

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Monday, November 16, 2015, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

- 1115-1 **FWP: Land Acquisition – Wall Creek Wildlife Management Area Addition**
Benefits: N/A (non-trust land)
Location: Madison County
Approved 5-0
- 1115-2 **Timber Sale: DeBorgia II**
Benefits: Common Schools
Location: Mineral County
Approved 5-0
- 1115-3 **Land Banking Parcel: Set Minimum Bid for Sale**
Benefits: Common Schools
Location: Ravalli County
Approved 5-0
- 1115-4 **Sale of Cabin and Home Sites: Set Minimum Bid for Sale**
A. Sales 784, 788 – 791
Benefits: Montana Tech
Location: Flathead County
B. Sales 796, 798 – 802, 804
Benefits: Montana Tech
Location: Flathead County
C. Sales 792, 794, 795
Benefits: Montana Tech
Location: Flathead County
Approved 5-0
- 1115-5 **Sale of Cabin and Home Site: Final Approval for Sale – Sale 763**
Benefits: Montana Tech
Location: Flathead County
Approved 5-0
- Withdrawn** 1115-6 ~~**Land Exchange: Preliminary Approval – SRI River Holdings**~~
~~*Benefits: Common Schools, Eastern College – MSU/Western College – UM, MSU 2nd*~~
~~*Location: Madison, Silver Bow Counties*~~
- 1115-7 **Implementation of Montana Sage Grouse Conservation Strategy:**
Executive Order 12-2015
Benefits: N/A
Location: State of Montana Sage Grouse Core Lands
Approved 5-0
- 1115-8 **Sage Grouse Habitat: Land Breaking, Sagebrush Eradication, and Grazing Management Criteria**
Benefits: N/A
Location: Trust Lands within Montana Sage Grouse Habitat
Approved 5-0
- 1115-9 **Easements**
A. Easements
Benefits: Common Schools, Public Lands
Location: Gallatin, Madison, Powder River, Richland, Roosevelt, Sanders Counties
B. Cost Share – Lake Placid
Benefits: Common Schools, MSU 2nd
Location: Missoula County
C. Cost Share – Lower ACM
Benefits: Common Schools, Public Buildings
Location: Sanders County
Approved 5-0

PUBLIC COMMENT

1115-1

FWP: LAND ACQUISITION

Wall Creek Wildlife Management Area Addition

**Land Board Agenda Item
November 16, 2015**

1115-1 FWP: Land Acquisition – Wall Creek Wildlife Management Area Addition

Location: Madison County

Trust Benefits: N/A

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

Item Summary

Montana Fish, Wildlife and Parks (FWP) propose to acquire a 631.12-acre addition to the 7,000-acre Madison-Wall Creek Wildlife Management Area (WCWMA). The property is located in Madison County approximately 20 miles south of Ennis.

Adding this property to WCWMA would increase the size of the existing game range by about 10 percent, and help provide winter refuge for elk. WCWMA has been a success at providing winter elk range, as about 2,000 elk winter on the WMA. Expanding habitat and tolerance for wintering elk in the Madison Valley is imperative for the population itself and to prevent game damage issues on neighboring lands. Other benefits from acquiring this land would be increased security for wintering and fawning pronghorn; and, public hunting opportunity for elk, deer, antelope, and Hungarian partridge. Once acquired, the property will be signed and incorporated into WCWMA. The property will be open to public use and access under the Fish and Wildlife Commission rules. This includes a December 1 through May 15 winter closure period for wildlife security.

The property was owned by Premier Bank of Minnesota, and was acquired by the Rocky Mountain Elk Foundation (RMEF) in 2014 for \$1,100,000. RMEF has agreed to sell the property to FWP for \$1,041,000 based on an appraisal. Funds to be used for the acquisition are \$260,250 from the Habitat Montana Acquisition Account, and \$780,750 of United States Fish and Wildlife Service (USFWS) Pittman-Robertson funding. This acquisition complies with the requirements of HB 403 (2015) as negotiations were underway prior to the passing of HB 403 (2015).

The EA was open to public comment from September 15, 2015, through October 15, 2015, during which a public hearing was held in Ennis on October 1. A total of six comments were received. All comments received were in favor of this acquisition. A decision notice was issued October 21, 2015.

The Fish and Wildlife Commission final decision is pending at this time. The proposal will be presented to the Fish and Wildlife Commission at the November 12 commission meeting.

FWP Recommendation

FWP recommends approval by the Land Board to proceed with the purchase of the 631.12 acre addition to the WCWMA. This recommendation is contingent upon approval by the FWP Commission at their November 12 meeting.





Wildlife Management Areas (Boundaries)

-  Wildlife Management Areas (Boundaries)

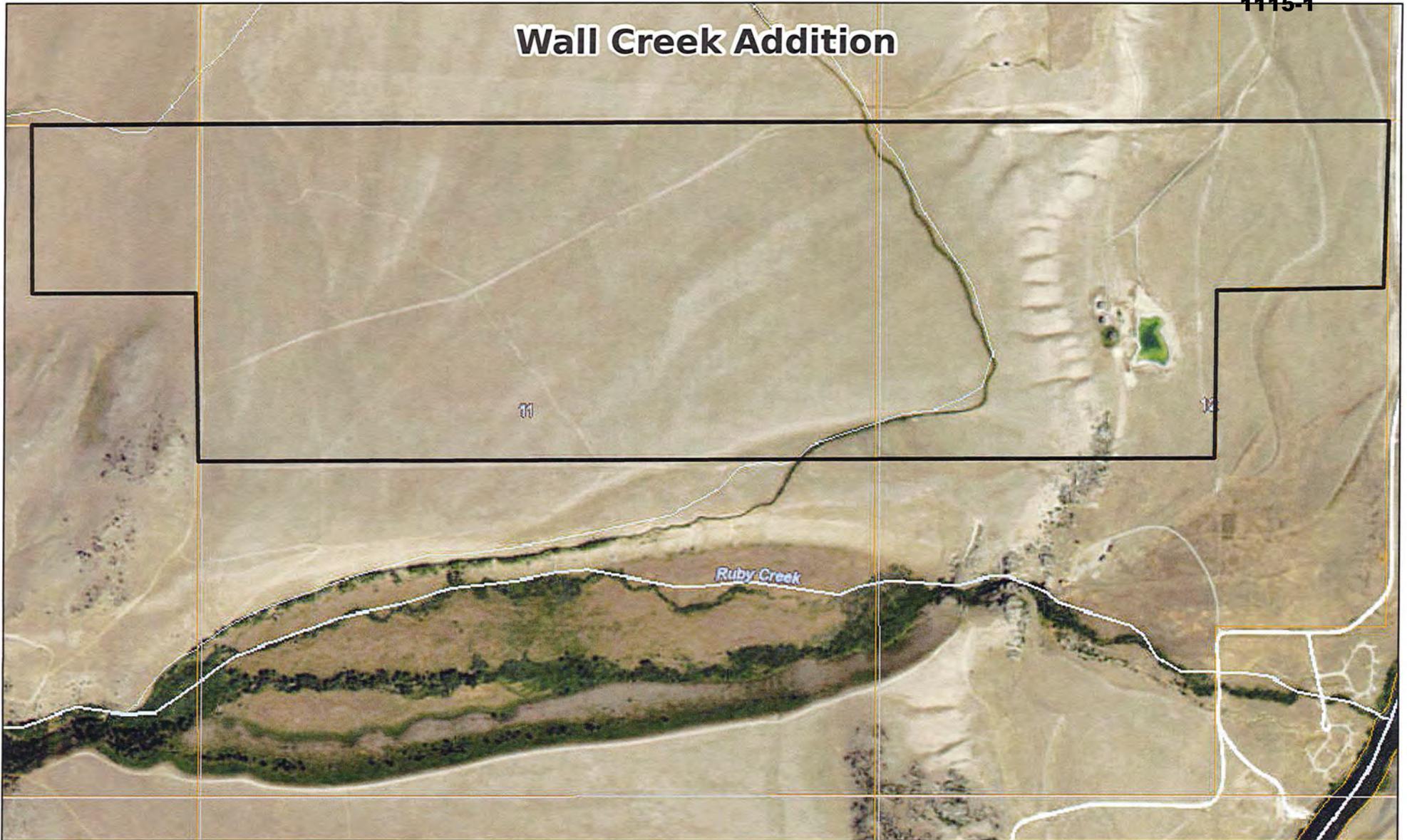
Printed from fwp.mt.gov 1:288,896
 November 2, 2015

0 2.25 4.5 9 mi
 0 3.75 7.5 15 km



This map was generated from the Montana Fish, Wildlife & Parks (FWP) internal FWP Mapper online mapping system. Data layers on this map may depict sensitive species level information. This map is not intended for distribution or use beyond work associated with FWP.

Wall Creek Addition



Cadastral Parcels

 Cadastral Parcels

Printed from fwp.mt.gov
November 2, 2015

1:18,056

0 0.15 0.3 0.6 mi



0 0.225 0.45 0.9 km

This map was generated from the Montana Fish, Wildlife & Parks (FWP) internal FWP Mapper online mapping system. Data layers on this map may depict sensitive species level information. This map is not intended for distribution or use beyond work associated with FWP.

Decision Notice
For the Potential Addition to Wall Creek Wildlife Management Area
Madison Valley, Southwest Montana
Prepared by Region 3, Montana Fish, Wildlife & Parks
October 21, 2015

Proposal

Montana Fish, Wildlife and Parks (MFWP) propose to purchase approximately 631.12 acres adjacent to Wall Creek Wildlife Management Area (WCWMA) using USFWS Pittman-Robinson and Habitat Montana funds totaling \$1,041,000. This land would be incorporated into the existing WCWMA and managed as part of the WMA. The parcel comprises grassland habitat of high conservation value, providing important wildlife habitat and winter range for elk and pronghorn.

Montana Environmental Policy Act (MEPA) Process

The proposal was outlined by MFWP in an Environmental Assessment (EA). The purpose of the EA is to satisfy the letter and intent of the Montana Environmental Policy Act (MEPA). MFWP is required through the MEPA process to assess the potential impacts of this project on the human and natural environment. The EA was the focus of a public meeting, distributed to interested parties, published in two local newspapers, posted on the MFWP website, and was available upon request. A 30-day public comment period on the proposal was held from September 15 to October 15, 2015.

The EA provides the MFWP Decision Maker (MFWP Region 3 Supervisor) with the best available information to assist in evaluating the project and deciding whether to approve, not approve, or modify the proposed action in a Decision Notice. The proposed action is then subject to approval by the MFWP Commission.

Issues Raised in the Environmental Assessment (EA)

The EA describes management issues and alternatives in detail including expected effects on the physical and human environment. The goal of proposed addition is to provide additional wildlife habitat and security to an important property adjacent to WCWMA. Air, water, and vegetation resources are expected to benefit through this purchase and subsequent management. Wildlife resources would benefit from the addition of this parcel through expanded secure winter habitat and habitat management when incorporated into WCWMA. The public would be able to enjoy the property through spring, summer, and fall recreation opportunities including wildlife watching, photography, hiking, and big game and upland bird hunting. The local tax revenue should not be impacted as MFWP pays taxes equivalent to what a private landowner would pay (MCA 87-1-603).

Summary of Public Comments

Five private parties and one agency submitted written comments. All comments were favorable to Alternative B – the proposal for FWP to purchase the lands and add them to WCWMA. One party asked questions about the process, but indicated no opinion toward either alternative.

Questions and Clarifications Derived During the Public Comment Period

Questions:

1) *Why did the Rocky Mountain Elk Foundation (RMEF) buy the property first, then turn around and sell it to MFWP?*

When Premier Bank owned and listed the property, RMEF recognized the conservation value of the parcel and acted quickly to put the property under option, purchase, and hold it to give time for MFWP to go through its public process. RMEF is assuming all risk as MFWP may not receive final approval to purchase the land. Then RMEF would have to look for another buyer.

2) *Does the appraised value include all the buildings?*

The price did not include the house on the property, which RMEF sold separately. The appraisal did include the two outbuildings.

Clarifications:

Post-publication, legal review clarified the acreage of the current Wall Creek WMA. The current deeded acreage is 6,148.72 with lease holdings on 918.39 acres of DNRC land. The draft EA had estimated the current deeded acreage at 6,557 (page 6 and page 7).

Final Environmental Assessment

Based on public comment, there are no necessary modifications to the draft environmental assessment. That draft along with the clarifications in this Decision Notice will serve as the final environmental assessment for this proposal.

Decision

Based on the environmental assessment and public comment, I choose preferred Alternative B, purchase of the 630.12 acres and incorporation into WCWMA.

I find there are no negative impacts on the human and physical environment associated with the selected Alternative B. Therefore, I conclude that the environmental assessment is the appropriate level of analysis and that an environmental impact statement is not required.



Sam B. Sheppard
MFWP Region 3 Supervisor
Bozeman, MT
October 21, 2015

1115-2

TIMBER SALE:

Deborgia II

**Land Board Agenda Item
November 16, 2015**

1115-2 Timber Sale: DeBorgia II

Location: Mineral County

Trust Benefits: Common Schools

Trust Revenue: \$110,768 (estimated, minimum bid)

Item Summary

The DeBorgia II Timber Sale is located approximately 13 miles west of St. Regis, Montana. The sale includes three harvest units: two units (37 acres) of tractor harvest; and one unit (171 acres) of cable harvest for a total of 208 treated acres. The estimated harvest volume is 12,689 tons (1.7 MMbf) of sawlogs. The minimum bid is \$8.73 per ton which would generate approximately \$110,768 for the Common School Trust and \$38,825.89 in Forest Improvement fees. The project is within the Habitat Conservation Plan (HCP) and complies with the commitments outlined in the HCP.

The sale would implement species select with seed tree treatments, allowing healthy regeneration to occur and removing trees affected by root rot, dwarf mistletoe, bole rot, and bark beetles. This prescription promotes health and vigor among desired species and allows more resources for the remaining healthy trees. Old growth is not present in any of the stands to be harvested.

Department of Natural Resources and Conservation (DNRC) is proposing 2.02 miles of new road construction, with 1.51 miles on DNRC ownership and 0.51 miles on the Lolo National Forest. DNRC is also proposing 0.73 miles of reconstruction and 4.87 miles of maintenance on existing roads on the Lolo National Forest. The new road construction on state trust lands is permanent, but closed to public motorized access and will be gated.

Access has been obtained to this timber sale via Temporary Road Use Permit and a Cost Share Agreement with the Lolo National Forest. DNRC is currently working on a Cost Share Agreement with the Lolo National Forest on all of these roads. It will be in place before the Temporary Road Use Permit expires.

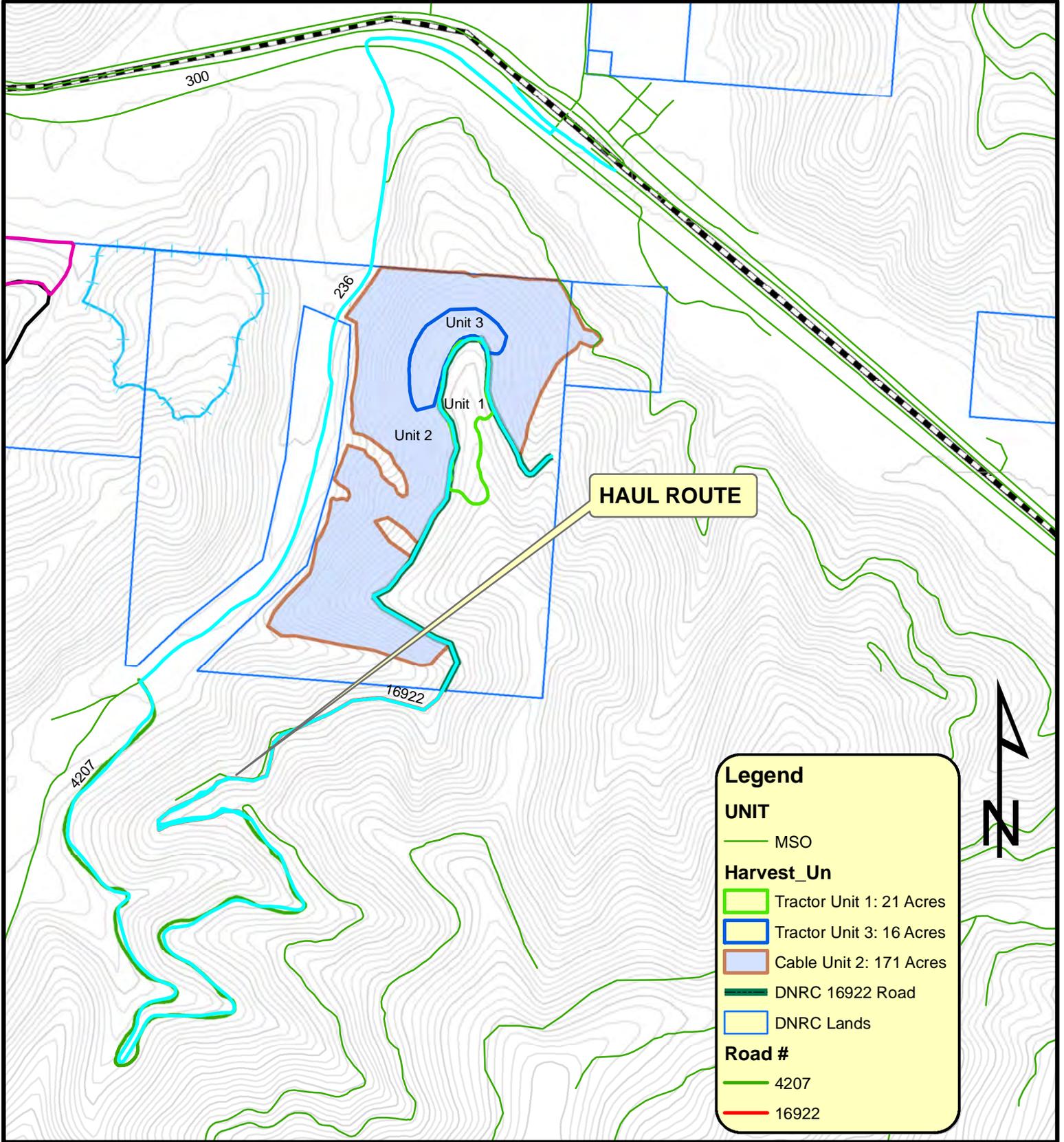
Scoping letters were mailed to interested parties in September 2011 and posted on the DNRC website. Notices were placed in both the *Missoulian* and the *Clark Fork Valley Press/Mineral Independent* newspapers. Four written comments were received. The Confederated Salish and Kootenai Tribe (CSKT) reminded DNRC that cultural resources important to their nation are imbedded throughout the region and requested to be notified if any new or additional information arose during the project. A letter from Montana Fish, Wildlife, and Parks (FWP) was received regarding potential effects of harvesting in a primary big game winter/spring range. All comments and concerns were included in development of the environmental assessment.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the DeBorgia II timber sale.

Haul Route Deborgia II Timber Sale Map Sect 36 T19N R30W

1115-2
Attachment A



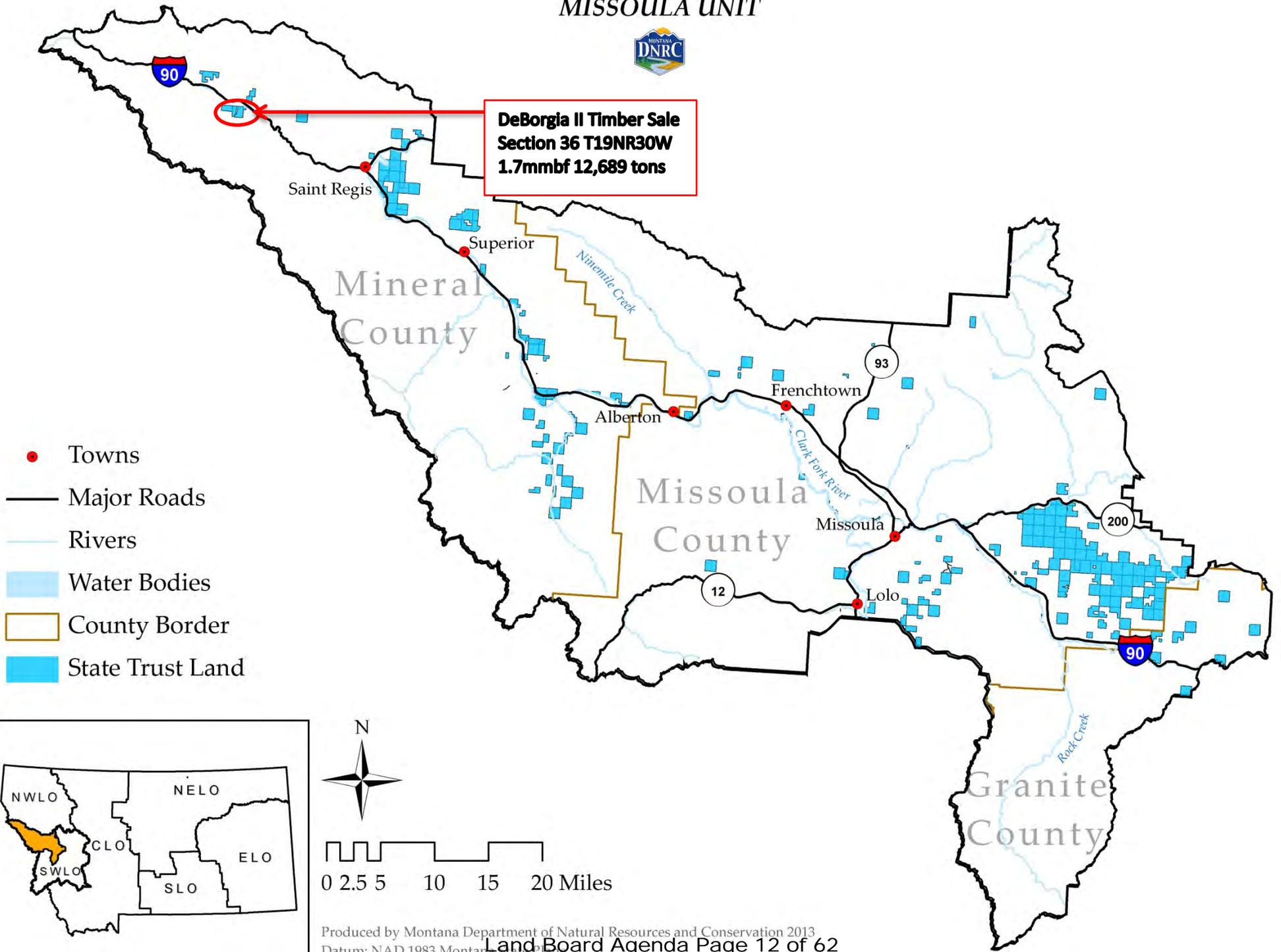
0 0.3 0.6 0.9 1.2
Miles

DeBorgia II VICINITY MAP MISSOULA UNIT

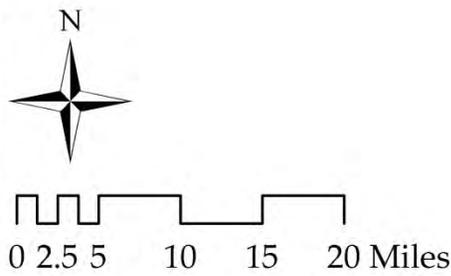
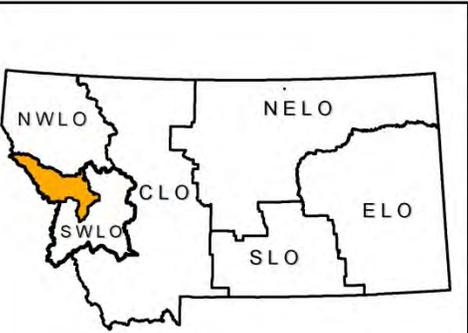
1115-2



**DeBorgia II Timber Sale
Section 36 T19NR30W
1.7mmbf 12,689 tons**

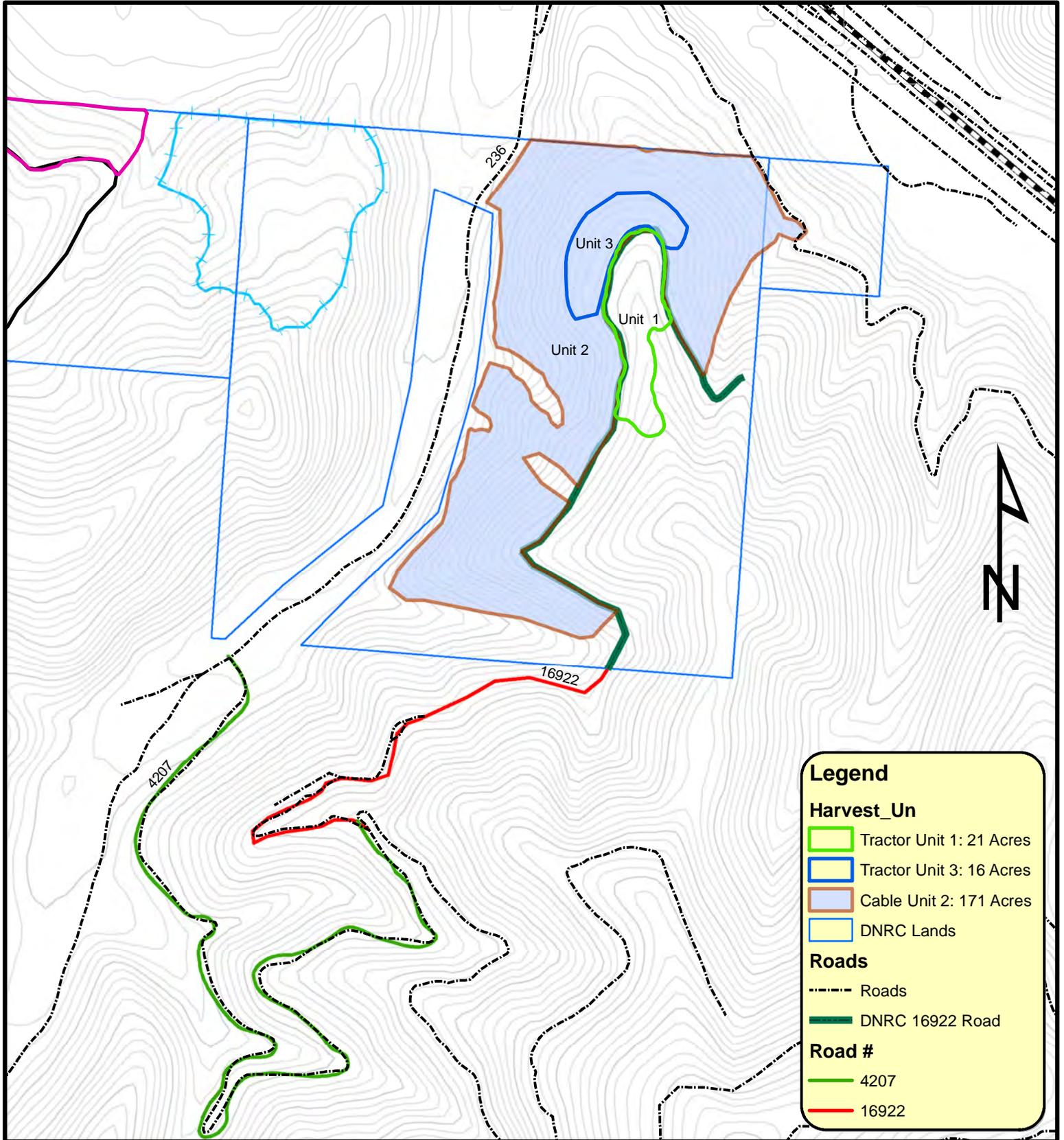


- Towns
- Major Roads
- Rivers
- Water Bodies
- County Border
- State Trust Land



Deborgia II Timber Sale Map Sect 36 T19N R30W

1115-2
Attachment A



Legend

Harvest_Un

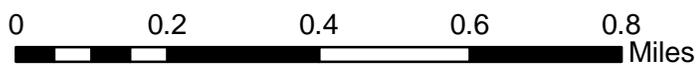
- Tractor Unit 1: 21 Acres
- Tractor Unit 3: 16 Acres
- Cable Unit 2: 171 Acres
- DNRC Lands

Roads

- Roads
- DNRC 16922 Road

Road #

- 4207
- 16922



1115-3

LAND BANKING PARCEL:

Set Minimum Bid for Sale

**Land Board Agenda Item
November 16, 2015**

1115-3 Land Banking Parcel: Set Minimum Bid for Sale

Location: Ravalli County

Trust Benefits: Common Schools

Trust Revenue: \$636,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid to sell one parcel totaling approximately 635.51 acres nominated for sale in Ravalli County. The sale was nominated by DNRC Southwestern Land Office and the parcel is located approximately eight miles east of Stevensville, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
757	635.51±	Lots 1-7, NW¼, W½NE¼, NW¼SE¼, N½SW¼, Section 36, T9N-R19W	DNRC -SWLO	Common Schools

Sale parcel 757 has been managed primarily for the long term production of forest products, grazing has been a secondary use. The parcel is average in forest productivity and average in revenue return.

The parcel is not legally accessible by the public.

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

Economic Analysis:

Short-term – The rate of return on the sale parcel is 0.25%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the department'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 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel nominated for sale was inventoried to Class III standards for cultural and paleontological resources. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

In July 2015, the board granted preliminary approval for this parcel to continue through the Land Banking sale evaluation process.

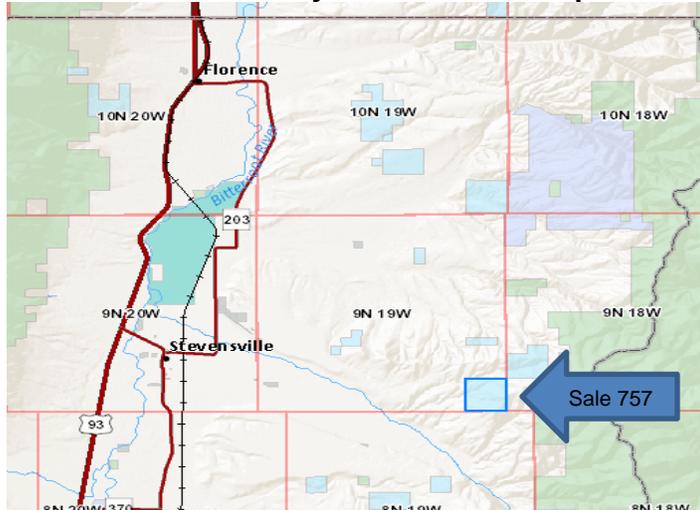
Appraised value of sale parcel:

Sale #	Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
757	\$636,000	\$1,000	\$636,000

DNRC Recommendation

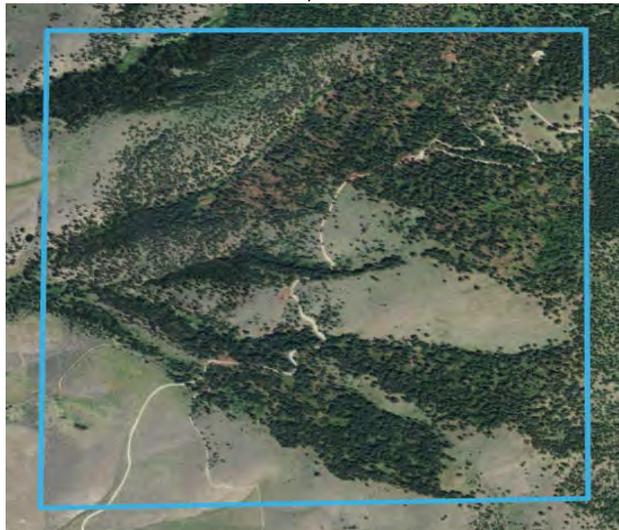
The director recommends the Land Board set the minimum bid for the parcel at the appraised value with access shown above.

Ravalli County Sale Location Map



Sale #757

Lots 1-7, NW¼, W½NE¼, NW¼SE¼, N½SW¼
Section 36, T9N-R19W



1115-4

SALE OF CABIN AND HOME SITES:

Set Minimum Bid for Sale

- A. Sales 784, 786-791
- B. Sales 796, 798-802, 804
- C. Sales 792, 794, 795

1115-4A Cabin and Home Sites: Set Minimum Bid for Sale – Sales 784, 788-791

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: \$940,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on five cabin sites nominated for sale in Flathead County. Sales 784 and 788 were nominated by the lessees. Sales 789, 790, and 791 were nominated by DNRC in conjunction with the 2015 Cabin and Home Site Sale Program. Beaver Lake is located northwest of Whitefish, Montana.

Beaver Lake				
784	2.04±	Lot 9, Beaver Lake, Section 20, T31N-R22W Flathead County	Loretta Fauske	Montana Tech
788	1.193±	Lot 17, Beaver Lake, Section 20, T31N-R22W Flathead County	Dennis Breed	Montana Tech
789	1.041±	Lot 14, Beaver Lake, Section 20, T31N-R22W Flathead County	DNRC	Montana Tech
790	1.046±	Lot 12, Beaver Lake, Section 20, T31N-R22W Flathead County	DNRC	Montana Tech
791	2.41±	Lot 10, Beaver Lake, Section 20, T31N-R22W Flathead County	DNRC	Montana Tech

Lots 784 and 788 are currently leased as cabin sites and produce an average income for residential leases statewide.

Lots 789, 790, and 791 are not currently leased and do not produce any income for the trust beneficiary.

The parcels will be sold with the access that is currently provided under the lease agreements and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rate of return on sale parcel 784 is 0.064%. The average rate of return on sale parcel 788 is 0.061%. The average rates of return on sale parcels 789, 790, and 791 are 0%. The sale parcels would continue to receive these returns if they remain in state ownership.

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the department’s Land Banking program.

Lands purchased are required to have an equal or greater rate of return than the **1115-4A** combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

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

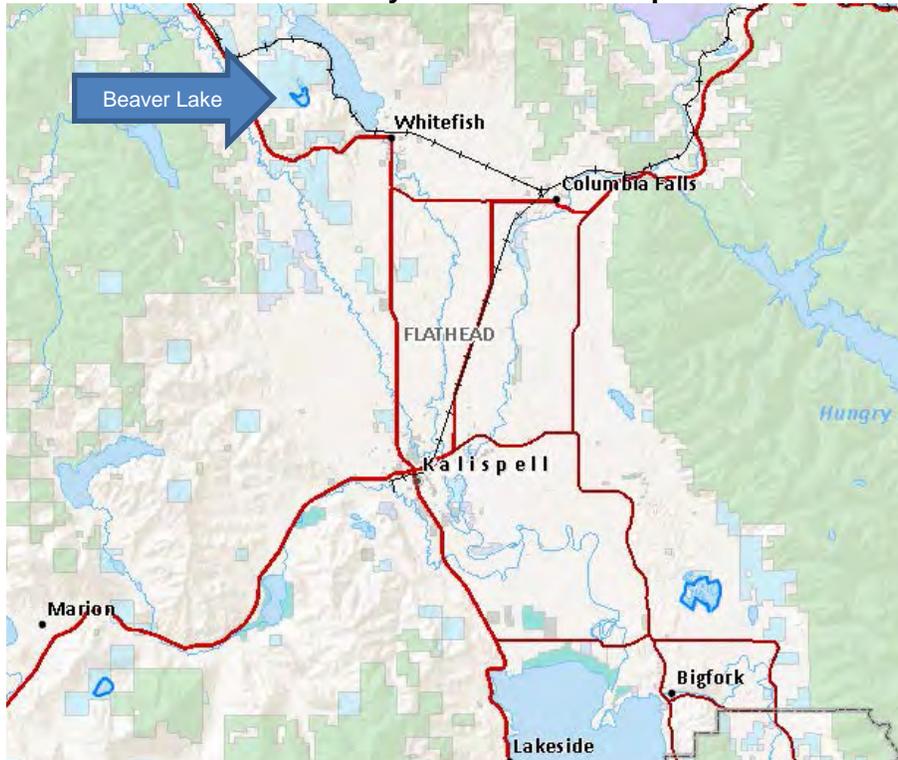
Appraised Values of Land and Improvements:

Sale #	Appraised Value of Land	Appraised Value of Improvements
784	\$190,000	\$24,000
788	\$180,000	\$31,000
789	\$170,000	n/a
790	\$140,000	n/a
791	\$260,000	n/a

DNRC Recommendation

The director recommends the Land Board set the minimum bid for the cabin site lots at the appraised values and the maximum values of compensation for the improvements shown above.

Flathead County Sale Location Map





1115-4B Cabin and Home Sites: Set Minimum Bid for Sale – Sales 796, 798-802,804

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: \$2,300,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on seven cabin sites nominated for sale in Flathead County. Sales 796, 798, 799, 800, and 804 were nominated by the lessees. Sales 801 and 802 were nominated by DNRC in conjunction with the 2015 Cabin and Home Site Sale Program. Echo Lake is located north of Bigfork, Montana.

Echo Lake				
796	1.434±	Lot 28, Echo Lake, Section 5, T27N-R19W Flathead County	Danny & Kristy Johnson	Montana Tech
798	1.455±	Lot 41, Echo Lake, Section 5, T27N-R19W Flathead County	Wade & Amanda Swenson	Montana Tech
799	1.27±	Lot 32, Echo Lake, Section 5, T27N-R19W Flathead County	Echo Lake LLC.	Montana Tech
800	0.965±	Lot 40, Echo Lake, Section 5, T27N-R19W Flathead County	Karen A. Moore, et al.	Montana Tech
801	1.866±	Lot 31, Echo Lake, Section 5, T27N-R19W Flathead County	DNRC	Montana Tech
802	4.292±	Lot 26, Echo Lake, Section 5, T27N-R19W Flathead County	DNRC	Montana Tech
804	1.008±	Lot 39, Echo Lake, Section 5, T27N-R19W Flathead County	Bill & Debra Llewellyn	Montana Tech

Lots 796, 798, 799, 800, and 804 are currently leased as cabin sites and produce an average income for residential leases statewide.

Lots 801 and 802 are not currently leased and do not produce any income for the trust beneficiary.

The parcels will be sold with the access that is currently provided under the lease agreements and can be conveyed by DNRC.

Economic Analysis:**1115-4B**

Short-term – The average rate of return on sale parcel 796 is 0.063%. The average rate of return on sale parcel 798 is 1.974%. The average rate of return on sale parcel 799 is 2.928%. The average rate of return on sale parcel 800 is 2.190%. The average rate or return on sale parcel 804 is 1.980%. The average rates of return on sale parcels 801 and 802 are 0%. The sale parcels would continue to receive these returns if they remain in state ownership.

Long-term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the department’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 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

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

Background:

In July 2015, the board granted preliminary approval for these sale parcels to continue through the cabin site sale evaluation process.

Appraised Values of Land and Improvements:

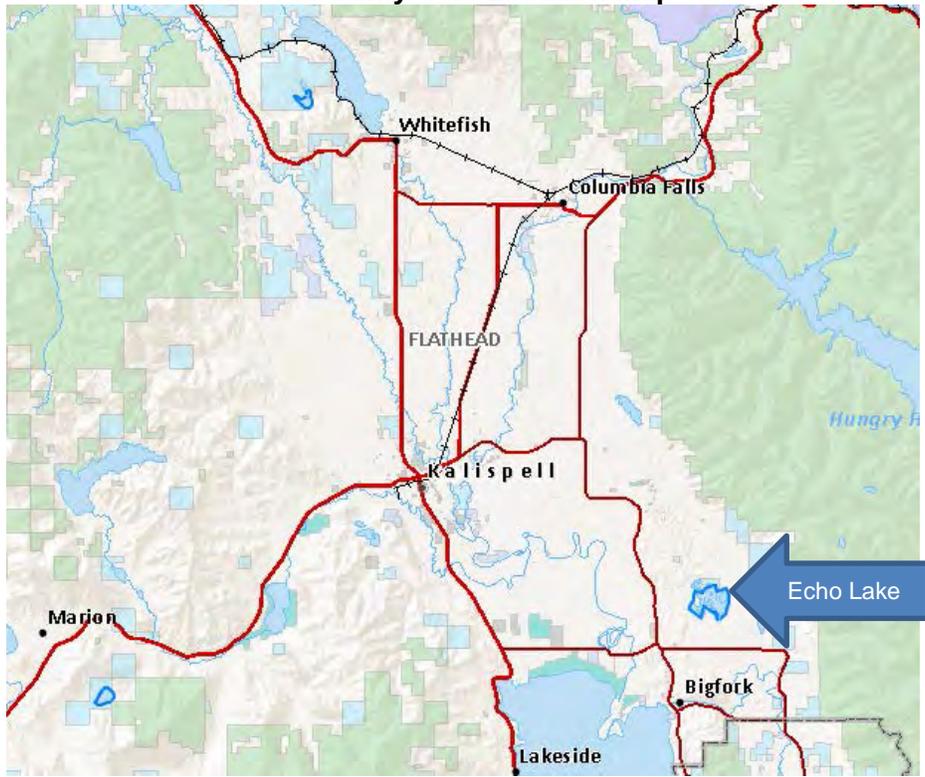
Sale #	Appraised Value of Land	Appraised Value of Improvements
796	\$290,000	\$70,000
798	\$330,000	\$225,000
799	\$350,000	\$420,000
800	\$260,000	\$40,000
801	\$430,000	\$25,000
802	\$360,000	n/a
804	\$280,000	\$305,000

DNRC Recommendation

The director recommends the Land Board set the minimum bid for the cabin site lots at the appraised values and the maximum values of compensation for the improvements shown above.

Flathead County Sale Location Map

1115-4B



Echo Lake



1115-4C Cabin and Home Sites: Set Minimum Bid for Sale – Sales 792, 794,795

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: \$530,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on three cabin sites nominated for sale in Flathead County. Sale 792 was nominated by the lessee. Sales 794 and 795 were nominated by DNRC in conjunction with the 2015 Cabin and Home Site Sale Program. Lake Rogers is located southeast of Marion, Montana.

Lake Rogers				
792	1.275±	Lot 32, Lake Rogers, Section 30, T27N-R23W Flathead County	Matt Schneider	Montana Tech
794	1.231±	Lot 31, Lake Rogers, Section 30, T27N-R23W Flathead County	DNRC	Montana Tech
795	1.212±	Lot 16, Lake Rogers, Section 30, T27N-R23W Flathead County	DNRC	Montana Tech

Lot 792 is currently leased as a cabin site and produces an average income for residential leases statewide.

Lots 794 and 795 are not currently leased and do not produce any income for the trust beneficiary.

The parcels will be sold with the access that is currently provided under the lease agreements and can be conveyed by DNRC.

Economic Analysis:

Short-term – The average rate of return on sale parcel 792 is 2.786%. The average rates of return on sale parcels 794 and 795 are 0%. The sale parcels would continue to receive these returns if they remain in state ownership.

Long-term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the department’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 2.35% on acquisitions with income generated from annual lease payments.

Background:

1115-4C

In July 2015, the board granted preliminary approval for these sale parcels to continue through the Cabin Site sale evaluation process.

Cultural/Paleontological Resources:

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

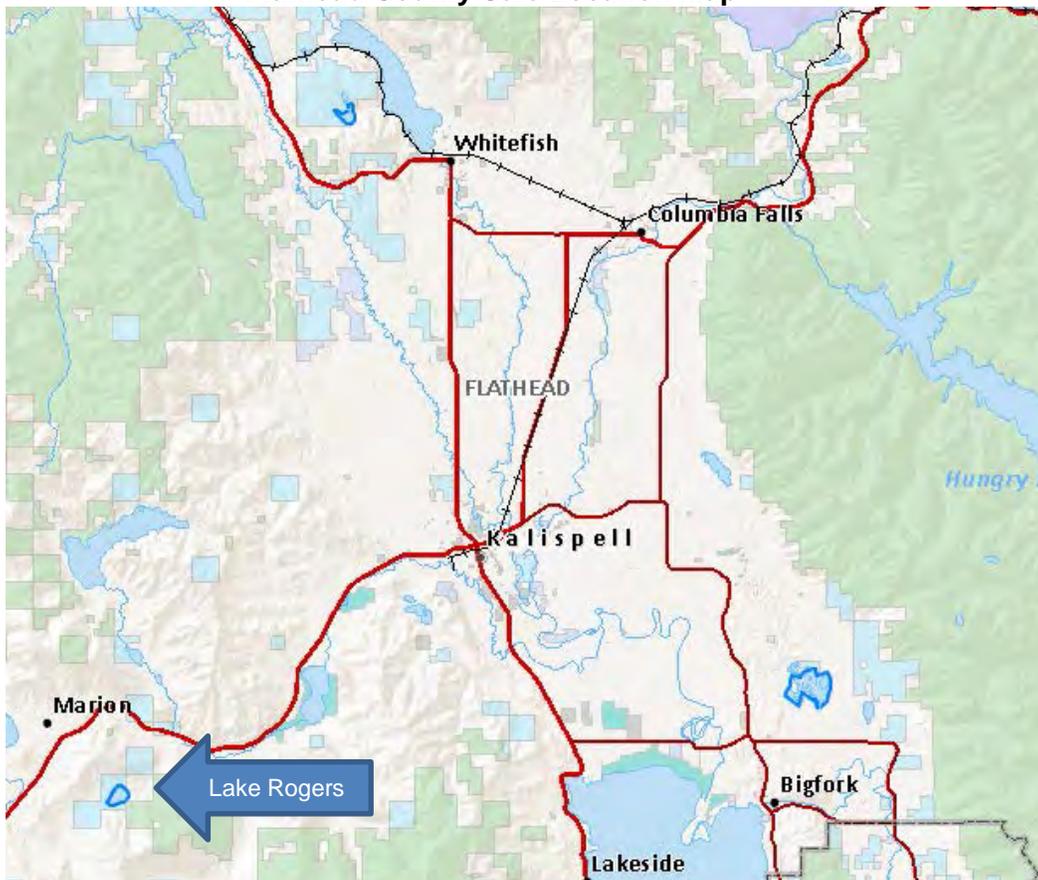
Appraised Values of Land and Improvements:

Sale #	Appraised Value of Land	Appraised Value of Improvements
792	\$230,000	\$530,000
794	\$110,000	n/a
795	\$190,000	\$28,000

DNRC Recommendation

The director recommends the Land Board set the minimum bid for the cabin site lots at the appraised values and the maximum values of compensation for the improvements shown above.

Flathead County Sale Location Map





1115-5

SALE OF CABIN AND HOME SITE:

Final Approval for Sale – Sale 763

Land Board Agenda Item
November 16, 2015

1115-5 Sale of Cabin and Home Site: Final Approval for Sale – Sale 763

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: \$176,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one cabin site nominated for sale in Flathead County. The sale was nominated by the lessee and is located approximately 4.5 miles northwest of Whitefish, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
763	1.914	Lot 6, Beaver Lake, Section 20, T31N-R22W	Brian & Tracy Stoutjesdyk	Montana Tech

The parcel is currently leased as cabin site and produces an average income for residential leases statewide.

The parcel will be sold with the access that is currently provided under the lease agreement.

Economic Analysis:

Short-term – The average rate of return on the sale parcel is 3.85%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC 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 2.35% on acquisitions with income generated from annual lease payments.

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 of will have no effect to state-owned heritage properties.

Background:

In March 2015, the board granted preliminary approval for this parcel to continue through the cabin site sale evaluation process. In July 2015, the board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values below:

Sale #	Minimum Bid of Land	Appraised Value of Improvements
763	\$176,000	\$39,000

Sale Price:

The cabin site was sold at a public auction on October 16, 2015. The parcel had only one bidder, who was the current lessee and improvements owner. The parcel was sold for the minimum bid amount listed above.

DNRC Recommendation

The director recommends final approval for sale of the cabin site lot at the appraised value shown above. The sale will be closed within 30 days of final approval by the board.

Flathead County Sale Location Map



Sale #763

Lot 6 Beaver Lake, Section 20, T31N-R22W

Brain & Tracy Stoutjesdyk



1115-6

LAND EXCHANGE:

Preliminary Approval – SRI River Holdings

Land Board Agenda Item
November 16, 2015

~~1115-6 Land Exchange: Preliminary Approval – SRI River Holdings~~

~~Location: Madison, Silver Bow Counties~~

~~Trust Benefits: Common Schools, Eastern College – MSU/Western College-UM,
MSU 2nd~~

~~Trust Revenue: \$~~

Complete agenda item information will be available next week.

WITHDRAWN

1115-7

IMPLEMENTATION OF MONTANA SAGE GROUSE CONSERVATION STRATEGY:

Executive Order 12-2015

**Land Board Agenda Item
November 16, 2015**

**1115-7 Implementation of Montana Sage Grouse Conservation Strategy:
Executive Order 12-2015**

Location: State of Montana Sage Grouse Core Lands

Trust Benefits: N/A

Trust Revenue: N/A

Item Summary

For over a decade, management of sage grouse and their habitat has been a subject of much discussion and work in the western United States. In 2005, Montana developed the state's first management plan to address the challenges to sage grouse populations. Due to the efforts of landowners, wildlife managers, and other stakeholders, Montana has the second largest population of sage grouse among the western states.

In February 2013, Governor Bullock created the Sage Grouse Habitat Conservation Advisory Council to gather information in a public process in order to make recommendations for conservation measures to address threats to sage grouse. Those recommendations were presented to the Governor on January 29, 2014.

Drawing on the council's work, on September 9, 2014, the Governor issued [Executive Order 10-2014](#), which created the Montana Sage Grouse Habitat Conservation Strategy. This document outlined the state's strategy for conservation, regulatory protection and management of sage grouse in Montana.

At the request of the Governor, the 2015 Legislature passed the Montana Sage Grouse Stewardship Act (Senate Bill 261). The act created Montana Sage Grouse Oversight Team and established a stewardship fund. On September 8, 2015, Governor Bullock issued [Executive Order 12-2015](#) to amend and clarify the original order and provide for implementation of the conservation strategy.

Trust Land acreages: Currently there are 915,603 surface acres contained in sage grouse core and connectivity areas with an additional 1.6 million acres in general habitat. Subsurface ownership includes 858,308 acres of core and connectivity, and 1.72 million acres in general habitat.

The Governor's executive orders include recommended guidance on how programs within the DNRC Trust Land Management Division manage activities in sage grouse core, connectivity, and general habitats. It also directs DNRC to bring the conservation strategy to the Land Board for its consideration, with a request to adopt the strategy or otherwise determine the appropriate application of the strategy to state trust lands within the habitat areas. A copy of [Executive Order 12-2015](#) is attached.

Major Points of the Executive Order

The Montana Sage Grouse Oversight Team (MSGOT) will oversee administration of the Montana Sage Grouse Habitat Conservation Program. The roles of MSGOT and the program include:

- provide guidance to state agencies during permitting processes;
- review core area boundaries;
- oversee and approve development of a mitigation program;
- recommend practices for minimizing the effects of predators on sage grouse; and
- develop incentives to accelerate or enhance required reclamation.

Core area requirements:

- surface disturbance will be limited to 5% of suitable sage grouse habitat;
- for new activities, no surface occupancy will be allowed within 0.6 miles of the perimeter of a lek;
- seasonal use may be restricted to outside of breeding, nesting, brood rearing and winter use times.
- establishes allowable noise levels for new projects; and
- establishes industry specific disturbance standards for oil and gas, mining, coal mining, overhead power lines, pipelines, communication towers, and wind energy development.

General habitat requirements:

- no surface occupancy within 0.25 miles of an active lek;
- provides for seasonal use and timing restrictions during breeding, nesting, and brood rearing; and
- establishes reclamation guidelines.

The order also does the following:

- states that valid, existing rights shall be respected;
- recommends the Land Board establish a prohibition for breaking native range and sagebrush eradication on school trust lands within Core, General, and Connectivity areas, with criteria for limited exceptions.
- recommends DNRC establishes additional lease evaluation criteria to ensure proper grazing management and a corrective action program for leases that fail to meet the criteria. The criteria and plan are to be approved by the Land Board.

Previous Land Board History

At the October 21, 2015, meeting the Land Board postponed consideration of adoption of the executive order until the November board meeting. However, they unanimously approved a motion authorizing DNRC to seek grants and credits for the benefit of affected trust beneficiaries for the implementation of protective measures.

DNRC Recommendation

~~The director recommends the Land Board adopt the strategy outlined in the Governor's [Executive Order 12-2015](#) to be applied to management of trust lands within sage grouse habitat.~~

DNRC Recommendation (Updated 11/13/15)

The director recommends the Land Board adopt the strategy outlined in the Governor's [Executive Order 12-2015](#) to be applied to management of trust lands within sage grouse habitat, while directing DNRC to seek grants and credits for the benefit of any affected trust beneficiaries, pursuant to the unanimously approved motion authorizing DNRC to seek grants and credits at the October 21, 2015, Land Board.

1115-8

SAGE GROUSE HABITAT:

Land Breaking, Sagebrush Eradication, and Grazing Management
Criteria

**Land Board Agenda Item
November 16, 2015**

1115-8 Sage Grouse Habitat: Land Breaking, Sagebrush Eradication, and Grazing Management Criteria

Location: Trust Lands within Montana Sage Grouse Habitat

Trust Benefits: N/A

Trust Revenue: N/A

Item Summary

Contained in the Governor's executive orders [10-2014](#) and [12-2015](#) are conservation strategies regarding cropland conversion, sagebrush eradication, and grazing management for school trust lands. The executive orders direct the Department of Natural Resources and Conservation (DNRC) to bring before the Land Board for consideration, specific criteria for adoption to implement those strategies.

Cropland Conversion and Sagebrush Eradication

The conservation strategies in the executive orders include recommendations that the Land Board adopt a prohibition against both land breaking of native range and sage brush eradication in core, connectivity, and general habitat, with criteria for waivers.

Over the last several years, DNRC has received very few requests to break blocks of native range. There are, however, occasional requests to break small areas to square up field edges to accommodate today's larger farm equipment; or, when installing a pivot irrigation system. DNRC would propose prohibition of native range breaking with a waiver to allow review and approval of these types of break requests that are 20 acres or less in size.

As with land breaking, few requests are received for sagebrush eradication. DNRC proposes to adopt a prohibition of sagebrush eradication consistent with Executive Order Core Area Stipulation #9 ([Executive Order 12-2015, Attachment D](#)). Specifically, if a sagebrush treatment maintains a canopy cover at or above 30% total canopy cover within the treated acres, it will not be considered a disturbance. In stands with less than 30% cover, a treatment must be designed to maintain or improve sagebrush habitat.

Grazing Evaluation Criteria and Corrective Action Plans

The executive order conservation strategies direct DNRC to establish additional grazing lease evaluation criteria to ensure sage grouse habitat in core and connectivity areas will be maintained or improved; and, to develop a corrective action program for leases where the evaluation indicates impacts to sage grouse habitat.

The existing lease renewal evaluation process collects detailed information including plant species and percent composition by range site. This allows field staff to assess range condition, set carrying capacities and identify grazing management issues. Additional criteria for use in core and connectivity areas will include a habitat assessment evaluation which considers: sagebrush canopy cover, height and growth form; perennial grass and forb cover; and the riparian and wet meadow plant community. The evaluation will also assess residual grass height in interspace and understory areas, as well as the current year's utilization levels. If

these criteria indicate impacts are occurring to sage grouse habitat, a corrective plan will be required.

Corrective action plans will outline the management problems to be addressed and depending on the issues identified during the inspection, will as appropriate include any of the following:

- 5-year lease term;
- require that a DNRC approved grazing management plan be developed and implemented;
- require a period of non-use;
- require annual report of livestock numbers and season of use;
- require varied season of use each year;
- restrict livestock use to a specific time period each year; and/or
- require range improvements to improve grazing management.

Serious violations or failure to implement the required corrective actions will result in lease non-renewal or cancellation.

DNRC Recommendation

~~The director recommends the Land Board adopt a prohibition of native range breaking and sagebrush eradication subject to the waiver and conditions outlined above. The director also recommends adoption of the evaluation criteria and corrective action plan for grazing leases in core and connectivity areas.~~

DNRC Recommendation (Updated 11/13/15)

The director recommends the Land Board adopt a prohibition of native range breaking and sagebrush eradication subject to the waiver and conditions outlined above. The director also recommends adoption of the evaluation criteria and corrective action plan for grazing leases in core and connectivity area, while directing DNRC to seek grants and credits as compensation to the trusts for the protective measures listed above, pursuant to the unanimously approved motion authorizing DNRC to seek grants and credits at the October 21, 2015, Land Board meeting.

1115-9

EASEMENTS:

- A. Easements
- B. Cost Share – Placid Lake
- C. Cost Share – Lower ACM

Land Board Agenda Item
November 16, 2015

1115-9A Easements

Location: Gallatin, Madison, Powder River, Richland, Roosevelt, Sanders

Trust Benefits: Common Schools, Public Land Trust – Navigable Rivers

**Trust Revenue: Common Schools = \$74,735
Public Lands = \$100**

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Lower Yellowstone Rural Electric Cooperative, Inc.	New Buried Electric Utility	Permanent	1-2
ONEOK Rockies Midstream, LLC.	New Natural Gas Pipeline	30-Year	3-6
3 Rivers Telephone Cooperative, Inc.	New Buried Telecommunication Utility	Permanent	7-10
Allen Scott Wetherelt	Historic Private Access Road	Permanent	11-12
Montana Department of Transportation	New Highway Construction	Permanent	13-14
ONEOK Rockies Midstream, LLC.	New Natural Gas Pipeline	30-Year	15-17

Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Lower Yellowstone Rural Electric Cooperative, Inc. PO Box 1047 Sidney MT 59270
Application No.:	17095
R/W Purpose:	a buried electric distribution line
Lessee Agreement:	ok
Acreage:	0.3
Compensation:	\$165.00
Legal Description:	20-foot strip through NW4SW4, Sec. 16, Twp. 23N, Rge. 58E Richland County
Trust Beneficiary:	Common Schools

Item Summary

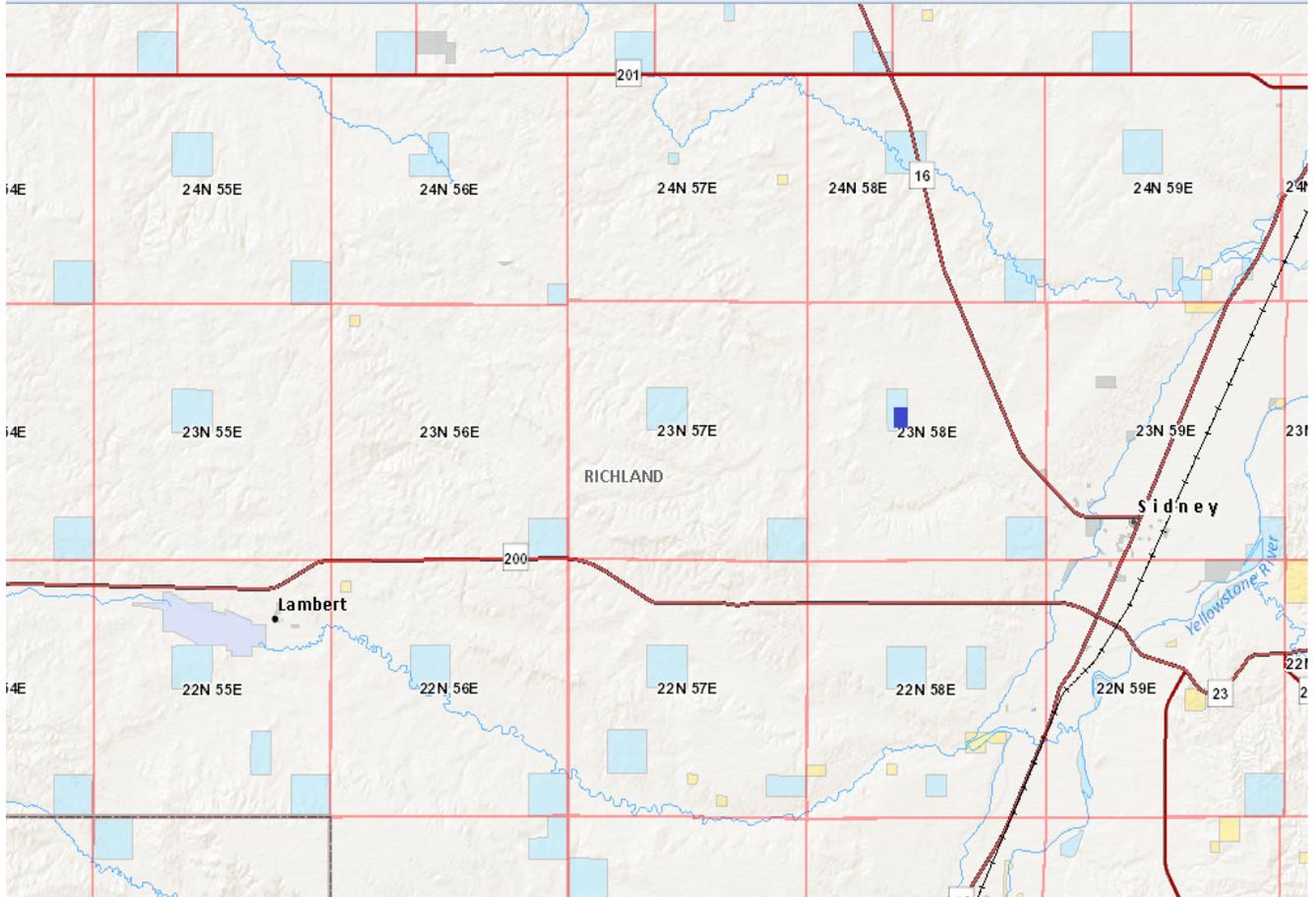
Lower Yellowstone Rural Electric Cooperative, Inc. has made application for a buried electric distribution line. The company received a request from Earthstone Energy to provide three-phase power to serve an oil well site, State No. 12-16. The starting point of the proposed line is the nearest and most cost effective route for their customer. Thus, no other routes were considered reasonable.

DNRC Recommendation

The director recommends approval of this buried electric distribution line.

Rights of Way Applications

November 16, 2015



Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	ONEOK Rockies Midstream, LLC. 2700 Lincoln Ave SE Sidney MT 59270
Application No.:	17101
R/W Purpose:	a buried 6" natural gas pipeline
Lessee Agreement:	ok
Acreage:	2.49
Compensation:	\$22,959.00
Legal Description:	20-foot strip through W2SW4, W2NW4, Sec. 36, Twp. 26N, Rge. 54E Richland County
Trust Beneficiary:	Common Schools

Item Summary

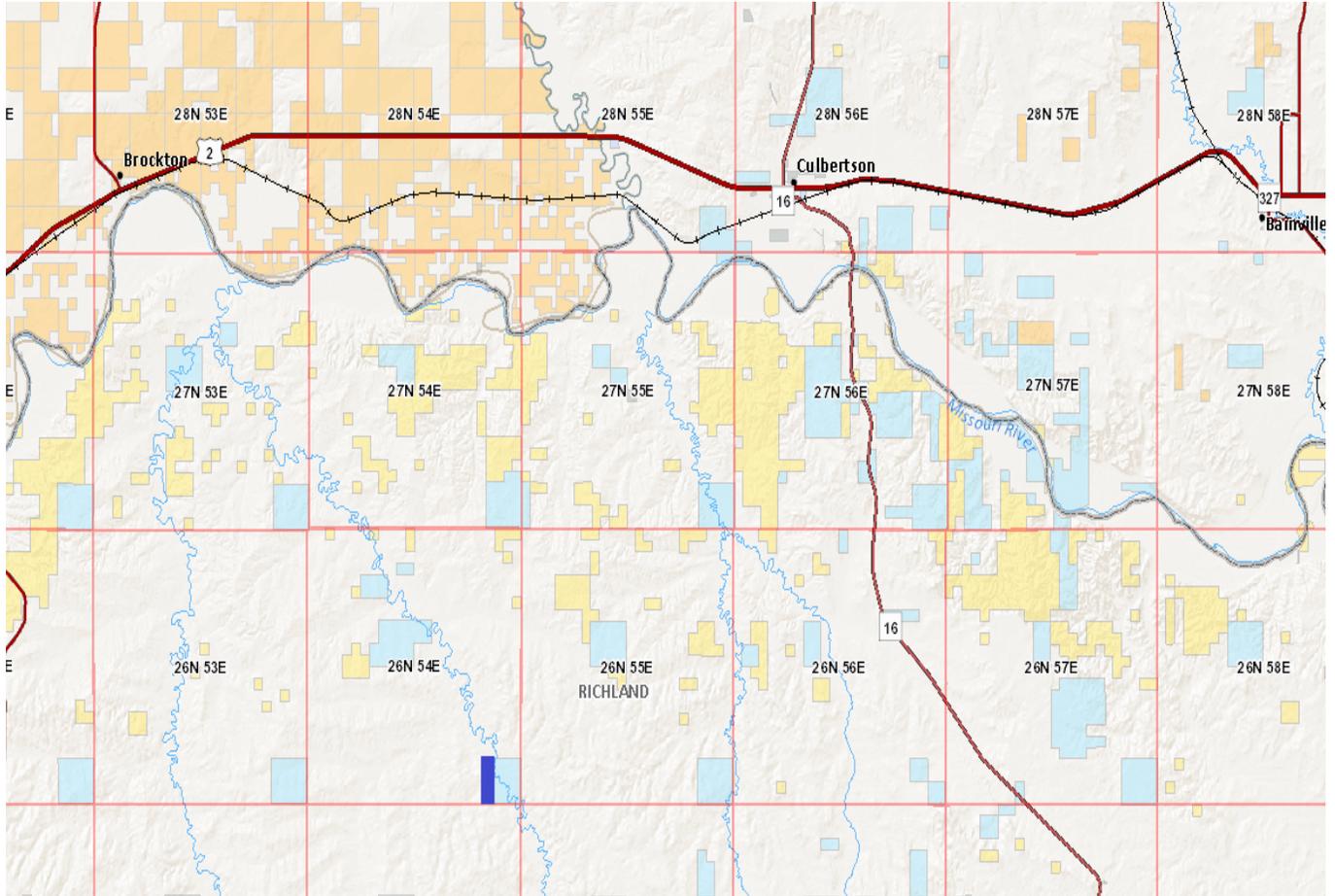
ONEOK Rockies Midstream, LLC has made application for a 6" natural gas pipeline. The pipeline was previously authorized to be installed through a Land Use License in 2005 and this application is to convert the license to a 30-year term easement. ONEOK Rockies Midstream, LLC has agreed to compensation in the amount of \$70/rod which is consistent with other installations in the area.

DNRC Recommendation

The director recommends approval of this 30-year term easement for this natural gas pipeline.

Rights of Way Applications

November 16, 2015



Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	ONEOK Rockies Midstream, LLC. 2700 Lincoln Ave. SE Sidney MT 59270
Application No.:	17103
R/W Purpose:	a buried 6" natural gas pipeline & block valve
Lessee Agreement:	ok
Acreage:	0.74
Compensation:	\$11,910.00
Legal Description:	33-foot strip through NW4NE4, Sec. 16, Twp. 29N, Rge. 59E Roosevelt County
Trust Beneficiary:	Common Schools

Item Summary

ONEOK Rockies Midstream, LLC. has made application for the installation of new 6" natural gas pipeline and block valve. ONEOK has an existing line connecting to an existing well pad just north of the state section on private land; therefore, this is the shortest route possible causing the least amount of damages to the surface. ONEOK has offered compensation in the amount of \$150/rod which is consistent with other installations in the area, as well as a payment of \$3,000 for the block valve site.

DNRC Recommendation

The director recommends approval of a 30-year term easement for this natural gas pipeline.

Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	3 Rivers Telephone Cooperative, Inc. PO Box 429 Fairfield MT 59436
Application No.:	17106
R/W Purpose:	a buried telecommunications cable beneath the Gallatin River
Lessee Agreement:	ok
Acreage:	0.09
Compensation:	\$100.00
Legal Description:	20-foot strip through NE4SW4, Sec. 15, Twp. 5S, Rge. 4E Gallatin County
Trust Beneficiary:	Public Land Trust – Navigable Rivers

Item Summary

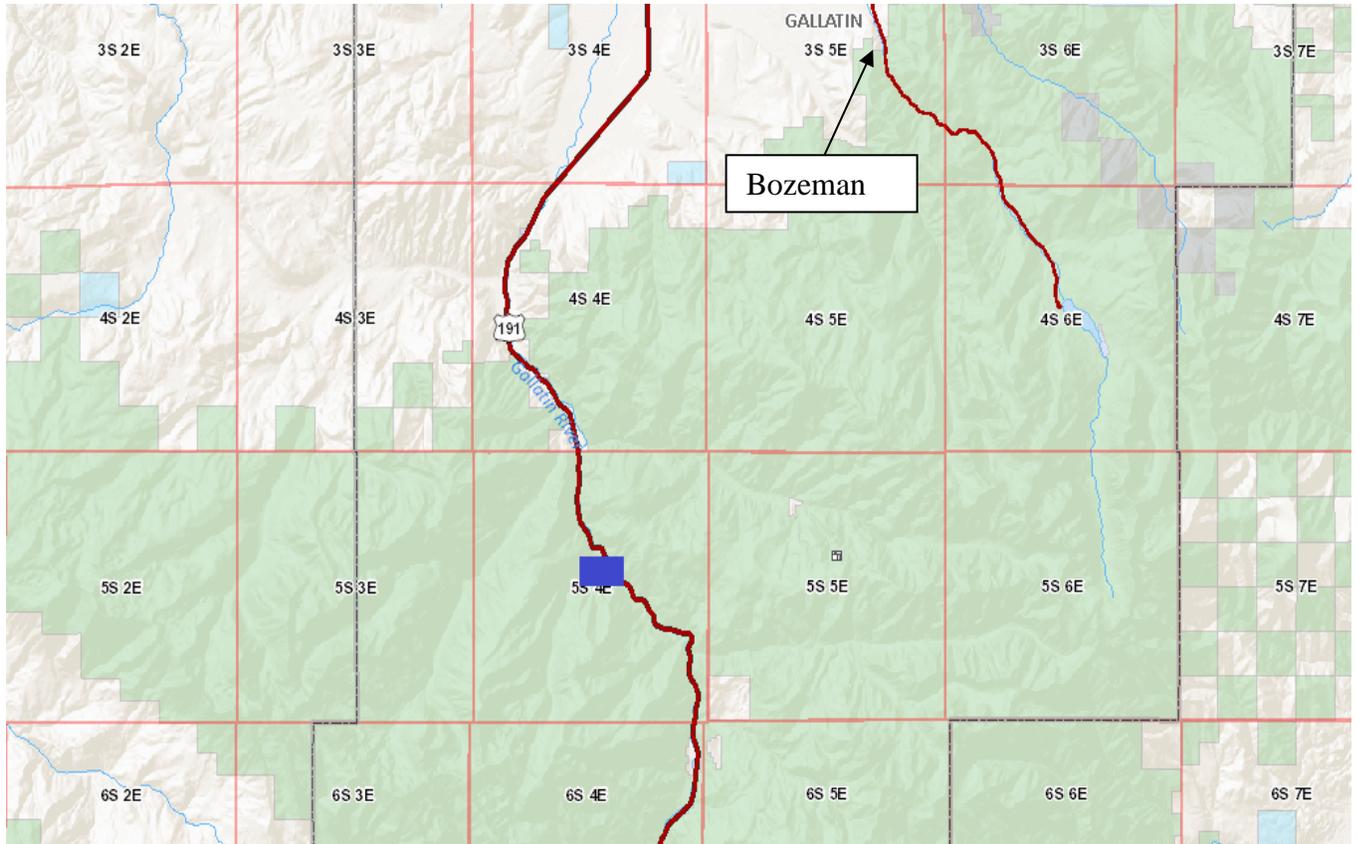
3 Rivers Telephone Cooperative, Inc. has made application for a buried telecommunications cable under the Gallatin River. 3 Rivers currently has an aerial crossing over the river on NorthWestern Energy power poles which serves the Cascade Creek Subdivision. This aerial crossing has to be removed due to the reroute of the NorthWestern Energy power pole line. The company will bore the river near the aerial crossing; place PVC pipe; and place their phone cable to the Cascade Creek Subdivision in that pipe. The approval of this application will allow 3 Rivers to continue to provide service to their customers in the Cascade Creek Subdivision when the aerial crossing is retired.

DNRC Recommendation

The director recommends approval of this buried telecommunications cable.

Rights of Way Applications

November 16, 2015



Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	3 Rivers Telephone Cooperative, Inc. PO Box 429 Fairfield MT 59436
Application No.:	17107
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	1.84
Compensation:	\$2208.00
Legal Description:	20-foot strip through NW4SW4, S2SW4, SW4SE4, Sec. 36, Twp. 5S, Rge. 2W Madison County
Trust Beneficiary:	Common Schools

Item Summary

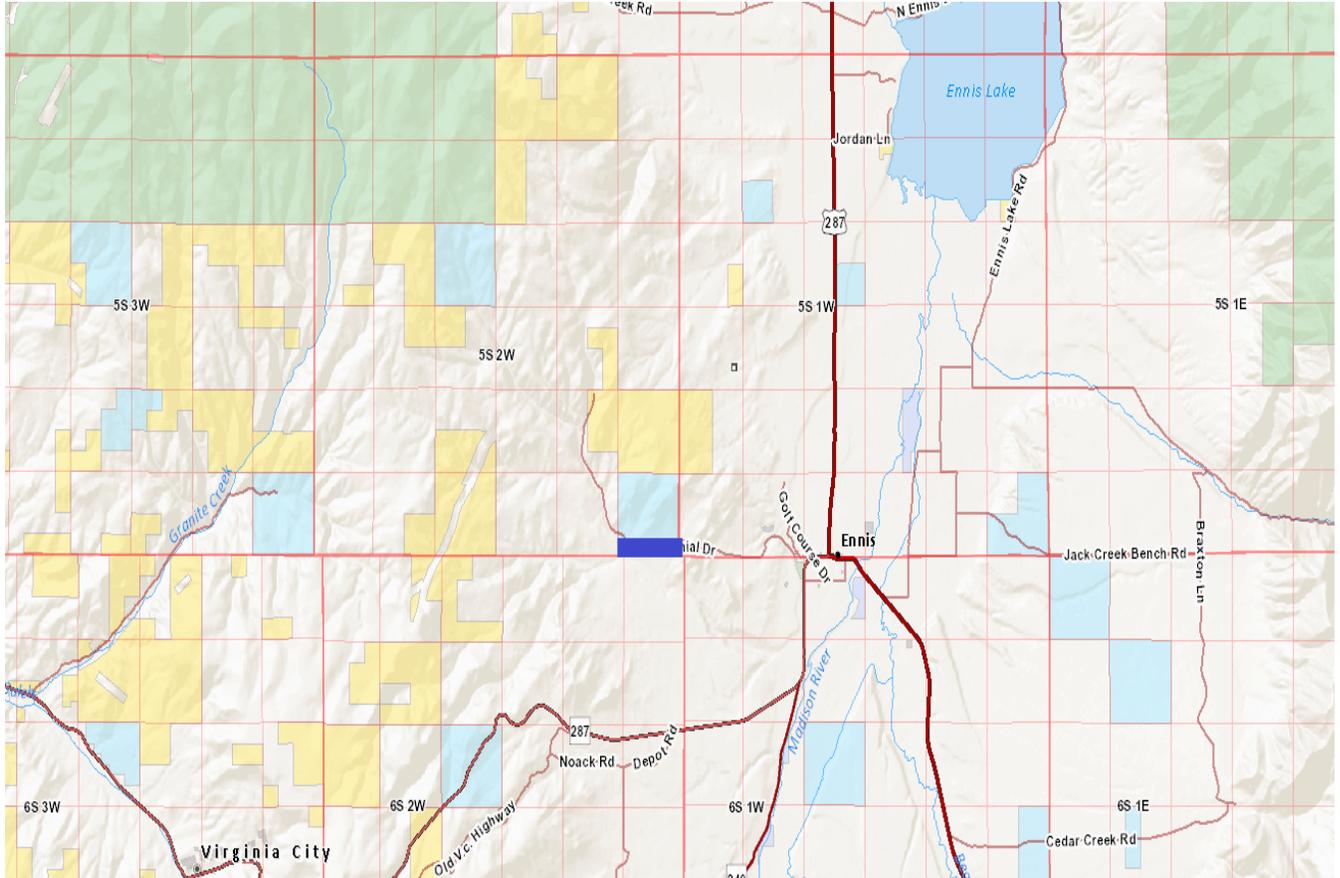
3 Rivers Telephone Cooperative, Inc. has made application as part of a network upgrade throughout the Antelope Meadows Subdivision, Vista Grande Subdivision, L & M Ranch Subdivision, and subscribers on Quarter Horse Lane and Centennial Drive near Ennis. This upgrade would place fiber optic cable along the existing road. This route was the only option considered as it was the most efficient way to cross the state land, keeping the cable accessible from an existing road and keeping the area of disturbance along an existing used corridor.

DNRC Recommendation

The director recommends approval of this buried telecommunications cable.

Rights of Way Applications

November 16, 2015



Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Allen Scott Wetherelt PO Box 4 Forsyth MT 59327
Application No.:	17108
R/W Purpose:	a private access road for the purpose of one single family residence and associated outbuildings and to conduct normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	0.91
Compensation:	\$296.00
Legal Description:	30-foot strip through NE4NE4, Sec. 36, Twp. 5S, Rge. 51E Powder River County
Trust Beneficiary:	Common Schools

Item Summary

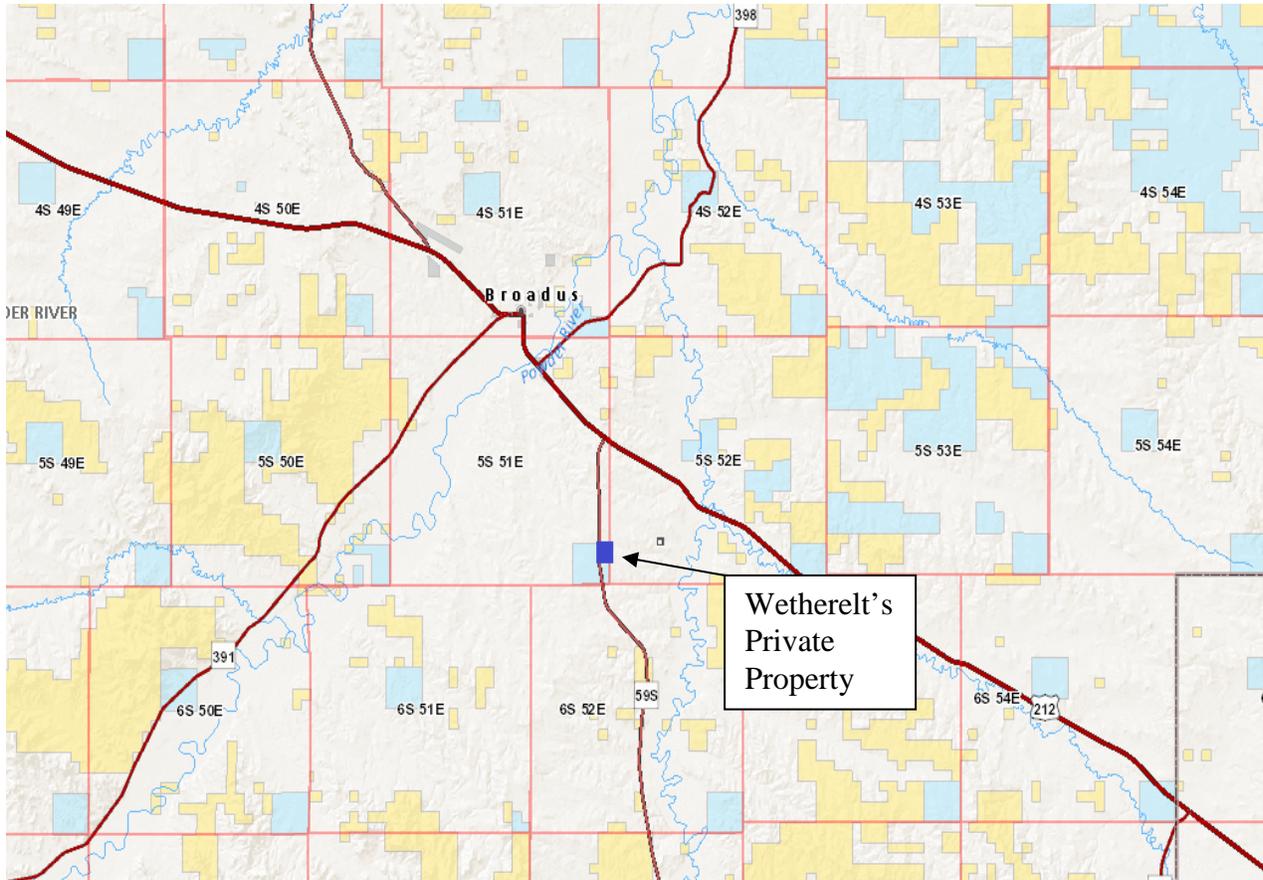
Allen Scott Wetherelt has made application for the use of an existing road to access his private lands for the purpose of access to a single family residence and associated outbuildings and to conduct normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as being the N2 of Section 31 and the SW4NE4, NW4 of Section 32, Township 5S, Range 52E.

DNRC Recommendation

The director recommends approval of this private access road request.

Rights of Way Applications

November 16, 2015



Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Montana Department of Transportation PO Box 201001 Helena MT 59620
Application No.:	17109
R/W Purpose:	highway construction and maintenance including occupancy by public utilities
Lessee Agreement:	ok
Acreage:	1.23
Compensation:	\$984.00
Legal Description:	tract of land in Government Lots 1 & 6, Sec. 16, Twp. 21N, Rge. 28W Sanders County
Trust Beneficiary:	Common Schools

Item Summary

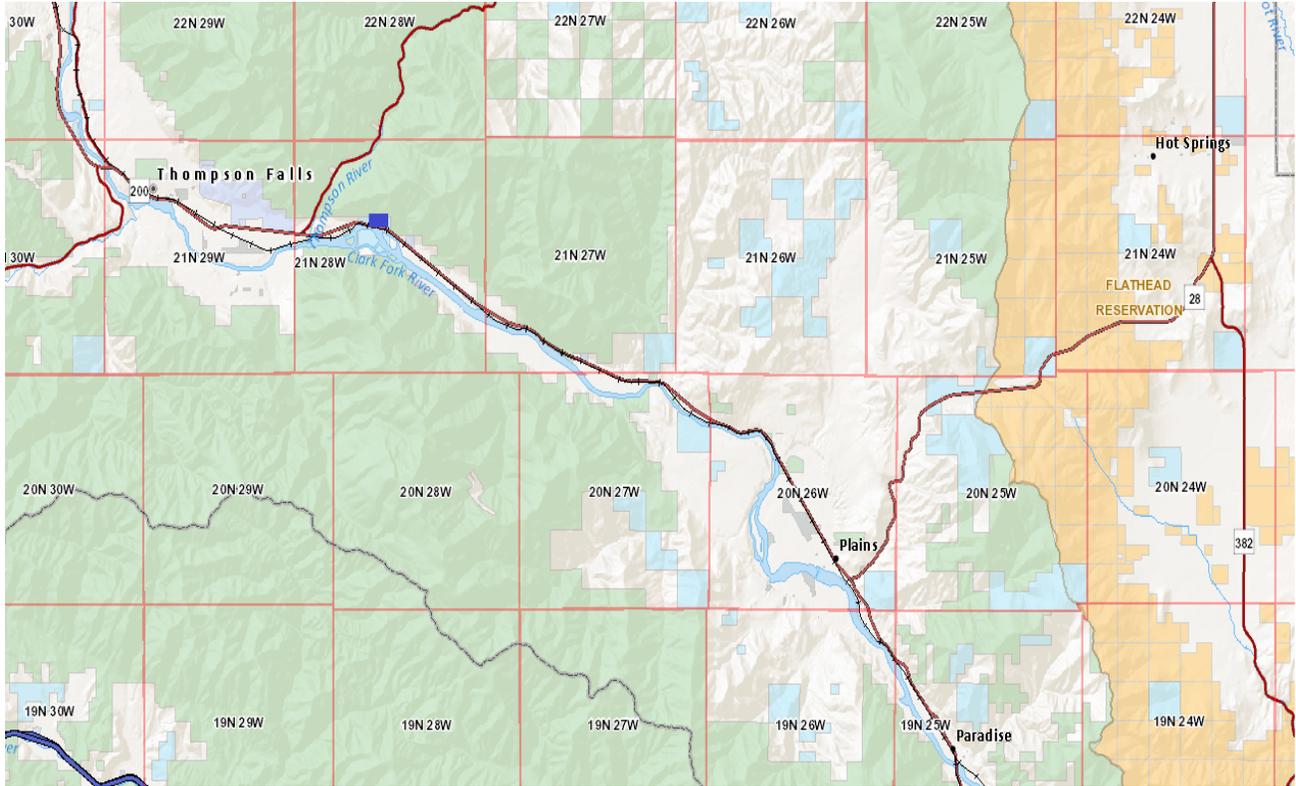
The Montana Department of Transportation (MDOT) has made application for a highway reconstruction project east of the Thompson River in Sanders County. The scope of the project is to pulverize and widen approximately 0.85 miles and to reconstruct another 1.35 miles of MT Highway 200. Work on the project will include: excavation and grading of the embankment; slope stabilization; placement of fill and aggregate; and installation of asphalt concrete pavement, guard rails, pavement markings, and signage. Also included in this project will be the completion of wildlife exclusion fencing along the length of the project that was originally started with the Thompson River East Project. The fundamental purpose of this project is to bring the highway in that area up to current federal highway design standards and to improve the safety and drivability of the traveling public.

DNRC Recommendation

The director recommends approval of this reconstruction project.

Rights of Way Applications

November 16, 2015



Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	ONEOK Rockies Midstream LLC 2700 Lincoln Ave SE Sidney MT 59270
Application No.:	17111
R/W Purpose:	a buried 8" natural gas pipeline
Lessee Agreement:	needed
Acreage:	2.04
Compensation:	\$12,550.00
Legal Description:	30-foot strip through S2SE4, NW4SE4, Sec. 15, Twp. 25N, Rge. 56E Richland County
Trust Beneficiary:	Common Schools

Item Summary

ONEOK Rockies Midstream, LLC has made application for an 8" buried natural gas pipeline. The pipeline was previously authorized to be installed through a Land Use License in 2003 and this application is to convert the License to a 30-year term easement. ONEOK Rockies Midstream, LLC has agreed to compensation in the amount of \$70/rod which is consistent with other installations in the area.

DNRC Recommendation

The director recommends approval of this 30-year term easement for these natural gas pipeline.

Rights of Way Applications

November 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	ONEOK Rockies Midstream LLC 2700 Lincoln Ave SE Sidney MT 59270
Application No.:	17112
R/W Purpose:	a buried 8" natural gas pipeline
Lessee Agreement:	needed
Acreage:	3.85
Compensation:	\$23,663.00
Legal Description:	30-foot strip through N2SE4, SW4NE4, S2NW4, Sec. 16, Twp. 25N, Rge. 56E Richland County
Trust Beneficiary:	Common Schools

Item Summary

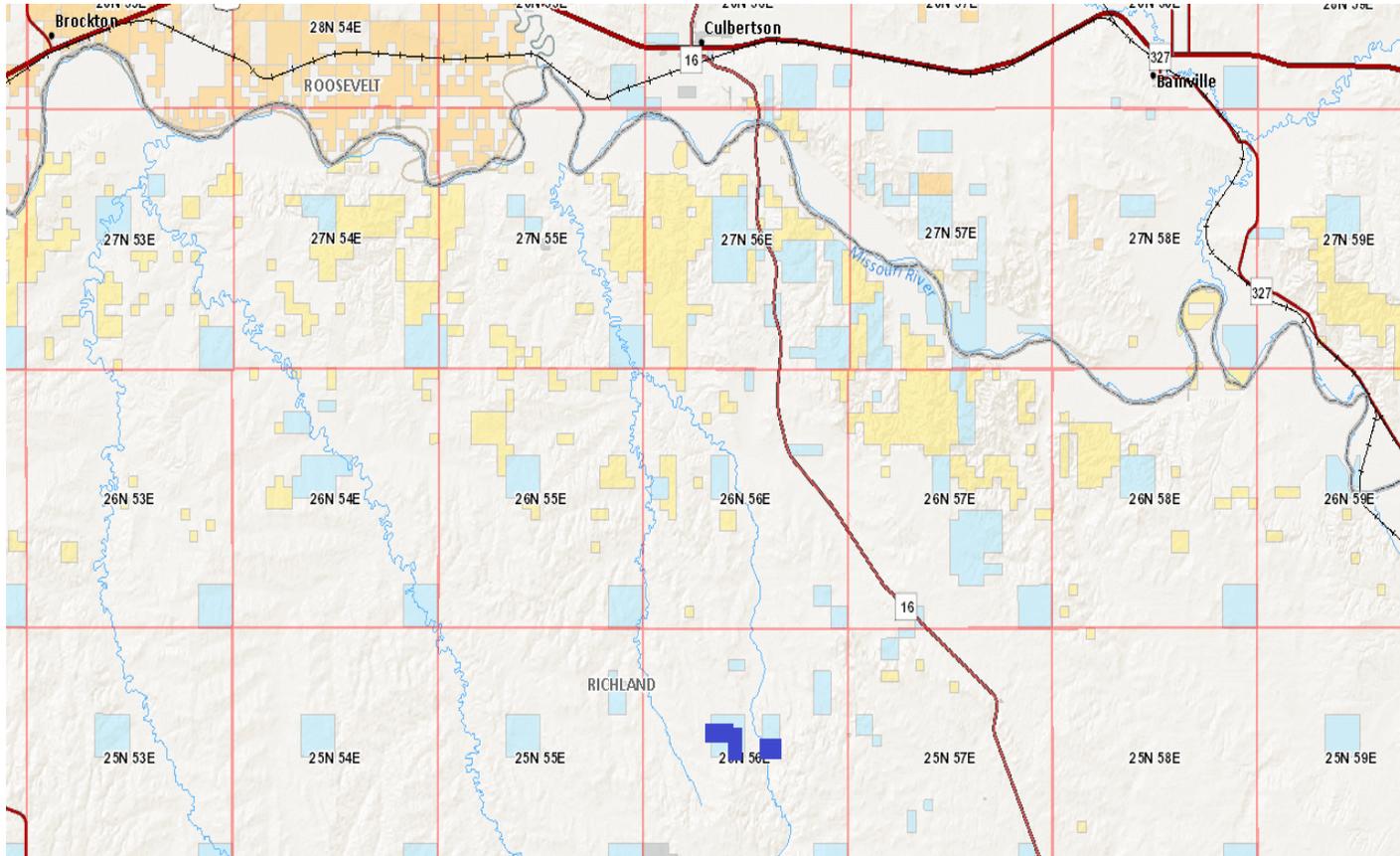
See page 15

DNRC Recommendation

See page 15

Rights of Way Applications

November 16, 2015



ONEOK Rockies Midstream
App #s 17111 & 17112

Land Board Agenda Item
November 16, 2015

1115-9B Cost Share – Lake Placid

Location: Missoula County

Trust Benefits: Common Schools, MSU 2nd

Trust Revenue: N/A

Item Summary

I. Applicant:

United States of America (USDA-Forest Service)
Region 1
Lolo National Forest
Missoula, MT 59804

II. Purpose of Reciprocal Cost-Share Agreement:

State land is intermingled with National Forest System lands administered by the Lolo National Forest. In order for both the state of Montana and the U.S. Forest Service (USFS) to gain legal access, it is necessary to exchange easements as provided by the Master Cost Share Agreement with the USFS, Northern Region.

III. Legal Description:

The state of Montana Department of Natural Resources and Conservation (DNRC) will grant the USFS standard cost share easements, 60 feet in width, over the following described lands:

State Lands:	Section 4, T16N, R15W	A.C.B. – MSU 2 nd Grant
	Section 8, T16N, R15W	A.C.B. – MSU 2 nd Grant
	Section 9, T16N, R15W	C.S. – Common Schools
	Section 10, T16N, R15W	A.C.B. – MSU 2 nd Grant
	Section 26, T16N, R15W	A.C.B. – MSU 2 nd Grant

IV. General Information:

Tributary area, right of way area, and miles of road are summarized as follows:

	State	USFS	3 rd Party	Total
Tributary Area:	6,595 acres	16,930 acres	15,789 acres	39,314 acres
Miles of Road:	4.88 miles	4.95 miles	10.31 miles	20.14 miles
Right of Way Area:	35.50 acres	35.99 acres	81.82 acres	153.31 acres

Land Office: SWLO

Unit Office: Clearwater, Missoula

Land Classification: Forest, Grazing

Beneficiary: A.C.B. – MSU 2nd Grant; C.S. – Common Schools

Section 16, T15N, R16W	C.S.	(640 ac)
Section 6, T16N, R15W	A.C.B.	(630 ac)
Section 28, T16N, R15W	A.C.B.	(23 ac)
Section 30, T16N, R15W	A.C.B.	(280 ac)
Section 32, T16N, R15W	A.C.B.	(640 ac)
Section 34, T16N, R15W	A.C.B.	(240 ac)
Section 16, T16N, R16W	C.S.	(640 ac)
Section 36, T16N, R16W	C.S.	(640 ac)

County: Missoula

V. Costs to be Borne by Each Party:

Excess costs by land value and road costs were determined by negotiation with the USFS Lolo National Forest in accordance with the principals found in the Master Cost Share Agreement. It was agreed that under this supplement the Forest Service has a net excess cost of \$36,670 (state owes forest service), which will be entered on the master cost share balance sheet. As a result of this project, the state-wide agreement balance will be reduced to \$41,337.00 (federal government owes state).

VI. Results of MEPA Analysis:

DNRC Southwestern Land Office prepared an Environmental Assessment (June 23, 2015), and USFS prepared a Decision Memo (March 24, 2015) for the project.

VII. Benefits to State:

Integrated transportation planning resulting in reduced total road density by utilizing existing roads.

This exchange of cost share easements will provide permanent legal access on the existing National Forest transportation system to 3,733 acres of trust lands.

The cost share easements provide for sharing of future maintenance and reconstruction costs.

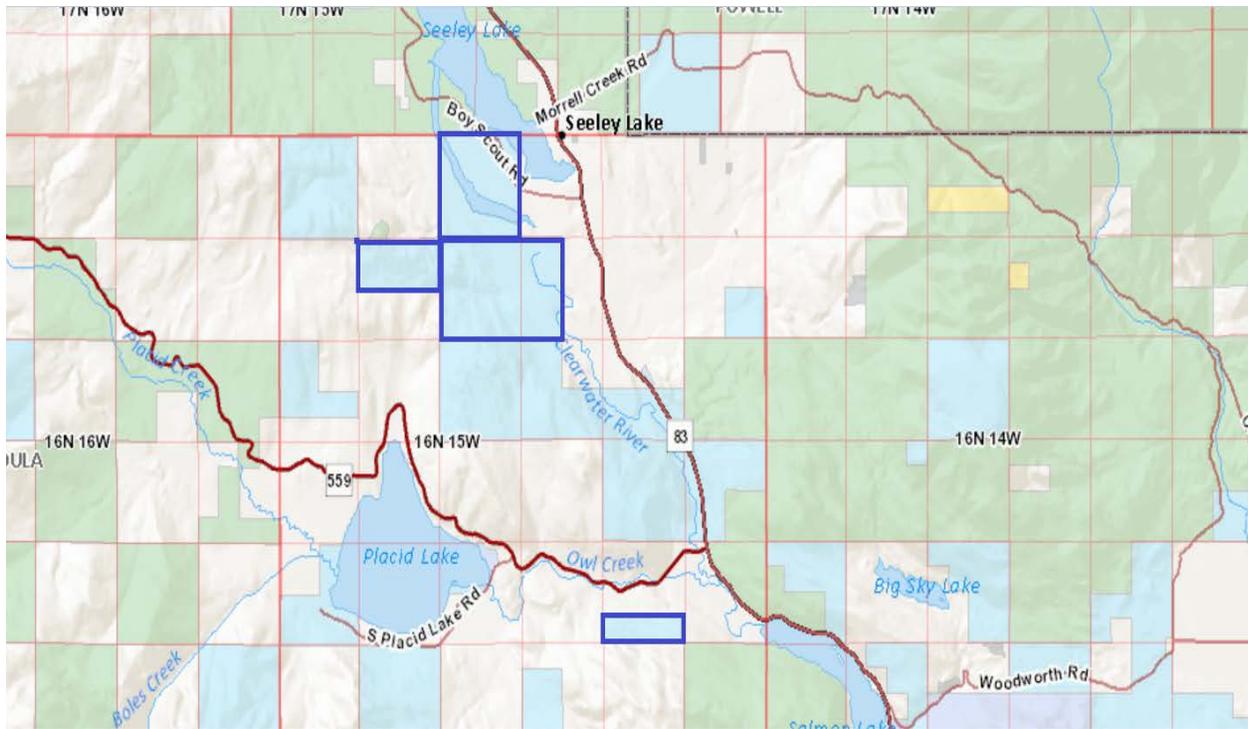
The state will receive access rights across private land acquired from forest service on not only a "share basis" but also at original cost basis.

By utilizing the Forest Service road system, fewer acres of state land will be encumbered by roads and therefore more acres of state land are available for resource production.

DNRC Recommendation:

After review of the documents, exhibits, and benefits to the state, the director recommends approval of the Placid Cost Share Supplement No. 29 with the USFS.

Area Map



Land Board Agenda Item
November 16, 2015

1115-9C Cost Share – Lower ACM

Location: Sanders County

Trust Benefits: Common Schools, Public Buildings

Trust Revenue: N/A

Item Summary

I. Applicant:

United States of America (USDA-Forest Service)
Region 1
Lolo National Forest
Missoula, MT 59804

II. Purpose of Reciprocal Cost-Share Agreement:

State land is intermingled with National Forest System lands administered by the Lolo National Forest. In order for both the state of Montana and the U.S. Forest Service (USFS) to gain legal access, it is necessary to exchange easements as provided by the Master Cost Share Agreement with the USFS, Northern Region.

III. Legal Description:

The state of Montana Department of Natural Resources and Conservation (DNRC) will grant the USFS standard cost share easements, 60 feet in width, over the following described lands:

State Lands: Section 26, T23N, R27W P.B. Public Buildings
 Section 32, T23N, R27W P.B. Public Buildings
 Section 34, T23N, R27W P.B. Public Buildings

IV. General Information:

Tributary area, right of way area, and miles of road are summarized as follows:

	State	USFS	3rd Party	Total
Tributary Area:	1,896 acres	14,136 acres	10,160 acres	26,192 acres
Miles of Road:	1.27 miles	11.59 miles	3.53 miles	16.39 miles
Right of Way Area:	6.91 acres	84.29 acres	28.24 acres	119.44 acres

Land Office: Northwestern Land Office

Unit Office: Plains

Land Classification: Forest

Beneficiary: P.B. – Public Buildings; C.S. – Common Schools

Section 2, T22N, R27W	P.B.
Section 4, T22N, R27W	P.B., C.S.
Section 10, T22N, R27W	P.B.
Section 16, T22N, R27W	C.S.
Section 26, T23N, R27W	P.B.
Section 32, T23N, R27W	P.B.
Section 34, T23N, R27W	P.B., C.S.

County: Sanders

V. Costs to be Borne by Each Party:

Excess costs by land value and road cost were determined by negotiation with the USFS Lolo National Forest in accordance with the principals found in the Master Cost Share Agreement. It was agreed that under this supplement USFS has a net excess cost of \$1,434 (state owes forest service), which will be entered on the Master cost share balance sheet.

VI. Results of MEPA Analysis:

The Plains Unit Office prepared an Environmental Assessment (October 28, 2015), and USFS prepared a Letter to the File (October, 2015) for the project.

VII. Benefits to State:

Integrated transportation planning resulting in reduced total road density by utilizing existing roads.

This exchange of cost share easements will provide permanent legal access on the existing National Forest transportation system to 1,576 acres of trust lands.

The cost share easements provide for sharing of future maintenance and reconstruction costs.

The state will receive access rights across private land acquired from forest service on not only a "share basis" but also at original cost basis.

This acquisition was made possible by the recent cost share supplement completed between forest service and Plum Creek Timberlands, which placed the primary haul road (ACM Road) under forest service jurisdiction. This is the final step in a three-stage acquisition and completes the legal access for the state land in the lower Thompson River. It also enhances the access for all state holdings in the entire Thompson River drainage by providing an economical haul route to the mill in Thompson Falls.

DNRC Recommendation

After review of the documents, exhibits, and benefits to the state, the director recommends approval of the Lower ACM - State Cost Share Supplement No. 45 with the USFS.

