

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Tuesday, February 20, 2018 at 9:00 am
State Capitol, Room 303
Helena, MT

ACTION ITEMS

0218-1 FWP: Horse Creek Complex Conservation Easements

Benefits: N/A (non-trust land)

Location: Dawson, Wibaux Counties

Substitute motion to delay consideration APPROVED 3-0 (Governor Bullock and Attorney General Fox dissenting).

0218-2 Timber Sale: Swamp Fire Salvage

Benefits: Common Schools

Location: Sanders County

APPROVED 5-0

0218-3 Land Banking Parcels: Final Approval for Sale

Benefits: Common Schools

Location: Judith Basin County

APPROVED 5-0

0218-4 Land Banking Acquisitions: Final Approval for Purchase – Angela Farm

Benefits: Common Schools, Eastern College-MSU/Western College-UM, Montana Tech, Public Buildings

Location: Rosebud County

APPROVED 4-1 (Secretary Stapleton dissenting).

0218-5 Cabin and Home Site Sales: Set Minimum Bid for Sale

Benefits: Pine Hills School

Location: Missoula County

APPROVED 5-0

0218-6 Cabin and Home Site Sales: Final Approval for Sale

Benefits: Common Schools, MSU

Location: Flathead, Missoula Counties

APPROVED 5-0

0218-7 Indemnity Selections: Final Approval – Phase 1

Benefits: Common Schools

Location: Chouteau, Custer, Hill Counties

APPROVED 5-0

0218-8 Easements

Benefits: Common Schools, Pine Hills School, Public Land Trust

Location: Carter, Cascade, Fergus, Granite, Madison, Pondera Counties

APPROVED 5-0

PUBLIC COMMENT

0218-1

FWP: HORSE CREEK COMPLEX
CONSERVATION EASEMENTS

**Land Board Agenda Item
February 20, 2018**

| | |
|---------------|---------------------------------------------------------------|
| 0218-1 | <u>FWP: Horse Creek Complex Conservation Easements</u> |
| | Location: Dawson, Wibaux Counties |
| | Trust Benefits: N/A (non-trust land) |
| | Trust Revenue: N/A |

Item Summary

The Department of Fish, Wildlife & Parks (FWP) proposes to purchase two separate overlapping perpetual Conservation Easements (CE) in Dawson and Wibaux counties, Montana. The reason for two overlapping Conservation Easements is to take advantage of available funding sources. The first CE is the Horse Creek Complex 1 (ALE) Conservation Easement (ALE CE), which is funded in part by the Natural Resources Conservation Service (NRCS) Agricultural Lands Easement (ALE) program and encompasses approximately 10,536.49 acres. The second CE, the Horse Creek Complex 2 (FWP) Conservation Easement (FWP CE), is funded entirely by Habitat Montana (HM) and includes an additional 4,839.87 acres, for a total of approximately 15,376 acres encompassed by the FWP CE. The FWP CE encompasses the entire property and cannot be subdivided, thus ensuring that the land remains as a single parcel. Based upon values determined by an independent appraiser, the purchase of the two easements would not exceed \$6,150,000 pending a final appraisal review; ALE CE \$3,225,000 and FWP CE \$2,925,000.

The property transitions from rolling hardwood draws and grasslands on the north, to badlands, and finally to extensive Wyoming big sagebrush grasslands on the south. The ranch provides habitat for mule deer, white-tailed deer, antelope, sharp-tailed grouse, and a diversity of nongame species. It is within sage-grouse general habitat. A conservation easement would increase public hunting and recreational opportunities and protect wildlife habitat.

FWP conducted public scoping to identify potential issues related to the conservation easement proposal. The Environmental Assessment (EA) was released for a 31-day comment period ending January 18, 2018. A public hearing was held in Wibaux on January 4, 2018. During the public comment period a total of 42 comments were received: 27 in support and 14 opposed. Opposition was primarily related to “not enough public access” and the valuation. The number of parking areas was increased from 3 to 5, and the Management Plan will provide for the potential for overnight camping. The Decision Notice issued on January 25, 2018, supported moving forward with the proposal. Final Fish and Wildlife Commission consideration is scheduled for February 15, 2018.

Rationale for Land Board Action

The Horse Creek Complex Conservation Easements are an example of cooperative efforts between federal and state agencies and a private landowner to achieve conservation goals beneficial on local, state, and national levels. Acquisition would implement conservation strategies identified in the FWP 2015 Wildlife Action Plan, conserve a diversity of important eastern Montana habitat types, and provide perpetual public recreational access while keeping the land in private ownership.

Department Recommendation

FWP recommends the Land Board approve the acquisition of both the ALE and FWP Horse Creek Complex Conservation Easements.

Figure 1: Vicinity map of the Horse Creek Complex Conservation Easements

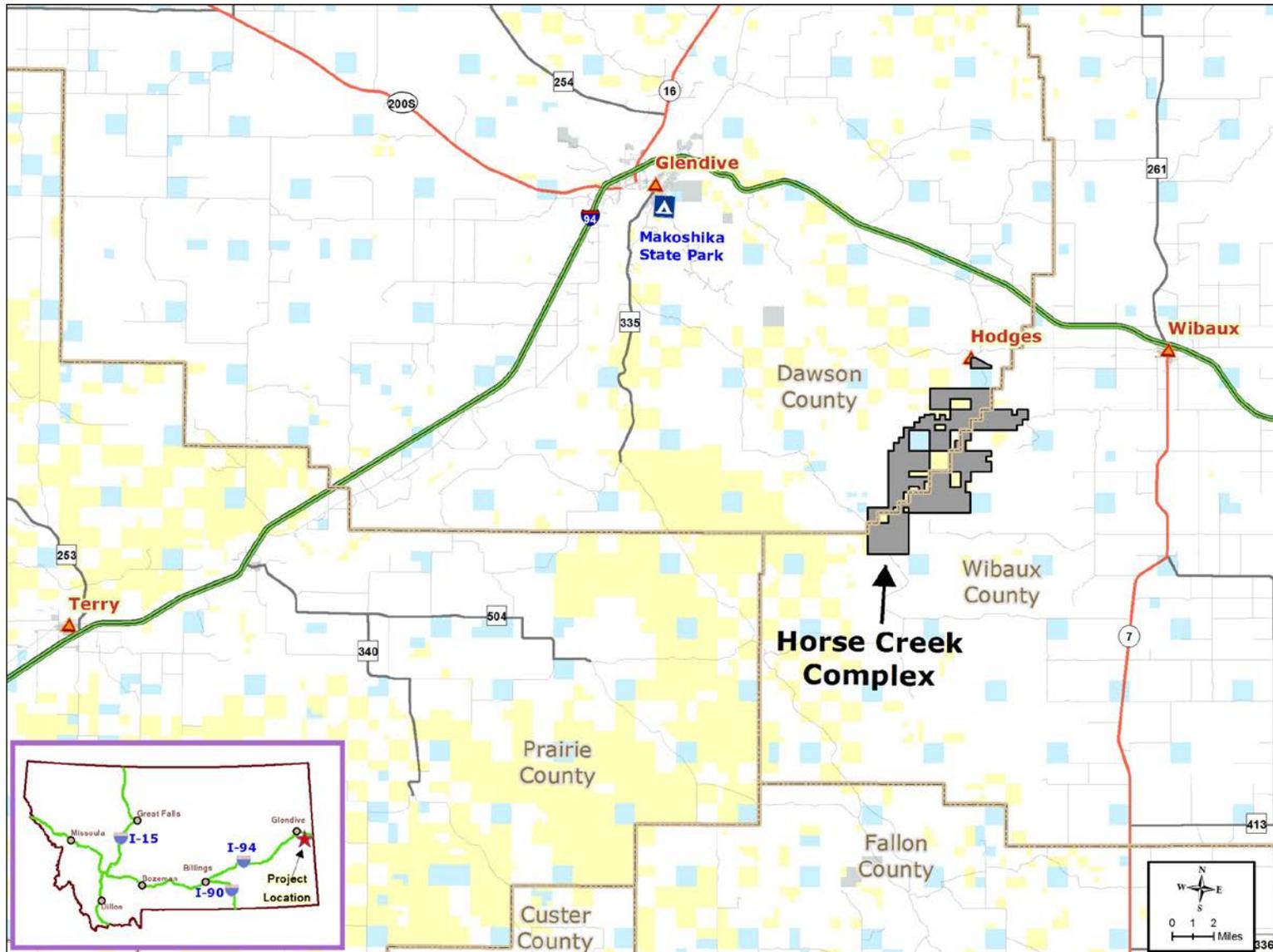
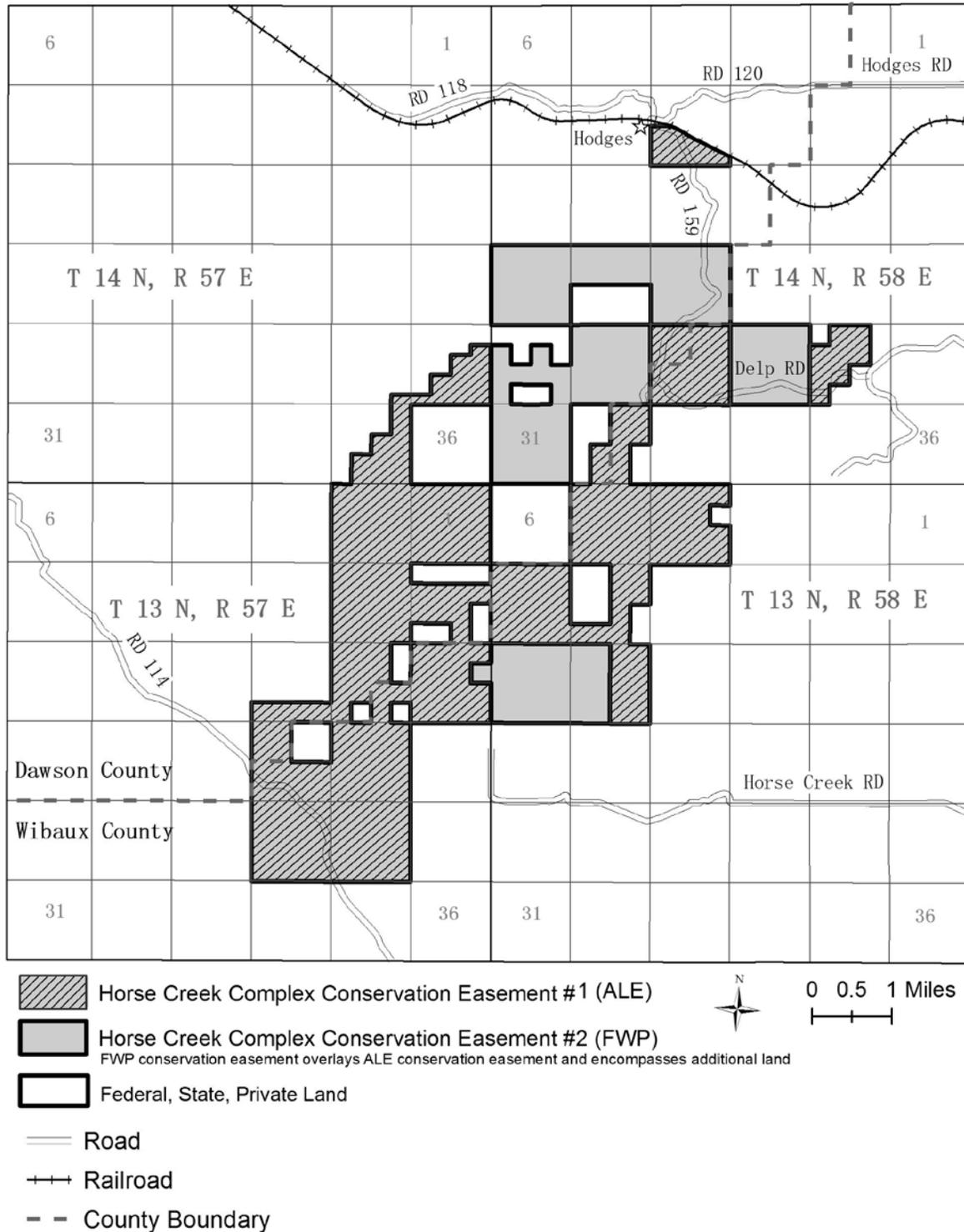


Figure 2: Location map of the Horse Creek Complex Conservation Easements



FISH & WILDLIFE COMMISSION AGENDA ITEM COVER SHEET

Meeting Date: February 15, 2018

Agenda Item: Horse Creek Complex Conservation Easements (Springhill Ranch)

Division: Wildlife

Action Needed: Final

Time Needed on Agenda for this Presentation: 10 minutes

Background:

FWP proposes to purchase two separate overlapping perpetual Conservation Easements involving a total of approximately 15,389 acres in Dawson and Wibaux Counties, Montana. The reason for two overlapping Conservation Easements is to take advantage of available funding sources. The first Conservation Easement, is the Horse Creek Complex 1 (ALE) Conservation Easement (hereafter “ALE CE”), which is funded primarily with Natural Resources & Conservation Service (NRCS) Agricultural Lands Easement (ALE) funding, encompassing approximately 10,550 acres. The second, The Horse Creek Complex 2 (FWP) Conservation Easement (hereafter “FWP CE”), is funded with Habitat Montana dollars, involving the remaining acres. The FWP CE also encumbers the entire property to ensure that the land remains as a single unit in the future. Based upon values determined by an independent appraiser, the purchase of the two easements would not exceed \$6,150,000, pending a final appraisal review. The property transitions from rolling hardwood draws and grasslands on the north, to badlands, and finally to extensive Wyoming big sagebrush grasslands on the south. The ranch provides excellent year-round habitat for mule deer and is within sage-grouse general habitat. The ranch also supports antelope, sharp-tailed grouse, whitetail deer, occasional elk, and a diversity of nongame and sagebrush obligate species. A conservation easement would protect healthy blocks of riparian and sagebrush habitats from conversion to other cover types, benefitting wildlife and agriculture, while also increasing public hunting and recreational opportunities.

Public Involvement Process & Results:

FWP conducted public scoping for the proposal July-September 2017 to identify potential issues related to the conservation easement proposal. Four comments were received and were addressed in the subsequent Environmental Assessment (EA). The EA was released for a 31-day comment period ending January 18, 2018. Legal Notice of the EA and comment period was placed twice in three newspapers and also on the FWP website. As standard practice, direct mailings and/or email notification were provided to adjacent landowners, County Commissioners, and others. A public hearing was held at the Wibaux County Courthouse on January 4, 2018. Fourteen members of the public attended with two comments generated. A total of 42 comments were received during the public comment period and were addressed in the Horse Creek Complex Decision Notice. Twenty-seven individuals voiced support. Fourteen comments were opposed, of which 12 were anonymous. One comment did not take a position. The Decision Notice, signed January 25, 2018, supported moving forward with the proposal.

Alternatives and Analysis:

Proposed Action: Purchase the Horse Creek Complex Conservation Easements to conserve a diversity of important Eastern Montana habitats and provide perpetual public recreational access while keeping the land in private ownership.

No Action alternative: FWP would forgo the opportunity to conserve and enhance valuable wildlife habitats with a willing private land partner. There would be no guarantee of public access to the property.

Agency Recommendation & Rationale:

FWP recommends proceeding with the Horse Creek Complex Conservation Easement as proposed. The proposal supports FWP’s mission and would implement conservation strategies identified in the 2015 Wildlife Action Plan.

Proposed Motion:

I move the Fish & Wildlife Commission approve the Horse Creek Complex Conservation Easement in Wibaux and Dawson Counties, as presented.

0218-2

TIMBER SALE: SWAMP FIRE SALVAGE

**Land Board Agenda Item
February 20, 2018**

0218-2 Timber Sale: Swamp Fire Salvage

**Location: Sanders County
Section 36, T20N, R27W
Trust Beneficiaries: Common Schools
Trust Revenue: \$111,415 (estimated, minimum bid)**

Item Summary

Location: The Swamp Fire Salvage Timber Sale is located approximately 5 miles west of Plains, MT.

Size and Scope: The sale includes 3 harvest units (*127 acres*) of tractor and skyline logging.

Volume: The estimated harvest volume is 4,790 tons (*870 MBF*) of sawlogs.

Estimated Return: The minimum bid is \$23.26 per ton, which would generate approximately \$111,415 for the Common Schools Trust and approximately \$20,884 in Forest Improvement fees.

Prescription: This sale has a seed tree harvest prescription. Sixty-six forested acres had high mortality due to high-intensity fire behavior. This treatment will capture the value of burnt trees while reducing future fuel load by removing dead trees. Sixty-one acres of green timber will be harvested. Timber harvest will remove ponderosa pine, Douglas-fir, western larch, and grand fir.

Road Construction: The Department of Natural Resources (DNRC) is proposing 7.1 miles of road maintenance.

Access: Access is obtained via county road, a cost share with the United States Forest Service, and a reciprocal access agreement with Weyerhaeuser.

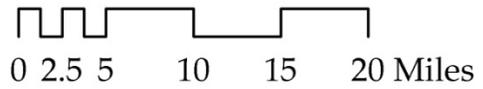
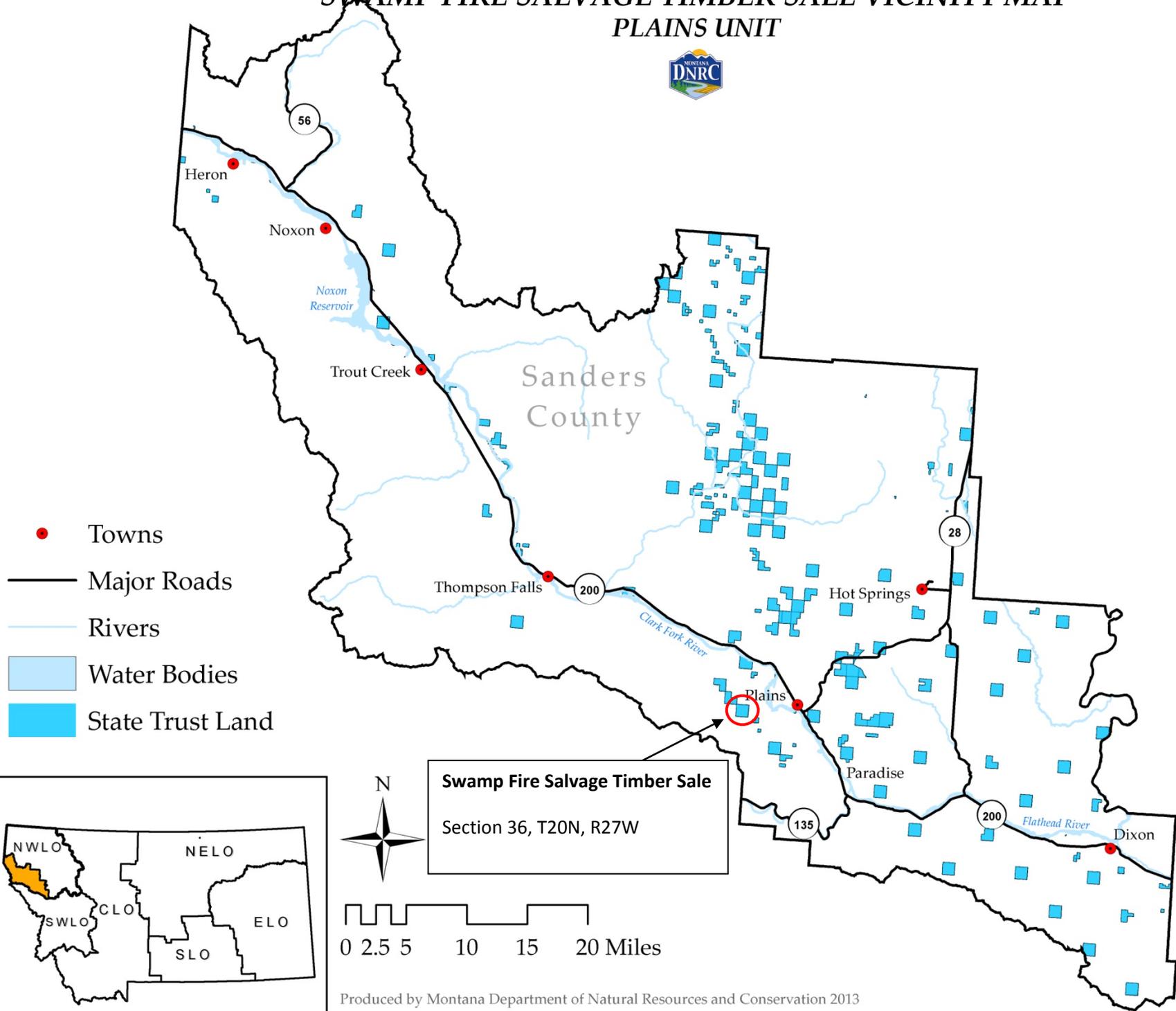
Public Comments: No comments were received.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Swamp Fire Salvage Timber Sale.

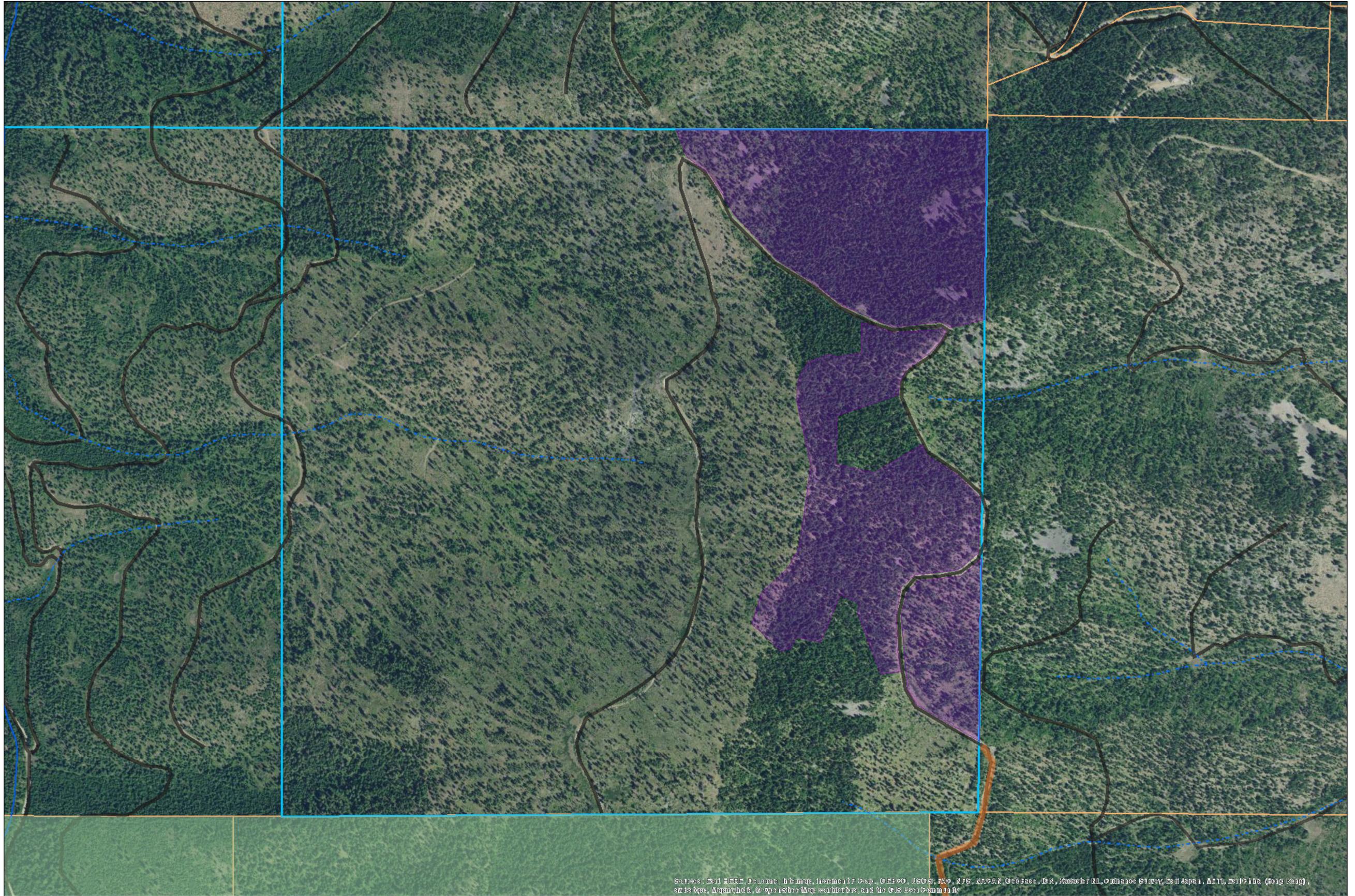
SWAMP FIRE SALVAGE TIMBER SALE VICINITY MAP PLAINS UNIT

0218-2



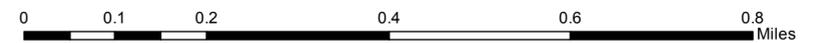
Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

Swamp Fire Salvage Timber Sale Harvest Unit Map



Source: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NAVA, GEBCO, IGN, swisstopo, Mapbox, © OpenStreetMap contributors, and the GIS User Community

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|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
|  Existing Road |  Perennial Stream |  USFS Land |
|  New Road |  Intermittent Stream |  Private Land |
|  Temporary Road |  Proposed Harvest Units |  BLM Land |
|  Haul Route |  DNRC Surface Tracts |  MT FWP |



0218-3

LAND BANKING PARCELS:
FINAL APPROVAL FOR SALE

**Land Board Agenda Item
February 20, 2018**

0218-3 Land Banking: Final Approval for Sale

**Location: Judith Basin County
Trust Benefits: Common Schools
Trust Revenue: \$160,000**

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one parcel totaling approximately 160 acres nominated for sale in Judith Basin County. The sale was nominated by the lessee and the parcel is located approximately 6 miles south of Stanford, Montana.

| Sale # | # of Acres | Legal | Nominator | Trust |
|---------------|-------------------|--------------------------------------------------|------------------|-------------------|
| 895 | 160± | SW¼, T16N-R12E Sec. 28 Judith Basin County | Richard Caquelin | Common Schools |

The sale parcel includes approximately 30 acres of agricultural land, 121 acres of grazing land, and a 9-acre home site. The parcel produces average productivity for agricultural, grazing and home site lands statewide.

The parcel is legally accessible by the public; however, overall recreational value is low because of the proximity of the home site.

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

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 2.78% 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 February 2017, the Land Board granted preliminary approval for this parcel to continue through the Land Banking sale evaluation process. This parcel was appraised by an independent appraiser contracted by DNRC concluding a market value of \$160,000. The appraisal was prepared by a Certified General Appraiser complying with the Uniform Standards of Professional Appraisal Practice and provided reasonable estimates of the current fair market value of the subject property. In October 2017, the Land Board set the minimum bid at the appraised value with access as follows:

| Sale # | Appraised Value With Access | Appraised Value per acre | Appraised Value of the Improvements | Recommended Minimum Bid |
|---------------|------------------------------------|---------------------------------|--------------------------------------------|--------------------------------|
| 895 | \$160,000 | \$1,000 | \$180,000 | \$160,000 |

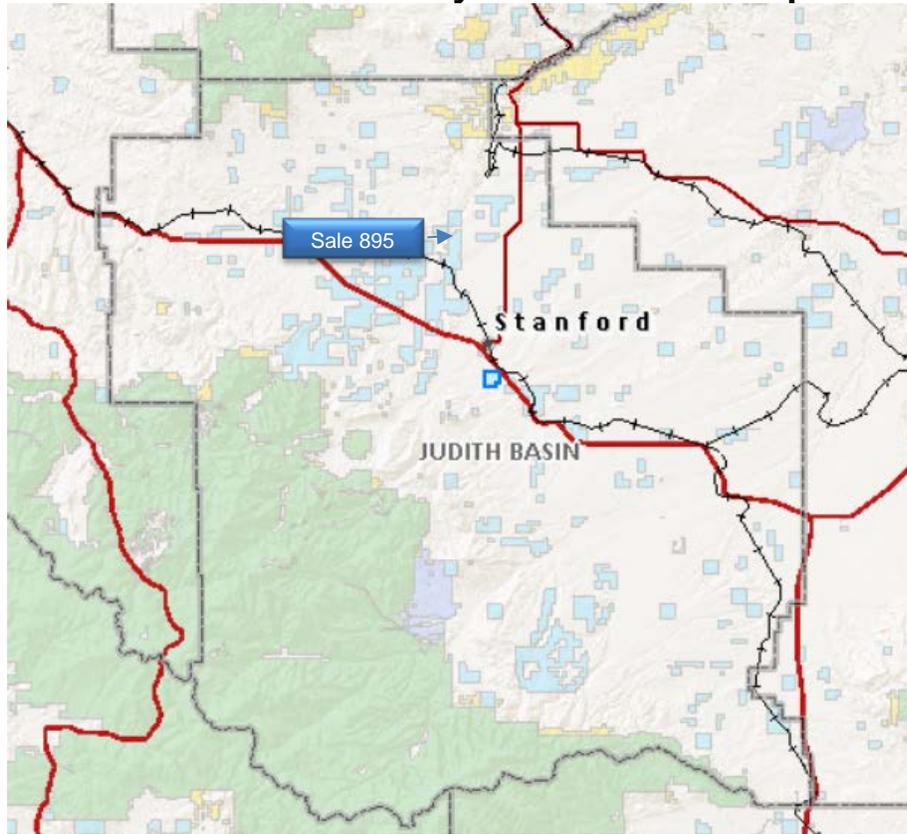
Sale Price

Land Banking Sale Number 895 sold at public auction on February 6, 2018. There was one bidder who was the lessee. The parcel was sold for the minimum bid amount listed above.

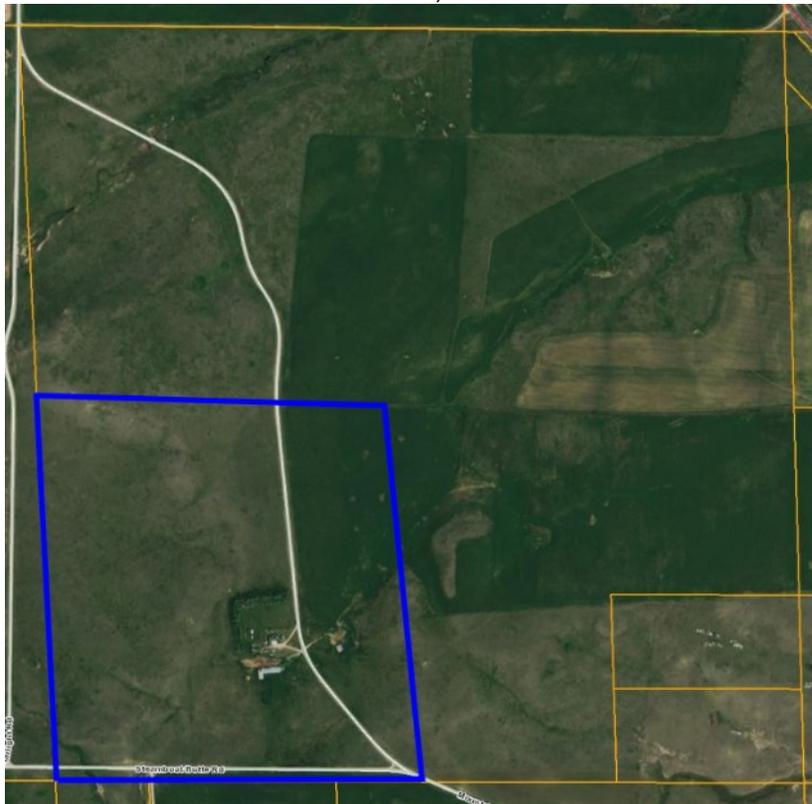
DNRC Recommendation

The director recommends final approval of Land Banking Sale Number 895. The sale will be closed within 30 days of final approval by the Land Board.

Judith Basin County Sale Location Map



Sale Number 895
T16N-R12E, Sec. 28



0218-4

LAND BANKING PARCELS:
FINAL APPROVAL FOR PURCHASE –
ANGELA FARM

**Land Board Agenda Item
February 20, 2018**

0218-4 Land Banking Acquisition: Final Approval for Purchase – Angela Farm

Location: Rosebud County
Trust Benefits: Common Schools, Eastern College–MSU/Western College–UM,
 Montana Tech, Public Buildings
Trust Revenue: \$342,387 estimated annually

Item Summary

Seller: Jump Angela Farms LLC, MT

Prospective Buyer: State of Montana, Department of Natural Resources and Conservation (DNRC)

Location: The property is located approximately 25 miles north of Miles City, Montana.

Property Characteristics: This farm property consists of 16,962± acres total. The current Purchase and Sale Agreement is a mixture of dry cropland (14,586 acres) and dryland grazing (2,376 acres).

 DNRC projects the property will generate a minimum annual revenue of \$342,387 from agricultural and grazing leases. This is a substantial increase over the revenue generated from the lands sold that will be used to purchase this property.

Recreational Opportunities: The property would provide upland bird and big game hunting opportunities. Wildlife in this area include: pronghorn antelope, mule deer, whitetail deer, Hungarian partridge, sharp-tail grouse, ducks, geese, and various other non-game mammals and birds. Other recreational opportunities such as hiking and bird-watching may also exist.

Access: The property is accessible by State Highway 59 and the North and South Angela county roads. Purchase of this property would also secure perpetual public access to 1,280 acres of trust land adjacent to the property.

Appraised Value: \$11,300,000 (West of Hwy 59) @ \$666/acre

Purchase Price: \$11,300,000 (West of Hwy 59) @ \$666/acre

Proposed Closing Date: March 30, 2018

Background:

The Angela Farm Property (23,949 acres) received preliminary approval from the Board of Land Commissioners (Land Board) on July 24, 2017. Since then, DNRC has engaged in due diligence evaluation of the property as per the Land Banking Rules in ARM 36.25.815.

The original Purchase and Sale Agreement involved the entire farm (23,949 acres) and split the potential acquisition into two separate purchases: Phase I-West Side, and Phase II-East Side. Phase I contains of 16,962± acres with an appraised purchase price of \$11,300,000; and Phase II contains 6,987± acres with an appraised value of \$4,100,000. Contracted appraisal and hazmat work evaluated the farm in the two separate acquisitions (West and East).

Given available land banking funds that meet the rate of return criteria for this acquisition, the Purchase and Sale Agreement (PSA) has been amended to allow DNRC to seek approval from the Land Board **to acquire only the portion of the farm west of Highway 59.**

Land banking funds involving four trusts have been selected and earmarked to close by March 30, 2018.

Public Involvement:

The Angela Farm property was nominated for state acquisition by DNRC under the Land Banking process. A general scoping of this purchase was completed by DNRC. This scoping process included direct mailings to Montana Fish, Wildlife & Parks, Rosebud County Commissioners, and all adjacent land owners. The Billings Gazette and other Montana newspapers have written articles on this potential acquisition given its geographical location, physical size, and potential contribution to funding school trusts. The Land Board has received letters of support from the Rosebud County Commissioners, local and adjacent landowners, and outdoor recreational advocates. Letters and conversations opposing the acquisition have been received as well. DNRC has met, visited, and written to those who oppose this acquisition to discuss concerns. Primary concerns expressed were the price, potential productivity, and a general opposition to the state purchasing a large block of land.

Access:

The farm has excellent legal access via county roads. This acquisition will provide legal access for two state trust sections currently inaccessible to the public. The state acquisition of this 16,962± acres will allow the public to access a large block of land that has not been open for access for at least 7 years under private ownership.

Encumbrances:

There are no Conservation Easements on this property. Normal utility, right of way, and county road easements cross through this farm covering 26 square miles.

DNRC Recommendation

The director recommends the Land Board grant final approval for the acquisition of the Angela Farm Property west of Highway 59 in Rosebud County.

Due Diligence Property Evaluation Summary

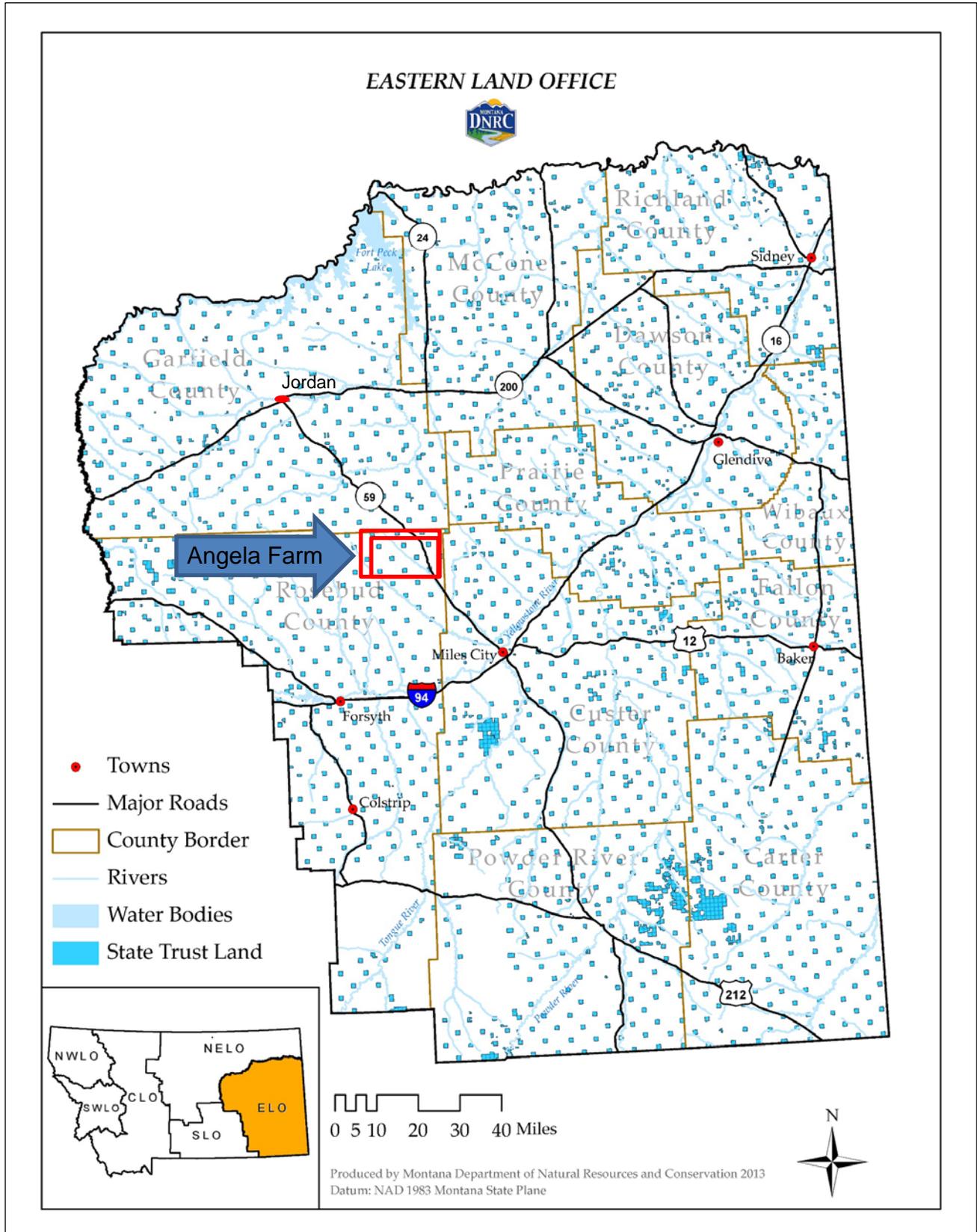
| ACQUISITION REPORT | EXPLANATION | | |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|
| Seller's Disclosure | No known material defects or environmental concerns reported on the property. | | |
| Annual Rate of Return Over 20 Years Property Acquired | | <u>NPV</u> | <u>RoR</u> |
| | Common Schools | \$2,977,492 | 3.01% |
| | Public Buildings | \$ 243,648 | 3.17% |
| | Montana Tech | \$ 700,693 | 3.11% |
| | Eastern/Western | \$ 100,045 | 2.79% |
| Annual Rate of Return Over 20 Years Property Sold | | <u>NPV</u> | <u>RoR</u> |
| | Common Schools | \$ 922,255 | 0.93% |
| | Public Buildings | \$ 31,163 | 0.41% |
| | Montana Tech | \$ 675,254 | 3.00% |
| | Eastern/Western | \$ 52,684 | 1.47% |
| Annual Income | <p>Dryland Crop: 14,080 acres Winter Wheat, Spring Wheat, Barley Crop Fallow Rotation Nontraditional Dryland Crop and Pulse Crop Rotation</p> <p>Grazing: Tame Pasture/Native 2,882 acres, 160 AUMs</p> <p>Projected Total Annual Net Revenue: \$341,900</p> | | |
| Classification of Property | Agricultural Land and Grazing Land | | |
| Soils/Range | <p>Soils in this area are generally well-developed and very productive. USDA-NRCS soil survey indicated Land Capability Classification as mostly Class IV soils. Most of the soils are of the Cambeth and Lonna Series. Soil textures on agricultural land are mostly fine silty loams, with 18-35% clay content. With utilization of conservation farming practices, the soils can be stable and productive. No till and minimal till farming operations have been implemented on this and surrounding properties for more than a decade. Dryland winter wheat and spring wheat on summer fallow yields of 30-40 bu/ac. Dryland barley on summer fallow yields of 40-60 bu/ac. Non-traditional dryland crops grown on or adjacent to the property include corn, dry peas, lentils, chickpeas, safflower and sunflowers.</p> | | |

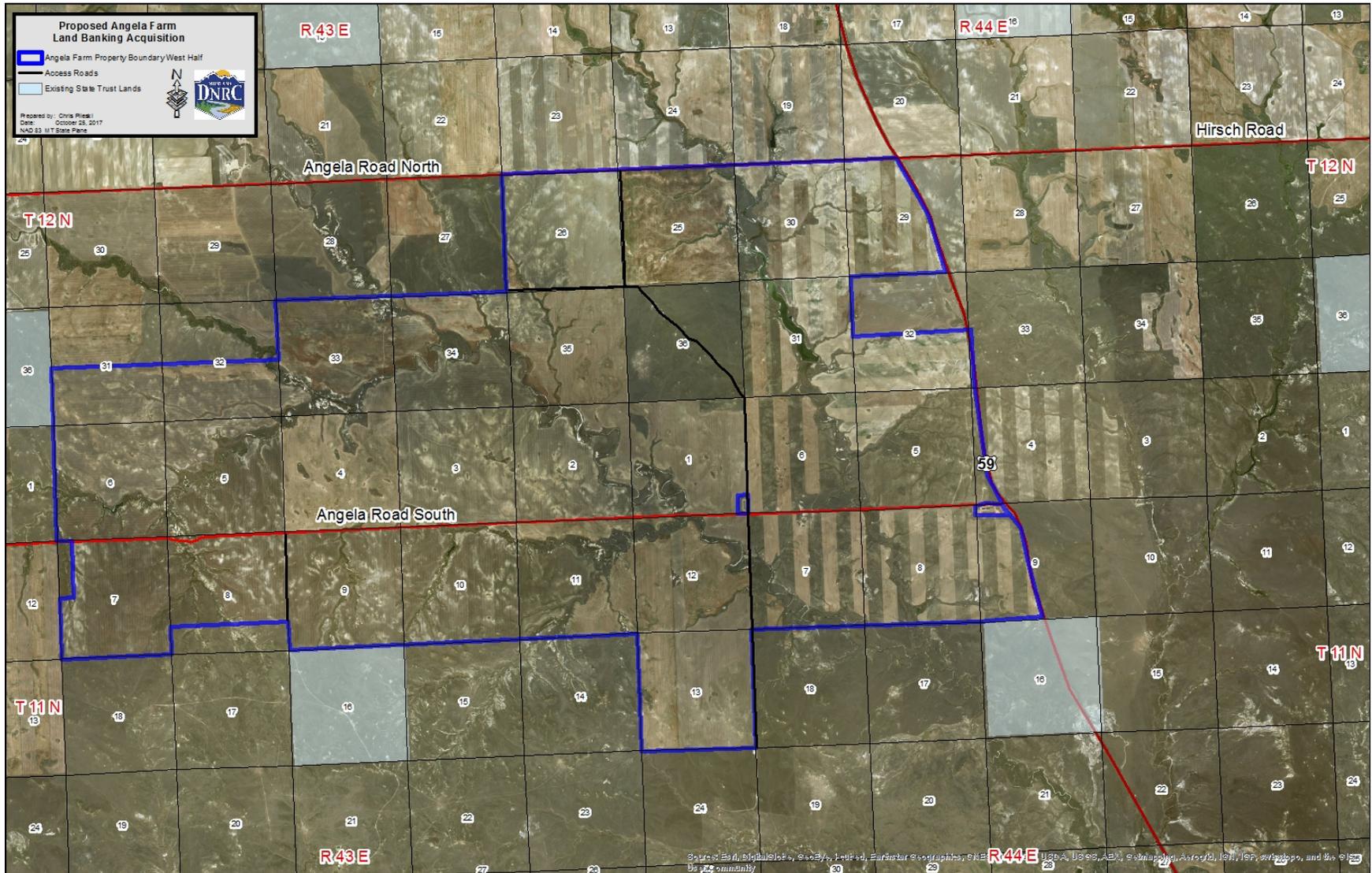
| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Vegetation</p> | <p>Native rangeland on this property is predominately located within the creek bottoms associated with the current dryland crop fields. Range sites are in good to excellent condition and are predominantly represented by silty, overflow, and saline lowland types. There are also some intermingled hilltops and benches that are represented by thin silty and shallow range sites. Species composition is dominated by grasses which include western wheatgrass, green needle grass, needle and thread, threadleaf sedge, blue grama, Canada wild rye, bluebunch wheatgrass, prairie sandreed, little bluestem, prairie junegrass, prairie cordgrass and alkali sacatan. Sub-dominant species include various forbs and shrubs. Pockets of non-native tame species on previously unbroken ground include smooth brome and crested wheatgrass. The native rangeland on this property has above-average grass production and is expected to have a carrying capacity of approximately .25 - .325 AUMS/Acre.</p> <p>Retired CRP acreage is seeded to tame grass species and is a mixture of tame pasture grazing and hayland. These stands are dense and well established. Hay acreage on this property includes mostly introduced species of grass (smooth brome, crested wheatgrass) and alfalfa. Dryland hay yields vary between .75 – 1.5 tons /acre.</p> |
| <p>Range Condition</p> | <p>The property is located in the northern mixed grass prairie, eastern sedimentary plains, 10 to 14 inch precipitation zone. Range condition is good to excellent. The carrying capacity of the property is typical to above-average for eastern Montana and estimated at:</p> <p><u>Approximately 160 AUMs are available on this property.</u></p> <p>***AUMs are estimated at this time. After final approval, DNRC's Eastern Land Office will complete field evaluations to determine appropriate stocking rates.</p> |
| <p>Weeds</p> | <p>Various common weeds and agricultural nuisance weed are present on the property. No out-of-control or large patches of noxious weeds were noted on the property. The sellers have an active weed management program across the entire property that includes chemical control, and this is expected to occur in future years with a new lessee.</p> |
| <p>Water</p> | <p>The property has numerous named and unnamed perennial and ephemeral drainages throughout with the prominent being Sunday Creek. One large reservoir, Boies Reservoir, is located on the west portion of the property.</p> |
| <p>Water Rights</p> | <p>DNRC will acquire all water rights associated with the property.</p> |

| | |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Wildlife (threatened, endangered) | No threatened or endangered species are known to be present on the property. Other wildlife on the property include: mule deer, whitetail deer, Hungarian partridge, geese, ducks, and various other non-game mammals and birds. |
| Fisheries | N/A |
| Riparian Characteristics | More than 10 miles of North Sunday Creek and Rock Springs Creek as well as numerous other creeks flow through the property. These areas are narrow riparian areas that are representative of southeastern Montana riparian areas. |
| Cultural Value | It is presently unknown if cultural resources exist on the private lands to be acquired by the State of Montana. If these private parcels become state property, then the State Antiquities Act will be applicable. The level of future cultural resource review will depend on the nature of a proposed DNRC Action, and the condition of the land the Action is proposed upon. |
| Mineral Characteristics | DNRC will be acquiring whatever mineral rights the seller may own with this transaction. There is no active oil and gas development in this area, and there is low potential for future oil and gas activity. |
| Aesthetic Values | The property is entirely agricultural and grazing and does not have any unique landscape structures or unique vista located on it. |
| Recreational Use | The property would provide recreational use opportunities for big game and upland bird hunting. The best opportunities are associated with the creek bottoms and riparian areas. Wildlife in this area include: pronghorn antelope, mule deer, whitetail deer, Hungarian partridge, sharp-tail grouse, ducks, geese, and various other non-game mammals and birds. Other recreational opportunities such as hiking and bird-watching may also exist. |
| Zoning | None |
| Planning | None |
| Surrounding Land Use | Adjacent lands are agricultural land (dry cropland) and grazing land. |
| Potential for Multiple Use | The primary use of the property would be agricultural for wheat, pulse crop, and hay production and the grazing of livestock. The property is likely to get moderate recreational use during hunting season, particularly by antelope and deer hunters. |
| Access to Parcel | All tracts on this property are accessible through county roads (Angela Roads North and South) and State Highway 59N. |
| Infrastructure | The property contains 15+ miles of border and cross fencing. The property also includes numerous water wells. |

| Adjacent Public Lands | The property borders and will provide access to 1,280 acres of land-locked state trust land. | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|--------------|----------------|-------------|--------|------------------|------------|-----|---------|-------------|-------|-----------------|------------|-----|--------------|---------------------|---------------|
| Appraised Value | \$11,300,000.00 | | | | | | | | | | | | | | | | | | |
| Purchase Price | <table border="1"> <thead> <tr> <th><u>Trust</u></th> <th><u>Funds</u></th> <th><u>Acres</u></th> </tr> </thead> <tbody> <tr> <td>Common Schools</td> <td>\$8,421,510</td> <td>12,707</td> </tr> <tr> <td>Public Buildings</td> <td>\$ 654,935</td> <td>956</td> </tr> <tr> <td>MT Tech</td> <td>\$1,918,310</td> <td>2,827</td> </tr> <tr> <td>Eastern/Western</td> <td>\$ 305,785</td> <td>472</td> </tr> <tr> <td>Total</td> <td>\$11,300,000</td> <td>16,962</td> </tr> </tbody> </table> | <u>Trust</u> | <u>Funds</u> | <u>Acres</u> | Common Schools | \$8,421,510 | 12,707 | Public Buildings | \$ 654,935 | 956 | MT Tech | \$1,918,310 | 2,827 | Eastern/Western | \$ 305,785 | 472 | Total | \$11,300,000 | 16,962 |
| <u>Trust</u> | <u>Funds</u> | <u>Acres</u> | | | | | | | | | | | | | | | | | |
| Common Schools | \$8,421,510 | 12,707 | | | | | | | | | | | | | | | | | |
| Public Buildings | \$ 654,935 | 956 | | | | | | | | | | | | | | | | | |
| MT Tech | \$1,918,310 | 2,827 | | | | | | | | | | | | | | | | | |
| Eastern/Western | \$ 305,785 | 472 | | | | | | | | | | | | | | | | | |
| Total | \$11,300,000 | 16,962 | | | | | | | | | | | | | | | | | |
| Summary of Title Report | The state has reviewed a preliminary title commitment. The seller warrants the title shall be good, marketable, and insurable subject to the exceptions approved by the state. | | | | | | | | | | | | | | | | | | |
| Summary Phase 1 Site Analysis | A Phase I Environmental Site Assessment was performed by Pioneer Technical Services of Billings, MT. Their review and report found minor occurrences of potential environmental issues. These issues were documented in their report and passed on to the seller. The seller has since agreed to and completed all recommended remediation on the property. No other environmental concerns are associated with the property. | | | | | | | | | | | | | | | | | | |
| Notification to Commissioners and Adjacent Land Owners | The Rosebud County Commissioners have been notified of this proposed acquisition. The Commission supports the acquisition. | | | | | | | | | | | | | | | | | | |

Angela Farm Location Map





0218-5

CABIN AND HOME SITE SALES:
SET MINIMUM BID FOR SALE

**Land Board Agenda Item
February 20, 2018**

0218-5 Cabin and Home Sites: Set Minimum Bid for Sale

Location: Missoula County
Trust Benefits: Pine Hills School
Trust Revenue: \$155,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests to set the minimum bid for the sale of a cabin site in Missoula County. The sale was nominated by the lessees and DNRC in conjunction with the Cabin and Home Site Sale Program.

| Sale Number | # of Acres | Legal | Nominator | Trust |
|--------------------|-------------------|-------------------------------------------------------------|---------------------------------|----------------------|
| 883 | 1.03 | Lot 18, Elbow Lake, T15N-R14W, Sec 20 Missoula County | Patrick Dougherty & Tom Ward | Pine Hills School |

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

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

Economic Analysis

Short term – The average rate of return for the sale parcel is as follows:

| Sale # | Rate of Return |
|---------------|-----------------------|
| 883 | 1.951% |

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.78% 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 variously disturbed over the course of many years of occupation and development. This sale will have no effect to state owned heritage properties.

Appraised Value & Hearing

The values for this sale parcel were set after a hearing on the originally-appraised value of the land which took place in November 2017. The hearing was requested by the sale proponents within the time frame allotted by the Cabin and Home Site Sale Program process. The appraised improvements value was not affected by the hearing.

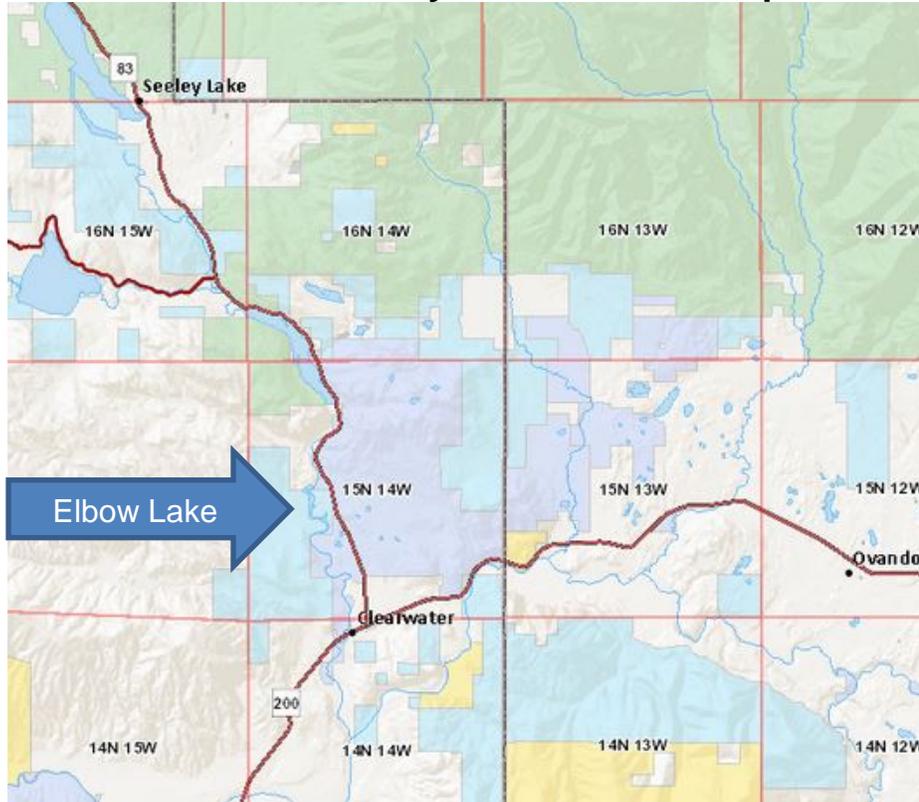
The hearing examiner decreased the original appraised value of the land after additional consideration, which resulted in the following values:

| Sale # | Original Appraised Value of the Land | Value of the Land Determined by the Valuation Hearing | Appraised Value of Improvements |
|---------------|---------------------------------------------|--------------------------------------------------------------|----------------------------------------|
| 883 | \$165,000 | \$155,000 | \$94,000 |

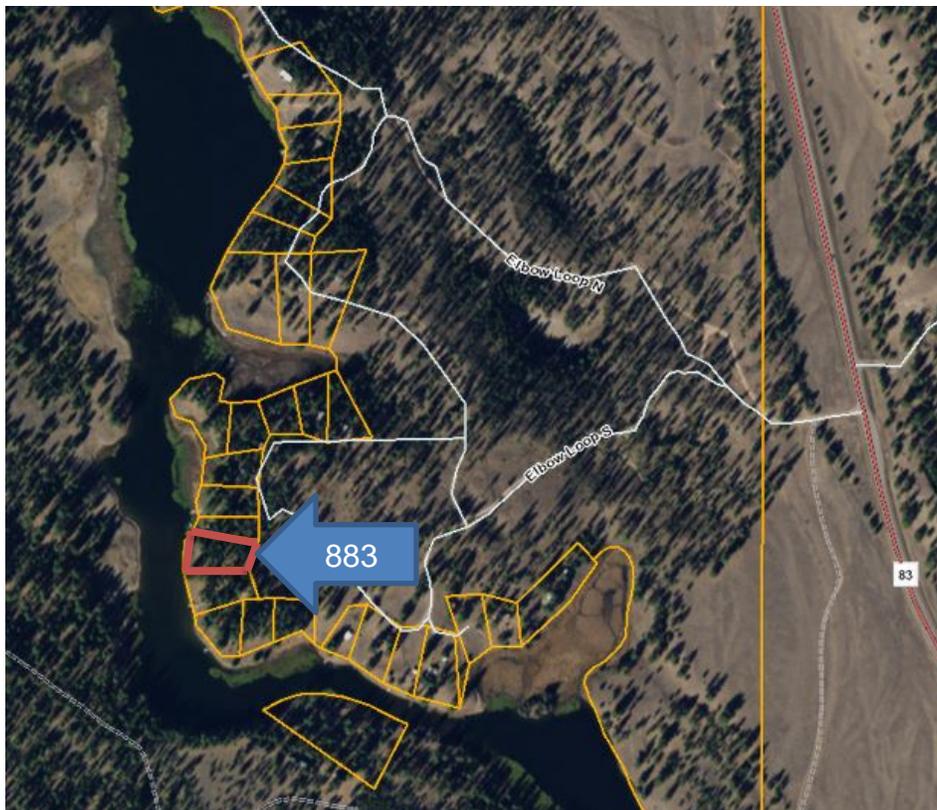
DNRC Recommendation

The director recommends that the Land Board set the minimum bid for this sale parcel at the value of the land determined by the valuation hearing and the maximum value of compensation for the improvements as shown above.

Missoula County Sale Location Map



Elbow Lake Sale



0218-6

CABIN AND HOME SITE SALES:
FINAL APPROVAL FOR SALE

**Land Board Agenda Item
February 20, 2018**

0218-6 Cabin and Home Sites: Final Approval for Sale

Location: Flathead, Missoula Counties

Trust Benefits: Common Schools, MSU 2nd

Trust Revenue: \$545,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of 2 cabin sites nominated for sale in Flathead and Missoula counties. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

| Sale # | # of Acres | Legal | Nominator | Trust |
|---------------|-------------------|-----------------------------------------------------------------|------------------------------|---------------------|
| 850 | 1.5 | Lot 25, McGregor Lake, T26N-R25W, Sec. 16 Flathead County | Helen Brown, et al. | Common Schools |
| 896 | 1.101 | Lot 8, Placid Lake, T16N-15W, Sec. 30 Missoula County | Alan Davis & Karen Cooper | MSU 2 nd |

All parcels are currently leased as cabin/home sites and produce an average income for residential leases statewide.

Each parcel will be sold with the access provided to the current lessee under their lease agreement.

Economic Analysis

Short term – The average rates of return are as follows:

| Sale # | Rate of Return |
|---------------|-----------------------|
| 850 | 3.857% |
| 896 | 2.434% |

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 2.78% 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 variously disturbed over the course of many years of occupation and development. This sale will have no effect to state owned heritage properties.

Background

Sale Number 850 was granted preliminary approval to continue through the cabin site sale evaluation process in January 2017. In May 2017, the Land Board granted preliminary approval for Sale Number 896. In November 2017, the Land 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 for the Land | Maximum Value of Improvements |
|---------------|---------------------------------|--------------------------------------|
| 850 | \$230,000 | \$96,000 |
| 896 | \$315,000 | \$510,000 |

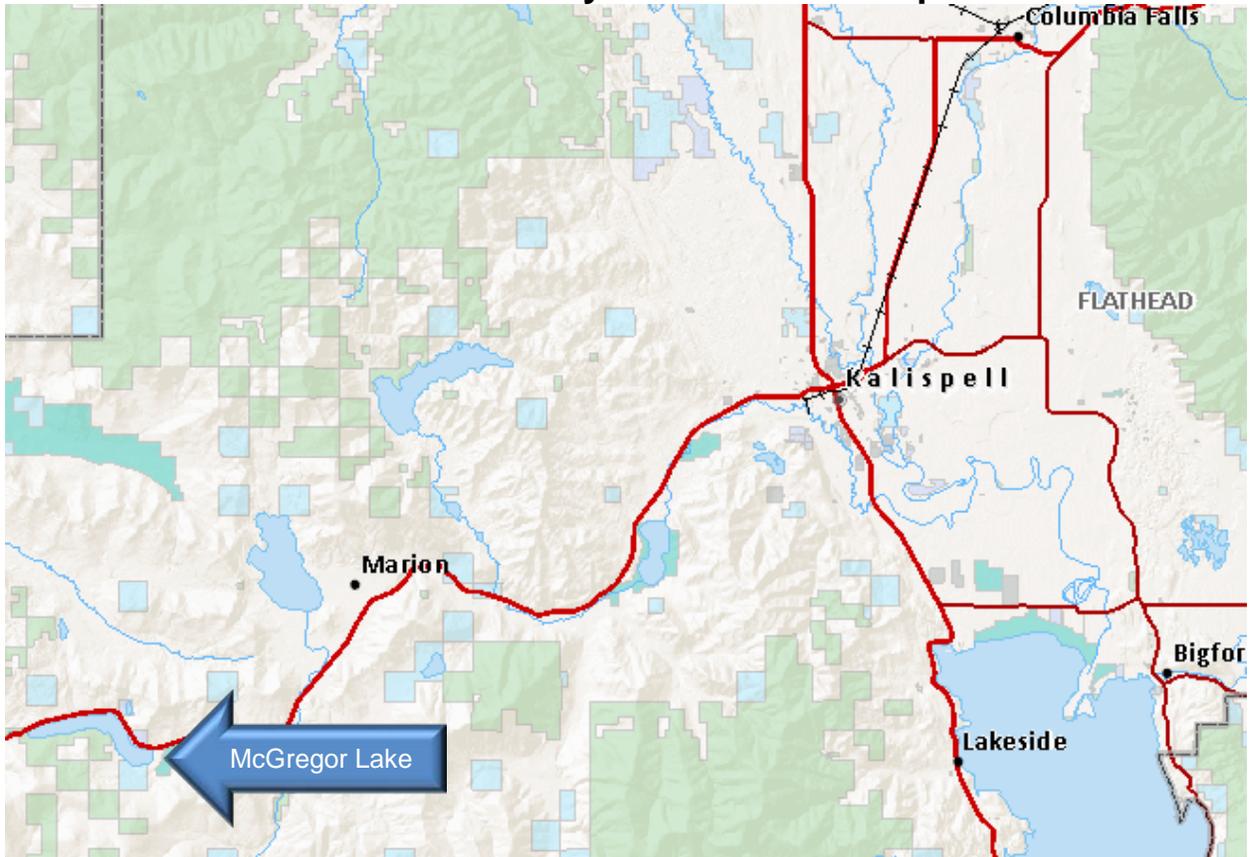
Sale Price

Sale Number 850 sold at public auction on February 8, 2018, and Sale Number 896 sold at public auction on February 9, 2018. There was one bidder per sale who were the lessees. These parcels were sold for the minimum bid amounts listed above.

DNRC Recommendation

The director recommends final approval for the cabin site lots at the values shown above. The sales will close within 30 days of final approval by the Land Board.

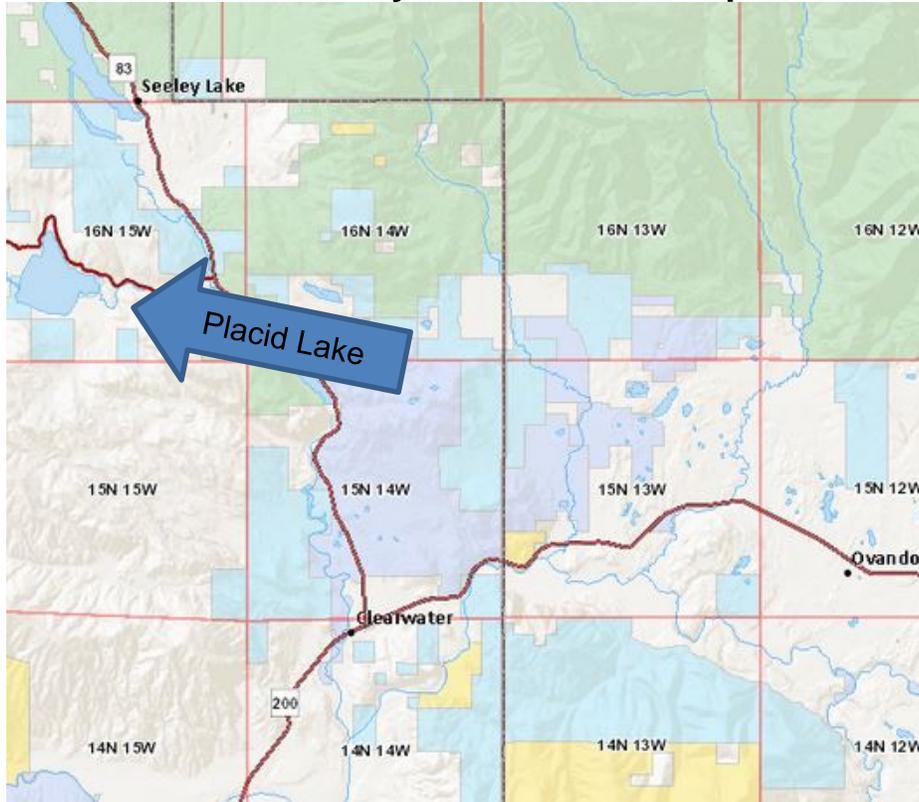
Flathead County Sale Location Map



McGregor Lake Sale No. 850



Missoula County Sale Location Map



Placid Lake Sale No. 896



0218-7

INDEMNITY SELECTIONS:
FINAL APPROVAL – PHASE 1

**Land Board Agenda Item
February 20, 2018**

0218-7 Indemnity Selections: Final Approval – Phase I

Location: Chouteau, Custer, Hill

Trust Benefits: Common Schools

Trust Revenue: \$1,824,980 (Land Value)

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting acceptance of Bureau of Land Management (BLM) federal lands (2,126.11 acres) certified for Clear List #124 for transfer of title from BLM to the State of Montana. These lands were previously identified by DNRC and BLM as suitable replacement for “base” lands not received by the state during statehood and the Enabling Act of 1889. On May 18, 2015, the Land Board voted to accept final approval of the agreed market value methodology of the base lands and subsequent DNRC-BLM selected replacement lands.

History: In November 2011, DNRC and BLM staff met to discuss the status of the state’s selection of lands under the Omnibus Enabling Act of 1889 and to prioritize the work of completing the state’s in-lieu selections. The most recent selection of in-lieu lands was completed in 1990. After the November 2011 meeting, an extensive review of the BLM State Indemnity Selection case files was made to determine what lands were not received by the state.

In June 2013, BLM notified DNRC’s director that the state was still owed 1184.16 acres, consisting mostly of nine parcels of land scattered throughout the state. The director notified BLM in September 2013 that DNRC would choose to balance the selection of in-lieu lands by the value of the base lands that had not been received, and not by acreage.

DNRC and BLM staffs have complied with the BLM Manual, Section 2621 – Indemnity Selections, in determining that the current market value of the 1184.16 acres of base land not received by the state to be \$4,104,727.00.

Background: The director concurred with the market values determined and the methodology used, and DNRC moved forward with completing the state’s indemnity selections. These values were approved at the May 18, 2015, Land Board meeting, where DNRC was directed to make application for the in-lieu lands to replace the base lands not received by the state at the agreed-upon base land’s market value of \$4,104,727.00.

Early in 2017, BLM made the administrative decision to divide the conveyance of selected in-lieu lands into two separate phases to complete Phase 1 NEPA and formal Registry process by December 31, 2017. DNRC requests the Land Board’s formal ratification of acceptance of the lands that have received certification for Clear List transfer to the state. The acreage and value of the two land portions of Phase I is as follows:

| Parcel | # of Acres | Legal | Value | Trust |
|--------------------------------|------------|----------------------------------------------------------------|------------------------------------|----------------|
| Miles City Administrative Site | 6.11 | T7N-R47E, Sec. 4: Portions of Tracts O & Z Custer County | \$109,980 | Common Schools |
| Lonesome Lake | 160 | T29 N, R11 E, Sec. 21: N2N2 Chouteau County | \$1,579,000 Total for 8 Parcels | Common Schools |
| | 40 | T29 N, R11 E, Sec. 22: NW4NW4 Chouteau County | | Common Schools |
| | 480 | T29 N, R12 E, Sec. 09: W2, SE4 Chouteau County | | Common Schools |
| | 120 | T29 N, R12 E, Sec. 21: part of N2N2 Chouteau County | | Common Schools |
| | 320 | T29 N, R12 E, Sec. 28: W2 Chouteau County | | Common Schools |
| | 160 | T29 N, R12 E, Sec. 29: E2E2 Chouteau County | | Common Schools |
| | 640 | T29 N, R12 E, Sec. 22: ALL Chouteau | | Common Schools |
| | 160 | T30 N, R12 E, Sec. 35: SE Hill County | | Common Schools |
| Total | 2126.11 | | \$1,824,980 | |

Access: The Lonesome Lake tracts are legally accessible via public roads. The Miles City Administrative site is accessible via city streets.

Public Access and Recreational Opportunities: These lands will remain open and accessible to the public subject to state recreational access rules governing lands with agricultural cropland leases.

Public Involvement: Public scoping regarding these indemnity selections included multiple press releases in local papers and social media, as well as publication in the Federal Register which consisted of a 60-day comment period and concurrent notification published in local newspapers for 5 consecutive weeks. Public hearings were held in Miles City, Billings, and Havre, and Tribal consultation was also held. The parcels went through the NEPA process, which had NEPA scoping and there was a comment period on the final NEPA document. In addition, there was a 30-day comment period on the final publication in the Federal Register. In addition, there were multiple stories in some of the larger newspapers around the state.

Annual Rate of Return:

Lonesome Lake Parcels: 3.38%

Miles City Administrative Site: 4%, the current minimum bid lease rate for commercial leases

Annual Income:

Lonesome Lake: \$53,382.00

Miles City Administrative Site: \$4400.00

Classification of property:

Lonesome Lake: Agriculture: 1750 acres

Grazing: 370 acres

Miles City Administrative Site: Commercial/Other: 6.11 acres

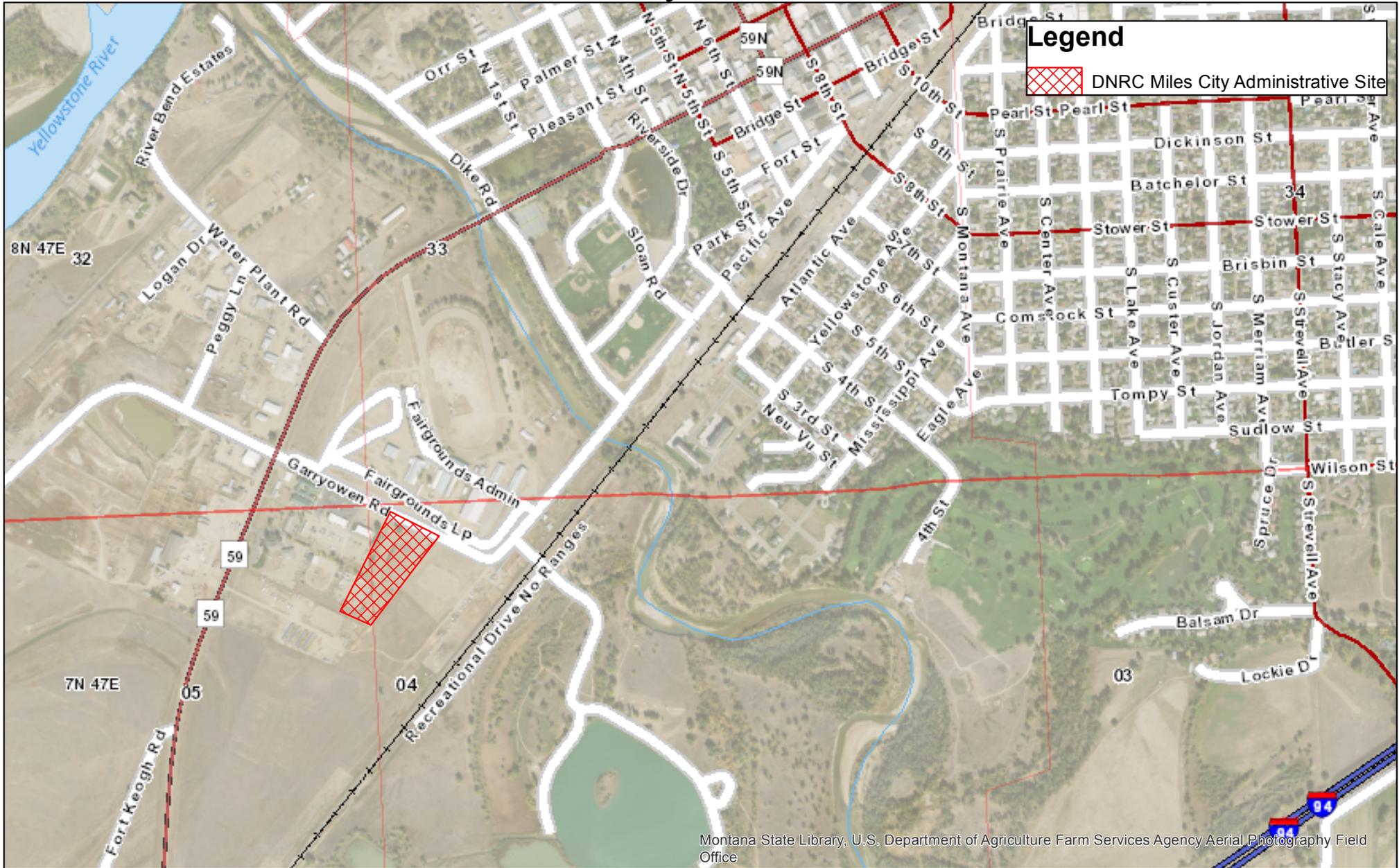
Cultural Values: BLM has conducted a cultural value assessment, and no cultural resource issues have been identified for the parcels to be conveyed to the state.

DNRC Recommendation

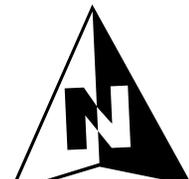
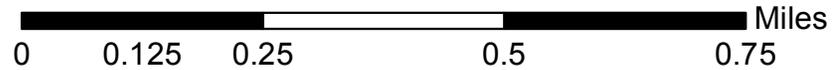
The director recommends final acceptance by the Land Board for Phase 1 lands that have received certification for Clear List transfer to the state with a total acreage of 2,126.11 and a value of \$1,824,980.

DNRC Miles City Administrative Site

0218-7



Location: Custer County, MT
Prepared by: RMW
Prepared on: 01 FEB 2018
Projection: NAD 1983 - MT State Plane



State of Montana Indemnity Selection Project

Havre FO
Chouteau and Hill Counties
December 2, 2015

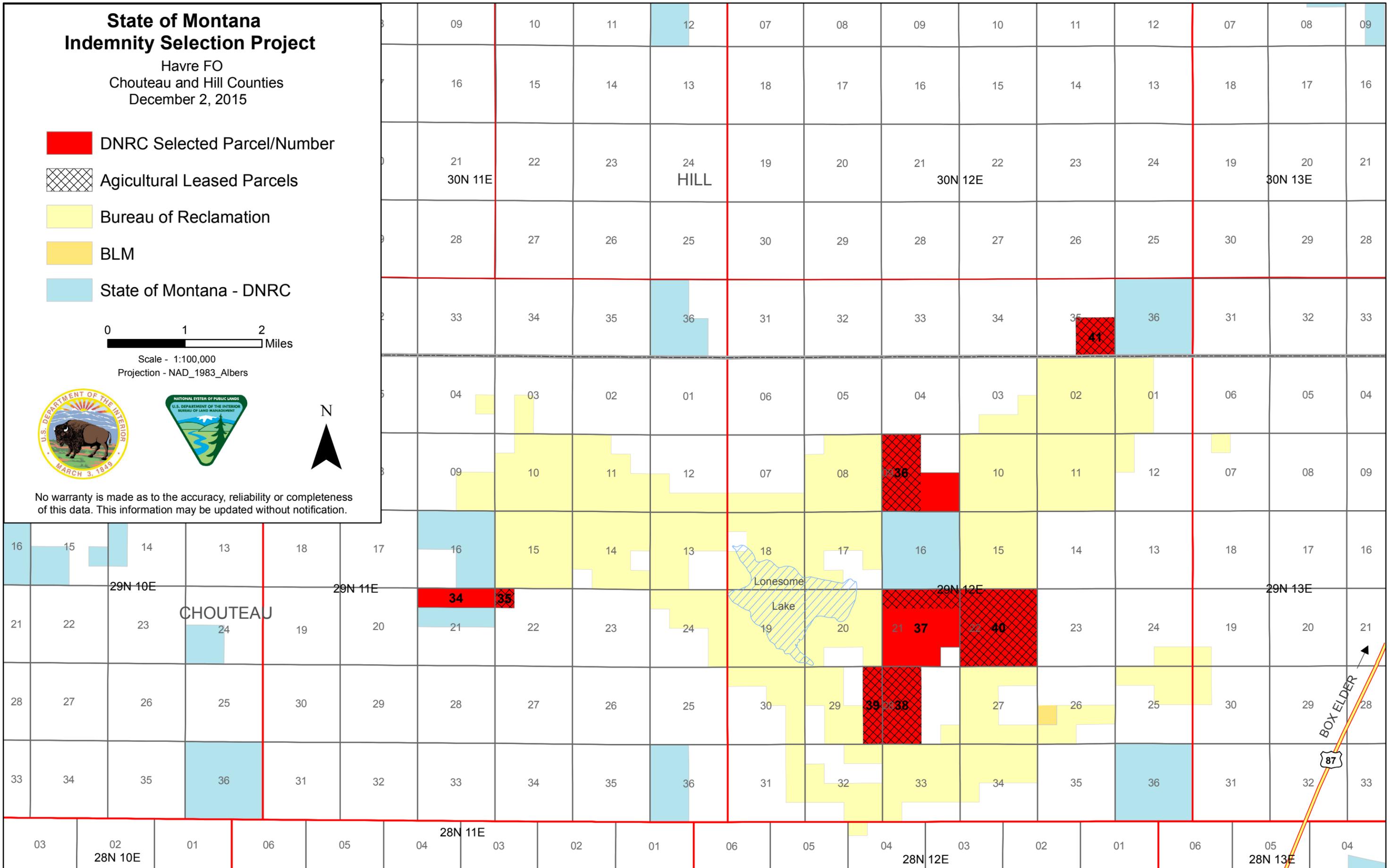
- DNRC Selected Parcel/Number
- Agricultural Leased Parcels
- Bureau of Reclamation
- BLM
- State of Montana - DNRC



Scale - 1:100,000
Projection - NAD_1983_Albers



No warranty is made as to the accuracy, reliability or completeness of this data. This information may be updated without notification.



0218-8

EASEMENTS

**Land Board Agenda Item
February 20, 2018**

0218-8 Easements

Location: Carter, Cascade, Fergus, Granite, Madison, Pondera

Trust Benefits: Common Schools, Pine Hills School, Public Land Trust

Trust Revenue: Common Schools = \$ 15,179.00
Pine Hills School = \$ 1,680.00
Public Land Trust = \$ 5,073.00

Item Table of Contents

| Applicant | Right-of-Way Purpose | Term | Page(s) |
|-----------------------------------------|------------------------------|-------------|----------------|
| Northwestern Energy | Historic Utility Lines | Permanent | 1-9 |
| DVM Capital, LLC | Private Access Road | Permanent | 10-11 |
| Kyle & Jackie Grimsrud | Historic Private Access Road | Permanent | 12-15 |
| Marias River Electric Cooperative, Inc. | New Overhead Utility Line | Permanent | 16-17 |

Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|-----------------------------------------------------------------------------------|
| Applicant: | Northwestern Energy 11 E. Park Butte, MT 59701 |
| Application No.: | 17623 |
| R/W Purpose: | a 69kV overhead electric transmission line |
| Lessee Agreement: | N/A (Historic) |
| Acreage: | 2.40 |
| Compensation: | \$1,680.00 |
| Legal Description: | 40-foot strip across the SW4NW4, N2NW4, Sec. 18, Twp. 5S, Rge. 5W, Madison County |
| Trust Beneficiary: | Pine Hills School |

Item Summary

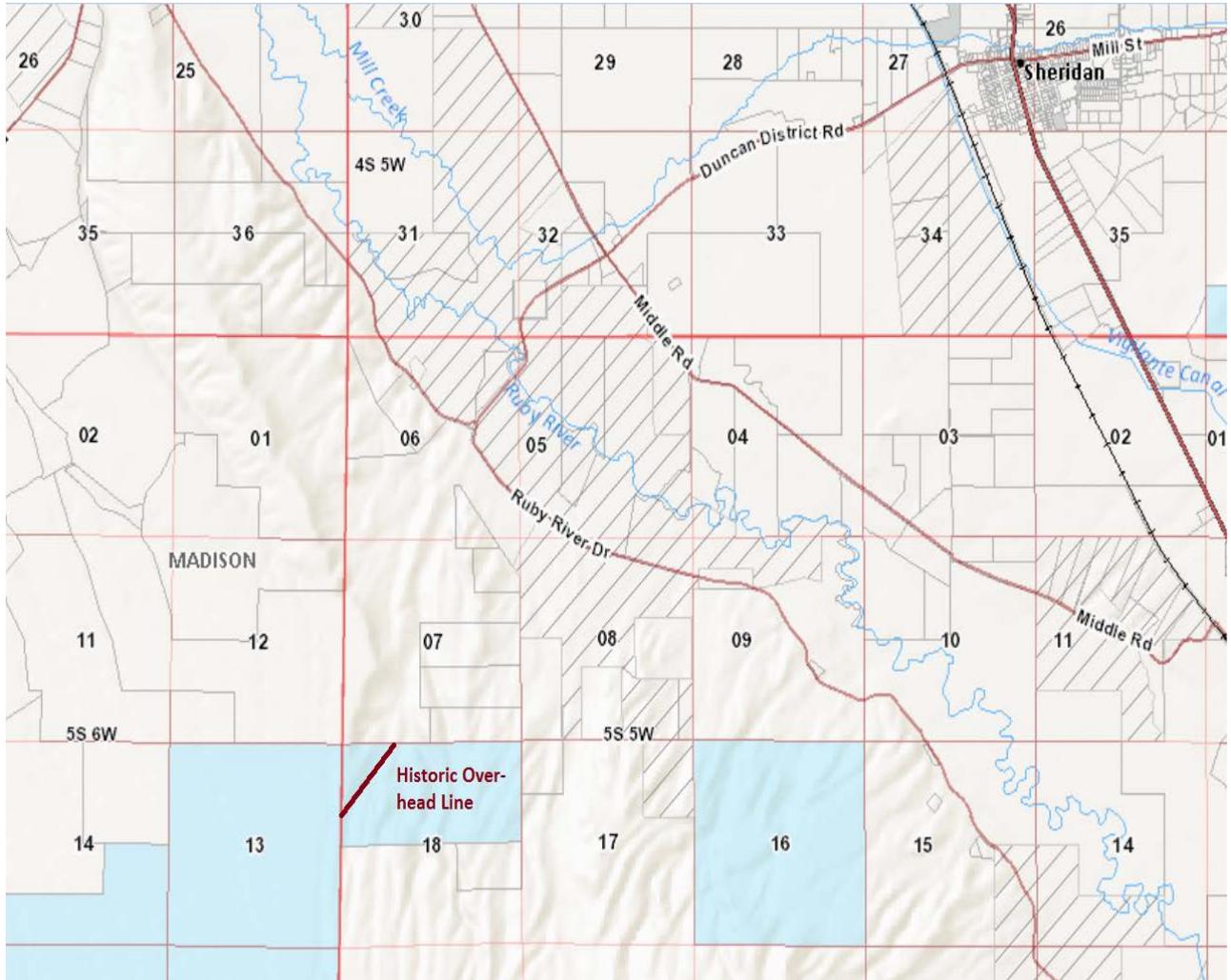
Northwestern Energy has made application for multiple overhead electric distribution and transmission lines and natural gas pipelines that were constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA, Northwestern Energy is requesting recognition of these overhead electric distribution and transmission lines as historic rights of ways.

DNRC Recommendation

The director recommends approval of this historic right of way for Northwestern Energy.

Rights of Way Applications

February 20, 2018



Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|-------------------------------------------------------------------------------|
| Applicant: | Northwestern Energy 11 E. Park Butte, MT 59701 |
| Application No.: | 17654 |
| R/W Purpose: | a 24.94 kV overhead electric distribution line |
| Lessee Agreement: | N/A (Historic) |
| Acreage: | 1.89 |
| Compensation: | \$13,230.00 |
| Legal Description: | 30-foot strip across the N2NW4, Sec. 36, Twp. 7N, Rge. 14W, Granite County |
| Trust Beneficiary: | Common Schools |

Item Summary

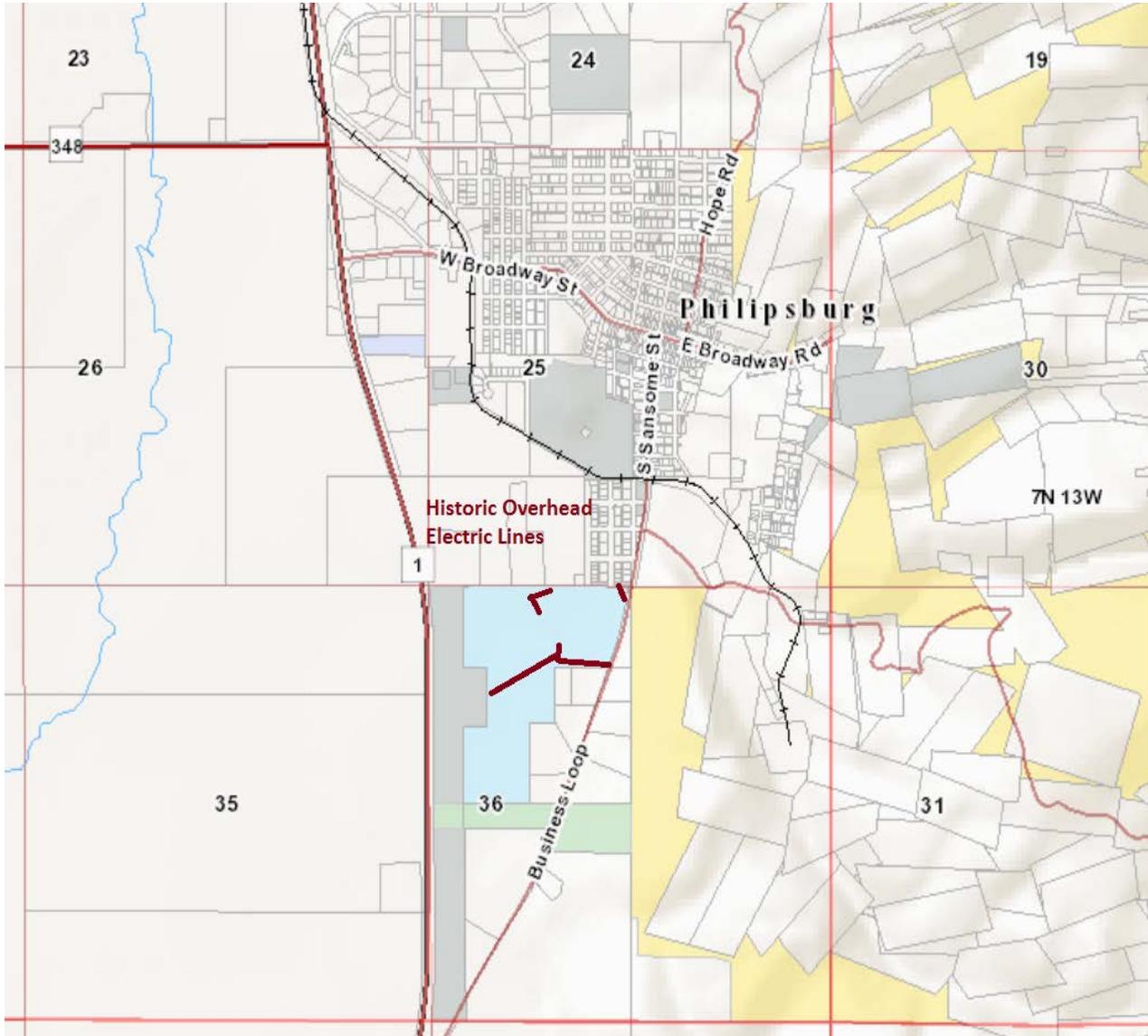
See explanation on page 1.

DNRC Recommendation

See recommendation on page 1.

Rights of Way Applications

February 20, 2018



Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|--------------------------------------------------------------------------------------------------|
| Applicant: | Northwestern Energy 11 E. Park Butte, MT 59701 |
| Application No.: | 17777 |
| R/W Purpose: | a 100kV overhead electric transmission line |
| Lessee Agreement: | N/A (Historic) |
| Acreage: | 0.36 |
| Compensation: | \$1,530.00 |
| Legal Description: | 30-foot strip across the Missouri River in SE4NE4, Sec. 34, Twp. 21N, Rge. 4E, Cascade County |
| Trust Beneficiary: | Public Land Trust |

Item Summary

See explanation on page 1.

DNRC Recommendation

See recommendation on page 1.

Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 E. Park
Butte, MT 59701

Application No.: 17778
R/W Purpose: a 230 kV overhead electric transmission line
Lessee Agreement: N/A (Historic)
Acreage: 0.21
Compensation: \$525.00
Legal Description: 30-foot strip across the Sun River in NE4NW4, Sec. 31,
Twp. 21N, Rge. 2E, Cascade County
Trust Beneficiary: Public Land Trust

Item Summary

See explanation on page 1.

DNRC Recommendation

See recommendation on page 1.

Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 E. Park
Butte, MT 59701

Application No.: 17779
R/W Purpose: a 230 kV overhead electric transmission line
Lessee Agreement: N/A (Historic)
Acreage: 0.51
Compensation: \$2,168.00
Legal Description: 30-foot strip across the Missouri River in SW4SE4, Sec. 26,
Twp. 21N, Rge. 4E, Cascade County
Trust Beneficiary: Public Land Trust

Item Summary

See explanation on page 1.

DNRC Recommendation

See recommendation on page 1.

Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 E. Park
Butte, MT 59701

Application No.: 17782
R/W Purpose: a 100 kV overhead electric transmission line
Lessee Agreement: N/A (Historic)
Acreage: 0.20
Compensation: \$850.00
Legal Description: 30-foot strip across the Missouri River in NE4NW4, Sec. 35,
Twp. 21N, Rge. 4E, Cascade County
Trust Beneficiary: Public Land Trust

Item Summary

See explanation on page 1.

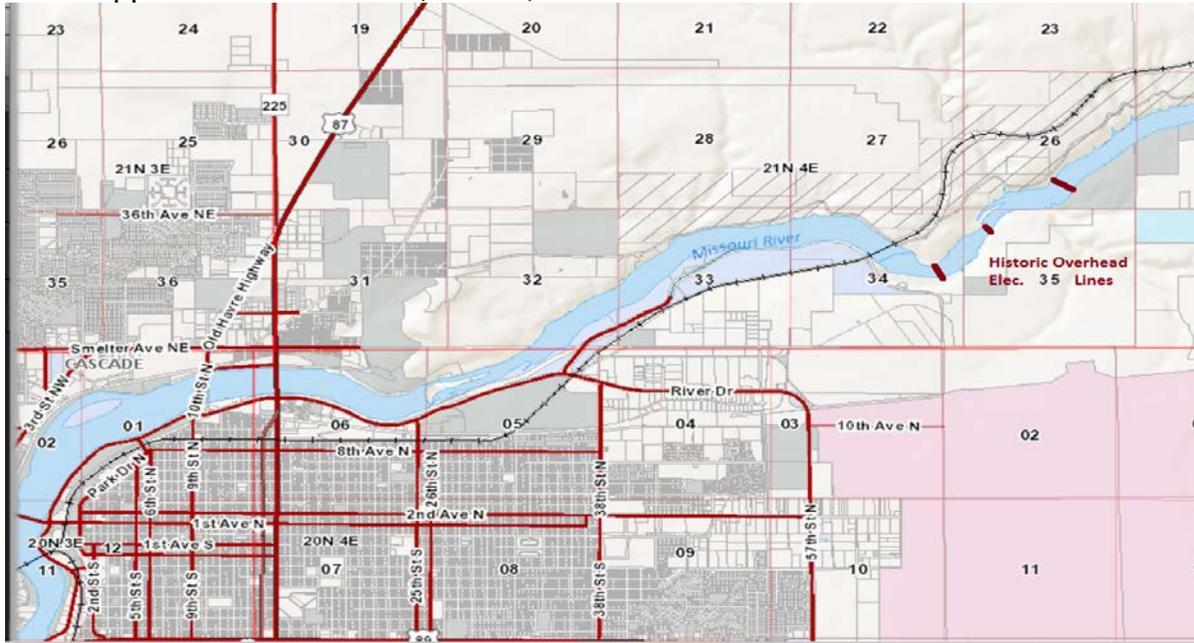
DNRC Recommendation

See recommendation on page 1.

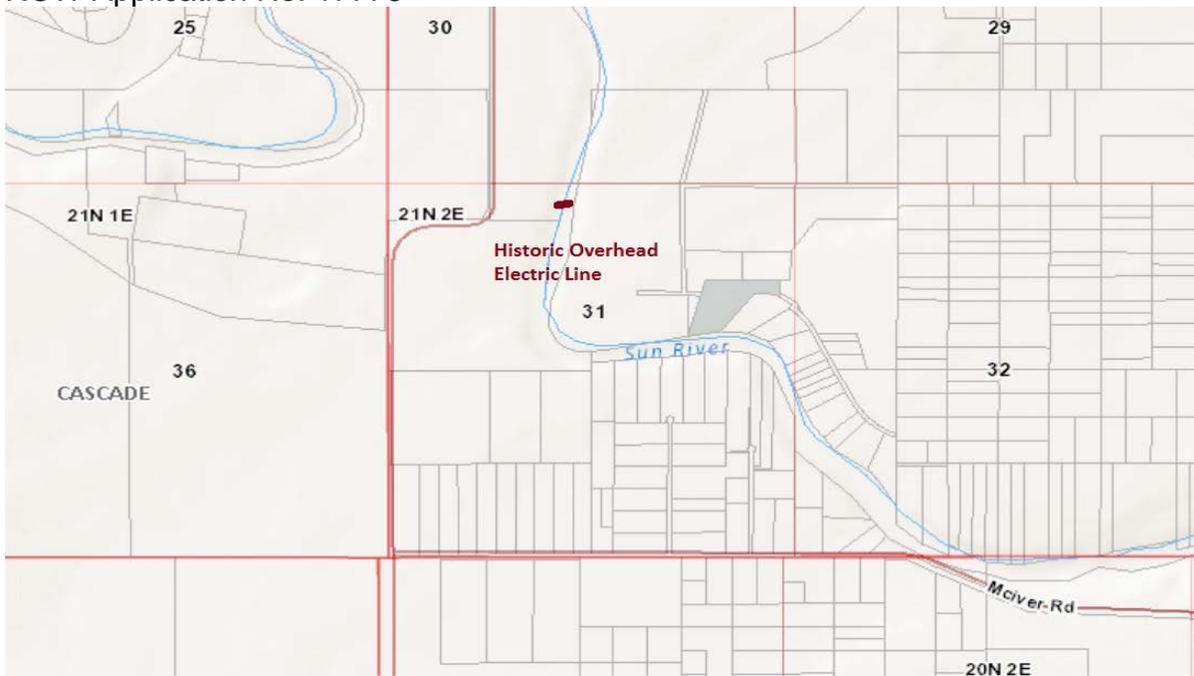
Rights of Way Applications

February 20, 2018

ROW Application Nos. 17777, 17779, & 17782



ROW Application No. 17778



Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|--------------------------------------------------------------------------------------------|
| Applicant: | DVM Capital, LLC PO Box 810 Ekalaka, MT 59324 |
| Application No.: | 18152 |
| R/W Purpose: | a private access road for the purpose of conducting normal farming and ranching activities |
| Lessee Agreement: | ok |
| Acreage: | 0.67 |
| Compensation: | \$338.00 |
| Legal Description: | 20-foot strip across the SE4SE4, SW4SE4, Sec. 16, Twp. 3N, Rge. 56E, Carter County |
| Trust Beneficiary: | Common Schools |

Item Summary

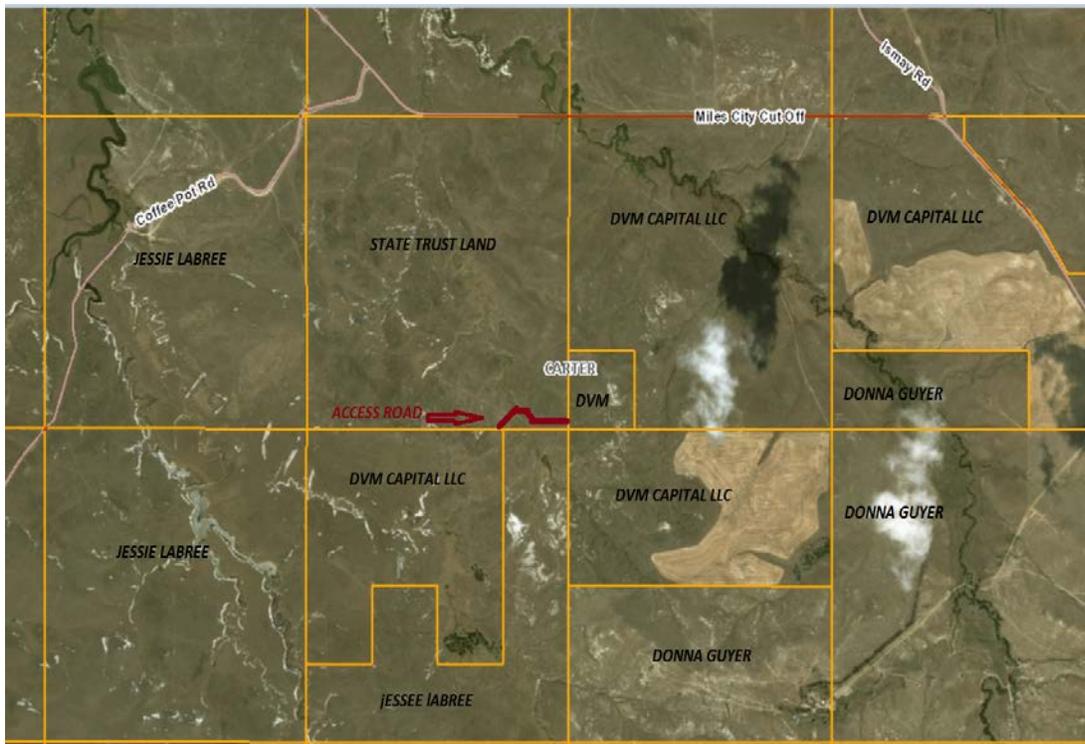
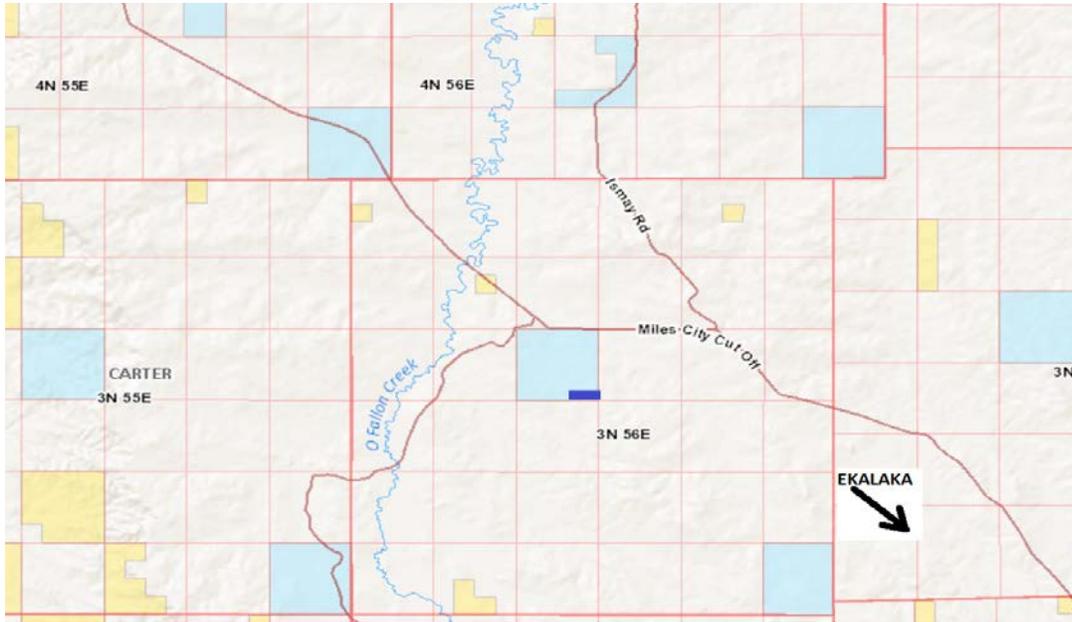
DVM Capital, LLC, is requesting an easement across state land to access their private lands. The road is an existing two-track trail that will need minor reconstruction, therefore it does not qualify under the historic right of way program. Impacts related to the minor reconstruction work are insignificant, however the project is located within the general sage grouse habitat. DVM has submitted the proposal through the Sage Grouse program and received approval to proceed. DVM's private property to be accessed is described as the NW4, W2NE4, NW4SE4, NW4SW4 of Section 21, Township 3 North, Range 56 East. Reciprocal opportunities are not present as the state parcel has legal access through a public county road.

DNRC Recommendation

The director recommends approval of this easement grant to DVM Capital, LLC.

Rights of Way Applications

February 20, 2018



Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|--------------------------------------------------------------------------------------------|
| Applicant: | Kyle & Jackie Grimsrud 2400 Antelope Lane Roy, MT 59741 |
| Application No.: | 18153 |
| R/W Purpose: | a private access road for the purpose of conduction normal farming and ranching activities |
| Lessee Agreement: | N/A (Historic) |
| Acreage: | 2.07 |
| Compensation: | \$932.00 |
| Legal Description: | 16-foot strip across the W2W2, Sec. 16, Twp. 19N, Rge. 25E, Fergus County |
| Trust Beneficiary: | Common Schools |

Item Summary

Kyle & Jackie Grimsrud have made application for the use of an existing road for conducting 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 state properties and Grimsrud properties are isolated parcels of land several miles from the nearest county road and approximately 25 miles east of Roy. Reciprocal opportunities do not exist with the Grimsruds. Access is available through BLM land adjacent to state land, however access is also reliant on other intervening private lands. Under the historic right of way program the applicant is not required to prove they have legal access up to the state land, therefore it is assumed they have access or have made arrangements for access across those properties. The Grimsrud property to be accessed is described as:

- S2NE4, SE4 Sec. 8, Twp. 19N, Rge. 25E
- SW4, S2NW4 Sec. 9, Twp. 19N, Rge. 25E
- N2NE4 Sec. 17, Twp. 19N, Rge. 25E

DNRC Recommendation

The director recommends approval of this historic right of way request for the Grimsruds.

Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Kyle & Jackie Grimsrud
2400 Antelope Lane
Roy, MT 59741

Application No.: 18154
R/W Purpose: a private access road for the purpose of conduction normal farming and ranching activities

Lessee Agreement: N/A (Historic)
Acreage: 0.60
Compensation: \$270.00
Legal Description: 16-foot strip across the SW4SW4, Sec. 28, Twp. 19N, Rge. 25E, Fergus County
Trust Beneficiary: Common Schools

Item Summary

See explanation on page 12.

DNRC Recommendation

See recommendation on page 12.

Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|--------------------------------------------------------------------------------------------|
| Applicant: | Kyle & Jackie Grimsrud 2400 Antelope Lane Roy, MT 59741 |
| Application No.: | 18155 |
| R/W Purpose: | a private access road for the purpose of conduction normal farming and ranching activities |
| Lessee Agreement: | N/A (Historic) |
| Acreage: | 0.18 |
| Compensation: | \$100.00 |
| Legal Description: | 16-foot strip across the SE4SE4, Sec. 29, Twp. 19N, Rge. 25E, Fergus County |
| Trust Beneficiary: | Common Schools |

Item Summary

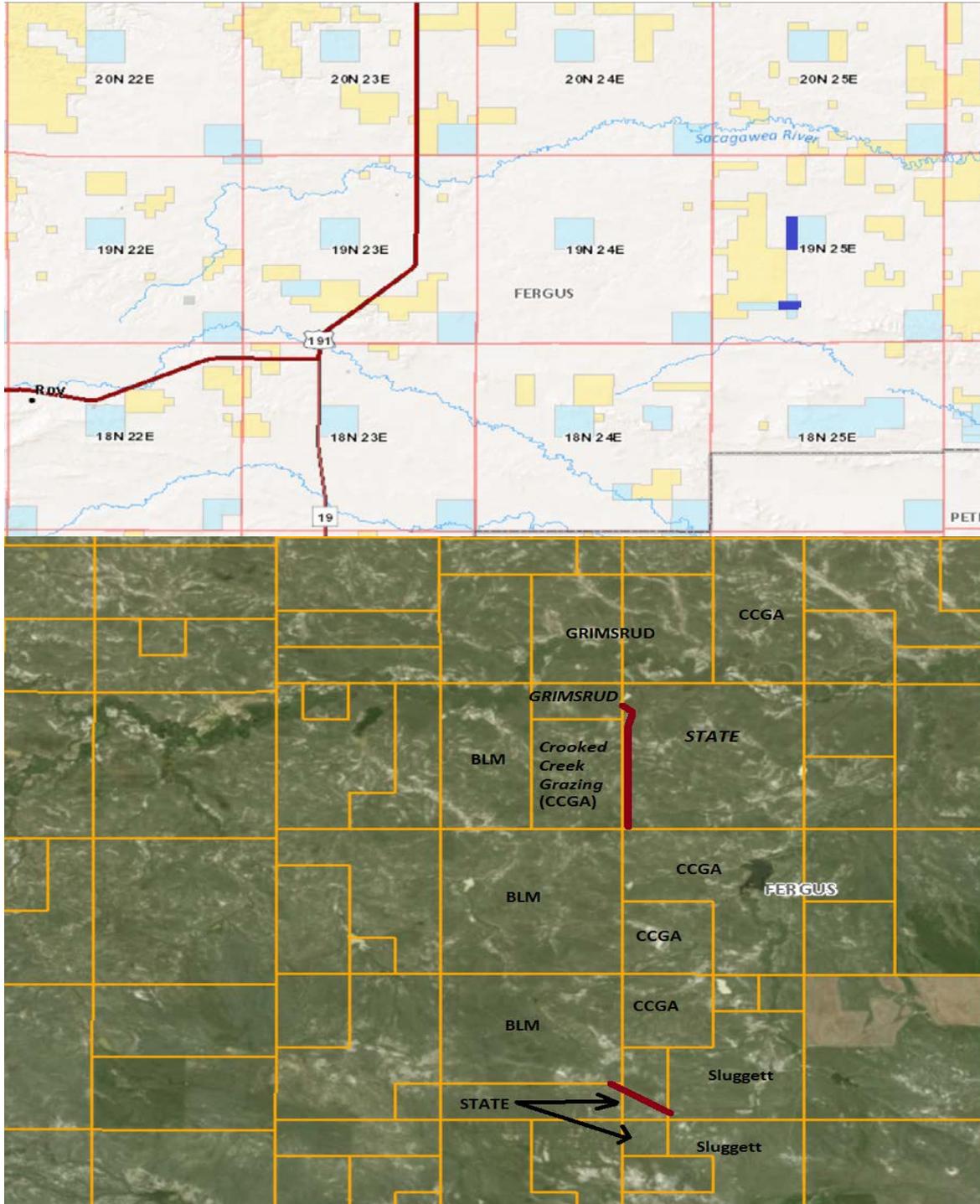
See explanation on page 12.

DNRC Recommendation

See recommendation on page 12.

Rights of Way Applications

February 20, 2018



Rights of Way Applications

February 20, 2018

APPLICANTS AND RIGHTS OF WAY INFORMATION

| | |
|--------------------|----------------------------------------------------------------------------|
| Applicant: | Marias River Electric Cooperative, Inc. PO Box 729 Shelby, MT 59474 |
| Application No.: | 18156 |
| R/W Purpose: | an overhead 7200 volt electric distribution line |
| Lessee Agreement: | ok |
| Acreage: | 1.03 |
| Compensation: | \$309.00 |
| Legal Description: | 20-foot strip across the W2, Sec. 16, Twp. 31N, Rge. 4W, Pondera County |
| Trust Beneficiary: | Common Schools |

Item Summary

Marias River Electric Cooperative, Inc., is requesting an easement across state trust land for the purpose of fulfilling an electrical service request by Ron Stortz who owns a parcel adjacent to the state land. The overhead line will place 13 poles on state land, however impacts to the grazing lease are considered minimal and no reduction in AUMs will occur. An alternative route was considered, however the private landowner refused to grant an easement for the use.

DNRC Recommendation

The director recommends approval of the easement for Marias River Electric Cooperative, Inc.

Rights of Way Applications

February 20, 2018

