

REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
AGENDA
October 21, 2024, 9:00 a.m.
Supreme Court Chambers, Mazurek Justice Building
Helena, MT

ACTION ITEMS

- 1024-1 Fish Wildlife & Parks: Conservation Easement** **Amended Motion - Approved 3-2**
Location: N/A
Benefits: N/A (non-trust land)
- 1024-2 Timber Sales** **Approved 5-0**
A. Chimney Line
Location: Powell County
Benefits: Common Schools
- B. Cilly Trail**
Location: Lake County
Benefits: Common Schools
- C. Round Prairie**
Location: Flathead County
Benefits: State Normal School, MSU 2nd Grant, Public Buildings
- 1024-3 Easements** **Approved 5-0**
Location: Fallon, Richland, Wibaux Counties
Benefits: Common Schools
- 1024-4 Informational Item: DNRC Quarterly Litigation Update**
Location: N/A
Benefits: N/A

PUBLIC COMMENT

1024-1

FISH WILDLIFE & PARKS:
Conservation Easement

**Land Board Agenda Item
October 21, 2024**

1024-1 Fish Wildlife & Parks: Conservation Easement

Location: Sanders, Lincoln, and Flathead Counties

Trust Benefits: N/A

Trust Revenue: N/A

Item Summary

Background: The Fish Wildlife & Parks (FWP) proposes to purchase a 32,981-acre conservation easement known as the Montana Great Outdoors Conservation Easement – Phase 1 (“CE”) from Green Diamond Resources Company (“Green Diamond”). The CE is in the Salish and Cabinet mountains between Kalispell and Libby. This is the first phase of a potentially two-phased project totaling 85,792 acres of important timberland and fish and wildlife habitat. The CE would preclude development, protect important wildlife habitat and key landscape connectivity, and provide permanent free public recreation access to the affected lands. Forest management and sustainable timber harvest would continue. The Land provides a vital migration corridor and year-round habitat for moose, elk, mule deer, and white-tailed deer. Hunters and anglers have used these lands for generations, and the property currently provides approximately 6,000 days per year of public hunting and angling use. This property is also habitat for grizzly bear and Canada lynx, drains into bull trout streams, and is potential habitat for wolverine; all species listed as threatened under the federal Endangered Species Act.

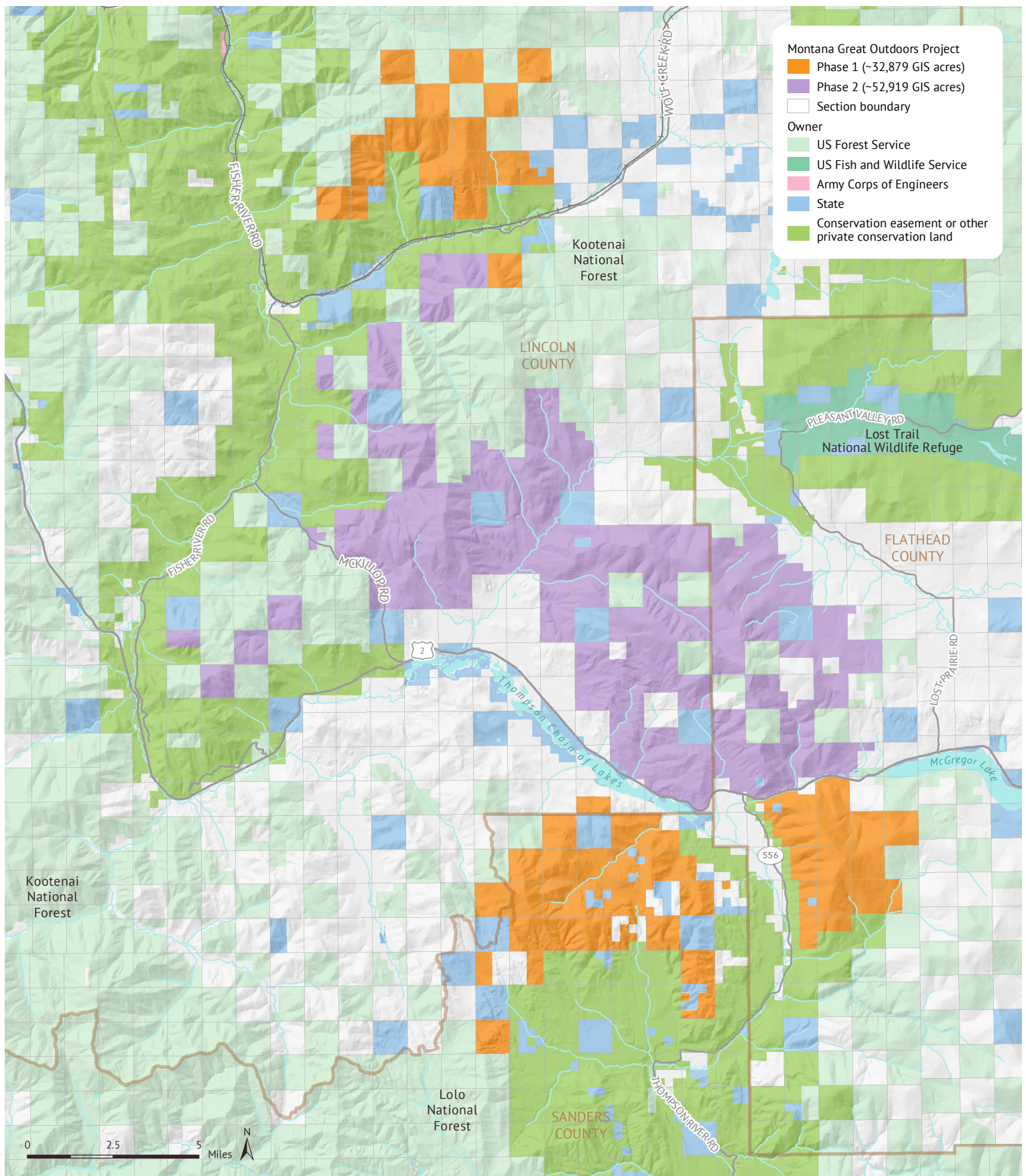
The appraised value of the proposed Montana Great Outdoors Conservation Easement – Phase 1 is \$39,507,442. Secured funding amounts and sources include: \$1,500,000 from Habitat Montana, \$4,179,837 from private fundraising coordinated by the Trust for Public Lands, and \$20,000,000 from the U.S. Forest Service (USFS) Forest Legacy Program. The Landowner, Green Diamond Resource Company, has committed to donate approximately 35% of the conservation easement value (~\$13,827,605).

Public Involvement Process & Results: A Draft Environmental Assessment was made available for public review and comment from April 15 to May 15. Public hearings were held in Kalispell on April 30 and in Libby on May 1. The Draft EA was posted on FWP’s Public Notice webpage: <https://fwp.mt.gov/news/public-notice>. The Draft EA was also made available for public review on the Environmental Quality Council or EQC website: <https://leg.mt.gov/mepa/search/>, by individual request, and through notice to identified interested parties. FWP received 122 comments during the public comment period. All issues raised by those who commented that are pertinent to this proposal are addressed in the decision notice.

FWP Recommendation

Recommendation & Rationale: Based on the results of the environmental assessment and record of decision, the department recommends the Land Board approve the purchase of the 32,981-acre Montana Great Outdoors – Phase 1 conservation easement.

Proposed Motion: I move that the Land Board approve the Department of Fish, Wildlife and Parks’ purchase of the Montana Great Outdoors Conservation Easement – Phase 1 as proposed.



Montana Great Outdoors

LINCOLN, SANDERS, AND FLATHEAD COUNTIES, MONTANA

February 14, 2024. Copyright © Trust for Public Land. Information on this map is provided for purposes of discussion and visualization only.

MONTANA GREAT OUTDOORS CONSERVATION EASEMENT – PHASE 1

FREQUENTLY ASKED QUESTIONS

Q What are the benefits of the Montana Great Outdoors – Phase 1 conservation easement?

A This easement protects wildlife habitat and preserves forest land. The property remains available for commercial timber production. The public is guaranteed a right of free, perpetual access to approximately 33,000 acres for hunting and other recreation.

Montana's wildlife requires large, connected landscapes and the easement protects a critical connectivity corridor. The area is of particular importance for mule deer, which use the easement lands to migrate 20 to 50 miles between their winter range on the property, and their summer range in the Cabinet Mountain Wilderness and Whitefish Range.

Q How will this easement impact the timber industry in northwestern Montana?

A This conservation easement ensures that the property remains available for forest management and reduces the likelihood that the property will be converted to non-forest uses. Green Diamond has indicated that the property currently produces approximately 2 million board feet (MMBF) per year, and it intends to increase sustainable production to 9 MMBF by 2064. Many of the timber stands on the property are young, requiring time to mature as well as pre-commercial thinning treatments to be productive. Retaining these lands as a working forest is important to mill viability, particularly considering that 36 mills have closed in Montana since 1990.

Maintaining this property as a working forest also increases the likelihood of commercial timber harvest on adjoining properties by preserving accessibility to neighboring lands, including lands owned by the U.S. Forest Service and the Montana Department of Natural Resources and Conservation (DNRC). If the property were subdivided for residential purposes, small private landowners may be unwilling to provide access through their property or to provide permission to construct roads for commercial timber harvest. Under the terms of the easement, the landowner retains the right to construct roads for forest management purposes and to grant temporary road access rights to third parties.

Lastly, continued active management of the property by Green Diamond reduces the risk of catastrophic wildfire in the area, preserving timber for harvest.

Q Will the Montana Great Outdoors Conservation Easement affect mineral rights under the easement area?

A No. This easement expressly protects mineral rights owned by third parties. Under well-established Montana law, a mineral estate holder can exercise its right to explore and extract minerals at any time. This right is not diminished by any surface easements or agreements entered by the surface owner.

Q How will the conservation easement impact motorized use?

A FWP and the landowner intend to maintain the current level of motorized use and access. The landowner's existing policy restricts vehicle use to designated open roads and prohibits trail building and other off-road motorized use. The landowner retains the right to temporarily restrict motorized use on portions of the property for reasons such as timber harvest, protection of sensitive areas, or public safety. Temporary closures are typically used to reduce the risk of wildfire caused by driving vehicles over dry grass and brush during

periods of high fire danger, to reduce road damage when roads are wet in the spring, or to address safety issues during periods of active forest management.

Q Does the conservation easement result in State ownership of the land?

A No. The land is currently under private ownership (Green Diamond) and remains privately owned after recording the easement.

Q Will the conservation easement impact local property taxes?

A No. Green Diamond is currently and will continue to be responsible for the property's taxes, which contribute to the overall tax base in Lincoln, Sanders, and Flathead Counties.

Q Does the conservation easement restrict who can own the property after the easement is in place?

A No. The landowner, Green Diamond, may sell the land subject to the conservation easement. The terms of the easement run with the land and are binding on all subsequent owners.

Q Who can influence management decisions on the property after the conservation easement is in place?

A The landowner (Green Diamond) and the Montana Department of Fish, Wildlife and Parks (FWP) are the only signatories to the conservation easement and multi-resource management plan ("MRMP"). Updates to the MRMP may only occur if the signatories (the landowner and FWP) and the DNRC State Forester's Office agree to the proposed changes. Any amended MRMP remains subject to all the terms of the easement.

Q How will the conservation easement impact FWP's enforcement staff?

A The conservation easement will not create additional workload for enforcement staff. Wardens will continue to enforce violations of hunting and fishing regulations and assist with education and property damage issues. The landowner retains the responsibility to address violations of their open land policies, such as illegal motorized vehicle use and trash dumping.

Q Why is the conservation easement perpetual? Is a short-term conservation lease agreement an option?

A The Forest Legacy Program, which awarded a \$20 million grant for the purchase of this conservation easement, requires all conservation easements purchased with these funds to be perpetual. Additionally, federal law requires the conservation easement be held in perpetuity to qualify for federal income tax benefits. These financial incentives allow Green Diamond, the landowner, to maintain financial viability while waiting for the young timber stands on this property to mature to normal harvest cycles.

1024-2

TIMBER SALES:

A. Chimney Line

B. Cilly Trail

C. Round Prairie

**Land Board Agenda Item
October 21, 2024**

1024-2 Timber Sale: Chimney Line

Location: Powell County
Section 14, 16 and 22 T11N R11W

Trust Beneficiaries: Common Schools

Trust Revenue: \$48,974 (estimated, minimum bid)

Item Summary

Location: The Chimney Line Timber Sale is located approximately 8 miles northeast of Drummond, Montana.

Size and Scope: The sale includes 10 harvest units (*268 acres*) of line logging.

Volume: The estimated harvest volume is 6,631 tons (*881 MBF*) of sawlogs.

Estimated Return: The minimum bid is \$7.39 per ton, which would generate approximately \$48,974 for Common Schools and approximately \$19,153 in Forest Improvement fees.

Prescription: This sale would utilize a seed tree harvest prescription designed to reduce insect and disease issues and to promote forest health.

Road Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 24.82 miles of road maintenance.

Access: Access to the sale is through county roads.

Public Comments: No public comments related to this timber sale were received.

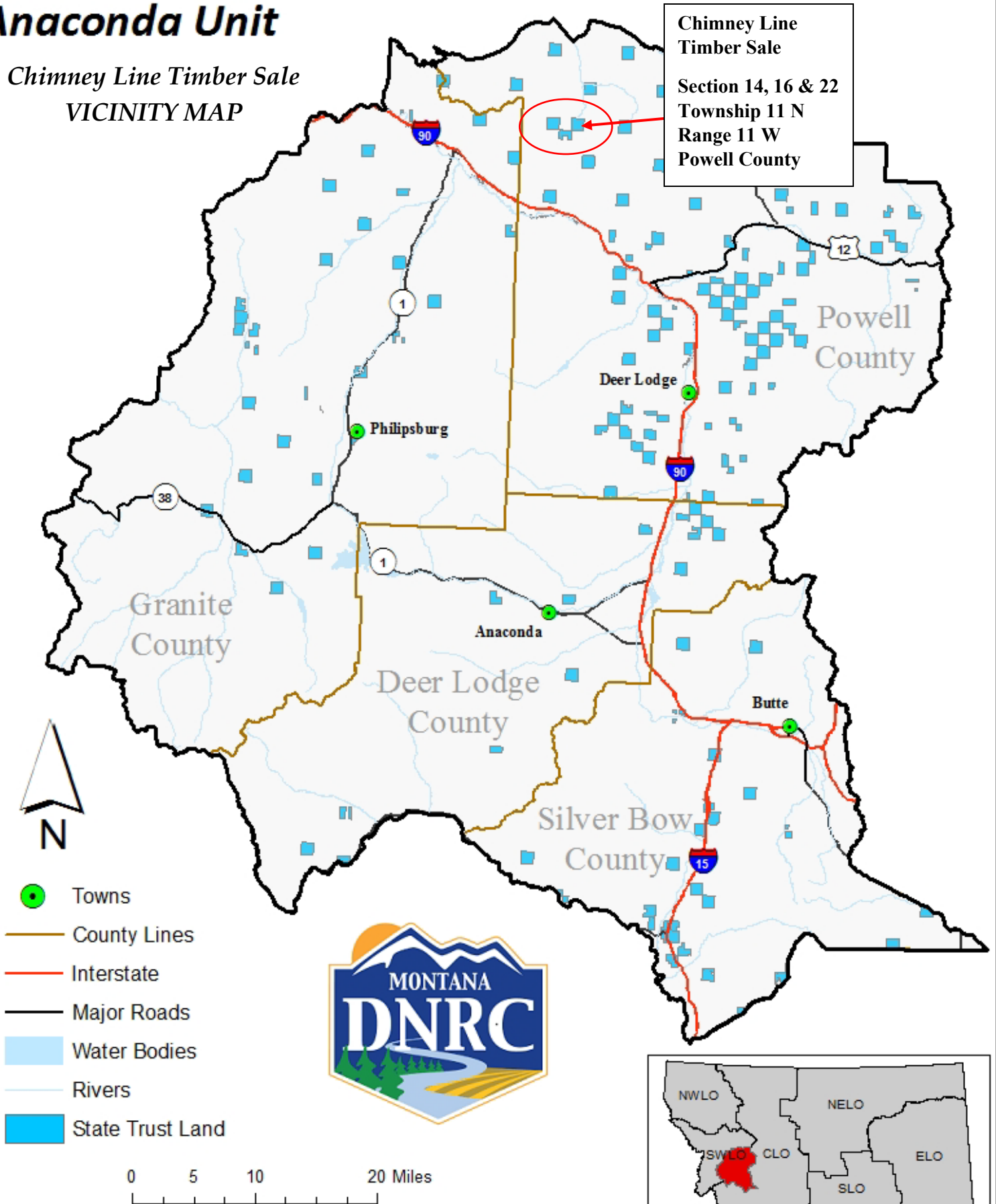
DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Chimney Line Timber Sale.

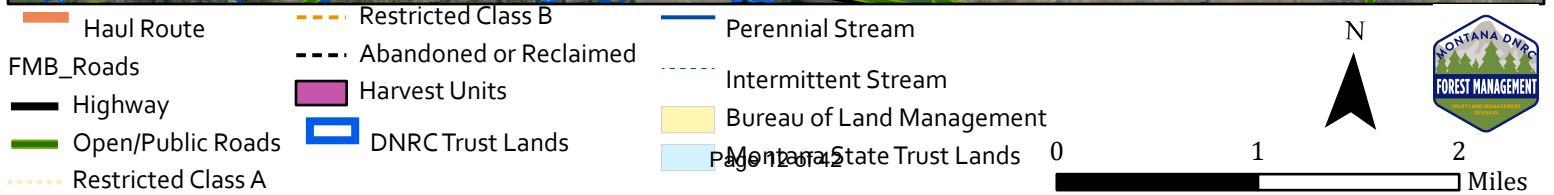
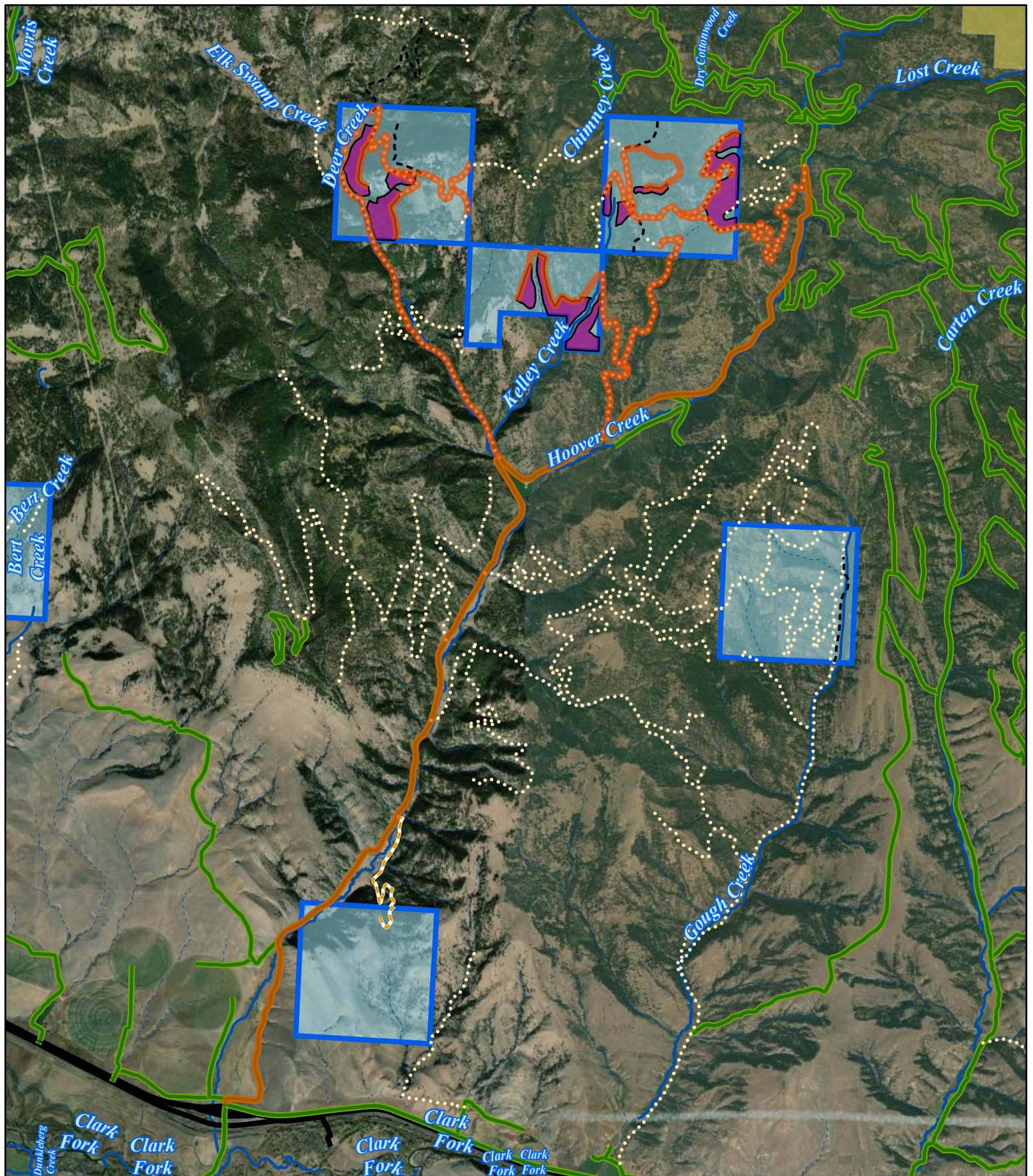
State Trust Land Vicinity Map

Anaconda Unit

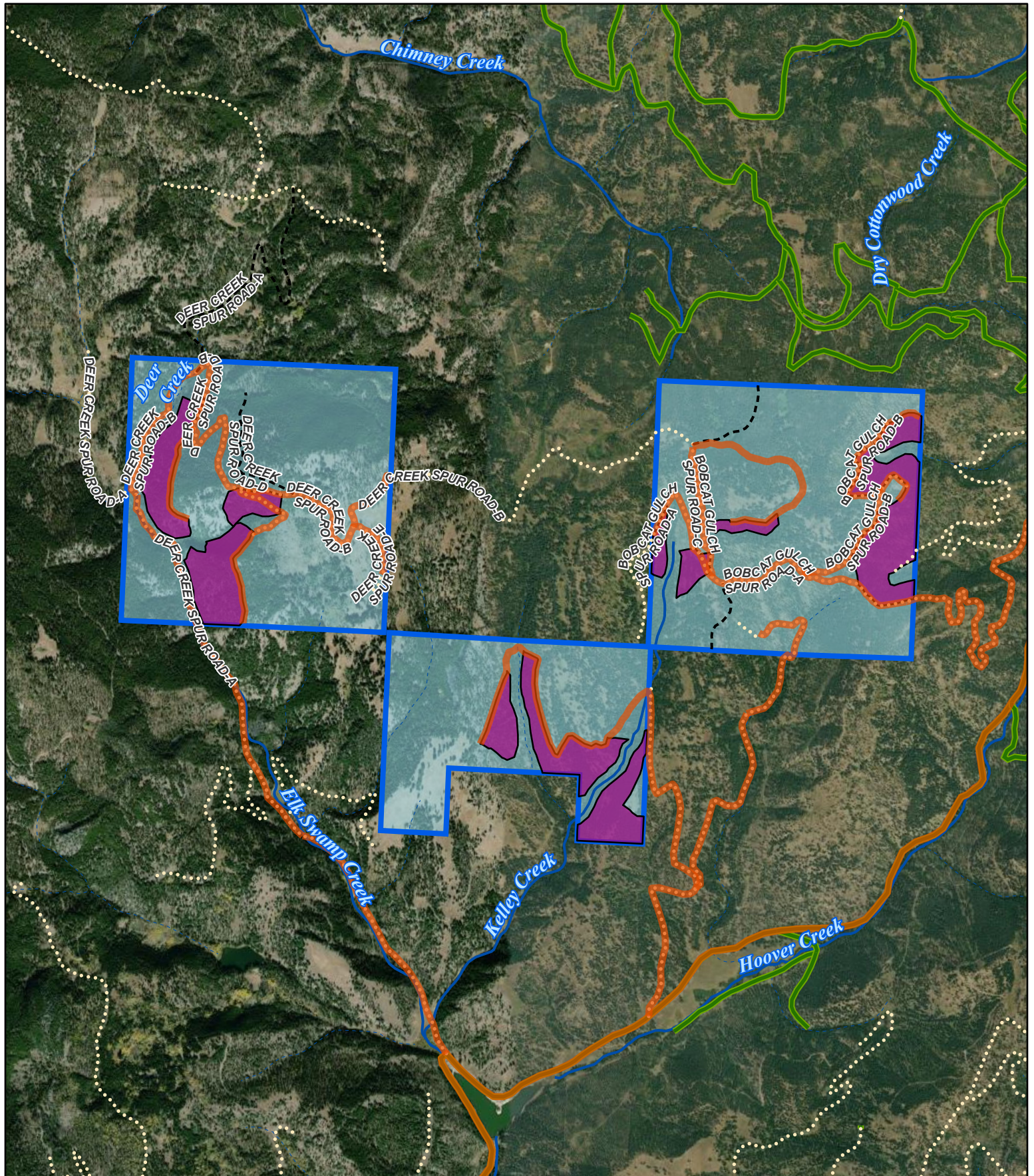
Chimney Line Timber Sale
VICINITY MAP



Chimney Line Timber Sale Haul Route



Chimney Line Timber Sale Harvest Units



- Haul Route
- Restricted Class A
- Restricted Class B
- Abandoned or Reclaimed
- Open/Public Roads
- Harvest Units

- DNRC Trust Lands
- Perennial Stream
- Intermittent Stream
- Montana State Trust Lands



**Land Board Agenda Item
October 21, 2024**

1024-2B Timber Sale: Cilly Trail

Location: Lake County
Sections 2, 3, 10, 11, 15 T24N R17W

Trust Beneficiaries: Common Schools

Trust Revenue: \$103,851 (estimated, minimum bid)

Item Summary

Location: The Cilly Trail Timber Sale is located approximately 5.5 miles southeast of Swan Lake, Montana.

Size and Scope: The sale includes 10 harvest units (*417 acres*) of skyline and tractor logging.

Volume: The estimated harvest volume is 18,061 tons (*3.1 MMBF*) of sawlogs.

Estimated Return: The minimum bid is \$5.75 per ton, which would generate approximately \$103,851 for the Common School Trust and approximately \$83,817 in Forest Improvement fees.

Prescription: This sale would utilize seed tree, overstory removal and old growth maintenance harvest prescriptions designed to reduce insect and disease issues and to promote forest health.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 4.5 miles of new permanent road construction, 0.3 miles of road reconstruction, 0.4 miles of temporary road construction and 13 miles of road maintenance.

Access: The sale is accessed through State-owned roads.

Public Comments: Five public comments were received in response to the Lost Napa Environmental Impact Statement (EIS). All public concerns were taken into consideration during project development and are addressed in the Final EIS document.

DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Cilly Trail Timber Sale.

State Trust Land Vicinity Map

Swan Unit

Cilly Trail VICINITY MAP



Flathead County

Swan Lake

Project Name: Cilly Trail

Project Location:

Section: 2, 10, 11, 15

Township: 24N

Range: 17W

County: Lake



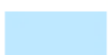



Lake County

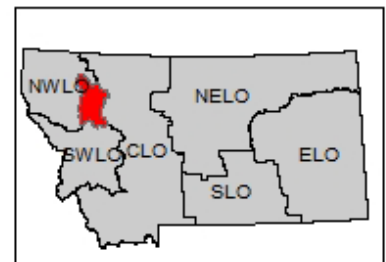
Salmon Prairie

Condon

Missoula County

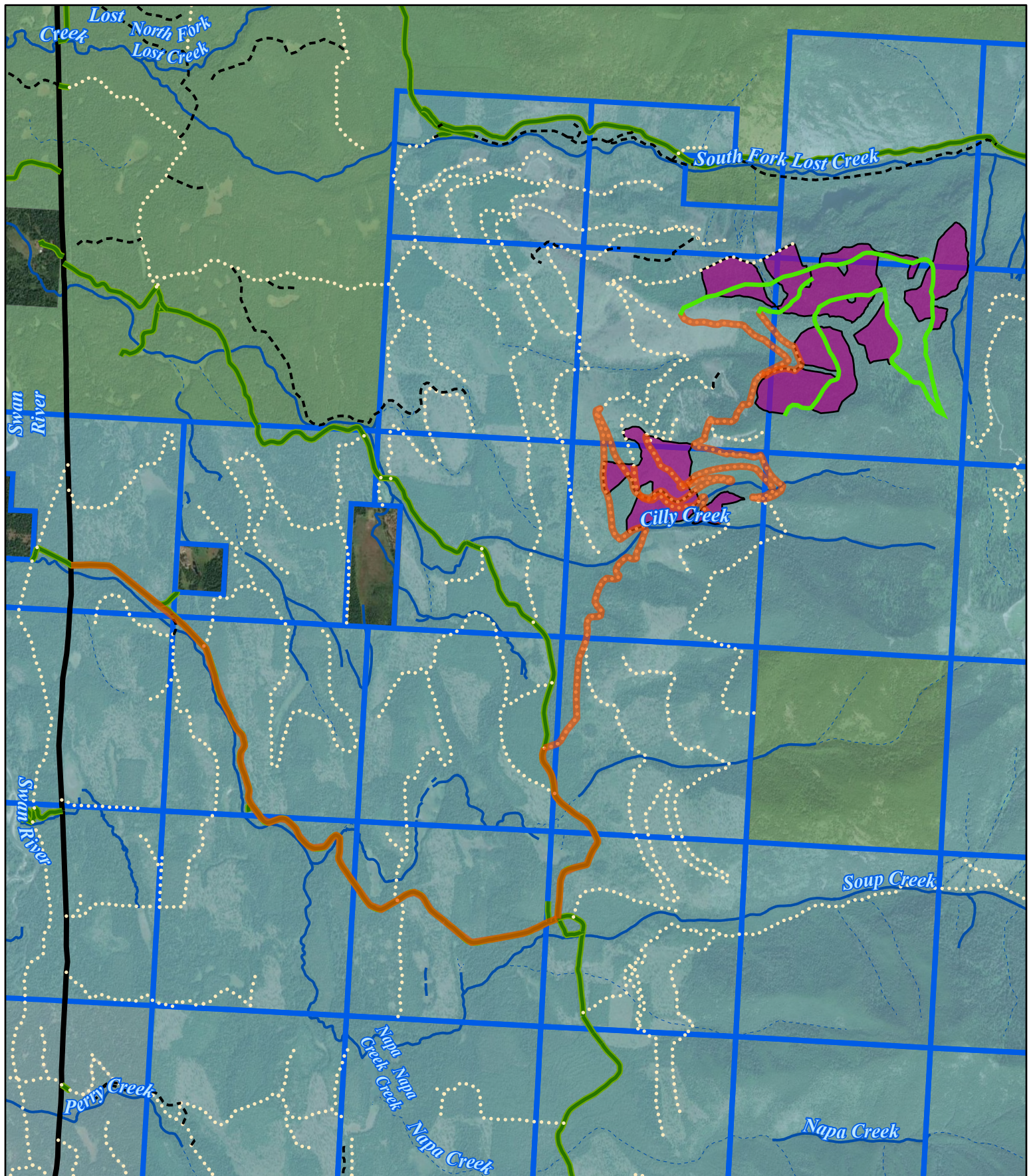
Powell County

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

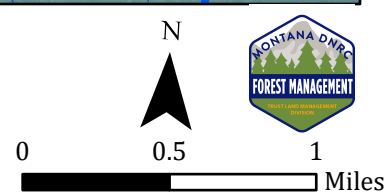


0 5 10 20 Miles

Cilly Trail Timber Sale Haul Route and Harvest Units



- | | | |
|-------------------|------------------------|---------------------------|
| Haul Route | Restricted Class A | Perennial Stream |
| New Road | Abandoned or Reclaimed | Intermittent Stream |
| FMB_Roads | Harvest Units | US Forest Service |
| Highway | DNR Trust Lands | State of Montana Misc. |
| Open/Public Roads | | Montana State Trust Lands |



**Land Board Agenda Item
October 21, 2024**

1024-2C Timber Sale: Round Prairie

Location: Flathead County
Sections 5, 6, 7, 18, 19, T30N, R22W

Trust Beneficiaries: State Normal School, MSU 2nd Grant, Public Buildings

Trust Revenue: \$315,757 (estimated, minimum bid)

Item Summary

Location: The project is located approximately 6 air miles southwest of Whitefish, Montana.

Size and Scope: The sale includes 5 harvest units (334 acres) of ground-based tractor logging.

Volume: The estimated harvest volume is 12,670 tons (2.1 MMBF) of sawlogs.

Estimated Return: The minimum bid is \$24.92 per ton, which would generate approximately \$315,757 for Trust beneficiaries and approximately \$55,222 in Forest Improvement fees.

Prescription: This sale would utilize commercial thinning, individual tree selection and old growth maintenance harvest prescriptions, which would improve the health and vigor of residual trees, capture the value of insect infested trees, and provide opportunities for regeneration of western larch.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing approximately 0.3 miles of new road construction and 5.3 miles of road maintenance.

Access: Access is obtained through county and state-owned roads, as well as a road use permit with the United States Forest Service.

Public Comments: Five comments were received. Four local landowners responded to the scoping notice with concerns about hydrology and riparian areas, wildlife habitat, public trespassing, logging truck traffic, aesthetics and harvest unit boundaries. Montana Department of Fish, Wildlife & Parks (FWP) also commented about wildlife habitat and requested to stay informed of project development. DNRC worked with the landowners and FWP to answer their questions and addressed all concerns in the Final Round Prairie Timber Sale Environmental Assessment document.

DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Round Prairie Timber Sale.

State Trust Land Vicinity Map

Kalispell Unit

ROUND PRAIRIE PROJECT VICINITY MAP

Project Name: Round Prairie
Timber Harvest

Project Location: southwest
of Whitefish, MT

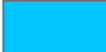


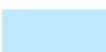


Sections: 5, 6, 7, 18, 19

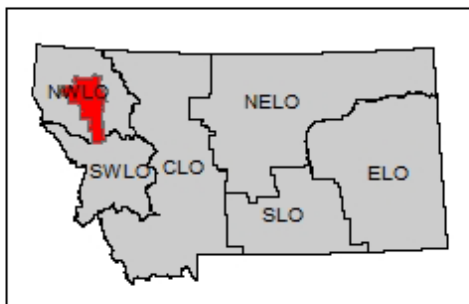
Township: 30N

Range: 22W

County: Flathead

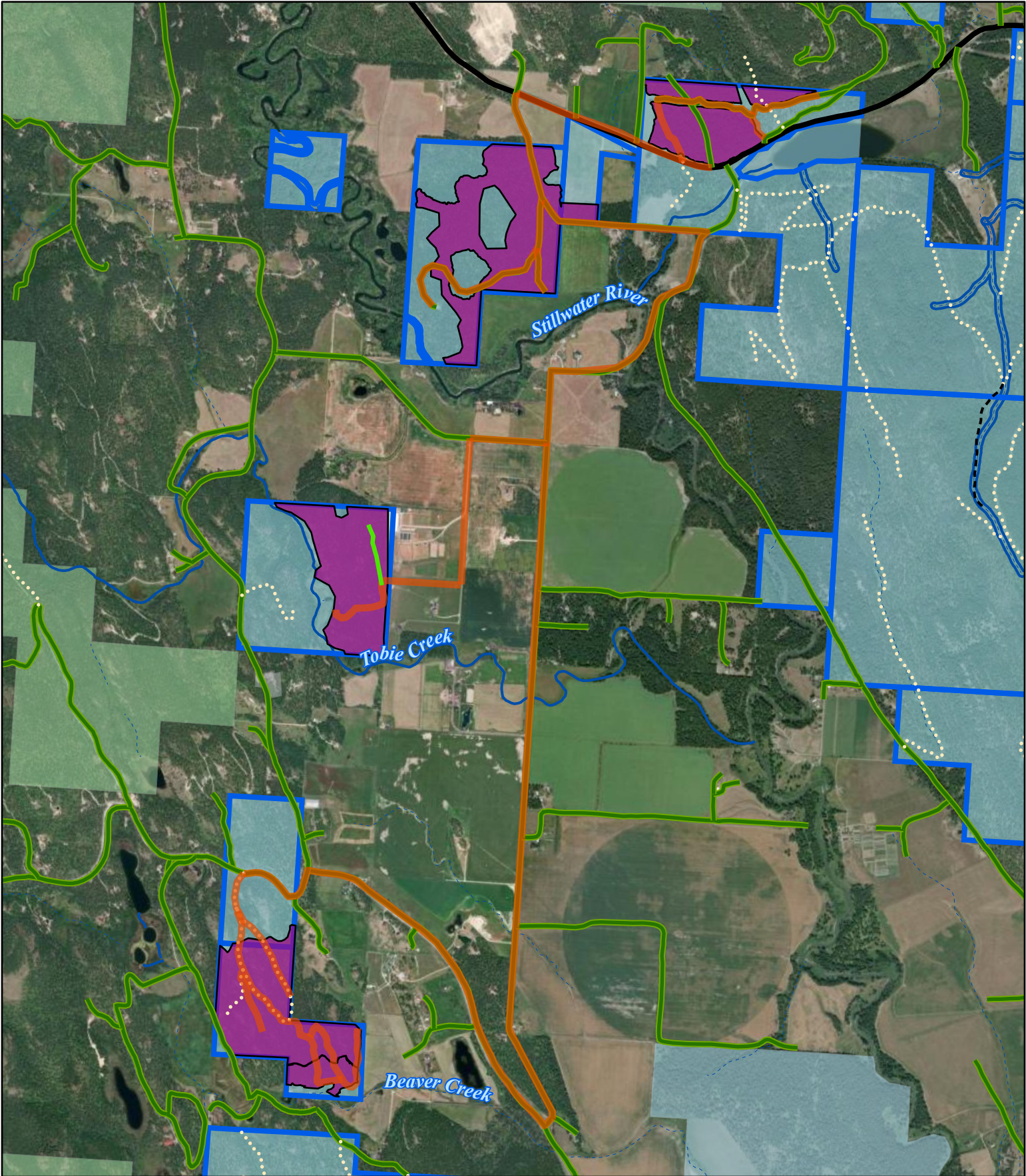


-  State Trust Land
-  Towns
-  County Lines
-  Water Bodies
-  Rivers
-  Major Roads



0 5 10 20 Miles

Round Prairie Timber Sale Haul Route and Harvest Units



- Haul Route

New Road

FMB_Roads

Highway

Open/Public Roads

Restricted Class A

Abandoned or Reclaimed

Harvest Units

Harvest Units

DNRCTrust Lands

Perennial Stream

Intermittent Stream

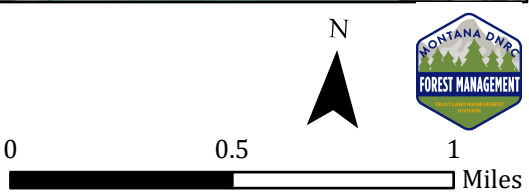
US Forest Service

State of Montana Misc.

Montana State Trust Lands

Local Government

Local Government
- Page 19 of 42



1024-3

EASEMENTS

**Land Board Agenda Item
October 21, 2024**

1024-3 Easements

Location: Fallon, Richland and Wibaux counties

Trust Benefits: Common Schools

Trust Revenue: Common Schools \$208,365

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Reservation Telephone Cooperative	Buried Fiber Optic Cable	Permanent	23-36
Southeast Electric Cooperative	Overhead Electric Transmission Line	Permanent	37-40

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19709
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	4.01
Compensation:	\$2,406.00
Legal Description:	33-foot strip through W2E2, Sec. 36, Twp. 12N, Rge. 59E, Wibaux County
Trust Beneficiary:	Common Schools

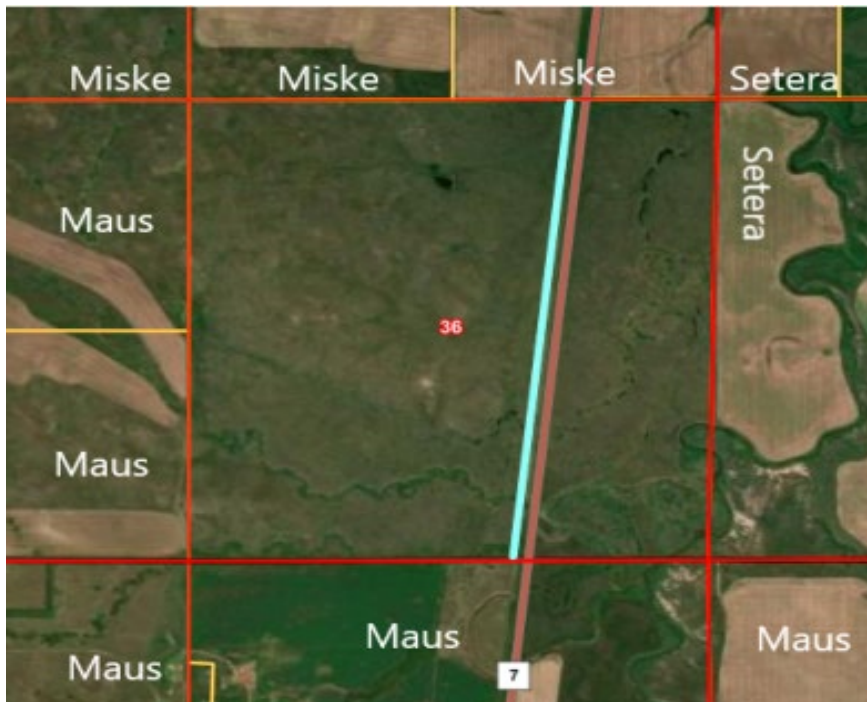
Item Summary

Reservation Telephone Cooperative is requesting an easement to install a buried fiber optic telecommunications cable. The line will provide reliable telephone and broadband services to homes and businesses in Richland and Wibaux counties. The proposed route was chosen in order to follow the existing roadway. Other routes were considered and eliminated for topographical, environmental, and economic reasons.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative.

Application #19709



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19710
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	2.17
Compensation:	\$1,302.00
Legal Description:	33-foot strip through S2SW4, SE4SW4, Sec. 36, Twp. 12N, Rge. 60E, Wibaux County
Trust Beneficiary:	Common Schools

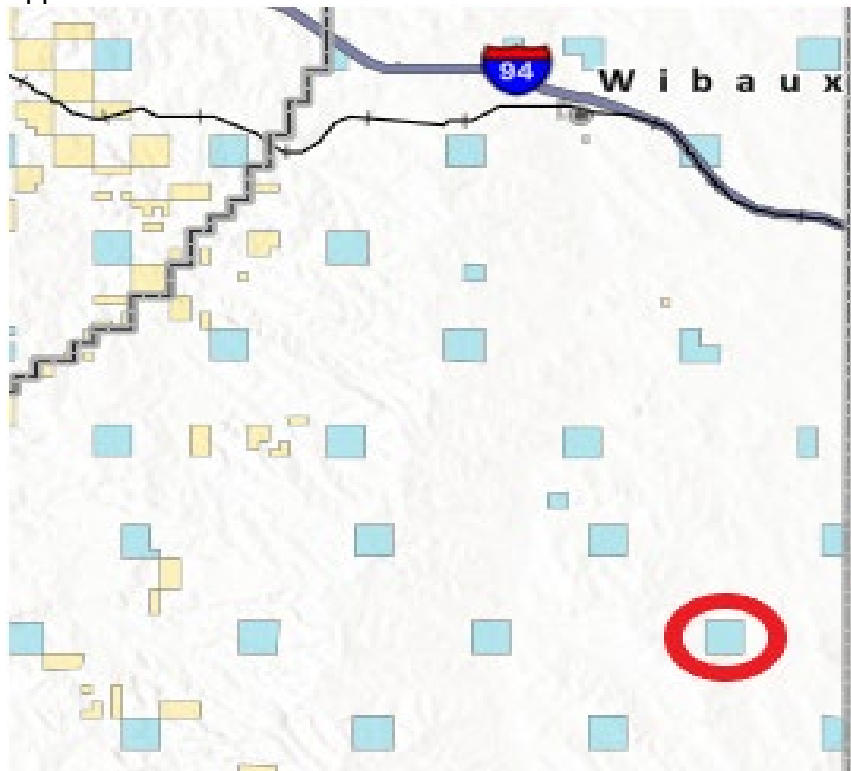
Item Summary

Continuation of Reservation Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative.

Application #19710



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19711
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	7.27
Compensation:	\$4,362.00
Legal Description:	33-foot strip through SW4NW4, N2NW4 & W2NE4, E2SE4, Sec. 36, Twp. 13N, Rge. 59E, Wibaux County
Trust Beneficiary:	Common Schools

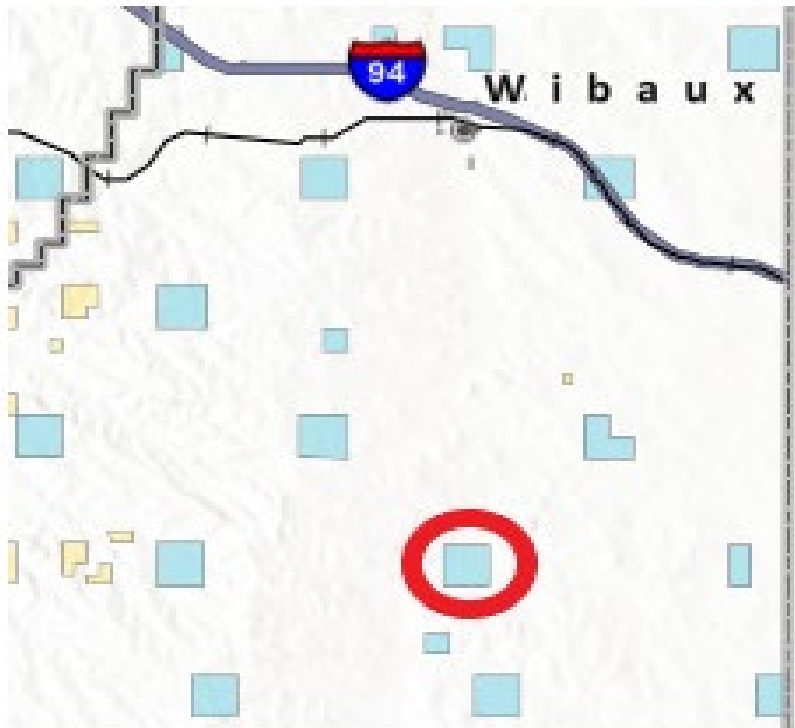
Item Summary

Continuation of Reservation Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative.

Application #19711



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19712
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	3.81
Compensation:	\$2,286.00
Legal Description:	33-foot strip through NW4NW4, NE4NW4, S2NW4, NW4SW4, Sec. 36, Twp. 14N, Rge. 58E, Wibaux County
Trust Beneficiary:	Common Schools

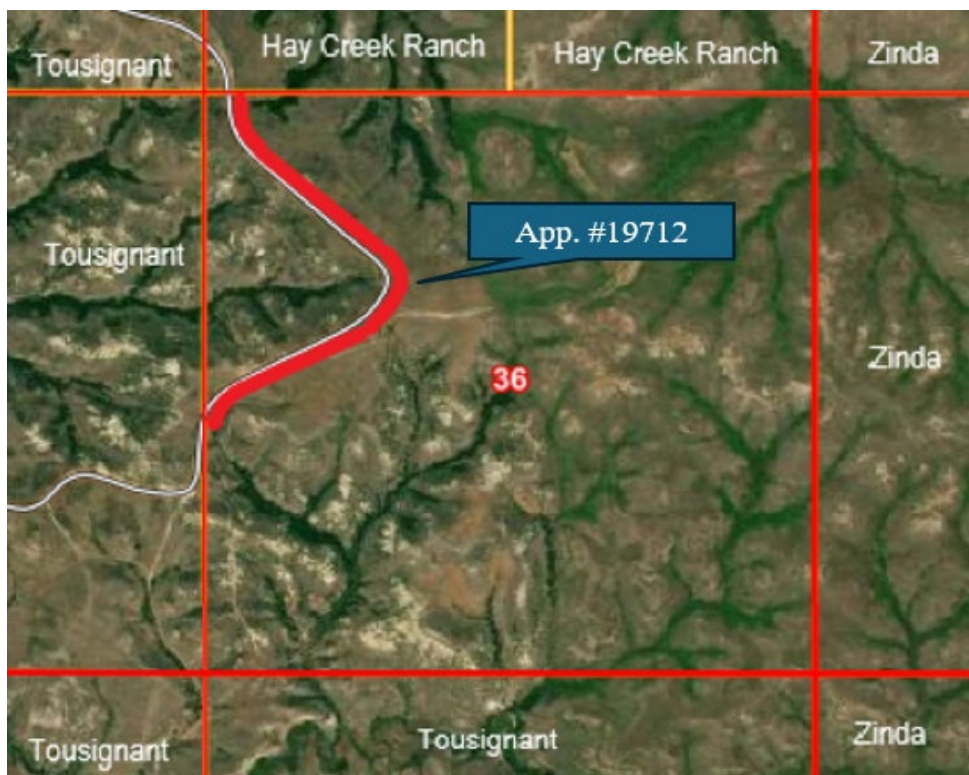
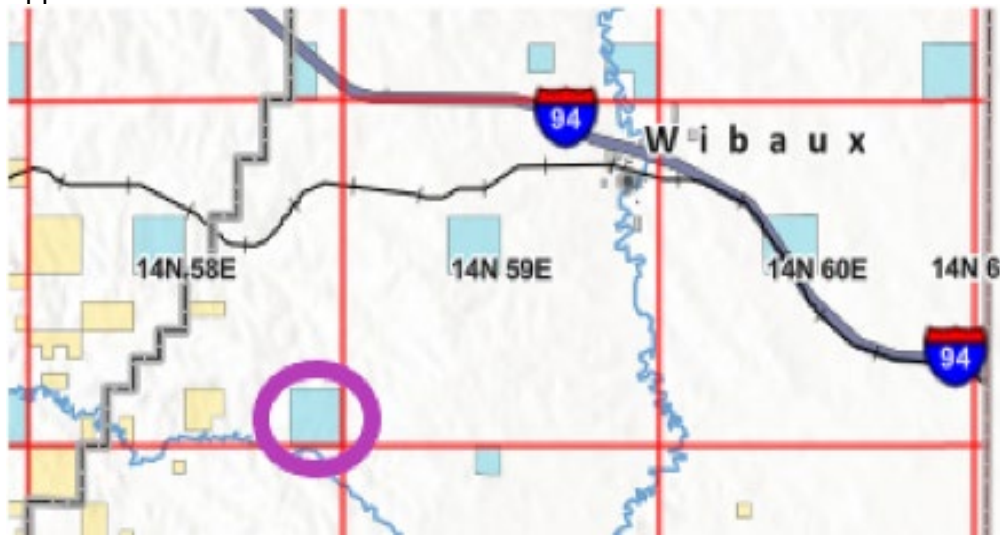
Item Summary

Continuation of Reservation Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative applications.

Application #19712



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19713
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	0.91
Compensation:	\$546.00
Legal Description:	33-foot strip through NW4NW4, Sec. 36, Twp. 16N, Rge. 59E, Wibaux County
Trust Beneficiary:	Common Schools

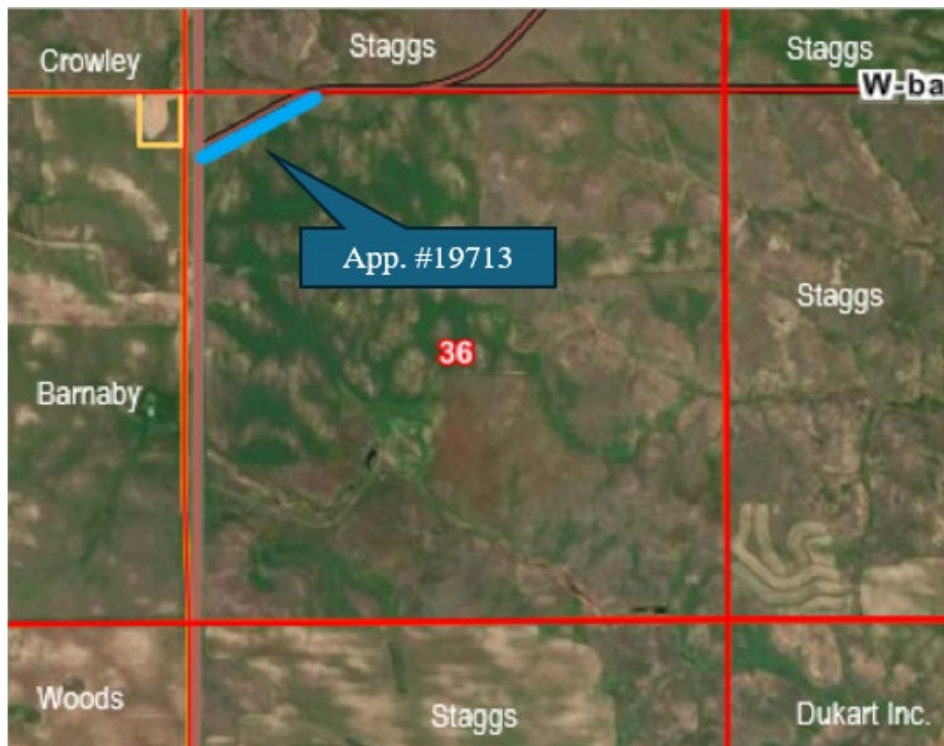
Item Summary

Continuation of Reservation Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative.

Application #19713



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19714
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	8.89
Compensation:	\$3,112.00
Legal Description:	33-foot strip through W2NW4, SE4NW4, NE4SW4, N2SE4, SE4SE4, Sec. 36, Twp. 25N, Rge. 58E, Richland County
Trust Beneficiary:	Common Schools

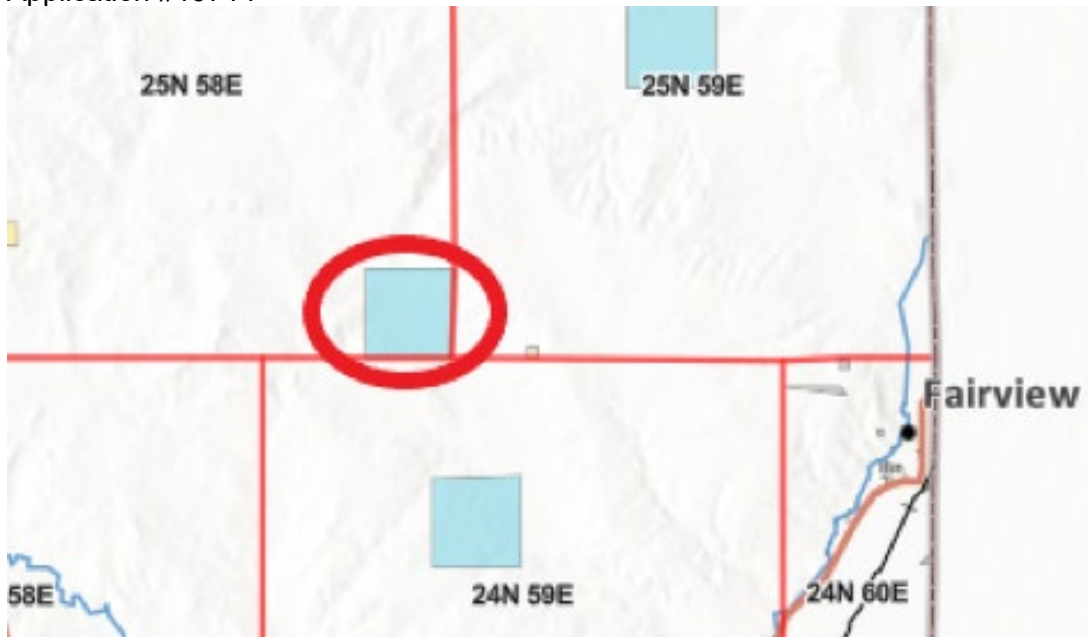
Item Summary

Continuation of Reservation Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative.

Application #19714



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Reservation Telephone Cooperative PO Box 68 Parshall, ND 58770
Application No.:	19715
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	5.46
Compensation:	\$1,911.00
Legal Description:	33-foot strip through W2NW4, SE4NW4, NE4SW4, W2SE4, SE4SE4, Sec. 16, Twp. 26N, Rge. 59E, Richland County
Trust Beneficiary:	Common Schools

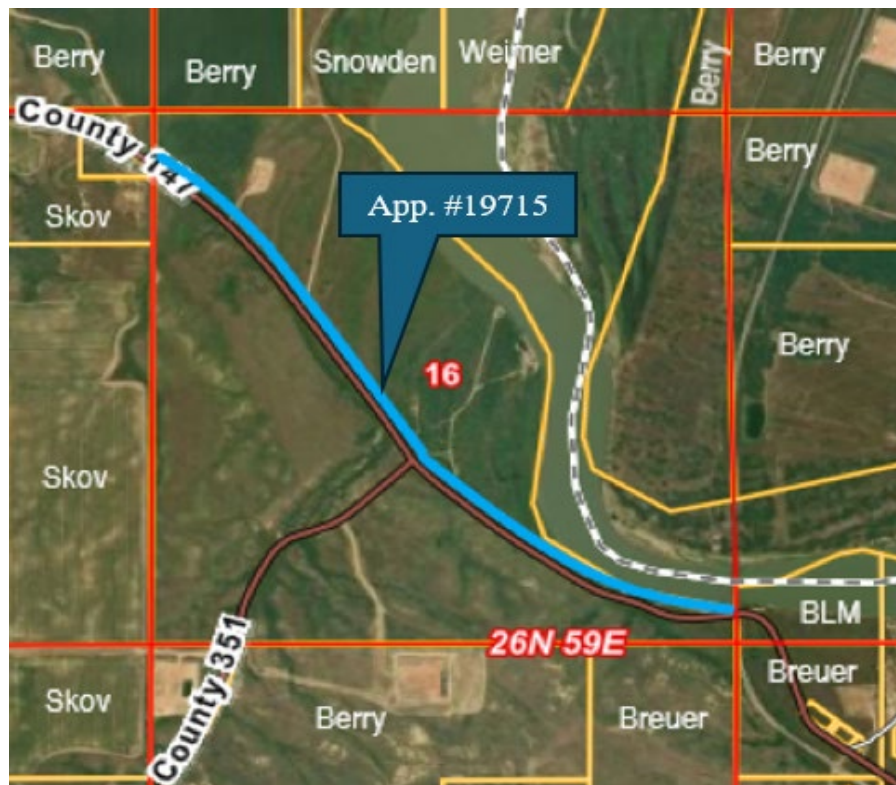
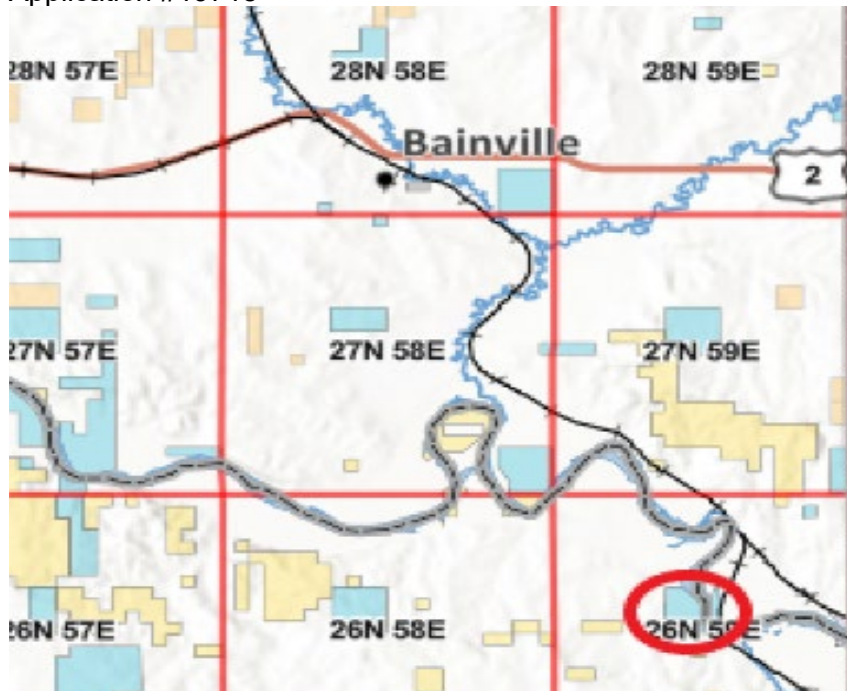
Item Summary

Continuation of Reservation Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Reservation Telephone Cooperative.

Application #19715



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Southeast Electric Cooperative PO Box 369 Ekalaka, MT 59324
Application No.:	19716
R/W Purpose:	an overhead 115 kV electric transmission line
Lessee Agreement:	ok
Acreage:	3.65
Compensation:	\$64,240.00
Legal Description:	60-foot strip through W2SW4, Sec. 35, Twp. 4N, Rge. 60E, Fallon County
Trust Beneficiary:	Common Schools

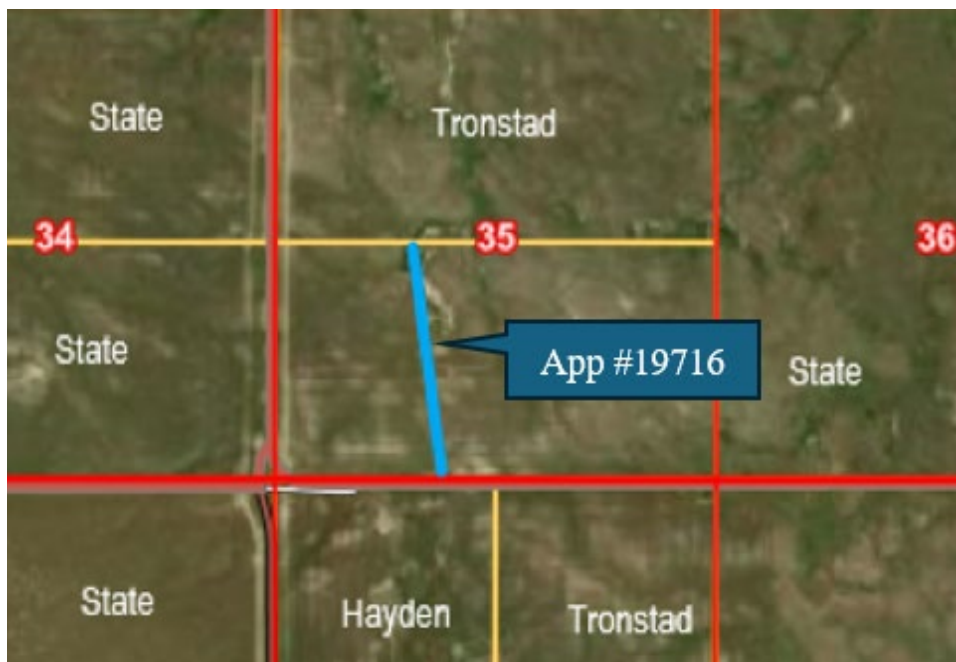
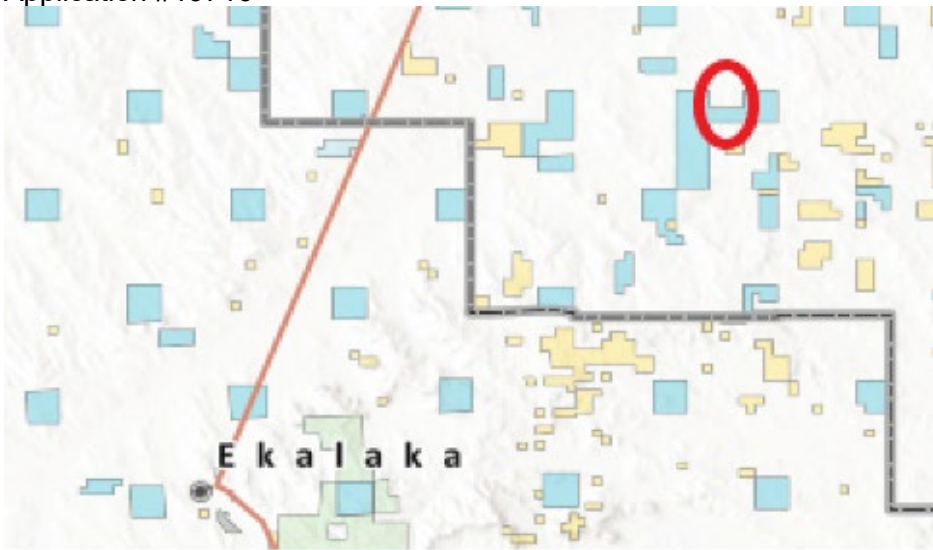
Item Summary

Southeast Electric Cooperative is requesting an easement to install an overhead three phase single arm 115kV electrical transmission line. A member of Southeast Electric is expanding by building another pump site for the natural gas liquid pipelines. The current infrastructure of Southeast Electric cannot handle the increased load, so a new 115kV transmission line and substation are being built. This new line will provide a critical loop feed for the Fallon County community while maintenance on existing transmission lines is occurring, as well as provide continued service to rural customers in the event of an outage.

DNRC Recommendation

The DNRC recommends approval of the application of Southeast Electric Cooperative.

Application #19716



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Southeast Electric Cooperative PO Box 369 Ekalaka, MT 59324
Application No.:	19717
R/W Purpose:	an overhead 115 kV electric transmission line
Lessee Agreement:	ok
Acreage:	7.28
Compensation:	\$128,200.00
Legal Description:	60-foot strip through N2S2, Sec. 36, Twp. 7N, Rge. 60E, Fallon County
Trust Beneficiary:	Common Schools

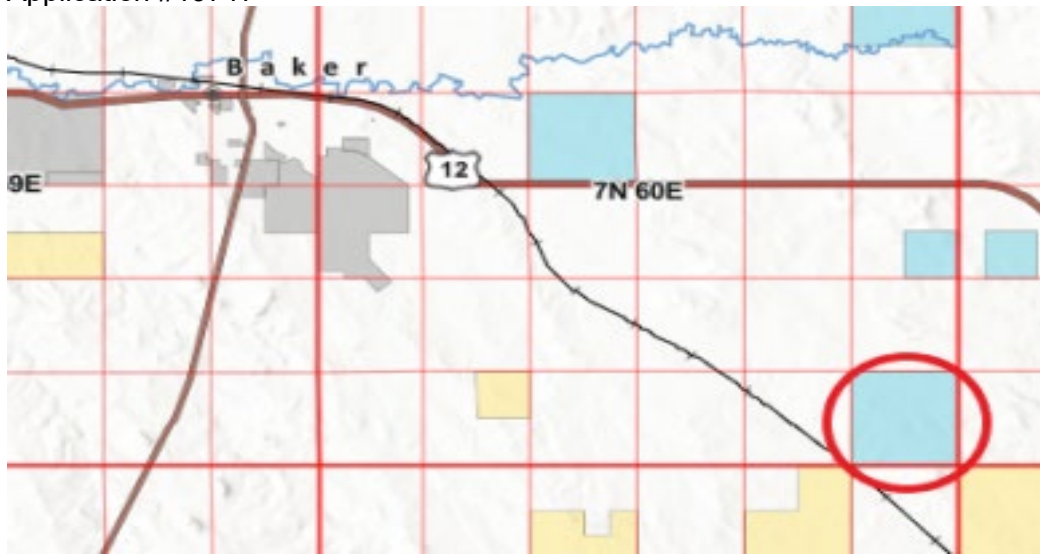
Item Summary

Continuation of Southeast Electric Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Southeast Electric Cooperative.

Application #19717



1024-4

INFORMATIONAL ITEM:

DNRC Quarterly Litigation Update

**Land Board Agenda Item
October 21, 2024**

1024-4 Informational Item – DNRC Quarterly Litigation Update

Location: State of Montana

Trust Benefits: N/A

Trust Revenue: N/A

Item Summary

Status update on legal cases on state trust lands.