AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
November 15, 2021, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

1121-1 Department of Fish Wildlife & Parks: Purchase of Property for New Bad Rock Canyon Wildlife Management Area
Benefits: N/A (non-trust land)
Location: Flathead County
APPROVED 5-0

1121-2 Timber Sale: Old Penny
Benefits: Common Schools
Location: Flathead County
APPROVED 5-0

1121-3 Easements: Standard Grant
Benefits: Common Schools and School for the Deaf and Blind
Location: Blain, Carbon, Flathead, McCon, Missoula, Musselshell, Pondera, & Powell Counties
APPROVED 5-0

1121-4 Informational Item: 2021 State Trust Lands Report
Benefits: N/A
Location: Statewide

1121-5 Informational Item: 2021 Trust Lands Fire Report
Benefits: N/A
Location: Statewide

PUBLIC COMMENT
**Item Summary:** The Montana Department of Fish Wildlife and Parks (FWP) proposes to purchase a fee simple interest in an approximately 772-acre private property for a new Wildlife Management Area (WMA) in Flathead County, Montana. The proposed WMA is situated along 1.6 miles of the Flathead River immediately east of the City of Columbia Falls (see attached map). The landowner, Columbia Falls Aluminum Company (a Delaware corporation registered in Montana) ("CFAC"), wishes to sell this parcel to FWP at $170,000 below appraised value to create the WMA for public hunting, fishing and recreational opportunities for neighboring residents, Flathead County residents and visiting recreationists to enjoy.

Both the City of Columbia Falls and Flathead County Commissioners support this purchase. The property currently provides an excellent opportunity for youth and disabled hunters to harvest elk and white-tailed deer just minutes from Columbia Falls.

The property is winter range for elk, moose and white-tailed deer. Completion of this project would safeguard vital habitat for bull trout. This key corridor is located at a geographic pinch point where the Flathead River flows through the very narrow Bad Rock Canyon. Gateway to Glacier Trail, Inc., a local community group, has constructed a public recreational trail on the property under a revocable license issued by CFAC to allow public recreational uses. Under FWP ownership, public access would be managed to preserve wildlife presence and hunting opportunities while allowing compatible trail and property use. The project is adjacent to other public lands and adds to a 12,000-acre network of conserved land along a 43-mile reach of the Flathead River between Columbia Falls and Flathead Lake. The United States Forest Service (USFS) Forest Legacy Program is contributing $4 million toward the purchase price of $7.09 million. Habitat Montana is funding $2.5 million, Flathead Land Trust raised $415,000, mainly from local donors, and it partnered with FWP to obtain $175,000 in Montana Fish and Wildlife Conservation Trust funds. See spreadsheet below.

CFAC has given FWP and the Flathead Land Trust, our partner on this project, a two-year window to complete this project, which expires December 31, 2021. If this acquisition fails, the property likely will be quickly sold, subdivided, and developed into a high-density neighborhood.

FWP's intent is to maintain the WMA for public use. Under the proposed management plan, the site would have a day-use parking area and a latrine, as well as picnic tables. The trail would continue to be maintained by Gateway to Glacier.

The landowner is highly motivated to sell this site to FWP as a permanent WMA. FWP will pay the equivalent of property taxes to Flathead County pursuant to MCA 87-6-103.
Public Comments: FWP published an environmental assessment, accepted public comment for 30 days, and held a public hearing in Columbia Falls. The process generated high numbers of public comments and very strong support from the community. The Fish and Wildlife Commission approved this purchase unanimously on October 28, 2021.

Rationale for Land Board Action: Columbia Falls and nearby communities would benefit from this acquisition. The area's population is increasing, and local public access to Flathead River and for hunting and recreation is limited.

FWP Recommendation: FWP recommends the Land Board approve FWP's fee simple acquisition of this property to create the Bad Rock Canyon Wildlife Management Area.
## Bad Rock Canyon WMA Costs

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<td><strong>Total</strong></td>
<td><strong>$ 7,205,000.00</strong></td>
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March 31, 2021

Montana Fish, Wildlife & Parks
490 North Meridian Road
Kalispell, MT 59901

RE: Support for proposed FWP Bad Rock Canyon Wildlife Management Area

Dear Montana Fish, Wildlife & Parks:

The Flathead County Board of Commissioners support the acquisition of the proposed 772-acre Bad Rock Canyon Wildlife Management Area by the Montana Department of Fish, Wildlife & Parks.

As our community grows it becomes even more important that we secure and maintain public access and create additional recreational opportunities for our citizens. FWP’s proposed acquisition is consistent with community interests in Flathead County. Specifically, county residents will be afforded an area for wildlife viewing and youth hunting only minutes from the City of Columbia Falls.

This area will protect important fish and wildlife habitat, while a trail through the property will provide access for hikers, bikers, and other members of the public.

Thank you in advance for considering our support for this project.

Sincerely,

BOARD OF COMMISSIONERS
FLATHEAD COUNTY, MONTANA

Randy L. Brodehl, Chairman
Pamela J. Holmquist, Member
Brad W. Abell, Member
November 20, 2020

Montana Fish, Wildlife & Parks
Attn. Kris Tempel, Habitat Conservation Biologist
RE: Proposed Wildlife Management Area
490 N. Meridian Road
Kalispell, MT 59901

Sent via email: ktempel@mt.gov

RE: Bad Rock Canyon Conservation Project

Dear Kris:

The Mayor and Council of the City of Columbia Falls unanimously voted to submit this letter of support of the Fish, Wildlife & Parks proposal to purchase 800 acres currently owned by Columbia Falls Aluminum Co. (CFAC) and turn it into a Wildlife Management Area, known as the Bad Rock Conservation Project, that will protect critical wildlife habitat and provide new public recreation access.

The City has supported the continued efforts by the non-profit Gateway to Glacier Trail, Inc. to develop access for hikers, bikers, bird watchers, and others. Linking the pedestrian and bike trails from Columbia Falls to West Glacier benefits our residents as well as visitors. Gateway to Glacier Trail, Inc., through an agreement with CFAC, has built a trail across this currently undeveloped property.

By creating a Wildlife Management Area, the state is protecting over 700 acres of healthy riparian forest and 80 acres of wetlands while maintaining a wildlife preserve. This is a unique opportunity for the Columbia Falls' community, as well as Flathead County, including providing new public access for excellent hunting for youth and disabled hunters, year round recreation opportunities, bird watching, and 1.6 miles of river access just minutes from the City.

The City worked with the Flathead Land Trust and Fish, Wildlife & Parks on the Columbia Falls Fishing Pond in River's Edge Park and we know that both organizations have the experience and technical expertise to properly develop and manage this property.

Please approve the Bad Rock Conservation Project to provide public access for multi-use year round recreation opportunities while protecting bird and wildlife habitat.

Sincerely,

[Signature]

Mayor Donald Bamhart
July 12, 2019

Montana Fish, Wildlife & Parks
Attn. Rick Northrup
1420 East 6th Avenue
PO Box 200701
Helena, MT 59620-0701

RE: Forest Legacy Flathead River Conservation Project

Dear Mr. Northrup:

I am writing this letter in support of the Flathead Land Trust’s grant application to acquire and conserve approximately 800 acres of Columbia Falls Aluminum Co. (CFAC) property. The property is best-suited for a conservation easement for recreation activities instead of housing development due to the significant amount of wetlands and riparian areas. A conservation easement would provide a much-needed buffer between the river and the adjacent Suburban Agriculture Zoned property.

The City of Columbia Falls and the Flathead Land Trust recently had the opportunity to partner on a LOR Foundation Project Grant. That grant originally addressed planning activities that included recreation and the conservation of this property. Due to a change in the grant timing, the LOR Foundation changed the scope of the grant and the City and Flathead Land Trust successfully completed both the Columbia Falls Community Fishing Pond and the 3rd Ave East Connector Trail with the grant funds.

Working with the Flathead Land Trust, specifically Executive Director Paul Travis, they have demonstrated that they have the capacity and ability to successfully manage large projects and grant requirements.

Please give the Forest Legacy Flathead River Conservation Project serious consideration. Successful funding of the grant will provide needed recreation opportunities and will boost our small businesses.

Sincerely,

Susan M. Nicosia, CPA, MPA
City Manager/Zoning and Planning Administrator
September 3\textsuperscript{rd}, 2021
Montana Fish, Wildlife and Parks
Attn: Kris Tempel
490 N. Meridian
Kalsp nell, MT 59901

Dear Kris:

The Columbia Falls Area Chamber of Commerce supports Flathead Land Trust and Montana Fish, Wildlife and Parks on their Bad Rock Canyon Conservation Project, which entails purchasing 800 acres of land, currently owned by Columbia Falls Aluminum Company, to turn it into a Wildlife Management Area.

By creating this Wildlife Management Area, the project allows public access to recreation, excellent opportunities for youth and disabled hunters, and access to the Flathead River within a mile of the City of Columbia Falls. Providing a safe, accessible place for year-round outdoor recreation will in return positively impact the local economy and business community.

The Gateway to Glacier Trail non-profit is also currently working on a bike trail through the property that will provide the public with a primitive trail by the Flathead River. Outdoor recreation is a key component to our local community’s success and lifestyle. With the ample number of tourists that visit annually, having a safe location for them to bike, walk and explore close to the city is valuable.

The Columbia Falls Area Chamber of Commerce encourages you to approve the Bad Rock Canyon Conservation Project.

Sincerely,

Laura Gadwa

Laura Gadwa,
Executive Director, Columbia Falls Area Chamber of Commerce
Box 312
Columbia Falls, MT 59912
August 31, 2021

Kris Tempel
Montana Fish, Wildlife and Parks
490 N Meridian Road
Kalispell, MT 59901

RE: Support for the Bad Rock Canyon Acquisition and WMA

Dear Kris:

Representing the 1200-plus Realtors in the Northwest Montana REALTOR® Association, we would like to wholeheartedly voice our support for the Bad Rock Canyon Conservation Project and proposed Wildlife Management Area. Broadly, these comments reflect the importance of trails and natural areas on the economic vitality to a community. REALTORS® strongly endorse your efforts as they will only improve the existing trail infrastructure and become stepping stones for future trails to come!

- The National Association of Realtors has data showing that homes in the immediate vicinity of trails, pedestrian/bike walkways and “Safe Routes to School” command higher prices than homes that are not close to these amenities. Typically these homes increase in value 10-12% than their non-trail counterparts. Homebuyers ranked proximity to walking and bike paths THIRD amongst 42 features they found important.

- A community’s “walkability” starts to drive its economics. As soon as the word gets out that an area has great trails and there is a plan for these places to be connected, it changes the value of every property in-between them. (Moskerintz, 2016)

- Trails create substantial benefits for public health, property values and quality of life. (Policy Director Chris Mehl, Headwaters Economics, 2018 now Mayor of Bozeman, MT)

- An analysis for the area around Whitefish, Montana shows how Strava Metro data was combined with in-person surveys and trail counters to estimate recreational trail use by type (local or tourist) and by activity (pedestrian or bike). The study found that the Whitefish Trail (42 miles with 12 trailheads) contributes $6.4 million in annual spending by visitors who come to enjoy the trail and by locals who purchase or rent outdoor gear at local stores. Spending by
visitors who use the Whitefish Trail translates to 68 additional jobs and $1.9 million in labor income in Whitefish.

- Businesses along urban trails benefit from the influx of visitors using the trails then going to restaurants, snack shops and other retail establishments. On longer trails, hotels, bed and breakfasts, and outdoor outfitters benefit.
- Trails make communities more attractive places to live. When considering where to move, homebuyers rank walking and biking paths as one of the most important features of a new community.
- Trails influence business location and relocation decisions. Companies often choose to locate in communities that offer a high level of amenities to employees as a means of attracting and retaining top-level workers.
- Trails revitalize depressed areas, creating a demand for space in what were once vacant buildings.
- Trails increase property tax revenues for the communities in which they are located (due to higher home values).
- The costs of land acquisition for trails, trail construction and maintenance are far outweighed by the economic benefits generated by trails.

As our little corner of the world has been “discovered”, it is critical that habitats and recreation opportunities are set aside for permanent enjoyment. The Gateway to Glacier Trail has been a gleam in trail-users eyes for many years and it would be wonderful for them to secure yet one more link in the puzzle with the public acquisition of the Bad Rock Canyon property. The connectivity of the general trail system in NW Montana will be an important economic driver as well as recreational boon to both permanent residents and short-term visitors.

Thank you,

Erica Wirtala, Public Affairs Director
Northwest Montana Association of Realtors
1121-2 Timber Sale: Old Penny

Location: Flathead County
  Section 36 T27N R26W & Section 36 T27N R25W

Trust Beneficiaries: Common Schools

Trust Revenue: $828,509 (estimated, minimum bid)

Item Summary

Location: The Old Penny Timber Sale is located approximately 11 miles northwest of Marion, MT.

Size and Scope: The sale includes 5 harvest units (889 acres) of tractor logging.

Volume: The estimated harvest volume is 34,550 tons (4.9 MMBF) of sawlogs.

Estimated Return: The minimum bid is $23.98 per ton, which would generate approximately $828,509 for the Common Schools Trust and approximately $147,183 in Forest Improvement fees.

Prescription: This sale uses a combination of harvest prescriptions, including shelterwood, seed tree, overstory removal, and species designation/sanitation, and is designed to improve and promote forest health, productivity, and fire resilience.

Road Construction/Maintenance: DNRC is proposing 0.7 miles of new permanent road construction, 0.1 miles of road reconstruction, and 18.2 miles of road maintenance.

Access: Access is obtained through a Flathead County right-of-way and easements granted through Plum Creek Timber Company and Southern Pine Plantations.

Public Comments: Two comments were received. One member of the public wanted to know if the logs harvested from the sale would be headed west to Idaho or to the Flathead Valley. They were informed that the cut timber would be headed towards Kalispell. The other comment was from the State archeologist, founding no record of cultural resources in the project area.

DNRC Recommendation
The Director recommends the Land Board direct DNRC to sell the Old Penny Timber Sale.
Name: Old Penny Road  
Legal: S. 36 T27N R26W

Name: McGregor Peak  
Legal: S. 36 T27N R25W

Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane
EASEMENTS:
Standard Grant
Land Board Agenda Item  
November 15, 2021

1121-3  Easements: Standard Grant

Location:  Blaine, Carter, Flathead, McCon, Missoula, Musselshell, Pondera, Powell

Trust Benefits:  Common Schools, School for Deaf and Blind

Trust Revenue:  Common Schools = $6,472  
School for Deaf and Blind = $5,445

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<td>Private Access Road</td>
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<td>InterBel Telephone Coop. Inc.</td>
<td>Buried Fiber Optic Cable</td>
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<td>26-27</td>
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<td>R. Scott Chesarek</td>
<td>Private Access Road</td>
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<td>NorthWestern Energy</td>
<td>Buried Natural Gas Pipeline</td>
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<td>Hay Creek Inc.</td>
<td>Private Access Road</td>
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<td>Kristin Rossmiller</td>
<td>Private Access Road</td>
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<td>Koon Cabin, LLC</td>
<td>Private Access Road</td>
<td>Permanent</td>
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Jergeson Ranch Inc. has made application for the use of an existing road to access a single-family residence and associated outbuildings and to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible through a county road, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- SE4SE4: Sec. 11, Twp. 30N, Rge. 20E, Blaine County
- NW4, N2SW4: Sec. 13, Twp. 30N, Rge. 20E, Blaine County
- NE4, N2SE4, NE4SW4: Sec. 14, Twp. 30N, Rge. 20E, Blaine County

The director recommends approval of the application of Jergeson Ranch Inc.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: InterBel Telephone Cooperative, Inc

PO Box 648
Eureka, MT 59917

Application No.: 19087
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 1.21
Compensation: $5,445.00
Legal Description: 20-foot strip through S2NE4, N2NW4SE4, Sec. 7, Twp. 32N, Rge. 23W, Flathead County
Trust Beneficiary: School For Deaf and Blind

Item Summary

InterBel Telephone Cooperative is requesting an easement to install new buried fiber optic cable facilities for the purpose of providing upgraded telecommunications and broadband service for customers in the Olney service area. Minimal impacts are expected as InterBel is locating this new cable within the roadways on the affected State section within the Olney cabin site neighborhood. This line is a part of a larger project extending from Olney to Kalispell.

DNRC Recommendation

The director recommends approval of the application of InterBel Telephone Cooperative, Inc.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: R. Scott Chesarek
PO Box 31888
Billings, MT 59107

Application No.: 19141
R/W Purpose: a private access road to conduct normal farming and ranching operations and timber management
Lessee Agreement: N/A (Historic)
Acreage: 1.75
Compensation: $875.00
Legal Description: 12-foot strip through N2NW4, SE4NW4, SW4NE4, NW4SE4, Sec. 16, Twp. 8N, Rge. 29E, Musselshell County
Trust Beneficiary: Common Schools

Item Summary

R. Scott Chesarek has made application for the use of an existing road to conduct normal farming, ranching, and timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible through a secondary highway, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- SE4SW4, S2SE4, NE4SE4: Sec. 16, Twp. 8N, Rge. 29E, Musselshell County

DNRC Recommendation

The director recommends approval of the application of R. Scott Chesarek.
R/W Application 19141
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Corporation
11 East Park St.
Butte, MT 59701

Application No.: 19142
R/W Purpose: pipeline valve assembly and metering station within an operations yard
Lessee Agreement: ok
Acreage: 0.23
Compensation: $161.00
Legal Description: tract of land in SW4SE4, Sec. 16, Twp. 8S, Rge. 25E, Carbon County
Trust Beneficiary: Common Schools

Item Summary

NorthWestern Corporation is requesting an easement for the purpose of connection and monitoring two existing crude oil pipelines that are being converted to natural gas. The two pipelines, one 8” and the other 12”, intersect on the affected state parcel and will be tied together to feed natural gas to the proposed natural gas generation station at Laurel. This action requires a small meter building over the valve assemblies associated with testing and monitoring. This will also require an operations yard, consisting of a 100-foot x 100-foot area that will be fenced with security fencing to ensure site safety. Montana Sage Grouse Habitat Conservation Program (MSGOT) has reviewed and approved the project, and Northwestern Corporation has agreed to a mitigation plan.

DNRC Recommendation

The director recommends approval of the easement request by NorthWestern Corporation.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Hay Creek Inc.
c/o Rod Langemo
PO Box 5
Brockway, MT 59214

Application No.: 19143
R/W Purpose: a private access road to a single-family residence and associated outbuildings and to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 3.64
Compensation: $1,273.00
Legal Description: 30-foot strip through N2N2, Sec. 36, Twp. 17N, Rge. 46E, McCone County
Trust Beneficiary: Common Schools

Item Summary

Hay Creek Inc. has made application for the use of an existing road to access a single-family residence and associated outbuildings and to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is adjacent to a secondary highway with an approach present for the road applied for. The private property of applicant to be accessed is described as:

- All: Sec. 23, Twp. 17N, Rge. 46E, McCone County
- N2: Sec. 24, Twp. 17N, Rge. 46E, McCone County
- All: Sec. 25, Twp. 17N, Rge. 46E, McCone County
- All: Sec. 26, Twp. 17N, Rge. 46E, McCone County
- All: Sec. 27, Twp. 17N, Rge. 46E, McCone County
- N2: Sec. 35, Twp. 17N, Rge. 46E, McCone County

DNRC Recommendation

The director recommends approval of the application of Hay Creek Inc.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Estate of Shannen Rossmiller
           % Kristin Rossmiller, Personal Representative
           259 Northgate Loop
           Helena, MT 59602

Application No.: 19144
R/W Purpose: a private access road to conduct normal farming and
             ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.82
Compensation: $2,184.00
Legal Description: 30-foot strip through W2SW4, Sec. 16, Twp. 27N, Rge. 2E,
                 Pondera County
Trust Beneficiary: Common Schools

Item Summary

Kristin Rossmiller has made application for the use of an existing road to conduct normal
farming and ranching activities. The road has been in place for many years and authorization
for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition
of such historic access. The State Land is legally accessible through a county road, therefore
reciprocal access is unnecessary. The private property of applicant to be accessed is described
as:

• NE4: Sec. 17, Twp. 27N, Rge. 2E, Pondera County

DNRC Recommendation

The director recommends approval of the application of the Estate of Shannen Rossmiller.
### Item Summary

Bonnie Farnum has made application for the use of an existing road to access a single-family residence and associated outbuildings and to conduct normal farming, ranching and timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is accessible through a reciprocal access agreement, and therefore reciprocal access with the applicant is unnecessary. The private property of applicant to be accessed is described as:

- SE4NE4, N2NE4SE4: Sec. 36, Twp. 14N, Rge. 17W, Missoula County

### DNRC Recommendation

The director recommends approval of the application of Bonnie Farnum.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Koon Cabin, LLC
50 Polson Patch Road
Hall, MT 59837

Application No.: 19147
R/W Purpose: a private access road to a single-family residence and associated outbuildings and to conduct normal farming and ranching operations and timber management operations

Lessee Agreement: N/A (Historic)
Acreage: 0.51
Compensation: $459.00
Legal Description: 10-foot strip through Gov. Lot 5, NW4SW4, Sec. 14, Twp. 11N, Rge. 8W, Powell County
Trust Beneficiary: Common Schools

Item Summary

Koon Cabin, LLC. has made application for the use of an existing road to access a single-family residence and associated outbuildings and to conduct normal farming, ranching and timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible, and applicant cannot provide legal access to the State. The private property of applicant to be accessed is described as:

- N2, E2SW4, SE4: Sec. 13, Twp. 11N, Rge. 8W, Powell County
- COS 325 M&B Tract, NE4SE4: Sec. 14, Twp. 11N, Rge. 8W, Powell County

DNRC Recommendation

The director recommends approval of the application of Koon Cabin, LLC.
• K-12: 2021 School Year Enrollment: 145,632 public school children
• OPI Budget: $904 million
• OPI Pupil Budget: average state share per student $6,209

• Trust Lands Common Schools Distribution: $47.7 million or $327 per student
• Trust Lands Contribution to the OPI Budget: 5.3%
• School Facility & Technology Fund: $4.5 million
Agriculture & Grazing Management

Agriculture Lease Revenues: $16.8 million
• 9.2 million bushels of wheat
• 1.3 millions bushels of barley
• 117 thousand tons of hay

Grazing Revenues: $13.7 million
• An increase in beef cattle prices resulted in an increase of the grazing rate from $12.92 AUM to $13.41/AUM
Recreational Use/Public Access

In FY 2021, DNRC elevated recreational use as a standalone program within the Trust Lands Management Division. In response to increased use and demand for trust land for both dispersed and concentrated recreational use, the department is focusing on program development and broad range solutions to balance Montana’s outdoor recreation heritage with the fiduciary duty of trust land management.
Minerals Management

- In FY 2021, revenue from mineral activities totaled $20.2 million
- Average price per barrel: $47.18
- Oil & Gas royalty revenue: $6 million
- Coal royalty revenue: $13.1 million
- Oil & Gas rentals & bonus revenue: $729 thousand
During FY 2021:

- 429,535 acres under 1,126 lease agreements for Oil & Gas:
  - 608 leases are producing from 229,225 acres
  - 908 thousand barrels of oil
  - 2 million mcf (thousand cubic feet) of gas
- 14,692 acres under 31 lease agreements for Coal:
  - 6 leases are producing from 2,520 acres.
  - 6.7 million tons of coal
Oil & Gas Lease Auctions

• Four quarterly auctions per year.

• Generated $101 thousand in bonus revenue in FY 2021.

• 91% decrease over the previous 3-year average.

• However, wide fluctuations in quarterly lease auction revenues.
Forest Management

- 57.7 million board feet sold of the 59 offered
  - Value of $10.5 million
  - Average stumpage price increased 5% to $180 per MBF.
- 64.1 million board feet harvested
  - Value of $12.8 million
- 363,739 seedlings planted
• Implemented an updated Sustainable Yield Calculation to increase harvest to 60.0 MMBF with additional opportunity volume of 8.3 MMBF

• Adopted new comprehensive Forest Management Administrative Rule revisions

• Next Gen Data and Data Systems fully integrated into other TLMD Bureaus and programs establishing a stable platform for enhanced mobile technology and Remote Sensing applications as well as eventual public facing data portals
Forest Management Bureau
FY 2017 - FY 2021
Real Estate Management

- FY 2021 Revenue by Program
- ROW/Easement: $10.7 million
- Residential Leasing: $2.24 million
- Commercial Leasing and Licensing: $2.46 million
- Hydro Lease: $5.09 million* undistributed $24.5+ million in hydro revenue currently (held in escrow)
Land Banking Sales FY 2021

• Sold: 33 Cabin Sites for $2.9M
• Sold: 16 Land Sales of 2,153 acres for $1.4M
• Total Land Banking Sales: 49 parcels for $4.3M
Cabin Site Sales Highlights

• 2020/2021 sale program in progress
  • 31 sold to date
  • 56 sites being processed
  • 75+ expected to sell
• Solicitation for 2022/2023 sale program began in September
Rights-of-Way/Easements

- 135 rights-of-way/easement applications approved by the Land Board
- 20 cabin site sale legal access easements issued
- Completed two significant reciprocal access agreements with SPP Montana resulting in legal access being acquired to 6,200 acres of Trust Land in western Montana and two private reciprocal agreements providing access to 1,150 acres of Trust Land in eastern Montana
Bozeman/Belgrade area is receiving heavy Commercial interest as property values soar and land availability decreases.

Several projects in Gallatin County are at different stages of development – from Request for Proposals to planning and infrastructure installation to building construction.
• Wind development lease on 2,560 acres in Garfield & Rosebud Counties signed on July 1, 2021.
• First wind project lease since Judith Gap Wind Farm in September 2004.
• First year base rent begins at $35,700 with anticipated increase at full operations date to exceed $100,000 annually.
Section 36 in Kalispell continues to enjoy strong development with several projects currently under construction.

FY 2021 Section 36 revenues - $940,340
Real Estate Revenues
FY 2017 - FY 2021

Millions

- Hydro Lease
- Commercial Leases
- Cabin Site Leases
- Rights of Way
- All Other Uses

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Permanent Fund Balance


MILLIONS

$0.0 $100.0 $200.0 $300.0 $400.0 $500.0 $600.0 $700.0 $800.0

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Distributable & Gross Revenue

- Total Gross Revenue
- Total Distributable Revenue

FY2017: 80,000,000
FY2018: 85,000,000
FY2019: 100,000,000
FY2020: 95,000,000
FY2021: 110,000,000
This concludes the presentation
Happy to answer any questions
INFORMATIONAL ITEM:

2021 Trust Lands Fire Report
**1121-5 Informational Item: 2021 Trust Lands Fire Report**

Location: Beaverhead, Big Horn, Blaine, Broadwater, Carbon, Cascade, Custer, Dawson, Fergus, Garfield, Lake, Lewis & Clark, McCone, Madison, Meagher Musselshell, Petroleum, Philips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sanders, Stillwater, Yellowstone Counties

Trust Benefits: N/A

Trust Revenue: N/A

**Item Summary**

In 2021, there were 39 wildfires that impacted ~ 23,848 acres of Montana Trust Lands. 96% of these acres occurred east of the continental divide and predominantly on the eastern 1/3 of the state. Of these acres, 9,207 are considered forested. Currently there are 7 salvage projects, either in planning or completed, addressing fire salvage on ~5,400 of these acres.
## Montana DNRC Trust Lands Wildland Fire Analysis

02 November 2021

- 39 wildfires affected Trust Lands
- 23,848 Trust Lands acres burned
- 9,207 Trust Lands acres forested
- 7 salvage projects planned or completed (~ 5400 acres)
- 96% of burned acres east of continental divide

<table>
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<tr>
<th>Fire Name</th>
<th>Total Fire Acres</th>
<th>County</th>
<th>Grant</th>
<th>Forested Acres</th>
<th>Non-Forested Acres</th>
<th>Total Trust Land Acres</th>
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<td><strong>39 Fires Totals</strong></td>
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<td><strong>14,641</strong></td>
<td><strong>23,848</strong></td>
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</table>

**TOTAL MT ACRES BURNED** (11/02/2021) **~940,716**

**SALVAGE PLANNED OR COMPLETED ACRES** **~5,400**

*Fire Perimeter Data Sources= National Interagency Fire Center/InForm Data hub

**Only fires > 100 acres AND burning on Trust Lands are shown in the table