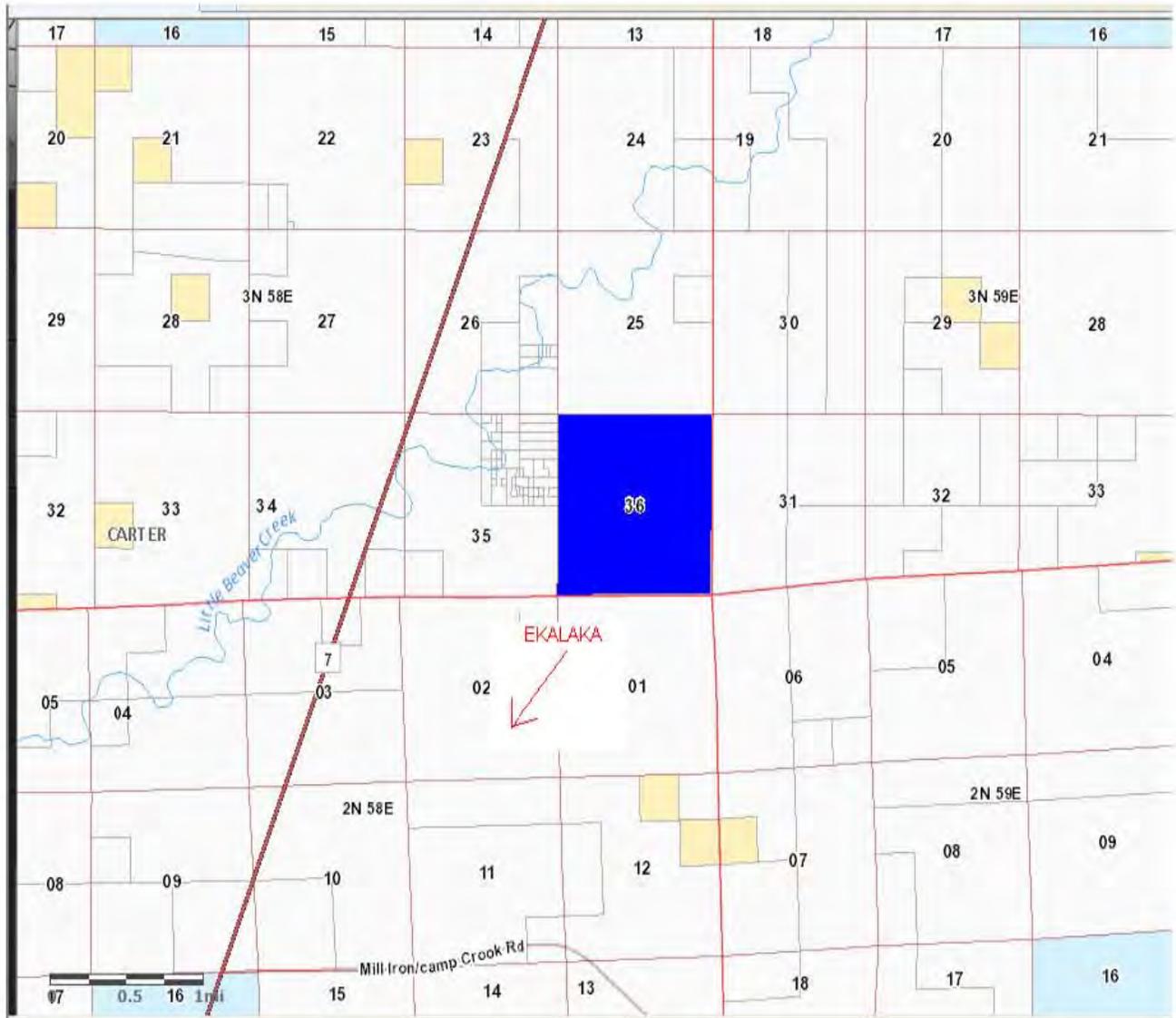
Applicant is requesting approval for the use of an existing road to access his private lands for farming and ranching purposes. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access.

Department Recommendation

The Department recommends approval of this historic application.

Rights of Way Applications

November 18, 2013



Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Glen Smith 370 N Vaughn Frontage Road Vaughn MT 59487
Application No.:	16404
R/W Purpose:	a private access road to a single-family residence and associated outbuildings and to conduct normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	1.25
Compensation:	\$875.00
Legal Description:	30-foot strip through S2NW4, Sec. 2, Twp. 21N, Rge. 1E, Cascade County
Trust Beneficiary:	Eastern College-MSU/Western College-UM

Item Summary

Applicant is requesting approval for the use of an existing road to access his private lands for a single-family residence and associated outbuildings and for farming and ranching purposes. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access.

Department Recommendation

The Department recommends approval of this historic application.

Rights of Way Applications

November 18, 2013



Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Montana Department of Transportation P O Box 201001 Helena MT 59620-1001
Application No.:	16407
R/W Purpose:	highway construction and maintenance, including occupancy by public utilities as defined in §69-4-101, MCA
Lessee Agreement:	ok
Acreage:	7.27
Compensation:	\$7,270.00
Legal Description:	tract of land in S2SW4, Sec. 4, Twp. 1S, Rge. 24E, Yellowstone County
Trust Beneficiary:	Common Schools

Item Summary

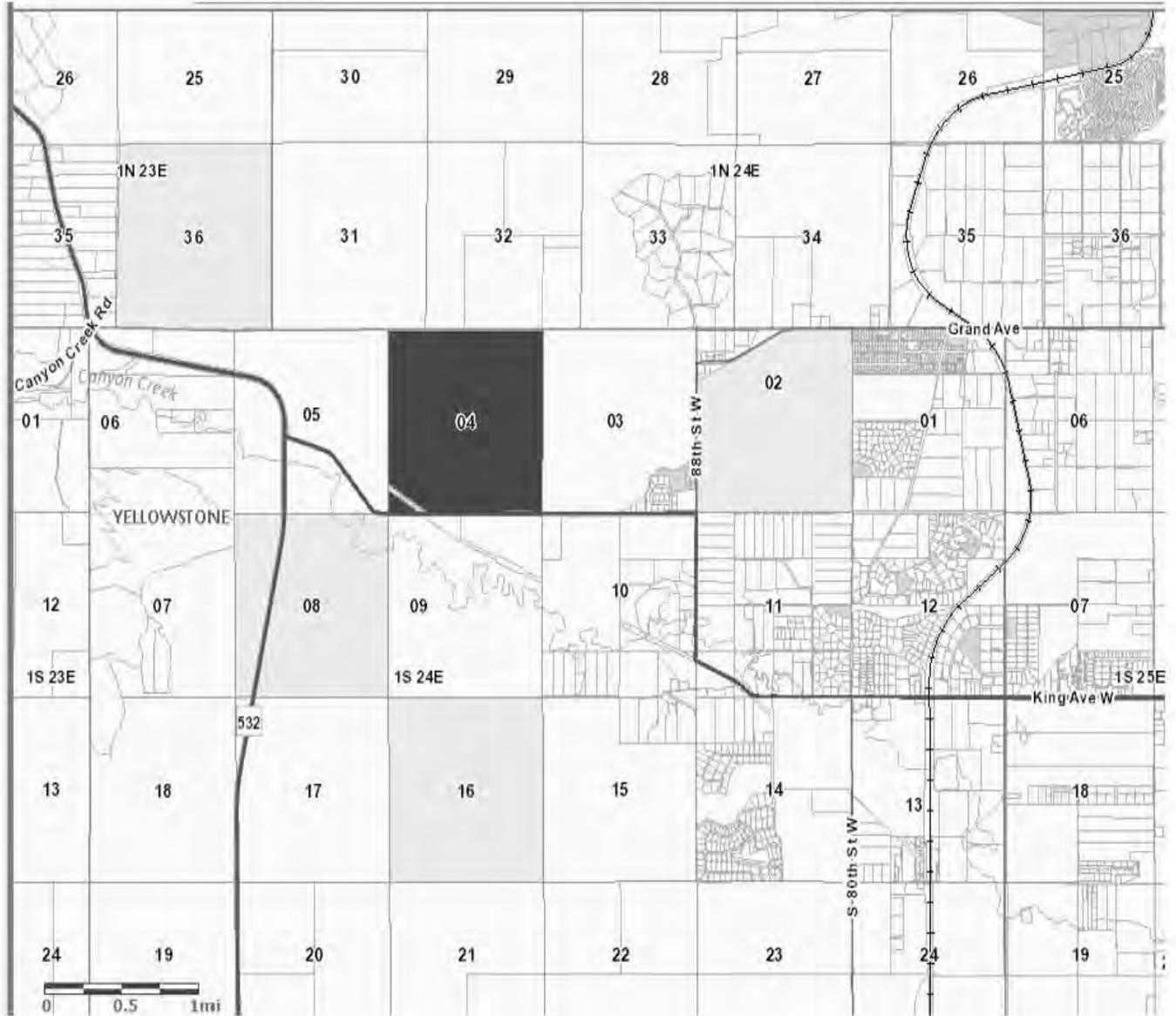
The Department of Transportation is proposing to relocate a portion of MT Hwy 532 (also known as Lipp Road) to address safety concerns with the existing road. The new road alignment will follow an abandoned railroad bed. With the relocation access to a state section located diagonally southwest of the project would be left without legal access. After discussion the Department of Transportation will provide an approach to the east of the start of relocation and provide a gate for the DNRC off this approach. The to-be-abandoned highway portion will have the pavement milled off, but will be graveled and left in place for use by the DNRC to access the impacted State section.

Department Recommendation

The Department recommends approval of this easement request for highway relocation.

Rights of Way Applications

November 18, 2013



Rights of Way Applications

November 18, 2013

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Musselshell County 506 Main Roundup MT 59072
Application No.:	16408
R/W Purpose:	a public county road known as Mushroom Mine Road
Lessee Agreement:	N/A (Historic)
Acreage:	1.83
Compensation:	\$1,280.00
Legal Description:	60-foot strip through NE4NE4, Sec. 16, Twp. 8N, Rge. 25E, Musselshell County
Trust Beneficiary:	Common Schools

Item Summary

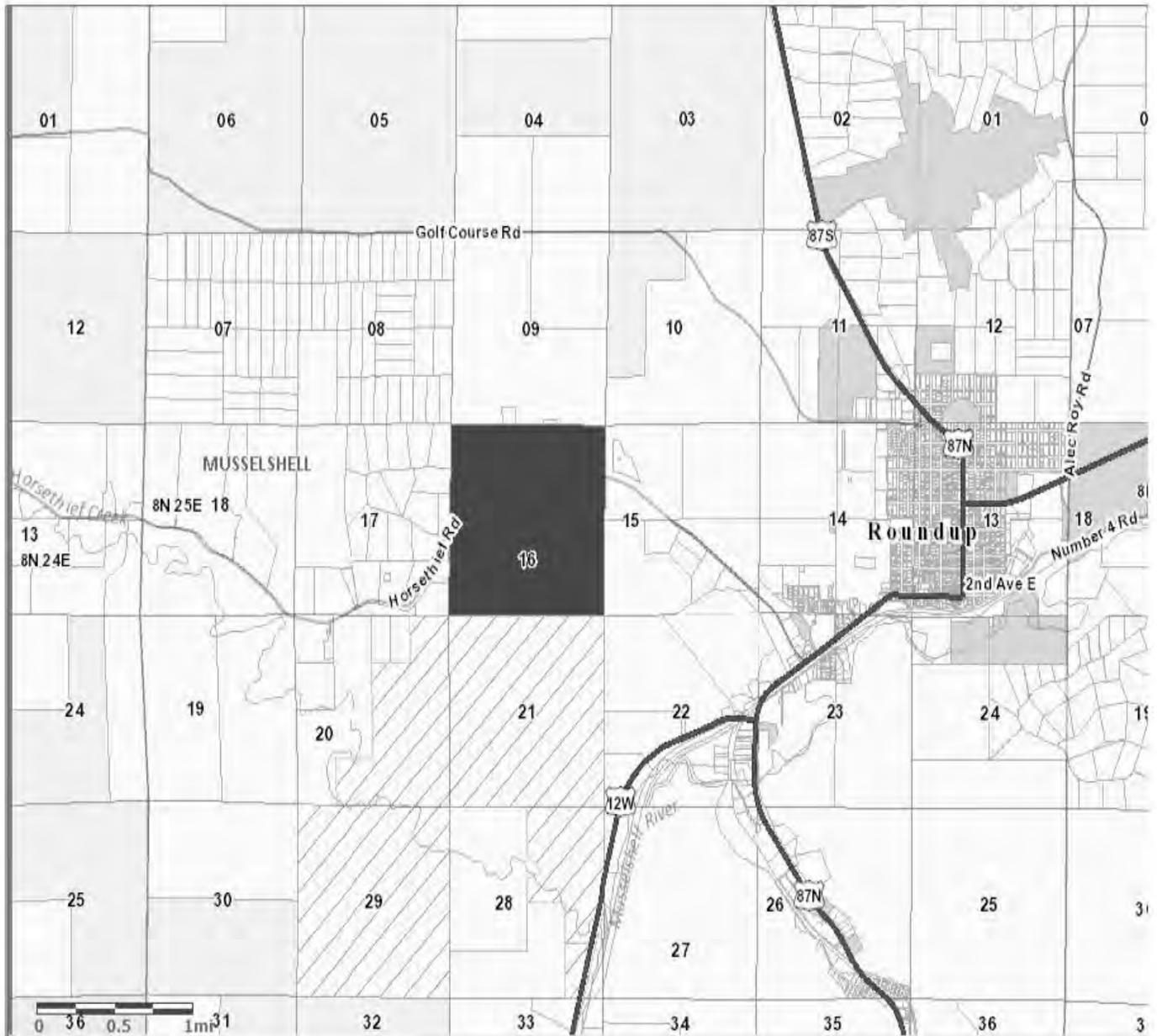
Musselshell County has made application for a historic county road that was constructed many years ago on State Land without authorization from the Land Board. This county road serves various private lands. Pursuant to §77-1-130, MCA the County is requesting recognition of this road as a historic right of way.

Department Recommendation

The Department recommends approval of this historic county road request.

Rights of Way Applications

November 18, 2013



**Land Board Agenda Item
November 18, 2013**

1113-5B Easements: Department of Environmental Quality

**Location: Cascade County
NE4SE4, Sec. 27, Twp. 19N, Rge. 6E**

Trust Benefits: N/A (non-trust land)

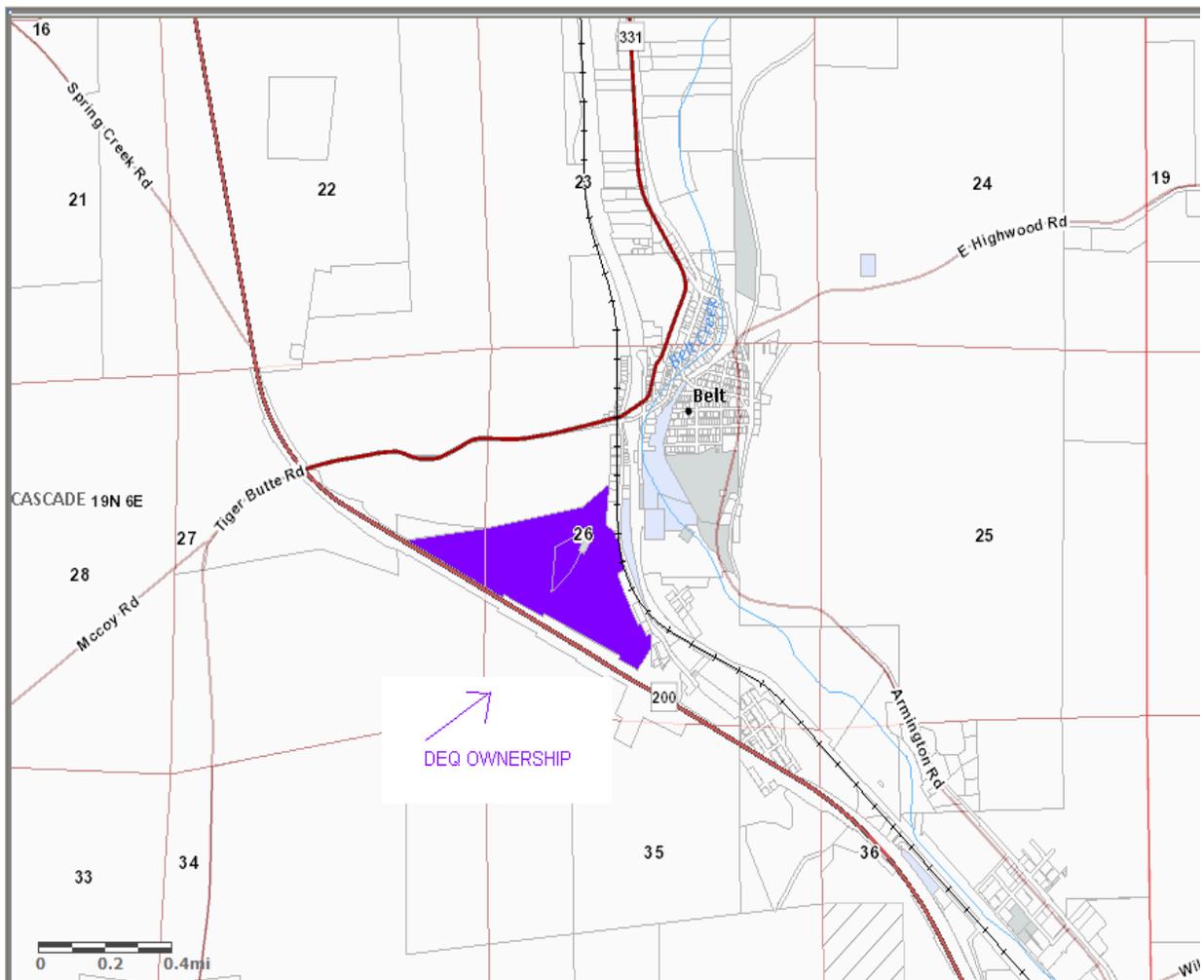
Revenue Consideration: \$1,602 (to be paid to DEQ)

Item Summary:

Department of Transportation is requesting an easement on lands owned by Department of Environmental Quality in the town of Belt. The scope of the project is to reconstruct and realign a portion of US Highway 89 near Belt to include widening the highway to 5 lanes with a center turn lane and 10-foot shoulders. Updated lighting, signing and pavement markings will be included in the project. Access control along the highway will also be implemented. Department of Transportation will pay to Department of Environmental Quality the sum of \$1,602 for the easement, which has been established by a waiver valuation appraisal.

DNRC Recommendation:

On behalf of the Department of Environmental Quality, the DNRC recommends approval of this easement grant.



**Land Board Agenda Item
November 18, 2013**

1113-5C Easements: Reciprocal Access Agreement: DNRC/FWP – Milk River Ranch

Location: Hill County

Trust Benefits: Common Schools, Public Buildings

Net Land & Road Costs: \$0

Item Summary:

RIGHT OF WAY APPLICATION FILE NO. 16409

I. Applicant:

Montana Department of Fish, Wildlife, and Parks
P O Box 200701
Helena MT 59620-0701

II. Purpose:

State of Montana Department of Natural Resources (DNRC) land is intermingled with lands owned or controlled by Department of Fish, Wildlife, and Parks (DFWP). In order for both parties to gain legal access to their respective properties, they have proposed to exchange easements as part of this Reciprocal Access Agreement. Each party will grant perpetual non-exclusive road easements, 30 feet in width, for all lawful purposes (including buried utilities). Under this Agreement, the State DNRC is also acquiring a 10-foot irrigation line easement and an irregular shaped pump and withdrawal easement.

III. Legal Description (R/W): All in Hill County:

<u>DNRC Land burdened:</u>	<u>Trust</u>
<u>Township 37 North, Range 10 East, P.M.M.</u>	
Section 2: NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, portions of NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	C.S.
Section 3: NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	P.B.
Section 5: Lot 9	P.B.
Section 7: S $\frac{1}{2}$ S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$	C.S.
Section 9: SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$	P.B.
Section 10: NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	P.B.
Section 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	P.B.
Section 15: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$	P.B.
Section 16: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	C.S.
Section 21: NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	C.S.
Section 22: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$	P.B. C.S.

DNRC Land benefited:

Township 37 North, Range 9 East, P.M.M.

Section 1: Lots 9, 10, 11, and 12

Township 37 North, Range 10 East, P.M.M.Section 2: Lots 9 and 10, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, portion of SE $\frac{1}{4}$ Section 3: Lots 9, 10, 11, and 12, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ Section 4: Lots 9, 10, 11, and 12, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 5: Lots 9, 10, 11, and 12

Section 8: portion in the N $\frac{1}{2}$ Section 9: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ Section 10: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 11: all

Section 13: SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ Section 14: SE $\frac{1}{4}$ Section 15: portion of N $\frac{1}{2}$ NW $\frac{1}{4}$ Section 16: portion of NE $\frac{1}{4}$ NE $\frac{1}{4}$ Total State Land Benefited: 3,190 acres

DFWP Land burdened:

Township 37 North, Range 9 East, P.M.M.Section 1: SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ Township 37 North, Range 10 East, P.M.M.Section 6: Lot 6, Lot 13, Lot 15, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8: N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 9: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 10: SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 14: NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 15: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

DFWP Land benefited:

Township 37 North, Range 9 East, P.M.M.Section 1: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ Section 2: Lots 9, 10, 11, and 12, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 3: Lots 9 and 10, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ Township 37 North, Range 10 East, P.M.M.Section 4: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 5: portion of S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 6: Lots 5, 6, 7, 12, 13, 14, and 15, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 7: N $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 8: N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 9: portions of NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ Section 10: S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 14: W $\frac{1}{2}$ Section 15: E $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Total DFWP Land Benefited: 3,006 acres**Total R/W Acres:**

DNRC grant to DFWP: 34.94 acres

DFWP grant to DNRC: 17.54 acres (includes irrigation line, pump and withdrawal line easement)

Total R/W Miles:

DNRC grant to DFWP: 9.61 miles
 DFWP grant to DNRC: 4.31 miles

IV. General Information:

Land Office: NELO
 Unit Office: Havre
 County: Hill
 Affected Trusts: Common Schools (C.S.), Capitol Buildings (P.B.)

V. Costs to be Borne by Each Party:

Excess costs, by land value and road costs, are summarized as follows:

	EXCESS COSTS	
	DFWP owes DNRC	DNRC owes DFWP
Land Value	\$ 11,600	\$ 11,600
Road Costs	m/s	m/s
Total Value/Costs	\$ 11,600	\$ 11,600

NET BALANCE

Land Value	\$ 0	\$ 0
Road Costs	\$ 0	\$ 0
Subtotals	\$ 0	\$ 0

TOTAL LAND AND ROAD \$ 0

VI. Results of MEPA Analysis:

No significant impacts are expected and no further analysis required.

VII. Benefits to the State:

1. *Describe the rights regarding which DNRC lands are being accessed.*

Provides permanent access for all lawful purposes and buried utilities on an existing road system to State Trust Lands as described above.

2. *Describe the public access situation and the effects of this agreement.*

Provides for additional motorized and walk in access in favor of the public

3. *Describe other benefits associated with completing the agreement.*

- Provides for an integrated transportation system which reduces road densities and potential resource impacts to water quality and wildlife habitat.
- Provides for shared financial obligations for road maintenance, resurfacing, weed management, and road reconstruction, if need be, to current road standards.

DNRC Recommendation

- VII. After review of the documents, exhibits, and benefits to the State, the Director recommends approval of this proposed Reciprocal Access Agreement with the DFWP. Further, it is recommended that the conveyance fee obligation described in the Land Board's Reciprocal and Easement Exchange Policy be waived as rights for the public to access State Trust lands will be secured as a result of this reciprocal easement proposal.

MILK RIVER RANCH

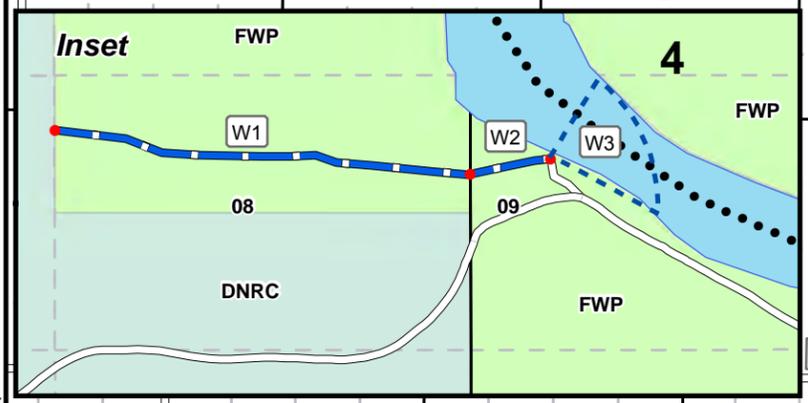
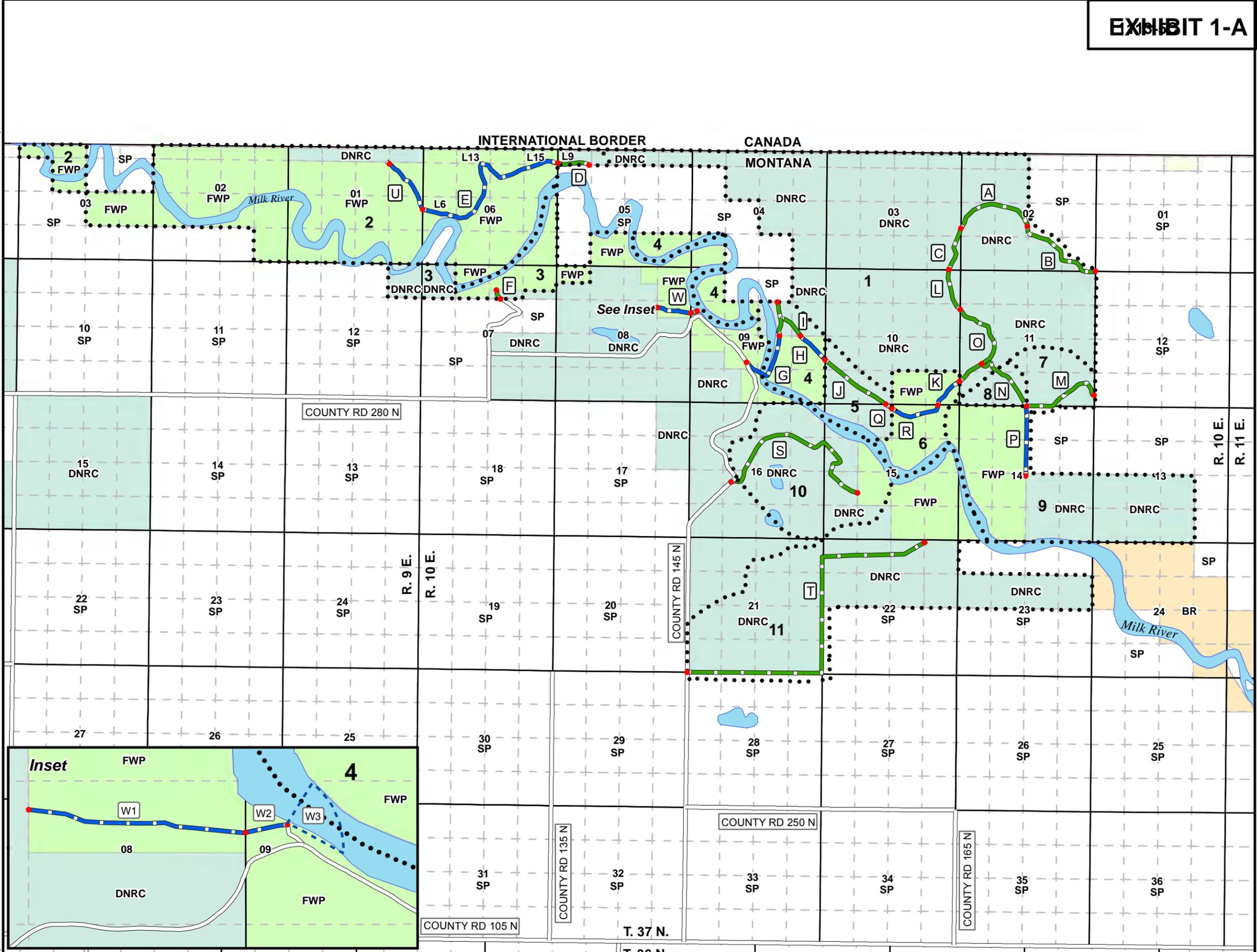
Reciprocal Access Agreement

MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
and
MONTANA DEPARTMENT OF FISH, WILDLIFE, AND PARKS

Hill County, Principal Meridian, Montana
Legend

- Tributary Area
- 2 Tributary Number
- U Road Segment
- - - Section Subdivision
- L9 Government Lot
- DNRC Department of Natural Resources and Conservation
- FWP Department of Fish, Wildlife, and Parks
- SP Small Private
- BR US Bureau of Reclamation
- Easement from DNRC to FWP
- Easement from FWP to DNRC

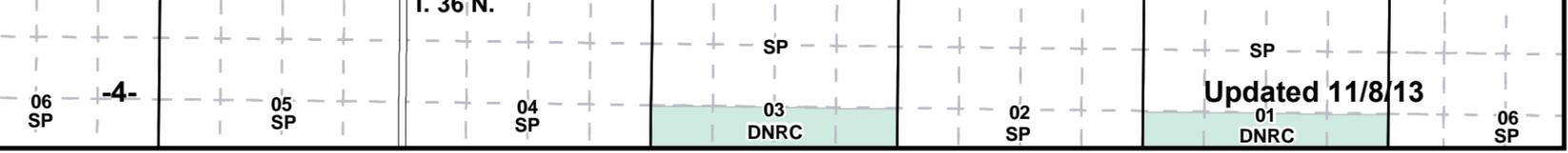
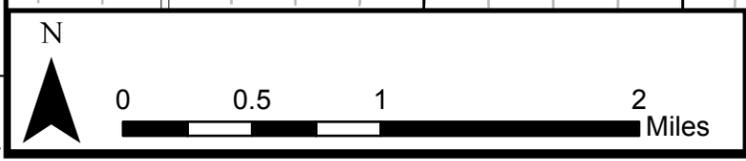
Based on Geographic Coordinate Data Base and USGS Quads: GOLDSTONE (1972) - LOST RIVER (1972) and LOST RIVER NE (1972)



Prepared by GeoControl LLC Date 10-31-2013

Checked by _____ Date _____

Checked by _____ Date _____



Updated 11/8/13

Land Board Agenda Item
November 18, 2013

1113-6 Fiscal Year 2013 Highlights

Location: State of Montana

Trust Benefits: All Trusts

**Trust Revenue: Common Schools Net Distributable = \$56,267,660
School Facility and Technology Fund = \$3,400,039**

Item Summary

The FY 2013 highlights presentation is a PowerPoint presentation which will be shown during the meeting.

Montana State Trust Lands Performance FY 2013

November 18, 2013





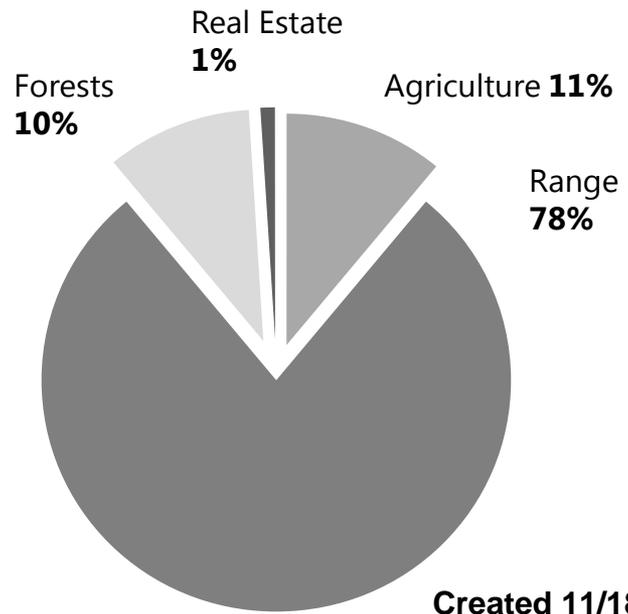
Montana State Trust Lands

FY2013 Performance

Mission: To manage State of Montana's trust land resources to **produce revenue** for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.

Land: **5.2 million** acres of land and **6.2 million** acres of mineral rights

Acreage Allocation:





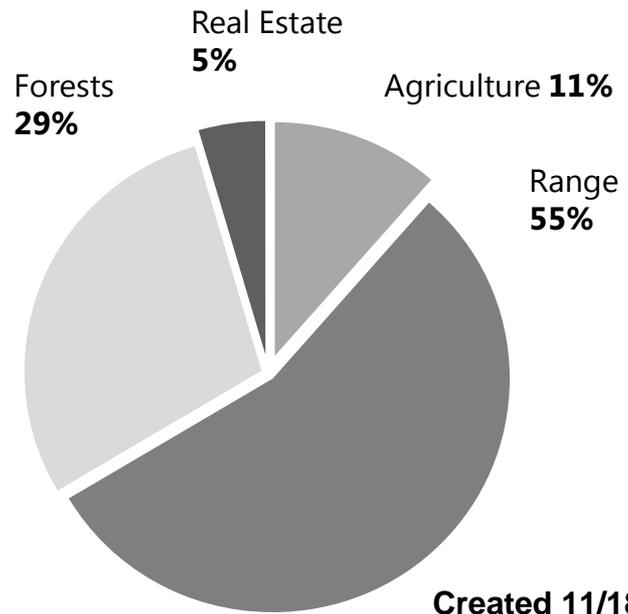
Montana State Trust Lands

FY2013 Performance

Mission: To manage State of Montana's trust land resources to **produce revenue** for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.

Land Value: **\$2.6 billion** estimated in FY 2012

Value Allocation:





Montana State Trust Lands

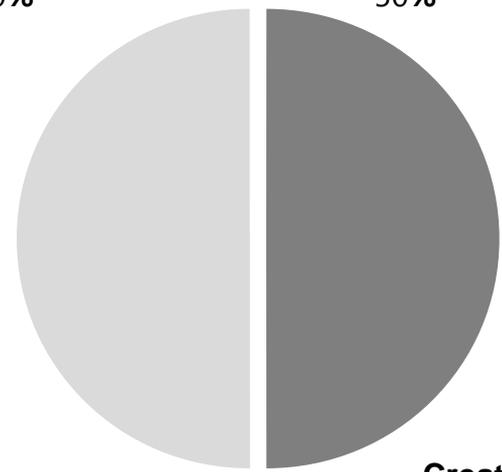
FY2013 Performance

Mission: To manage State of Montana's trust land resources to **produce revenue** for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.

Permanent Fund: **\$500 Million** in long term fixed income

Asset Allocation:

Government Bonds 50% Corporate Bonds 50%



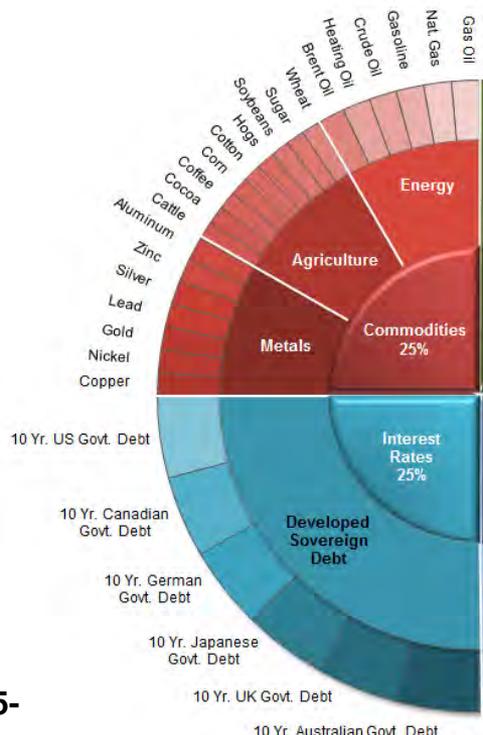


Montana State Trust Lands

FY2013 Performance

Mission: To manage State of Montana's trust land resources to **produce revenue** for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.

Endowment Risk: **\$3.1 Billion, 5:1** land to fixed income assets expose the endowment to commodity and interest rate risk.

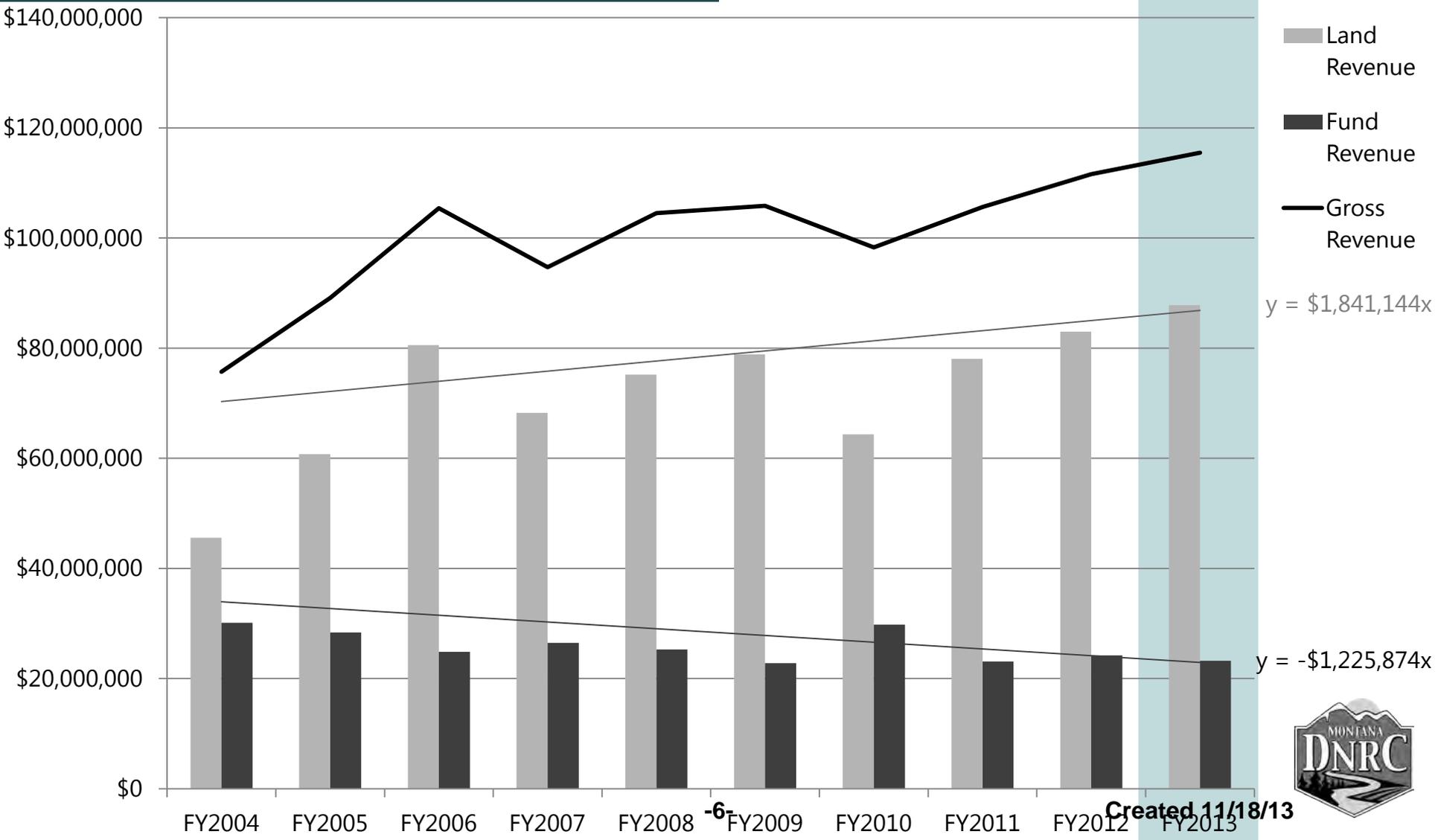




Montana State Trust Lands

FY2013 Performance

10 Year Land and Fund Revenues:

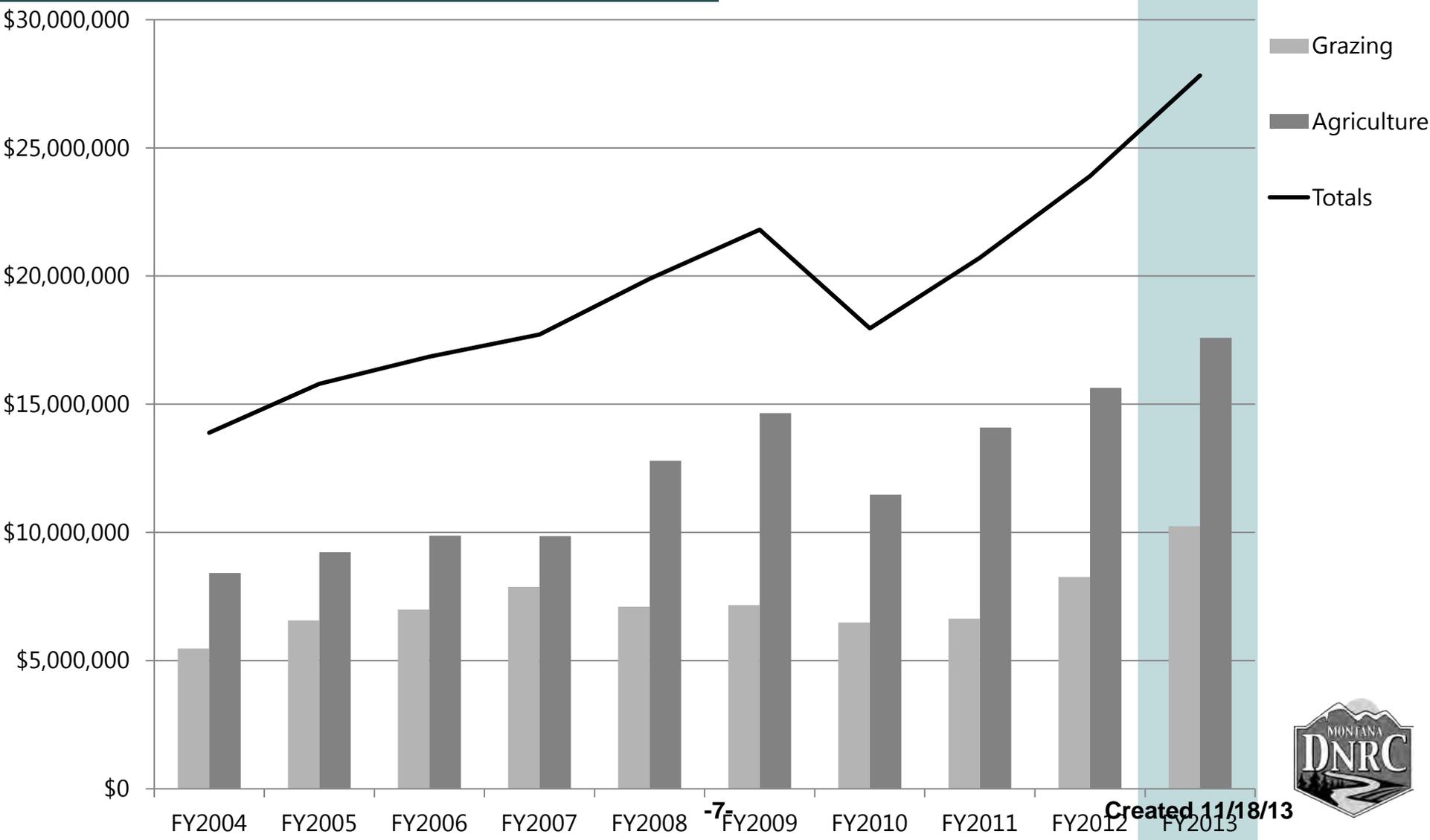




Montana State Trust Lands

FY2013 Performance

10 Year Agriculture Revenues:

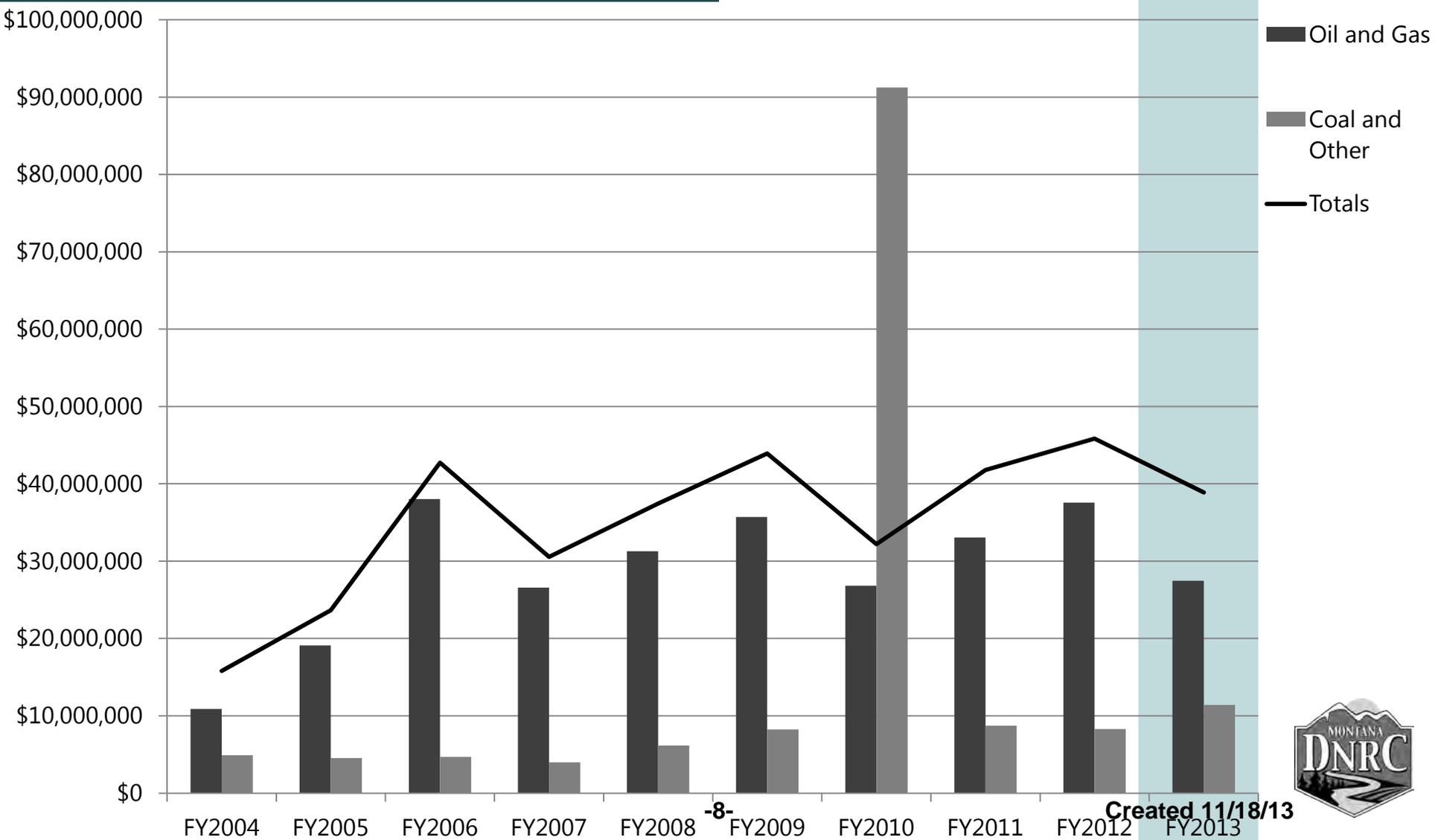




Montana State Trust Lands

FY2013 Performance

10 year Mineral Revenues:

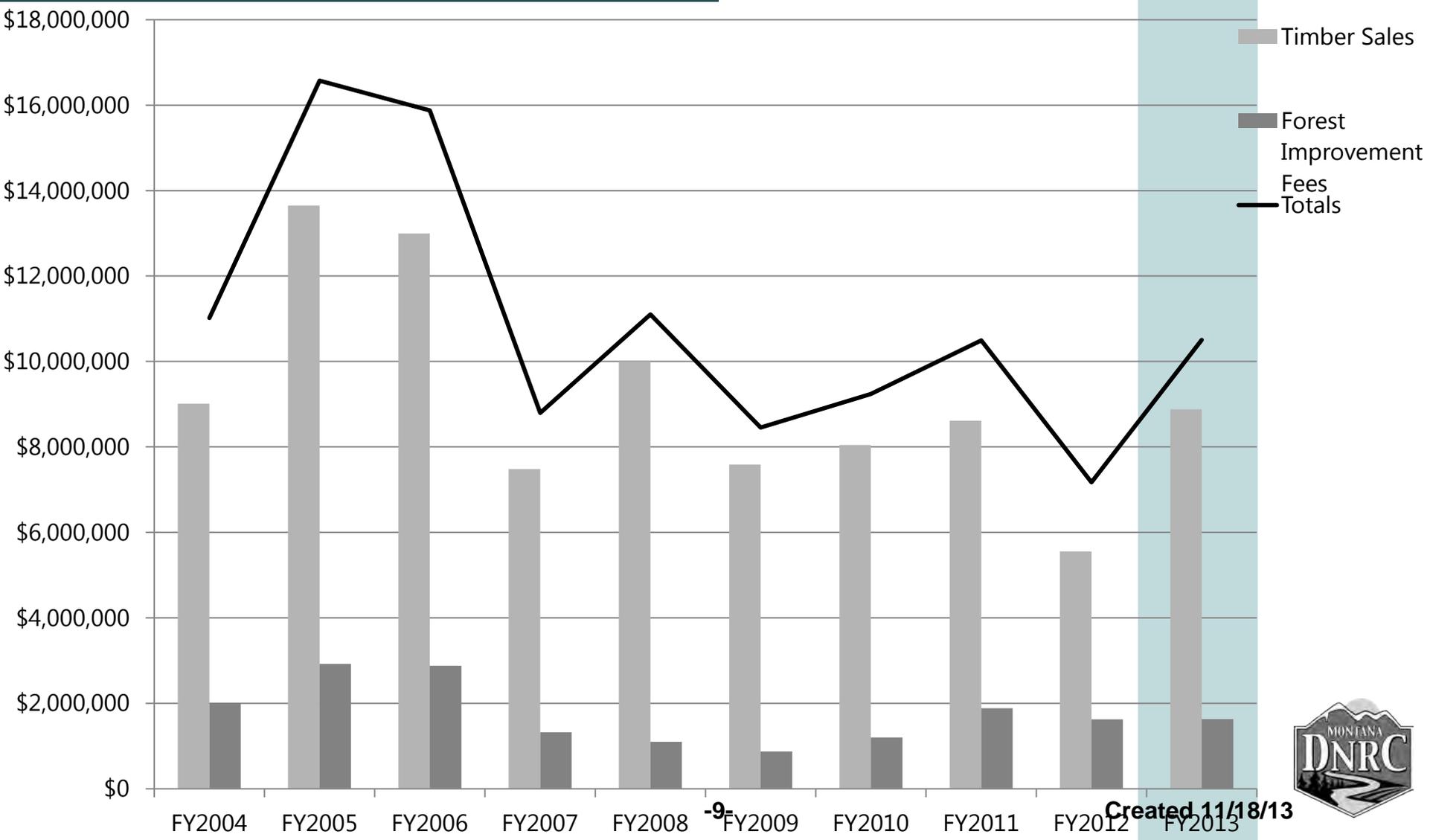




Montana State Trust Lands

FY2013 Performance

10 Year Timber Revenues:

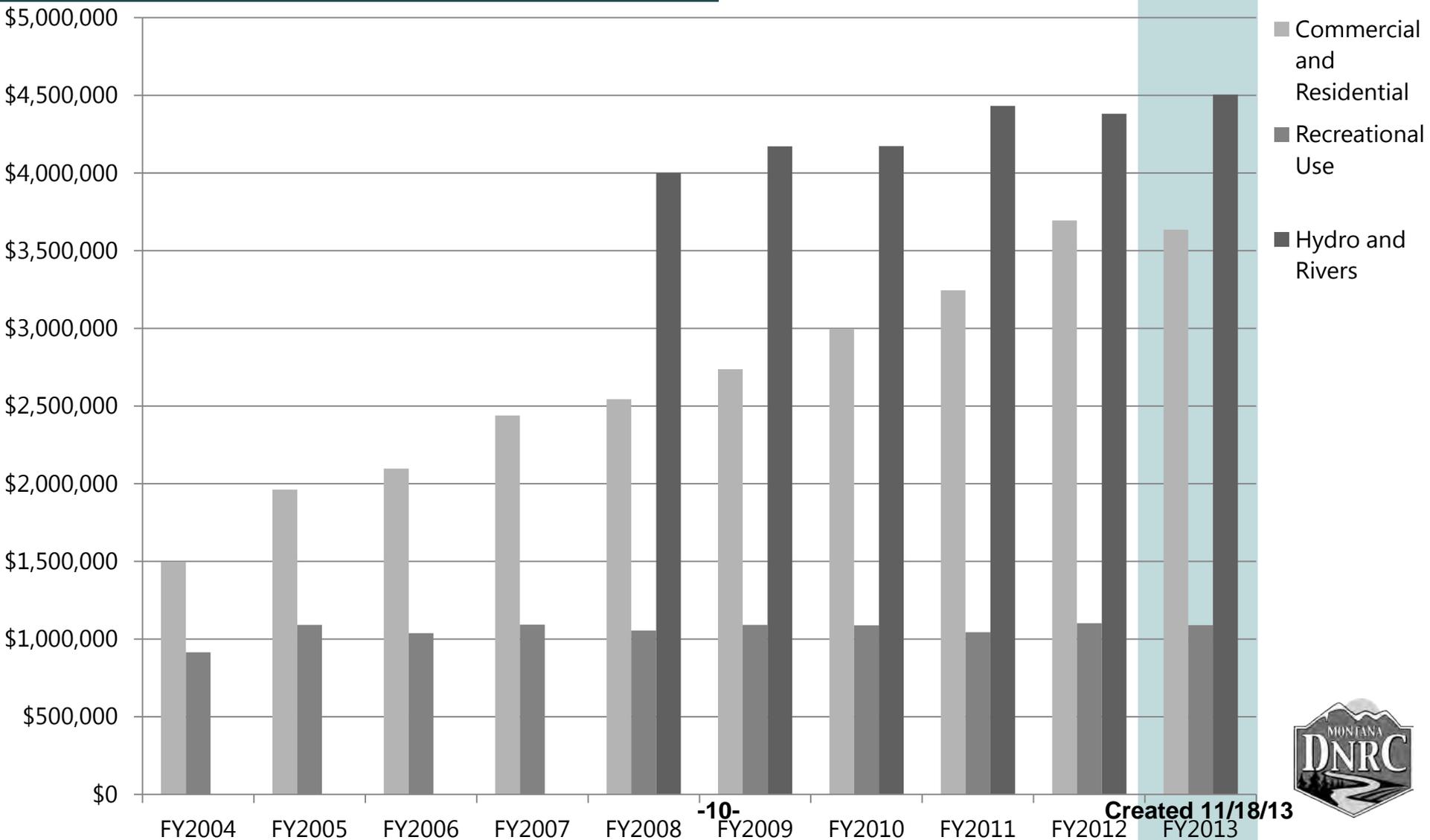


Montana State Trust Lands

FY2013 Performance



10 Year Special Use Revenues:



-10-

Created 11/18/13

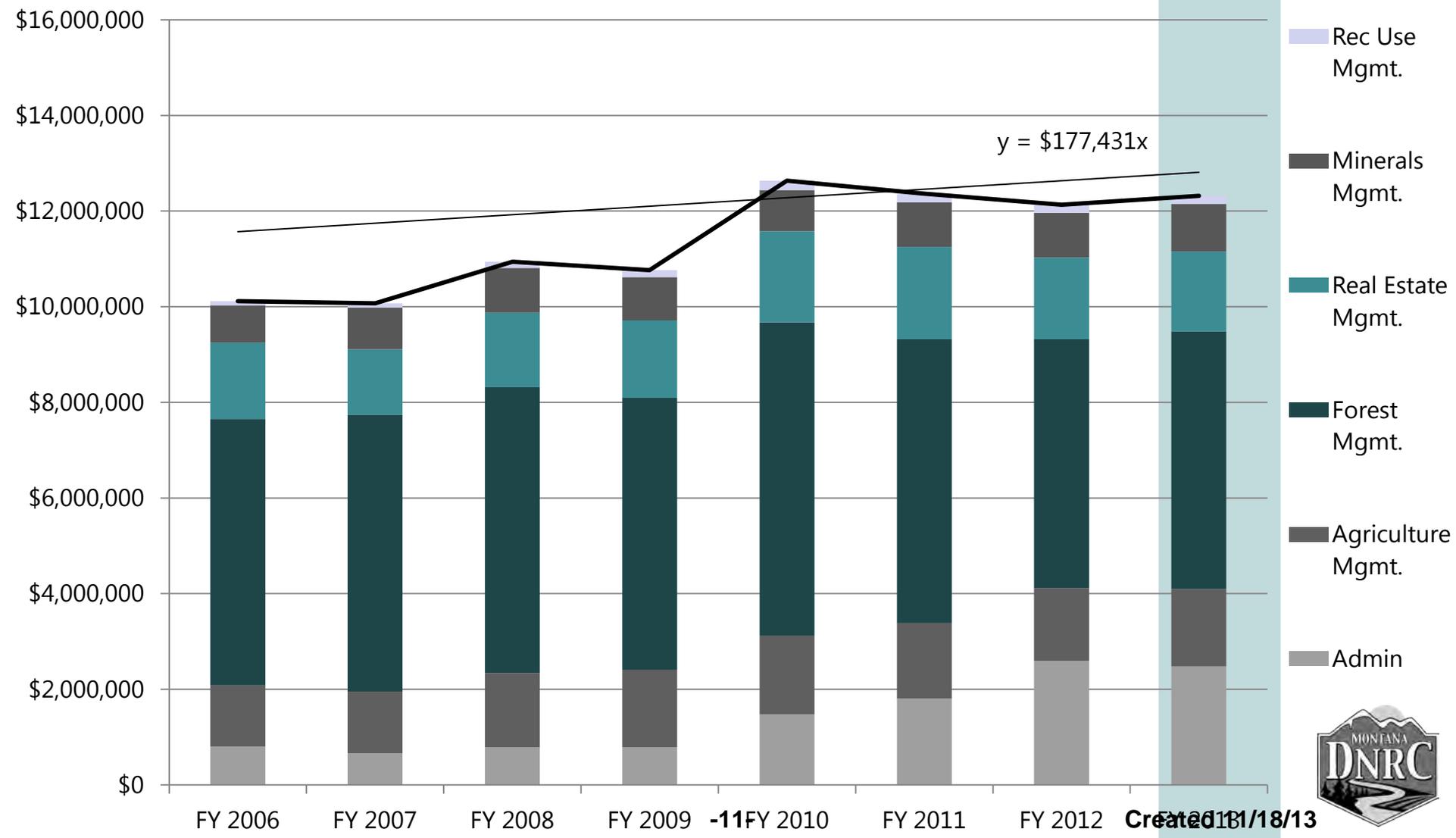




Montana State Trust Lands

FY2013 Performance

8 Year Program Expenses:





Montana State Trust Lands

FY2013 Performance

Mission: To manage State of Montana's trust land resources to **produce revenue** for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.

K-12 2013 School Year Enrollment: **142,908** students enrolled

OPI Budget: **\$755 million**

Pupil Budget: **\$5,285** per student

Common Schools Distribution: **\$56 million**

Pupil Distribution: **\$393** per student

Common Schools Contribution: **7.5%**



Trivia Question

- How much revenue from Trust Lands has been distributed to K-12 during Secretary McCulloch's tenure on the Land Board?
- \$1 Billion and counting!
- \$1,044,190,265.00 as of FYE 2013

Montana State Trust Lands Performance FY 2013

November 18, 2013

