

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

MINUTES
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
September 18, 2017, at 9:00 am
Supreme Court Chambers, Joseph P. Mazurek Building
215 North Sanders, 4th floor
Helena, MT

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

Members Present

Governor Steve Bullock
Attorney General Tim Fox
Commissioner of Securities and Insurance Matthew Rosendale
Secretary of State Corey Stapleton
Superintendent of Public Instruction Elsie Arntzen

Members Absent

None

Testifying Staff

John Tubbs, DNRC Director
Darlene Edge, FWP Lands Program Manager
Vanna Boccadori, FWP Region 3 Wildlife Biologist
Bruce Whittenberg, MHS Director
Shawn Thomas, DNRC TLMD Administrator
Sonya Germann, DNRC TLMD Forest Management Bureau Chief

Attachments

Related Materials, Attachment 1 – sign-in sheet
Related Materials, Attachment 2 – Keogh Ranch Conservation Easement Amendment presentation
Related Materials, Attachment 3 – Stillwater-Lazy Swift map
Related Materials, Attachment 4 – 2017 Fire Season handout

Call to Order

00:00:00 Governor Bullock called the meeting to order.
00:00:09 Attorney General Fox moved to approve the August 21, 2017, minutes. The motion was seconded by Commissioner Rosendale and carried unanimously.
00:00:18 Governor Bullock

Business Considered

0917-1 FWP: Keogh Ranch Conservation Easement Amendment

00:00:34 Mr. Tubbs
00:00:45 Ms. Edge gave an overview of the item.
00:05:36 Ms. Boccadori
00:10:38 Ms. Edge

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00:11:39 Governor Bullock

Public Comment

00:11:47 Mark Lambrecht, Rocky Mountain Elk Foundation Director of Government Affairs

00:12:27 Governor Bullock

00:12:42 Grant Godbolt

00:16:03 Governor Bullock

00:16:22 Diane Keogh-Fitzgerald

00:17:20 Governor Bullock

00:17:38 Attorney General Fox moved to approve item 0917-1. The motion was seconded by Governor Bullock.

Board Discussion/Comments

00:17:55 Commissioner Rosendale

00:18:45 Ms. Edge

00:18:59 Ms. Boccadori

00:19:00 Commissioner Rosendale

00:19:16 Ms. Boccadori

00:19:18 Commissioner Rosendale

00:19:31 Ms. Boccadori

00:19:41 Commissioner Rosendale

00:19:47 Ms. Boccadori

00:19:54 Commissioner Rosendale

00:19:56 Governor Bullock

00:20:00 Commissioner Rosendale

00:20:06 Governor Bullock

00:20:10 Commissioner Rosendale

00:20:23 Ms. Boccadori

00:20:25 Commissioner Rosendale

00:20:58 Ms. Boccadori

00:21:07 Ms. Edge

00:21:08 Commissioner Rosendale

00:21:26 Ms. Edge

00:21:28 Commissioner Rosendale

00:21:33 Ms. Edge

00:21:55 Commissioner Rosendale

00:22:08 Ms. Edge

00:22:30 Commissioner Rosendale

00:22:32 Ms. Edge

00:22:43 Commissioner Rosendale

00:23:11 Ms. Edge

00:23:15 Commissioner Rosendale

00:23:28 Ms. Edge

00:23:40 Commissioner Rosendale

00:23:55 Ms. Edge

00:23:57 Commissioner Rosendale

00:24:34 Ms. Edge

00:24:36 Commissioner Rosendale

00:25:16 Ms. Edge

00:25:31 Commissioner Rosendale

00:25:38 Ms. Edge

00:25:41 Commissioner Rosendale

00:25:42 Ms. Edge

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00:26:30 Commissioner Rosendale
00:26:48 Ms. Edge
00:26:54 Commissioner Rosendale
00:26:59 Ms. Edge
00:27:00 Commissioner Rosendale
00:27:02 Ms. Edge
00:27:08 Commissioner Rosendale
00:27:21 Ms. Edge
00:27:44 Commissioner Rosendale
00:28:08 Ms. Boccadori
00:28:34 Commissioner Rosendale
00:28:40 Governor Bullock
00:28:43 Attorney General Fox
00:29:20 Ms. Edge
00:29:38 Attorney General Fox
00:29:52 Ms. Edge
00:29:54 Attorney General Fox
00:30:05 Ms. Edge
00:30:08 Attorney General Fox
00:30:10 Ms. Edge
00:30:11 Attorney General Fox
00:30:24 Ms. Boccadori
00:30:55 Attorney General Fox
00:30:59 Governor Bullock
00:31:00 Secretary Stapleton
00:32:17 Ms. Edge
00:33:53 Secretary Stapleton
00:34:41 Ms. Keogh-Fitzgerald
00:34:44 Secretary Stapleton
00:34:48 Governor Bullock
00:34:51 Superintendent Arntzen
00:36:01 Ms. Edge
00:36:23 Superintendent Arntzen
00:36:51 Ms. Edge
00:37:34 Superintendent Arntzen
00:37:38 Governor Bullock
00:38:00 Ms. Keogh-Fitzgerald
00:38:08 Governor Bullock
00:39:00 Ms. Keogh-Fitzgerald
00:39:20 Governor Bullock
00:39:35 Ms. Keogh-Fitzgerald
00:40:11 Governor Bullock
00:40:15 Ms. Keogh-Fitzgerald
00:40:18 Governor Bullock
00:40:25 Ms. Edge
00:40:31 Governor Bullock
00:40:46 Cory Fitzgerald
00:43:16 Governor
00:43:26 Mr. Lambrecht
00:43:28 Governor Bullock
00:43:40 Mr. Lambrecht
00:43:50 Governor Bullock
00:44:02 Mr. Lambrecht

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00:44:16 Governor Bullock
00:44:24 Mr. Lambrecht
00:44:43 Governor Bullock
00:44:49 Mr. Lambrecht
00:45:08 Governor Bullock
00:45:11 Mr. Lambrecht
00:45:25 Governor Bullock
00:45:59 Mr. Lambrecht
00:46:00 Governor Bullock
00:46:08 Mr. Lambrecht
00:46:46 Governor Bullock
00:50:09 Commissioner Rosendale
00:55:18 Governor Bullock
00:55:30 The motion to approve item 0917-1 failed 2-3, Superintendent Arntzen, Commissioner Rosendale, and Secretary Stapleton dissenting.

0917-2 Montana Historical Society: West Farm Road

00:55:39 Mr. Tubbs
00:55:57 Mr. Whittenberg gave an overview of the item.
00:57:53 Governor Bullock
00:57:59 Secretary Stapleton moved to approve item 0917-2. The motion was seconded by Commissioner Rosendale and carried unanimously.

0917-3 Timber Sales
A. Line Cub Limited Access
B. Ike-Wallace
C. Crater Mountain
D. Antice Knobs #2

00:58:37 Mr. Tubbs gave an overview of the items.
01:01:06 Governor Bullock

Public Comment

01:01:16 Bryan Lorengo, Montana Logging Association Safety Management Consultant

01:02:26 Governor Bullock
01:02:35 Attorney General Fox moved to approve items 0917-3A through 0917-3D. The motion was seconded by Commissioner Rosendale.

Board Discussion/Comments

01:02:45 Commissioner Rosendale
01:02:54 Mr. Tubbs
01:03:06 Governor Bullock
01:03:14 Commissioner Rosendale
01:03:44 Mr. Thomas
01:05:19 Commissioner Rosendale
01:05:27 Ms. Germann
01:05:53 Commissioner Rosendale
01:05:56 Governor Bullock

01:06:04 The motion to approve items 0917-3A through 0917-3D carried unanimously.

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0917-4 Oil and Gas Lease Sale: September 6, 2017

- 01:06:07 Mr. Tubbs gave an overview of the item.
- 01:06:46 Governor Bullock
- 01:06:52 Commissioner Rosendale moved to approve item 0917-4. The motion was seconded by Superintendent Arntzen and carried unanimously.

0917-5 Cabin and Home Sites: Set Minimum Bid for Sale

- 01:07:12 Mr. Tubbs gave an overview of the item.
- 01:07:49 Governor Bullock
- 01:07:55 Attorney General Fox moved to approve item 0917-5. The motion was seconded by Commissioner Rosendale and carried unanimously.

0917-6 Land Banking Acquisition: Preliminary Approval for Purchase – EZ Farm

- 01:08:12 Mr. Tubbs gave an overview of the item.
- 01:09:25 Governor Bullock
- 01:09:27 Mr. Tubbs
- 01:09:37 Governor Bullock
- 01:09:44 Attorney General Fox moved to approve item 0917-5. The motion was seconded by Governor Bullock.

Board Discussion/Comments

- 01:09:57 Commissioner Rosendale
- 01:12:18 Governor Bullock
- 01:12:30 Commissioner Rosendale
- 01:13:01 Governor Bullock
- 01:13:05 Secretary Stapleton
- 01:13:09 Governor Bullock

Public Comment

- 01:13:19 Gordon Smedsrud, Tiber Agency Real Estate, Inc.
- 01:14:54 Secretary Stapleton
- 01:15:01 Mr. Smedsrud

Board Discussion/Comments

- 01:15:23 Secretary Stapleton
- 01:15:37 Governor Bullock
- 01:15:41 Mr. Tubbs
- 01:15:45 Secretary Stapleton
- 01:15:50 Mr. Tubbs
- 01:16:38 Secretary Stapleton
- 01:16:55 Mr. Tubbs
- 01:17:16 Mr. Smedsrud
- 01:17:39 Attorney General Fox
- 01:18:34 Mr. Smedsrud
- 01:18:39 Attorney General Fox
- 01:19:21 Governor Bullock
- 01:19:25 Commissioner Rosendale
- 01:19:29 Governor Bullock
- 01:19:33 Commissioner Rosendale
- 01:19:52 Mr. Tubbs
- 01:20:01 Commissioner Rosendale
- 01:20:09 Mr. Tubbs
- 01:20:14 Mr. Thomas

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01:21:34 Superintendent Arntzen
01:22:08 Mr. Thomas
01:22:26 Superintendent Arntzen
01:22:27 Governor Bullock
01:22:31 Mr. Thomas
01:24:16 Governor Bullock
01:24:18 Commissioner Rosendale
01:24:28 Mr. Thomas
01:24:34 Governor Bullock
01:24:55 The motion to approve item 0917-6 failed 2-3, Superintendent Arntzen, Commissioner Rosendale, and Secretary Stapleton dissenting.

0917-7 Land Banking Acquisition: Final Approval for Purchase – Lazy Creek, Phases 1 & 2

01:25:00 Mr. Tubbs gave an overview of the item.
01:25:18 Mr. Thomas
01:28:44 Governor Bullock

Public Comment

01:29:00 Dick Dolan, The Trust for Public Land Northern Rockies Director

01:30:24 Governor Bullock
01:30:31 Commissioner Rosendale moved to approve item 0917-7. The motion was seconded by Attorney General Fox.
01:30:42 Governor Bullock
01:31:00 The motion to approve item 0917-7 carried unanimously.

0917-8 Proposed Commercial Lease Agreement: Bright View Professional Center, Lot 3

01:31:03 Mr. Tubbs gave an overview of the item.
01:31:48 Governor Bullock
01:31:54 Secretary Stapleton moved to approve item 0917-8. The motion was seconded by Commissioner Rosendale and carried unanimously.

0917-9A Easements: Regular Easements

01:32:21 Mr. Tubbs gave an overview of the item.
01:32:41 Governor Bullock
01:32:49 Attorney General Fox moved to approve item 0917-9A. The motion was seconded by Superintendent Arntzen and carried unanimously.

0917-9B Easements: Amendment to the Stillwater-Lazy Swift Easement Exchange

01:33:18 Mr. Tubbs gave an overview of the item.
01:33:50 Governor Bullock
01:33:56 Commissioner Rosendale moved to approve item 0917-9B. The motion was seconded by Attorney General Fox and carried unanimously.

Informational Briefing: 2017 Fire Season

01:34:32 Mr. Tubbs gave an overview of the scope and costs of the 2017 fire season, the impact of fire activity to state trust lands, and the general process for identifying potential fire salvage timber sales.
01:39:58 Governor Bullock
01:39:59 Attorney General Fox
01:40:22 Governor Bullock
01:40:29 Attorney General Fox

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01:40:32 Governor Bullock

General Public Comment

01:42:39 Ben Paulsten

01:44:23 Governor Bullock

01:44:25 Mr. Tubbs

01:44:51 Governor Bullock

Adjournment

01:45:00 Adjournment

PRESIDENT

ATTEST

/s/ Steve Bullock
Steve Bullock, Governor

/s/ John E. Tubbs
John E. Tubbs, DNRC Director

SIGN-IN SHEET
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
September 18, 2017 at 9:00 am

NAME	AFFILIATION	E-MAIL	Check to be added to the interested parties list.
<i>Mike Wood</i>	<i>DNR</i>		
<i>Chris Trumpher</i>	<i>American Bridge</i>		
<i>Patrick Rauger</i>	<i>LiUNA</i>	<i>prauger@liunamnc.org</i>	<input checked="" type="checkbox"/>
<i>Bruce Whittaker</i>	<i>MTS</i>	<i>bwhittaker@mt.gov</i>	
<i>Kristin Kovarik</i>	<i>TPL</i>		
<i>Bryan Lorenzo</i>	<i>MCA</i>	<i>bryan@lossing.org</i>	
<i>Diana & Cory Fitzgerald</i>	<i>FWP hearing</i>	<i>fitzgeraldranch@gmail.com</i>	
<i>Vanne Boccadori</i>	<i>FWP</i>	<i>vboccadori@mt.gov</i>	
<i>Mark Sweeney</i>	<i>Self</i>	<i>masweene@hotmail.com</i>	
<i>DICK DOLAN</i>	<i>THE TRUST FOR PUBLIC LAND</i>	<i>dick.dolan@tpl.org</i>	<input checked="" type="checkbox"/>
<i>Grant Godbolt</i>		<i>3gbolts@msn.com</i>	
<i>MARK LAMBRECHT</i>	<i>RMEF</i>	<i>mlambrecht@rmeff.org</i>	<input checked="" type="checkbox"/>
<i>George Wolcott</i>	<i>Forward Montana</i>	<i>conservation@forwardmontana.org</i>	<input checked="" type="checkbox"/>
<i>Tom Ray</i>	<i>Weyerhaeuser</i>	<i>tom.ray@weyerhaeuser.com</i>	

Email landboard@mt.gov or indicate on this sign-in sheet if you would like to be placed on the Land Board interested parties list.
This sign-in sheet is a public record under Title 2, Chapter 6 of the Montana Code Annotated, but may not be reproduced or distributed for use as a mailing list without the permission of the named individuals under 2-6-1017, MCA.

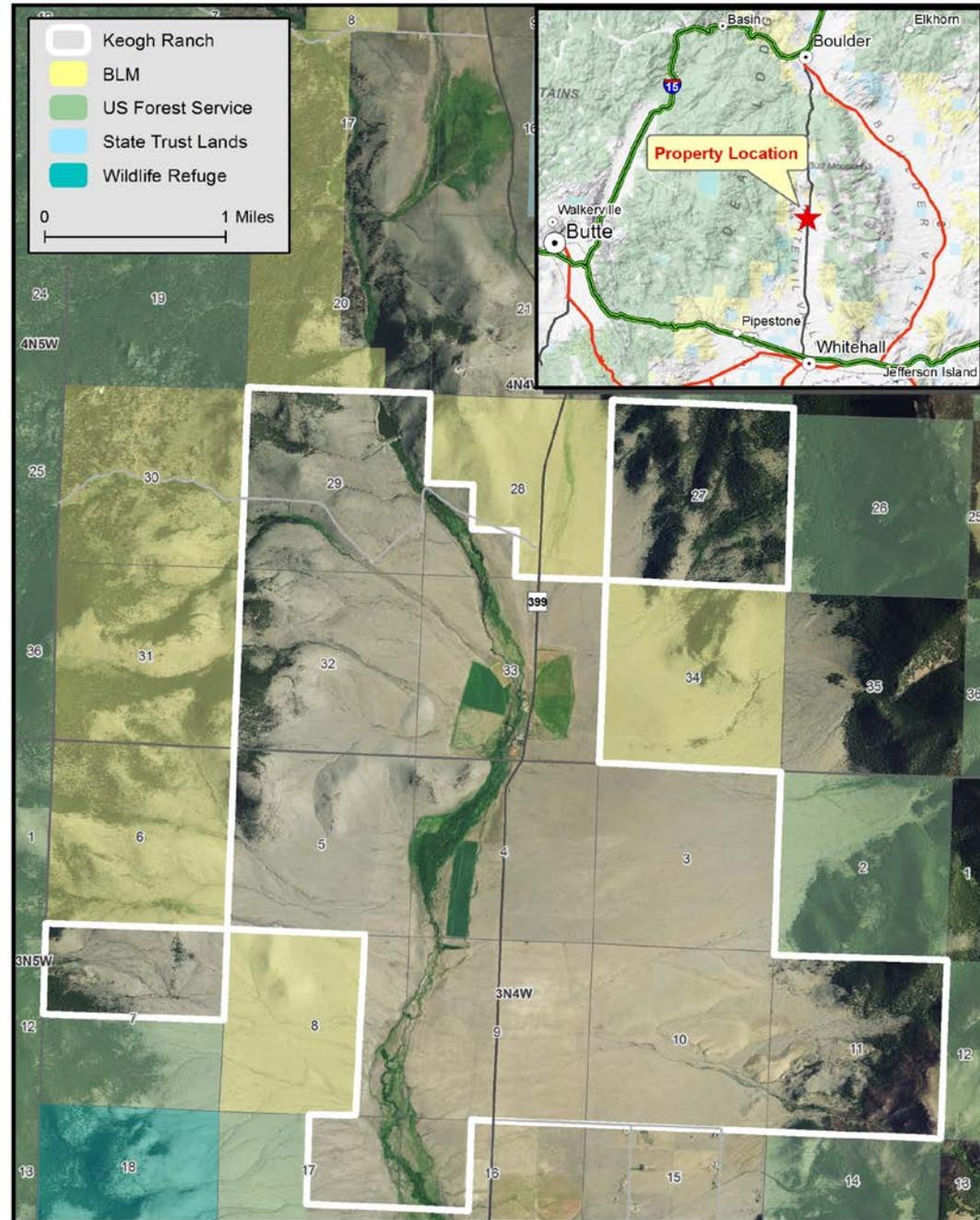
Keogh Ranch Conservation Easement Amendment

Montana Fish, Wildlife &
Parks



Ranch Location

- CE Established 1996.
- 7106-acres.
- North of Whitehall in the heart of the Whitetail Valley.
- CE allows for public access for hunting and provides habitat protection.



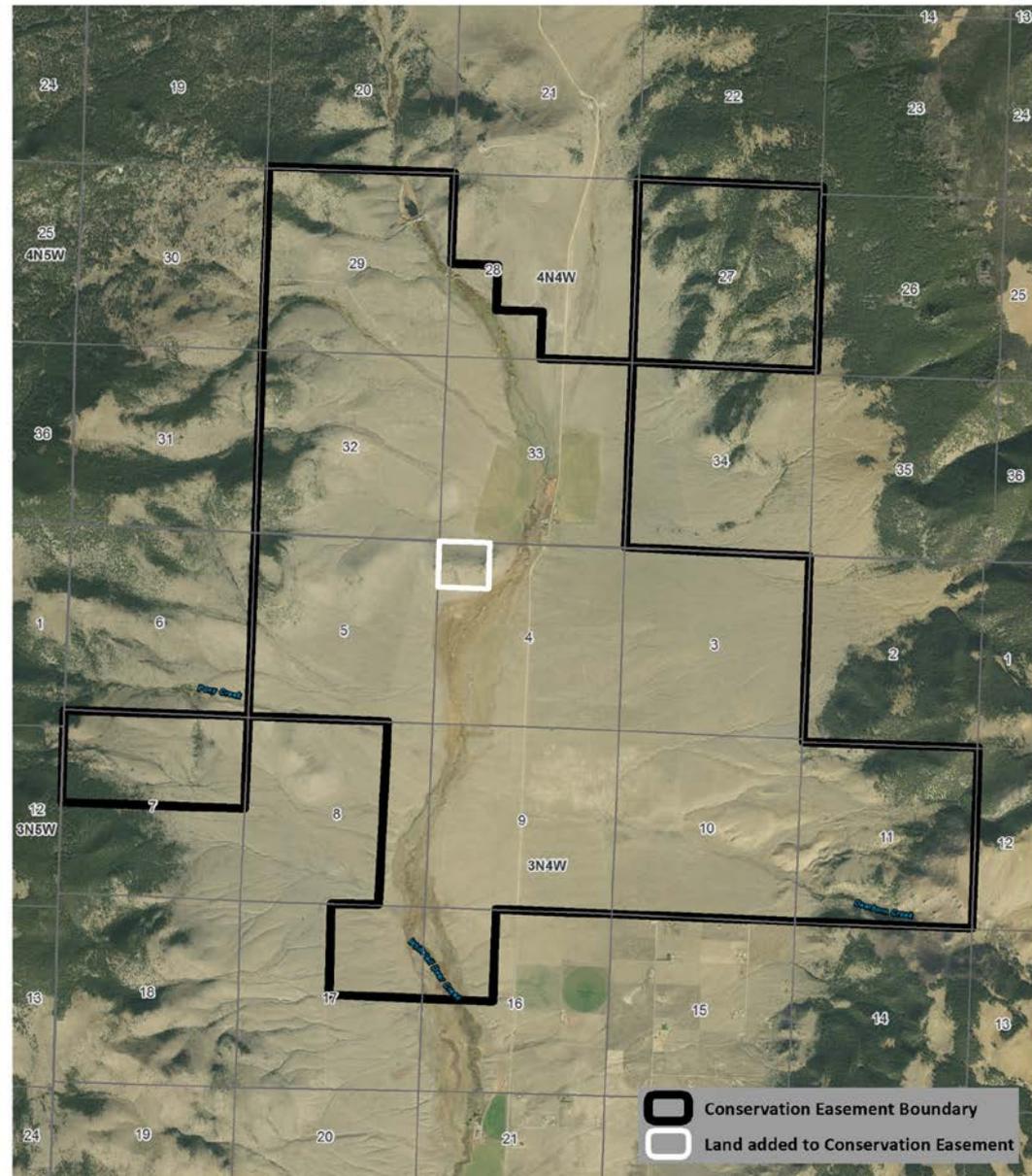
Proposed Changes

- Protect the CE property from future subdivision.
- Allow for more flexible forest management
- Add a 40 acre inholding to CE.
- Protect the property's water rights from being severed from the land.
- Move a feedlot out of a riparian area.

40-acre inholding

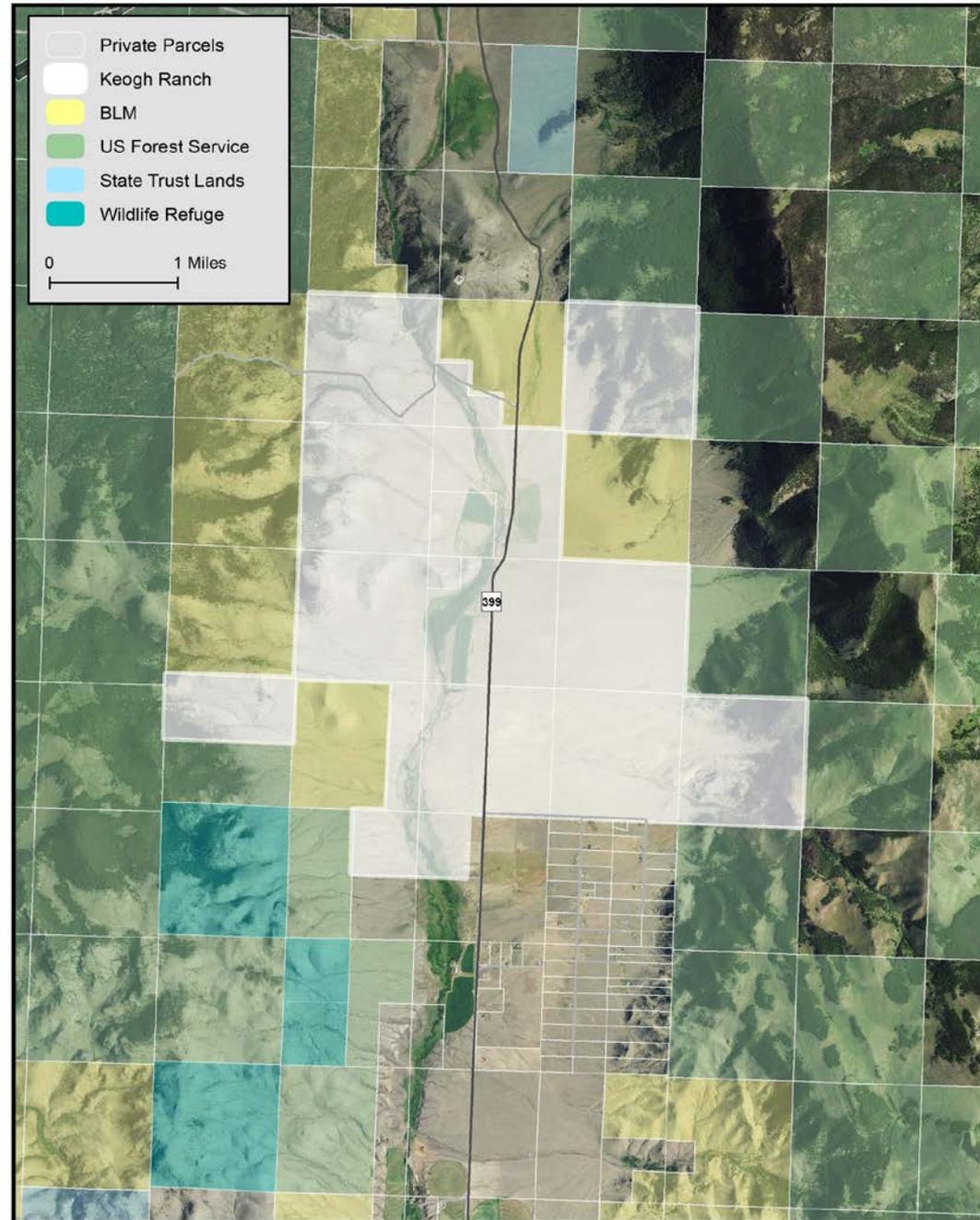
- Amendment will add a 40-acre inholding into the CE that was formerly owned by the BLM.

Exhibit B
Conservation Easement - Boundary Map



Subdivision Potential

- Amendment will remove the existing CE language which allows for the ranch to be subdivided in up to 44 160-acre tracts.



Water Rights

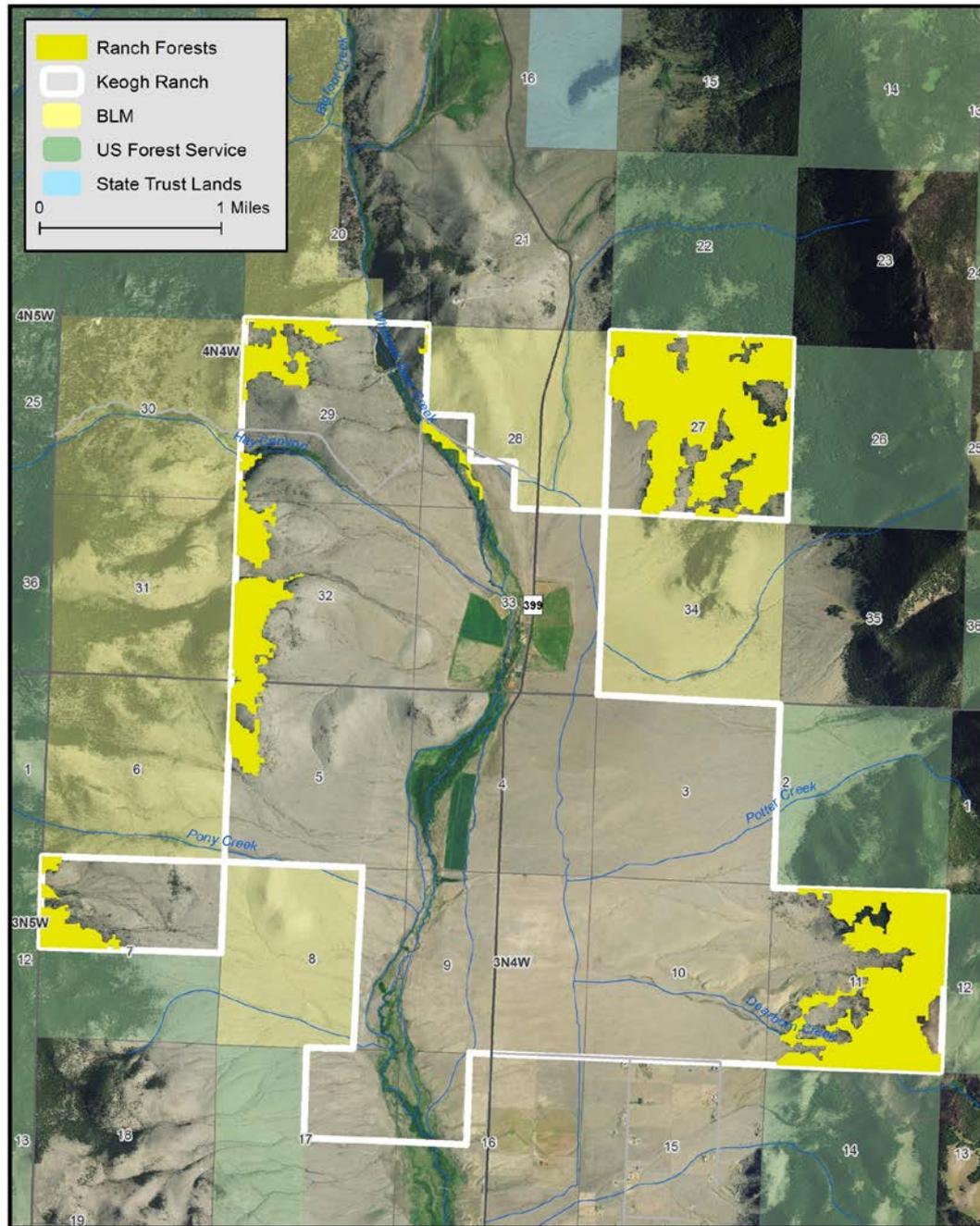
- 18 individual water rights dating back to 1865 along Whitetail Creek.
- 16.6 CFS and 2500 GPM used for irrigation.
- The Amendment will prohibit severing or converting the Water Rights.





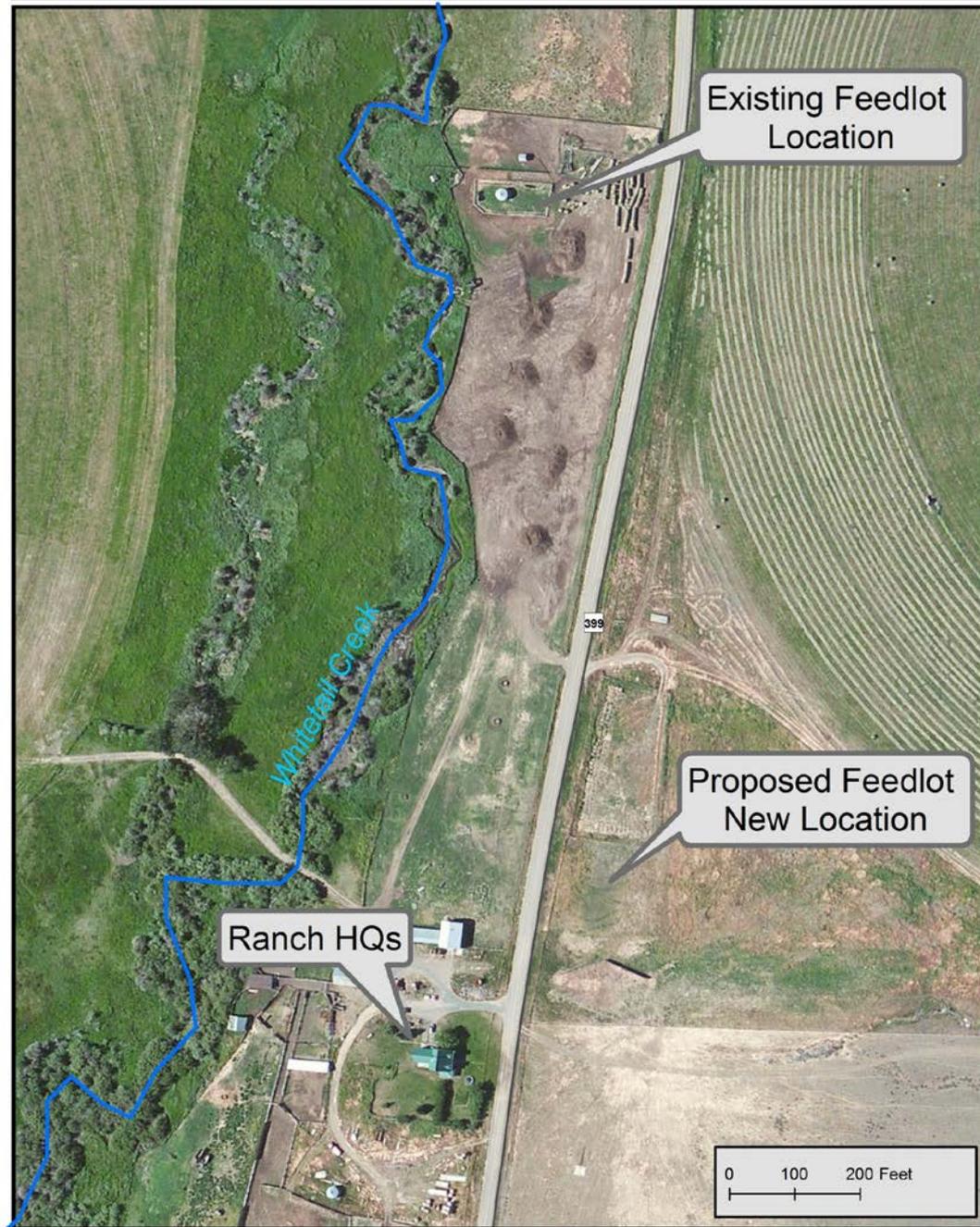
Timber Management

- 1400 Forested Acres.
- Amendment will allow LO to manage timber.



Feedlot

- Amendment will allow for the feedlot to be moved out of the riparian area of Whitetail Creek.



Access & Habitat Protection

- Western most Prairie Dog Colony in Montana.
- Allows for 250 hunters annually.
- Portion of Property allows for exclusive handicap hunting.
- Provides FWP with best management opportunity of elk herd.
- Additional divisions will limit access and threaten habitat quality.

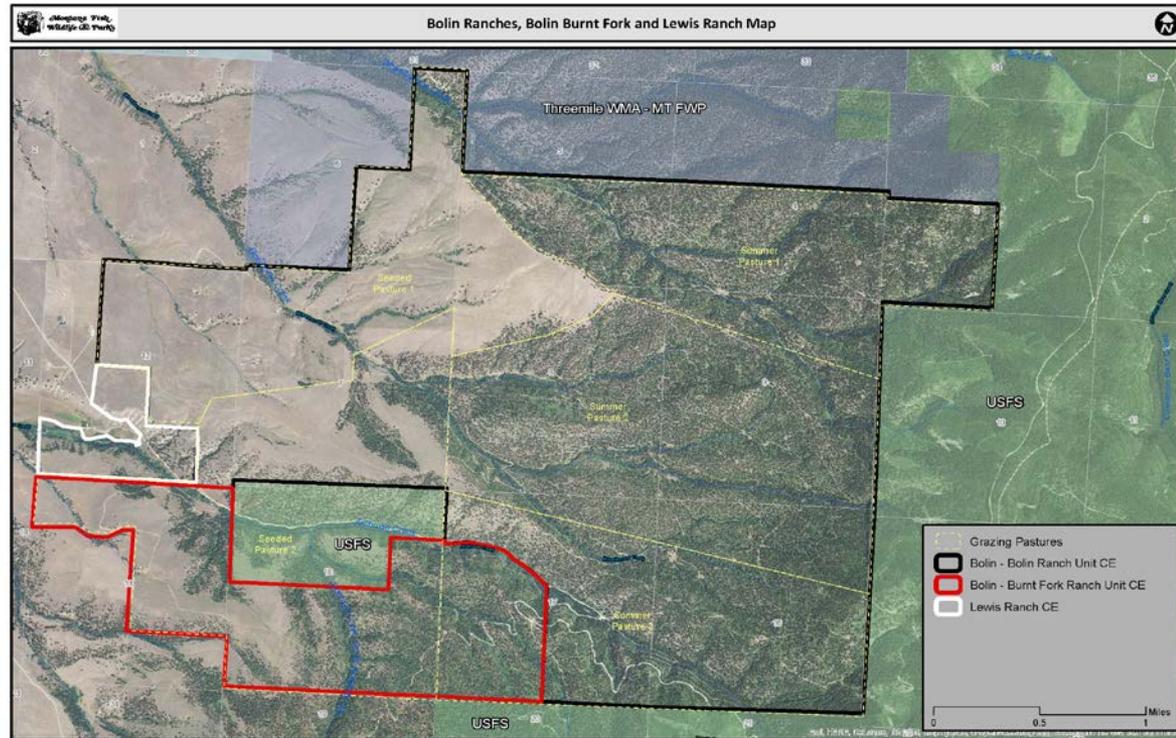


Capacity & Costs (per division)

- Each new monitoring unit created by a division costs FWP approximately \$2000 annually (includes: salary, overhead, and equipment).
- Results in increased potential for CE violation (new landowner often lacks same conservation ethic as original grantor of CE).
- Usually compromises grazing management and public access.
- The Public's perception of a CE property is that it will remain as one unit under one ownership. Trespass issues are created.

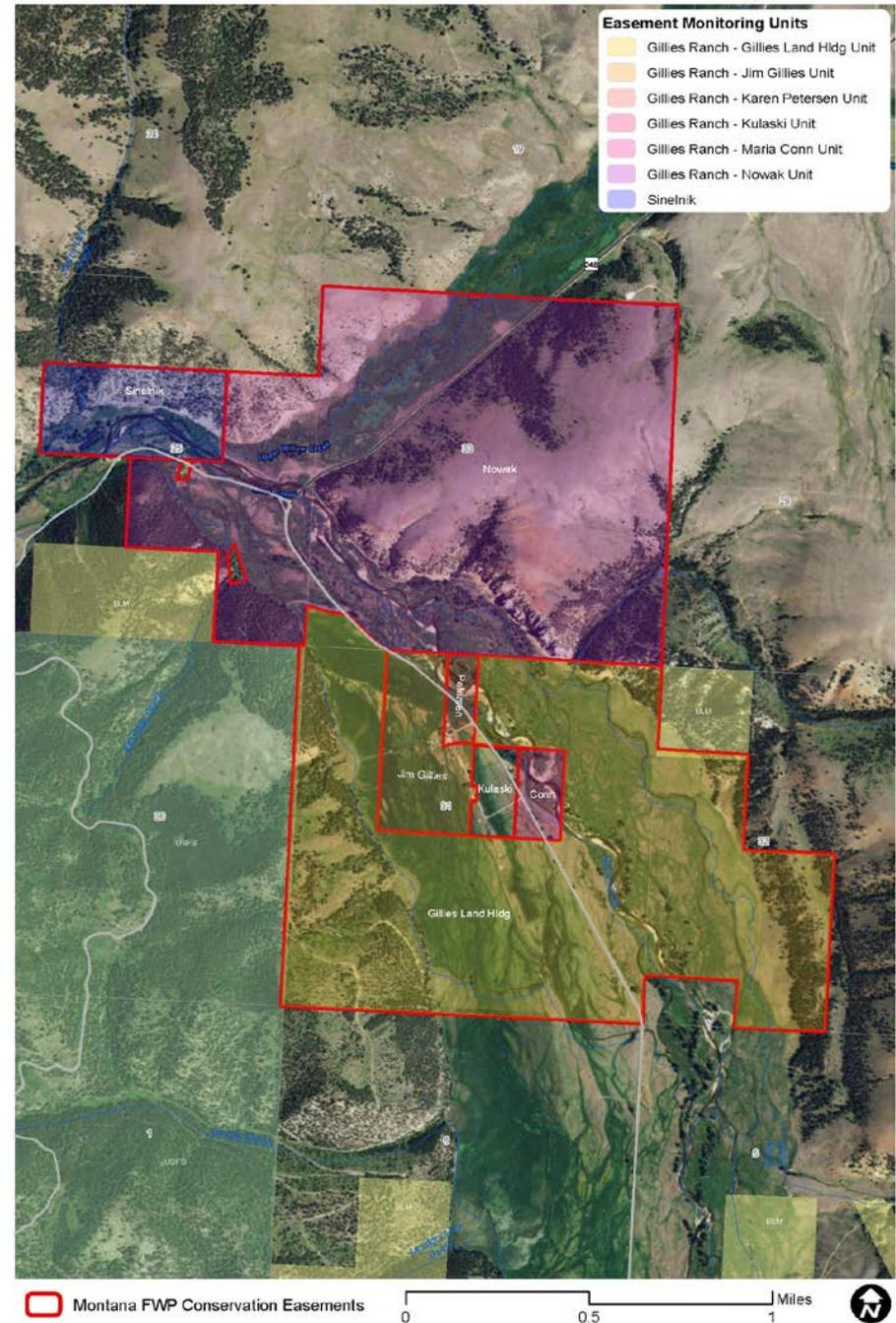
Case Study #1 Bolin Ranch

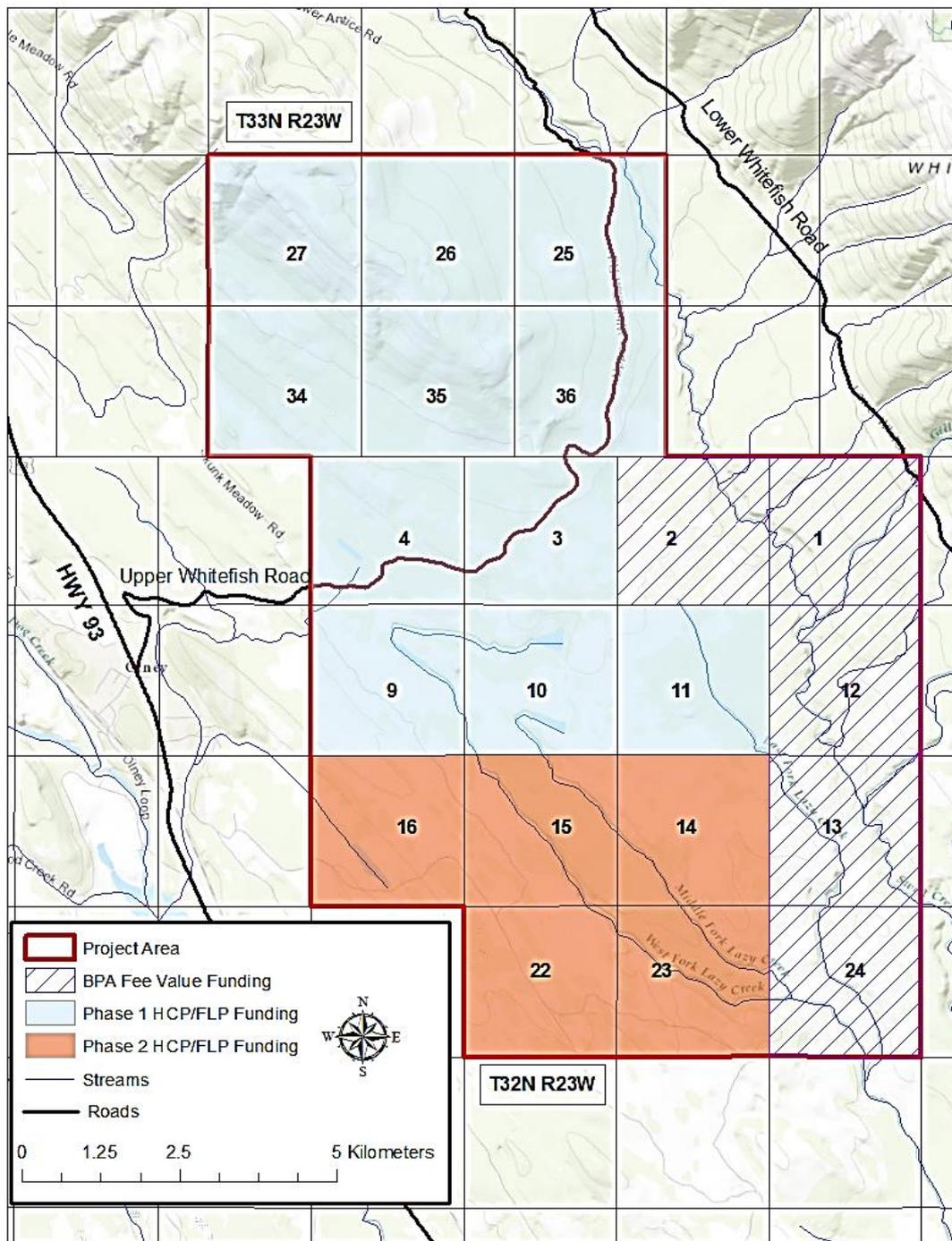
- CE Established 1997.
- 5200-acres, Bitterroot Valley (black).
- 867-acre division (red).
- Removed 2 pastures out of rest rotation system.
- Creates confusion for public access and increased trespass.



Case Study #2 Gillies Ranch

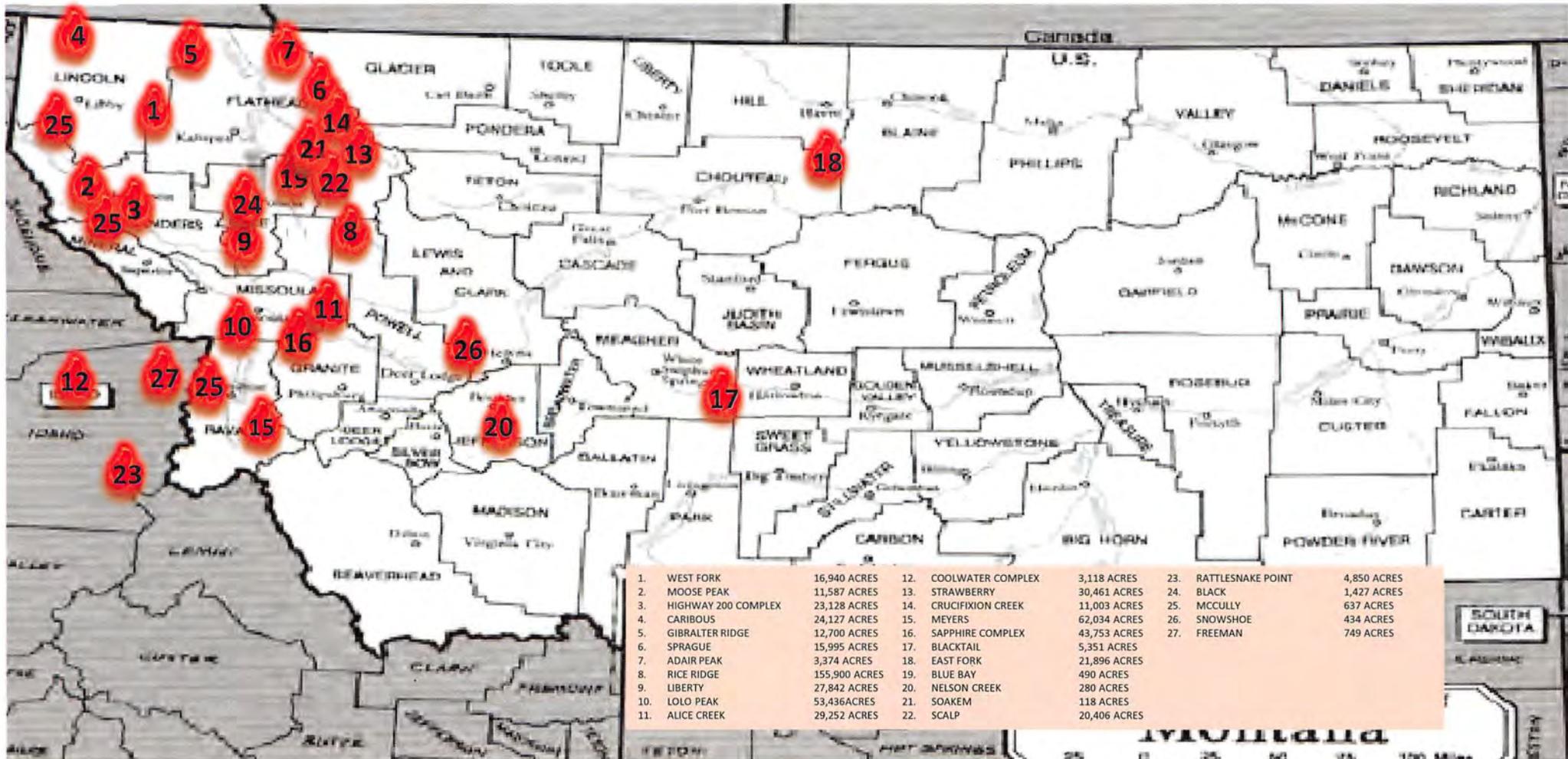
- CE Established 1997.
- 1554-acres, Upper Rock Creek.
- Property divided in half (Purple and Yellow).
- Severely compromises restoration grazing system.
- Creates confusion for public access and increased trespass.
- Prevented FWP from building a FAS due to disagreements between the original and new LOs.





FIRE MAP

Data from NRCC Incident Management Situation Report (IMSR)



Fire Costs
September 14, 2017

Area	Org	Incident	DNRC %	Total Large Fire Cost	DNRC Share Lrg Fire Cost	Less Est FEMA Reim	Net DNRC
							Share Lrg Fire Cost
CLO	777001	ALICE CREEK (FMAG)	32.1%	\$12,840,690	\$3,753,416	\$2,439,720	\$1,313,696
CLO	877001	CHINN	100.0%	\$1,000,000	\$1,000,000		\$1,000,000
CLO	877003	CONROW	64.0%	\$2,400,000	\$1,536,000		\$1,536,000
CLO	877002	DITCH CREEK	50.0%	\$876,000	\$438,000		\$438,000
CLO	877998	HIGHWAY 435	100.0%	\$25,000	\$25,000		\$25,000
CLO	977008	HOLMES GULCH	100.0%	\$606,439	\$606,439		\$606,439
CLO	977006	LOOKOUT	100.0%	\$2,333,597	\$2,333,597		\$2,333,597
CLO	977302	MAUER MOUNTAIN	100.0%	\$750,000	\$750,000		\$750,000
CLO	977997	CLO SEVERITY	100.0%	\$243,932	\$243,932		\$243,932
ELO	847015	1026	100.0%	\$150,000	\$150,000		\$150,000
ELO	747003	TONGUE RIVER COMPLEX	36.4%	\$2,650,000	\$964,335		\$964,335
ELO	847010	LODGEPOLE COMPLEX (FMAG)	56.5%	\$9,800,000	\$5,537,000	\$2,937,244	\$2,599,756
ELO	847011	BUFFALO	85.0%	\$2,000,000	\$1,700,000		\$1,700,000
ELO	847019	RED BUTTE	100.0%	\$500,000	\$500,000		\$500,000
ELO	847017	SARTIN DRAW	78.0%	\$1,500,000	\$1,170,000		\$1,170,000
ELO	847013	TREMBLING	100.0%	\$75,000	\$75,000		\$75,000
ELO	847997	ELO SEVERITY	100.0%	\$348,444	\$348,444		\$348,444
FAMB	727001	FAMB SEVERITY (CANADIAN)	100.0%	\$1,289,000	\$1,289,000		\$1,289,000
NELO	887002	JULY	29.0%	\$6,500,000	\$1,885,000		\$1,885,000
NELO	887008	CRYING	30.0%	\$908,734	\$272,620		\$272,620
NELO	887997	NELO SEVERITY	100.0%	\$487,920	\$487,920		\$487,920
NWLO	957202	LAZIER CREEK 3	100.0%	\$6,200,000	\$6,200,000		\$6,200,000
NWLO	957206	MCCULLY	100.0%	\$1,300,000	\$1,300,000		\$1,300,000
NWLO	757011	MOOSE PEAK (FMAG)	90.0%	\$1,400,000	\$1,260,000	\$819,000	\$441,000
NWLO	957015	PEOPLES CREEK	100.0%	\$331,809	\$331,809		\$331,809
NWLO	957014	TAMARACK	100.0%	\$3,598,000	\$3,598,000		\$3,598,000
NWLO	957997	NWLO SEVERITY	100.0%	\$2,101,776	\$2,101,776		\$2,101,776
SLO	897005	BRUNER MOUNTAIN	100.0%	\$1,400,000	\$1,400,000		\$1,400,000
SLO	897008	BRUSH FLAT	50.0%	\$400,000	\$200,000		\$200,000
SLO	897998	IRON SPRINGS	100.0%	\$400,000	\$400,000		\$400,000
SLO	897007	MENDENHALL	100.0%	\$674,000	\$674,000		\$674,000
SLO	897006	MM 417	100.0%	\$260,000	\$260,000		\$260,000
SLO	897003	NORTH DELPHIA	100.0%	\$400,000	\$400,000		\$400,000
SLO	897004	SAGE HILLS	100.0%	\$427,500	\$427,500		\$427,500
SLO	897997	SLO SEVERITY	100.0%	\$46,618	\$46,618		\$46,618
SLO	897998	FLY CREEK	100.0%	\$50,000	\$50,000		\$50,000
SWLO	967128	LIBERTY	75.0%	\$19,000,000	\$14,250,000		\$14,250,000
SWLO	767004	LOLO PEAK (FMAG)	12.0%	\$44,100,000	\$3,500,000	\$2,100,000	\$1,400,000
SWLO	767012	SAPPHIRE COMPLEX	9.0%	\$34,900,000	\$3,141,000		\$3,141,000
SWLO	967140	SNOWSHOE	100.0%	\$415,000	\$415,000		\$415,000
SWLO	967997	SWLO SEVERITY	100.0%	\$1,198,696	\$1,198,696		\$1,198,696
Grand Total				\$165,888,155	\$66,220,102	\$8,295,965	\$57,924,137

Burn Rate: \$742,137