

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Monday, October 15, 2018 at 9:00 am
State Capitol, Room 137
Helena, MT

ACTION ITEMS

1018-1 Timber Sales

A. Game Changer Timber Sale

Benefits: Common Schools and Acquired Land Trust
Location: Missoula County

B. Glen Mud Barnaby Timber Sale

Benefits: Common Schools
Location: Flathead County

C. High Lion Timber Sale

Benefits: Common Schools
Location: Lake County

Approved 5-0

1018-2 Cabin and Home Sites: Set Minimum Bid for Sale

A. Lewis & Clark County

Benefits: Common Schools
Location: Lewis & Clark County

B. Missoula County

Benefits: Common Schools
Location: Missoula County

Approved 5-0

1018-3 Land Exchange: Final Approval for Land Exchange: Gallatin County Landfill

Benefits: University of Montana and Common Schools
Location: Gallatin County

Approved 5-0

1018-4 Easements

Benefits: Common Schools, Montana Tech, Pine Hills School, Public Land Trust – Navigable Rivers

Location: Cascade, Choteau, Fergus, Flathead, Lewis & Clark, Missoula, Teton and Wheatland Counties

Approved 5-0

1018-5 INFORMATIONAL ITEM: Cultural and Paleontological Resources

Benefits: All Trusts
Location: All Counties

PUBLIC COMMENT

1018-1

TIMBER SALES

- A. Game Changer Timber Sale
- B. Glen Mud Barnaby Timber Sale
- C. High Lion Timber Sale

1018-1A Timber Sale: Game Changer Timber Sale

Location: Missoula County
Sections 5 & 6, T12N R16W
Section 31, T13N R16W

Trust Beneficiaries: Commons Schools and Acquired Lands

Trust Revenue: \$92,777 (estimated, minimum bid)

Item Summary

Location: The Game Changer Timber Sale is located approximately 19 miles east of Missoula, Montana in the Arkansas Creek drainage of Missoula County.

Size and Scope: The sale includes 9 harvest units (196 acres) of skyline (~60 acres) and tractor logging (~136 acres).

Volume: The forest product consists primarily Douglas-fir, with an estimated sale volume of 8,687 tons (1.3 MMBF) of sawlogs.

Estimated Return: The minimum bid is \$10.68 per ton, which would generate approximately \$92,777 for the Common Schools and Acquired Land Trusts and approximately \$13,031 in Forest Improvement fees.

Prescription: The timer sale would primarily utilize an individual tree selection (ITS) harvest prescription to reduce stand density by removing shade tolerant species (primarily Douglas-fir). Portions of the timber sale were identified as Old Growth stands and will remain Old Growth post-harvest; utilizing either restoration or maintenance prescriptions.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 1.6 miles of new permanent road construction, and 16.5 miles of road maintenance/improvement.

Access: Access for the Game Changer timber sale is primarily through DNRC acquired property. Private ownership access is secured with established permanent easements.

Public Comments:

Public comment was solicited in a December 2014 scoping letter. Highlights are as follows:

- 53 individuals were scoped. These include organizations and agencies included on DNRC statewide scoping list and 7 adjacent landowners near the project area.
- Five external comments were received by DNRC at the end of the scoping period.
- DNRC agreed to notify CSKT if any cultural materials or cultural modified trees are encountered during operations and agreed to notify an adjacent landowner regarding the schedule of equipment operations
- All other comments were addressed and analyzed for the in environmental assessment.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Game Changer Timber Sale.

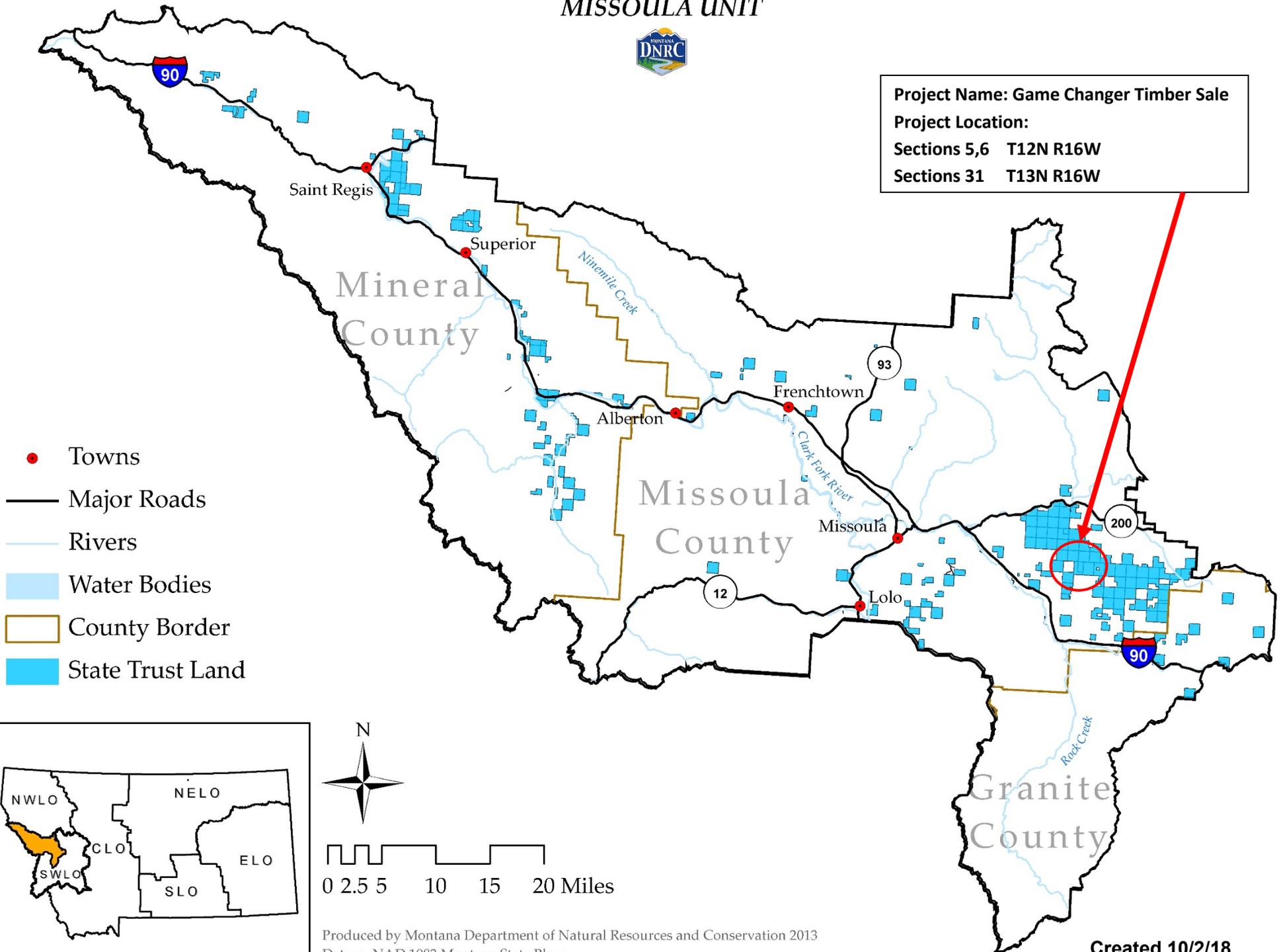
GAME CHANGER TIMBER SALE VICINITY MAP

MISSOULA UNIT

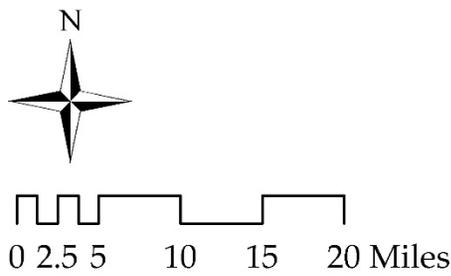
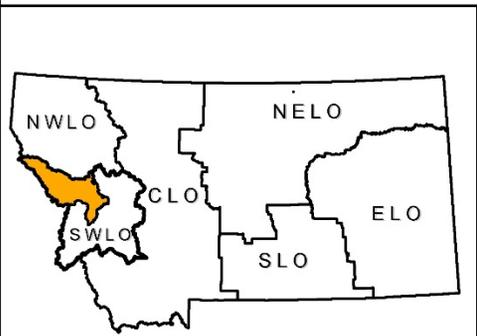
1018-1A



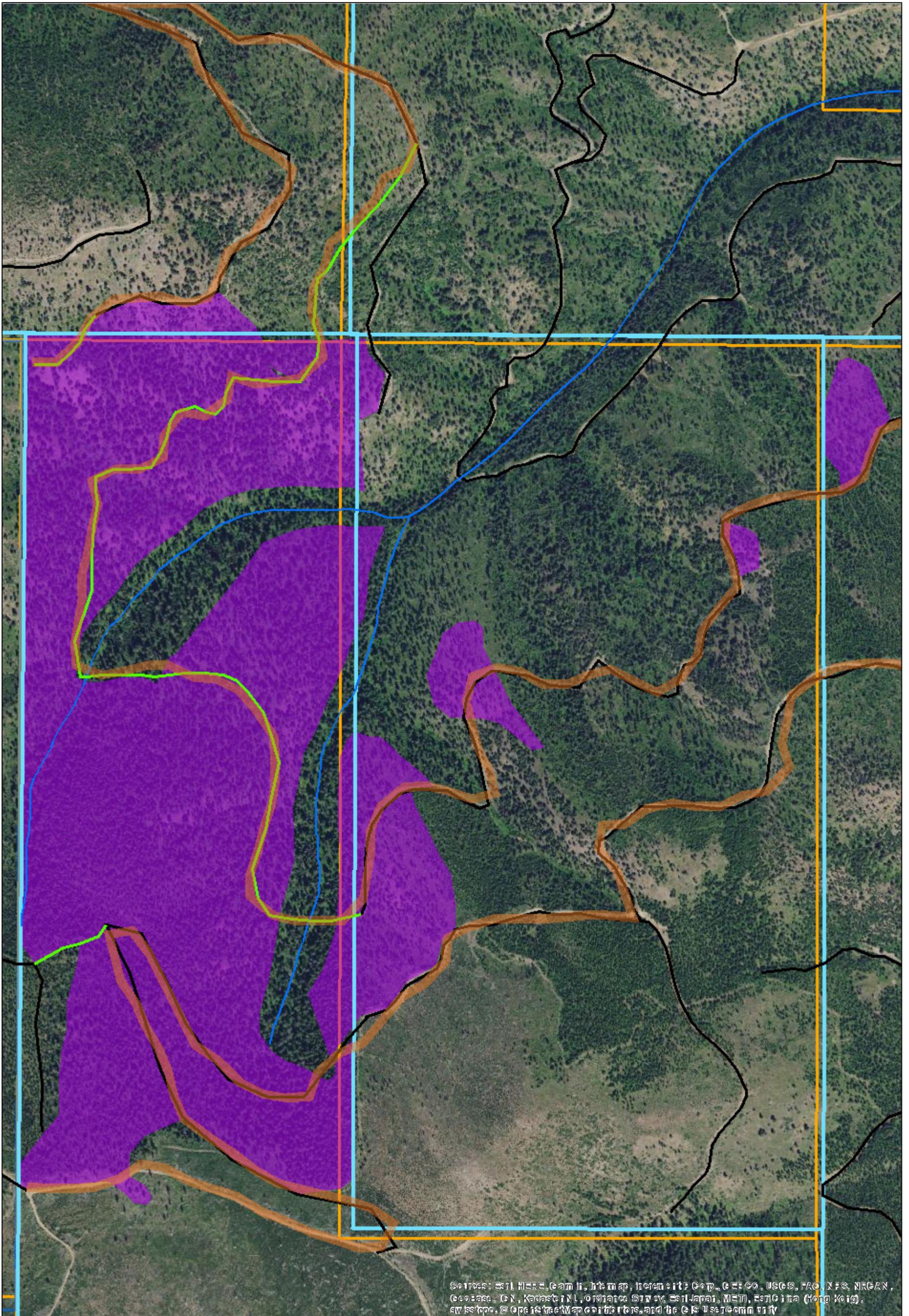
Project Name: Game Changer Timber Sale
Project Location:
Sections 5,6 T12N R16W
Sections 31 T13N R16W



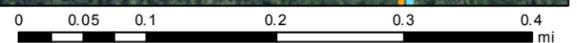
- Towns
- Major Roads
- Rivers
- Water Bodies
- County Border
- State Trust Land



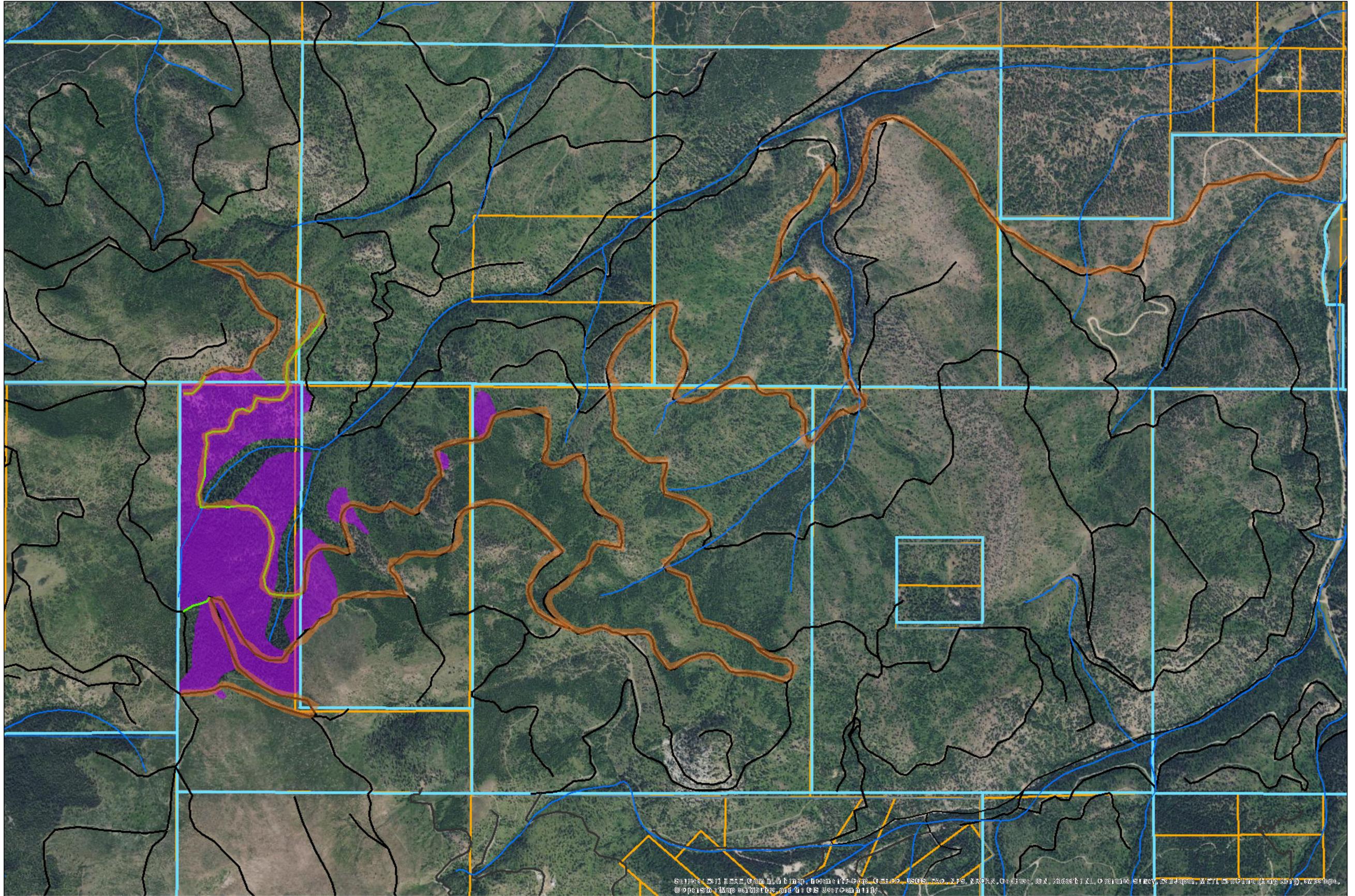
Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane



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

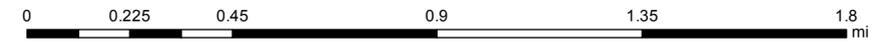


Game Changer Timber Sale Haul Route Map



Source: MT DNR, Game Changer, Private Land, USFS, BLM, NPS, NRCAN, Geoparc, Geol, Kadastri XL, O'Neil, Sibley, Esri, Mapbox, Mapbox, MT DNR, Esri, Google, Bing, OpenStreetMap contributors, and the User Community

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



1018-1B Timber Sale: Glen Mud Barnaby Timber Sale

Location: Lincoln County
Section 16, T35N, R26W; Sections 16 and 36 T36N, R26W

Trust Beneficiaries: Common Schools

Trust Revenue: \$490,303 (estimated, minimum bid)

Item Summary

Location: The Glen Mud Barnaby project area is 4 to 8 miles east and southeast of Eureka, Montana in Flathead county.

Size and Scope: This sale includes 10 harvest units, totaling 225 acres of ground-based timber harvest.

Volume: The estimated volume is 17,362 tons (2.59 MMbf) of sawlogs.

Estimated Return: The minimum bid is \$28.24 per ton, which would generate approximately \$490,303 for the Common Schools Trust and approximately \$31,425 in Forest Improvement fees.

Prescription: The project area is within the wildland urban interface. In the Glen Lake section, 87 acres of seedtree will address insect and disease issues; in the Mud Creek section, 95 acres are planned for seedtree harvest continuing recent past harvest prescriptions; and in Barnaby Lake section, 43 acres are planned to be harvested with commercial thin and group-selection harvest treatments.

Road Construction/Maintenance: 5.8 miles of road will receive maintenance and brushing; 0.1 miles of road will be relocated to meet Best Management Practices.

Access: DNRC has legal access via County Roads, a cost-shared road with USFS, and a private easement for resource management purposes.

Public Comments: This project is covered by two environmental assessments (Glen Mud Timber Sale, August 2018 and Barnaby Lake Fuels Reduction and Timber Sale Project, June 2015).

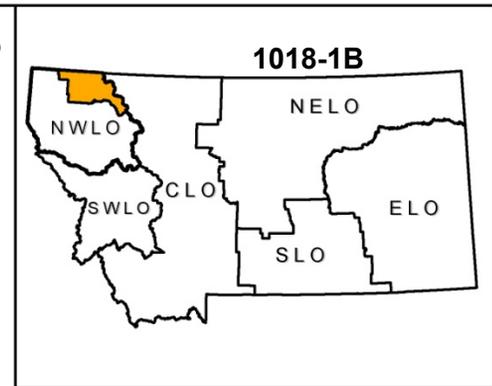
Eight comments were received on the Glen Mud project EA and none on the Barnaby Lake project EA. Concerns included: neighbors wanting to stay apprised of the project as it progresses; the spread of noxious weed; recommendation to continue uneven-aged management to maintain multiple age classes, and an individual hoping for additional public access to the Mud Creek section.

Neighbors have been keep apprised of project progress via personal communications. Noxious weeds will be monitored and sprayed during and after project completion, and uneven-aged management prescriptions will be applied in the Barnaby Lake section. No additional public access, over the current public access from a USFS open road, was deemed necessary.

DNRC Recommendation

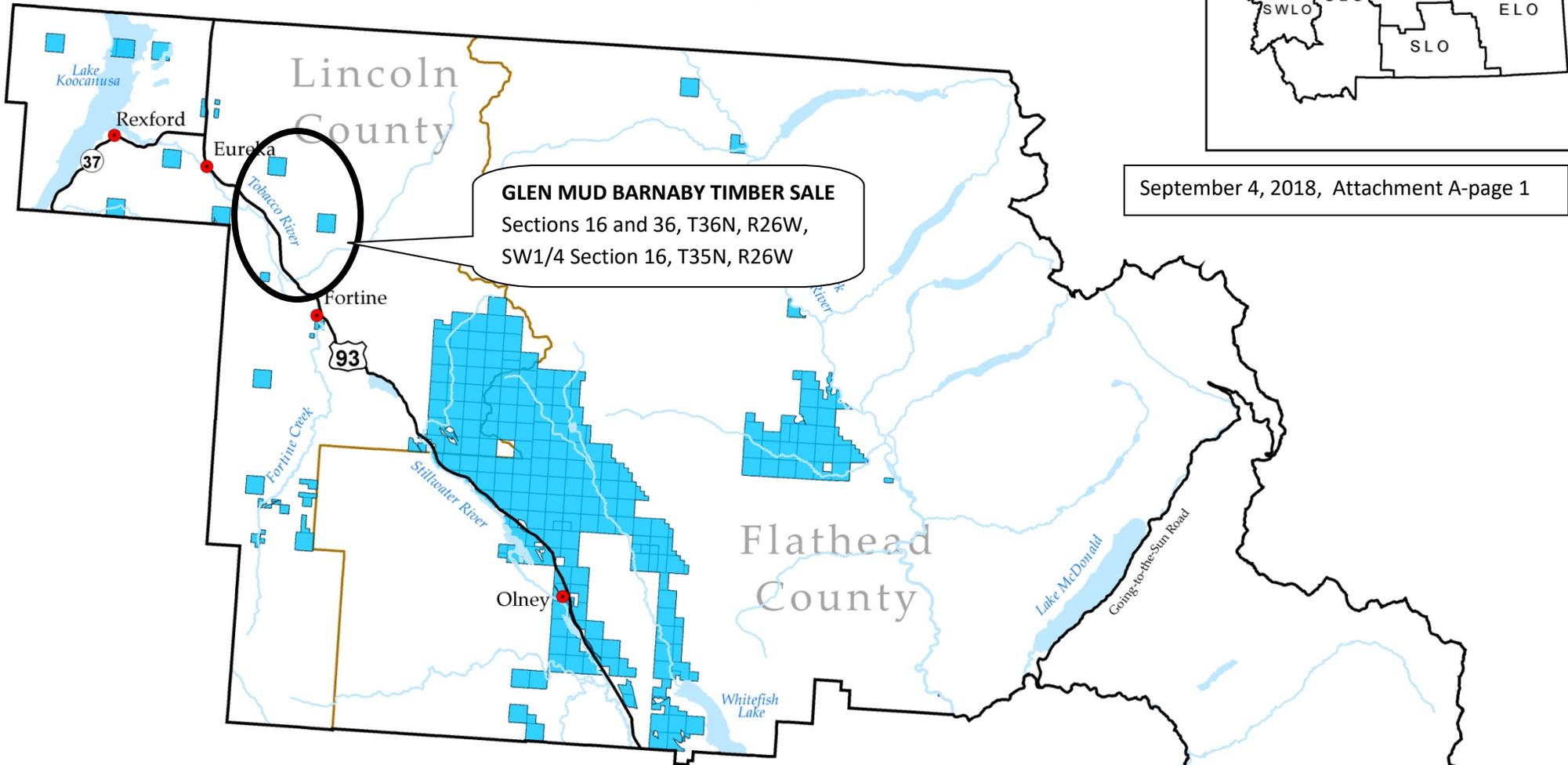
The director recommends the Land Board direct DNRC to sell the Glen Mud Barnaby Timber Sale.

GLEN MUD BARNABY TIMBER SALE VICINITY MAP STILLWATER UNIT



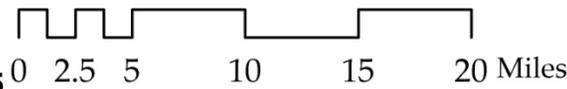
1018-1B

September 4, 2018, Attachment A-page 1

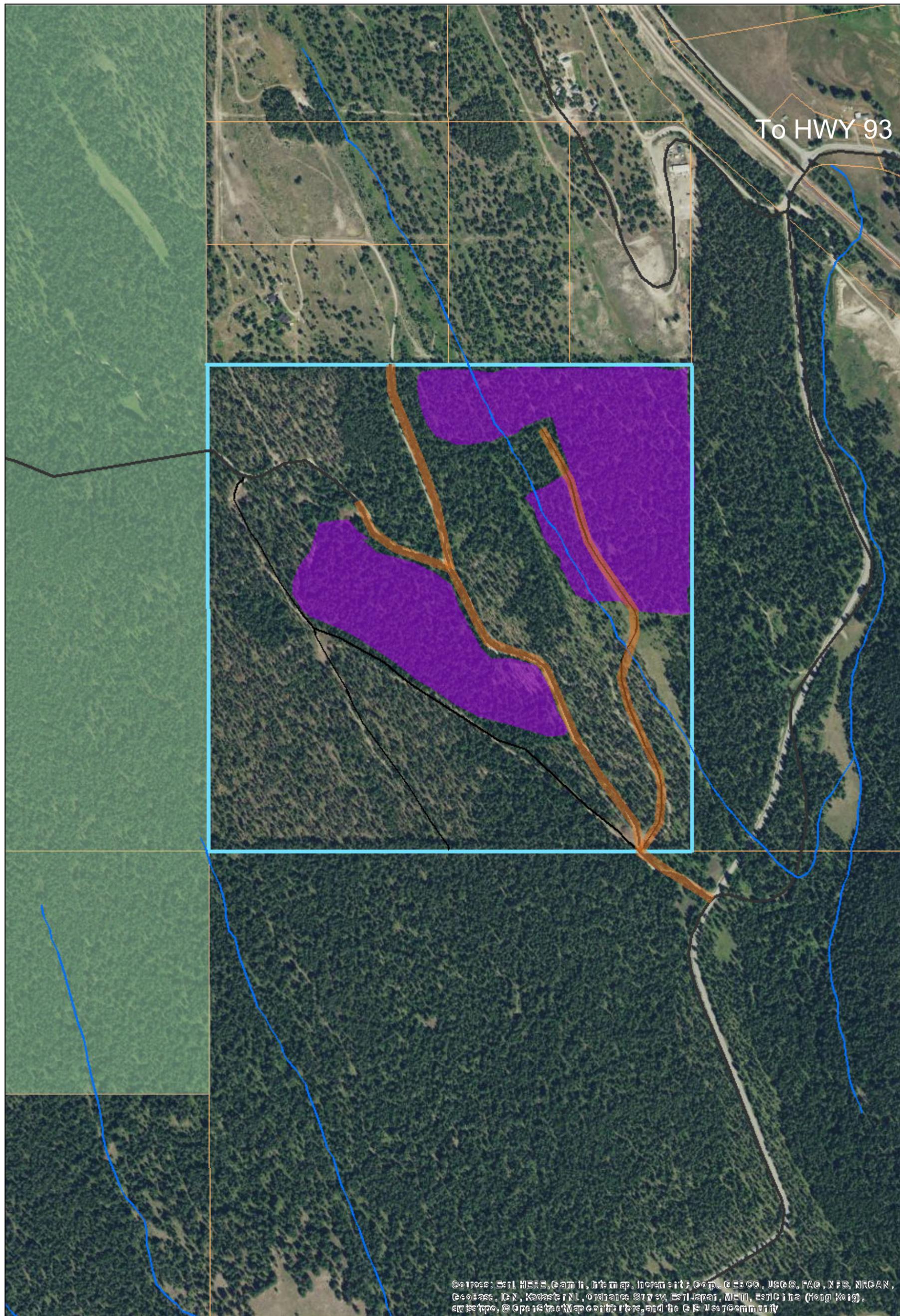


GLEN MUD BARNABY TIMBER SALE
 Sections 16 and 36, T36N, R26W,
 SW1/4 Section 16, T35N, R26W

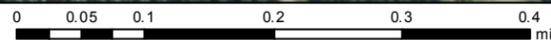
- Towns
- Major Roads
- Rivers
- Water Bodies
- County Border
- State Trust Land



Glen Mud Barnaby Timber Sale - Barnaby Harvest Unit and Haul Route Map

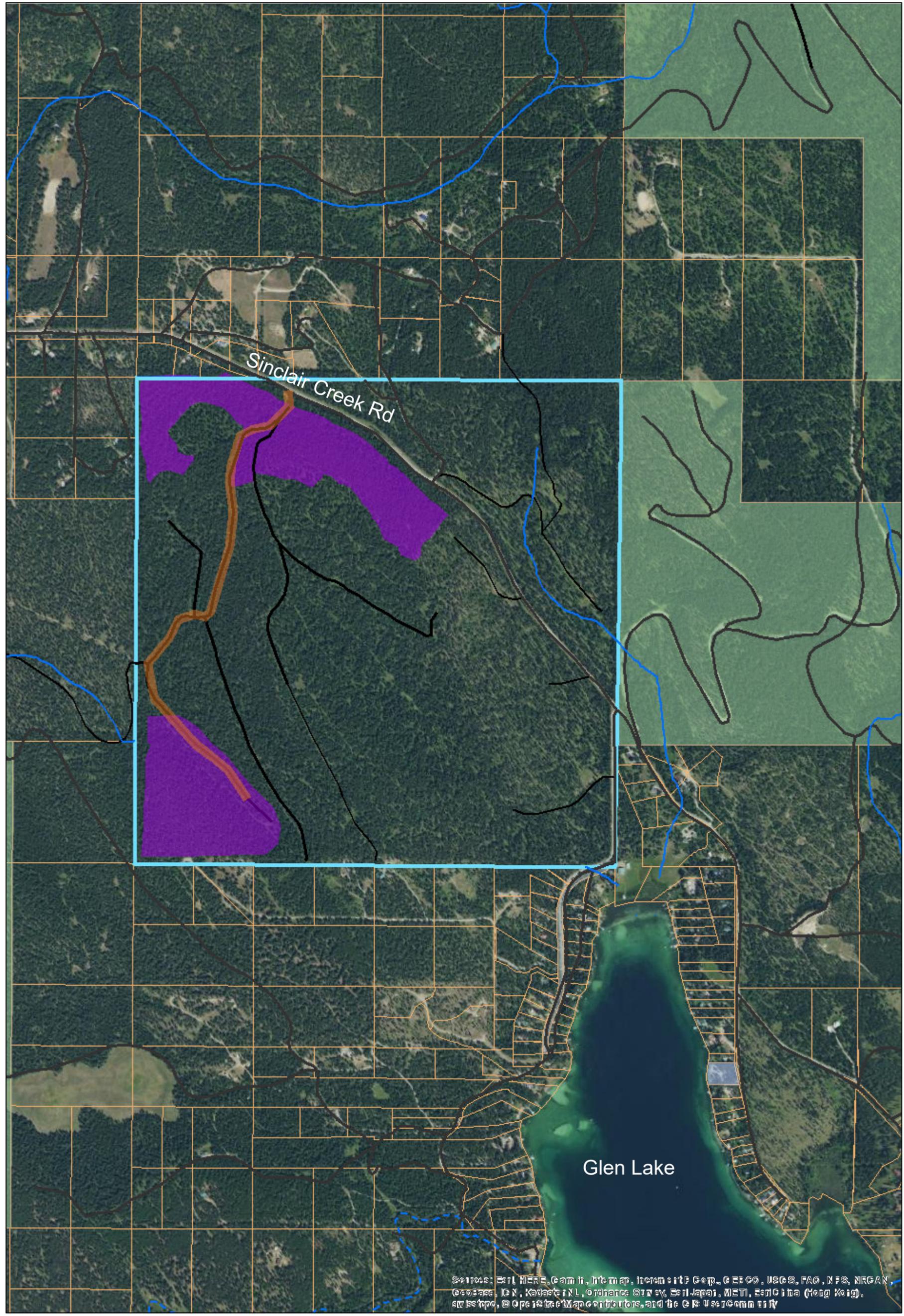


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| Existing Road | Perennial Stream | USFS Land |
| New Road | Intermittent Stream | USFWS Land |
| Road Reconstruction | Proposed Harvest Units | BLM Land |
| Haul Route | DNRC Surface Tracts | MT FWP |



Created 10/2/18

Glen Mud Barnaby Timber Sale - Glen Lake Harvest Unit and Haul Route Map



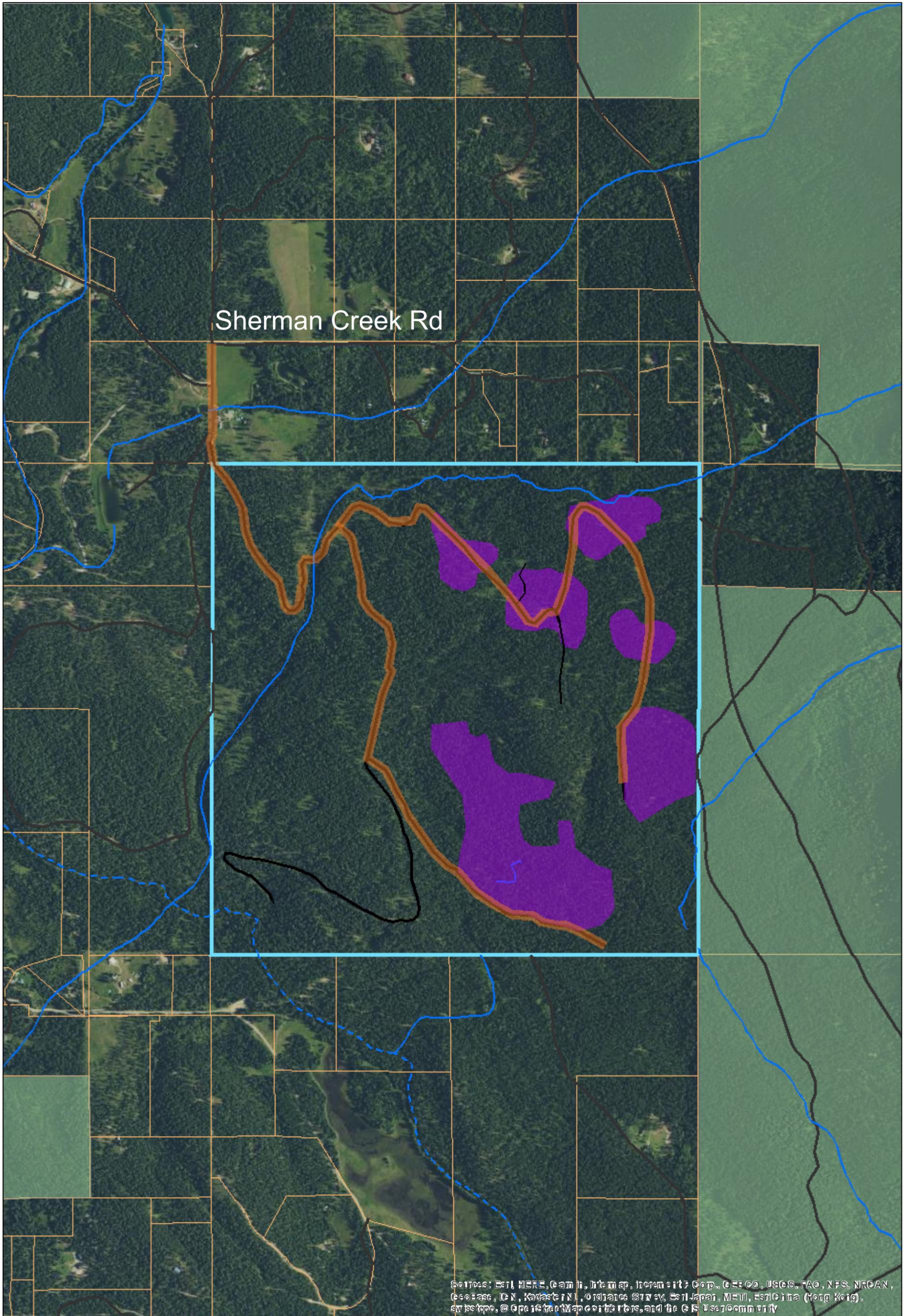
Source: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GEBCO, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, © OpenStreetMap contributors, and the GIS User Community

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



Created 10/2/18

Glen Mud Barnaby Timber Sale - Mud Creek Harvest Unit and Haul Route Map



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, © OpenStreetMap contributors, and the GIS User Community

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



Created 10/2/18

**Land Board Agenda Item
October 15, 2018**

1018-1C Timber Sale: High Lion Timber Sale

**Location: Lake County
Sections 16, 17 and 28, T23N R18W**

Trust Beneficiaries: Common Schools

Trust Revenue: \$285,195 (estimated, minimum bid)

Item Summary

Location: The High Lion timber sale is located approximately 11.5 air miles Southwest of Swan Lake, Montana in Lake County.

Size and Scope: The sale includes 3 harvest units (181 *acres*) of ground based logging.

Volume: The estimated harvest volume is 11,824 tons (1.9 *MMBF*) of saw logs and 4,189 tons of other material (pulp, etc.).

Estimated Return: The minimum bid is \$24.12 per ton, which would generate approximately \$285,195 for the Common Schools Trust and approximately \$23,175 in Forest Improvement fees.

Prescription: This sale will be harvested using overstory removal, clear cut and shelterwood prescriptions. These treatments will promote growth of natural regeneration by removing competition, and increase the resiliency advanced regeneration already growing within the units.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 0.3 miles of new permanent road construction, 0.4 miles of road reconstruction, and 19.1 miles of road maintenance.

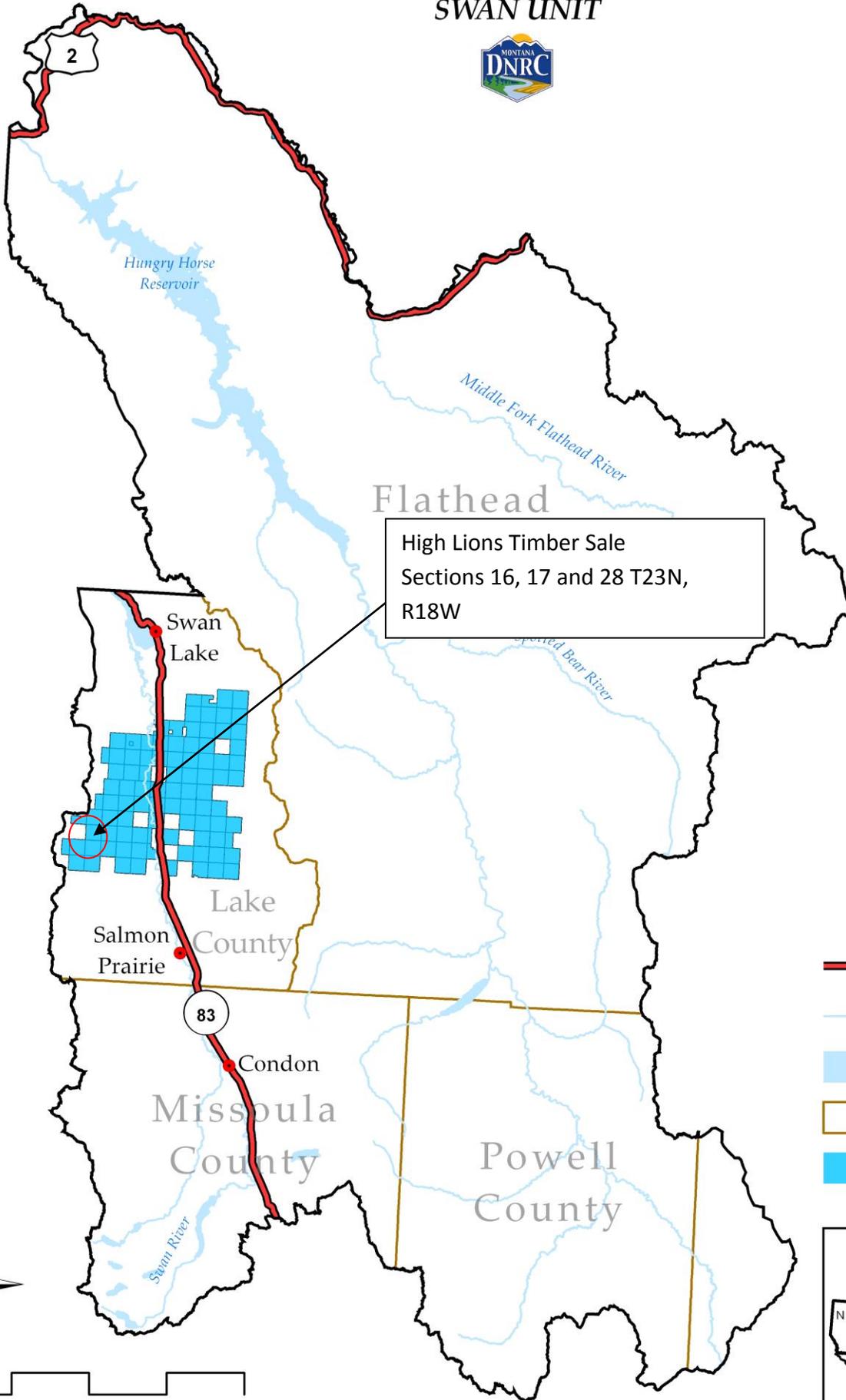
Access: Access is obtained through the Fatty Creek and South Woodward roads via MT Highway 83 South. DNRC owned, controlled, and maintained road systems.

Public Comments: Three comments were received in response to the Wood Lion Environmental Impact Statement which covers this timber sale. All comments were recorded and responded to in the Final Environmental Impact Statement.

DNRC Recommendation

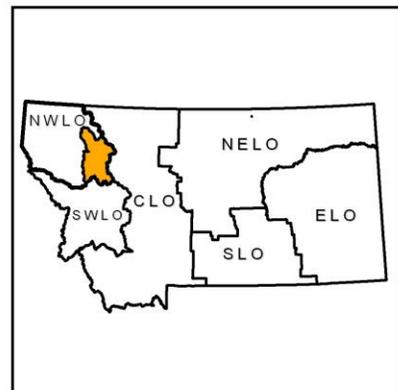
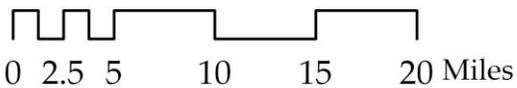
The director recommends the Land Board direct DNRC to sell the High Lion Timber Sale.

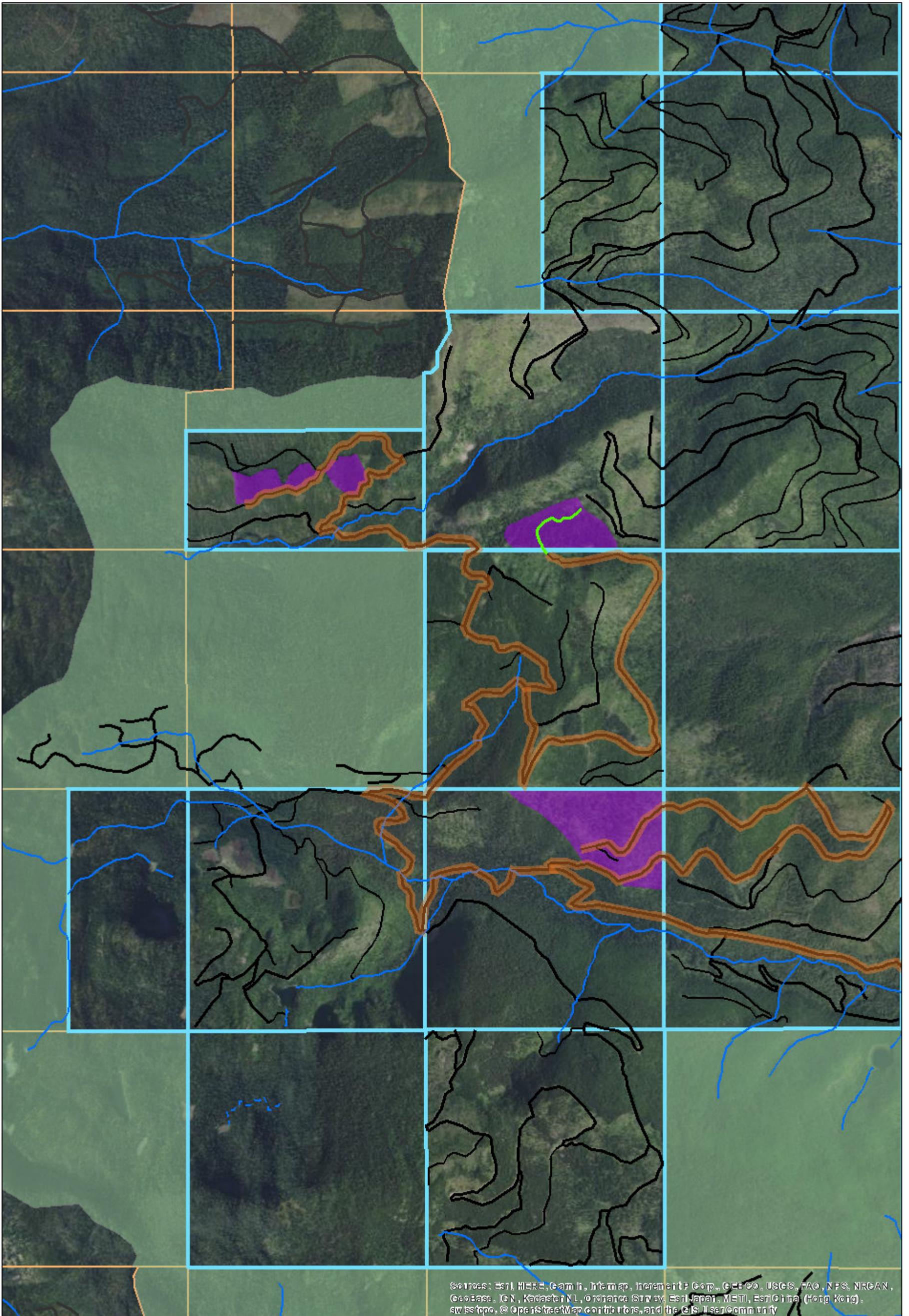
SWAN UNIT



High Lions Timber Sale
 Sections 16, 17 and 28 T23N,
 R18W

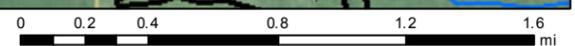
- Towns
- Major Roads
- Rivers
- Water Bodies
- County Border
- State Trust Land





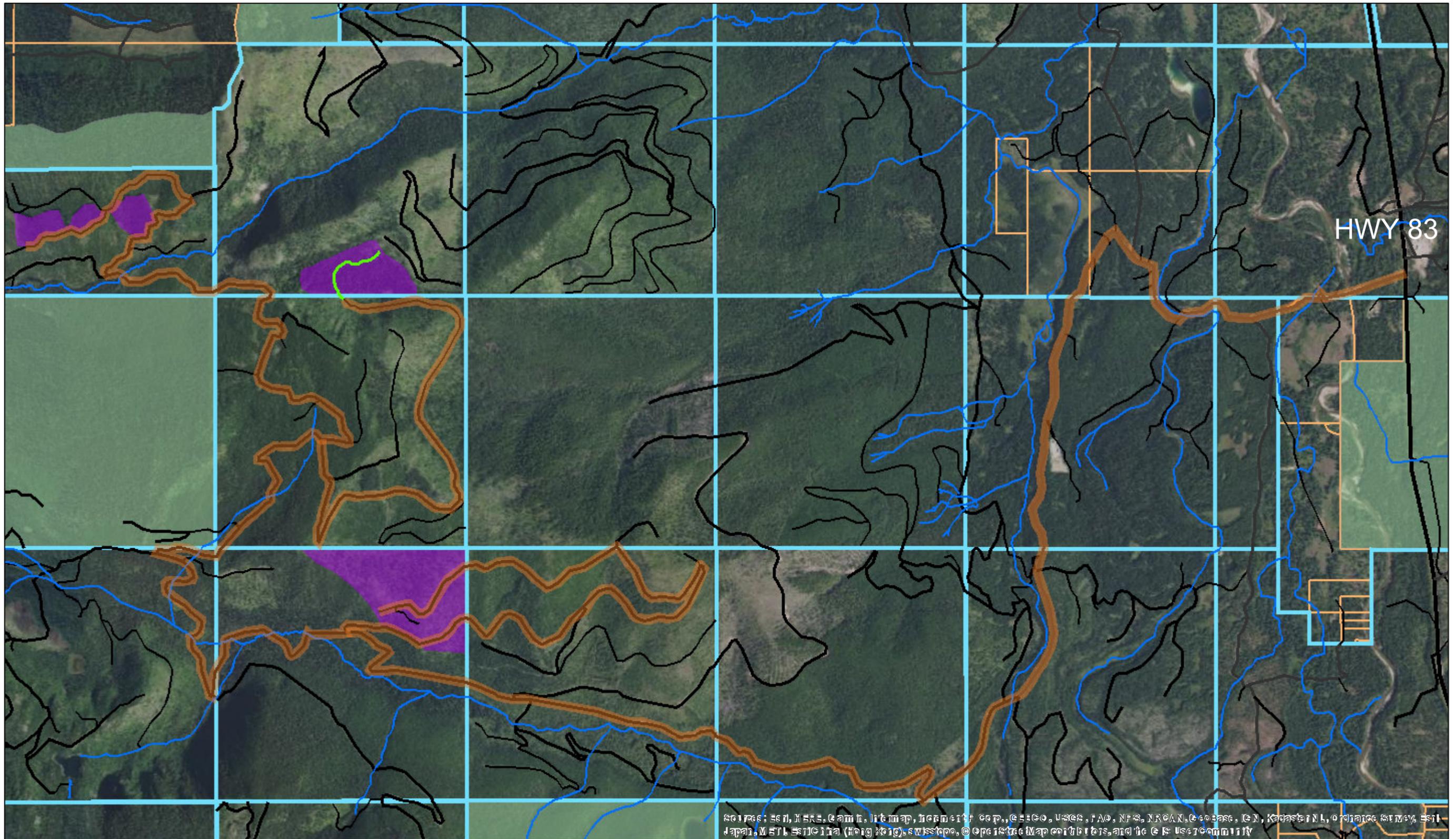
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, © OpenStreetMap contributors, and the GIS User Community

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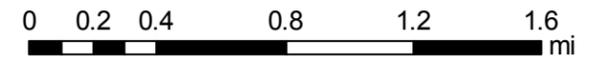


High Lion Timber Sale Haul Route Map

1018-1C



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|---------------------|------------------------|------------|
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| New Road | Intermittent Stream | USFWS Land |
| Road Reconstruction | Proposed Harvest Units | BLM Land |
| Haul Route | DNRC Surface Tracts | MT FWP |



1018-2

CABIN AND HOME SITES

Set Minimum Bid for Sale

A. Lewis & Clark County

B. Missoula County

**Land Board Agenda Item
October 15, 2018**

**1018-2A Cabin and Home Sites: Set Minimum Bid for Sale
A. Lewis & Clark County**

Location: Lewis & Clark County
Trust Benefits: Common Schools
Trust Revenue: \$114,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for four cabin sites nominated for sale east of Lincoln, MT in Lewis & Clark County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
932	1.06	Lot 3, Lincoln Flats T14W-R8W, Sec. 16, Lewis & Clark County	Theresa Proff	Common Schools
933	1	Lot 4, Lincoln Flats T14W-R8W, Sec. 16, Lewis & Clark County	Ronald & Lisa Gibson	Common Schools
934	1	Lot 13, Lincoln Flats T14W-R8W, Sec. 16, Lewis & Clark County	Steven Neiffer	Common Schools
935	1.426	Lot 16, Lincoln Flats T14W-R8W, Sec. 16, Lewis & Clark County	Melissa Gilbert	Common Schools

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

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

Economic Analysis:

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return	Sale No.	Rate of Return
932	7.481%	934	7.502%
933	7.425%	935	7.476%

Long term – The funds from the sale of these parcels 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 2.8% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for each of 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 Nos.	Appraised Land Value	Appraised Improvements Value
932	\$28,500	\$103,000
933	\$28,500	\$119,000
934	\$28,500	\$104,000
935	\$28,500	\$182,000

DNRC Recommendation

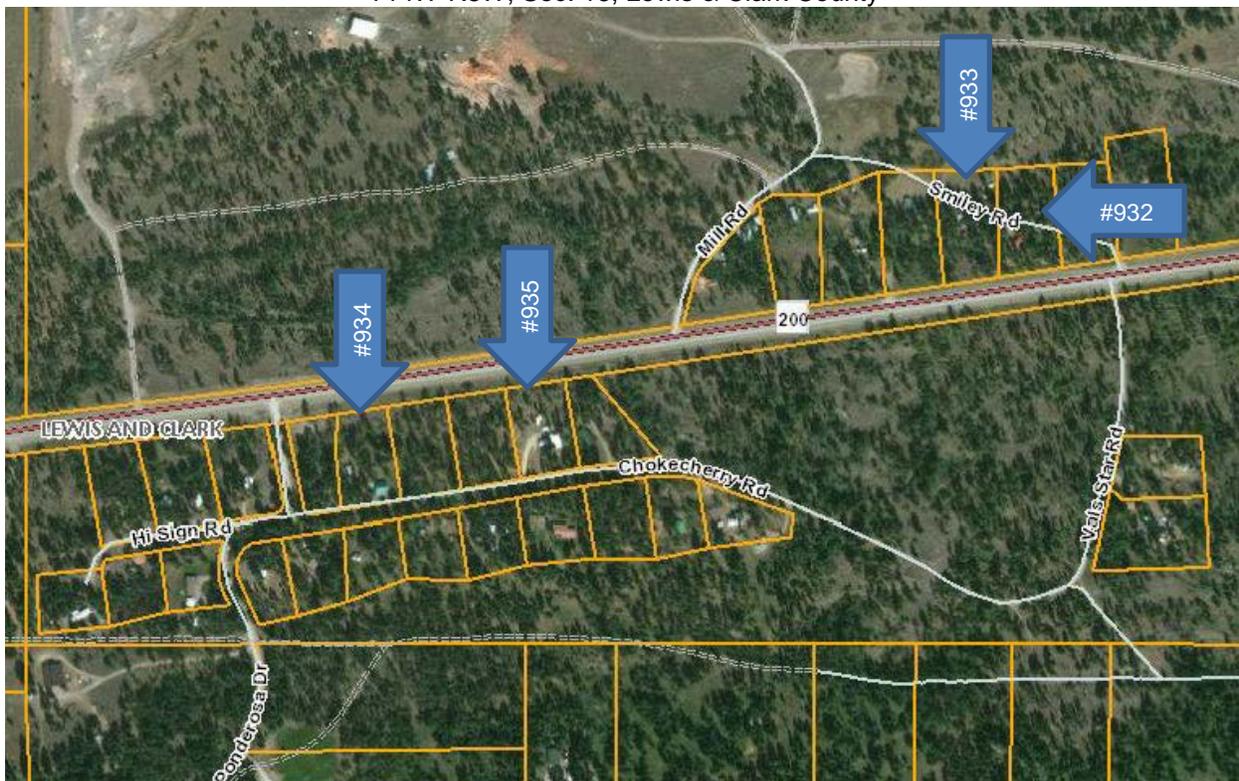
The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

LEWIS & CLARK COUNTY SALES



Lincoln Flats

T14W-R8W, Sec. 16, Lewis & Clark County



**Land Board Agenda Item
October 15, 2018**

**1018-2B Cabin and Home Sites: Set Minimum Bid for Sale
B. Missoula County**

Location: Missoula County
Trust Benefits: Common Schools, MSU 2nd
Trust Revenue: \$1,013,500

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for thirteen cabin sites nominated for sale in Missoula County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
944	1.420±	Lot 7, Seeley Lake North, COS 5994, Section 16, T17N-R15W	Dan Larson	Common Schools
945	0.959±	Lot 9, Seeley Lake North, COS 6627, Section 16, T17N-R15W	Stephen & Kathleen Thompson	Common Schools
959	0.512±	Lot 5, Seeley Lake Outlet East, COS 6626, Section 4, T16N-R15W	Daniel, Deanna, & Kimberly Schwenk	MSU 2 nd
960	1.351±	Lot 6, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Gregg E. Sautter	MSU 2 nd
961	1.315±	Lot 7, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Jacquelyn & Robert Todd White	MSU 2 nd
1041	1.303±	Lot 8, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Inga Ann Ibey	MSU 2 nd
962	1.349±	Lot 9, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Virginia McHugh	MSU 2 nd
964	3.174±	Lot 18, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Christopher W. & Christopher W.E. Boland	MSU 2 nd
965	3.409±	Lot 20, Seeley Lake Outlet East, COS 6625, Section 4, T16N-R15W	Glen & Carol Richards	MSU 2 nd
966	2.075±	Lot 21, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Marvin & Marianne Maki	MSU 2 nd
967	1.540±	Lot 23, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Carolyn E. Gies	MSU 2 nd
968	1.826±	Lot 25, Seeley Lake Outlet East, COS 4875, Section 4, T16N-R15W	Gerald & Rae-Jean Johnson	MSU 2 nd
969	1.84±	Lot B, Six Mile, COS 6101, Section 12, T15N-R22W	Therese M. Keating	MSU 2 nd

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

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

Economic Analysis:

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return	Sale No.	Rate of Return
944	6.047%	964	4.178%
945	5.741%	965	3.320%
959	2.939%	966	4.032%
960	3.634%	967	7.046%
961	7.571%	968	6.215%
1041	6.838%	969	11.103%
962	7.981%		

Long term – The funds from the sale of these parcels 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 2.8% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for each of 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 Nos.	Appraised Land Value	Appraised Improvements Value
944	\$30,000	\$243,000
945	\$30,000	\$126,000
959	\$148,000	\$119,000
960	\$77,500	\$60,000
961	\$77,500	\$78,000
1041	\$77,500	\$112,000
962	\$74,000	\$83,000
964	\$77,500	\$256,000
965	\$148,000	\$193,000
966	\$74,000	\$116,000
967	\$74,000	\$71,000
968	\$77,500	\$66,000
969	\$48,000	\$159,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

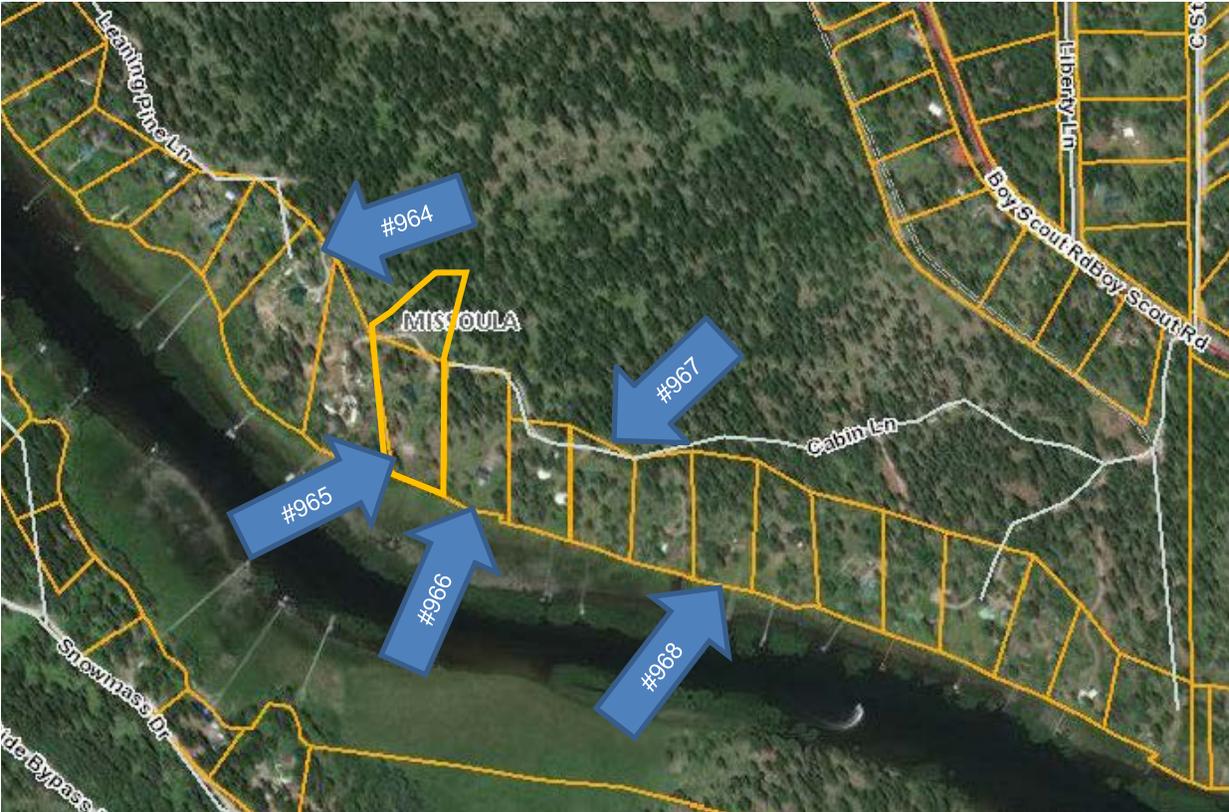
MISSOULA COUNTY SALES Seeley Lake Area



Six Mile



Seeley Lake Outlet East
T16N-R15W, Sec. 4, Missoula County



Six Mile

Lot B, Six Mile, T15N-R22W, Sec. 12, Missoula County



1018-3

LAND EXCHANGE:

Final Approval for Land Exchange

Gallatin County Landfill

**Land Board Agenda Item
October 15, 2018**

1018-3 Land Exchange: Final Approval for Land Exchange, Gallatin County Landfill

Location: Gallatin County

Trust Benefits: University of Montana and Common Schools

Trust Revenue: \$18,037.73 (amount owed to state after exchange)

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests final approval of a land exchange proposal with Gallatin County involving 636.12 acres of state land for 620.13 acres of agricultural land owned by Gallatin County. Lands to be exchanged are located approximately 12 miles northwest of Belgrade, have adjacent boundaries, and would consolidate ownership for both the state and the county.

Acres:

State Trust Land (DNRC)			
County	Legal Description	Trust	Acres
Gallatin	Lots 1-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, Section 6, T1N-R3E	U of M	627.31±
Gallatin	Lot A, Minor Sub 403, Section 36, T2N-R2E	Common Schools	8.81±
			636.12±
Gallatin County Land			
County	Legal Description		
Gallatin	ALL, Less 19.97 ac in NE4NE4 Section 1, T1N-R2E	620.03±	

Location: Gallatin County

Beneficiary University of Montana and Common Schools

PUBLIC INVOLVEMENT PROCESS AND RESULTS

The initial scoping letter requesting public comment was sent out October 27, 2014 and the comment period ran through November 28, 2014. The letter was sent to neighboring landowners, interested parties and the Gallatin County Commissioners. No comments were received.

October 29, 2014 – Mailed scoping notice to surrounding landowners and Government officials with 1-month comment period.

October 30 & November 13, 2014 – A Legal advertisement was published in the Bozeman Daily Chronicle requesting scoping comments with a 30-day comment period.

December 15, 2014 – State of Montana board of land commissioners meeting for preliminary approval, preliminary approval received.

January 9, 2018 – Gallatin County Commission Meeting. The Gallatin County Commissioners approved the Agreement to Initiate a land exchange with the State of Montana, Trust Lands Division.

January 10, 2018 – The Bozeman Daily Chronicle published an article, “County, state to trade land for dumpsite”

January 19, 2018 – The Bozeman Daily Chronicle published an article, “Gallatin County on track to swap land for dumpsite this year”. Within this article notification was provided for a public meeting to be held by the State of Montana and Gallatin County on the land exchange at the Gallatin County Commission Meeting on February 6, 2018.

January 22, 2018 – Mailed scoping & public meeting notice to surrounding landowners and Government officials with comments due March 1, 2018.

January 23 & January 30, 2018 – A Legal advertisement was published in the Bozeman Daily Chronicle notifying the public of the public meeting and scoping request for comments associated with the proposal.

February 6, 2018, 9:00 AM – DNRC held a Public Hearing at the Gallatin County Commission Room to present the project to the public and receive comments. 3 comments were received; two comments were supportive, and one comment (from state lessee) expressed concern for increased public access and recreation occurring on the lands he leases.

EXCHANGE CRITERIA ANALYSIS

The following review documents how the land exchange meets or exceeds the land exchange criteria and accrues benefits to the University of Montana and Common Schools Trust Beneficiaries.

1. EQUAL OR GREATER VALUE

The county land proposed for exchange is comprised of 620.03 acres. These acres are comprised of 303.09 acres of agriculture land and 316.94 acres of grazing land.

The state land proposed for exchange is comprised of 636.12 acres. These acres are comprised of 535.21 acres of grazing land, 8.81 acres of a commercial lease (landfill scale house facility), 80 acres with a permanent landfill easement, and 12.1 acres with state highway easement.

All lands were appraised with an effective date of April 26, 2018. The appraiser reported the current fair market value for the subject properties as of that date to be:

State Property - \$647,000, or an average value of \$1017 per acre.

Gallatin County Property - \$708,000, or an average value of \$1142 per acre.

Meets Criteria**2. STATE LAND BORDERING ON NAVIGABLE LAKES AND STREAMS**

The state trust land offered in this exchange contains no navigable rivers or streams, and neither does the Gallatin County lands.

Criteria is N/A

3. EQUAL OR GREATER INCOME TO THE TRUST

The state property is generating revenue from a grazing lease for an annual return of \$4,968, plus a commercial lease to Gallatin County for a landfill scale house for an annual return of \$7292.77. Total annual return on the state lands is \$11,488.35.

The Gallatin County property is projected to generate income from dryland ag and grazing leases that would total \$10,148.07 annually.

A one-time annuity payment by Gallatin County in the amount of \$18,037.73 will be paid at closing and distributed to the state permanent fund to balance the annual revenue calculation.

This amount is determined by calculating the starting principal amount needed in a 20-year annuity to produce a return equal to the annual \$1,340 net income deficit, if the annuity is earning an annual growth rate equal to the 10-year average rate of return on the state permanent fund.

Meets Criteria**4. EQUAL OR GREATER ACREAGE**

DNRC would exchange to Gallatin County approximately 636.12± acres of Trust land for approximately 620.03± acres of Gallatin County property as shown on the attached map. The acreage received by the state is 16.09 acres less than what is exchanged to Gallatin County,

The lands to be conveyed by the state include acres of encumbered use associated with a county landfill and state highway right of way. Through this exchange the state will receive a greater number of usable acres (~76 acres) for sustained agricultural use, consistent with trust land resource management objectives.

Meets Criteria**5. CONSOLIDATION OF STATE LAND**

This exchange proposal would create a contiguous and public accessible block of four sections of state ownership, with improved access to state lands.

Meets Criteria**6. POTENTIAL FOR LONG-TERM APPRECIATION**

Both parcels involved have the potential for long-term appreciation. The parcels are adjacent to each other, all things being equal they would be expected to appreciate at the same rate, but the state ground is encumbered by a landfill.

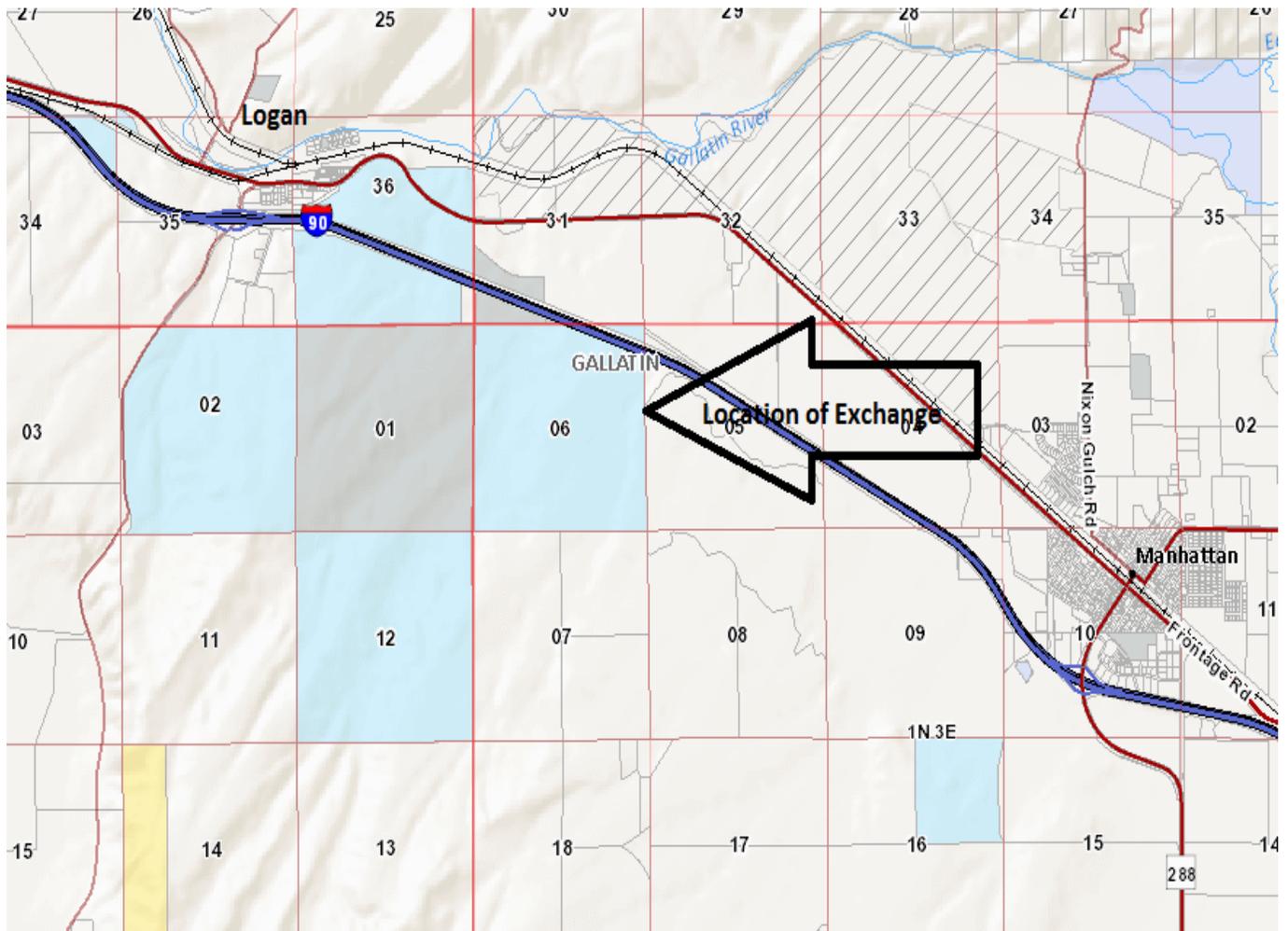
Meets Criteria**7. ACCESS**

The State does not currently have legal access to the majority of Section 6, T1N-R3E south of the county frontage road. Through this exchange and consolidation of land, the state will acquire access to Section 1, T1N-R2E, (to be received from the county) and would gain access to Section 12, T1N-R2E, creating a 4-section block of state lands.

Meets Criteria**AGENCY RECOMMENDATIONS**

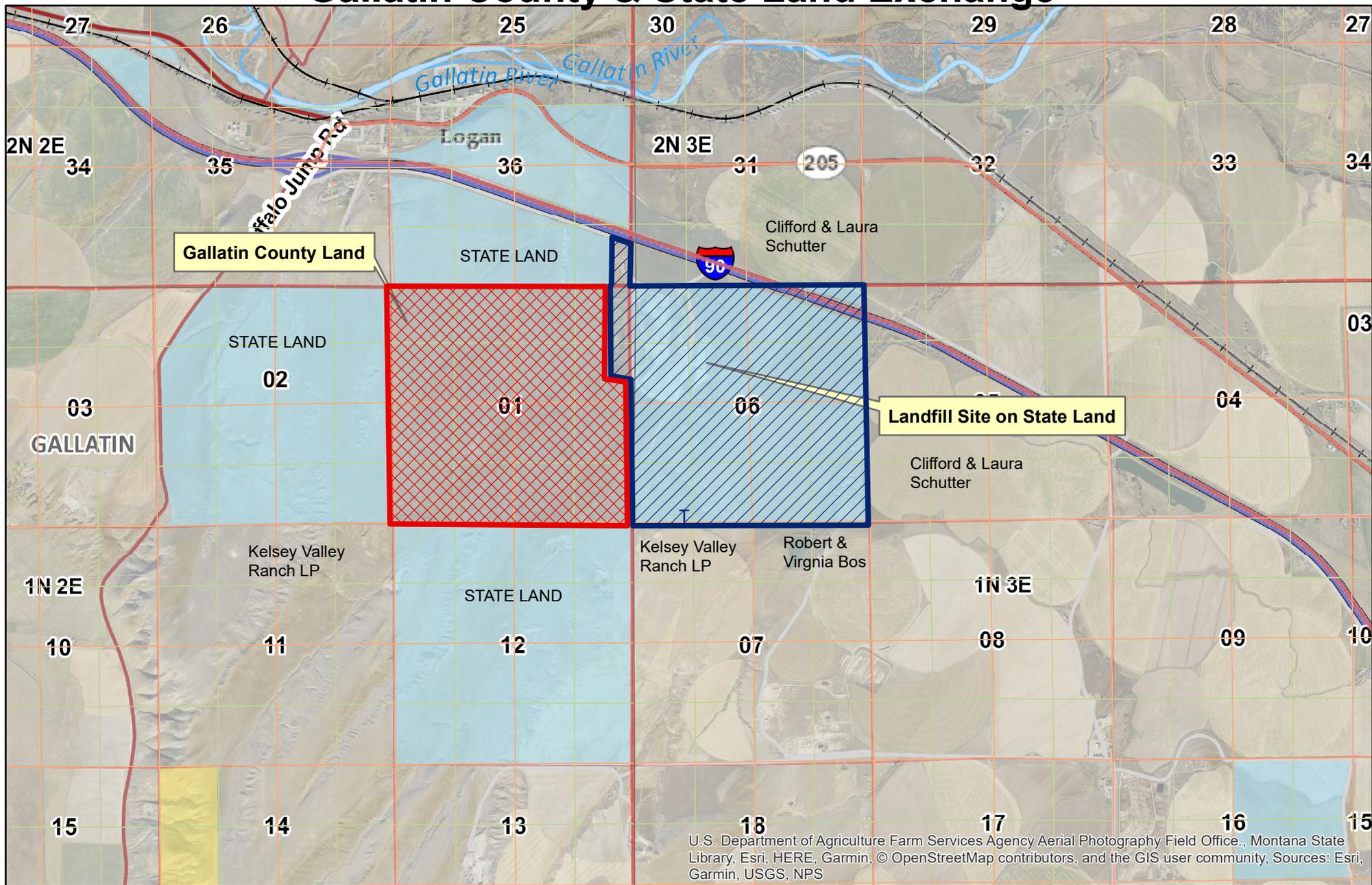
The director believes this proposed land exchange would benefit the Trust beneficiaries and the State of Montana. The director requests that this exchange receive final approval from the Land Board to proceed with finalizing the land exchange.

Exchange Location Map



Gallatin County & State Land Exchange

1018-3



Gallatin County Land

Landfill Site on State Land

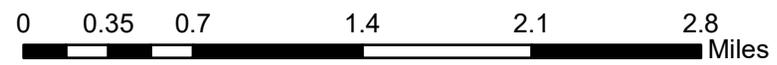
U.S. Department of Agriculture Farm Services Agency Aerial Photography Field Office., Montana State Library, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community, Sources: Esri, Garmin, USGS, NPS



Located In:
Gallatin County, MT
 Prepared by: MH
 September 27, 2018

Gallatin County Land 

State Land 



1018-4

EASEMENTS

**Land Board Agenda Item
October 15, 2018**

1018-4 Easements

Location: Cascade, Chouteau, Fergus, Flathead, Lewis & Clark, Missoula, Teton, Wheatland

Trust Benefits: Common Schools, Montana Tech, Pine Hills School, Public Land Trust – Nav. Rivers

Trust Revenue: Common Schools = \$ 77,457
 Montana Tech = \$ 510
 Pine Hills School = \$ 267
 Public Land Trust = \$ 584

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Northwestern Energy	Overhead Electric Lines & Pipeline	Permanent	1-12
Northwestern Corporation	Buried Electric Line	Permanent	13-14
City of Kalispell	Public Road (Stillwater Road)	Permanent	15-16
Mid-Rivers Telephone Cooperative	Buried Fiber Optic Cable	Permanent	17-20
Front Range Pipeline LLC	Buried 16" Crude Oil Pipeline	30-year	21-22
Qwest Corporation	Buried Copper & Fiber Optic Cables	Permanent	23-24

APPLICANTS AND RIGHTS OF WAY INFORMATION

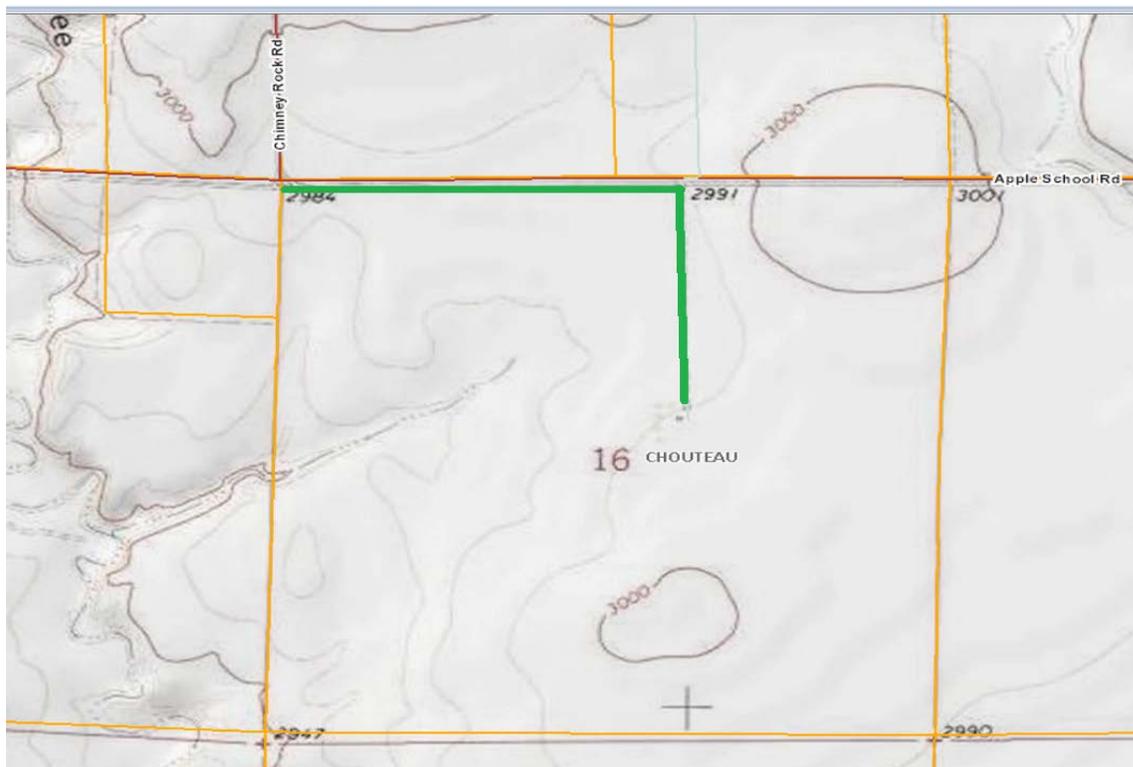
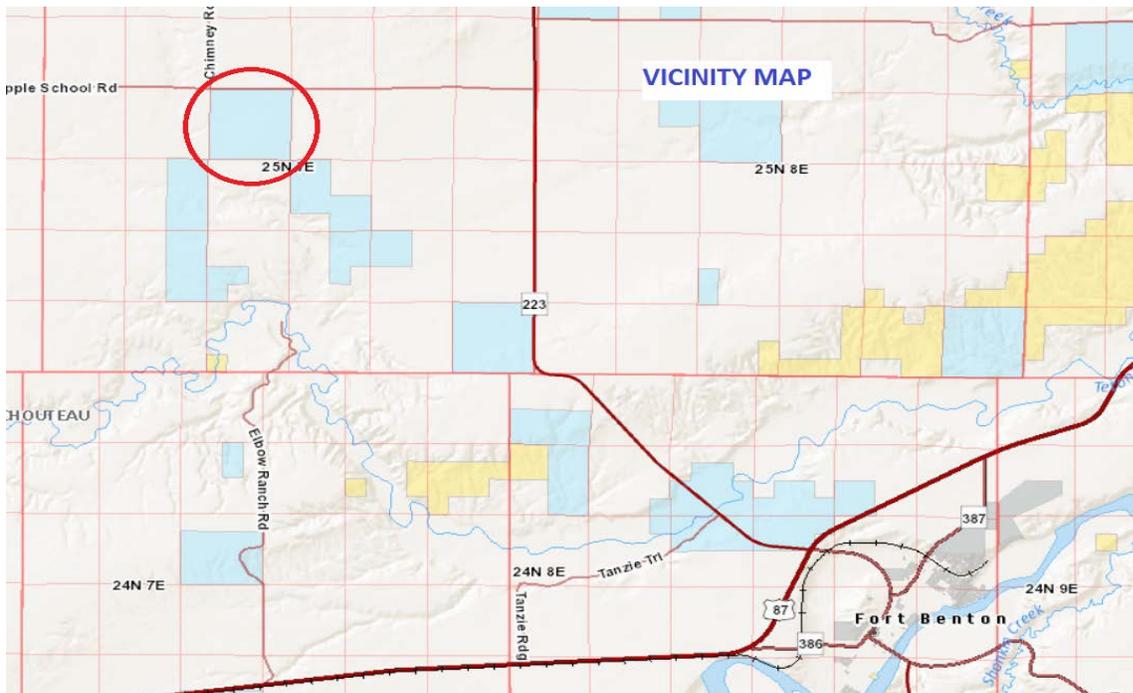
Applicant:	Northwestern Energy 11 East Park Butte, MT 59701
Application No.:	17825
R/W Purpose:	an overhead 12.47 kv electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	3.59
Compensation:	\$1,257.00
Legal Description:	30-foot strip through N2N2, SW4NE4, Sec. 16, Twp. 25N, Rge. 7E, Chouteau County
Trust Beneficiary:	Common Schools

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 these historic rights of way for Northwestern Energy.



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 East Park
Butte, MT 59701

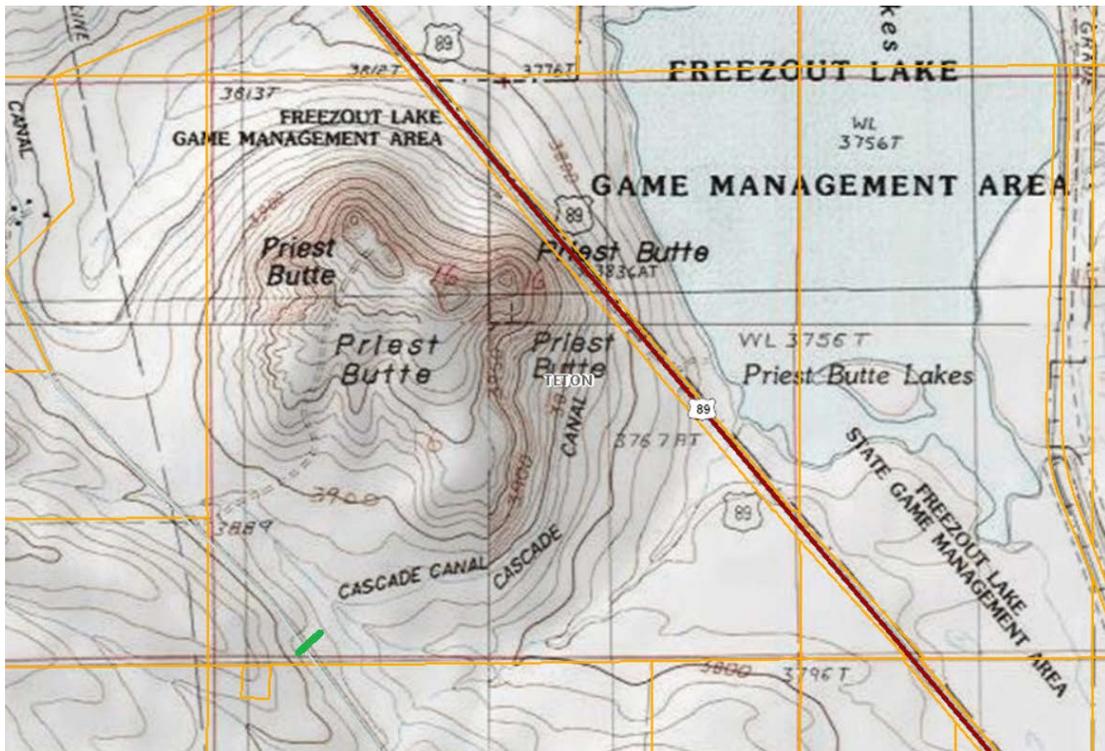
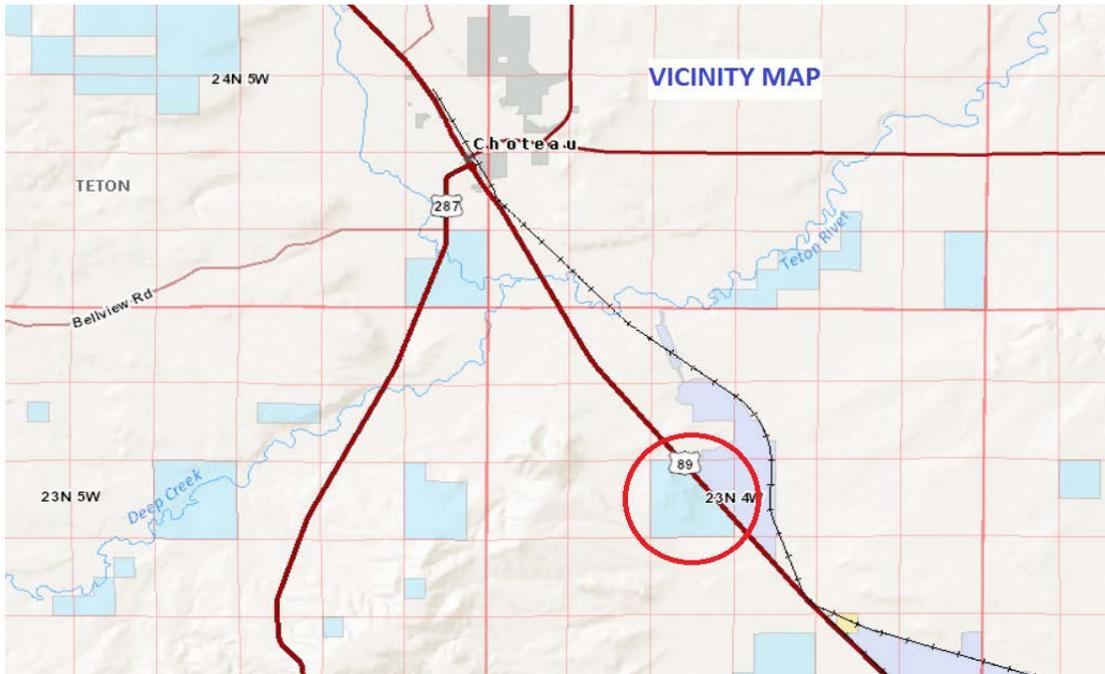
Application No.: 17832
R/W Purpose: an overhead 12.47 kv electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.25
Compensation: \$150.00
Legal Description: 30-foot strip through SW4SW4, Sec. 16, Twp. 23N, Rge. 4W,
Teton County
Trust Beneficiary: Common Schools

Item Summary

See page 1 for Summary

DNRC Recommendation

See page 1 for Recommendation



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 East Park
Butte, MT 59701

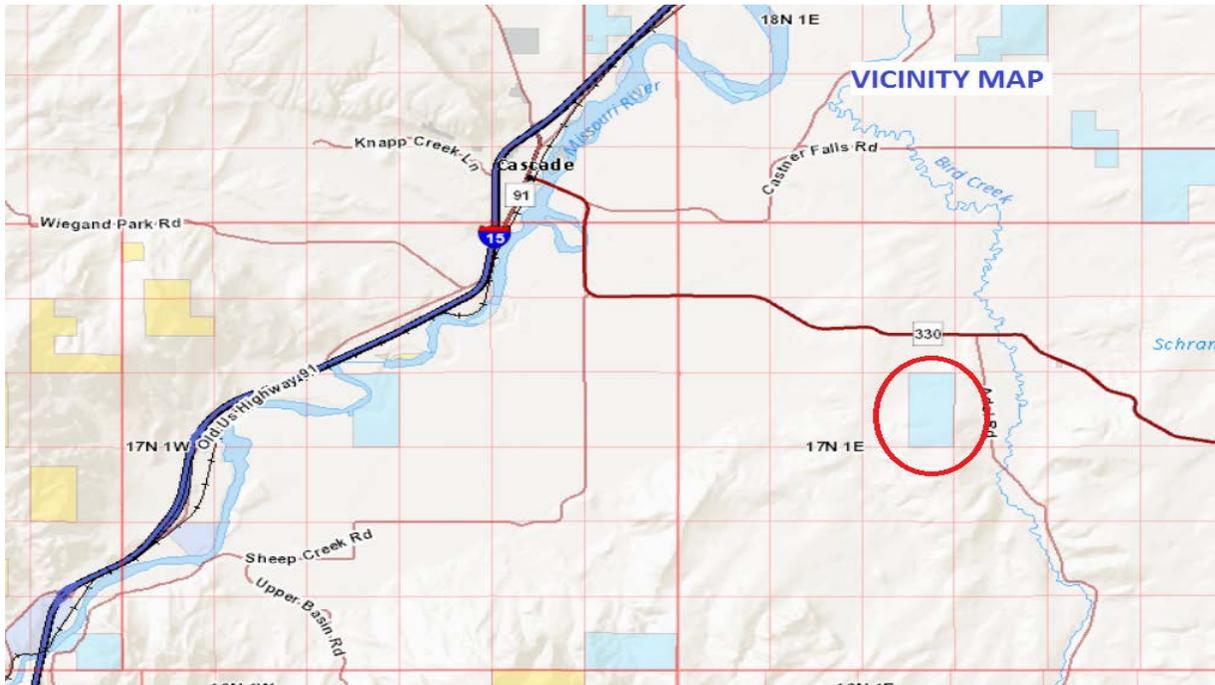
Application No.: 17882
R/W Purpose: an overhead 12.47 kv electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 4.04
Compensation: \$2,424.00
Legal Description: 30-foot strip through N2NE4, SW4NE4, N2SE4, SE4SE4, Sec. 16,
Twp. 17N, Rge. 1E, Cascade County
Trust Beneficiary: Common Schools

Item Summary

See page 1 for Summary

DNRC Recommendation

See page 1 for Recommendation



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 East Park
Butte, MT 59701

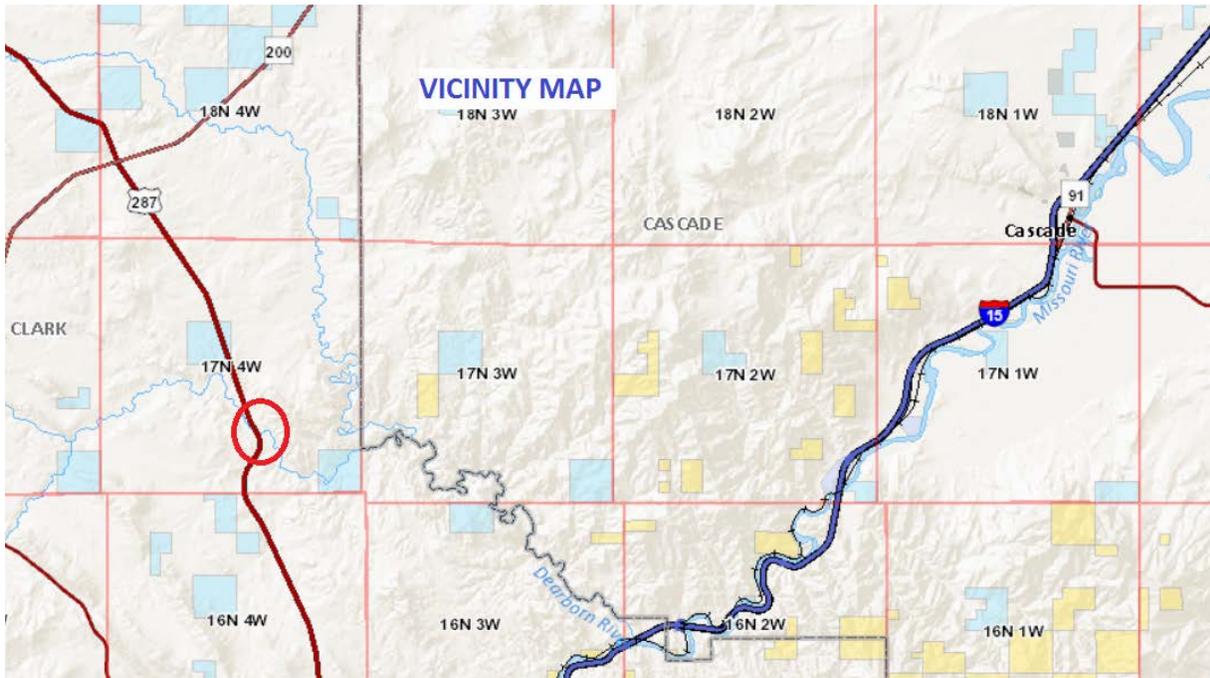
Application No.: 17903
R/W Purpose: a buried 16" natural gas pipeline
Lessee Agreement: N/A (Historic)
Acreage: 0.13
Compensation: \$100.00
Legal Description: 50-foot strip across the Dearborn River in NW4SE4, Sec. 27,
Twp. 17N, Rge. 4W, Lewis & Clark County
Trust Beneficiary: Public Land Trust – Navigable Rivers

Item Summary

See page 1 for Summary.

DNRC Recommendation

See page 1 for Recommendation.



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 East Park
Butte, MT 59701

Application No.: 17964
R/W Purpose: an overhead 69 kv electric transmission line with a 12.47 kv
distribution underbuilt

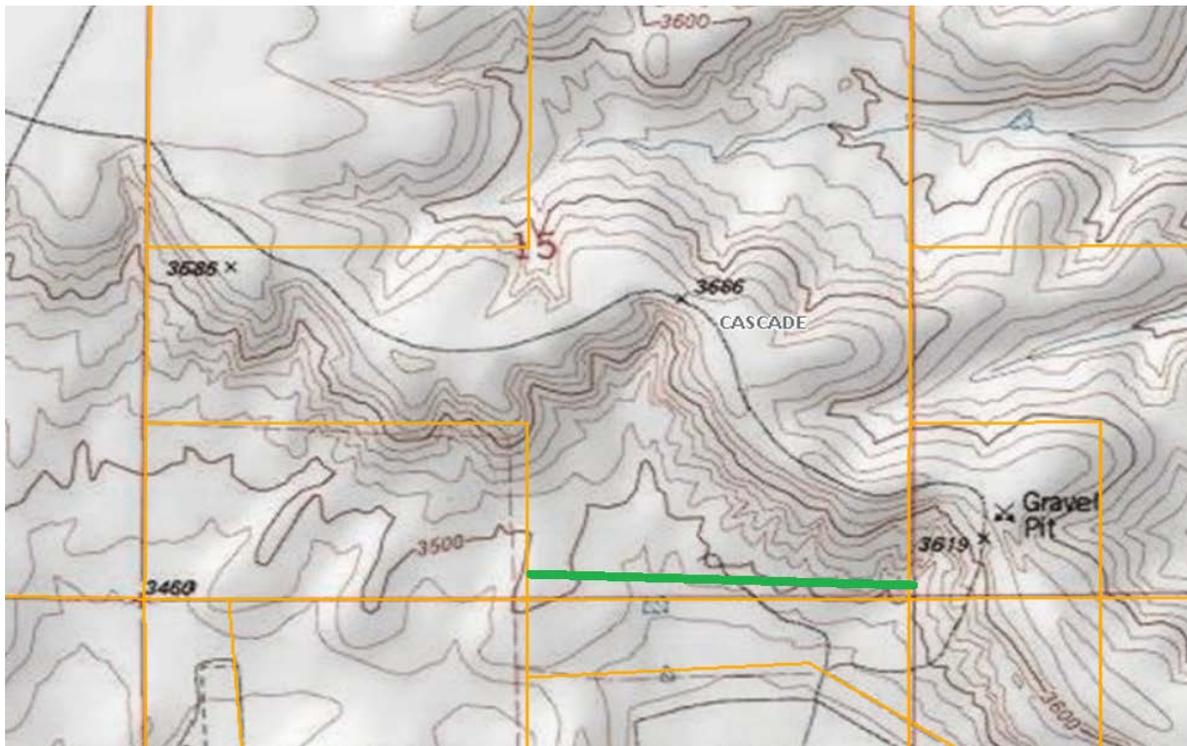
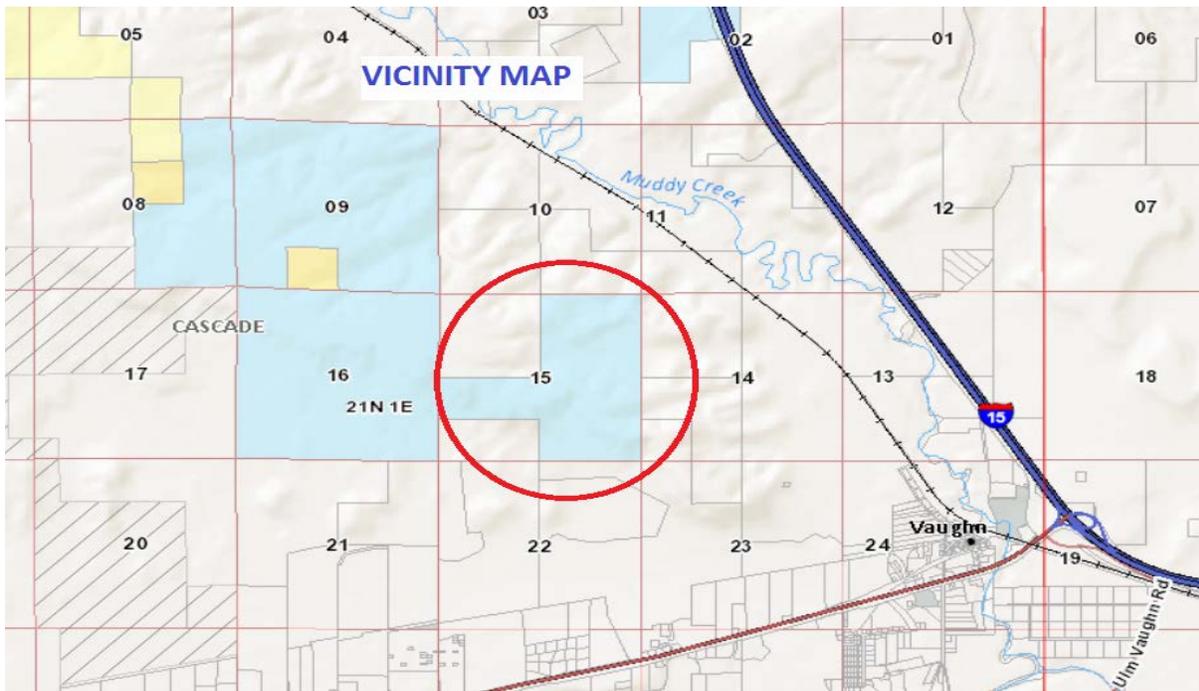
Lessee Agreement: N/A (Historic)
Acreage: 1.70
Compensation: \$510.00
Legal Description: 28-foot strip through S2SE4, Sec. 15, Twp. 21N, Rge. 1E,
Cascade County
Trust Beneficiary: Montana Tech

Item Summary

See page 1 for Summary.

DNRC Recommendation

See page 1 for Recommendation.



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
11 East Park
Butte, MT 59701

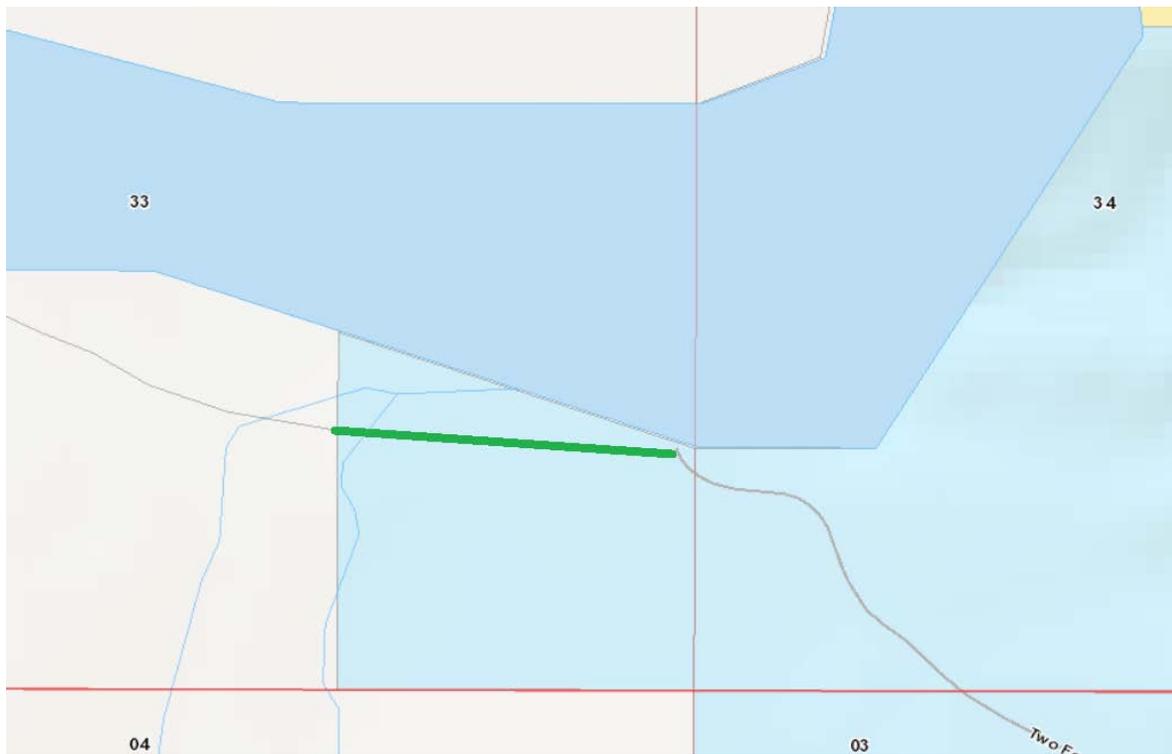
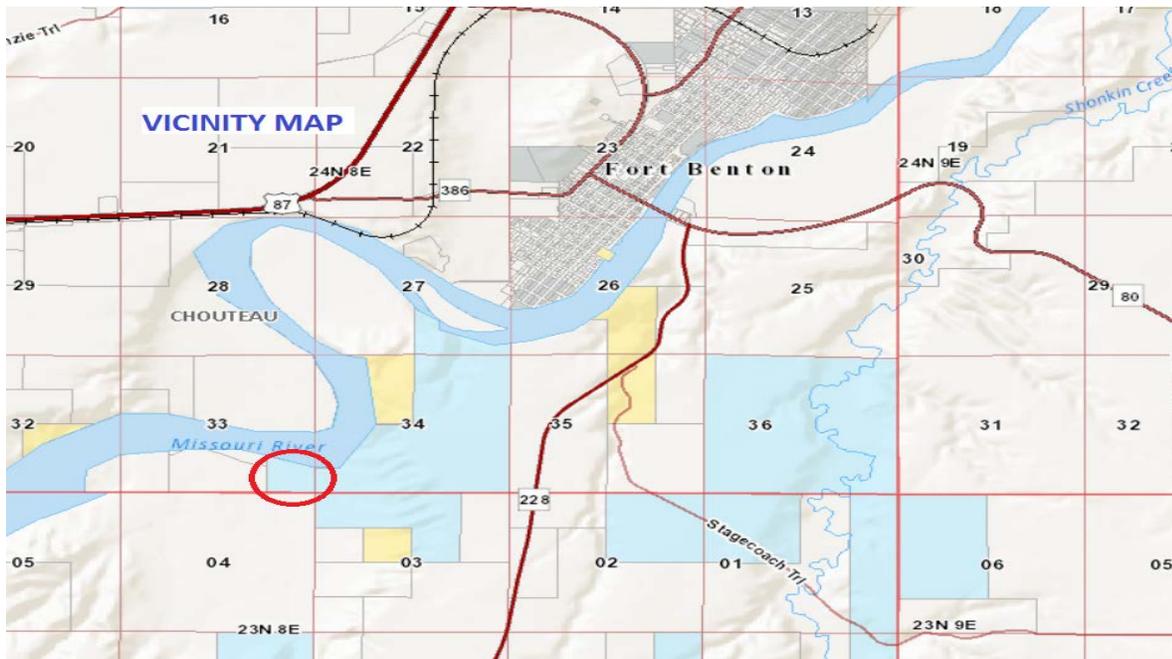
Application No.: 18033
R/W Purpose: an overhead 12.47 kv electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.89
Compensation: \$267.00
Legal Description: 30-foot strip through Gov. Lot 9, Sec. 33, Twp. 24N, Rge. 8E,
Chouteau County
Trust Beneficiary: Pine Hills School

Item Summary

See page 1 for Summary.

DNRC Recommendation

See page 1 for Recommendation.



APPLICANTS AND RIGHTS OF WAY INFORMATION

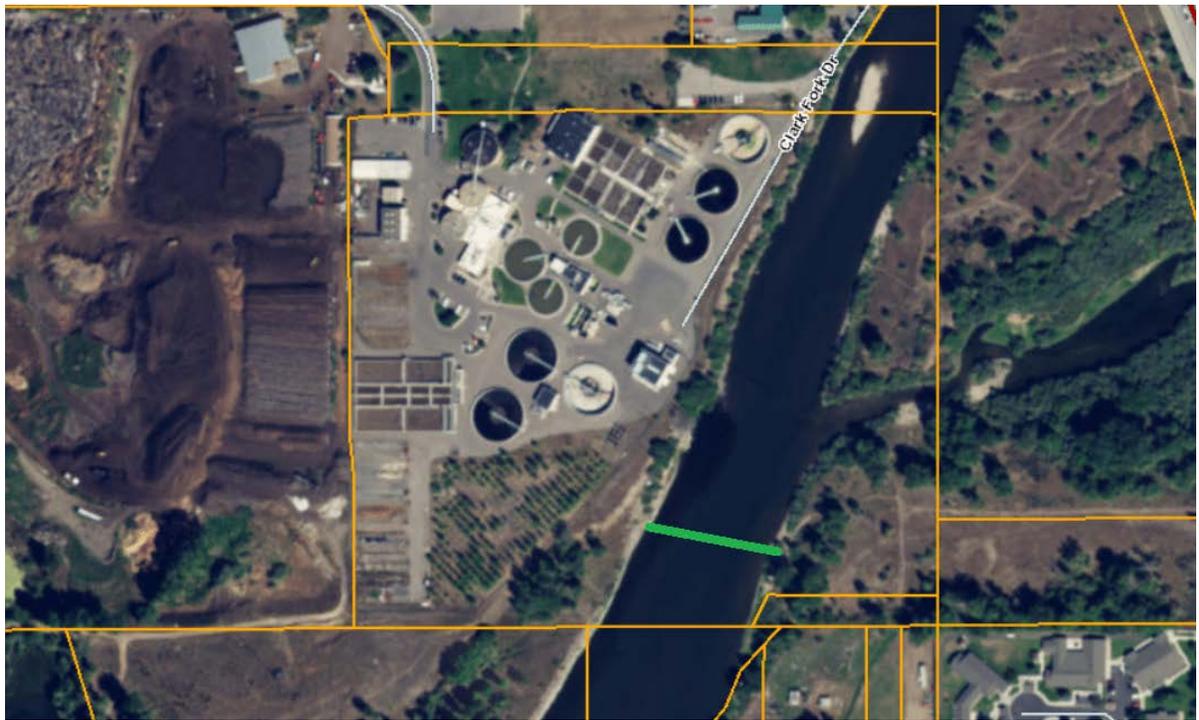
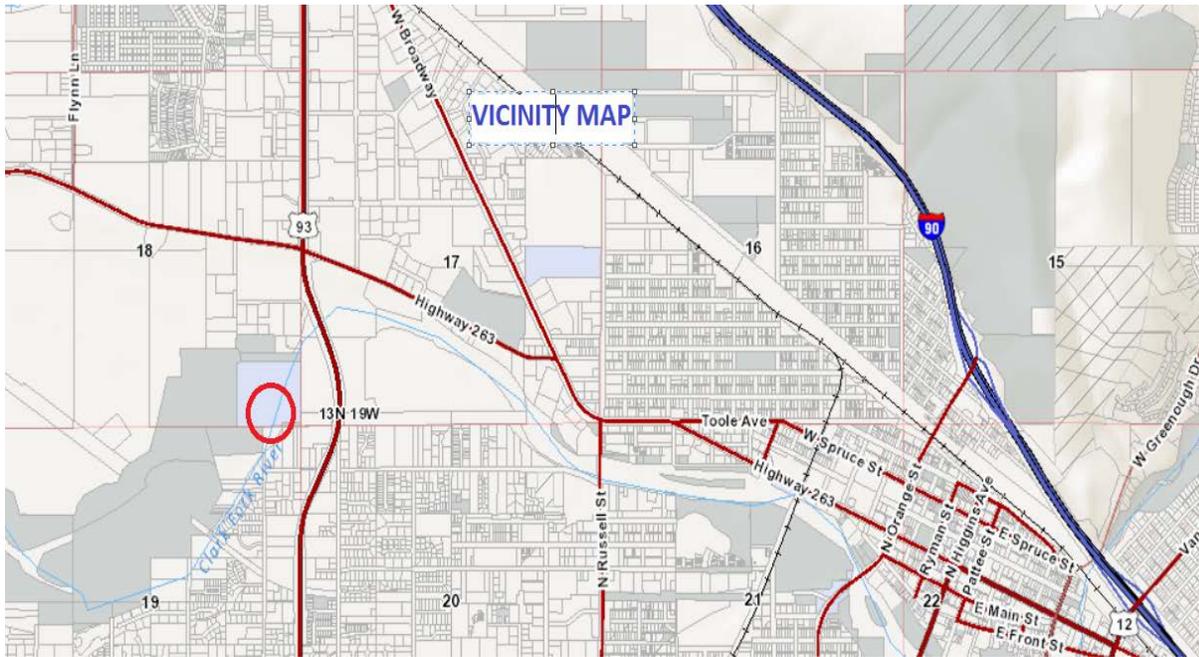
Applicant:	Northwestern Corporation 11 East Park Butte, MT 59701
Application No.:	18432
R/W Purpose:	a buried electric distribution line
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.11
Compensation:	\$384.00
Legal Description:	20-foot strip across the Clark Fork River in SE4SE4, Sec. 18, Twp. 13N, Rge. 19W, Missoula County
Trust Beneficiary:	Public Land Trust – Navigable Rivers

Item Summary

Northwestern Corporation is proposing to bore a new electric distribution line under the Clark Fork River to increase reliability and switching capability during outages and scheduled maintenance. The conduit which will hold the cable will be bored 30-feet below the bed of the river. Several alternatives were explored and eliminated for various reasons, including an aerial crossing which is not acceptable to the City of Missoula. The location chosen is the most direct and least impactful.

DNRC Recommendation

The director recommends approval of the easement request by Northwestern Corporation.



APPLICANTS AND RIGHTS OF WAY INFORMATION

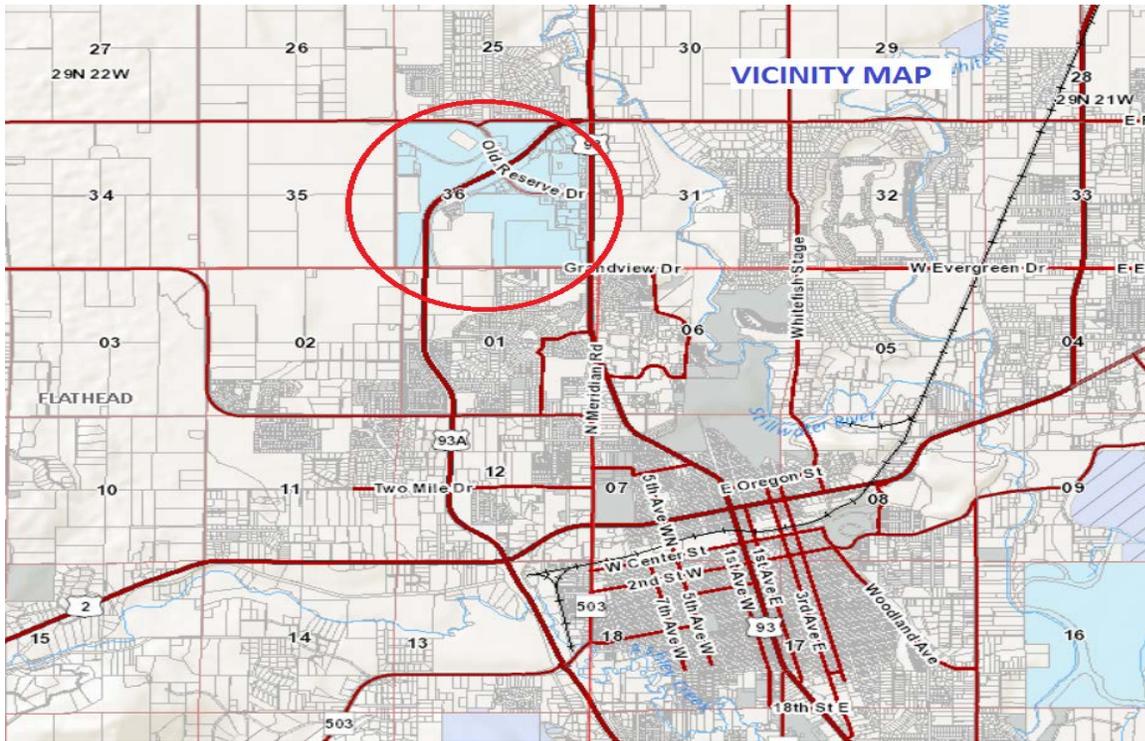
Applicant:	City of Kalispell 201 First Avenue East Kalispell, MT 59901
Application No.:	18433
R/W Purpose:	a public city road known as Stillwater Road
Lessee Agreement:	N/A (Historic)
Acreage:	1.72
Compensation:	\$70,830.00
Legal Description:	a tract of land 30 to 40-foot wide in the W2SW4, Sec. 36, Twp. 29N, Rge. 22W, Flathead County
Trust Beneficiary:	Common Schools

Item Summary

A portion of Stillwater Road on State Section 36 in Kalispell was previously acquired under the historic right of way process as land along the west side of the section were developed. This particular segment of the road, in the southwest quarter, remained unauthorized. With planned development adjacent to the State section the developers and City recognized the need to complete the authorization of the remainder of Stillwater Road. Recognition of the remainder of the road as a public road benefits the State in regards to opening up development of the southwest quarter of State Section 36. The road has been in place for many years and meets the criteria for a historic right of way under §77-1-130, MCA.

DNRC Recommendation

The director recommends approval of this historic public road for the City of Kalispell.



APPLICANTS AND RIGHTS OF WAY INFORMATION

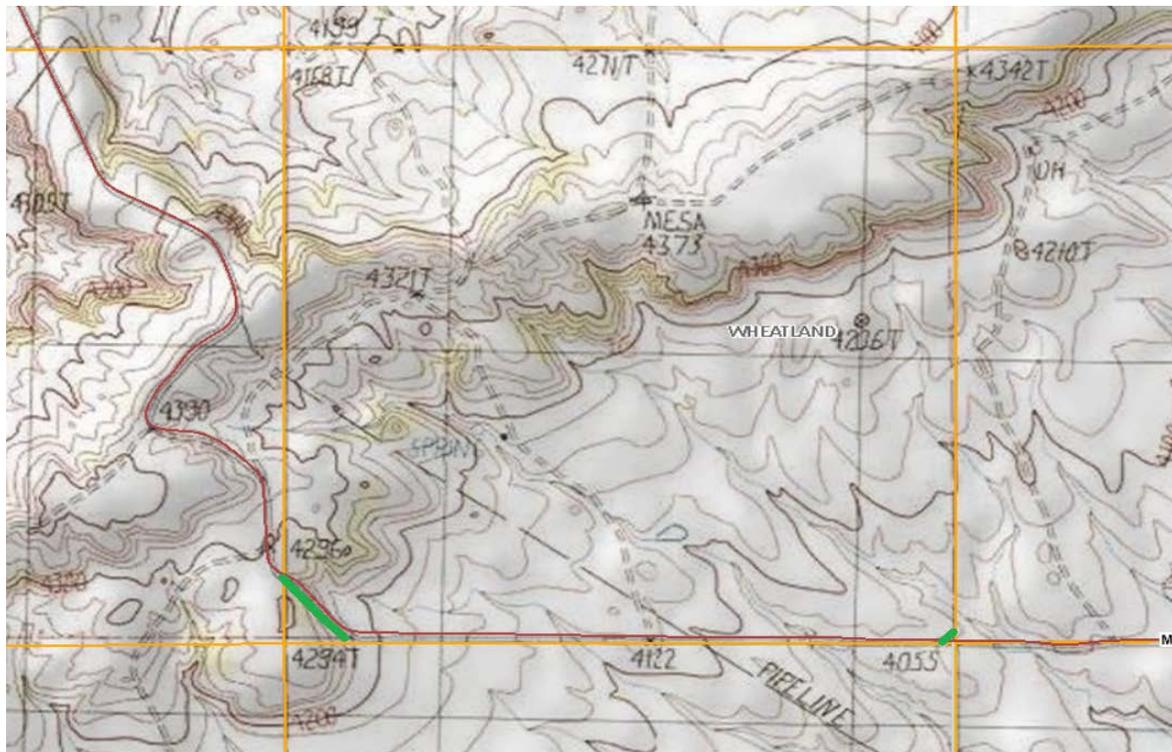
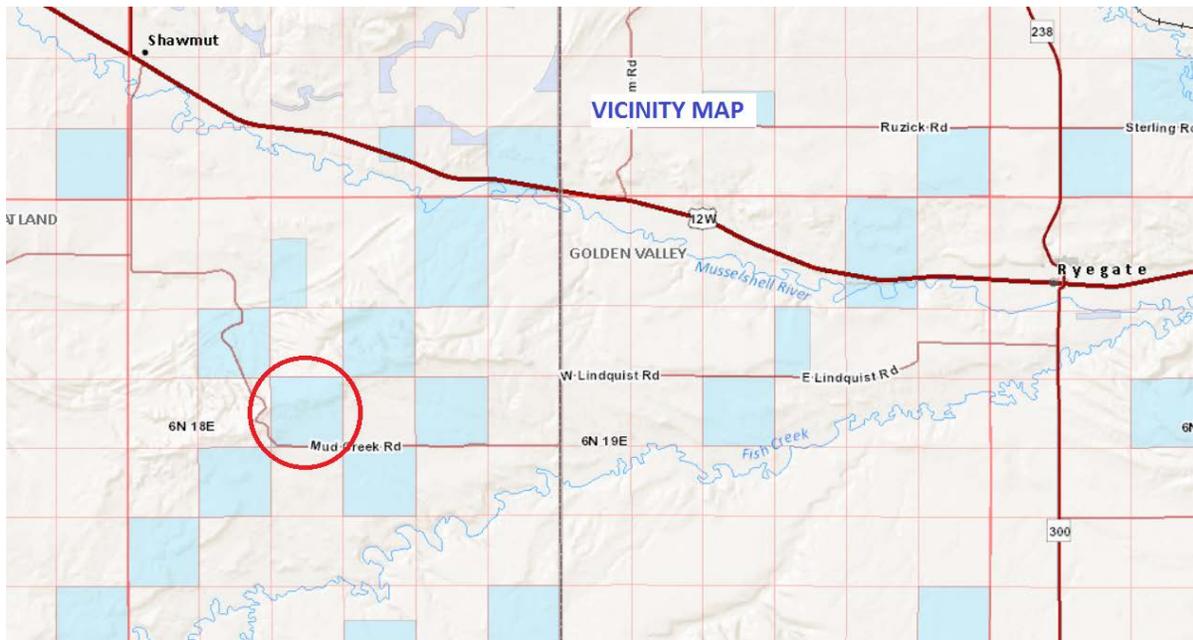
Applicant:	Mid-Rivers Telephone Cooperative P O Box 280 Circle, MT 59215
Application No.:	18510
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	0.35
Compensation:	\$175.00
Legal Description:	a 16-foot wide strip in SW4SW4 and a 16-foot wide strip in SE4SE4, Sec. 16, Twp. 6N, Rge. 18E, Wheatland County
Trust Beneficiary:	Common Schools

Item Summary

Mid-Rivers Telephone Cooperative is requesting an easement for installation of a fiber optic cable in the Ryegate exchange area. The proposed cable follows an existing road that enters and exits the State land in the southwest quarter and the southeast quarter. As the proposed route follows existing disturbed ground minimal impacts are expected.

DNRC Recommendation

The director recommends approval of this easement request by Mid-Rivers Telephone.



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid-Rivers Telephone Cooperative
P O Box 280
Circle, MT 59215

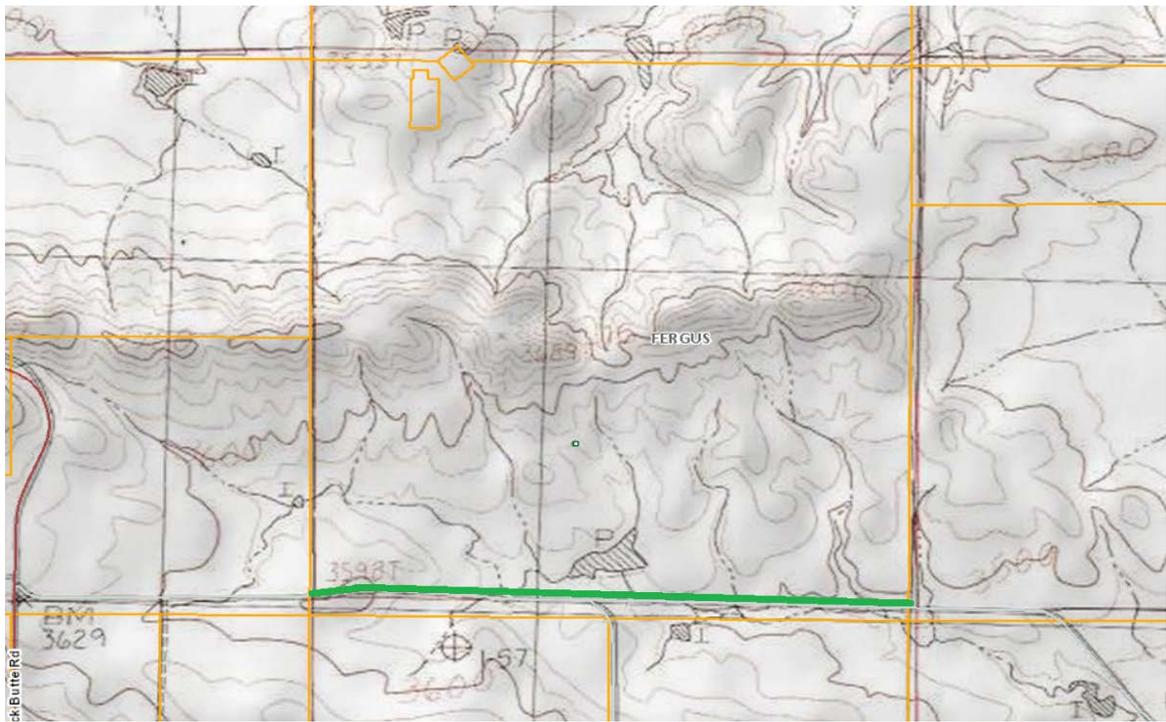
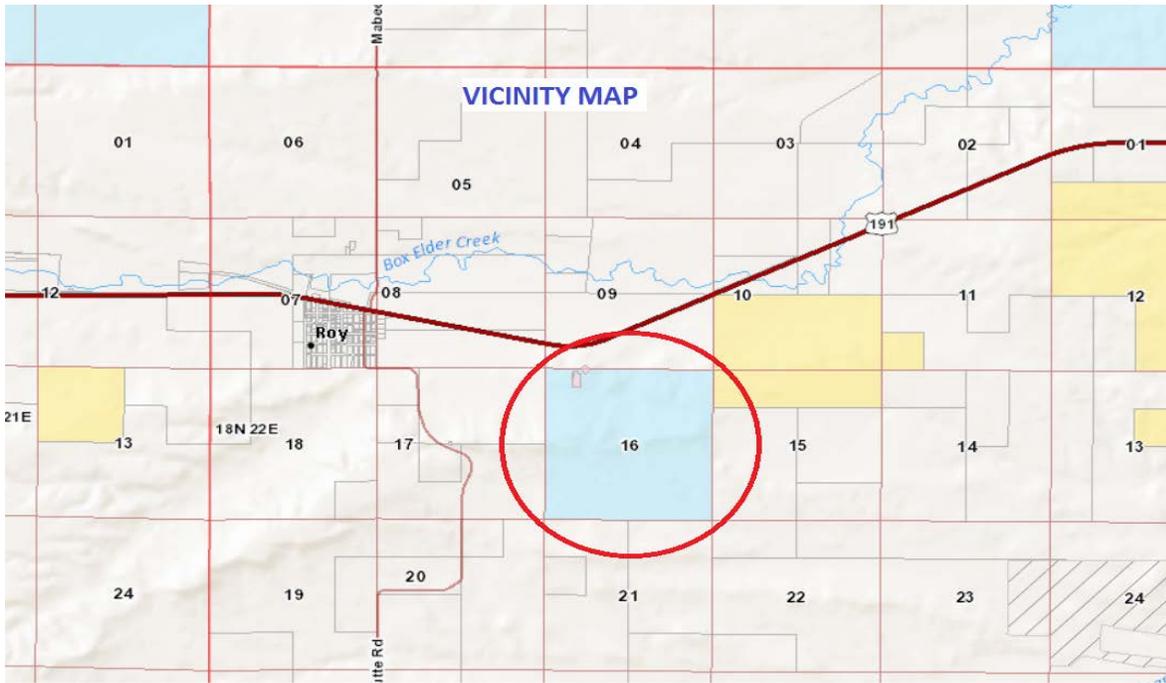
Application No.: 18511
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 1.94
Compensation: \$873.00
Legal Description: a 16-foot strip of land in the S2S2, Sec. 16, Twp. 18N, Rge. 22E,
Fergus County
Trust Beneficiary: Common Schools

Item Summary

Mid-Rivers Telephone Cooperative is requesting an easement for installation of a fiber optic cable in the Roy exchange area. The proposed cable follows an existing road along the south half of the State land. As the proposed route follows existing disturbed ground minimal impacts are expected.

DNRC Recommendation

The director recommends approval of this easement request for Mid-Rivers Telephone.



APPLICANTS AND RIGHTS OF WAY INFORMATION

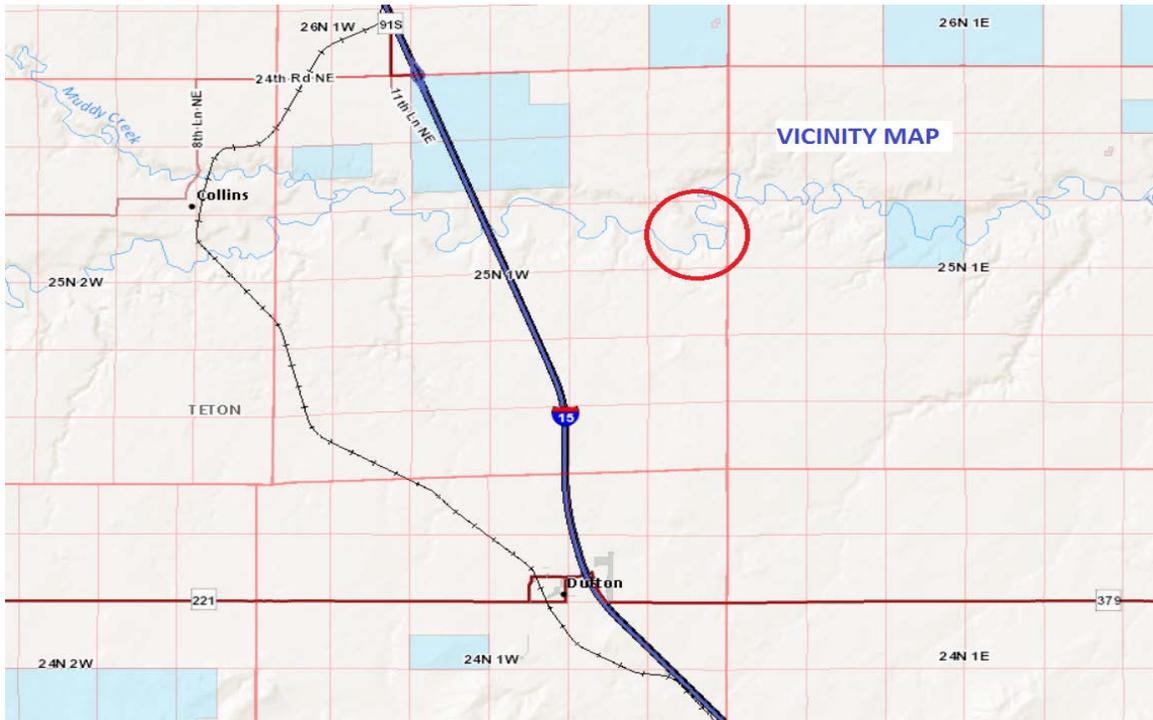
Applicant:	Front Range Pipeline, LLC P O Box 909 Laurel, MT 59044
Application No.:	18512
R/W Purpose:	a buried 16" crude oil petroleum pipeline
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.10
Compensation:	\$100.00
Legal Description:	a 50-foot strip across the Teton River in NW4SE4, Sec. 13, Twp. 25N, Rge. 1W, Teton County
Trust Beneficiary:	Public Land Trust – Navigable Rivers

Item Summary

Front Range Pipeline is requesting a new easement for a 16" crude oil petroleum pipeline crossing the Dearborn River utilizing the directional drill process. Front Range has an existing easement issued in 1995 for this pipeline located north of the proposed new pipeline location. At that time, installation of pipelines was generally completed using conventional open-cut construction. Due to recent channel changes at this original location there is an elevated concern of potential exposure in the future. Currently, the existing pipeline is approximately 4.5 feet below the bed of the river. Front Range has proactively proposed to bore a new pipeline to a depth of 50 feet below the river south of the original pipeline location and abandon the original pipeline in place. Abandonment of the existing pipeline would include the pipe being purged and swabbed with the ends capped and the pipeline filled with nitrogen. If any portion of the pipeline becomes exposed it would be removed to eliminate potential hazards. Overall, the proposal to bore under the river to a depth of 50 feet below the bed of the river maintains a safe and efficient transport of crude oil and ensures pipeline integrity into the foreseeable future. As is the case with all new pipelines, a 30-year term easement is proposed.

DNRC Recommendation

The director recommends approval of this new pipeline request for a term of 30-year term.



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Qwest Corporation d/b/a CenturyLink QC
5025 N. Black Canyon Hwy.
Phoenix, AZ 85015

Application No.: 18513
R/W Purpose: two buried telecommunications cables (one copper & one fiber optic)

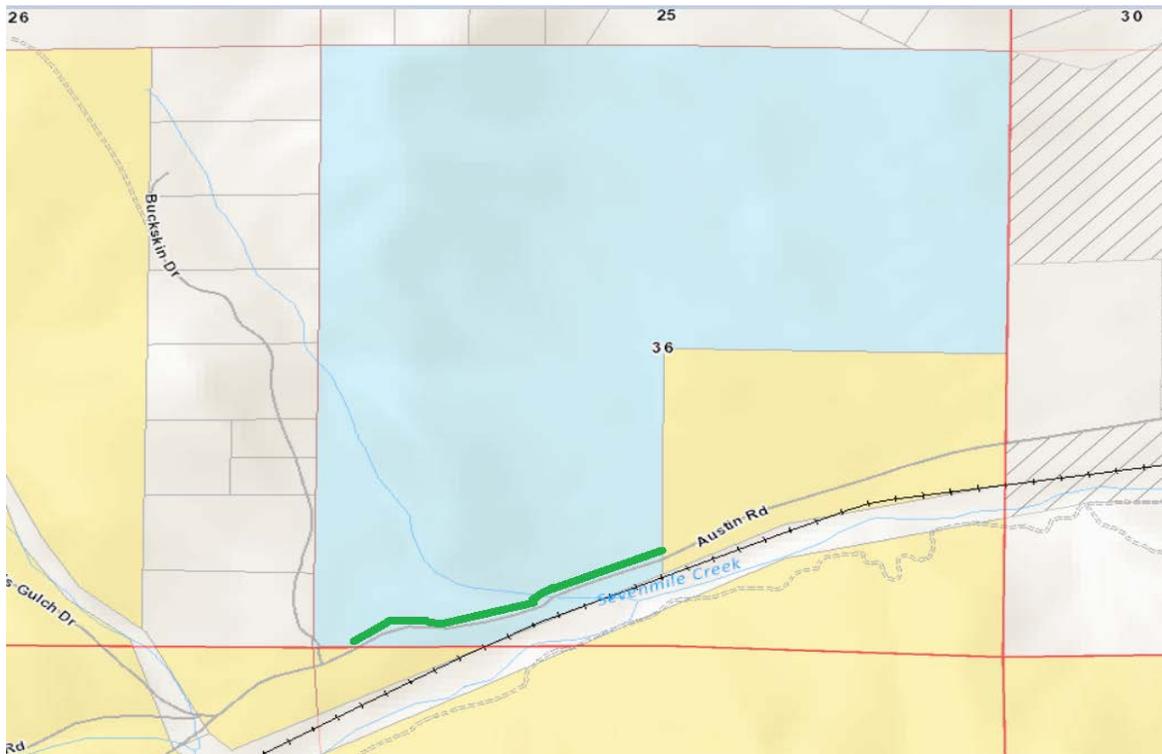
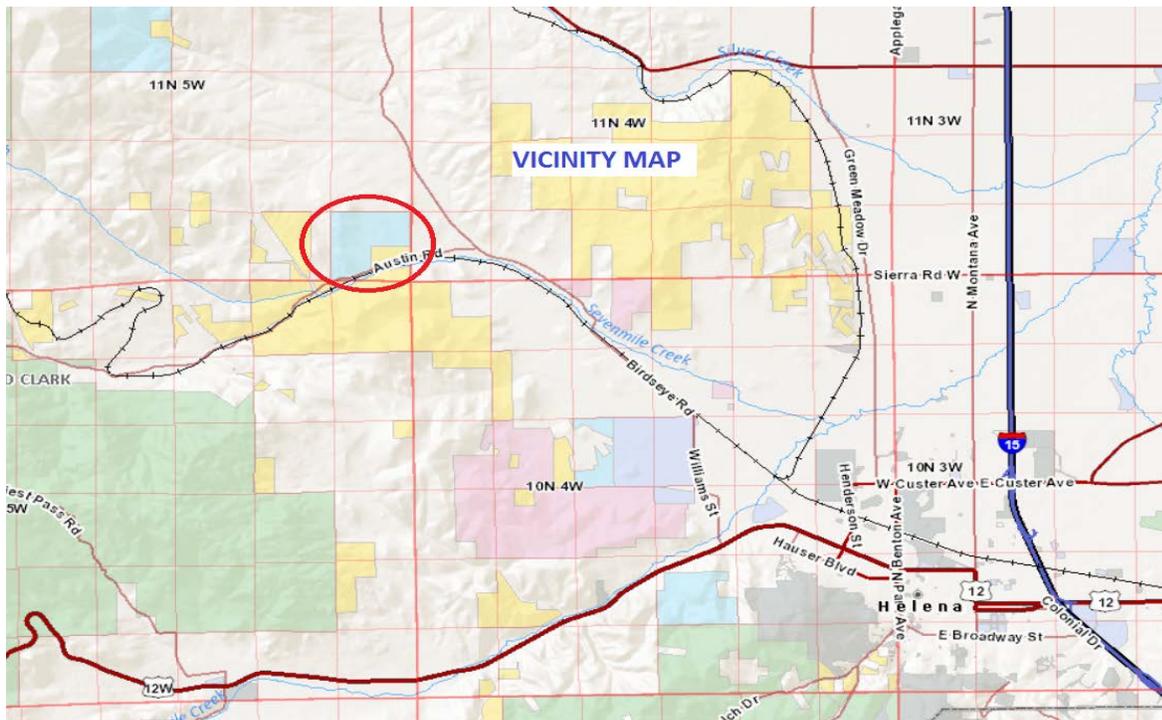
Lessee Agreement: ok
Acreage: 1.17
Compensation: \$1,748.00
Legal Description: 20-foot strip through S2SW4, Sec. 36, Twp. 11N, Rge. 5W, Lewis & Clark County
Trust Beneficiary: Common Schools

Item Summary

Qwest Corporation, d/b/a CenturyLink, has requested an easement across State Land for the purpose of installing a new fiber optic line in an existing disturbed corridor. This new cable will enhance communication capacity for rural landowners in the Silver City/Birdseye area and is part of the Connect America program authorized by the FCC. A copper cable was installed without authorization prior to 1997 and would meet the historic application process, however as the proposal is to install a new cable in the same corridor it was determined that the best course of action was to authorize both cables under one easement. Minimal impacts are expected from the trenching in of the new fiber optic cable and disturbance on the State land will be minimal.

DNRC Recommendation

The director recommends approval of the easement request by Qwest Corporation.



1018-5

INFORMATIONAL ITEM

Cultural and Paleontological Resources

**Land Board Agenda Item
October 15, 2018**

1018-5 INFORMATIONAL ITEM: Cultural and Paleontological Resources

Location: All Counties

Trust Benefits: All Trusts

Item Summary

Patrick Rennie will discuss how the Department of Natural Resources and Conservation (DNRC) takes into consideration cultural and paleontologic resources as part of its project planning efforts. State land managing agencies are subject to the mandates of the State Antiquities Act (22-3-421 *et seq.* M.C.A.). Montana's State Antiquities Act, in part, directs those agencies to develop procedures to be followed for identification and protection of cultural properties eligible for listing in the National Register of Historic Places—as well as paleontologic resources.

With limited exceptions, cultural resources are typically defined either arbitrarily or factually as individual objects of, or areas that contain, tangible manifestations of past human behavior that are more than 50 years old. Cultural resources include properties produced by past Native American occupants (e.g., scarred ponderosa pine trees, campsites, bison kill/processing sites, cairns, rock alignments, stone circles/tipi rings, rock shelters, rock art sites, and tool stone quarries/collection sites). They also include artifacts and properties produced by early white explorers, trappers, traders, settlers, ranchers, farmers, miners, loggers as well as other aspects of industrialization.

Paleontologic resources are defined as fossilized plant and animal remains which are rare and critical to scientific research. Examples would include a locality where comparatively dense concentrations of extinct forms of plant, insect and animal remains exist, a largely complete dinosaur skeleton, or a newly discovered or rare type of plant or animal fossil.

The DNRC has established procedural rules A.R.M. 36.2.801-813 which implement the State Antiquities Act mandates. The DNRC also actively trains its field staff in the general identification of cultural and paleontologic resources and has developed an agreement with the Museum of the Rockies to serve as the repository for School Trust fossils.