

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 **APPROVED 5-0****
Benefits: N/A (non-trust land)
Location: Flathead County
- 1121-2 Timber Sale: Old Penny **APPROVED 5-0****
Benefits: Common Schools
Location: Flathead County
- 1121-3 Easements: Standard Grant **APPROVED 5-0****
Benefits: Common Schools and School for the Deaf and Blind
Location: Blain, Carbon, Flathead, McCone, Missoula, Musselshell, Pondera, & Powell Counties
- 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

1121-1

DEPARTMENT OF FISH WILDLIFE & PARKS:
Purchase of Property for New Bad Rock Canyon
Wildlife Management Area

**Land Board Agenda Item
November 15, 2021**

1121-1 Department of Fish, Wildlife & Parks, Purchase of Property for new Bad Rock Canyon Wildlife Management Area

Location: Flathead County, Sections 3, 9, 10, 11 & 16, T30N, R20W

Trust Benefits: N/A (non-trust land)

Trust Revenue: N/A

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.

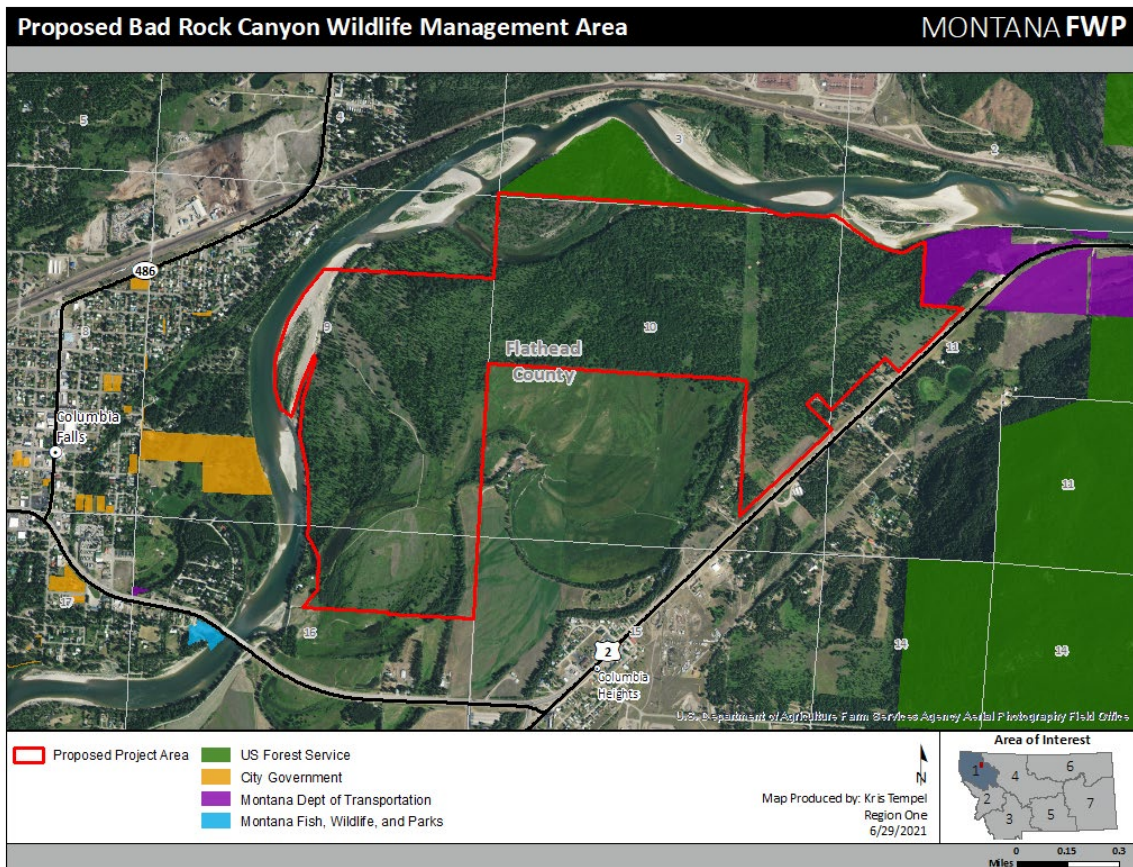
Both the City of Columbia Falls and Flathead County Commissioners support this purchase. The property currently provides an excellent opportunity for youth and disabled hunters to harvest elk and white-tailed deer just minutes from Columbia Falls.

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.



Bad Rock Canyon WMA Costs

Purchase Price		\$ 7,090,000.00
US Forest Legacy	4,000,000.00	
Habitat Montana	2,500,000.00	
Flathead Land Trust	415,000.00	
MT Fish & Wildlife Cons. Trust	175,000.00	
Due Diligence, closing		40,000.00
Development (parking, fencing/markers, signage, weed control)		75,000.00
Total		\$ 7,205,000.00



Elk using Bad Rock Canyon

Flathead County
Board of Commissioners

(406) 758-5503

Brad W. Abell
Randy L. Brodehl
Pamela J. Holmquist



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.

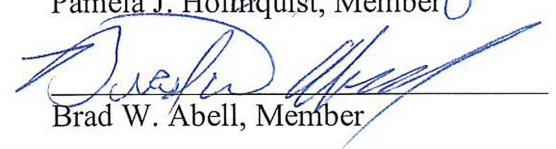
This area will protect important fish and wildlife habitat, while a trail through the property will provide access for hikers, bikers, and other members of the public.

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



130 6TH STREET WEST
ROOM A
COLUMBIA FALLS, MT 59912

PHONE (406) 892-4391

FAX (406) 892-4413

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,

Mayor Donald Barnhart



130 6TH STREET WEST
ROOM A
COLUMBIA FALLS, MT 59912

1121-1

PHONE (406) 892-4391

FAX (406) 892-4413

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 3rd, 2021
 Montana Fish, Wildlife and Parks
 Attn: Kris Tempel
 490 N. Meridian
 Kalispell, 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

**Land Board Agenda Item
November 15, 2021**

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.

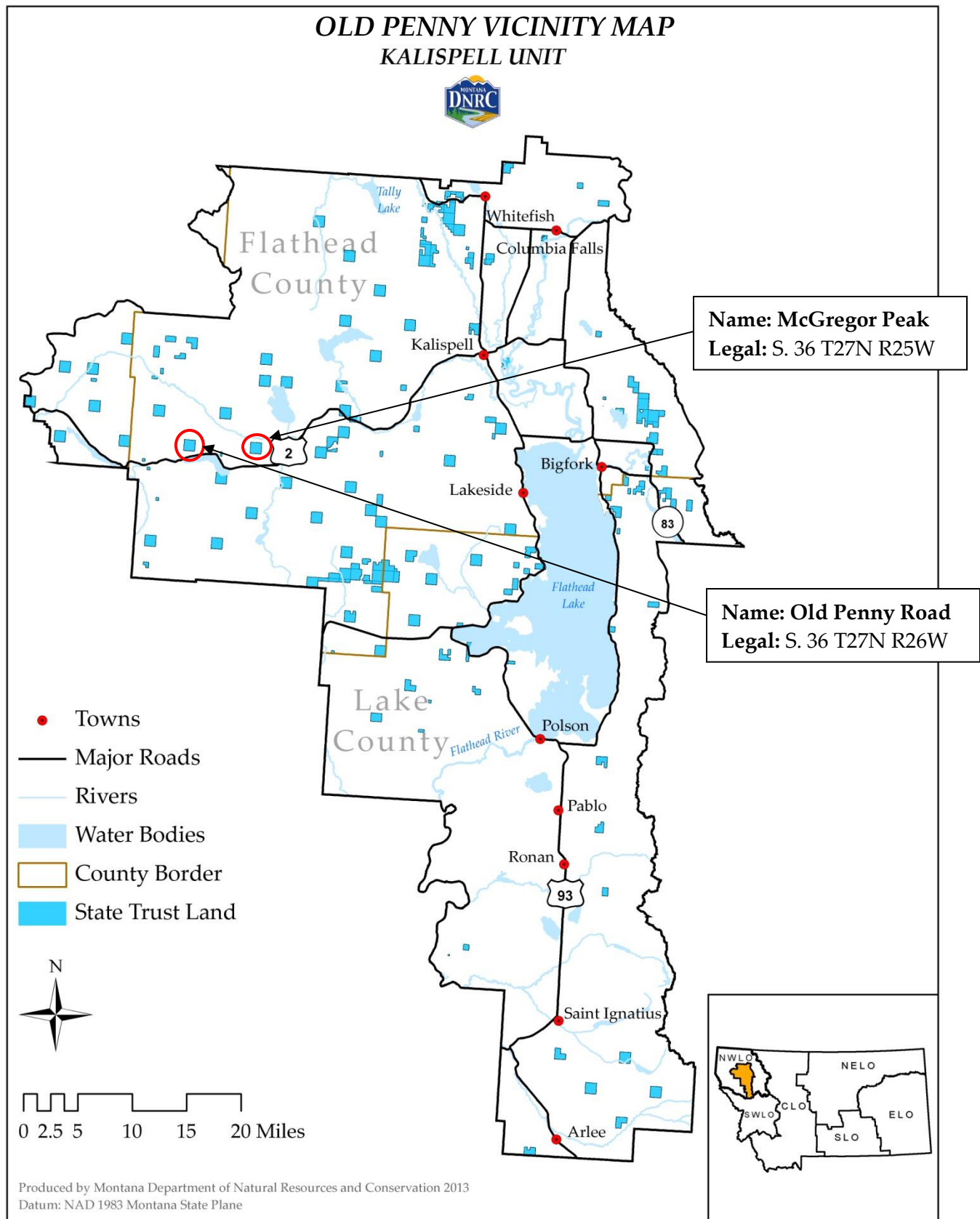
Road Construction/Maintenance: DNRC is proposing 0.7 miles of new permanent road construction, 0.1 miles of road reconstruction, and 18.2 miles of road maintenance.

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

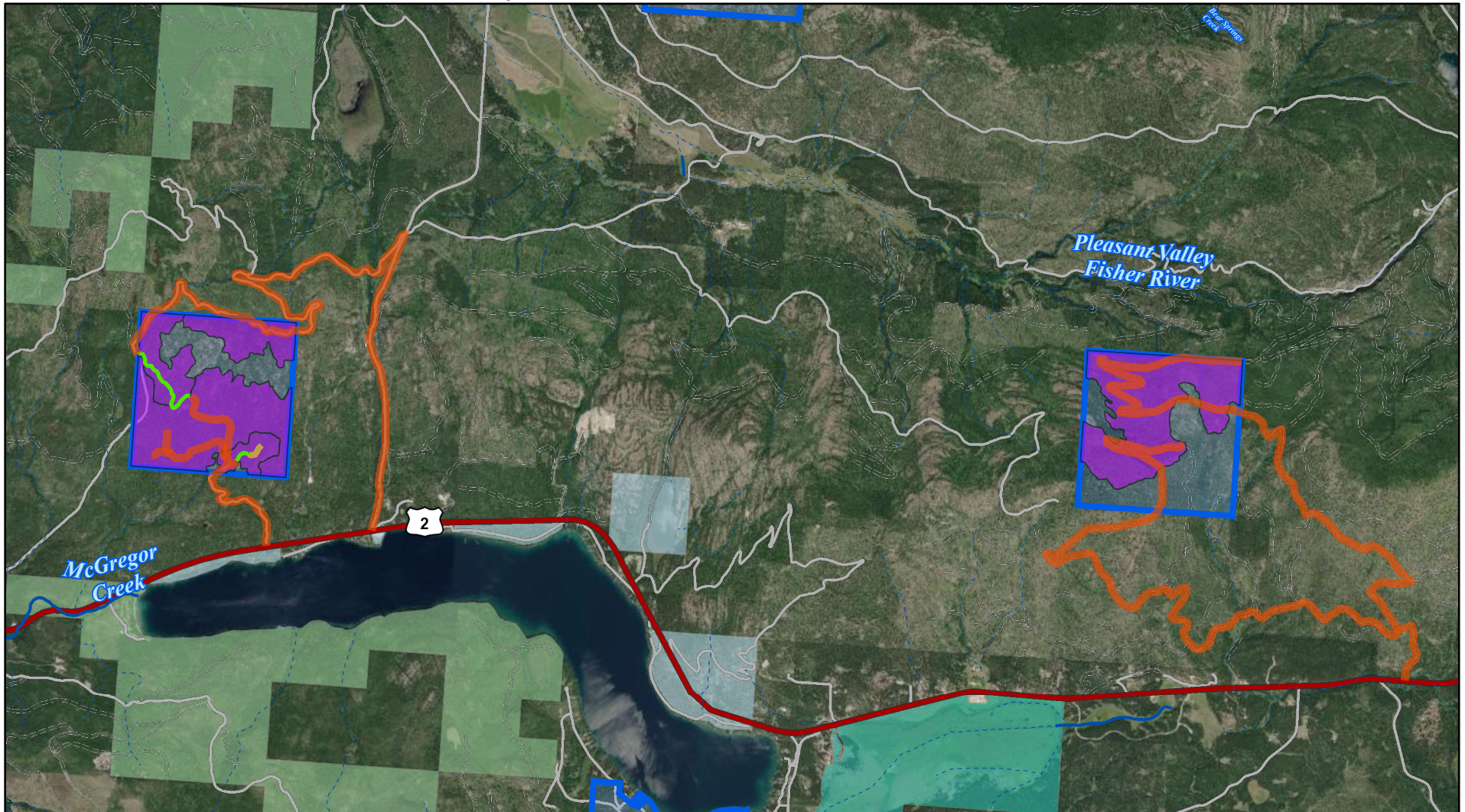
Public Comments: Two comments were received. One member of the public wanted to know if the logs harvested from the sale would be headed west to Idaho or to the Flathead Valley. They were informed that the cut timber would be headed towards Kalispell. The other comment was from the State archeologist,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

DNRC Recommendation

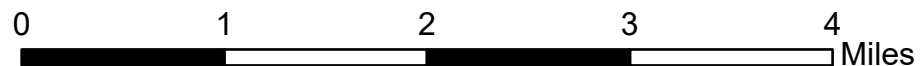
The Director recommends the Land Board direct DNRC to sell the Old Penny Timber Sale.



Old Penny Timber Sale Harvest Units and Haul Route



- Haul Route
- New Road
- Reconstruction of Existing Road
- Old Penny Timber Sale Harvest Units
- DNRC Trust Lands
- US Fish and Wildlife
- US Forest Service
- State of Montana Misc.



1121-3

EASEMENTS:

Standard Grant

**Land Board Agenda Item
November 15, 2021**

1121-3 Easements: Standard Grant

Location: Blaine, Carter, Flathead, McCone, 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

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Jergeson Ranch Inc.	Private Access Road	Permanent	24-25
InterBel Telephone Coop. Inc.	Buried Fiber Optic Cable	Permanent	26-27
R. Scott Chesarek	Private Access Road	Permanent	28-29
NorthWestern Energy	Buried Natural Gas Pipeline	Permanent	30-31
Hay Creek Inc.	Private Access Road	Permanent	32-33
Kristin Rossmiller	Private Access Road	Permanent	34-35
Bonnie Farnum	Private Access Road	Permanent	36-37
Koon Cabin, LLC	Private Access Road	Permanent	38-39

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Jergeson Ranch Inc. 15690 Barney Olson Road Chinook, MT 59523
Application No.:	19079
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:	0.72
Compensation:	\$272.00
Legal Description:	15-foot strip through SE4SE4 of Section 12, and 15-foot strip through SW4NE4, Sec. 13, Twp. 30N, Rge.20E, Blaine County
Trust Beneficiary:	Common Schools

Item Summary

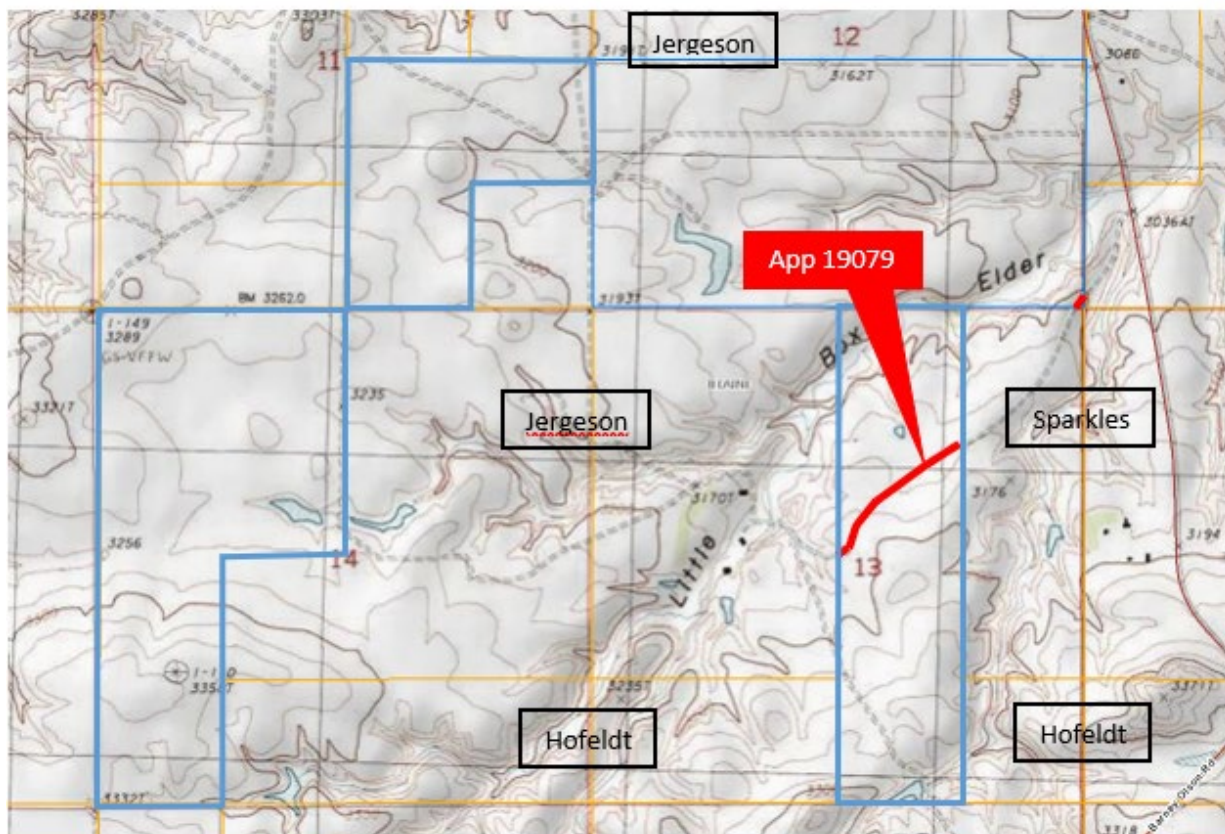
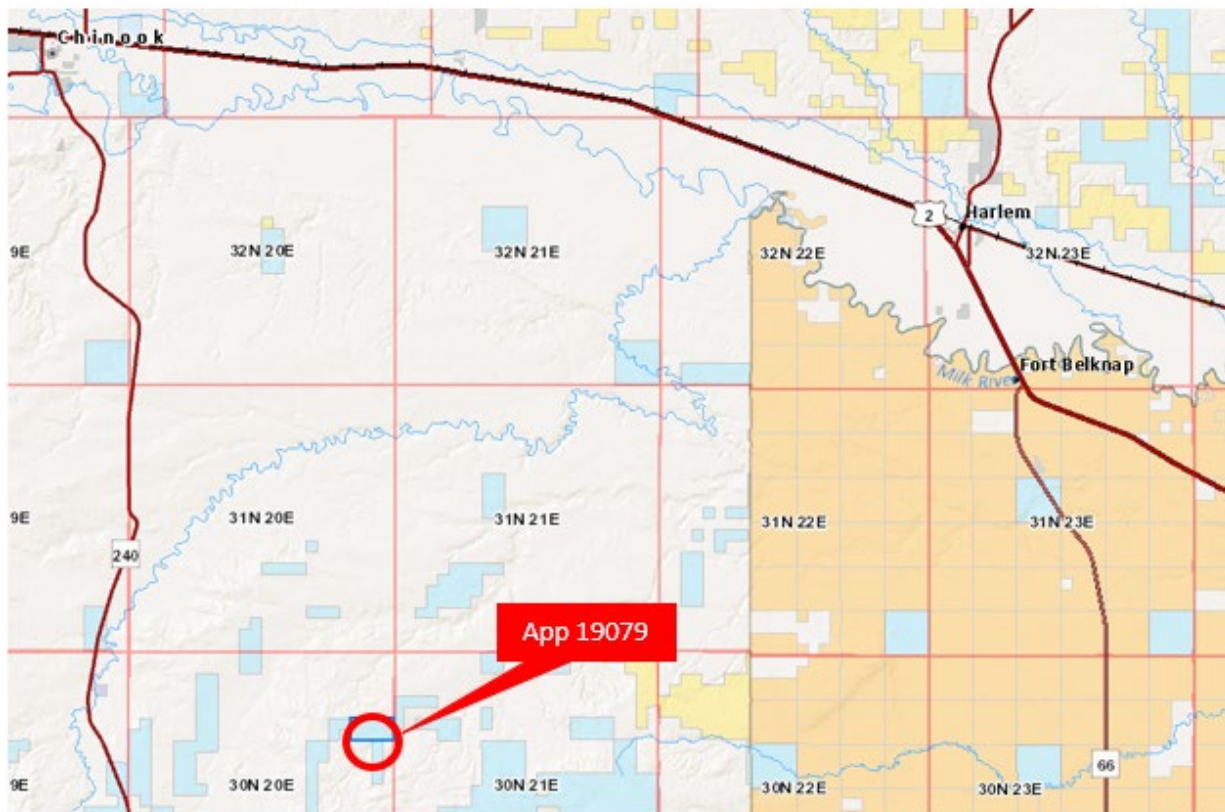
Jergeson Ranch Inc. has made application for the use of an existing road to access a single-family residence and associated outbuildings and to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §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

DNRC Recommendation

The director recommends approval of the application of Jergeson Ranch Inc.

R/W Application 19079



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

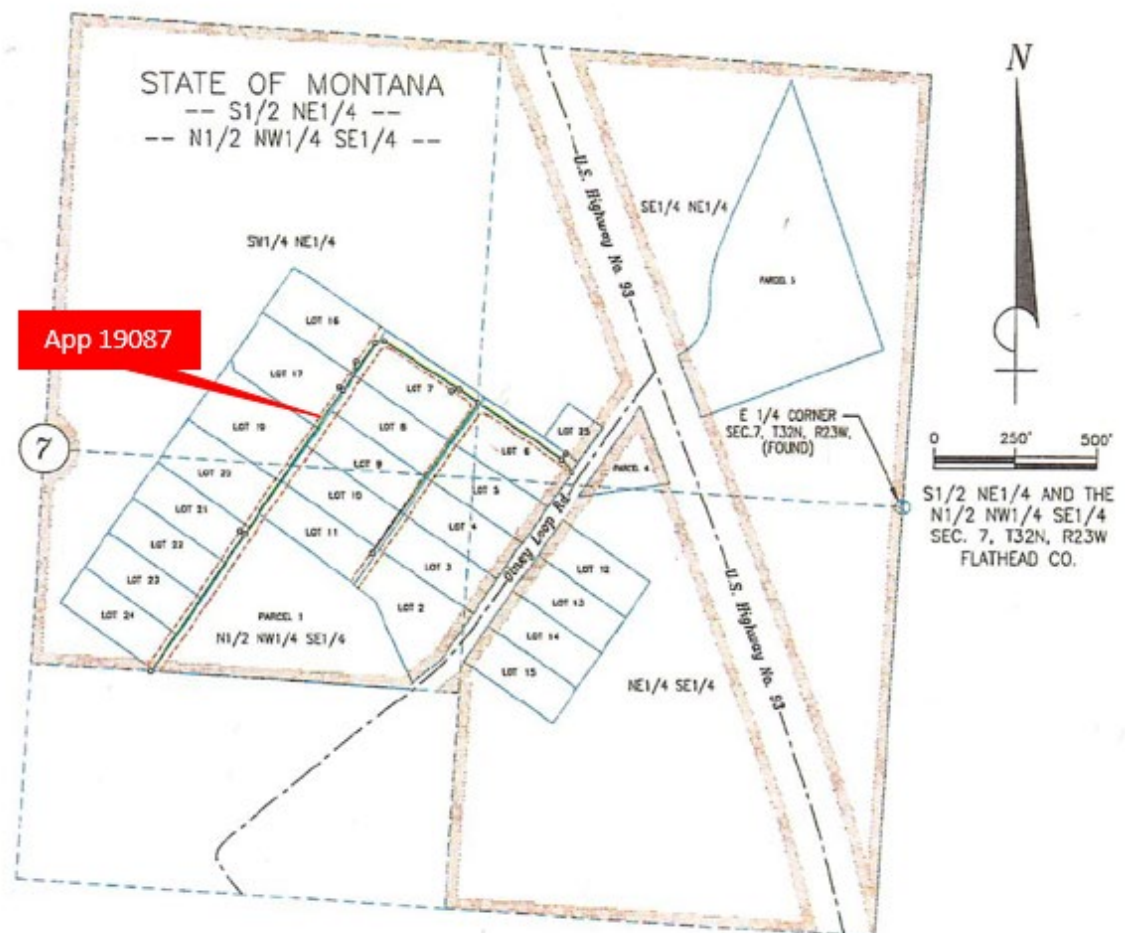
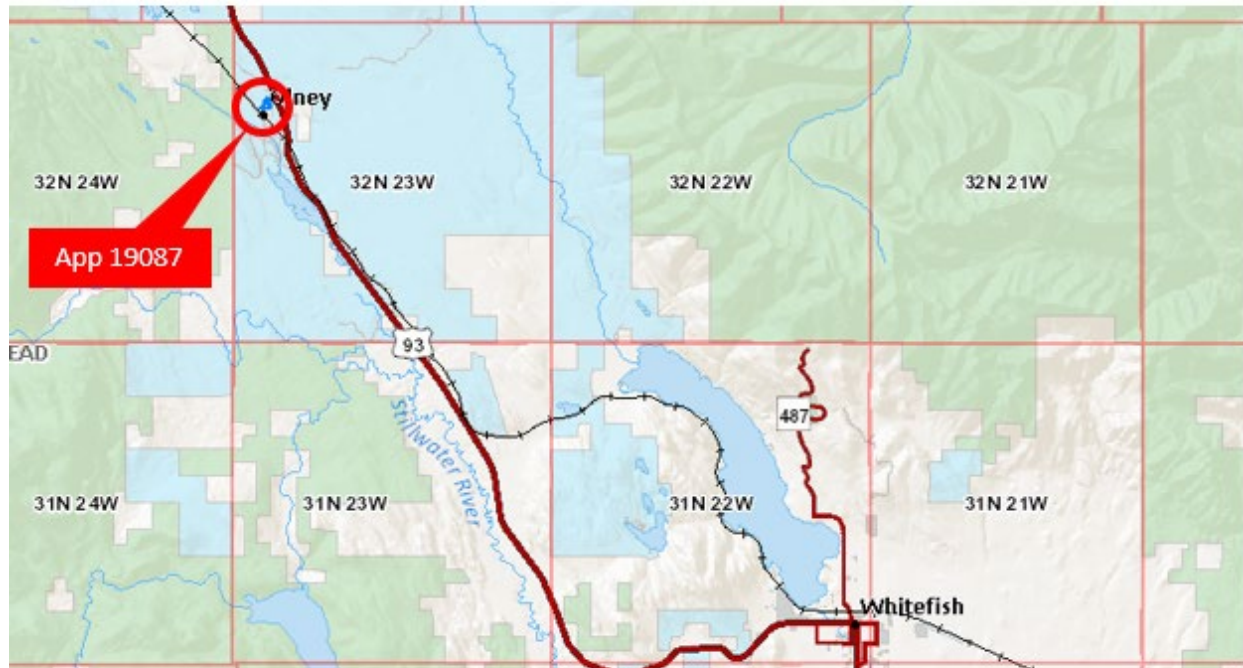
Item Summary

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.

R/W Application 19087



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

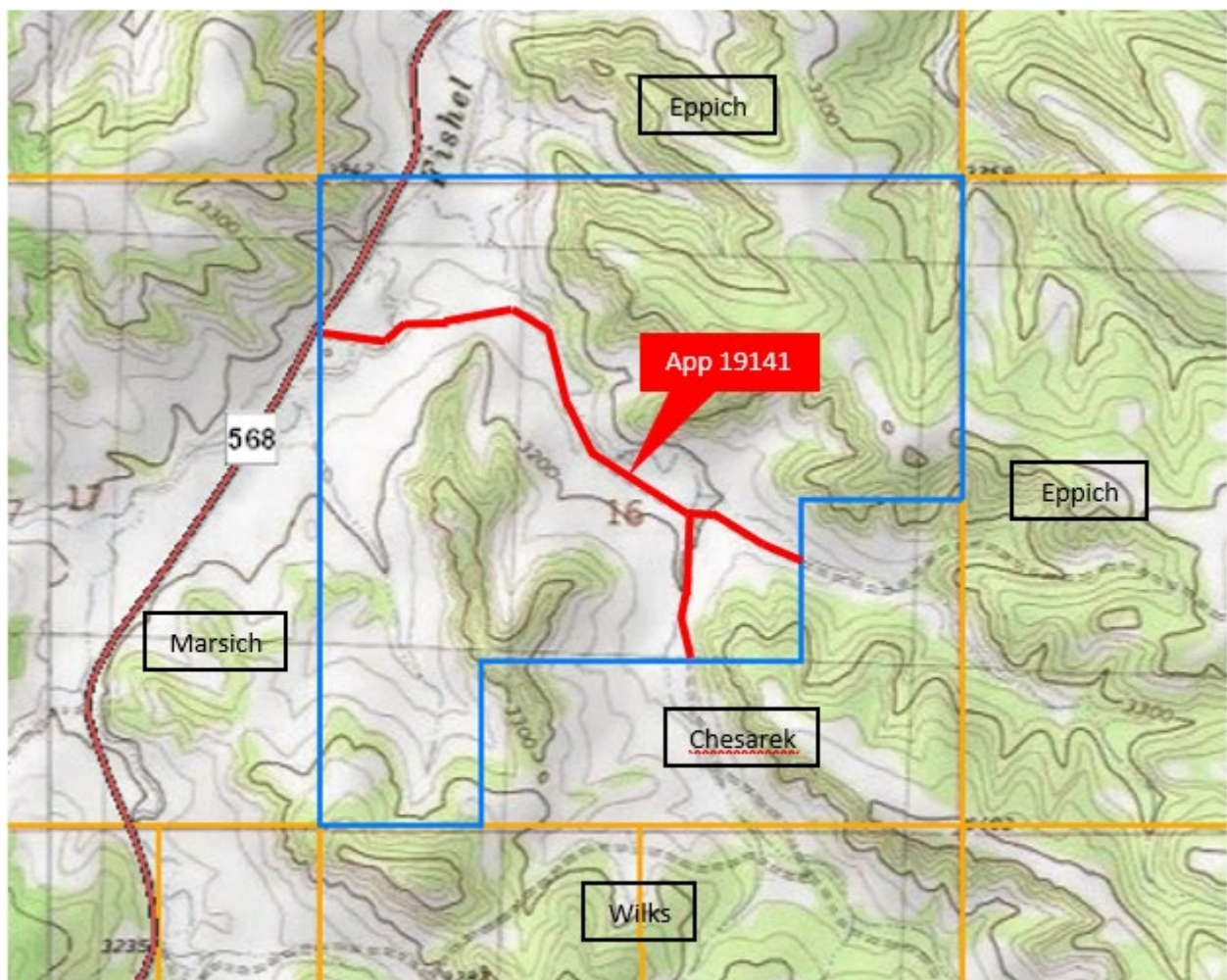
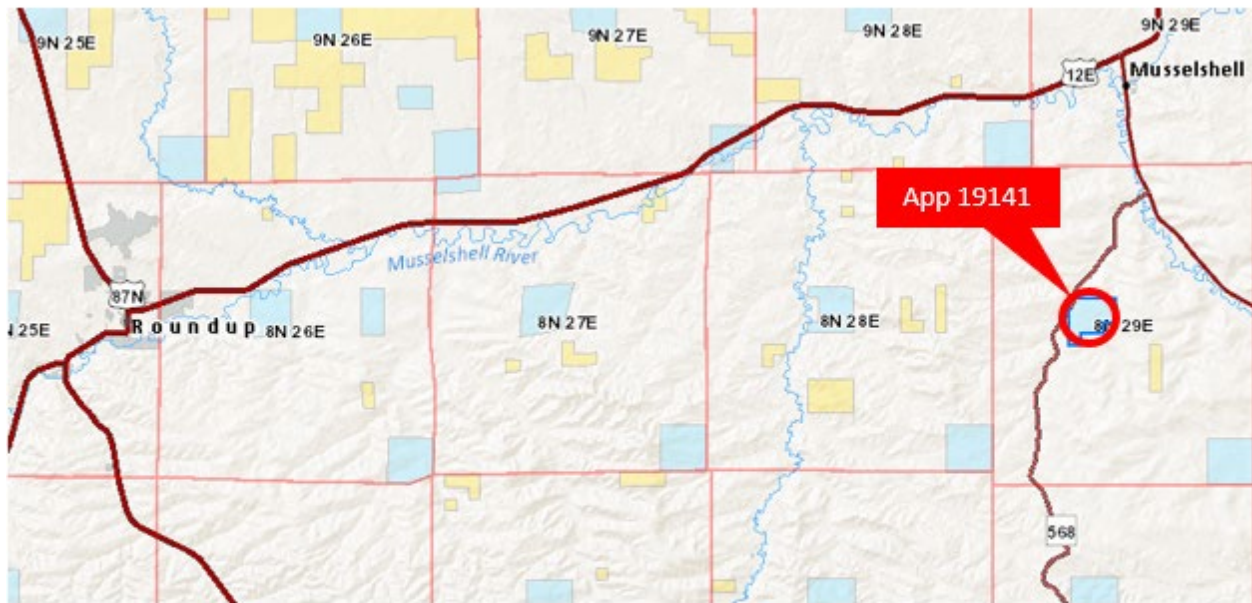
R. Scott Chesarek has made application for the use of an existing road to conduct normal farming, ranching, and timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such 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

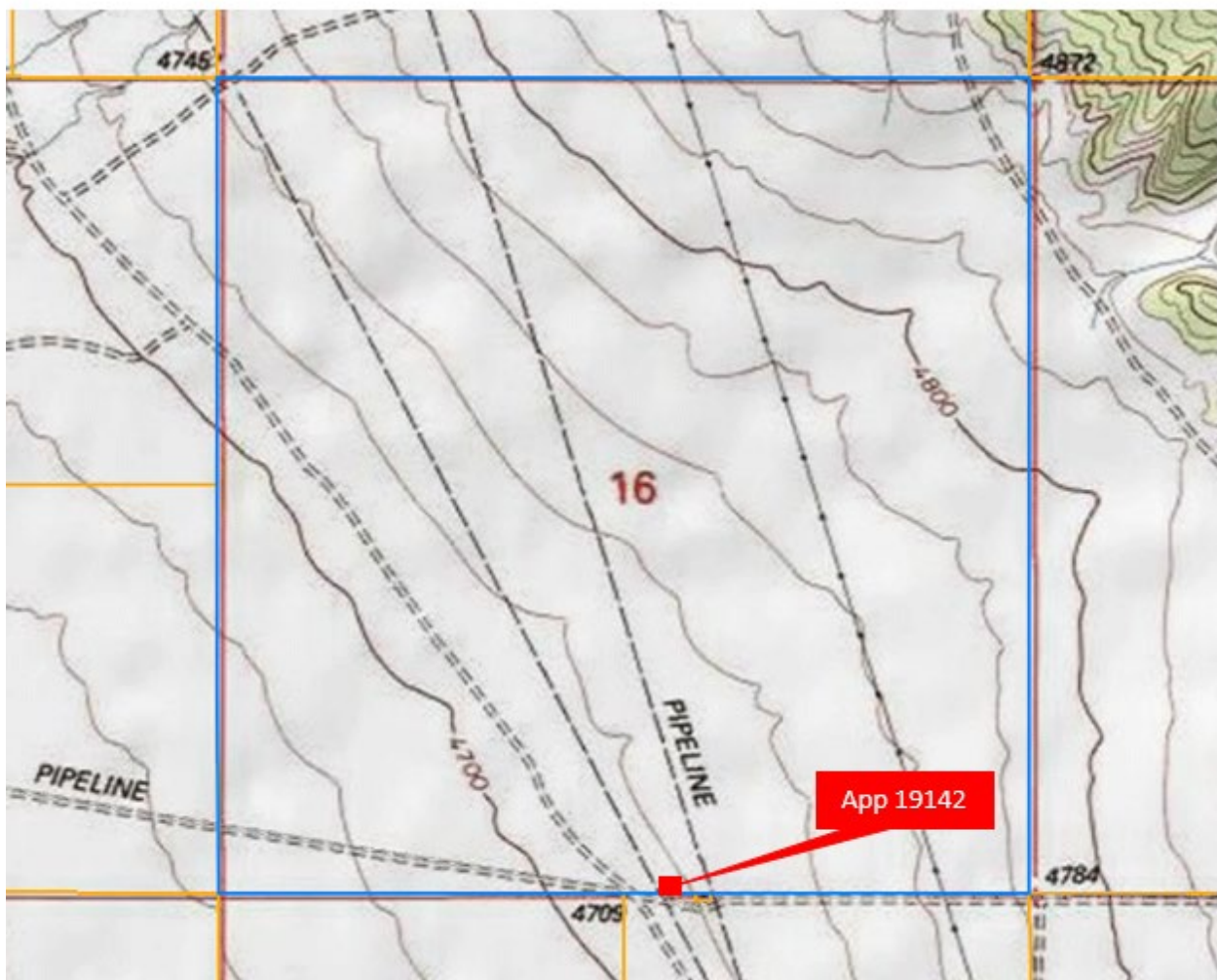
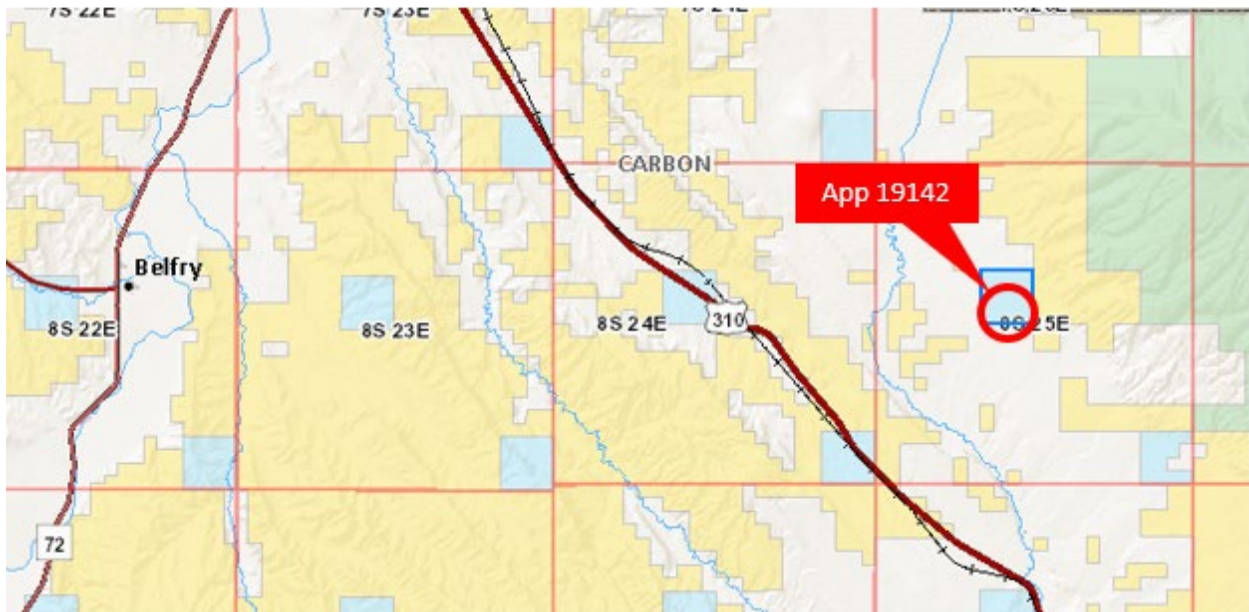
Item Summary

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.

R/W Application 19142



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

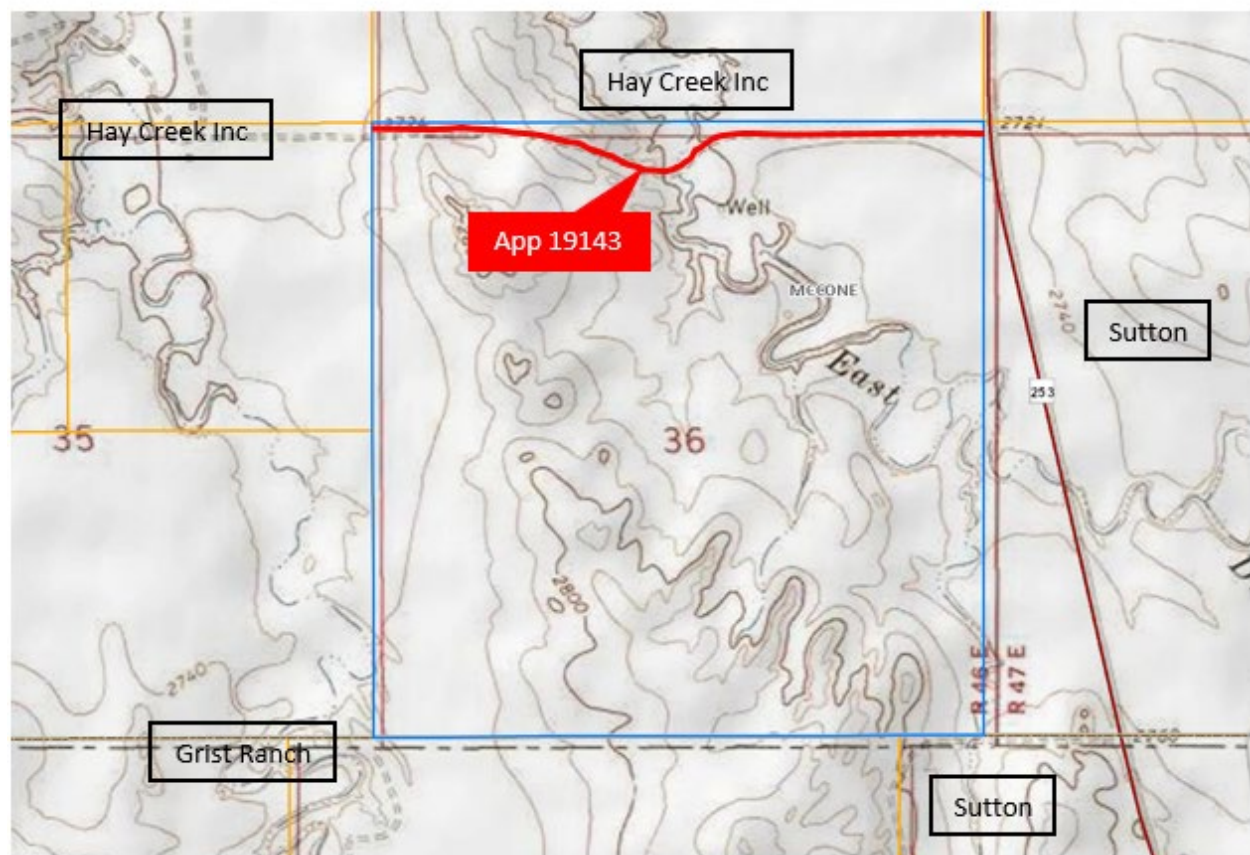
Item Summary

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

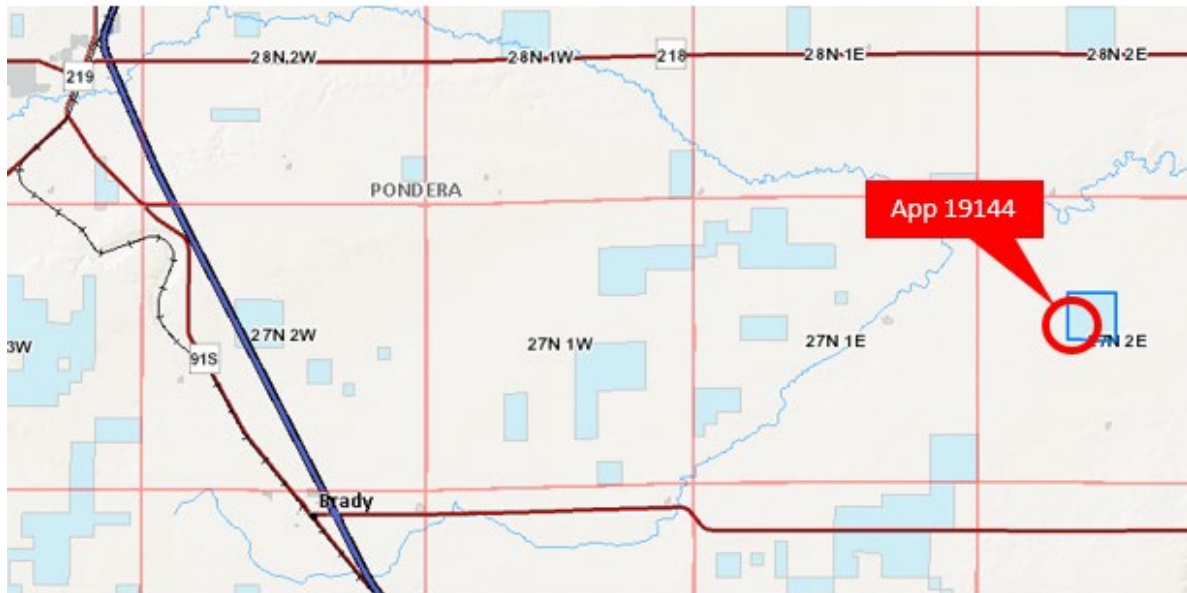
Kristin Rossmiller has made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. 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.

R/W Application 19144



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Bonnie Farnum PO Box 442 Bonner, MT 59823
Application No.:	19145
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:	2.08
Compensation:	\$1,248.00
Legal Description:	30-foot strip through NE4NW4, NW4NE4, NE4NE4, Sec. 36, Twp. 14N, Rge.17W, Missoula County
Trust Beneficiary:	Common Schools

Item Summary

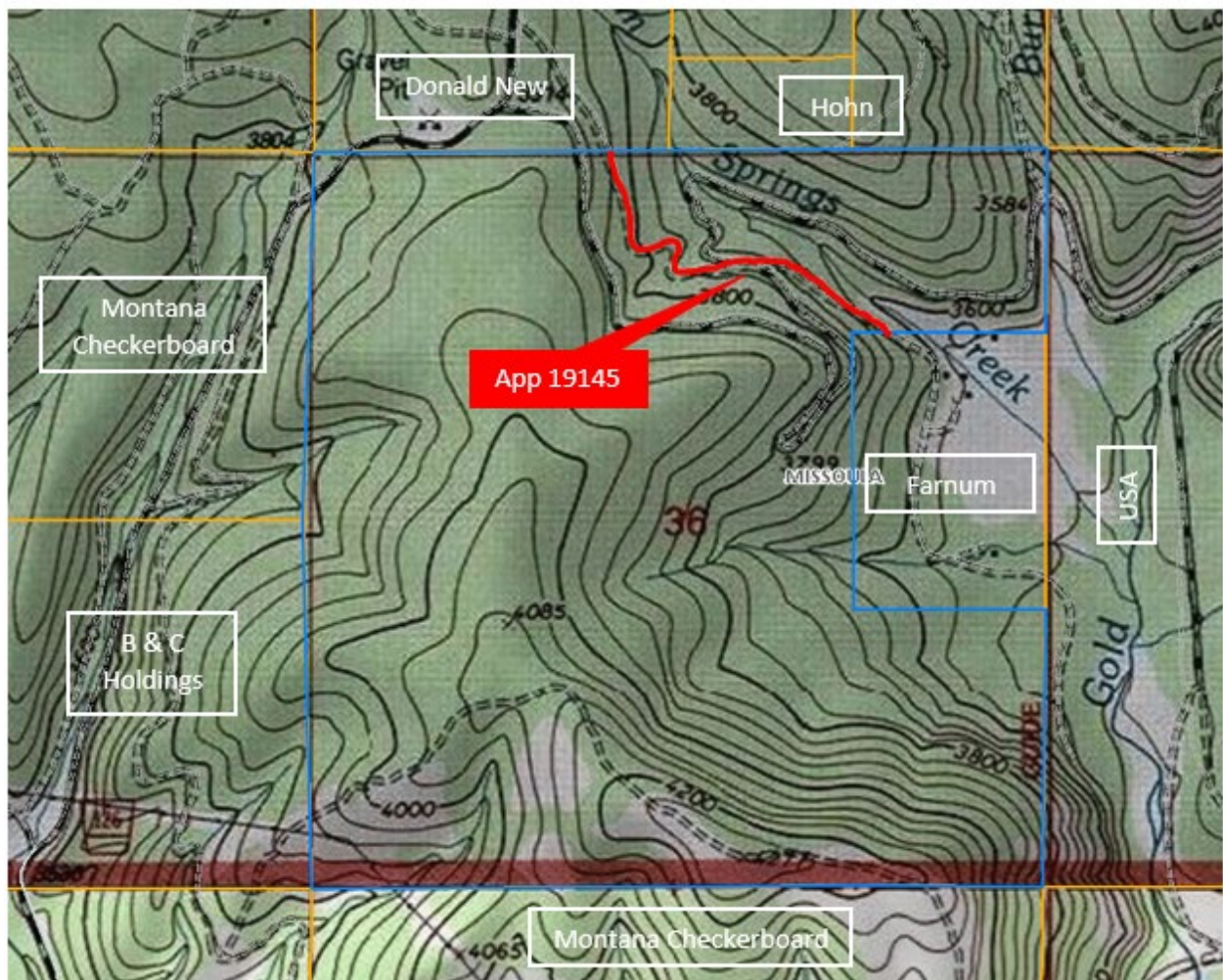
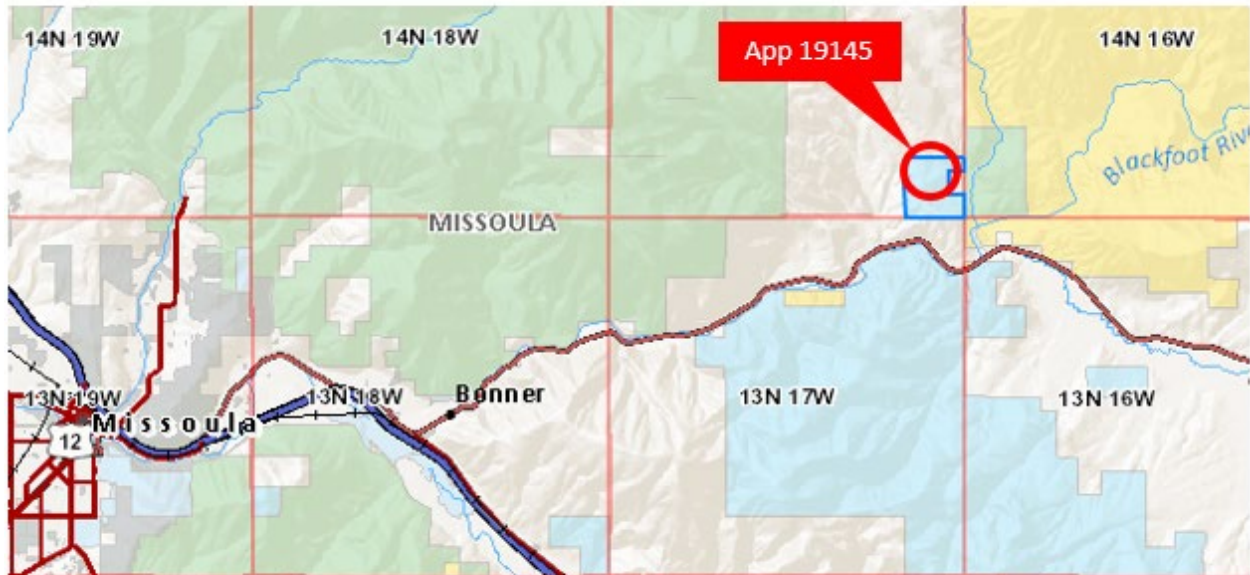
Bonnie Farnum has made application for the use of an existing road to access a single-family residence and associated outbuildings and to conduct normal farming, ranching and timber management activities. The road has been in place for many years and authorization for continued use is being requested 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.

R/W Application 19145



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

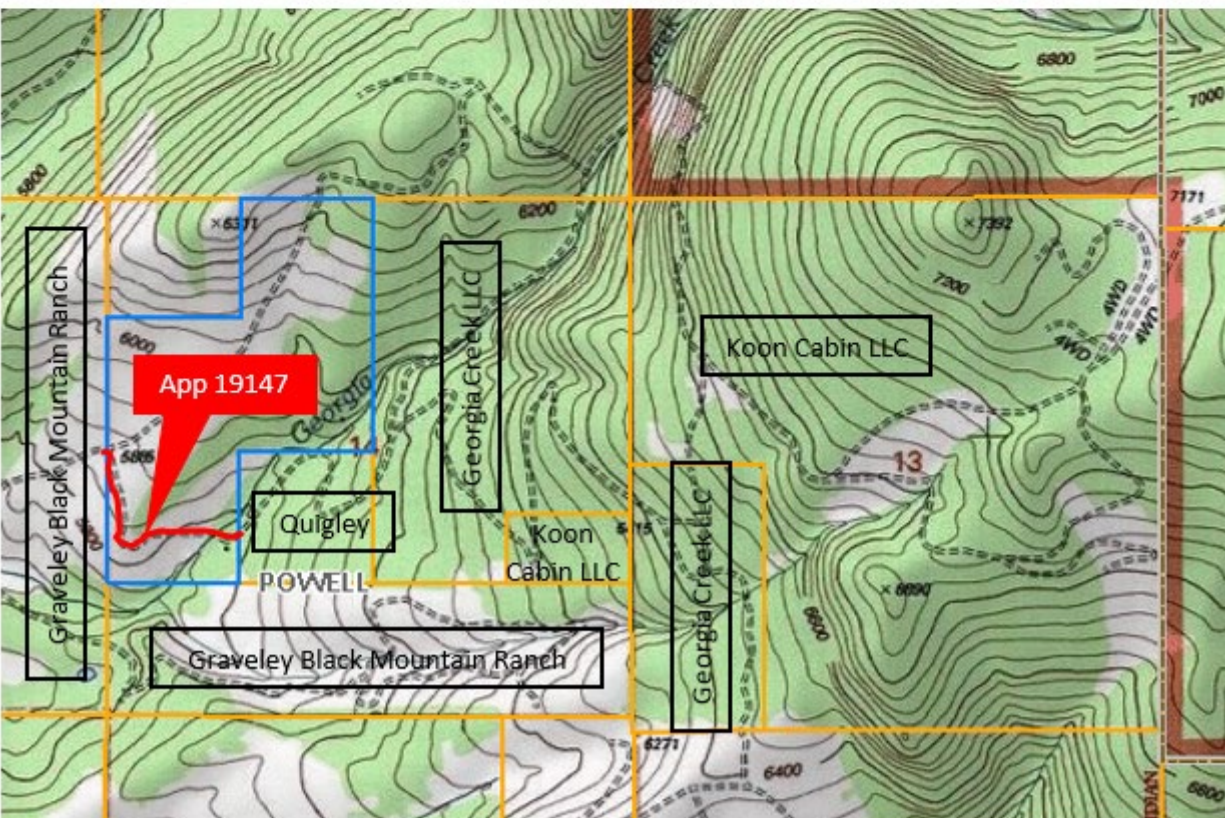
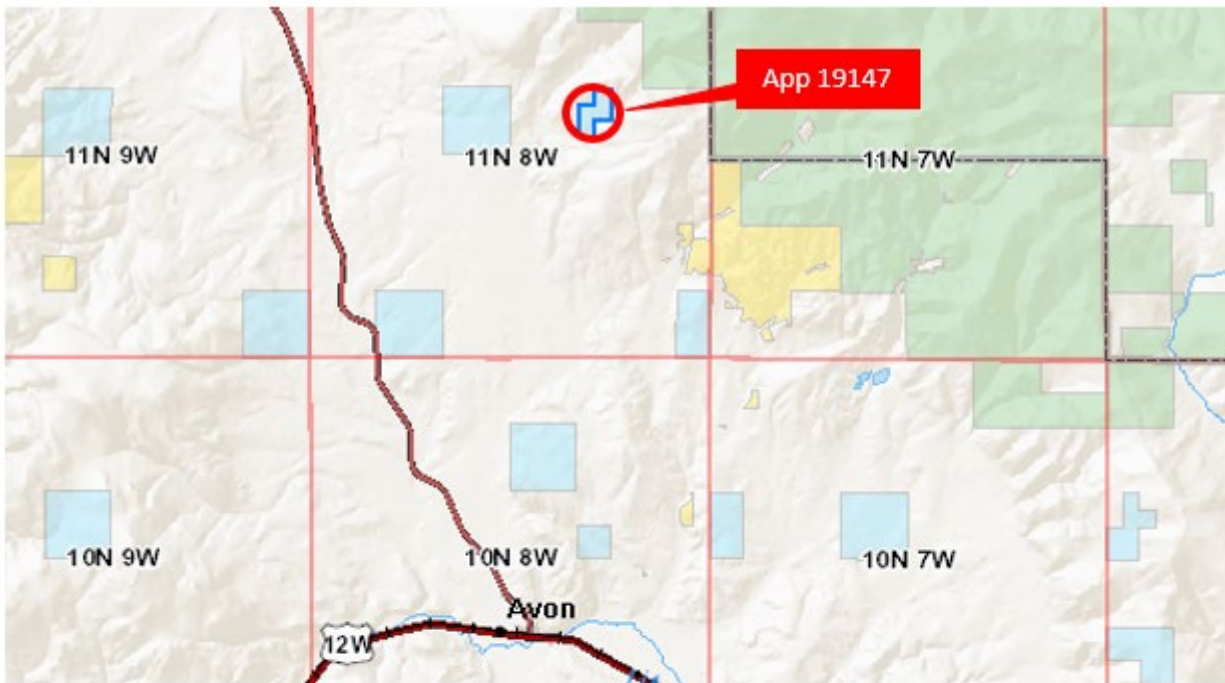
Koon Cabin, LLC. has made application for the use of an existing road to access a single-family residence and associated outbuildings. and to conduct normal farming, ranching and timber management activities. The road has been in place for many years and authorization for continued use is being requested 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.

R/W Application 19147



1121-4

INFORMATIONAL ITEM:

2021 State Trust Lands Report



Trust Lands Management Fiscal Year 2021 Review



- 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



A large center pivot irrigation system is shown watering a vast green field. The system consists of a long metal arm with multiple wheels and nozzles, extending across the field. Water is being sprayed from the nozzles, creating a misty effect. In the background, there are rolling green hills and a large, rugged mountain range under a clear blue sky. A small brown building is visible in the distance on the left.

Agriculture & Grazing Management

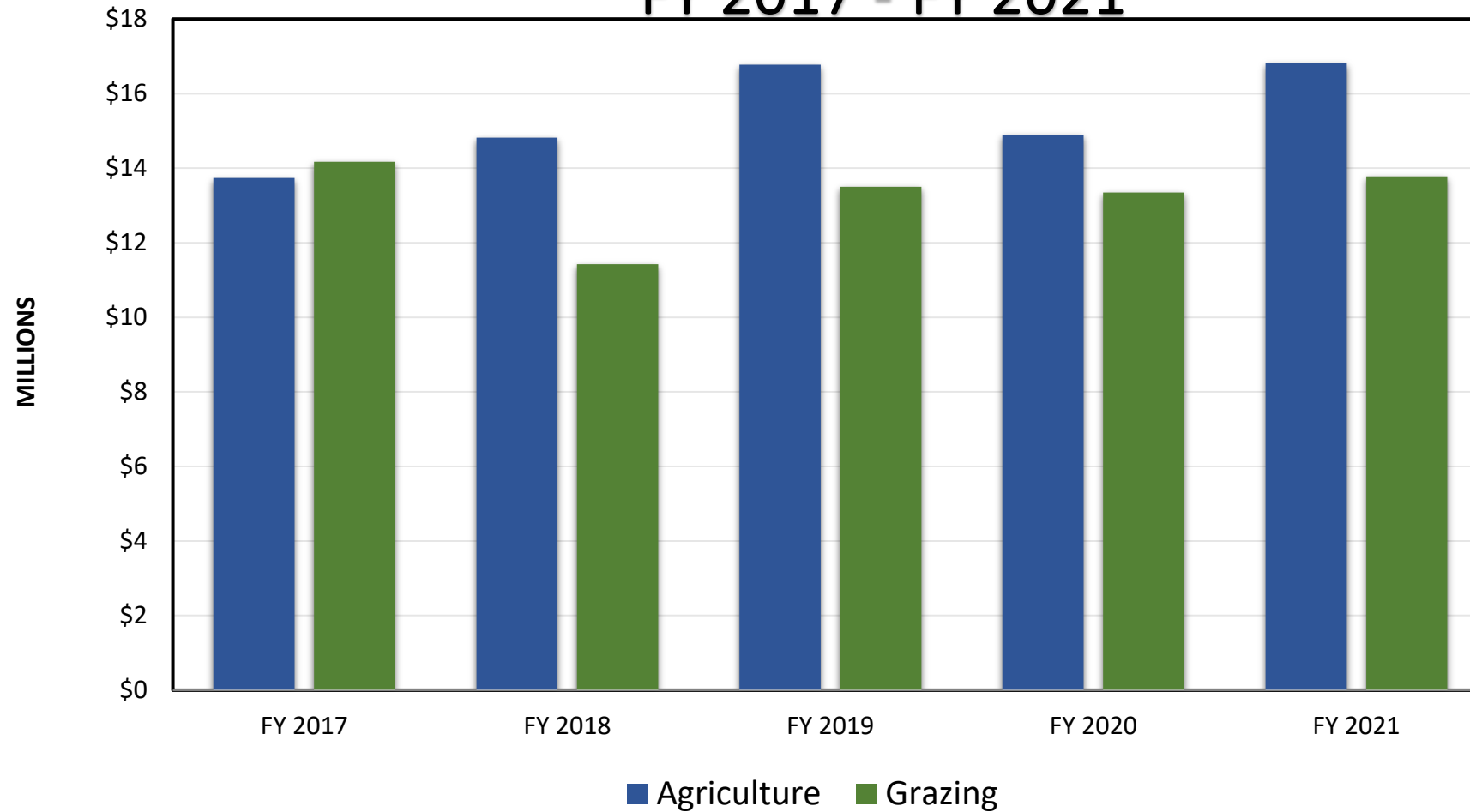
Agriculture Lease Revenues: \$16.8 million

- 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

Ag & Grazing Revenues FY 2017 - FY 2021



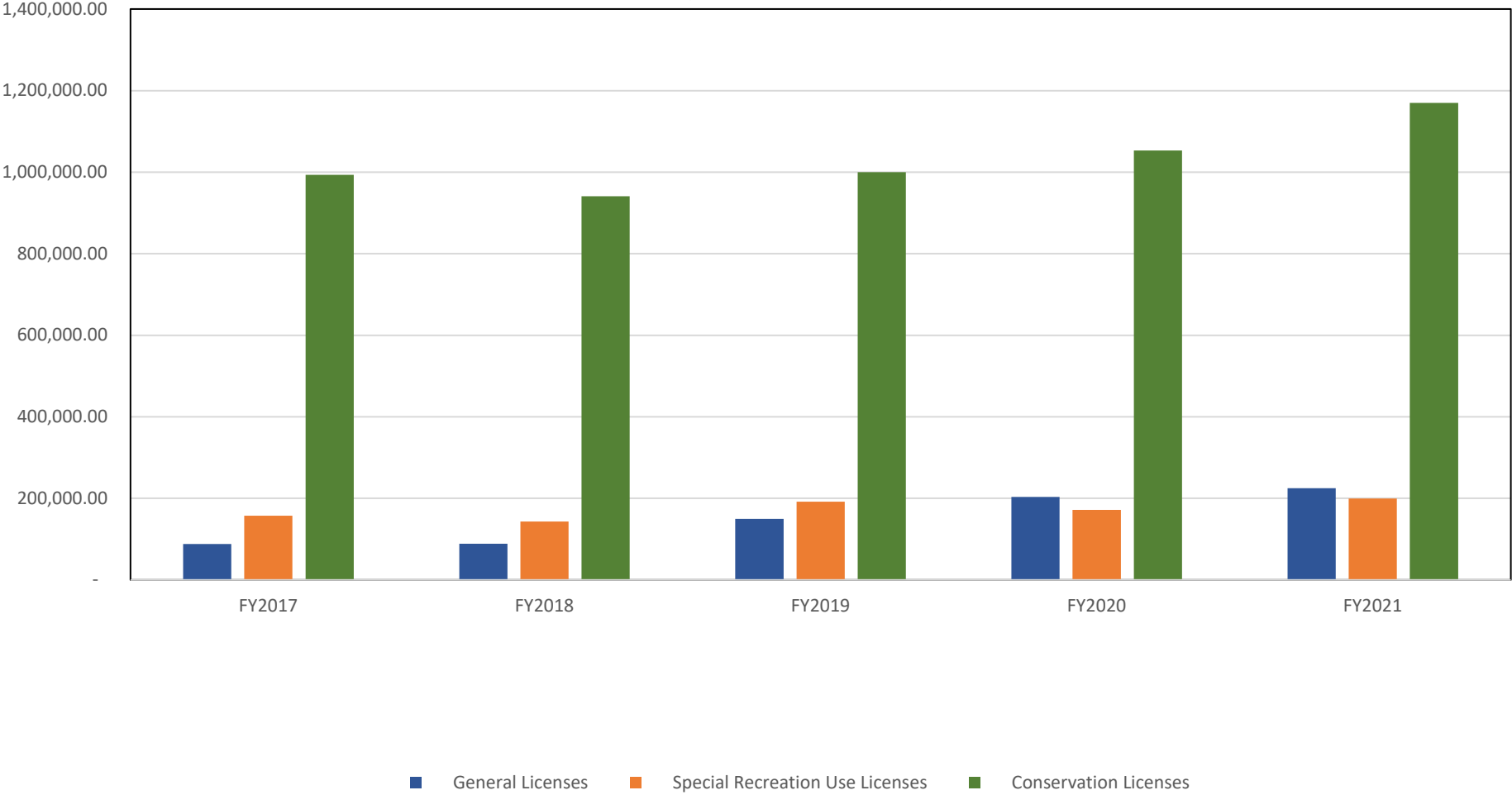
Recreational Use/Public Access

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.



Recreational Use/Public Access

FY 2017 – FY 2021





Minerals Management

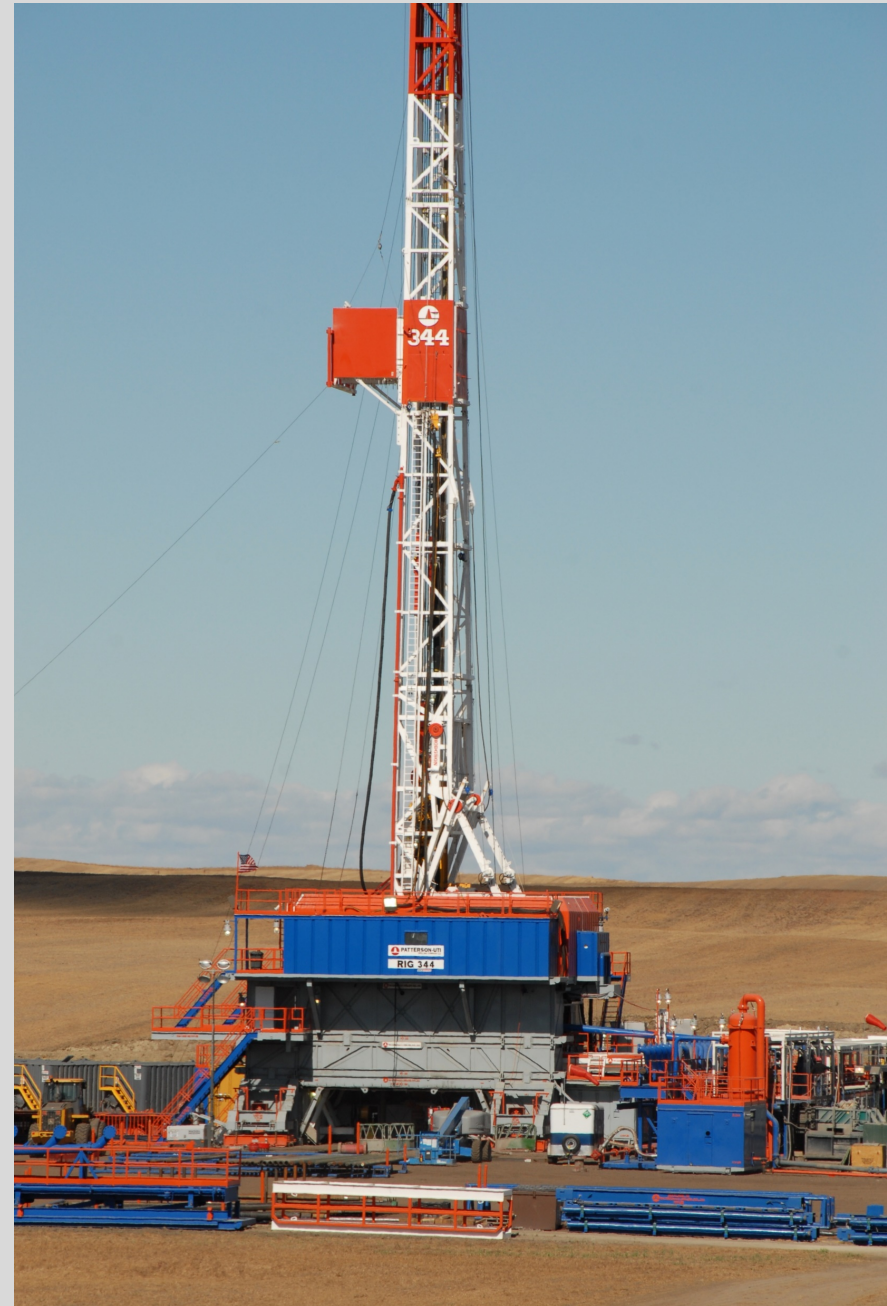
- In FY 2021, revenue from mineral activities totaled \$20.2 million
- Average price per barrel: \$47.18
- Oil & Gas royalty revenue: \$6 million
- Coal royalty revenue: \$13.1 million
- Oil & Gas rentals & bonus revenue: \$729 thousand

- 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

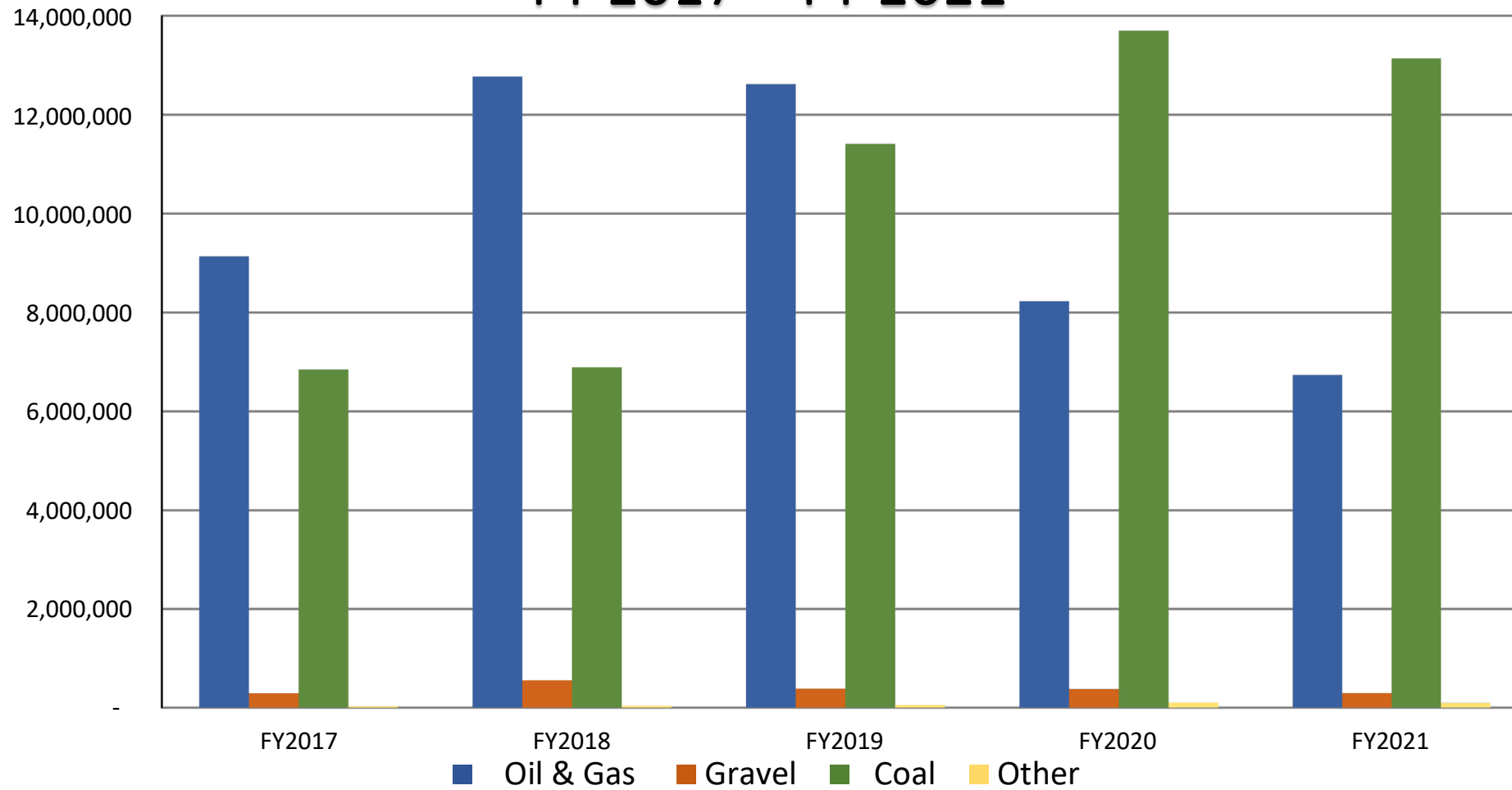


Oil & Gas Lease Auctions

- 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.



Mineral Revenues FY 2017 – FY 2021

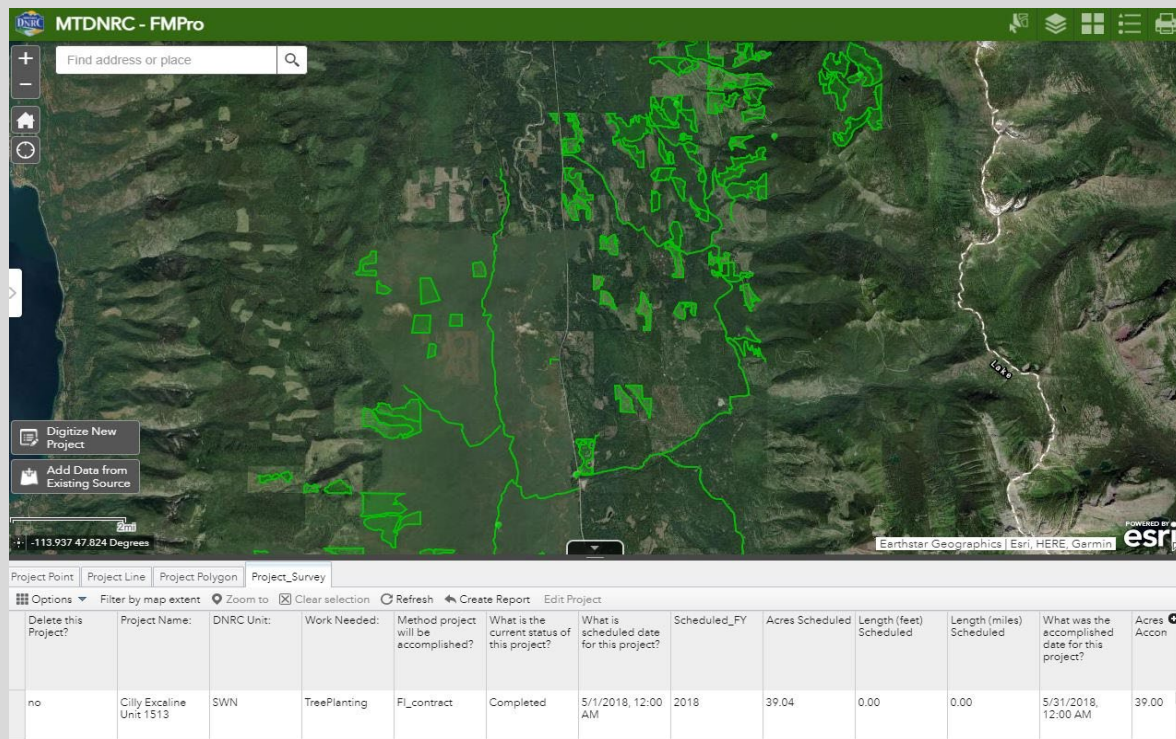




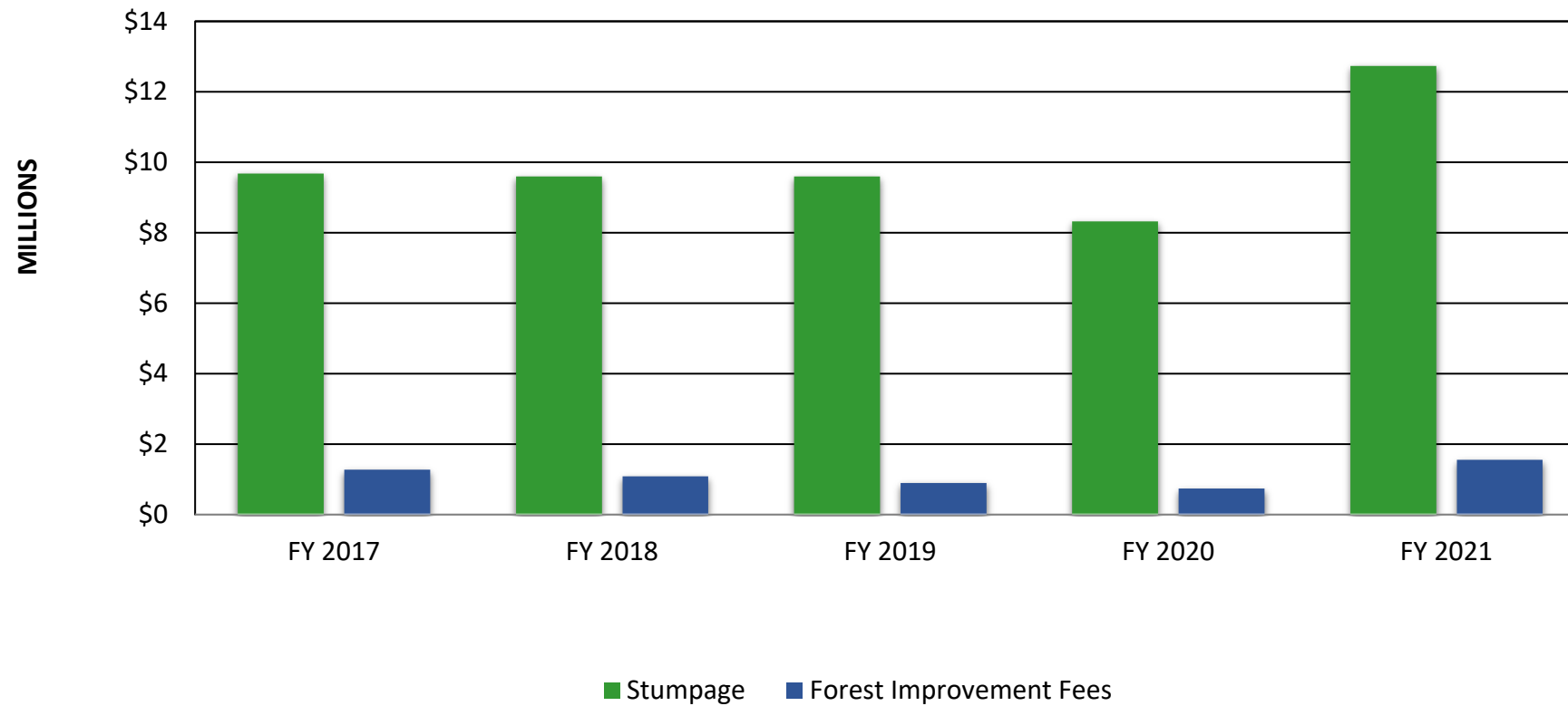
Forest Management

- 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



Plains Remote cabin site



Olney cabin site



Placid Lake cabin site



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

Property Management

Commercial Leasing

- 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.



North Park – Bozeman – Infrastructure currently being installed.

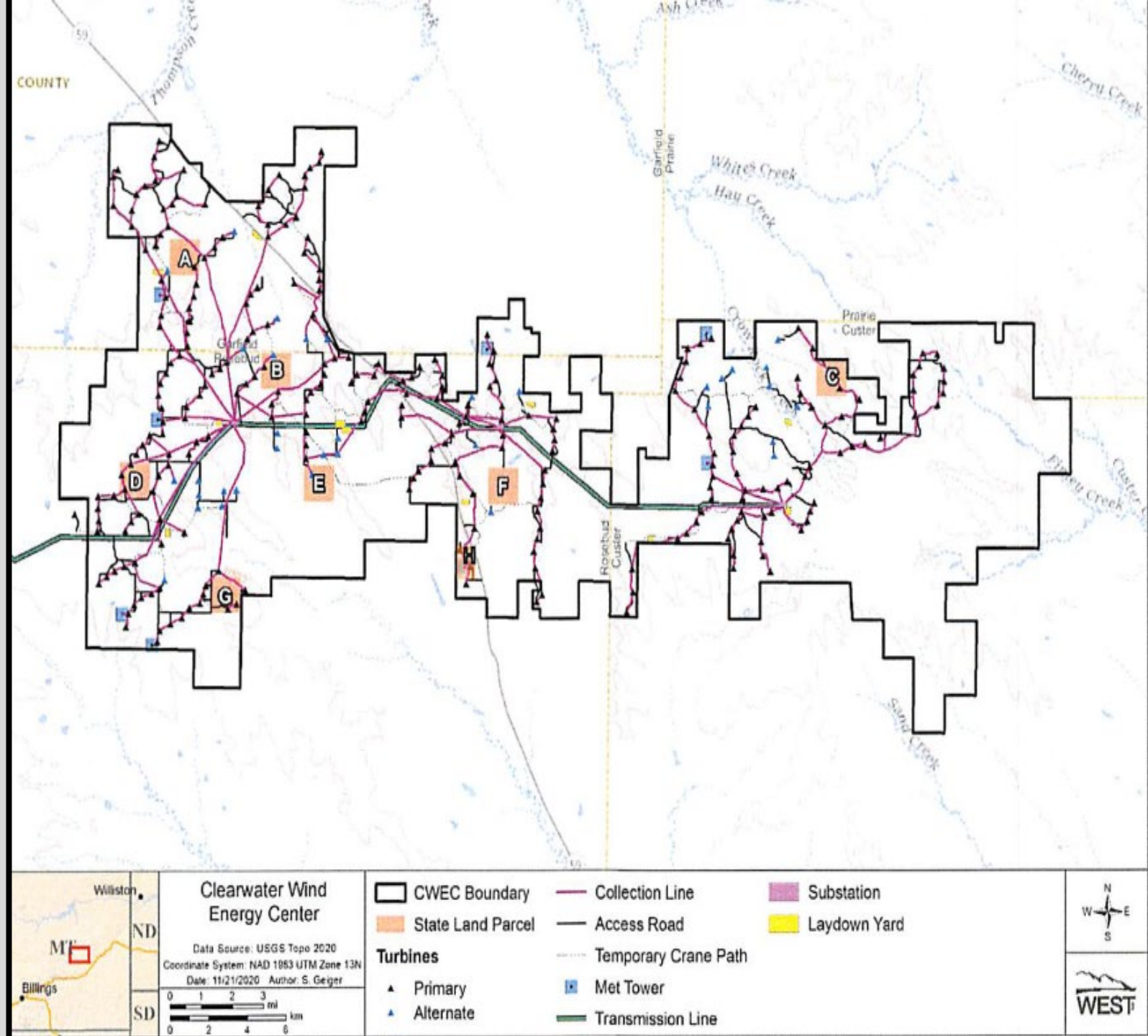


Ace Storage – Penwell Bridge Road - Belgrade

Property Management

Alternative Energy Leasing

- 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.



State Trust Land

Commercial Development



Spring Prairie – Section 36

Kalispell Montana

Phases	Acres ±
Brightview	25.4
Timberwolf Center	38.9
Mountaineer	25.2
Morane	32.6

Cabela's
Mackenzie River
Sport Clips
Wells Fargo
Costco
Springhill Suites
Panera Bread
Krispy Kreme
Kidsports
Glacier High

Ulta
Pet Smart
Chick-fil-a
Discount Tire
McDonald's
HomeGoods
Mattress Firm
My Place
DNRC
Flathead 911

Michael's
Dressbarn
Holiday Inn
Famous Dave's
Applebees
T-Mobile
Hobby Lobby
Grease Monkey
DEQ
** More to Come

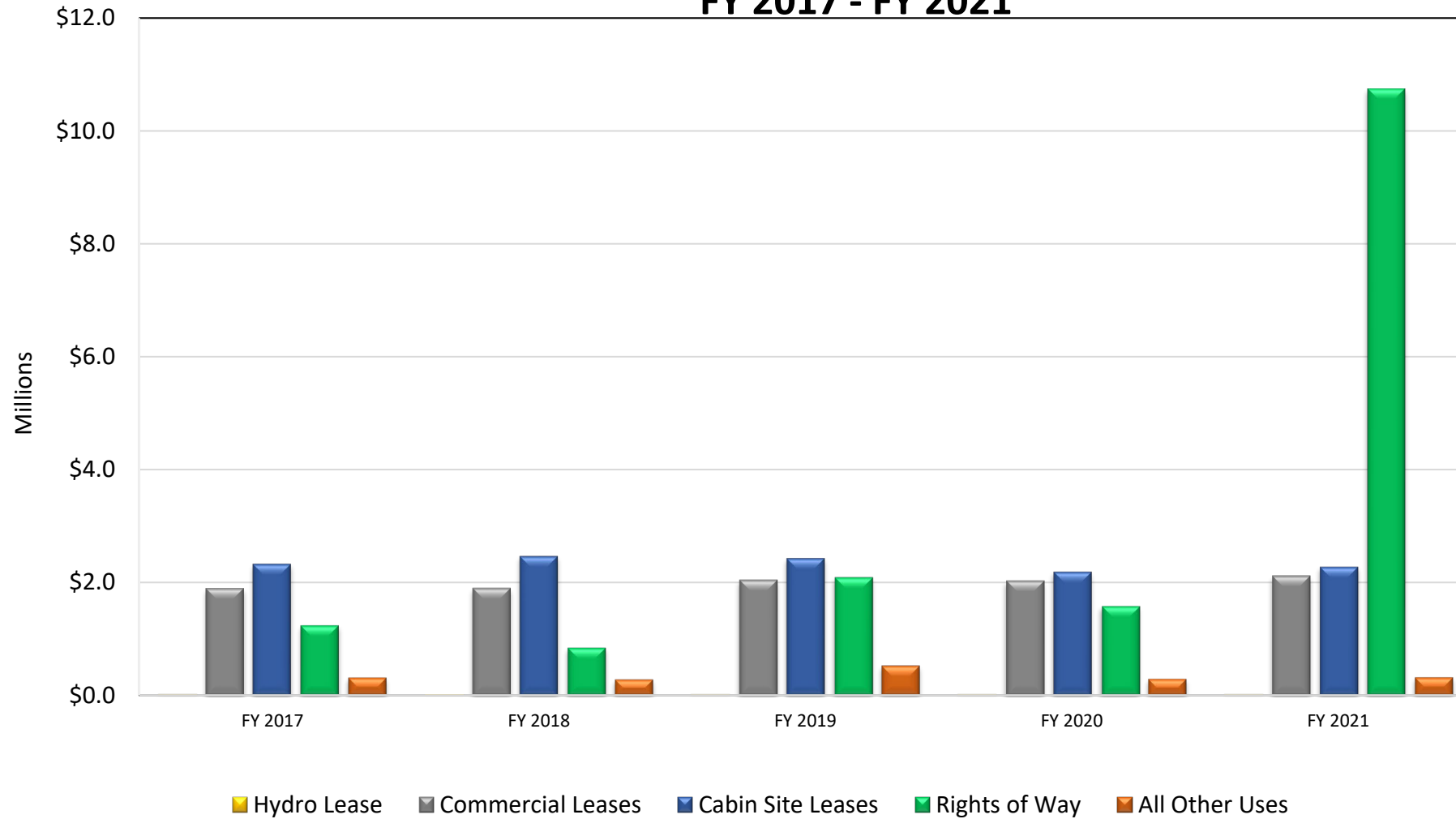
Verizon
Boot Barn
Starbucks
Lowe's
Med North
REI
MOD Pizza
Urban Bricks
USFS



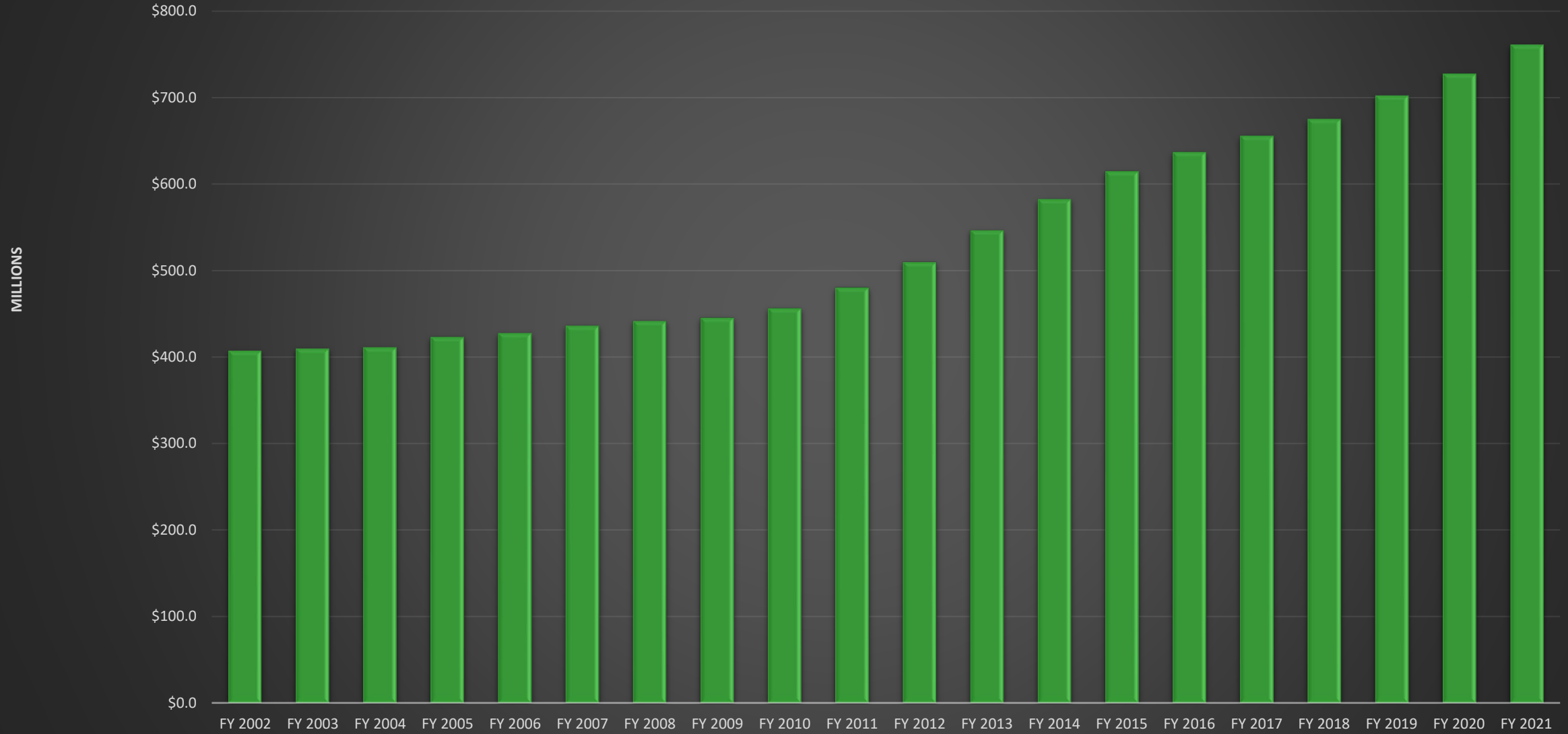
Section 36 in Kalispell continues to enjoy strong development with several projects currently under construction.

FY 2021 Section 36 revenues - \$ 940,340

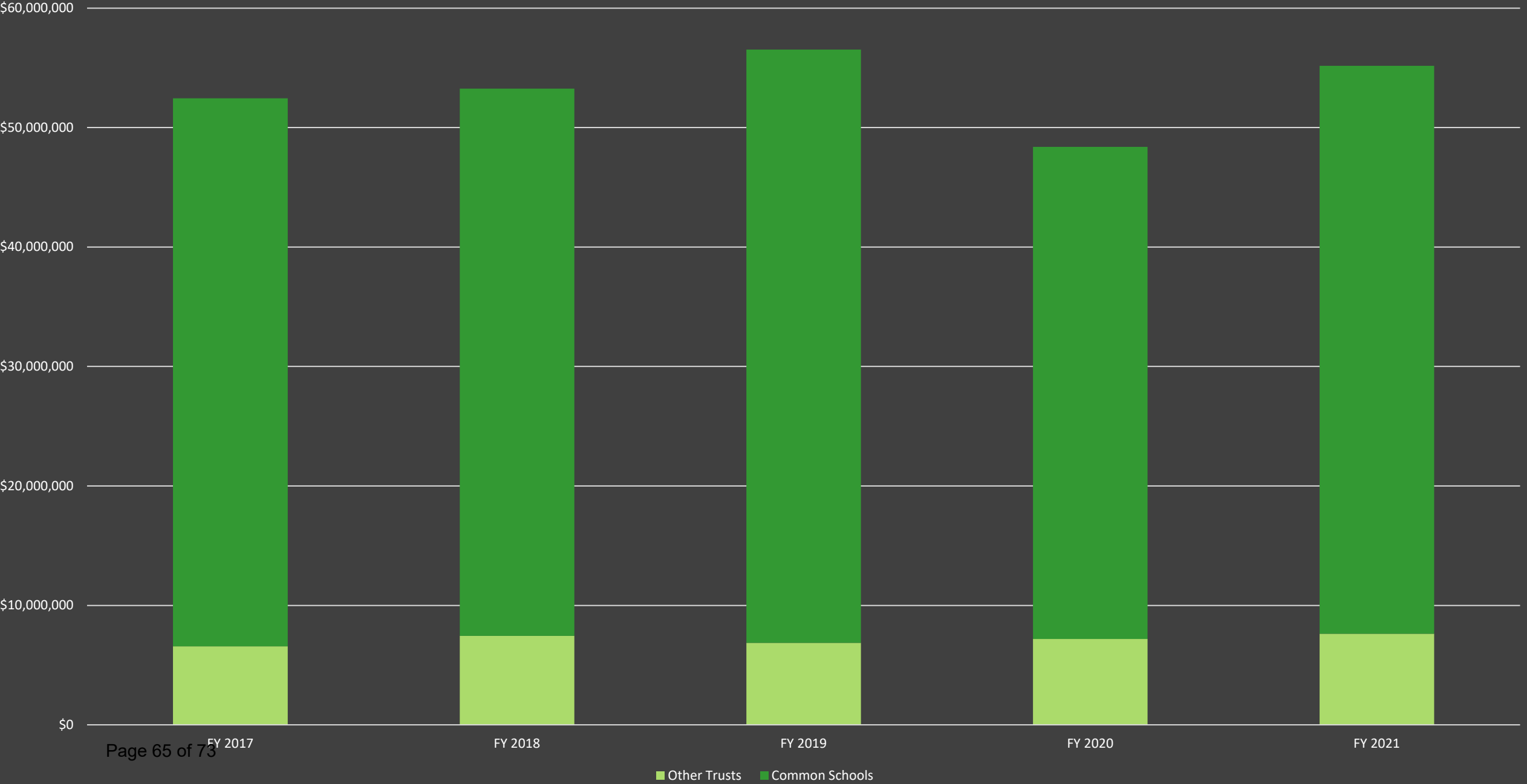
Real Estate Revenues FY 2017 - FY 2021



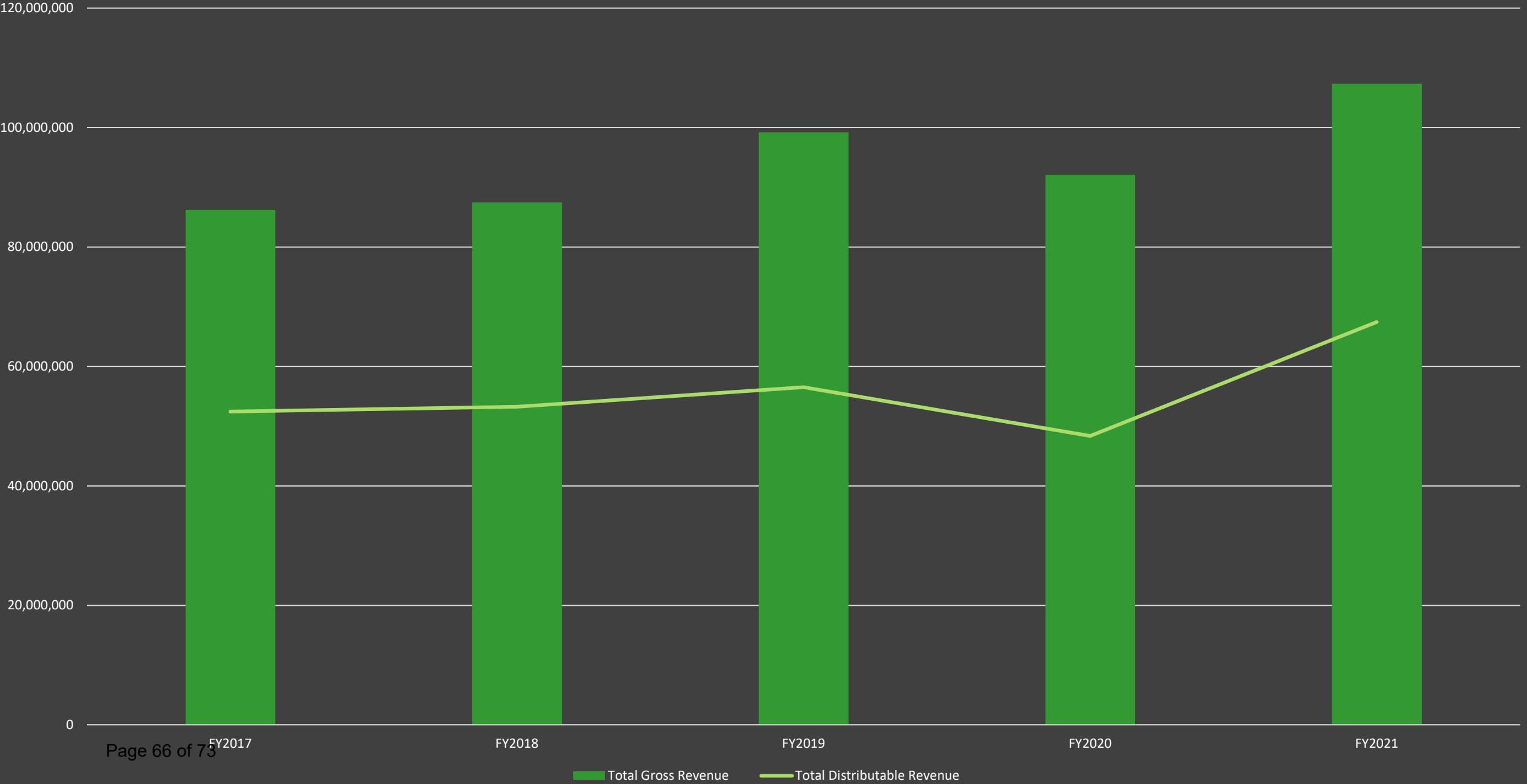
Permanent Fund Balance



Net Distributable Revenues



Distributable & Gross Revenue



This concludes the presentation
Happy to answer any questions

1121-5

INFORMATIONAL ITEM:

2021 Trust Lands Fire Report

**Land Board Agenda Item
November 15, 2021**

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

Fire Name	Total Fire Acres	County	Grant	Forested Acres	Non-Forested Acres	Total Trust Land Acres
Great Divide - Dawson	3,206	Dawson	CS	0	247	247
Sand Creek - McCone	680	McCone	CS	0	6	6
Smith Fire	4,722	Richland	CS	0	606	606
Lone Tree Fire	241	Blaine	CS	0	3	3
Deep Creek Canyon	4,643	Broadwater	CS	215	99	314
Antelope Creek - Rosebud	347	Rosebud	CS	0	201	201
Blatchford	209	Prairie	CS	0	94	94
Box Elder	1,650	Powder River	CS	245	71	316
Blacktail Fire	363	Petroleum	CS	26	30	56
Musselshell Trail Road	22,470	Yellowstone	CS	0	757	757
Brackett	1,631	Prairie	CS	0	557	557
Peterson	4,425	Musselshell	CS	264	32	296
Fourmile	5,079	Rosebud	CS	29	29	58
Henry	148	Sanders	CS	2	0	2
Harris	2,344	Carbon	CS	161	165	326
Slough Grass	9,235	Rosebud/Bighorn	CS	195	102	297
Long Spur	300	Philips	CS	0	524	524
Rock Creek	3,279	Lewis&Clark	CS	34	361	395
Rough Draw	2,322	Rosebud	CS	388	103	491

Devils Creek	18,708	Garfield	CS	504	802	1,306
MM 46	885	Custer	CS	31	0	31
Taylor	22,916	Fergus	CS	371	504	875
PF	67,098	Big Horn	CS	1,006	1,863	2,869
Bradshaw	834	Powder River	CS	347	154	501
Cow	100	Blaine	CS	76	4	80
Pirogue	402	Custer	CS	61	0	61
Robertson Draw	29,885	Carbon	CS	0	1,436	1,436
Balsinger Fire (Divide Complex)	8,591	Cascade	CS	119	88	207
Whitetail Creek	337	Lake	CS	337	0	337
Coal Bank	5,735	Rosebud	CS	97	70	167
Salt Creek	278	Powder River	CS	149	119	268
South Moccasin	12,743	Fergus	CS	348	299	647
Christensen/Alder	36,966	Beaverhead	CS	167	37	204
Goose	7,522	Beaverhead/Madison	PB	80	20	100
Harris Mountain	31,603	Cascade	CS	993	160	1,153
Woods Creek	55,476	Broadwater/Meagher	CS	706	430	1,136
Trout Creek	8,217	Stillwater	CS	0	50	50
Richard Spring	171,130	Rosebud	CS	2,256	4,602	6,858
Hwy 16 North	1,908	Roosevelt	CS	0	15	15
	39 Fires		Totals	9,207	14,641	23,848

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