AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
October 19, 2020, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

1020-1 **Timber Sales:**
A. Huckleberry Pass
Benefits: Common Schools
Location:Powell County
B. Jim Junction
Benefits: Common Schools, Public Buildings
Location:Lincoln County

1020-2 **Cabin and Home Sites: Set Minimum Bid for Sale**
A. Sanders County
Benefits: Common Schools
Location: Sanders County
B. Powell County
Benefits: Common Schools
Location: Powell County
C. Missoula County
Benefits: MSU 2nd
Location: Missoula County
D. Flathead County
Benefits: Montana Tech
Location: Flathead County

1020-3 **Cabin and Home Sites: Final Approval for Sale**
Benefits: Common Schools
Location: Lincoln County

1020-4 **Land Exchange: Final Approval for MDC Boulder Land Exchange**
Benefits: School for the Deaf and Blind
Location: Jefferson County

1020-5 **Easements:**
Benefits: Common Schools, Public Land Trust – Nav. River
Location: Fallon, Fergus, Gallatin, Ravalli, and Richland Counties

PUBLIC COMMENT

1020-1

TIMBER SALES:

A. Huckleberry Pass

B. Jim Junction

Land Board Agenda Item
October 19, 2020

1020-1A Timber Sale: Huckleberry Pass

Location: Powell County
Section 16 T15N R10W

Trust Beneficiaries: Common Schools

Trust Revenue: $381,020 (estimated, minimum bid)

Item Summary

Location: The Huckleberry Pass Timber Sale is located approximately 12 miles northeast of Ovando, MT.

Size and Scope: The sale includes 10 harvest units (391 acres) of tractor (291 acres) and line logging (100 acres). This sale is under the Echo Mountain EA.

Volume: The estimated harvest volume is 25,589 tons (3.985 MMBF) of sawlogs.

Estimated Return: The minimum bid is $14.89 per ton, which would generate approximately $ 381,000 for the Common Schools and approximately $96,726 in Forest Improvement fees.

Prescription: This sale is a seedtree, shelterwood and overstory removal harvest prescription designed to reduce insect and disease issues and to promote forest health.

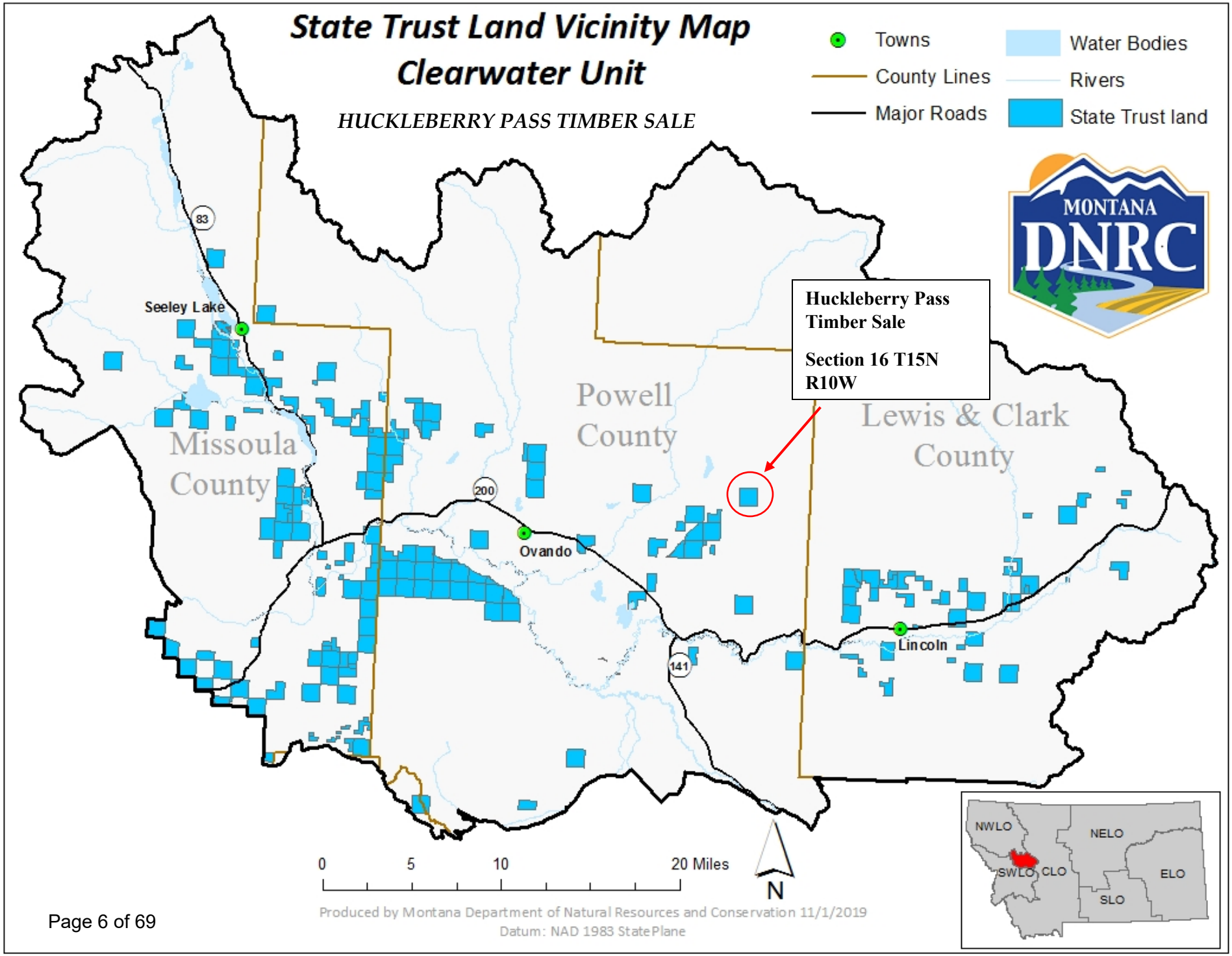
Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 5.5 miles of road maintenance, 3.3 miles of new road construction and 2.4 miles of temporary road construction.

Access: The access to the sale is from the Cooper Lake County Road.

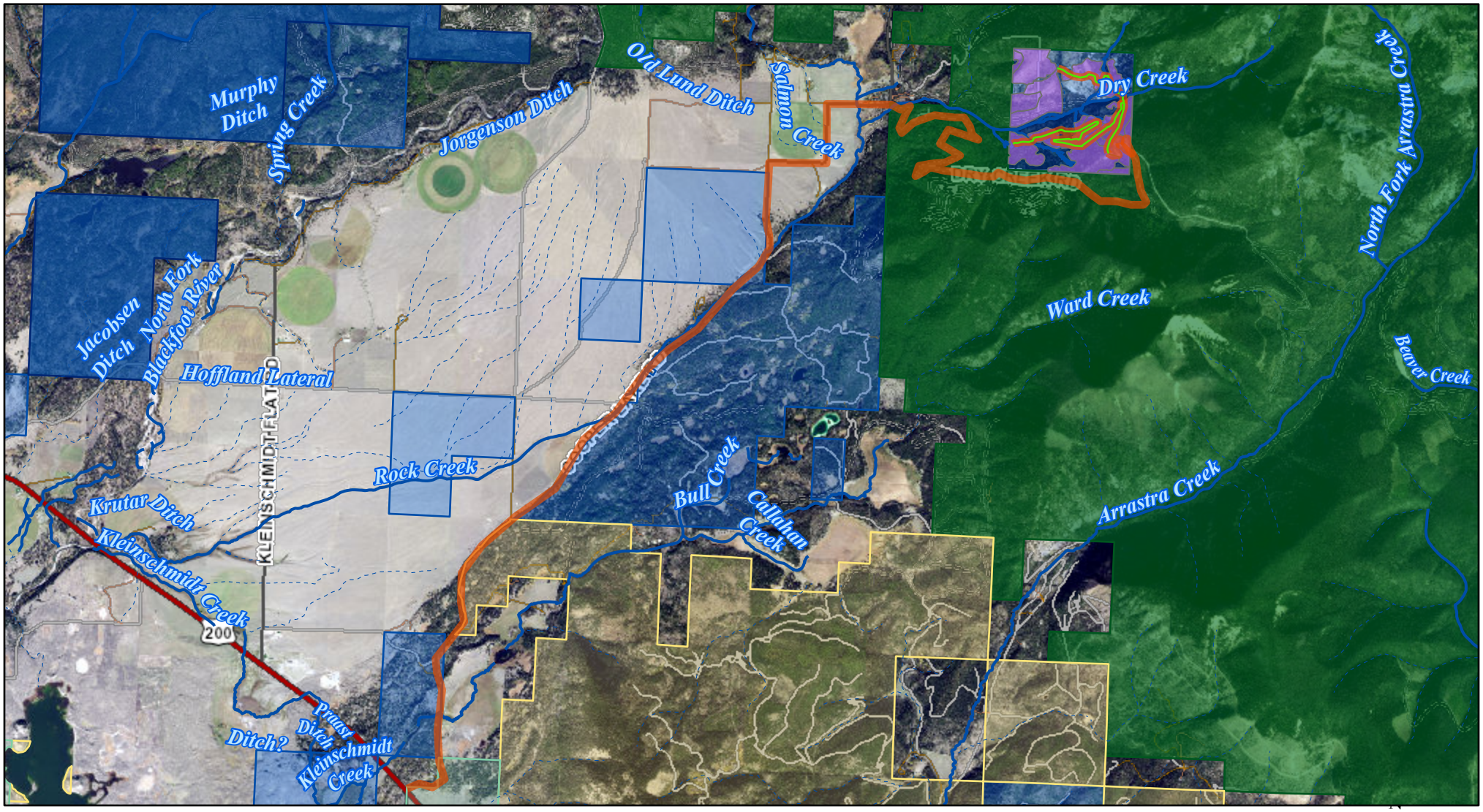
Public Comments: There were five public comments received. One from The Department of Fish Wildlife and Parks (DFWP) with requests for DFWP biologists to consult with DNRC foresters and biologists to help develop prescriptions that protect and conserve wildlife habitat. DNRC will continue to work closely with DFWP biologists during this project. One comment from the Confederated Salish and Kootenai Tribal Preservation Officer with no concerns on the project area. Three private landowners commented on weed management, road use and wildlife concerns. These issues and concerns were incorporated into project planning and design and will be implemented in associated contracts.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Huckleberry Pass Timber Sale.


State Trust Land Vicinity Map
Clearwater Unit
HUCKLEBERRY PASS TIMBER SALE
Towns
County Lines
Major Roads
Water Bodies
Rivers
State Trust land
MONTANA DNRC
Huckleberry Pass Timber Sale
Section 16 T15N R10W
Seeley Lake
Missoula County
Powell County
Lewis & Clark County
Ovando
Lincoln
83
200
141
0 5 10 20 Miles
N
NWLO
NELO
SWLO
CLO
ELO
SLO
Produced by Montana Department of Natural Resources and Conservation 11/1/2019
Datum: NAD 1983 StatePlane

Huckleberry Pass Haul Route

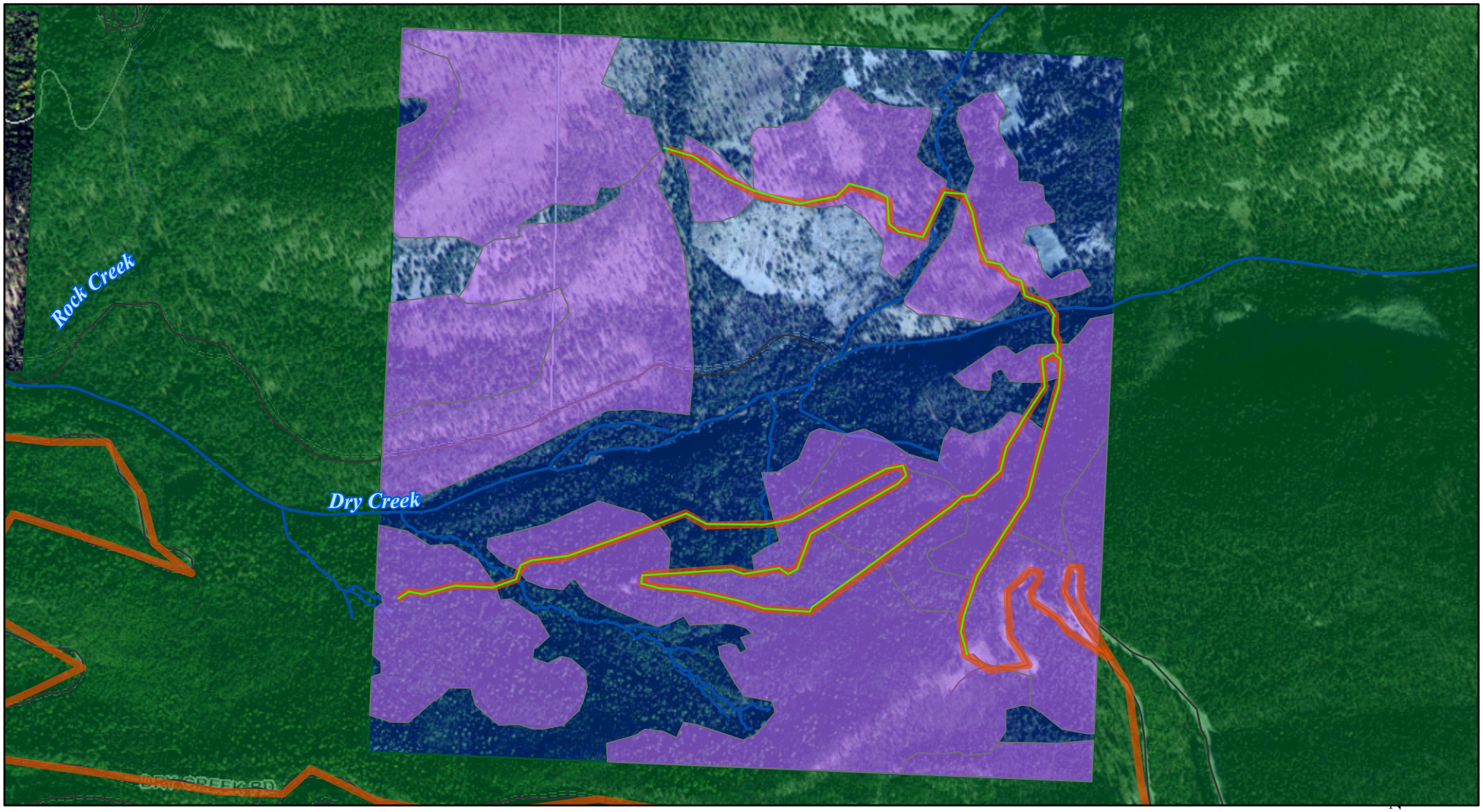


- Haul Route
- New Road
- Huckleberry Pass Harvest Units
- Perennial Stream
- Intermittent Stream
- Montana State Trust Lands
- Montana Fish, Wildlife, and Parks
- US Forest Service
- US Bureau of Land Management
- US Fish and Wildlife Service

0 0.65 1.3 1.95 2.6 Miles

MONTANA DNRC FOREST MANAGEMENT TRUST LAND MANAGEMENT DIVISION

Huckleberry Pass Harvest Units



Haul Route
New Road
Huckleberry Pass Harvest Units
Existing Road
Perennial Stream
Intermittent Stream
Montana State Trust Lands
US Forest Service

0 0.1 0.2 0.3 0.4
Miles

MONTANA DNRC
FOREST MANAGEMENT
TRUST LAND MANAGEMENT DIVISION

Land Board Agenda Item
October 19, 2020

1020-1B Timber Sale: Jim Junction

Location: Lincoln County
T33N R26W Sections 13, 24, 25, and 36

Trust Beneficiaries: Common Schools, Public Buildings

Trust Revenue: $352,819 (estimated, minimum bid)

Item Summary

Location: The Jim Junction Timber Sale is located approximately 7.5 miles southwest of Trego, MT.

Size and Scope: The sale includes 14 harvest units (*376 acres*) and 1 optional unit (*28 acres*) of ground-based logging.

Volume: The estimated harvest volume is 16,304 tons (*2.398 MMBF*) of sawlogs.

Estimated Return: The minimum bid is $21.64 per ton, which would generate approximately $352,819 for the Common Schools and Public Buildings and approximately $71,248 in Forest Improvement fees.

Prescription: This sale has a harvest prescription of seedtree, improvement cut (selection), commercial thin, shelterwood, and overstory removal treatments designed to reduce fuel loads by creating a mosaic of age classes, well-spaced trees, as well as meet desired future conditions.

Road Construction/Maintenance: The Montana Department of Natural Resources and Conservation (DNRC) is proposing 0 miles of new permanent road construction, 0.1 miles of post-harvest road reclamation, and 10.3 miles of road maintenance with some site improvements.

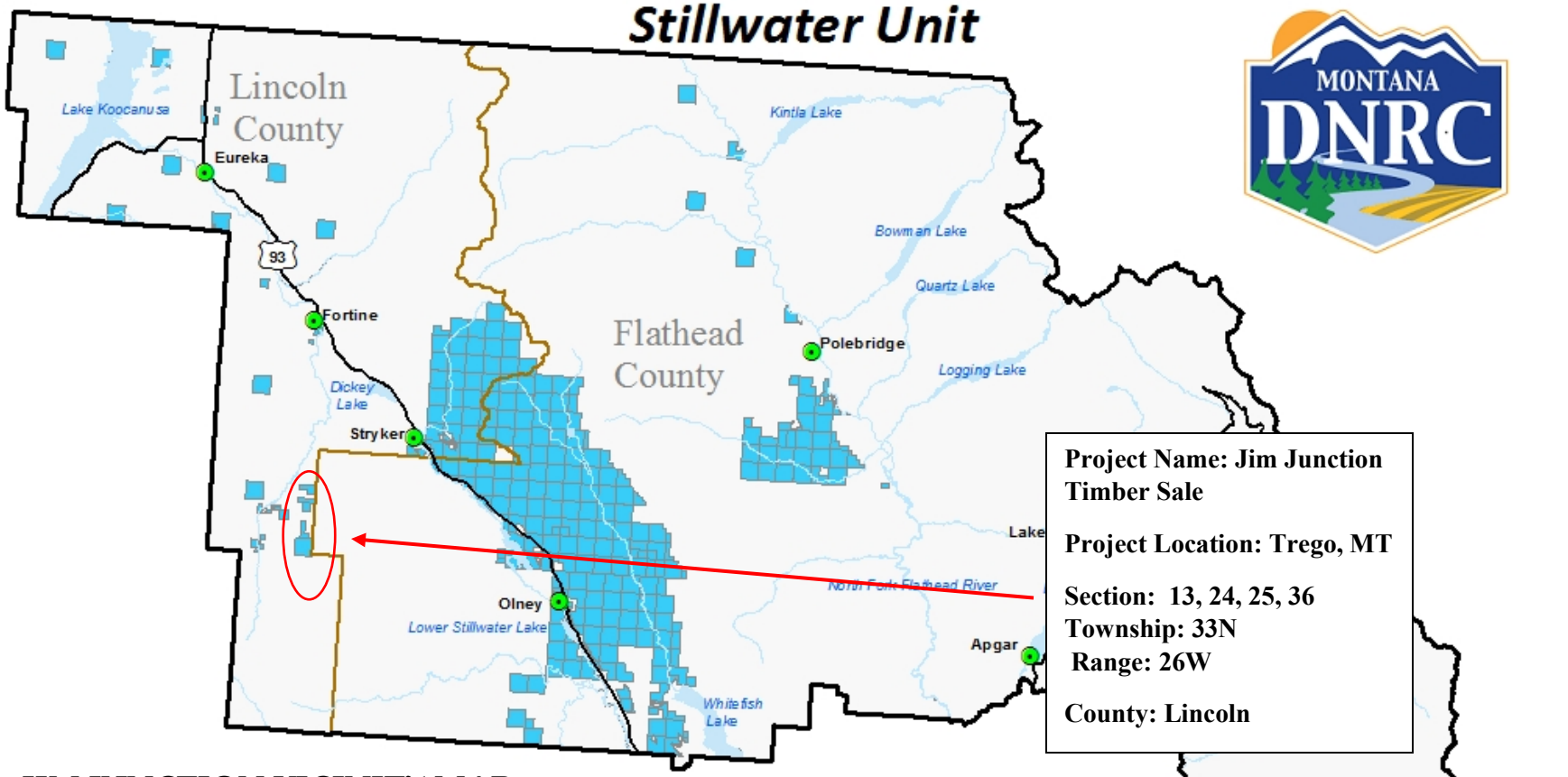
Access: Access is obtained through State/Forest Service Cost Share and County roads.

Public Comments: Five responses from organizations and individuals were received. Lincoln Electric Cooperative would like to extend the existing powerline and have DNRC remove hazard trees to protect overhead powerline infrastructure. Two neighbors had wildfire concerns and supported the need for fuel reduction. There were comments about road maintenance needs on roads shared with private owners and the USFS. These concerns, along with ensuring wildlife corridor connectivity, were incorporated into the project during project design and layout.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Jim Junction Timber Sale.

State Trust Land Vicinity Map
Stillwater Unit



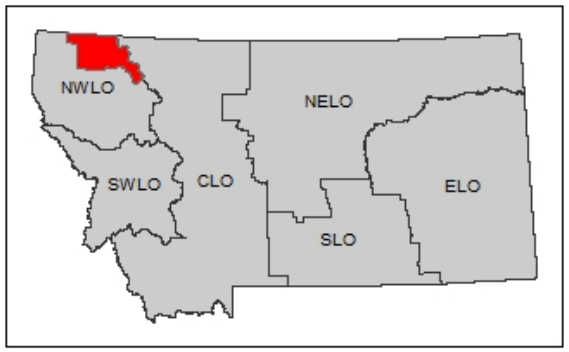
Project Name: Jim Junction Timber Sale

Project Location: Trego, MT

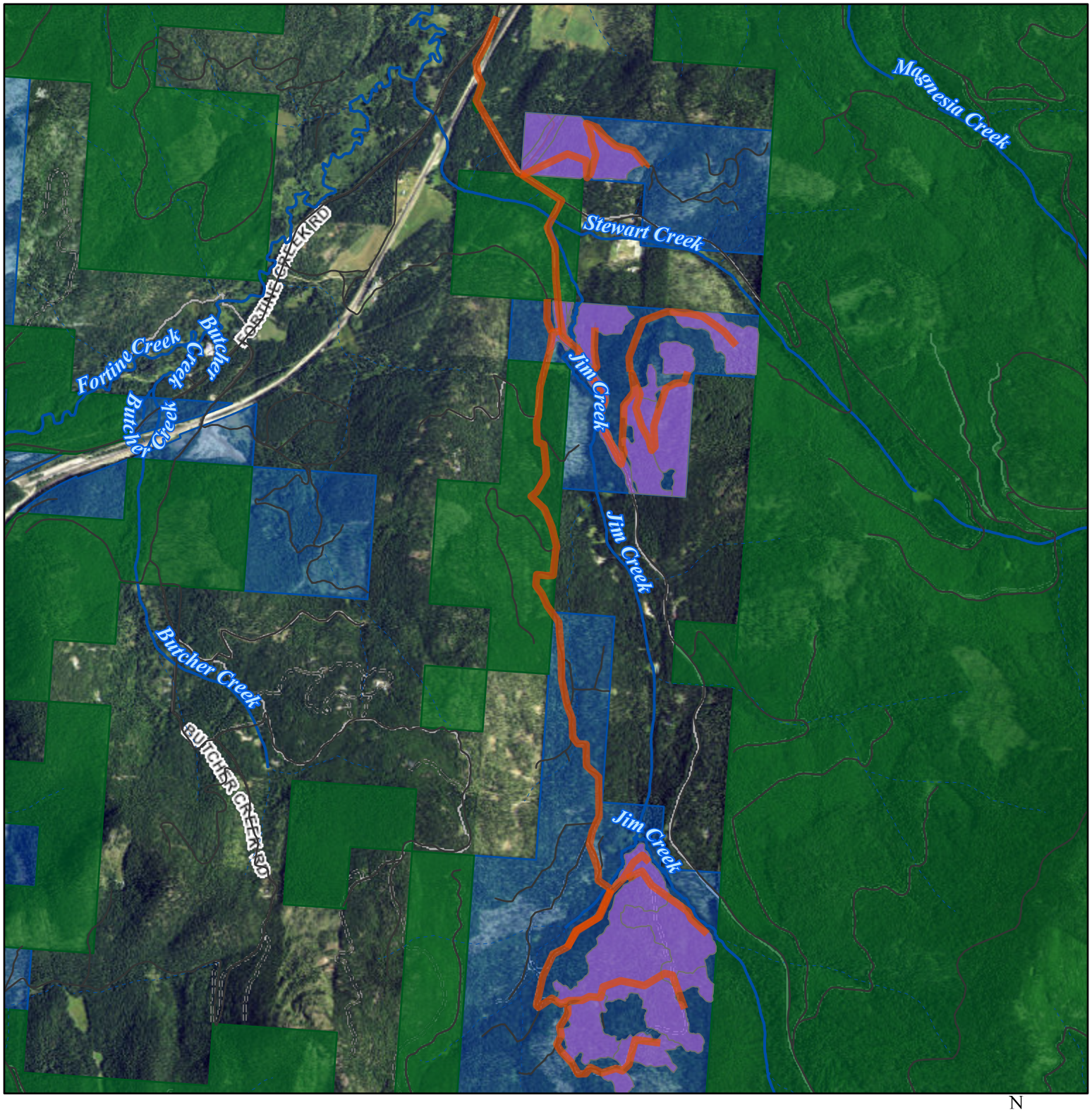
Section: 13, 24, 25, 36
Township: 33N
Range: 26W

County: Lincoln

JIM JUNCTION VICINITY MAP



Jim Junction Haul Route and Harvest Units



Haul Route
Jim Junction Harvest Units
Existing Road
Perennial Stream
Intermittent Stream
Montana State Trust Lands
US Forest Service

N

MONTANA DNRC
FOREST MANAGEMENT
TRUST LAND MANAGEMENT DIVISION

0 0.38 0.75
Miles

1020-2

CABIN AND HOME SITES: SET MINIMUM BID FOR SALE

A. Sanders County

B. Powell County

C. Missoula County

D. Flathead County

Land Board Agenda Item
October 19, 2020

1020-2A Cabin and Home Sites: Set Minimum Bid for Sale
A. Sanders County

Location: Sanders County
Trust Benefits: Common Schools
Trust Revenue: $235,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 6 cabin sites nominated for sale in Sanders 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
1015	1.661±	Lot 9, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Nora Jean Malinak	Common Schools
1016	2.647±	Lot 2, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Challis & Risa Crismore	Common Schools
1017	1.245±	Lot 3, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Don Eubank	Common Schools
1018	1.562±	Lot 4, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Wayne Crismore & Seth Reedy	Common Schools
1019	1.723±	Lot 6, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Clifford H. & Shari D. Crismore	Common Schools
1020	1.110±	Lot 10, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	William, Garnet, Sean, & Carla Kinney	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
1015	1.848%	**1018**	2.175%
1016	2.286%	**1019**	2.210%
1017	3.282%	**1020**	2.280%

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 2.91% on acquisitions with income generated from annual lease payments.

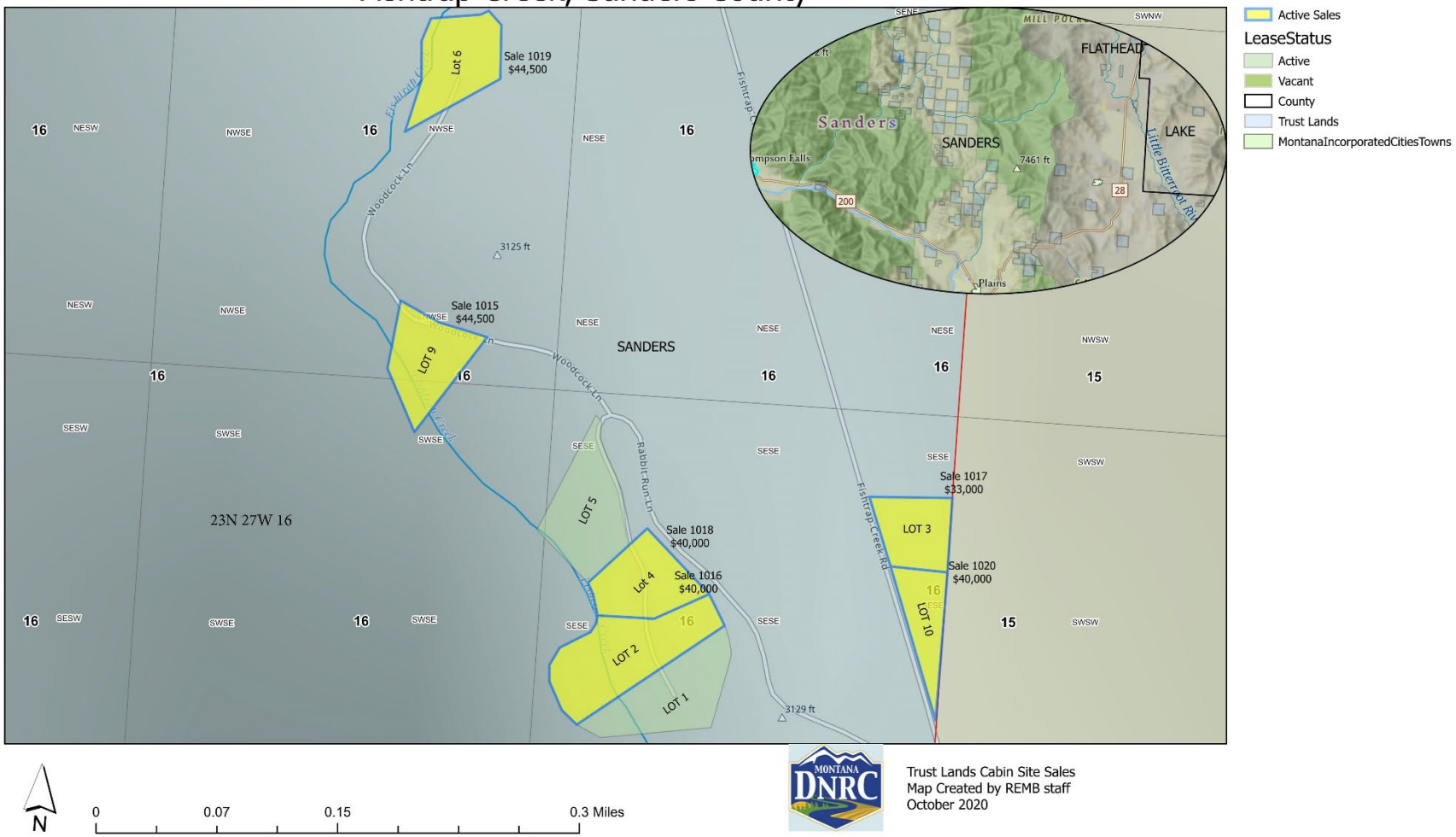
Cultural/Paleontological Resources:
A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and 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
1015	$44,500	$151,000
1016	$40,000	$105,000
1017	$33,000	$105,000
1018	$40,000	$128,000
1019	$44,500	$130,000
1020	$33,000	$132,000

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.

Fishtrap Creek, Sanders County



Land Board Agenda Item
October 19, 2020

1020-2B Cabin and Home Sites: Set Minimum Bid for Sale
B. Powell County

Location: Powell County
Trust Benefits: Common Schools
Trust Revenue: $125,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 5 cabin sites nominated for sale in Powell 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
1087	1.637±	Lot 3, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Diane M. McKay	Common Schools
1088	1.195±	Lot 5, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Timothy D. Hoag	Common Schools
1089	1.036±	Lot 6, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Macintosh Realty, LLC	Common Schools
1090	1.390±	Lot 7, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Robin Rau, et al.	Common Schools
1091	1.386±	Lot 8, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Thomas & Sandra Knuchel	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
1087	7.294%
1088	6.295%
1089	6.280%
1090	5.783%
1091	7.011%

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 2.91% on acquisitions with income generated from annual lease payments.

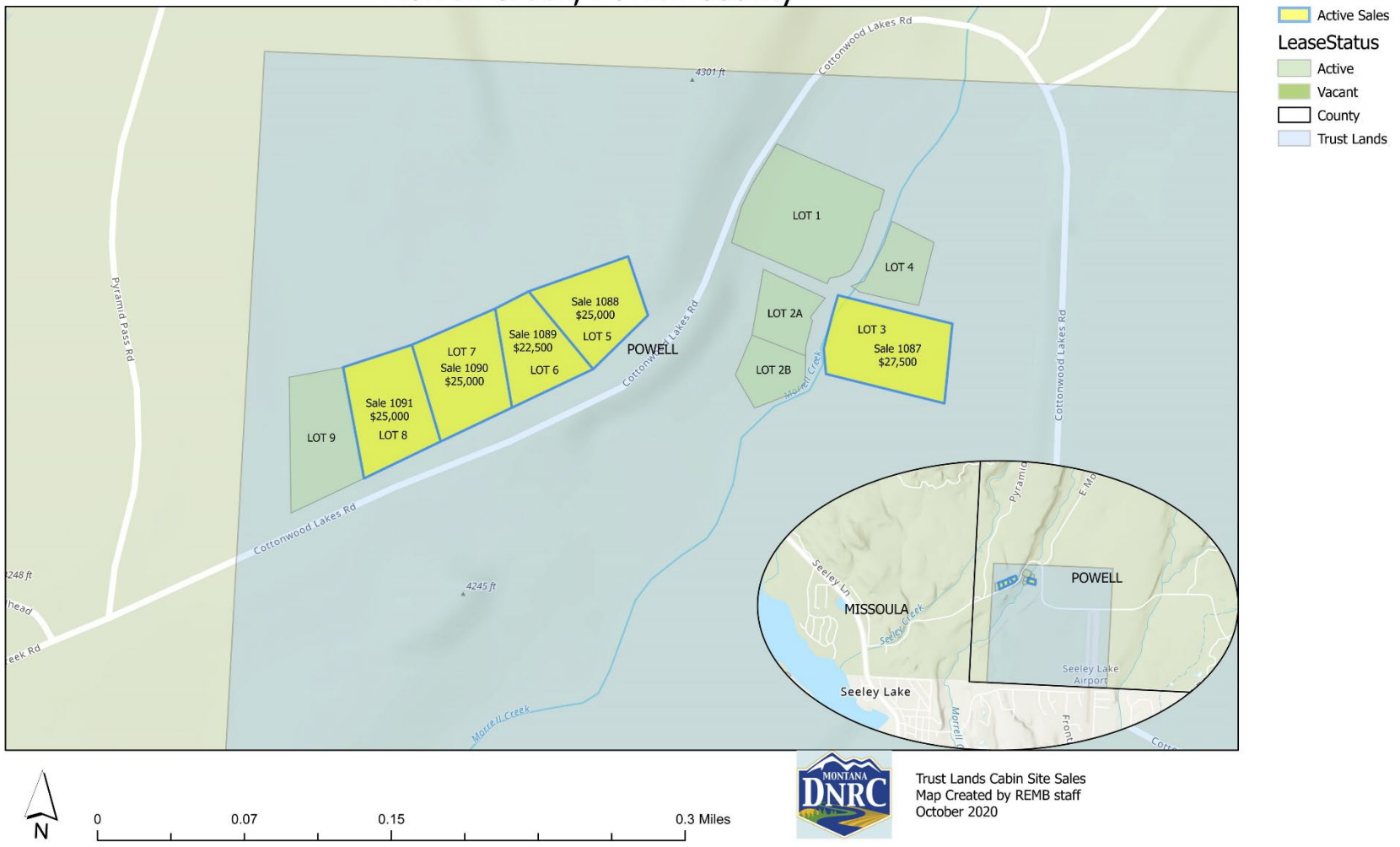
Cultural/Paleontological Resources:
A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and 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
1087	$27,500	$144,000
1088	$25,000	$152,000
1089	$22,500	$162,000
1090	$25,000	$167,000
1091	$25,000	$49,000

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.

Morrell Creek, Powell County



Land Board Agenda Item
October 19, 2020

1020-2C **Cabin and Home Sites: Set Minimum Bid for Sale**
C. Missoula County

Location: Missoula County
Trust Benefits: MSU 2nd
Trust Revenue: $368,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 8 cabin sites nominated for sale in Missoula County. These sales were nominated by DNRC and the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
936	2.074±	Lot 3, Morrell Flats, COS 5840, Section 14, T16N-R15W	DNRC	MSU 2nd
1092	2.654±	Lot 4, Morrell Flats, COS 5840, Section 14, T16N-R15W	Richard Jimmerson & Sylvia Miller	MSU 2nd
1093	1.443±	Lot 18, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Elizabeth Moody, et al.	MSU 2nd
1094	0.832±	Lot 23, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Richard & Sharon Evans	MSU 2nd
1095	1.464±	Lot 30, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Janet & Steven Gustuson	MSU 2nd
1096	1.335±	Lot 37, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Rye Svingen, Callie Puls, & Timothy Svingen	MSU 2nd
1097	1.367±	Lot 45, Seeley Lake Development, COS 6161, Section 4, T16N-R15W	Robert & Nancy Quirino	MSU 2nd
1105	1.142±	Lot 8, Seeley Lake North, COS 5994, Section 16, T17N-R15W	Lori A. Kennedy	MSU 2nd

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
936	0.000%	**1095**	6.581%
1092	3.993%	**1096**	5.646%
1093	6.531%	**1097**	5.646%
1094	3.344%	**1105**	6.287%

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 2.91% 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.

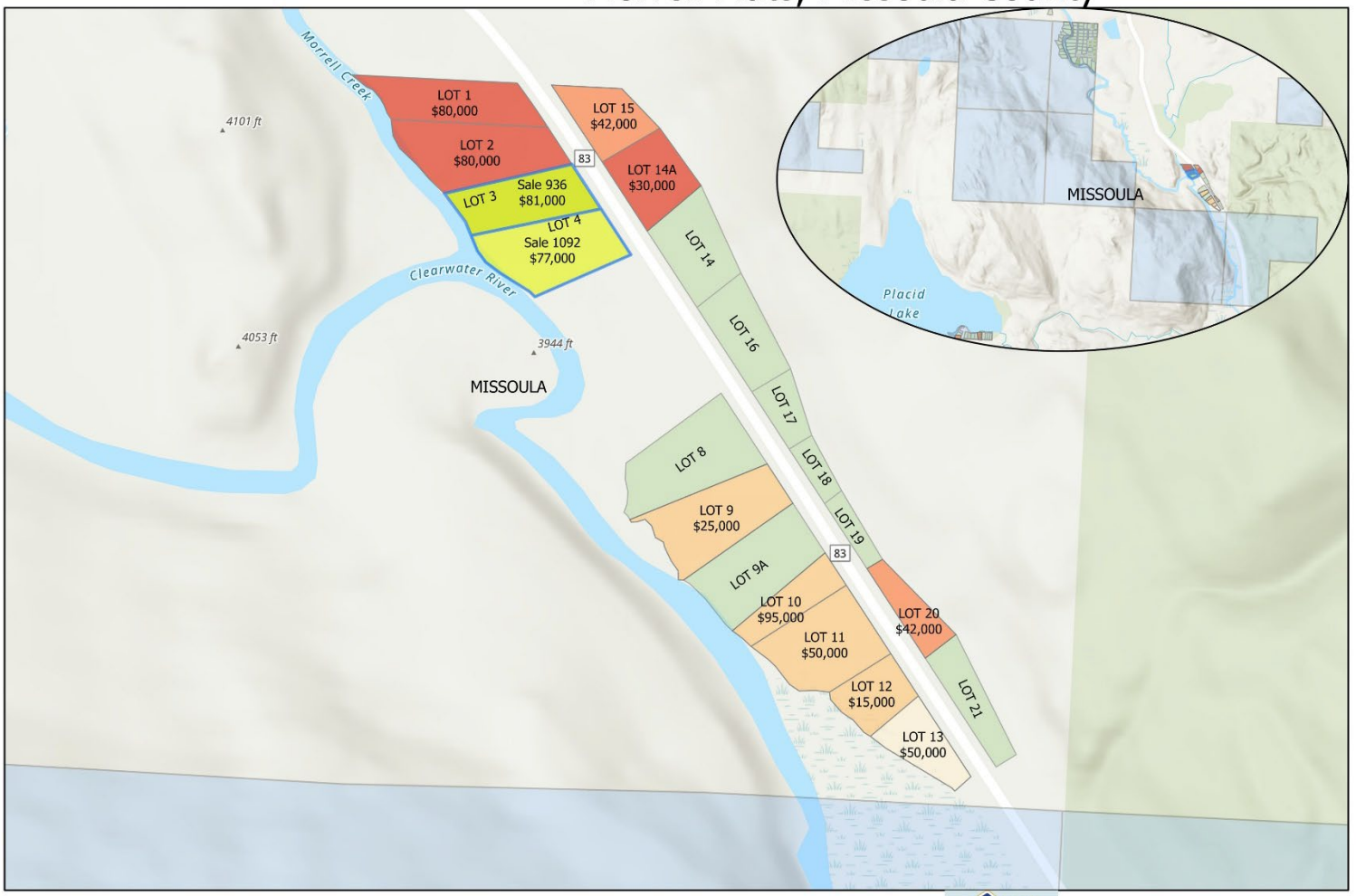
Appraised Values of Land and Improvements:

Sale Nos.	Appraised Land Value	Appraised Improvements Value
936*	$81,000	N/A
1092	$77,000	$115,000
1093	$35,000	$162,000
1094	$35,000	$24,000
1095	$35,000	$41,000
1096	$35,000	$127,000
1097	$35,000	$192,000
1105	$35,000	$209,000

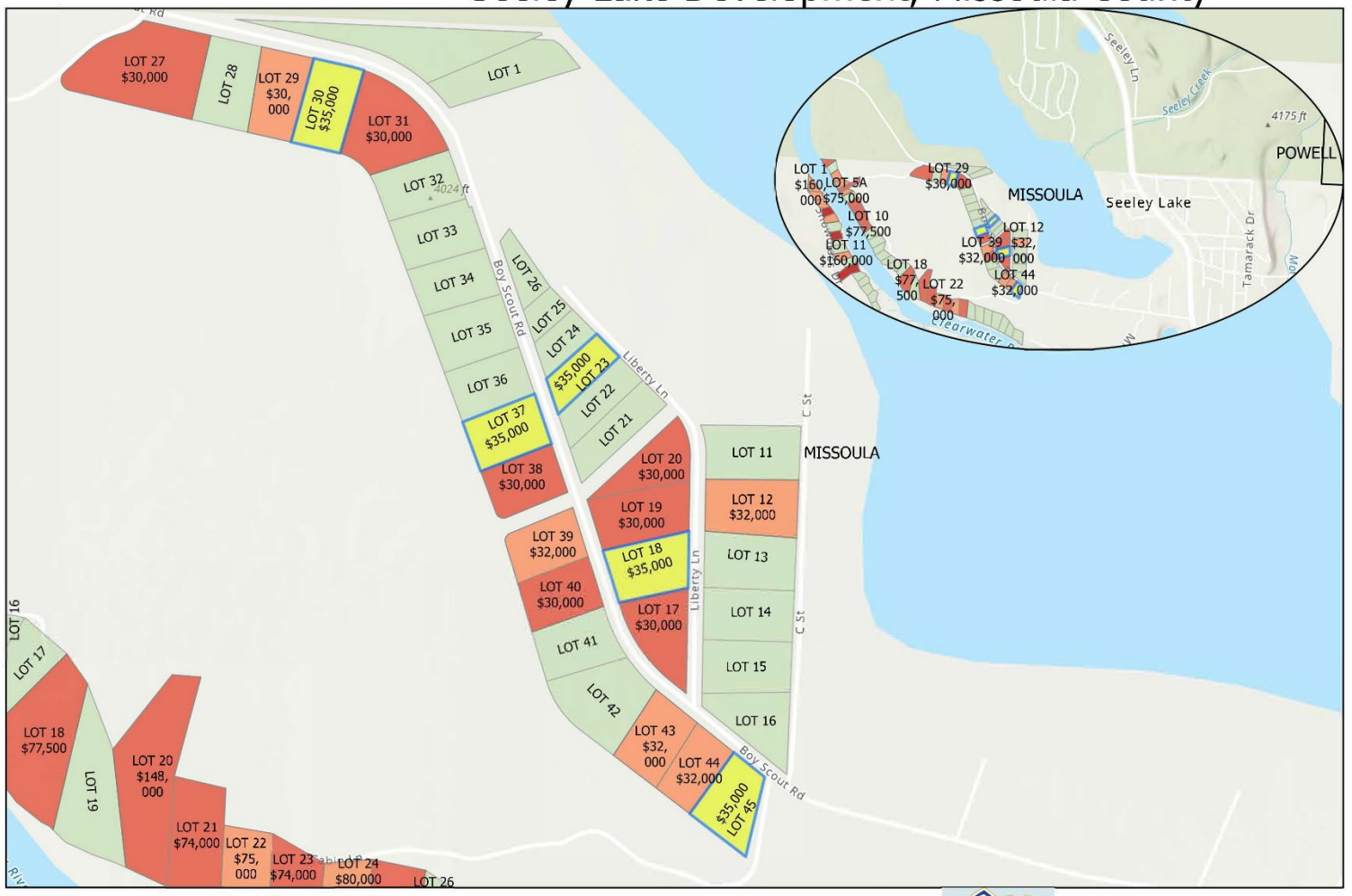
*Sale No. 936 failed to sell at the appraised value set in 2019. The appraisal was updated in 2020 with expectation that this vacant waterfront site can sell in current market conditions.

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.

Morrell Flats, Missoula County

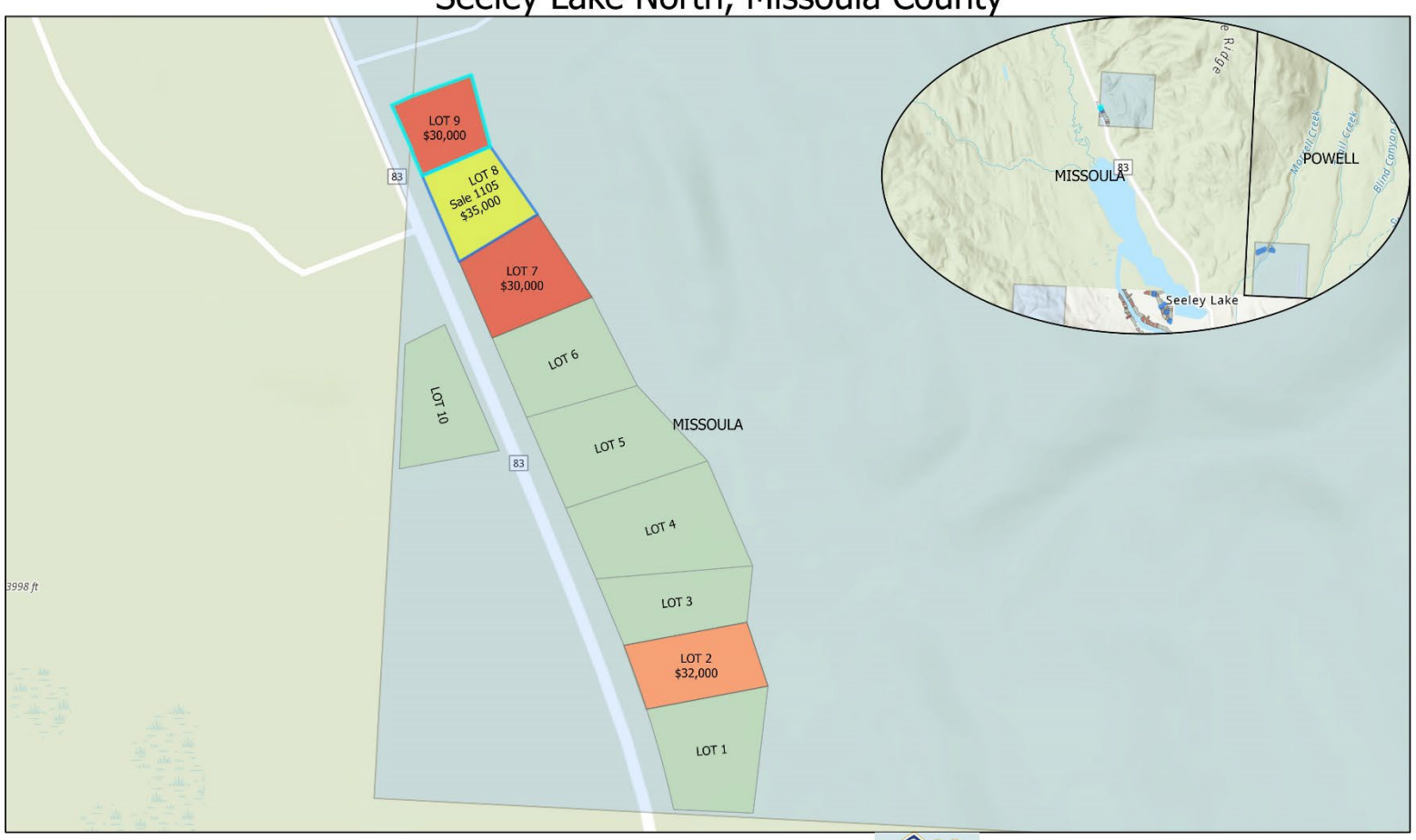


Seeley Lake Development, Missoula County



Trust Lands Cabin Site Sales
Map Created by REMB staff
October 2020

Seeley Lake North, Missoula County



Land Board Agenda Item
October 19, 2020

1020-2D **Cabin and Home Sites: Set Minimum Bid for Sale**
D. Flathead County

Location: Flathead County
Trust Benefits: Montana Tech
Trust Revenue: $3,690,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 10 cabin sites nominated for sale in Flathead County. These sales were nominated by DNRC in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
981	0.327±	Lot 3, Echo Lake, COS 18885, Section 5, T27N-R19W	DNRC	Montana Tech
982	1.124±	Lot 17, Echo Lake, COS 18885, Section 5, T27N-R19W	DNRC	Montana Tech
801	1.866±	Lot 31, Echo Lake, COS 18885, Section 5, T27N-R19W	DNRC	Montana Tech
1108	1.803±	Lot 42, Echo Lake, COS 18885, Section 5, T27N-R19W	DNRC	Montana Tech
1109	3.426±	Lot 44, Echo Lake, COS 18885, Section 5, T27N-R19W	DNRC	Montana Tech
1110	2.977±	Lot 45, Echo Lake, COS 18885, Section 5, T27N-R19W	DNRC	Montana Tech
1112	0.815±	Lot 1, Rogers Lake, COS 20991, Section 30, T27N-R23W	DNRC	Montana Tech
949	1.376±	Lot 3, Rogers Lake, COS 20991, Section 30, T27N-R23W	DNRC	Montana Tech
950	1.654±	Lot 5, Rogers Lake, COS 20991, Section 30, T27N-R23W	DNRC	Montana Tech
1114	1.212±	Lot 16, Rogers Lake, COS 18526, Section 30, T27N-R23W	DNRC	Montana Tech

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
981	0.000%	**1110**	0.000%
982	0.000%	**1112**	0.000%
801	0.000%	**949**	0.000%
1108	0.000%	**950**	0.000%
1109	0.000%	**1114**	0.000%

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 2.91% 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:

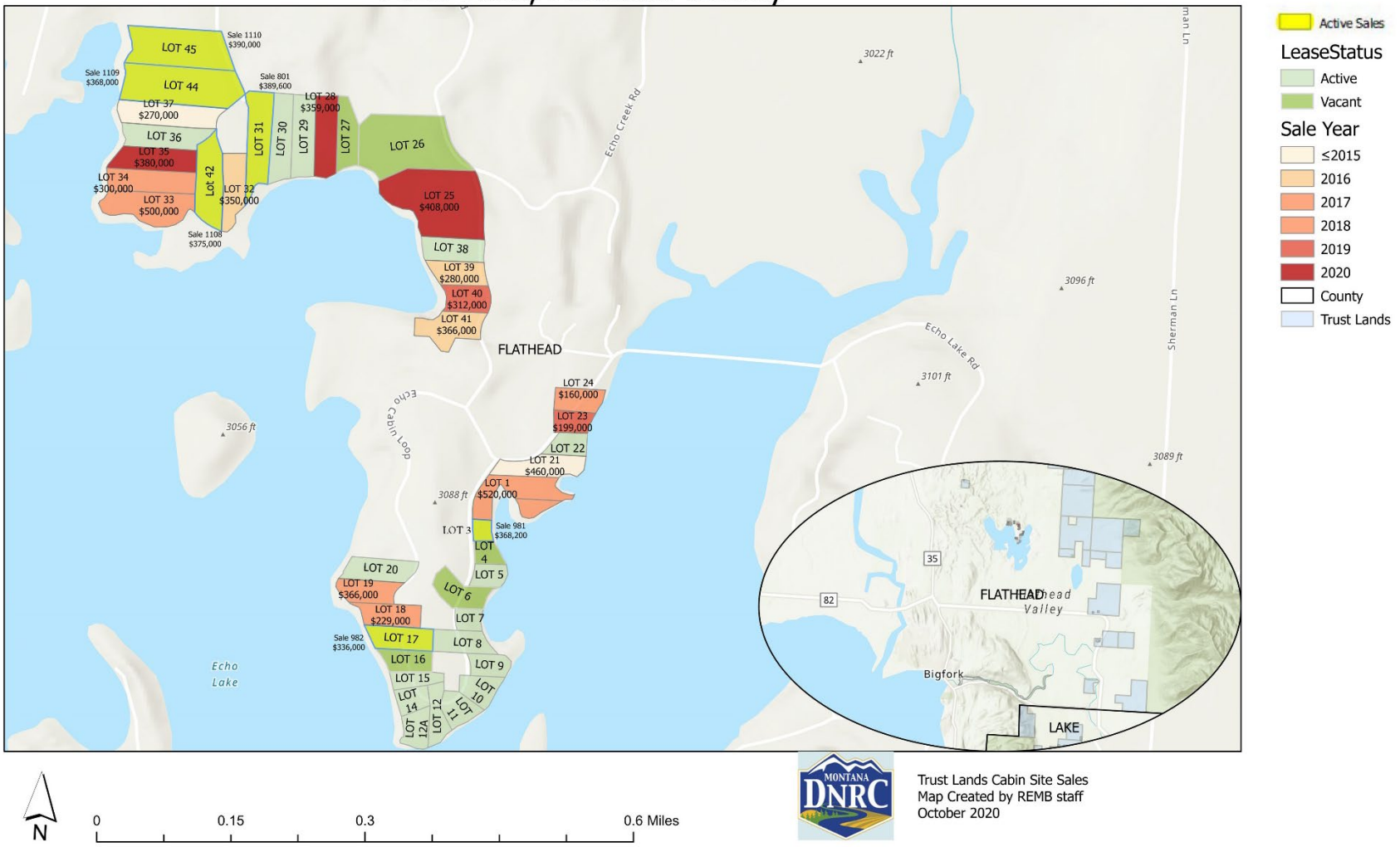
Sale Nos.	Appraised Land Value	Appraised Improvements Value
981	$368,200*	*see below*
982	$336,000	$0
801	$389,600*	*see below*
1108	$375,000	$0
1109	$368,000	$0
1110	$390,000	$0
1112	$377,000	$0
949	$338,000	$0
950	$387,200*	*see below*
1114	$361,000*	*see below*

*Sale Nos. 981, 801, 950, and 1114 currently have improvements valued at $7,200, $6,600, $7,200 and $7,000, respectively. DNRC owns these improvements, as per 77-2-314, MCA. As such, the appraised improvements values have been included in the appraised land values.

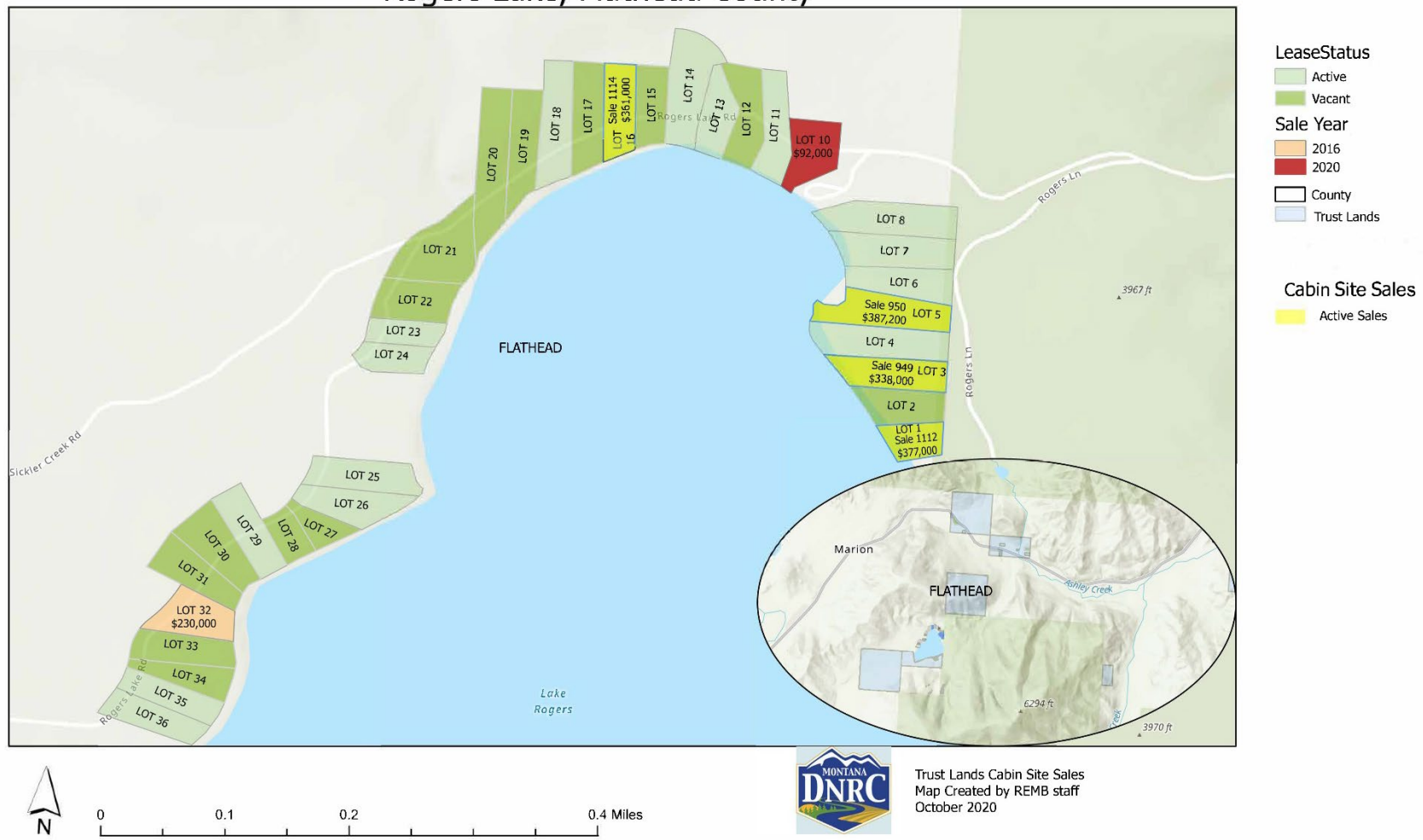
*Sale Nos. 981, 982, 801, 949, and 950 failed to sell at the appraised values set in 2019. The appraisals were updated in 2020 with expectation that these vacant waterfront sites can sell in current market conditions.

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.

Echo Lake, Flathead County



Rogers Lake, Flathead County



1020-3

CABIN AND HOME SITES: FINAL APPROVAL FOR SALE:

Land Board Agenda Item
October 19, 2020

1020-3 Cabin and Home Sites: Final Approval for Sale

Location: Lincoln County
Trust Benefits: Common Schools
Trust Revenue: $80,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of one cabin site nominated for sale in Lincoln County. This sale was nominated by the lessee in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1022	7.083±	Tract 1, COS 4670, T31N-R34W, Sec. 36	Harlan Galbraith	Common Schools

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

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

Economic Analysis
Short term – The average rate of return for this sale parcel is 1.477%.

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 2.91% 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.

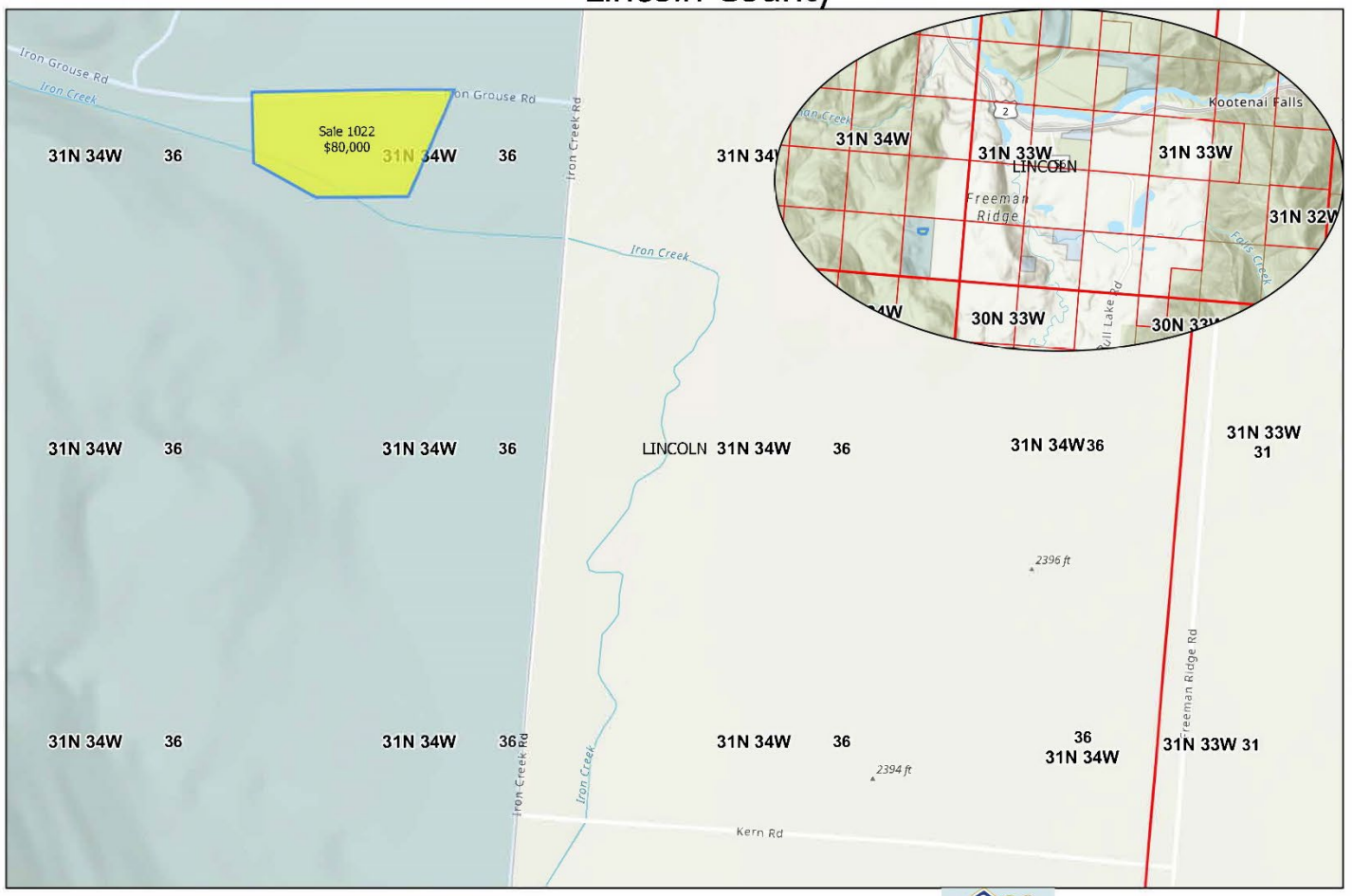
Background
This sale was granted preliminary approval in May 2018 to proceed through the Cabin and Home Site Sale Program. The Land Board set the minimum bid for the land and the maximum value of compensation for the improvements in June 2020.

Sale No.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1022	$80,000	$190,000	$80,000

Sale Price
This sale sold at public auction on September 30, 2020. DNRC received a bid deposit from one qualified bidder for this sale who was the current lessee. The site sold for the final sale price listed above.

DNRC Recommendation
The director recommends the Land Board grant final approval for the sale of this cabin site at the value shown above. The sale will close within 30 days of final approval by the Land Board.

Lincoln County



Active Sales

LeaseStatus
- Active
- Vacant

Public Land Survey System
- PLSS Township
- Section
- Protracted Block
- County
- Trust Lands

N

0 0.13 0.25 0.5 Miles

Trust Lands Cabin Site Sales
Map Created by REMB staff
October 2020

1020-4

LAND EXCHANGE: FINAL APPROVAL FOR MDC BOULDER LAND EXCHANGE

Land Board Agenda Item
October 19, 2020

1020-4 Land Exchange: Final Approval for MDC Boulder Land Exchange

Location: Jefferson County

Trust Benefits: School for the Deaf and Blind

Trust Revenue: N/A

Item Summary
The Department of Natural Resources and Conservation (DNRC) requests final approval of a land exchange proposal with the Department of Public Health & Human Services (DPHHS) involving 31.9 acres of state trust land for 155 acres of non-trust state land in Jefferson County. The management of the non-trust state land was transferred from Department of Corrections (DOC) to DPHHS by Executive Order in October of 2020. The trust lands portion is located within the former MDC Campus in Boulder and the non-trust land is located approximately 1 mile southeast of Boulder.

Acres:

State Trust Land (DNRC)			
County	**Legal Description**	**Trust**	**Acres**
Jefferson	The SE1/4 NW1/4 excepting therefrom any portion of the Boulder Lagoons Minor Subdivision within the SE1/4 NW1/4, Section 33, T6N-R4W	School for the Deaf & Blind	31.9±
State Non-Trust Land (DPHHS)			
County	**Legal Description**		**Acres**
Jefferson	Government Lot 4, Tracts 2 & 3, C.O.S. 274902, Section 3, T5N-R4W		77.28±
Jefferson	Tract 1, C.O.S. 274902, Section 4, T5N-R4W		77.721±
	Acreage determined by survey (Certificate of Survey 274902)		155.001 ±

Location: Jefferson County

Beneficiary School for the Deaf and Blind

PUBLIC INVOLVEMENT PROCESS AND RESULTS
A scoping letter requesting public comment was sent out May 26, 2020, and the comment period ran through June 30, 2020. The letter was sent to neighboring landowners, interested parties and the Jefferson County Commissioners. In addition, a public scoping notice was posted on the DNRC website and published in the *Boulder Monitor* and *Helena Independent Record*. DNRC attempted to hold a virtual public hearing to accept comments regarding the

proposed land exchange on June 10, 2020 at 6:00 p.m. via Zoom; however, this meeting had to be rescheduled for June 24, 2020. Updated public notices addressing the rescheduling of the virtual public hearing were published in the *Boulder Monitor* and *Helena Independent Record*, as well as posted on the DNRC website.

A virtual public hearing via Zoom was held on June 24, 2020. At the meeting, five attendees spoke in support of the exchange, including two Jefferson County Commissioners, the Boulder City Council President, and members of the Jefferson Local Development Corporation. In addition, the Helena Unit received written comments from four supporters of the exchange, with support from a state senator and the mayor of the City of Boulder.

DNRC has received written comments from two opponents to this proposed land exchange. The main areas of concern addressed in the comments include the resource areas of vegetation cover, including the poor weed management history on the MDC Campus and its effect on adjacent property, and water distribution, specifically, a concern that water rights should be kept together on the agricultural land. In addition, a concern was raised about the transparency of the exchange process and the appraisal process of the MDC Campus land, particularly that the appraised value of the land does not include the value of the improvements and the public should have the right to bid through auction on the land and improvements on the state tract.

DPHHS has recently addressed the weed management concerns by contracting for the spraying of weeds in September of 2020 on the MDC Campus site.

EXCHANGE CRITERIA ANALYSIS
The following review documents how the land exchange meets or exceeds the land exchange criteria and accrues benefits for the School of the Deaf and Blind Trust Beneficiary.

1. EQUAL OR GREATER VALUE
Both the Trust and Non-Trust State Lands were appraised to determine actual values to determine the number of acres of Non-Trust Land needed for the land exchange and proposed to the Land Board for preliminary approval. A Montana State Certified Appraisal of the 31.9 acres of State Trust land estimated a value with legal access at approximately $10,200 an acre totaling $325,000. The appraised value of the 155 acres of Non-Trust Land estimated a value with legal access at $2,300 an acre totaling $356,500. The Trust Beneficiary would receive a net gain of $31,500 in land value

Meets Criteria

2. STATE LAND BORDERING ON NAVIGABLE LAKES AND STREAMS
There are no navigable lakes or streams bordering on either the trust land or the exchange parcels.

Meets Criteria

3. EQUAL OR GREATER INCOME TO THE TRUST
The state trust land has not generated any income for the trust.

The Department of Corrections currently manages the existing Ag and Grazing lease and will continue to do so until the lease terminates on December 31, 2024. The DNRC will receive lease revenues of approximately $1,387 annually for lands to be acquired by Trust Lands.

When the current lease terminates, the acquired Ag lands will be offered by DNRC for competitive bid and are projected to generate income from Ag and grazing leases that would total $6,412.28 annually.

Meets Criteria

4. EQUAL OR GREATER ACREAGE

The Land Exchange proposes exchanging 31.9 acres of Trust Land for approximately 155 acres of Non-Trust Land. A net gain for the State Trust Lands of 123.1 acres.

Meets Criteria

5. CONSOLIDATION OF STATE LAND

This exchange proposal removes Trust Land from within the DPHHS MDC Campus and allows DPHHS to consolidate the ownership of their lands. It would provide 155 acres of Trust Land that will be accessible to the public when the existing agricultural lease expires December 31, 2024.

Meets Criteria

6. POTENTIAL FOR LONG-TERM APPRECIATION

Both parcels involved have the potential for long-term appreciation. The State Trust Land parcels are encumbered by surface improvements (buildings that are not owned by the trustee). DNRC has no ownership or management authority over these structures. The Non-Trust Land is irrigated productive hay ground which has state highway exposure and is unencumbered by improvements.

Meets Criteria

7. ACCESS

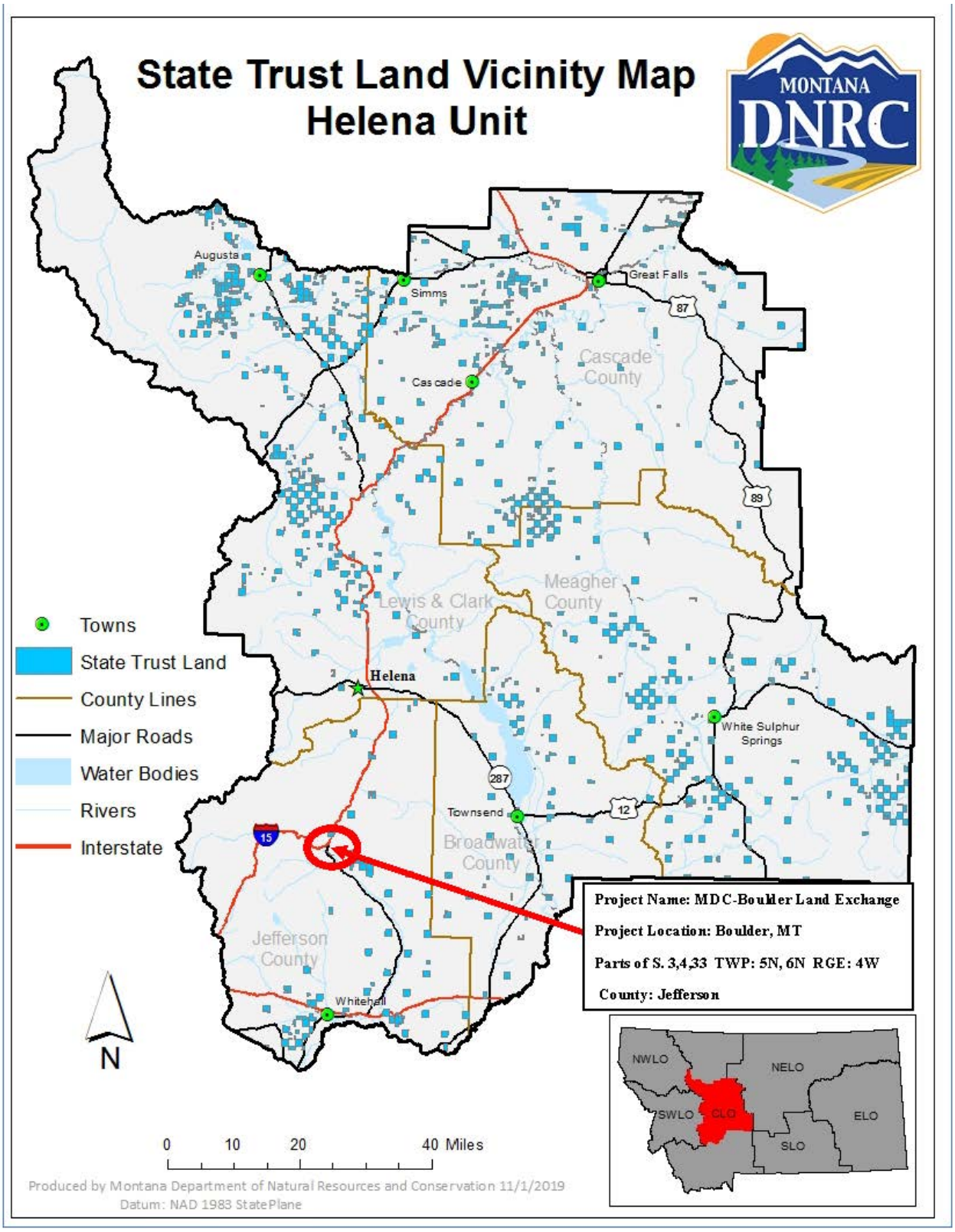
The State currently has legal access to the MDC Campus Site. This exchange would provide public access to the State Trust Lands to be acquired and will provide future recreational opportunities to the public on 155 acres when the existing agricultural lease expires December 31, 2024.

Meets Criteria

AGENCY RECOMMENDATIONS

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

MDC-Boulder Land Exchange
Jefferson County, Montana
Boulder Frontage Rd
15
29
28
27
Boulder
2nd
6N 4W
Trust Lands 31.9 +/- Acres in the MDC Campus
DNRC
JEFFERSON
32
33
34
69
Mc Cauley Ranches
MT Dept of Corrections
77.28+/- AG Acres
DPHHS
77.721+/- AG Acres
DPHHS
399
John & Nancy
Heide
Little Boulder Rd
5N 4W 05
03
MT Dept of Corrections
04
Lori Norby
N
W
E
S
Montana State Library, Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community


State Trust Land Vicinity Map
Helena Unit
MONTANA
DNRC
Augusta
Simms
Great Falls
Cascade
Cascade County
Lewis & Clark County
Meagher County
Helena
White Sulphur Springs
Townsend
Broadwater County
Jefferson County
Whitehall
87
89
287
12
15
Towns
State Trust Land
County Lines
Major Roads
Water Bodies
Rivers
Interstate
N
0 10 20 40 Miles
Produced by Montana Department of Natural Resources and Conservation 11/1/2019
Datum: NAD 1983 StatePlane
Project Name: MDC-Boulder Land Exchange
Project Location: Boulder, MT
Parts of S. 3,4,33 TWP: 5N, 6N RGE: 4W
County: Jefferson
NWLO
NELO
SWLO
CLO
ELO
SLO

1020-5

EASEMENTS:

Land Board Agenda Item
October 19, 2020

1020-5 Easements

Location: Fallon, Fergus, Gallatin, Ravalli, Richland

Trust Benefits: Common Schools, Public Land Trust – Nav. River

Trust Revenue: Common Schools = $ 48,752
Public Land Trust = $2,928

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Fergus County	Historic County Road	Permanent	50-53
Scott Energy Group II, LP	Buried Natural Gas Pipeline	30-year	54-55
Pfeil Acquisitions, LLC	Buried Sanitary Sewer and Fiber Optic Cable	Permanent	56
Northwestern Corporation	Buried Natural Gas Pipeline	30-year	57-58
OneOk Rockies Mainstream, LLC	Buried Natural Gas Pipeline	30-year	59-67
Ravalli County Electric Cooperative	Overhead Electrical Distribution Line	Permanent	68-69

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Fergus County 712 W. Main St. Lewistown, MT 59457
Application No.:	16610
R/W Purpose:	a public county road known as DY Trail
Lessee Agreement:	N/A (Historic)
Acreage:	15.49
Compensation:	$3,650.00
Legal Description:	30-foot strip through NE4SW4, NW4SE4, and a 60-foot strip through SE4NE4, NE4SE4, Sec.1; 60-foot strip through S2SE4, Sec. 4; 60-foot strip through NW4NE4, SW4, Sec. 9; 60-foot strip through NW4NW4, NE4NW4 and a 30-foot strip through SE4NW4, Sec. 16, Twp. 22N, Rge. 20E; 60-foot strip through SW4SW4, Sec. 36, Twp. 23N, Rge. 21E, Fergus County
Trust Beneficiary:	Common Schools

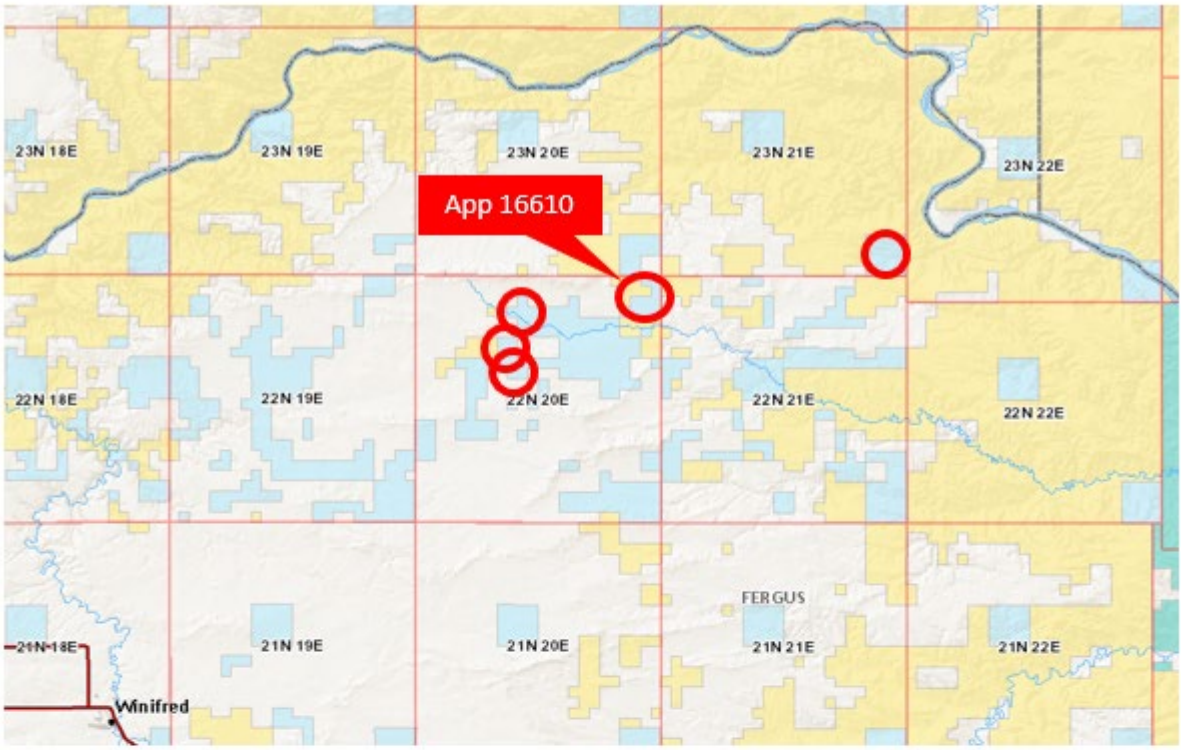
Item Summary

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

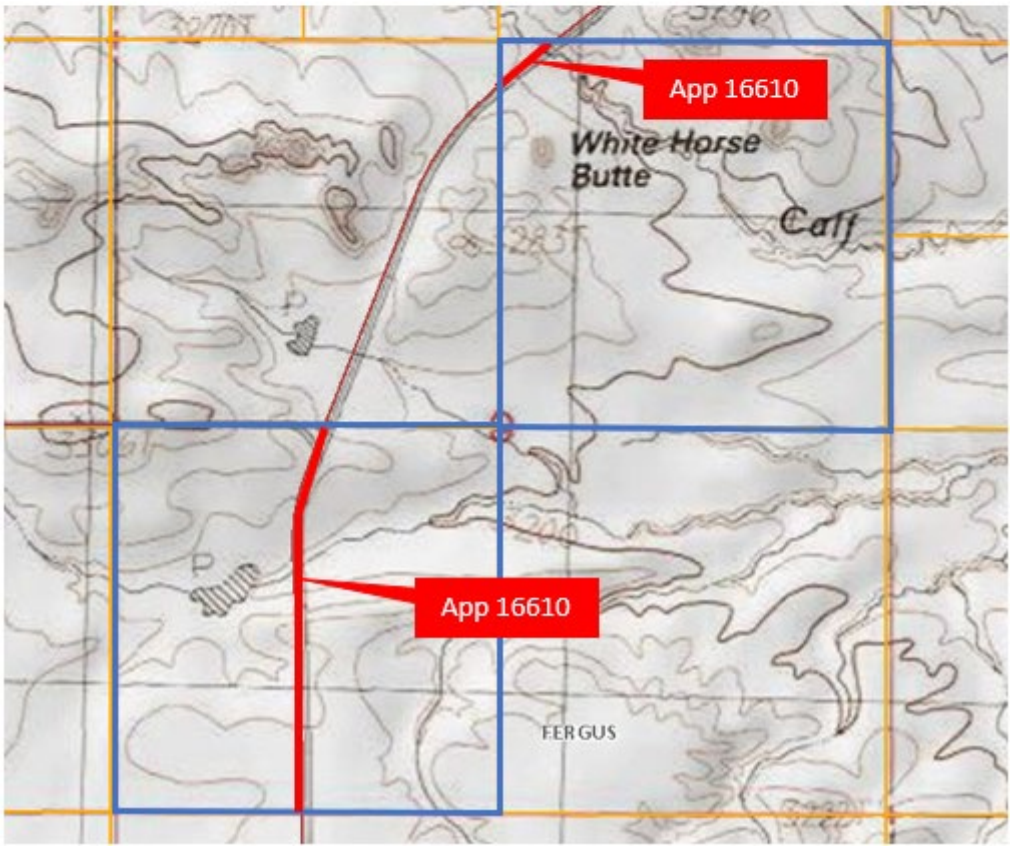
DNRC Recommendation

The director recommends approval of this historic county road easement request.

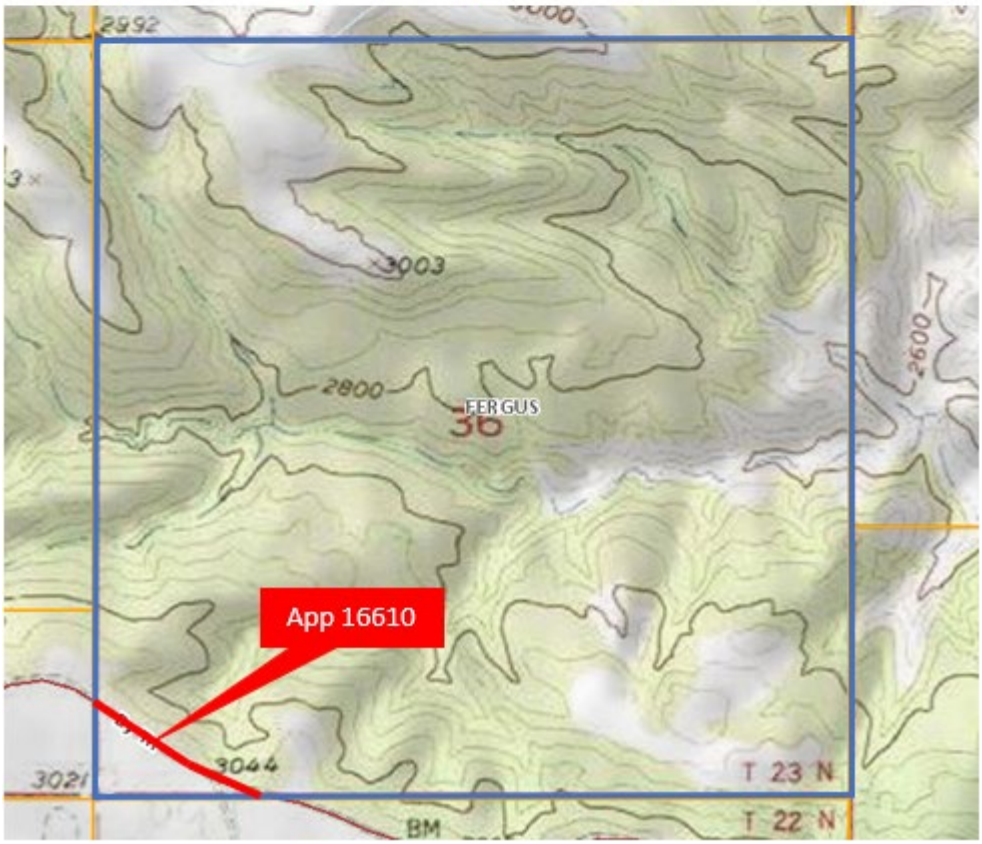
R/W Application 16610



FERGUS
App 16610
Two
3246


App 16610
White Horse
Butte
Calf
App 16610
FERGUS

App 16610
10
FERGUS


2992
3003
2800
2600
FERGUS
36
App 16610
3044
3021
T 23 N
T 22 N
BM

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Scott Energy Group II, LP 4901 LBJ Freeway, Suite 300 Dallas, TX 75244
Application No.:	18959
R/W Purpose:	a buried 3” natural gas pipeline
Lessee Agreement:	ok
Acreage:	1.08
Compensation:	$2,146.00
Legal Description:	20-foot strip through W2NW4, Sec. 36, Twp. 6N, Rge. 60E, Fallon County
Trust Beneficiary:	Common Schools

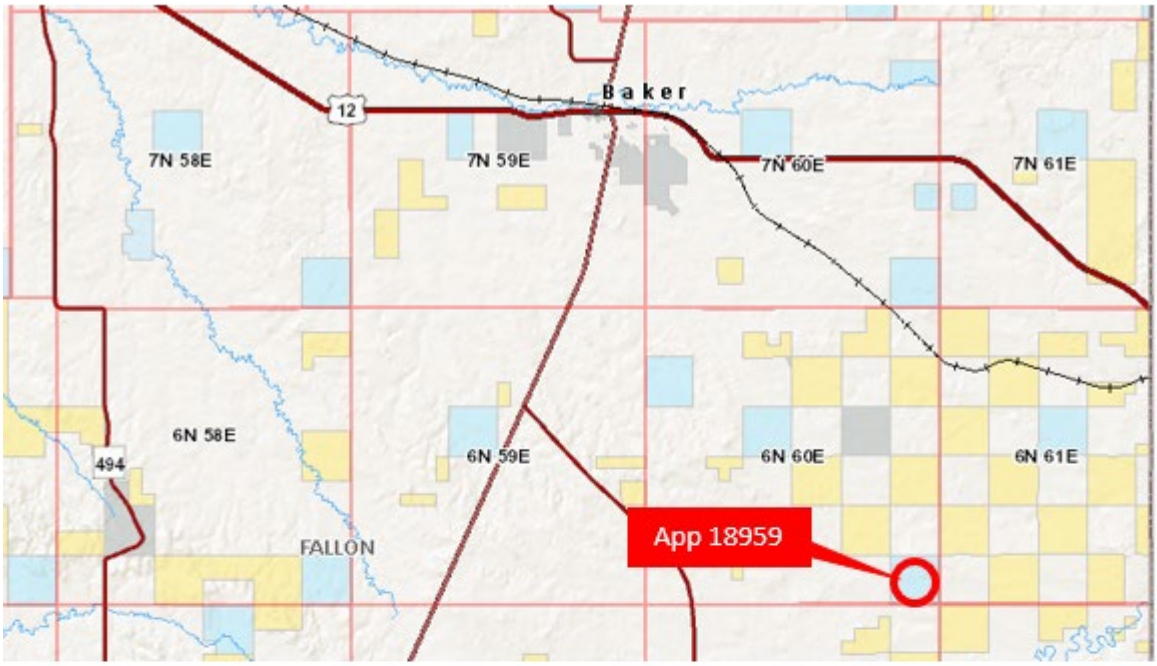
Item Summary

Scott Energy Group is proposing to construct a new 3” natural gas pipeline for the purpose of connecting wells #491 and #2142 located on State land to a gathering system for transportation to sales points. Scott Energy Group has offered the State $30 per rod for the easement. As is standard with all pipeline easements, this request is recommended to be a 30-year term easement. The project is located within Sage Grouse general habitat and proponent has submitted the project to the Montana Sage Grouse Habitat Conservation Program. Construction of the pipeline project will occur outside of active lek activity in the area and a mitigation plan is in place.

DNRC Recommendation

The director recommends approval of the Scott Energy Group II natural gas pipeline request for a 30-year term.

R/W Application 18959



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Pfeil Acquisitions, LLC 1442 Baxter Lane E. Bozeman, MT 59718-9787
Application No.:	18971
R/W Purpose:	a buried sanitary sewer pipeline and fiber optic cable encased in an 8” HDPE pipe
Lessee Agreement:	N/A (Nav. River)
Acreage:	0.17
Compensation:	$1,414.00
Legal Description:	25-foot strip across the Gallatin River in SW4NW4, Sec. 11, Twp. 3S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust (Nav. River)

Item Summary

Pfeil Acquisitions is requesting an easement for the purpose of installing a 4” sanitary sewer pipeline and fiber optic cable under the West Gallatin Riverbed. The utilities will be placed within an 8” HDPE pipe and are intended to serve the development of the proponent’s property. The sanitary sewer line will connect to the Gallatin Gateway Water and Sewer District’s existing infrastructure. The pipe will be directional drilled to a depth of 10 feet under the river, which is twice the anticipated scour depth. Permits necessary from any other permitting agencies have been applied for.

DNRC Recommendation

The director recommends approval of the Pfeil Acquisitions easement request

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Corporation 11 E. Park Butte, MT 59701
Application No.:	18972
R/W Purpose:	a buried 2” natural gas pipeline encased in a 6” HDPE pipe
Lessee Agreement:	N/A (Nav. River)
Acreage:	0.17
Compensation:	$1,414.00
Legal Description:	25-foot strip across the Gallatin River in SW4NW4, Sec. 11, Twp. 3S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust (Nav. River)

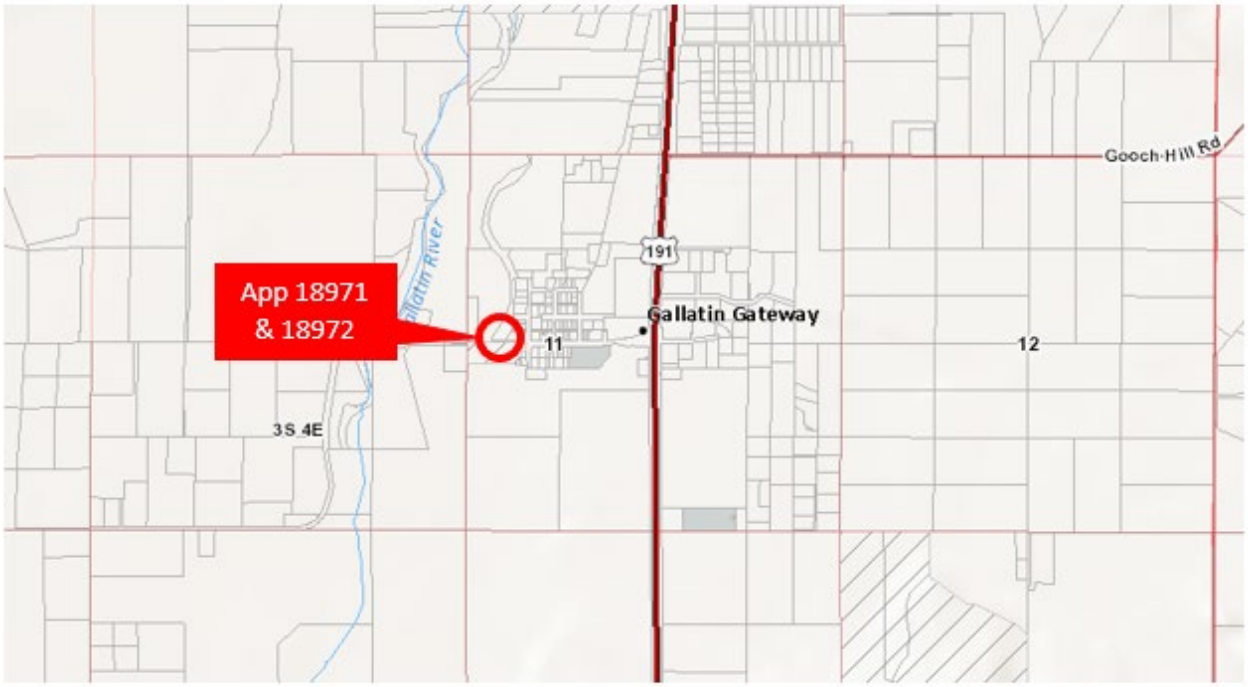
Item Summary

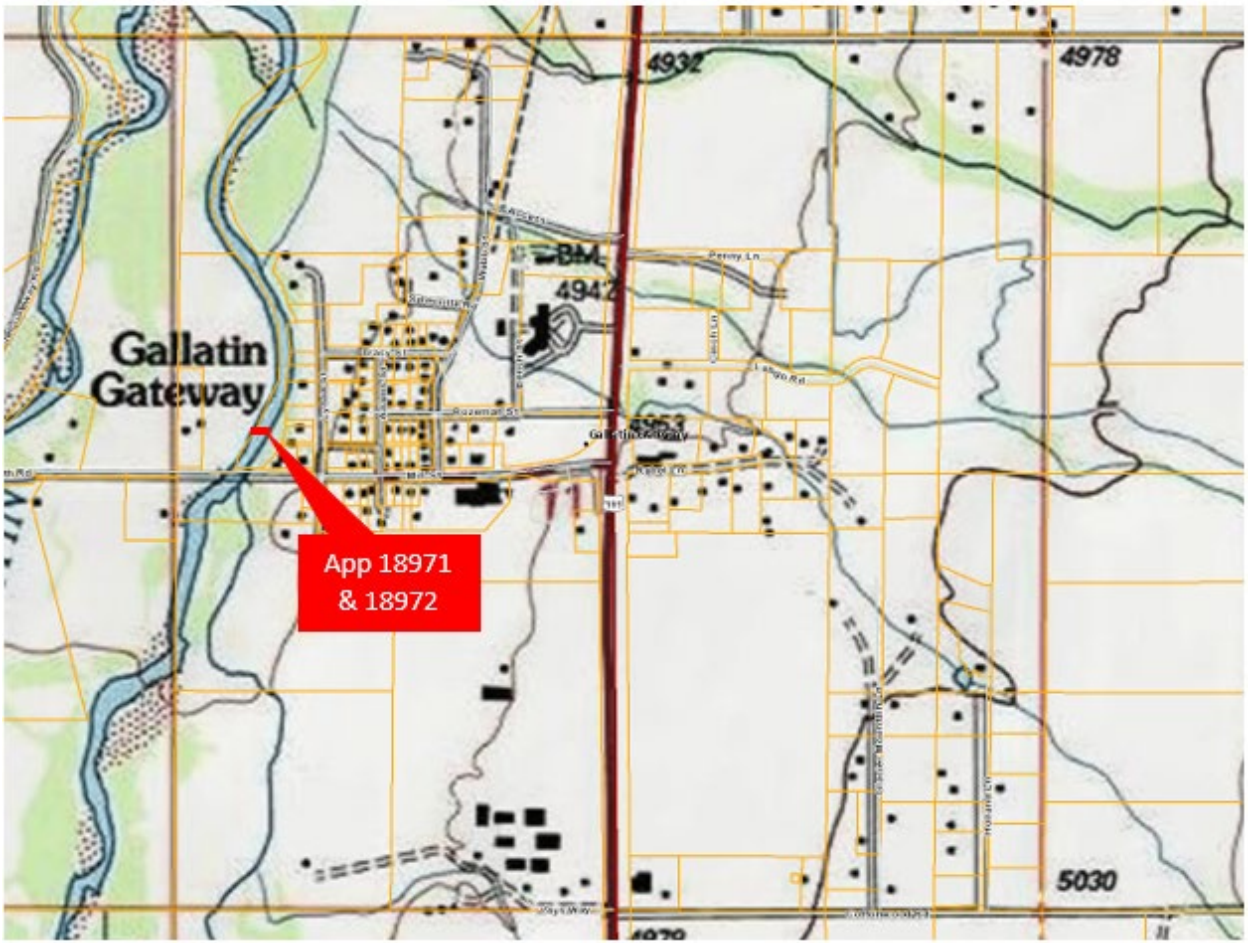
In conjunction with the previous agenda item, Northwestern Corporation received a request for natural gas services to the private lands of Pfeil Acquisitions. The proposed natural gas pipeline will be inserted into a 6” HDPE pipe under the Gallatin Riverbed. Similar to the previous agenda item, this pipe will be directional drilled to a depth of 10 feet under the riverbed.

DNRC Recommendation

The director recommends approval of this natural gas pipeline as a 30-year term easement, consistent with all new pipeline installations.

R/W Application 18971 & 18972





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	OneOk Rockies Midstream, LLC 896 25th Street SE Sidney, MT 59270
Application No.:	18973
R/W Purpose:	a buried 8" natural gas pipeline
Lessee Agreement:	ok
Acreage:	0.52
Compensation:	$4,758.00
Legal Description:	20-foot strip through NE4NE4, Sec. 36, Twp. 26N, Rge. 52E, Richland County
Trust Beneficiary:	Common Schools

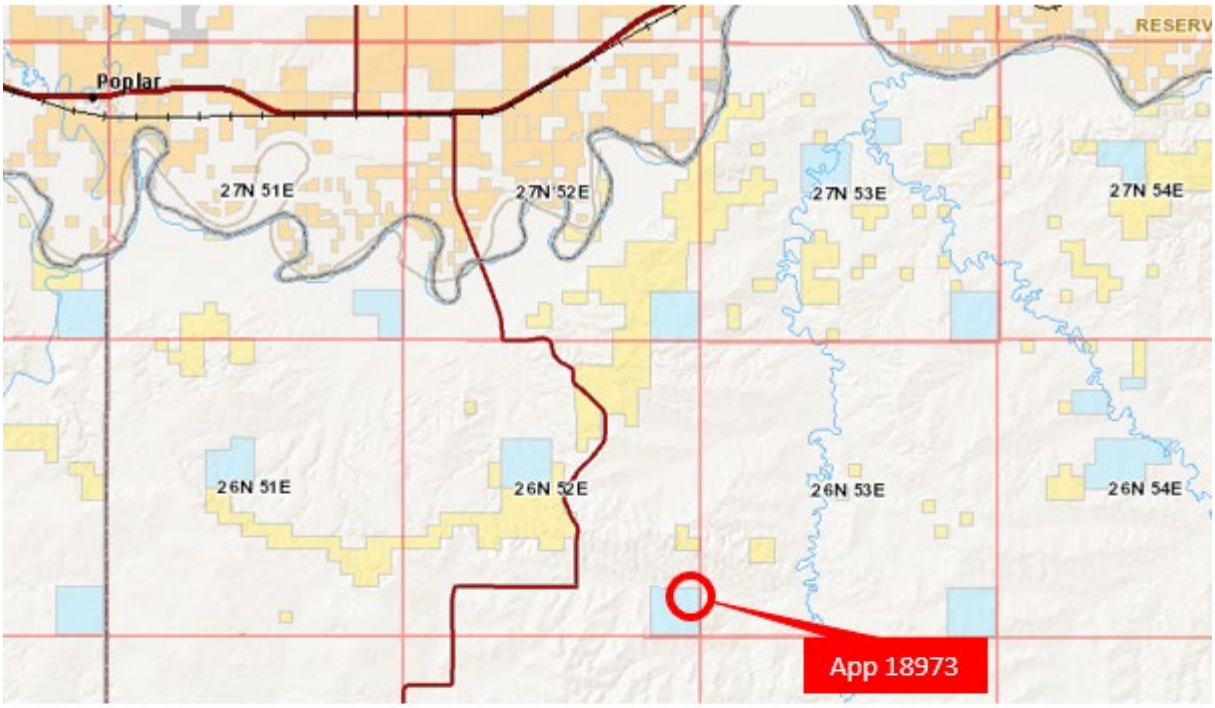
Item Summary

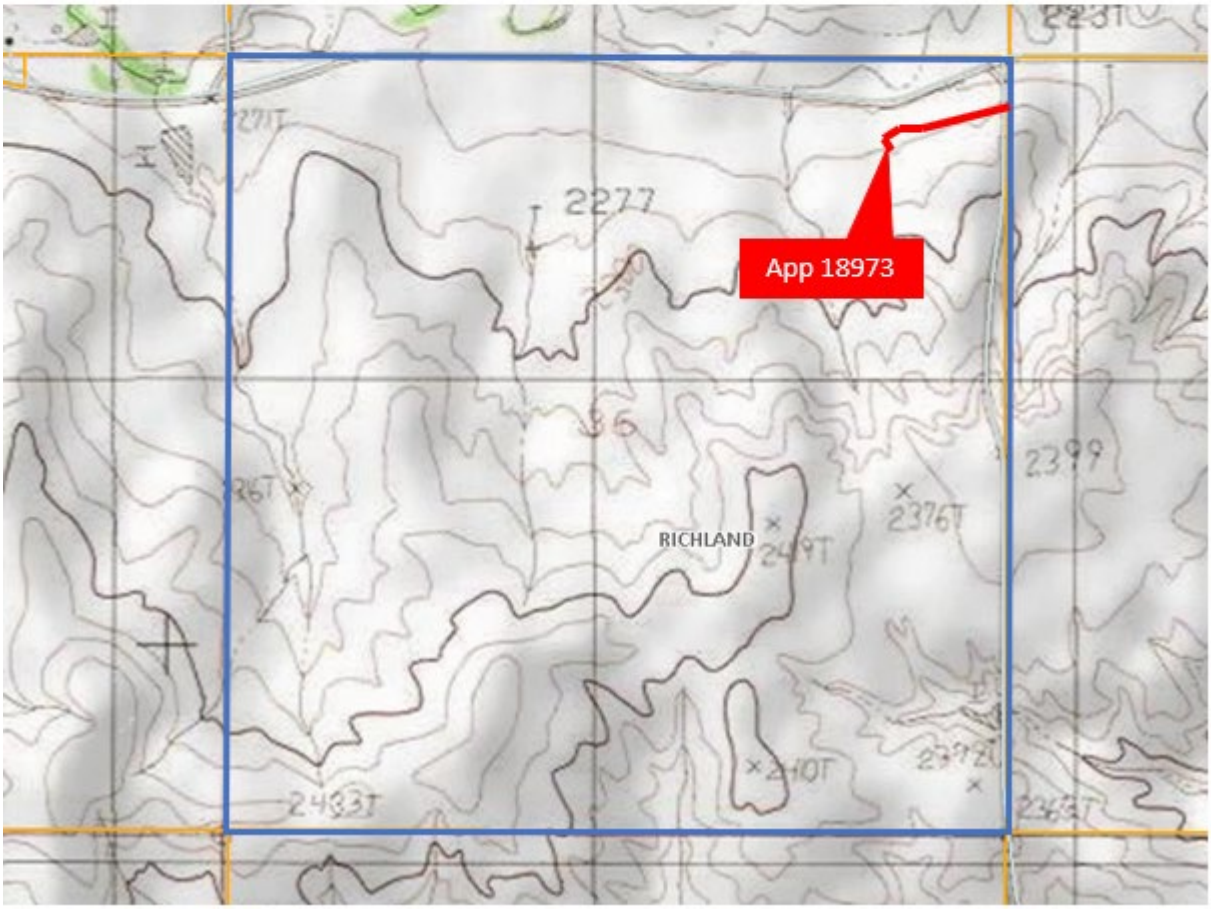
OneOk Rockies Midstream, LLC has made application to convert multiple diameter natural gas pipelines from a temporary land use license to limited term easements. The pipelines were previously authorized and installed under a Land Use License issued in 2010. OneOk Rockies Midstream, LLC has agreed to compensation in the amount of $70/rod which is consistent with other installations in the area.

DNRC Recommendation

The director recommends approval of 30-year term easements to OneOk Rockies Midstream LLC

R/W Application 18973





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	OneOk Rockies Midstream, LLC 896 25th Street SE Sidney, MT 59270
Application No.:	18974
R/W Purpose:	a buried 4" natural gas pipeline
Lessee Agreement:	needed
Acreage:	0.28
Compensation:	$2,545.00
Legal Description:	20-foot strip through NE4NW4, Sec. 28, Twp. 25N, Rge. 57E, Richland County
Trust Beneficiary:	Common Schools

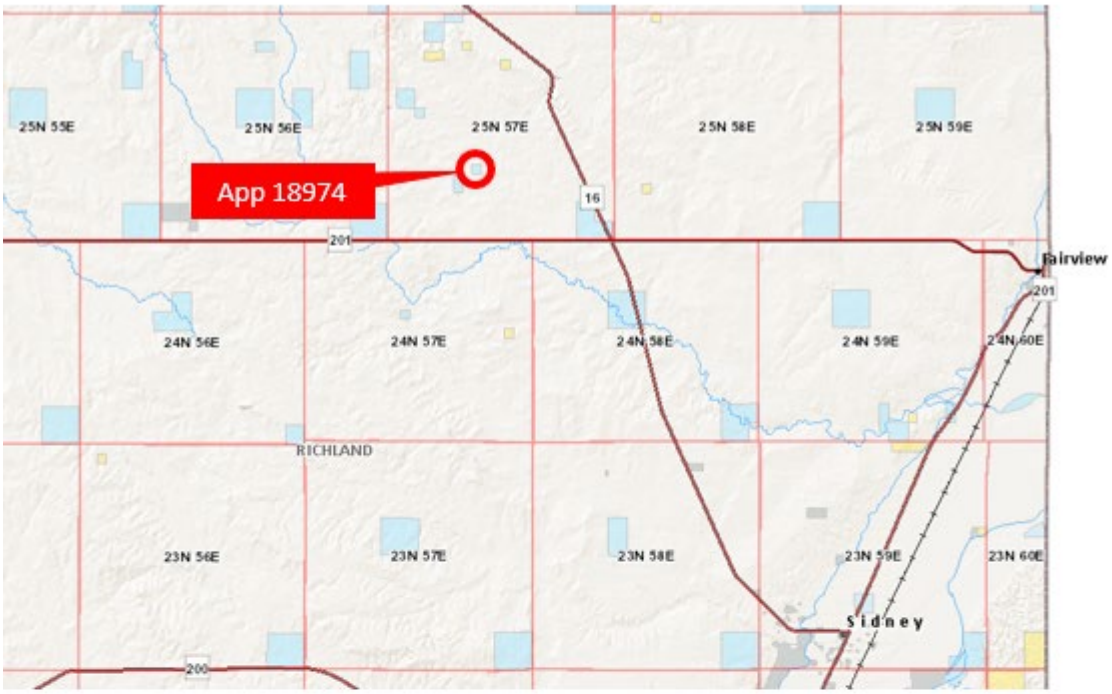
Item Summary

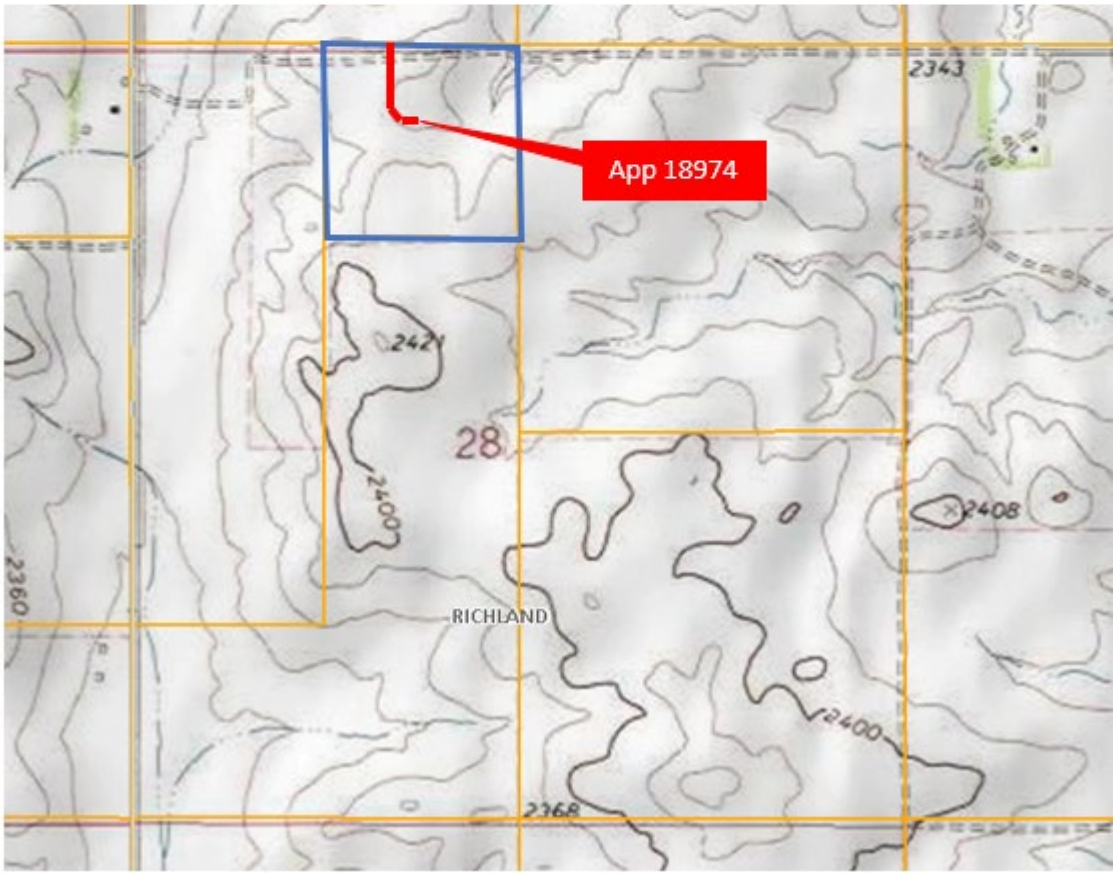
See summary on page 59

DNRC Recommendation

See recommendation on page 59

R/W Application 18974





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	OneOk Rockies Midstream, LLC 896 25th Street SE Sidney, MT 59270
Application No.:	18975
R/W Purpose:	a buried 6" natural gas pipeline
Lessee Agreement:	ok
Acreage:	1.80
Compensation:	$16,654.00
Legal Description:	20-foot strip through N2NE4, NE4NW4, Sec. 16, Twp. 23N, Rge. 53E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

See summary on page 59

DNRC Recommendation

See recommendation on page 59

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	OneOk Rockies Midstream, LLC 896 25th Street SE Sidney, MT 59270
Application No.:	18976
R/W Purpose:	a buried 6" natural gas pipeline
Lessee Agreement:	ok
Acreage:	0.86
Compensation:	$7,953.00
Legal Description:	20-foot strip through N2NW4, Sec. 16, Twp. 23N, Rge. 53E, Richland County
Trust Beneficiary:	Common Schools

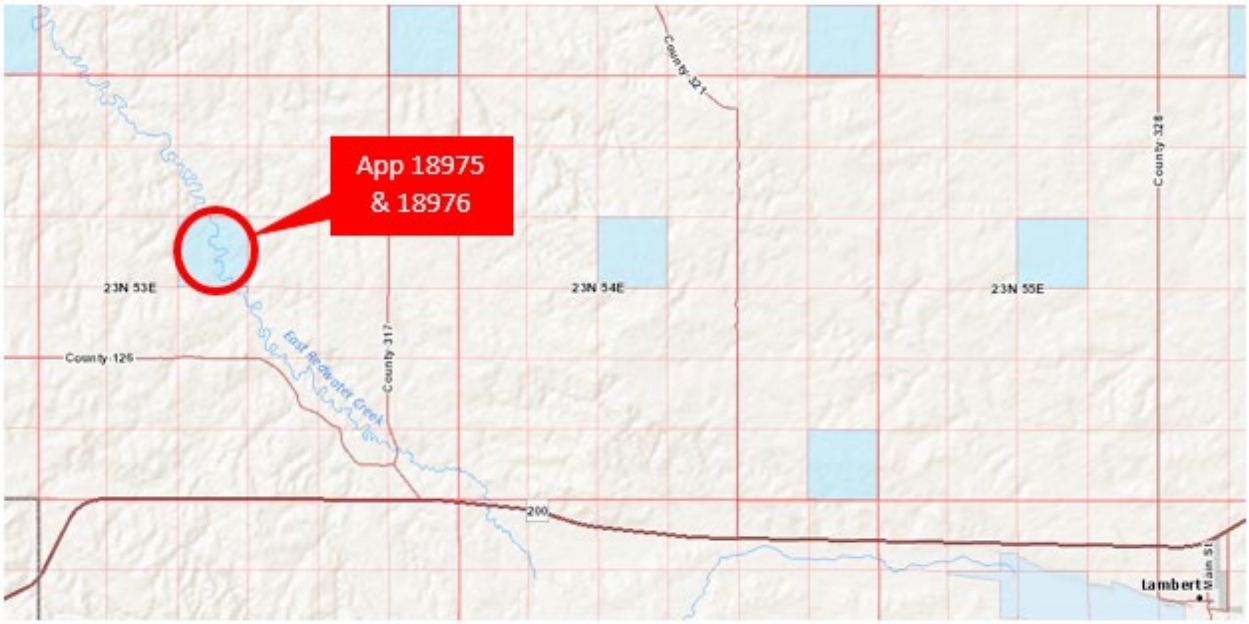
Item Summary

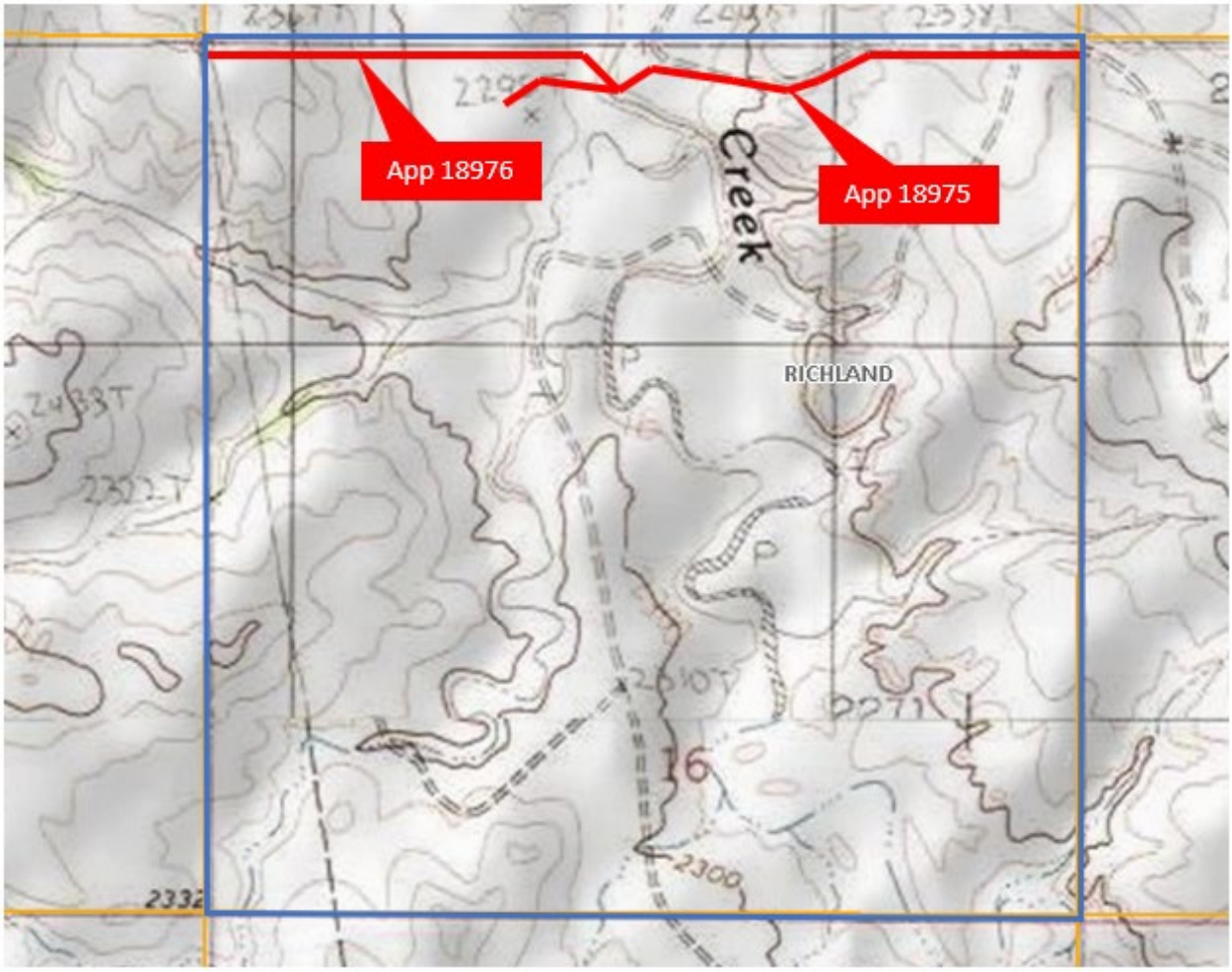
See summary on page 59

DNRC Recommendation

See recommendation on page 59

R/W Application 18975 & 18976





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	OneOk Rockies Midstream, LLC 896 25th Street SE Sidney, MT 59270
Application No.:	18977
R/W Purpose:	a buried 6" natural gas pipeline to an easement
Lessee Agreement:	ok
Acreage:	1.20
Compensation:	$11,046.00
Legal Description:	20-foot strip through S2SW4, SW4SE4, Sec. 36, Twp. 26N, Rge. 54E, Richland County
Trust Beneficiary:	Common Schools

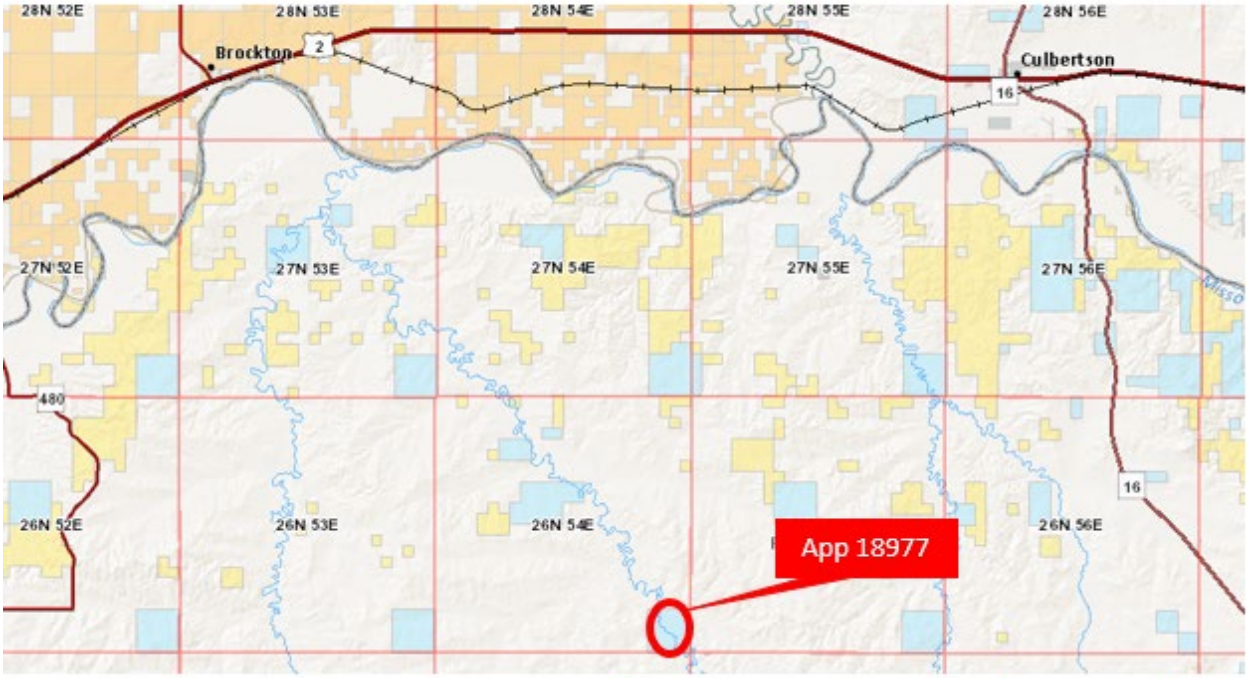
Item Summary

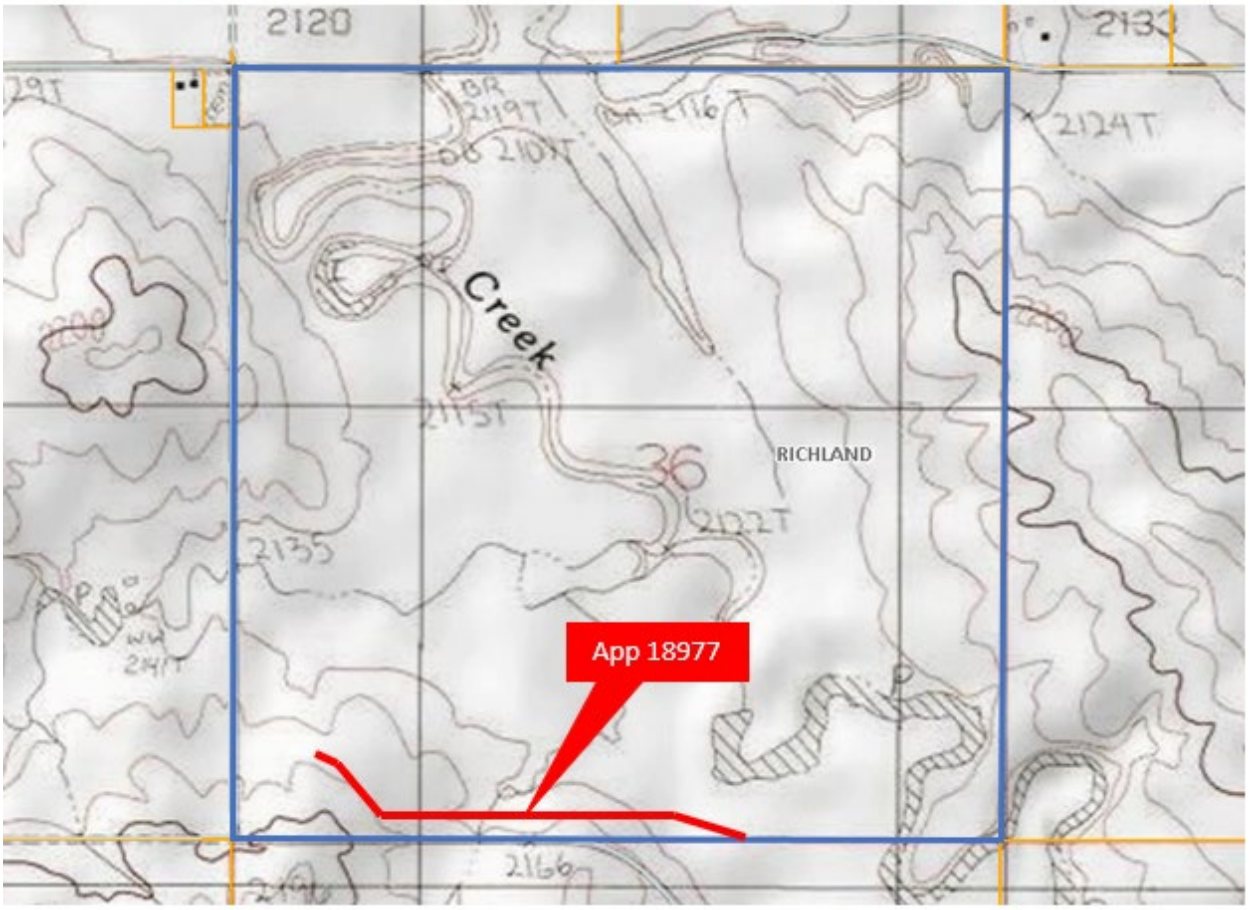
See summary on page 59

DNRC Recommendation

See recommendation on page 59

R/W Application 18977





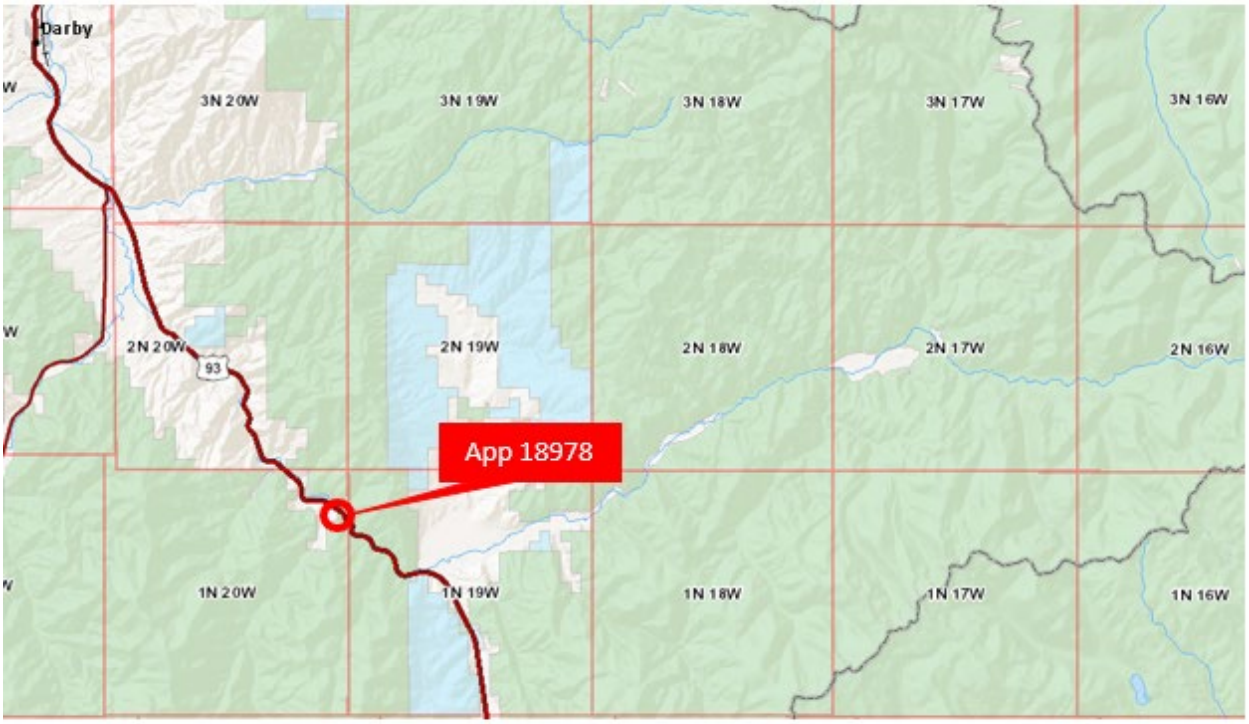
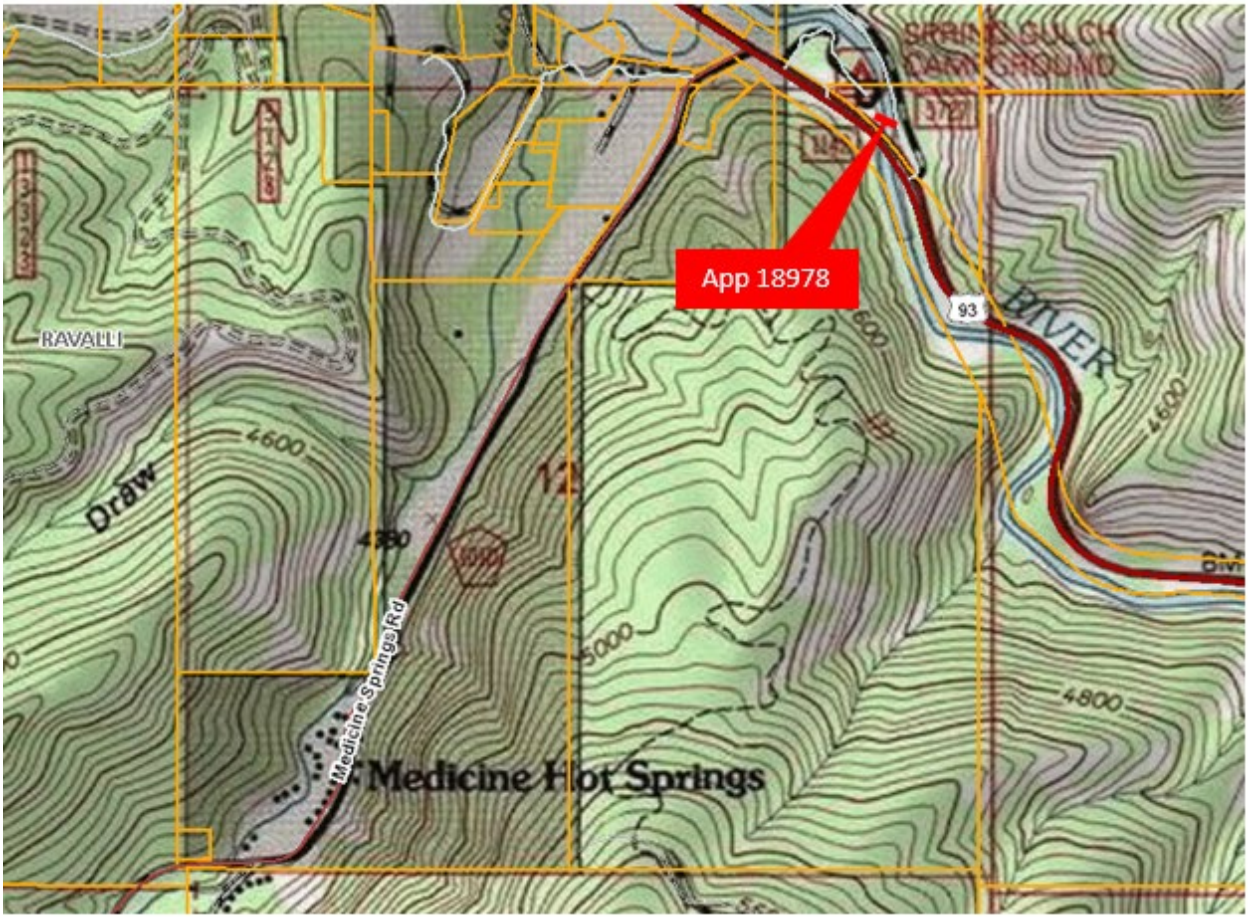
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Ravalli County Electric Cooperative PO Box 190 Corvallis, MT 59828-0190
Application No.:	18978
R/W Purpose:	an overhead 14.49kV electric distribution line
Lessee Agreement:	N/A (Nav. River)
Acreage:	0.05
Compensation:	$100.00
Legal Description:	20-foot strip across the Bitterroot River in NE4NE4, Sec. 12, Twp. 1N, Rge. 20W, Ravalli County
Trust Beneficiary:	Public Land Trust (Nav. River)

Item Summary

Ravalli County Electric Cooperative is requesting an easement to install a new overhead distribution powerline over the Bitterroot River near Sula. The existing powerline currently runs over a limited access ridge making it difficult to access and maintain. The re-route of the powerline across the river and along Highway 93 will significantly reduce exposure to tree growth and increase service reliability for the utility's membership in this area. An encroachment permit from MDT is currently in process. .

DNRC Recommendation

The director recommends approval of the easement request by Ravalli County Electric Cooperative.

R/W Application 18978