

## CHECKLIST ENVIRONMENTAL ASSESSMENT

**Project Name:** 2017 Land Banking: Spotted Dog WMA – Anaconda Unit (SWLO)

**Proposed Implementation Date:**

2018

**Proponent:** Montana Department of Fish, Wildlife and Parks

**Location:**

Township	Range	Section	Acres
9N	7W	6	317.34
9N	8W	12	640.00
9N	8W	18	640.64
9N	8W	20	640.00
9N	8W	26	320.00
9N	8W	30	641.88
9N	8W	34	640.00
9N	9W	24	480.00
9N	9W	26	640.00
9N	9W	36	640.00
8N	8W	2	436.89
8N	8W	4	599.38
8N	8W	6	264.78
8N	8W	8	640.00
8N	8W	10	640.00
8N	8W	12	640.00
8N	8W	16	640.00
8N	8W	20	640.00
<b>Tract Count</b>	<b>18</b>	<b>Total Acres</b>	<b>10,100.91</b>

**County:** Powell County

**Trust:** The Beneficiary of all State Trust Lands in this proposal is the Common Schools Trust (CS)

### I. TYPE AND PURPOSE OF ACTION

The Montana Department of Natural Resources and Conservation (DNRC) is evaluating a proposal to sell State Trust Lands leased to the Montana Department of Fish, Wildlife and Parks (FWP) within FWP's Spotted Dog Wildlife Management Area (WMA) located in Powell County, northeast of Deer Lodge. FWP desires to own these lands and manage them for the benefit of wildlife as a part of the Spotted Dog WMA. FWP has nominated the State Trust Lands for sale in accordance with DNRC Land Banking procedures. Under this program the State Trust Lands would be considered for sale at public auction in Powell County. Land Banking procedures allow the nominating lessee (FWP) to stop the sale process at any point prior to 10 days after the registration deadline for competitive bidders. FWP will have the opportunity to evaluate the probability for competitive bids and respond accordingly.

The lands are currently held in trust for the benefit of Common Schools. DNRC is charged with management of these lands to produce revenue to fund the Common School Trust (K-12 public schools). Revenue from a land sale would be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income, and proximity to existing

state ownership which would then be held in trust for the benefit of the same beneficiary Trust in relative proportion. The 2003 State Legislature passed statutes (77-2-361 through 367 MCA) authorizing the DNRC to sell State Trust Lands and utilize those funds to purchase replacement lands for the State Trust Beneficiaries through a process called Land Banking. The intent of the program is for the State to dispose of scattered tracts of land that generally do not have legal access, generate substantially less income for the Trust than their relative value or are difficult for the DNRC to manage. The funds generated from sales are then used to purchase property that is blocked or contiguous to State land, has legal access, has potential for increased Trust revenue and consequently is more efficient to manage. In 2005 the DNRC began accepting nominations from lessees and DNRC personnel for State tracts to be considered for sale under the program. Nominations were evaluated and the State Board of Land Commissioners (Board) prioritized for sale. The July 2017 Land Banking Report <http://dnrc.mt.gov/divisions/trust/real-estate/land-banking/state-lands-for-sale/LandBankingReportJuly2017.pdf> notes that the DNRC and the Board have sold 79,522 acres and have purchased 69,826 acres through land banking.

As a part of this proposal, the two agencies would also develop a road access agreement that would assure DNRC's ability to access State Trust Land retained on or adjacent to the WMA.

This land banking proposal is similar to prior nominations made by FWP for sale of State Trust Lands within the Sun River, Blackleaf and Beartooth WMAs in 2016. The Fish and Wildlife Commission has endorsed FWP to proceed with due diligence and negotiations on this proposal.

The primary objectives of the project are:

- Remove State Trust Land ownership from within WMA boundaries
- Allow FWP to own and manage properties within WMA boundaries
- Increase revenues to trust beneficiaries.
- Allow DNRC to purchase other lands that produce greater revenues, to consolidate ownership, and to increase public access and recreation opportunities.

If the lands are sold to FWP, management of the properties is anticipated to continue in a manner consistent with current management of Spotted Dog WMA.

Exhibits attached to this EA checklist:

- 1.) **Exhibit A-Spotted Dog WMA Land Banking Vicinity Map:** a general map of the vicinity of this Land Banking Sale.
- 2.) **Exhibit B- Spotted Dog WMA/Nominated Trust Land Tracts:** a map that indicates the tracts considered for sale in proposal.

## II. PROJECT DEVELOPMENT

### 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

*Provide a brief chronology of the scoping and ongoing involvement for this project.*

DNRC and FWP conducted a joint scoping process for this proposal.

- Together the agencies developed a scoping announcement and an explanation of frequently asked questions.
- On July 17<sup>th</sup> prior to initiating the formal scoping process, a meeting was held at the courthouse in Deer Lodge to discuss the proposal with the Powell County Commissioners.

- A legal notice was placed in the Montana Standard, Helena Independent Record, Missoulian and the Silver State Post newspapers advertising a 30-day formal public scoping period starting on July 14<sup>th</sup> and ending on August 14<sup>th</sup>.
- Each agency mailed approximately 100 of the scoping announcements and answers to frequently asked questions to affected State and local political entities, agency contacts, special interest groups, adjacent neighbors and those who had requested these types of notices.
- Each agency also posted the announcement on their agency web pages.

Approximately 30 responses were received during the public scoping period.

Based upon a review of public scoping comments, a decision was made to hold a public field tour for those who had responded to scoping to allow an opportunity for additional discussion of the proposal and to encourage further public comment. Approximately 24 people attended the field trip on August 27<sup>th</sup> including 3-DNRC and 5-FWP employees.

## **2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:**

No other governmental agencies have jurisdiction over this proposal.

## **3. ALTERNATIVES CONSIDERED:**

Alternative A (No Action) –The State would retain the existing land ownership and would not sell 10,100.91 acres of State Land currently held in trust for the benefit of Common Schools listed above by legal description. Continued authorizations in the form of lease or license agreements would be necessary for FWP’s continued use and management of State Trust Land within the Spotted Dog WMA.

Alternative B (Proposed action) –The DNRC would request and recommend approval by the Land Board to sell the 10,100.91 acres of State surface ownership held in trust for the benefit of Common Schools listed above. The mineral estate associated with these State Trust Lands would not be sold per Montana Statute 77-2-304. The sale would be subject to existing easement rights of record granted on the State Trust Lands. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. The income from the sale would be combined with other land sale receipts from across the State to fund the purchase of other State land, easements, or improvements for the beneficiaries of the respective Trusts.

*(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

Alternative Considered But Not Analyzed in Detail (Land Exchange) - Responses to scoping included recommendations for DNRC and FWP to consider a land exchange within the Spotted Dog WMA. Under this alternative each party would consolidate property ownership and exchange access rights. These individuals felt a land exchange would reduce potential adverse effects to the local ranching and forestry community associated with fewer opportunities for domestic grazing and timber harvest under FWP management. They felt that by exchanging land, DNRC would retain a local presence and provide opportunities for these uses while continuing to generate long term revenue for the Common School Trust. Unlike land banking, where DNRC would buy replacement land, a land exchange would also be less likely to decrease the overall amount of private land ownership within the State.

Land Exchange proposals to consolidate the checkerboard ownership pattern within the Spotted Dog area date back to at least 2005 when DNRC and Rock Creek Cattle Company entertained proposals. Since that time proposals for exchange have been evaluated between DNRC and R/Y Timber Company (2009) as well as between DNRC and FWP. In each of these cases the parties have been unable to reach an agreement on a satisfactory proposal.

In response to public comments on this land banking proposal, both DNRC and FWP decided to further review and discuss past land exchange proposals and again consider new exchange opportunities. During these discussions, we evaluated the legal requirements that each agency must meet to successfully implement land exchanges. It

was determined that both agencies are legally bound to get equal or greater value when exchanging land. Given this constraint, we concluded that crafting a transaction that would meet the primary objectives of the project and stay within the legal constraints of both agencies would not be possible. As a result, both agencies concluded that further evaluation of additional land exchange alternatives is not warranted.

<b>III. IMPACTS ON THE PHYSICAL ENVIRONMENT</b>
<ul style="list-style-type: none"> <li>• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i></li> <li>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i></li> <li>• <i>Enter "NONE" if no impacts are identified or the resource is not present.</i></li> </ul>

**4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:**

*Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.*

The area geology is mainly cretaceous volcanic bedrock and tertiary sedimentary formations. No especially unstable slopes or unique geology features are present, except for the occurrence of phosphate in the area. The State owns certain minerals under these parcels and would retain ownership of these mineral rights if the tracts are sold.

Topography is rolling to steep slopes composed of native rangeland and forested land. Soils are stable due to permanent vegetation cover being maintained upon the tracts. These tracts are surrounded by native rangeland contained in large pastures used for grazing and forested land. It is unlikely these tracts would be developed for agricultural production in the future or managed for timber resources as they have been historically used as wildlife management and grazing land. It is expected this land would be used wildlife management in the future.

The Powell County Soil Survey and U.S. Department of Agriculture's (USDA) Soil Survey database were reviewed for the proposed land sale area and over 100 different soil types occur within its boundaries ranging from clay and cobbly loams to outcrop complexes. The predominant types at over 2,000 acres each included Libeg-Monad-Copenhaver complex, Braziel-Tolbert complex, Worock gravelly loam, Braziel-Tolbert-Rock outcrop complex, Danvers clay loam, and Roy-Shawmut-Danvers complex. The remaining soil types are represented in acres of lesser amounts. Depending upon the location and slopes ranged from zero to sixty percent. (NRIS/USDA Web Soil Survey 9/18/2017).

Alternative A (No Action) – No impacts to the geology, soil quality, stability or moisture are expected to occur from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. Land management activities are expected to be similar to no-action or slightly improved over time as more improvements to land management are made, based on implementation of BMP's and site-specific mitigation measures as projects are developed. The proposal does not involve any on the ground disturbance, so no soil impacts are anticipated related to the land transfer. No cumulative impacts to the geology, soil quality, stability or moisture would occur from the proposed action.

**5. WATER QUALITY, QUANTITY AND DISTRIBUTION:**

*Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.*

The project area is located within the following HUC 12 Watersheds noted in table WS-1.

Table WS-1 HUC 12 Watersheds				
HUC 12 Watershed	Watershed Name	HUC Watershed Acres	State Trust Lands Acres within Watershed	State Trust Lands as % of Watershed

170102010608	Lower Spotted Dog Creek	11632	1712	15
170102010708	O'Neil Creek-Clark Fork	21826	2214	10
170102010606	South Fork Spotted Dog Creek	8317	2205	27
170102010707	Town of Deer Lodge-Clark Fork	43167	2628	6
170102010607	Upper Spotted Dog Creek	8713	1343	16

Current and legacy land uses are mainly domestic grazing, agriculture and silviculture. There are 32 water diversions on the State Trust Lands proposed for sale that includes 2 head-gates on Trout Creek, 1 developed spring in the Spotted Dog Creek drainage and 29 uses by livestock grazing direct from surface water sources.

Access roads to the State Trust Land parcels were improved to meet Best Management Practices (BMP's) concurrent with previous operations on State Trust Lands, yet the roads have not received recent maintenance and some road segments may require maintenance or may not meet BMP's. Numerous stream crossing sites were also improved to reduce sedimentation.

Alternative A (No Action) Effects to water quality and water quantity are expected to be the same as existing conditions.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. The proposed sale and transfer of State Trust Lands to Montana FWP has low risk of direct, indirect or cumulative effects to water quality, downstream beneficial uses or water quantity. Land management activities are expected to be slightly improved over time as more improvements to land infrastructure are made, based on implementation of BMP's and site-specific mitigation measures as projects are developed.

**6. AIR QUALITY:**

*What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.*

The proposal does not involve any on-the-ground activities, or changes to activities.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreements. No impacts to air quality would occur as a result of the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. The proposal does not include any on-the-ground activities, or changes to activities. No effects to air quality would occur as no change in land use is expected.

**7. VEGETATION COVER, QUANTITY AND QUALITY:**

*What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.*

Existing Conditions

**Forested Land:**

A query of the Stand Level Inventory (SLI) shows 1,914 total acres of forested stands within the proposed land banking project. SLI estimates 13.633 million board feet (MMBF) of total sawlog volume present. Realistic harvestable acreage is estimated at approximately 1,374 acres. Realistic harvestable volume is estimated at approximately 6 MMBF. Age class distribution across all stands is:

AGE CLASS YEARS	ACRES
000-039	68
040-099	90
100-149	1,305
150-199	312
Old Growth	139

Douglas-fir is the predominant forest type with 1,726 acres present. Ponderosa pine cover is 138 acres; Mixed Conifer – 34 acres; and Subalpine fir – 16 acres.

The DNRC has completed 4 timber sales removing approximately 2.7 million board feet of sawlog timber in the past 30 years on lands involved in the proposed land banking project. They are:

- 1988 Jake Creek – Section 16, T8N, R8W
- 1992 Middle Fork Spotted Dog – Sections 2 and 12, T8N, R8W
- 1998 Avon South 1 – Section 20, T9N, R8W
- 1999 Avon South 2 – Sections 12, 26,34; T9N, R8W

Assuming an average growth rate of 75 board feet per acre per year<sup>1</sup>, timber growth on the total 1,914 acres of forested land involved in this proposal is estimated to be approximately 140 thousand board feet (MBF) per year. Growth on realistically harvestable acres (1,374), is estimated at approximately 100,000 MBF per year.

#### **Range Land:**

The proposed land sale consists of 8,187 acres of native rangeland. The vegetation on these lands consist of a mix of species typical of the Foothills and Mountains, 15 – 19" precipitation zone. Range sites are predominately classified as thin hilly, shallow and silty. The species composition is dominated by grasses that include rough fescue, bluebunch wheatgrass, Idaho fescue, green needlegrass, needle and thread, prairie junegrass, western wheatgrass, sandberg bluegrass, Kentucky bluegrass, and timothy. Other vegetation consists of various forbs, shrubs, and trees. The overall range condition on these lands is rated as good to excellent. A summary of grazing inspections across all lands involved in the proposed land banking sale indicates a total carrying capacity of 3,315 AUM's. The average stocking rate/carrying capacity is .328 AUMs per acre.

#### **Noxious Weeds:**

Existing noxious weeds include principally, knapweed, thistle and houndstongue occur on both State and adjacent private lands in the area. State Trust Lands have had a range of noxious weed treatments that included prevention measures, revegetation, site specific herbicide treatments and biocontrol measures that were completed concurrent with land management activities. Weed populations vary across the landscapes and noxious weeds are slowly increasing depending on location. DNRC completes periodic grazing inspections of State Trust Lands and grazing licensees are responsible for noxious weed control associated with their grazing uses.

Alternative A (No-Action): Effects to noxious weeds are expected to be the same as the existing conditions.

Alternative B (Action): The proposed sale and transfer of State Trust Lands to Montana FWP has low risk of direct, in-direct or cumulative effects to noxious weeds. Land management activities are expected to be slightly improved over time as MT FWP implements weed control measures like they have taken on other MT FWP lands to prevent introduction of new weeds and control of existing noxious weeds

#### **Vegetation:**

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreements. No impacts to vegetation cover, quantity and quality would result from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. Vegetation may be affected by numerous land management activities including livestock grazing, wildlife management, forest management, or other agricultural uses. The vegetation on this tract is typical of land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tract. It is expected that these lands would remain used for wildlife management purposes. Fish, Wildlife, and Parks has indicated if they purchased these lands, the land use would not change. The proposal does not include any on-the-

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<sup>1</sup> Email from Tim Spoelma DNRC Silviculturist – “The growth rate over 200 years for unmanaged Douglas-fir stands (saw timber, medium stocking, moderate productivity) was 92 BF/Ac/Yr, and the sustainable yield constraints drop that to 83. So you're definitely close at 75.”

ground activities, or changes to activities and therefore DNRC does not expect direct, indirect, or cumulative effects to the vegetation to result from this alternative.

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## **8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:**

*Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.*

The area is largely native grasslands/rangelands with some forested ponderosa pine and Douglas-fir stands. The area likely supports a mixture of wildlife that rely upon these more open habitat conditions, including a variety of big game species (elk, mule deer, whitetail deer, antelope, and moose), predators (coyote, fox, and badger), upland game birds (blue, grouse, ruffed grouse and Hungarian partridge), other non-game mammals, raptors, and various songbirds. Sizeable big game winter range habitats exist in the project area.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreement.

Alternative B (Proposed Action) – Under the action alternative, DNRC lands would be sold and any future management would occur outside of DNRC's public environmental review process. FWP has indicated that under their management, the area would be managed as a WMA and would not immediately alter wildlife habitat. This alternative would not impact wildlife forage, cover, or travel corridors. Nor would this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.

### **Fisheries**

The Little Blackfoot River, Spotted Dog Creek, Trout Creek and face drainages support; westslope cutthroat trout, and other species. Current and legacy land uses are mainly domestic grazing, agriculture water diversions and silviculture that have had varied levels of impacts to fisheries habitat. Access roads to the State Trust Land parcels were improved to meet Best Management Practices concurrent with previous operations on State Trust Lands, yet the roads have not received recent maintenance and some road segments may require maintenance or may not meet BMP's. Numerous stream crossing sites were also improved to reduce sedimentation. Legacy impacts from grazing are on an improving trend.

Alternative A (No-Action): Effects to fisheries habitat and water quality are expected to be similar to existing conditions.

Alternative B (Action): The proposed sale and transfer of State Trust Lands to Montana FWP has low risk of direct, in-direct or cumulative effects to fisheries. Land management activities are expected to be slightly improved over time as MT FWP implements fish habitat improvements like they have taken on other MT FWP lands.

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## **9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:**

*Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.*

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The area is largely native grasslands/rangelands with some forested ponderosa pine and Douglas-fir stands. The project area includes potential habitat for several threatened, endangered, sensitive, and species of concern, including bald eagles, long-billed curlews, golden eagles, great blue herons, flammulated owls, Townsend's big-eared bats, Canada lynx, and gray wolves.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreement. Therefore, no direct, indirect, or cumulative effects would be expected to these species of concern.

Alternative B (Proposed Action) – Under the action alternative, DNRC lands would be sold and any future management would occur outside of DNRC's public environmental review process. Any potential habitat for threatened, endangered, sensitive, or other species of special concern would not be affected because changes in

management would not be expected from the sale of the tracts. Should FWP purchase the project area, the area would be managed as a WMA and would not immediately alter existing wildlife habitat. No direct, indirect, or cumulative effects are expected to these species of concern.

**Fisheries** Westslope Cutthroat Trout (WCT) – WCT are listed as a Class A species of Concern in Montana by the FWP, Montana Natural Heritage Program and the Montana Chapter of the American Fisheries Society. The DNRC Forest Management Program has also identified WCT as a sensitive species under ARM 36.11.436. No direct, indirect and cumulative impacts to WCT are expected to occur under the proposed action (see Section 8 – Fisheries for more information regarding potential impact to WCT).

Alternative A (No-Action): Effects to fisheries habitat and water quality are expected to be the same as the existing conditions.

Alternative B (Action): The proposed sale and transfer of State Trust Lands to Montana FWP has low risk of direct, in-direct or cumulative effects to fisheries. Land management activities are expected to be slightly improved over time as MT FWP implements fish habitat improvements like they have taken on other MT FWP lands.

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## 10. HISTORICAL AND ARCHAEOLOGICAL SITES:

*Identify and determine effects to historical, archaeological or paleontological resources.*

Scoping letters were sent to the Blackfeet, CS&KT, Rocky Boys, and Crow Tribal Historic Preservation Officers (THPOs). No response was returned. A Class I (literature review) level review was conducted by the DNRC staff archaeologist for the School Trust Lands proposed for sale. This entailed inspection of project maps, DNRC's sites/site leads database, land use records, General Land Office Survey Plats, and control cards.

The Class I search results revealed that very little inventory of cultural or paleontological resources has occurred on the subject State tracts, so the full extent of these resources is unknown. No paleontological sites have been identified to date, and only two cultural resources (24PW633: County road bridge over the Little Blackfoot River and 24PW646: The route of the Helena to Deer Lodge Stage Road) have been documented on the potentially affected State Trust Lands. These are located on Section 36, T9N R9W and Section 6, T8N R8W respectively.

Although site 24PW633 is listed in the National Register of Historic Places and considered a State Heritage Property, it is owned by the Montana Department of Transportation. Further, it is located in Section 36, T10N R9W not in Section 36 T9N R9W as shown in the original site form and registered in the statewide (CRIS) database. Based on this incorrect legal description, site 24PW633 is outside the area of potential effect for this proposal. Site 24PW646, in contrast, has not been adequately evaluated to determine if it is a state-owned Heritage Property. Regardless, sale of the DNRC administered State Trust Lands to FWP would have No Effect on *Antiquities*. This is because the FWP is also a state land managing agency with the same statutory mandates as DNRC under the Montana State Antiquities Act.

An inventory and subsequent evaluation of cultural and paleontological resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. The results of the inventory/evaluation will be assessed by DNRC in consultation with the Montana State Historic Preservation Officer to determine direct and cumulative impacts.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreements. Therefore, no direct, indirect, or cumulative effects are expected to historical, archaeological or paleontological resources.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. The proposal does not include any on-the-ground activities, or changes to activities. There are no unique or critical historical, archaeological or paleontological resources associated with the State tracts and DNRC does not expect direct or cumulative wildlife impacts would occur from implementing the proposed action.



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## **11. AESTHETICS:**

*Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.*

The Spotted Dog WMA is located on the east side of the Deer Lodge valley south of US Highway 12. There is a major ridge (Rocky Ridge) running from northwest to southeast that divides the Clark Fork and Little Blackfoot river drainages that is visible from both Highway 12 and Interstate-90. The State Trust Lands are scattered in a checkerboard fashion along this ridge with most of the lands being located on the southwest (Clark Fork) side of the divide. The western edge of the property is predominantly upland native grassland habitats with scattered pockets of timber along wet draws and on north and east aspects. As you progress eastward the elevation and amount of precipitation increases resulting in a transition from grasslands to coniferous forest cover. Except for the Rocky Ridge Communications site and the Bonneville Power Administration (BPA) transmission line, the landscape appears to be undeveloped. While view and vistas are scenically grand, the State Trust Land does not provide any unique scenic qualities not also encountered on adjacent private and public lands.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreements. No impacts to aesthetics would result from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics regarding the proposed alternative.

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## **12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:**

*Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.*

There are 5,182,047 acres of State Trust Land and 4,617,559 acres of Common Schools Trust surface ownership in Montana, (TLMS, 9/7/2017). The proposed sale of 10,100.91 acres of State Trust Land represents 0.19% of all State Trust Lands and 0.22% of all Common School Trust Land.

Powell County encompasses an area of approximately 2,333 square miles (1,493,120 acres). State Trust Land makes up 4.8% of the Powell County land base. This proposal involves the potential sale of 10,100.91 acres of State Trust Land, or 0.68% of the land in Powell County. Cumulatively, the lands considered for sale (10,100.91 acres) represent 13.9% of the State Trust Land in Powell County (72,481 acres), and 12.4% of State Trust Land surface ownership within the Anaconda Unit (81,191 acres).

Since 2006, DNRC has sold a total of 1,517 acres (4 sales) and has acquired 13,798 acres (3 purchases) of State Trust Land within Powell County through the Land Banking program for a net gain of 12,281 acres. The proposed sale of 10,100.91 acres would reduce the net acreage gained in Powell County through the land banking program to 2,180 acres.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under current lease agreements. No impacts to environmental resources would result from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated that if they purchased these tracts, the land use would remain as a WMA. The potential transfer of ownership would not have any impact or demands on environmental resources of land, water, air, or energy.

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**13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:**

*List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.*

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FWP is currently evaluating a land exchange proposal with the privately-owned Spotted Dog Canyon Land Investments LLC. The objective of this land exchange is to adjust the boundary of the WMA to improve sportsman's access to public lands within the WMA. The DNRC is not aware of any other projects or plans being considered on the tracts listed on this EA.

Alternative A (No Action) - Montana FWP would continue to manage the State Trust Lands in the same fashion under current lease agreements. Should the land exchange occur, there would be improved sportsman's access to public lands within the WMA. Each proposed action (Land Banking Sale & Land Exchange) stands on its own merits and does not require that the other action occur.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. Should the land exchange occur, there would be improved sportsman's access to public lands within the WMA. The potential sale of DNRC ownership to FWP would not have any impact on the effects the proposed land exchange as each proposed action (Land Banking Sale & Land Exchange) stands on its own merits and does not require that the other action occur.

**IV. IMPACTS ON THE HUMAN POPULATION**

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

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**14. HUMAN HEALTH AND SAFETY:**

*Identify any health and safety risks posed by the project.*

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreement. No changes to human health and safety are expected to occur from implementation of the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. The potential transfer of ownership would not be expected to result in any change to risks associated with human health and safety.

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**15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:**

*Identify how the project would add to or alter these activities.*

**Forest Management:**

A query of the Stand Level Inventory (SLI) shows 1,914 total acres of forested stands within the proposed land banking project. SLI estimates 13.633 million board feet (MMBF) of total sawlog volume present. Realistic harvestable acreage is estimated at approximately 1,374 acres. Realistic harvestable volume is estimated at approximately 6 MMBF. Growth on realistically harvestable acres (1,374), is estimated at approximately 100,000 board feet per year.

**Range Management:**

The tracts included in this proposal are leased by FWP for grazing. The table below indicates the DNRC rated carrying capacity of the tracts being considered for sale.

Legal	Acres	Lease #	AUM's
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9N 7W 6	317.34	4164	160
9N 8W 12	640.00	7457	256
9N 8W 18	640.64	4163	217
9N 8W 20	640.00	4175	233
9N 8W 26	320.00	7457	120
9N 8W 30	641.88	10551	138
9N 8W 34	640.00	6548	234
9N 9W 24	480.00	10551	118
9N 9W 26	640.00	10553	77
9N 9W 36	640.00	10554	79
8N 8W 2	436.89	6546	188
8N 8W 4	599.38	6546	261
8N 8W 6	264.78	4173	95
8N 8W 8	640.00	6547	206
8N 8W 10	640.00	6546	323
8N 8W 12	640.00	6547	177
8N 8W 16	640.00	6548	167
8N 8W 20	640.00	6548	266
<b>Tract Count – 18</b>	<b>Total Acres --10,100.91</b>		<b>Total AUM's 3,315</b>

Alternative A (No Action) – Montana FWP (Grazing) and DNRC (Timber) would continue to manage the State Trust Lands in the same manner as has been done in the past. No changes to industrial, commercial or agricultural activities would be anticipated to occur under the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated that should they purchase the DNRC lands proposed for sale, the land use would remain as a WMA. This proposal is not anticipated to include any specific changes to the current activities other than forest management.

Most of the forested land currently owned by FWP within the Spotted Dog WMA was recently cut while under private ownership. Given this situation, FWP currently views the remaining stands of timber on DNRC lands as a critical winter range habitat element worth retaining. Conversely DNRC views the current forest age class distribution, where over 90% of the stands on State Trust Land are over 100 years old (EA Section 7), as ripe for additional harvest. Given this scenario, it is envisioned that FWP would be less likely in the short term (30 years) to harvest as much timber volume as DNRC. It is estimated the difference in harvest would be approximately 3 million board feet over the next 30 years.

The annual difference in harvest volume in the longer term given the existing FWP cut-over lands will naturally regenerate and grow, is estimated to be ½ the average annual difference estimated for the first 30 years.

Sale of the land to FWP would enhance FWP's control of the lands within the Spotted Dog WMA and facilitate greater management options.

#### **16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:**

*Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.*

Alternative A (No Action) – Montana FWP and DNRC would continue to manage the State Trust Lands in the same fashion. No impacts to quantity and distribution of employment would result from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased the DNRC tracts, the land use would remain as a WMA. This proposal does not include any specific changes to the current activities other than forest management. In a telephone conversation with the Montana Bureau of Economic Research (BBER) Steve Hayes stated that approximately 8-10 man-years of direct employment in the forest products industry is associated

with the harvest of one million board feet of sawlog timber in Montana. Given the estimated reduction of 3 million board feet of timber harvested over the next 30 years under this Alternative (EA Section 15), approximately 24-30 man-years of employment in the forest products industry would be expected to be lost over the first 30-year period (9/10<sup>th</sup> man-year per year).

In the longer term (after 30 years), it is estimated there would be an annual reduction of approximately ½ a man-year of employment in the forest products industry. These estimated employment reductions would be distributed over a working circle centered on the project area and extending for approximately 100 miles.

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#### **17. LOCAL AND STATE TAX BASE AND TAX REVENUES:**

*Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.*

All of the 10,100.91 acres of State Trust Lands proposed for sale in the Spotted Dog Land Banking proposal are located within Powell County. These lands are exempt from state and local property taxes. There are currently no state and/or local tax revenues derived from these lands.

Alternative A (No Action) – Montana FWP would continue to lease the State Trust Lands under current lease agreements, with DNRC retaining ownership of the land. Since no change in property ownership would occur, there would be no changes to the tax base or to local and state tax revenues resulting from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP lands are not tax exempt. If the DNRC State Trust Lands are sold to FWP they would become a part of the local tax base. Given the current tax rate, Powell County could expect to receive an additional \$4,500 - \$5,000<sup>2</sup> in annual property tax revenue associated with the Spotted Dog Land Banking sale proposal.

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#### **18. DEMAND FOR GOVERNMENT SERVICES:**

*Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services*

The DNRC State Trust Lands are remote, upland grazing lands interspersed with forested pockets along drainage bottoms and on moister protected slopes. There are a small number of FWP, DNRC, USFS and County managed unpaved roads traversing the WMA. State and private lands are protected from wildland fire by DNRC and by Powell County working through local fire departments in Avon, Garrison Junction and Deer Lodge. Wildland fire protection of lands immediately to the east is the responsibility of the Helena-Lewis and Clark National Forest.

Alternative A (No Action) – Montana FWP would continue to lease the State Trust Lands in the same fashion under current lease agreements. No impacts to the demand for government services regarding traffic or fire protection would occur from selection of the no-action alternative.

Alternative B (Proposed Action) – The change in land ownership would have no impact to the demand for government services regarding road management or fire protection.

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#### **19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:**

*List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.*

The DNRC State Trust Lands proposed for sale are checkerboarded with FWP lands and surrounded by private and national forest lands. The Powell County Zoning and Development Regulations (2009) outline the development requirements for the six land use districts designated within the County. The Spotted Dog property is within District #3, designated at a 160-acre minimum lot size and District #4, designated at a 40-acre minimum lot size. Both Districts 3 and 4 promote "agricultural and timber operations and other related activities," and emphasize protection of open space, watersheds, and wildlife resources. Any future proposal to develop the property would be subject to review and approval under state and local regulations. FWP has established a Spotted Dog WMA Workgroup

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<sup>2</sup> Estimate provided by Darlene Edge, Lands Program Manager, FWP.

(SDWG) to promote communication and understanding between FWP and the local community regarding FWP's management of the Spotted Dog WMA. The group is addressing issues such as noxious weed management, public access, livestock grazing, forest management, overall vegetation management, motorized vs non-motorized access, hunting seasons, fence and road maintenance, fish and wildlife surveys, rangeland condition, riparian condition, water quality and others. developed a Spotted Dog Working Group

Alternative A (No Action) – Montana FWP would continue to lease the State Trust Lands in the same fashion under the current lease agreement with DNRC retaining ownership. No impacts are anticipated resulting from or to locally adopted environmental plans and goals.

Alternative B (Proposed Action) – The change in ownership resulting from this proposal would result in FWP having greater control over a larger proportion of the lands within the WMA. There would be no impact(s) resulting from, or to, locally adopted environmental plans and goals.

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## **20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:**

*Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.*

The parcels nominated for sale under land banking are seasonally accessible to the public from May 15<sup>th</sup> to December 1<sup>st</sup> under the FWP Spotted Dog WMA interim public-use regulations.

The DNRC has legal easement to T9N, R9W, Section 24 (Rocky Ridge) for "... the purposes of, maintaining, repairing, and using a road, hereinafter referred to as the "Road", to provide ingress and egress for administration, provision of utilities, maintenance and operation of the communications facilities in Section 24, T9N, R9W in a manner of use consistent with historical practices."

DNRC does not have legal land management access to any of the other parcels nominated under this proposal. As part of the proposal, FWP would grant DNRC permanent access to Section 14, T9N, R9W and Section 16, T9N, R8W for administrative use and resource management activities.

There are no wilderness areas nor access routes to wilderness areas in the immediate vicinity of the Spotted Dog WMA.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreement. No impacts to wilderness and recreational activities would result from the no-action alternative.

Alternative B (Proposed Action) – Montana FWP has indicated if they purchased these tracts, the land use would remain as a WMA. The potential transfer of ownership is not anticipated to impact access or wilderness and recreational activities.

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## **21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:**

*Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing*

The foothill country on the east side of the Deer Lodge valley containing the Spotted Dog WMA is sparsely populated with isolated ranches and farms. There is some denser residential development (1 per 5 acres and 1 per 20 acres) on adjacent private lands along the western and northwestern boundaries of the WMA. The DNRC State Trust Lands are checkerboarded sections all located within the boundaries of the existing WMA. No changes in the WMA boundary are anticipated to occur as a result of this land banking sale.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreement. No impacts to density and distribution of population and housing would occur as a result of the no-action alternative.

Alternative B (Proposed Action) – The proposal does not include any changes to housing or developments. The nominating lessee has indicated that the lands would continue as wildlife management and grazing lands, if they purchase them at auction. No effects to density and distribution of population and housing are anticipated.

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**22. SOCIAL STRUCTURES AND MORES:**

*Identify potential disruption of native or traditional lifestyles or communities.*

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

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**23. CULTURAL UNIQUENESS AND DIVERSITY:**

*How would the action affect any unique quality of the area?*

The State Trust Land in this proposal is currently leased to FWP and managed for wildlife habitat. Except for isolated ranches and farms, the State land is generally indistinguishable from the adjacent FWP lands with little uniqueness in quality.

Alternative A (No Action) – Montana FWP would continue to manage the State Trust Lands in the same fashion under the current lease agreement. No impacts to cultural uniqueness and diversity would result from the no-action alternative.

Alternative B (Proposed Action) –. The State Trust Lands were nominated for sale by FWP with the intent of continuing use as a WMA. The potential sale of the State Trust Land to FWP would not impact cultural uniqueness or diversity

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**24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:**

*Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.*

The land banking program specifies that at least 75% of the 250,000 acres of State Trust Lands sold must be isolated parcels. To date 74% of the lands sold have been isolated. The entire 10,100.91 acre Spotted Dog land banking proposal is legally accessible to the public except during the winter season to protect big game.

Forest Revenue:

The DNRC has completed 4 timber sales in the past 30 years that involved the commercial harvest of approximately 2.7 million board feet of sawlog material from lands proposed for sale. As noted in Section 15 of the EA it is anticipated that DNRC would continue to harvest saw logs from these lands. A conservative estimate of harvest would approximate the estimated annual growth of 100 MBF per year from these lands (EA Section 7). Based upon a conversion of 7 tons per MBF and an estimated sale price of \$15 per ton the anticipated average annual revenue would be \$10,500 per year. In practice, this revenue would not likely be earned on an annual basis but rather occur in timber sales of around 1 million board feet occurring approximately every 10 years.

Grazing Revenue:

The table below shows the current grazing lease revenue generated from the lands nominated for sale.

2017 Grazing Lease Revenue (Based upon the 2017 actual rate paid \$14.01/AUM)

Legal	Acres	Total 2017 Lease Income	Average lease Income per acre
See above list(s)	10,100.91	\$46,443.15	\$4.60

In calendar year 2016 the statewide stocking rate for grazing land on 4.1 million acres averaged 0.234 AUMs per acre for a total of 960,000 AUMs (2016 DNRC Annual Report) <http://dnrc.mt.gov/divisions/trust/docs/annual-report/fy-2016-trust-lands-annual-report.pdf>. The 2016 statewide grazing gross revenue was \$19,462,841 or (\$20.27 per AUM) on 4.1 million grazing acres for an average income of \$4.75 per acre (2016 DNRC Annual Report). The tracts nominated for sale are slightly higher than the average statewide productivity/carrying capacity

for grazing at 0.328 AUMs per acre. However due to fluctuations in the minimum annual grazing rate between 2016 and 2017 and the impacts of competitive bidding, the 2017 lease income per acre for Spotted Dog (\$4.60) was slightly less than the per acre statewide average lease income for 2016 (\$4.75).

Combined revenues from grazing and forest management are estimated to be approximately \$56,943 per year on 10,100.91 acres or \$5.64 per acre. Assuming a land value of \$675 per acre (DNRC Basemap) the average annual rate of return from these lands is approximately 0.84% per year. The 2017 DNRC land banking report shows the average annual rate of return from lands sold under the State Land Banking program to be 0.80%, compared to an average of 2.78% annual rate of return from lands acquired under land banking.

Revenue generated by the sale of these tracts is estimated to be approximately \$6.8 million dollars (8,187 acres grazing @ \$650 per acre + 1,914 acres timber @ \$800/acre). An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The DNRC is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tracts for sale. The revenue generated from the sale of these parcels would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other State Trust Lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the Permanent Trust for investment.

<b>EA Checklist Prepared By:</b>	<b>Name:</b> Robert H Storer	<b>Date:</b> September 28, 2017
	<b>Title:</b> SWLO Trust Lands Program Manager	

**V. FINDING**

**25. ALTERNATIVE SELECTED:**

Alternative B – Proposed Action. The sale of 10,100.91 acres of State Trust Land nominated for sale under the State Land Banking program.

The sale of these checkerboarded State Trust Lands will allow DNRC to purchase consolidated blocks of publicly accessible land with greater income generation potential for the Common School Trust. In addition, the sale of these checkerboarded State Trust Lands within the Spotted Dog WMA will reduce conflicts associated with fulfilling the different missions of DNRC and FWP and will provide FWP a greater level of certainty in the management of the Spotted Dog WMA.

**26. SIGNIFICANCE OF POTENTIAL IMPACTS:**

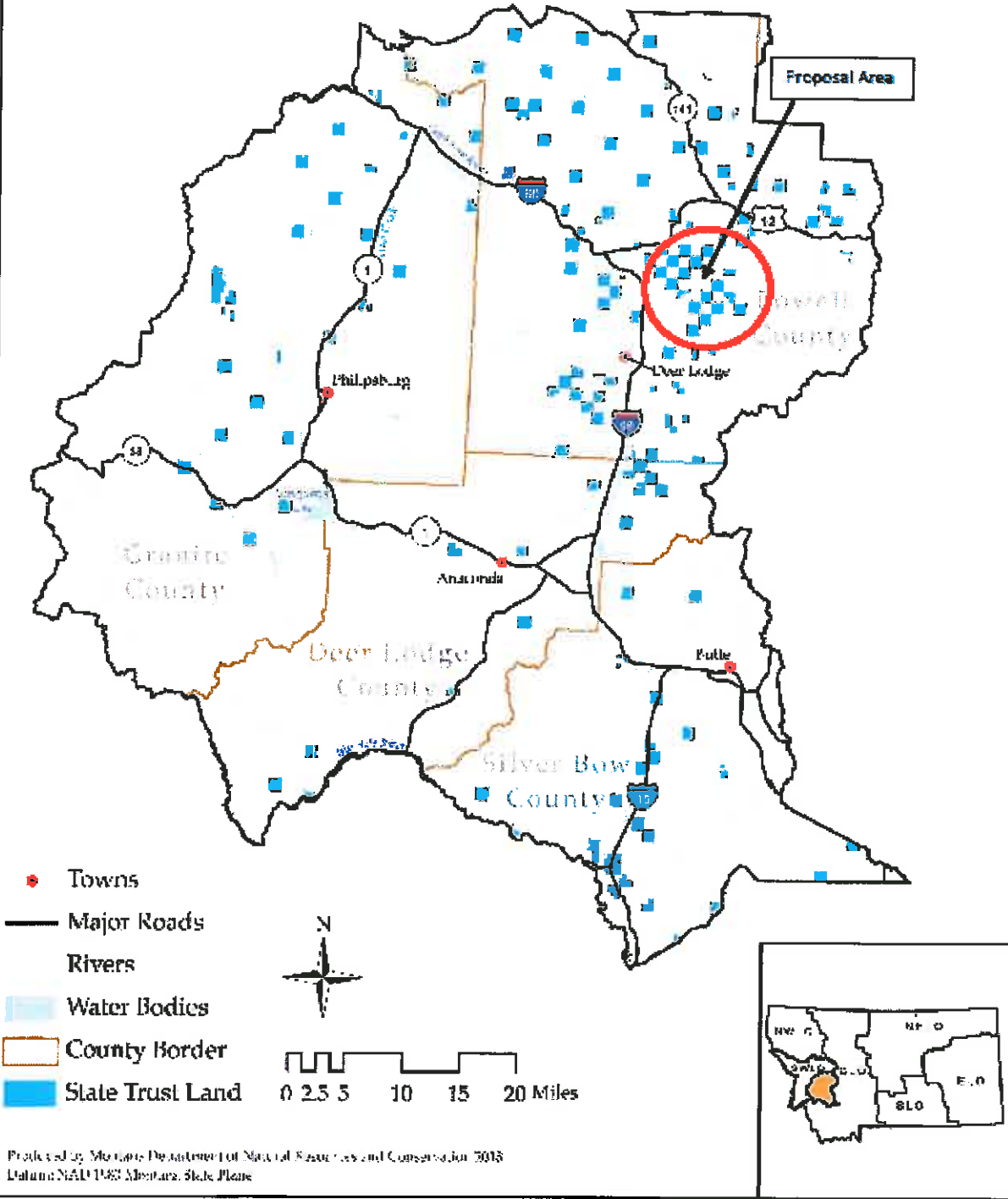
Implementation of Alternative B - Proposed Action will not result in significant environmental effects.

**27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:**

EIS     
  More Detailed EA     
  No Further Analysis

<b>EA Checklist Approved By:</b>	<b>Name:</b> Michael O'Herron
	<b>Title:</b> Area Manager – Southwestern Land Office
<b>Signature:</b>	<i>Michael O'Herron</i>
	<b>Date:</b> 9-28-17

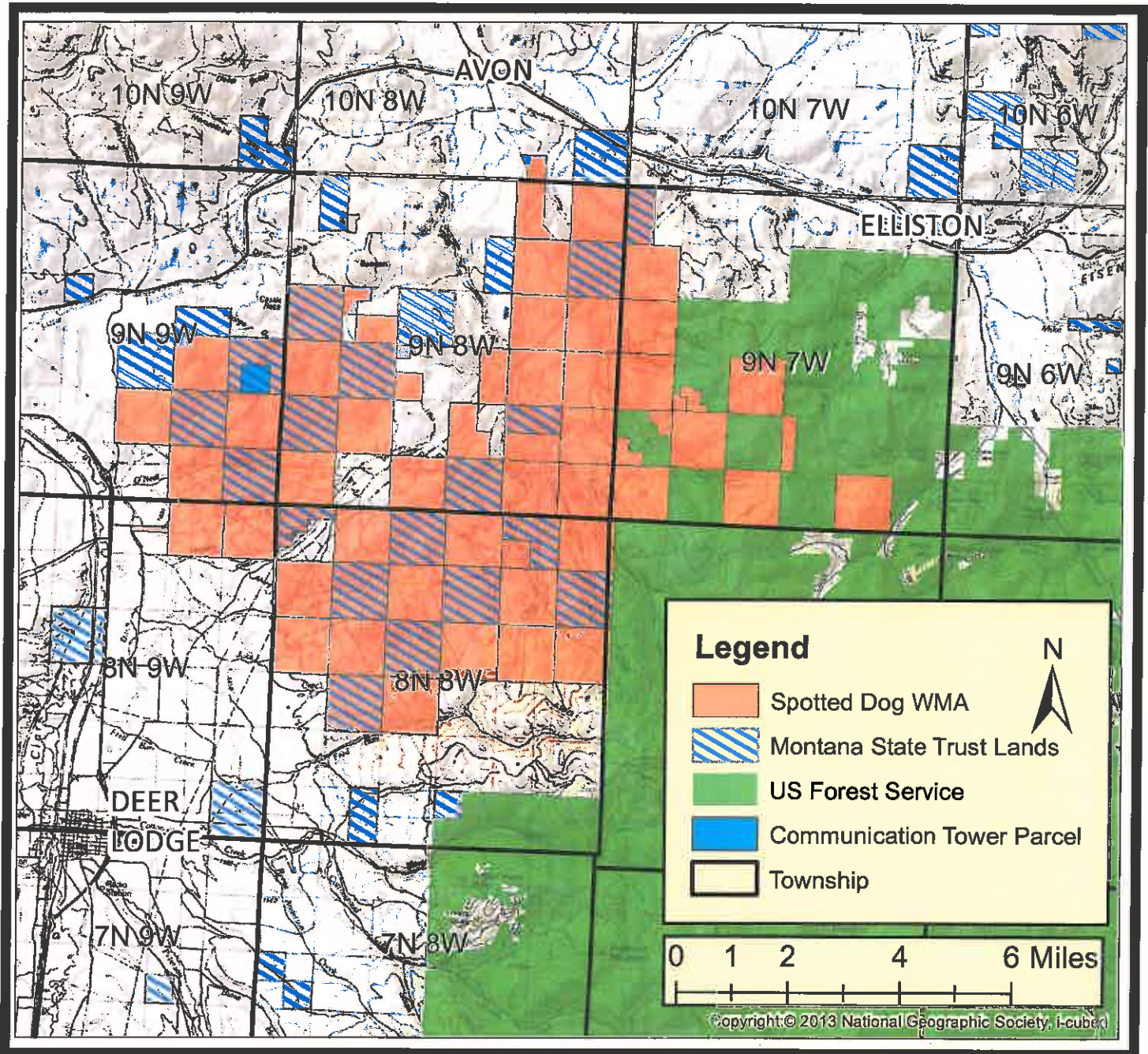
**EXHIBIT A SPOTTED DOG WMA LAND BANKING VICINITY MAP  
ANACONDA UNIT**



Produced by Montana Department of Natural Resources and Conservation 2018  
Datum: NAD 1983 Montana State Plane



## EXHIBIT B – SPOTTED DOG WMA NOMINATED TRUST LAND TRACTS



Overview of Spotted Dog Wildlife Management Area (WMA). Cross-hatched (DNRC) lands with orange backgrounds are leased by FWP as part of the WMA and are proposed for purchase by FWP. As part of the proposal, the Communications Tower Parcel (160 acres) would be retained by DNRC.