

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

**ACTION ITEMS**

**1020-1 Timber Sales: APPROVED 5-0**

**A. Huckleberry Pass**

*Benefits: Common Schools*

*Location: Powell County*

**B. Jim Junction**

*Benefits: Common Schools, Public Buildings*

*Location: Lincoln County*

**1020-2 Cabin and Home Sites: Set Minimum Bid for Sale APPROVED 5-0**

**A. Sanders County**

*Benefits: Common Schools*

*Location: Sanders County*

**B. Powell County**

*Benefits: Common Schools*

*Location: Powell County*

**C. Missoula County**

*Benefits: MSU 2<sup>nd</sup>*

*Location: Missoula County*

**D. Flathead County**

*Benefits: Montana Tech*

*Location: Flathead County*

**1020-3 Cabin and Home Sites: Final Approval for Sale APPROVED 5-0**

*Benefits: Common Schools*

*Location: Lincoln County*

**1020-4 Land Exchange: Final Approval for MDC Boulder Land Exchange APPROVED 5-0**

*Benefits: School for the Deaf and Blind*

*Location: Jefferson County*

**1020-5 Easements: APPROVED 5-0**

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

*Location: Fallon, Fergus, Gallatin, Ravalli, and Richland Counties*

**PUBLIC COMMENT**



# 1020-1

## TIMBER SALES:

A. Huckleberry Pass

B. Jim Junction



**Land Board Agenda Item  
October 19, 2020**

**1020-1A Timber Sale: Huckleberry Pass**

**Location: Powell County  
Section 16 T15N R10W**

**Trust Beneficiaries: Common Schools**

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

**Item Summary**

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

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

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

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

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

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

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

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

**DNRC Recommendation**

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

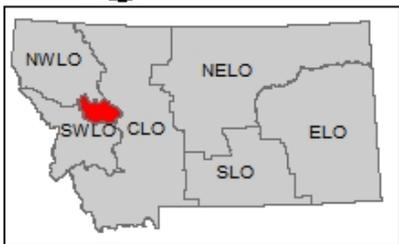
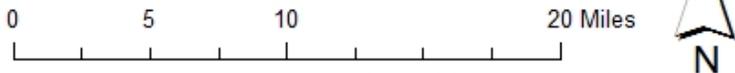
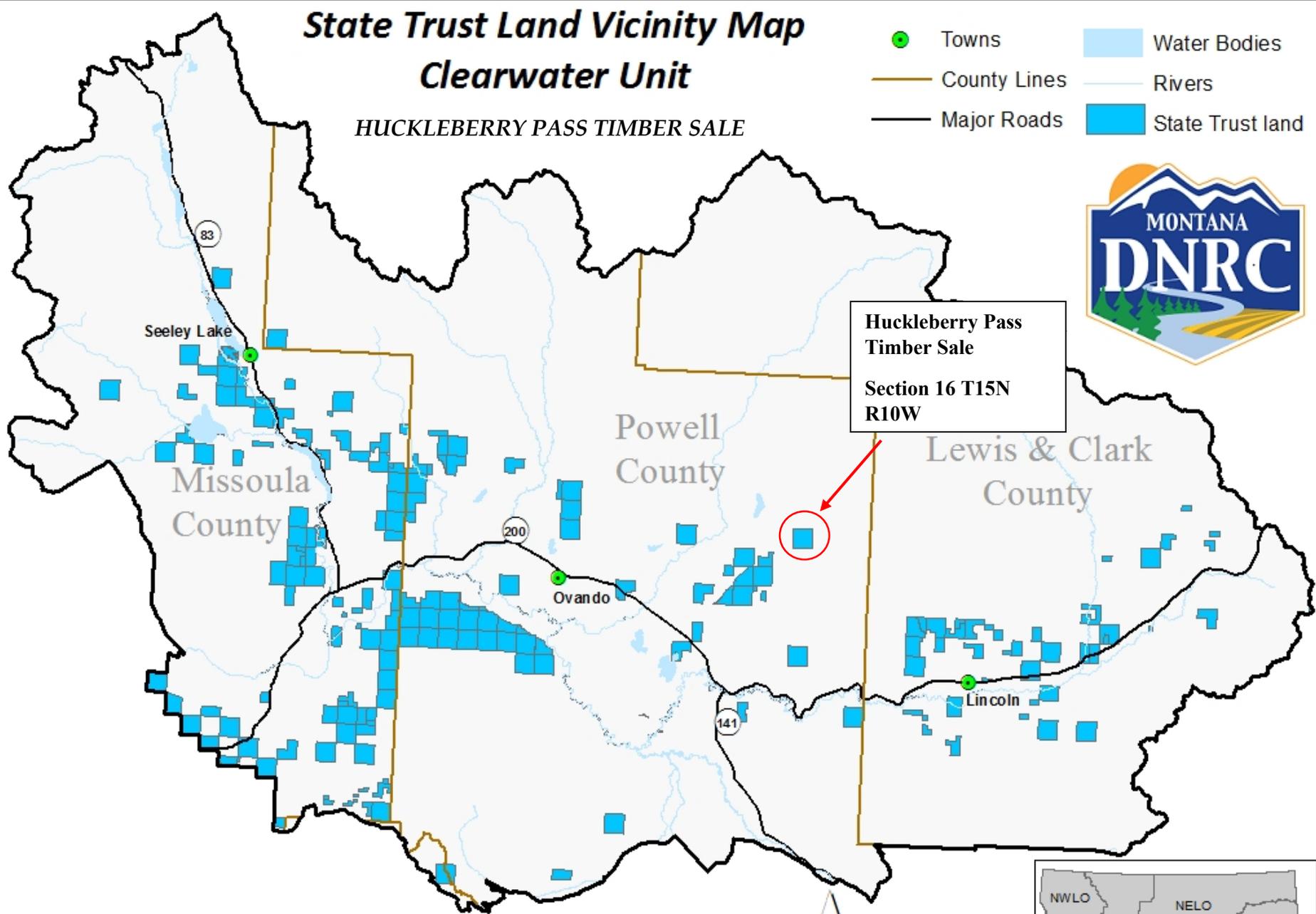
# State Trust Land Vicinity Map Clearwater Unit

HUCKLEBERRY PASS TIMBER SALE

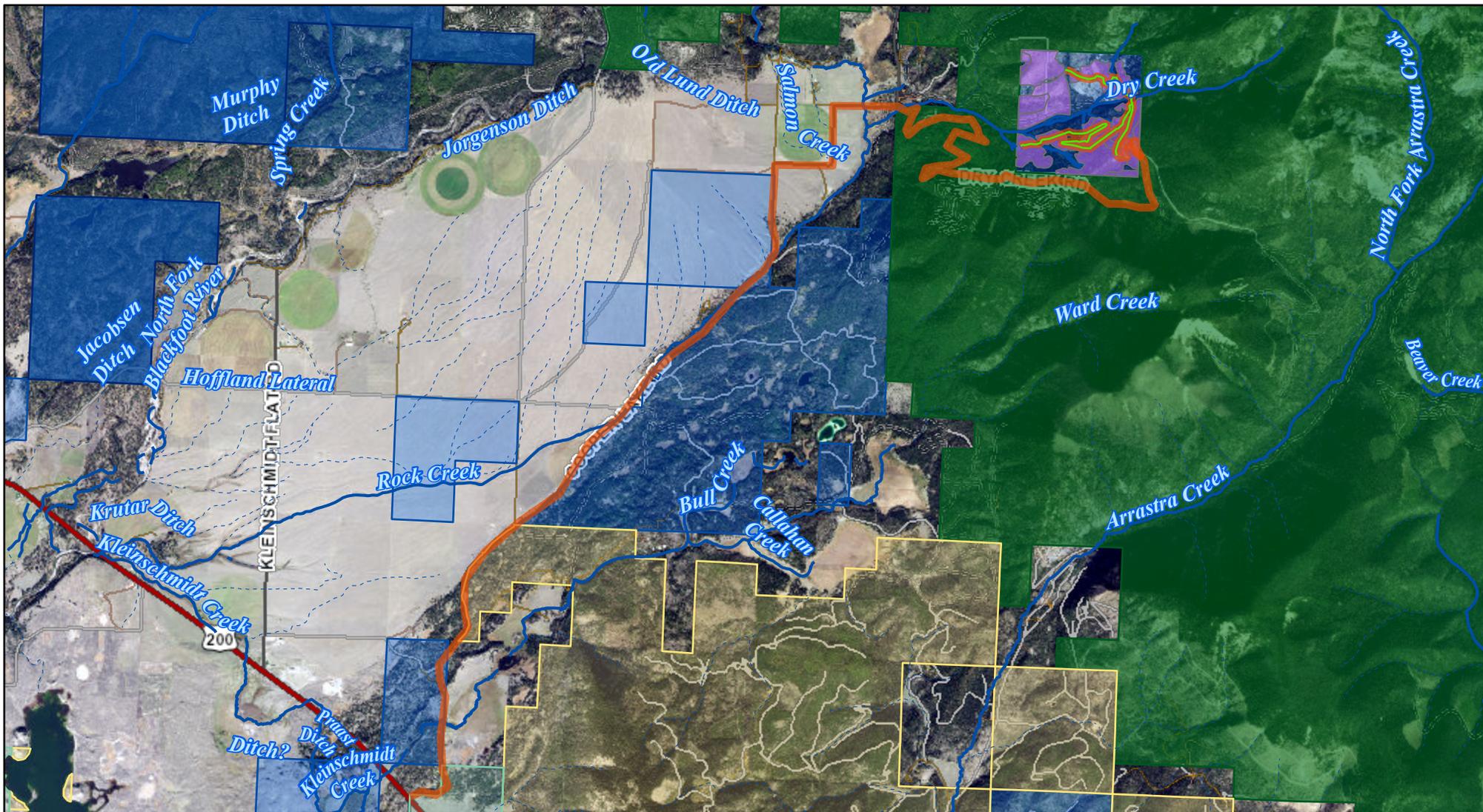
- Towns
- County Lines
- Major Roads
- Water Bodies
- Rivers
- State Trust land



Huckleberry Pass  
Timber Sale  
Section 16 T15N  
R10W



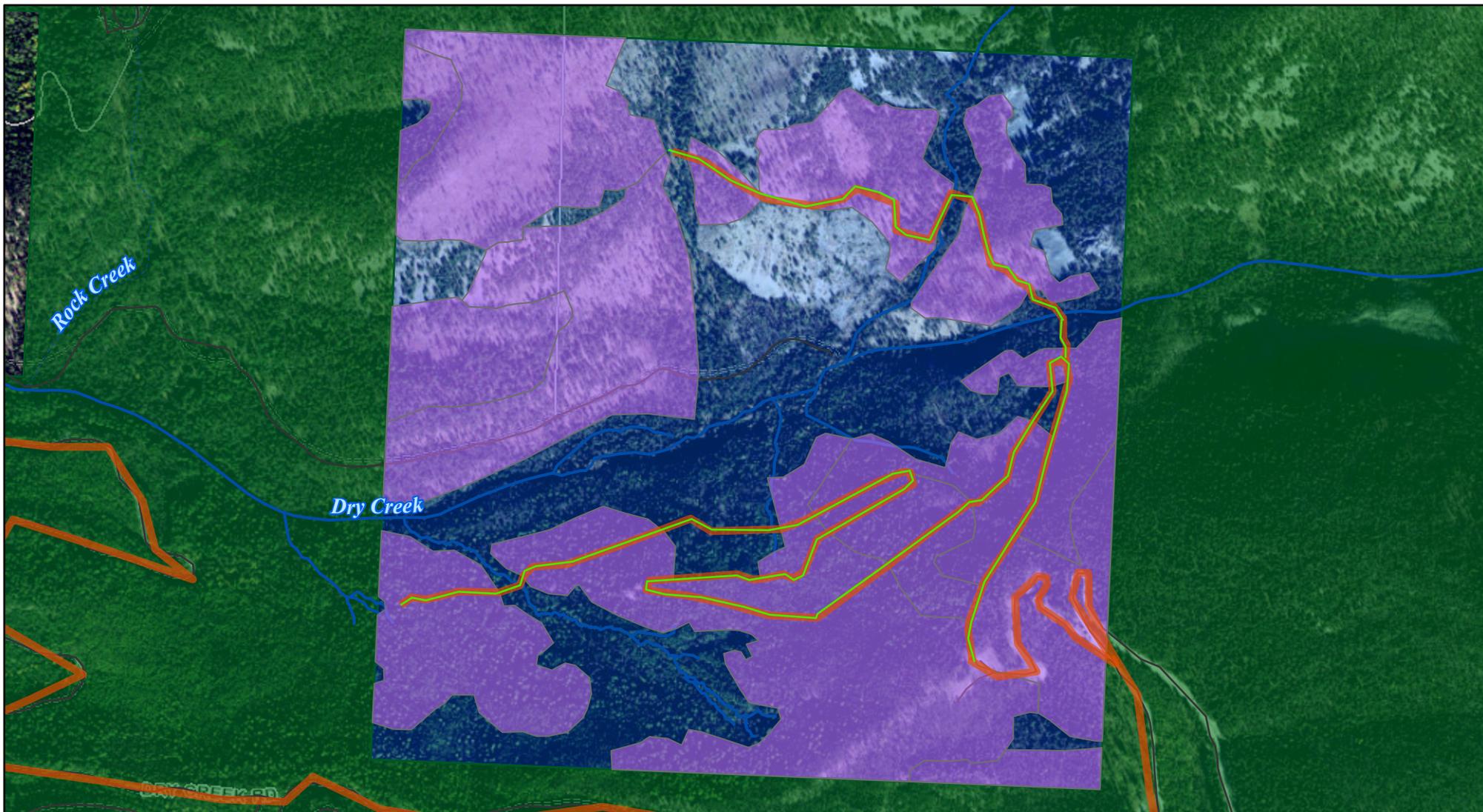
# Huckleberry Pass Haul Route



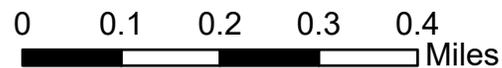
- Haul Route
- New Road
- Huckleberry Pass Harvest Units
- Perennial Stream
- Intermittent Stream
- Montana State Trust Lands
- Montana Fish, Wildlife, and Parks
- US Forest Service
- US Bureau of Land Management
- US Fish and Wildlife Service



# Huckleberry Pass Harvest Units



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



**Land Board Agenda Item  
October 19, 2020**

**1020-1B Timber Sale: Jim Junction**

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

**Trust Beneficiaries: Common Schools, Public Buildings**

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

**Item Summary**

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

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

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

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

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

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

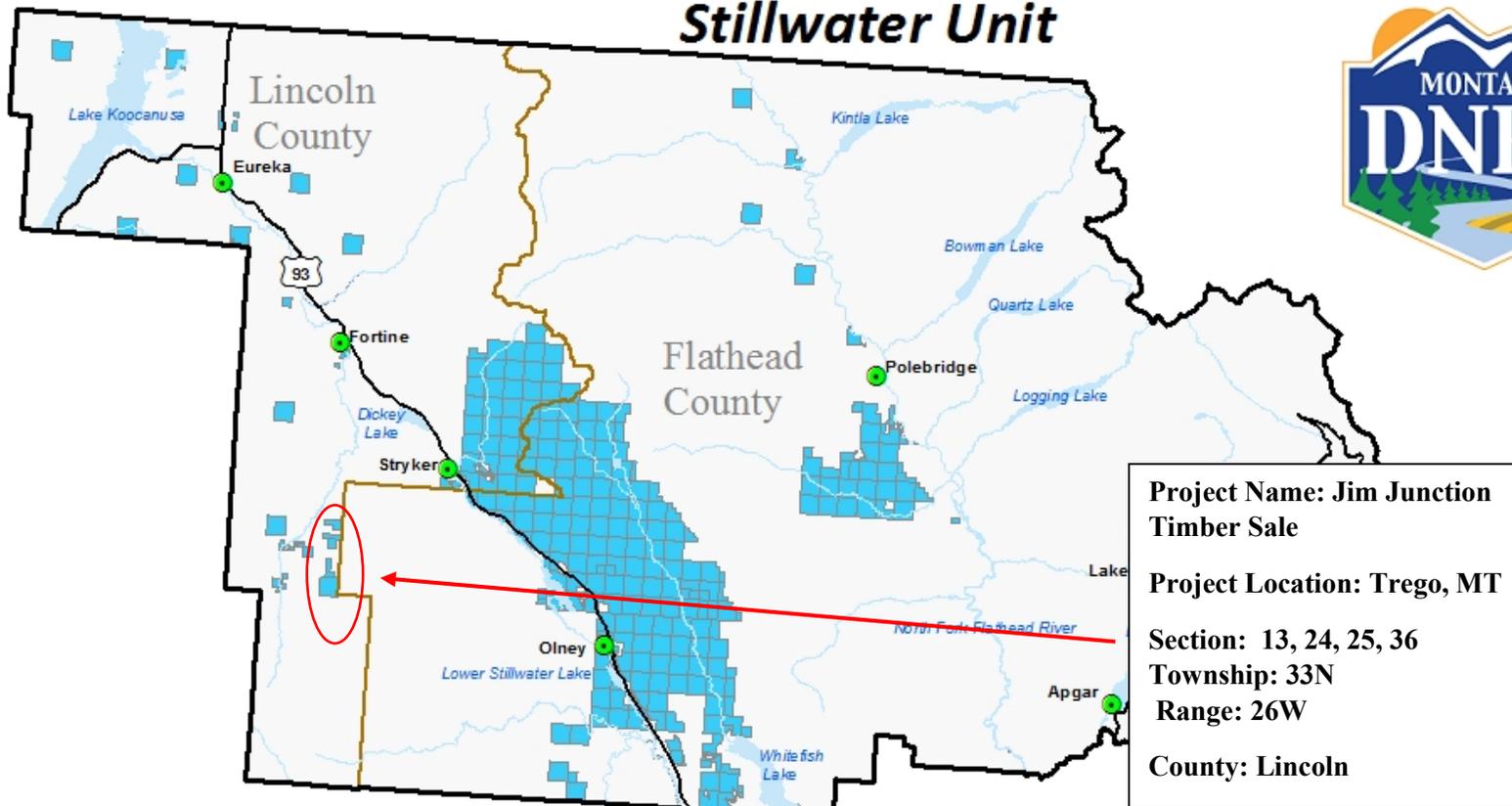
**Access:** Access is obtained through State/Forest Service Cost Share and County roads.

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

**DNRC Recommendation**

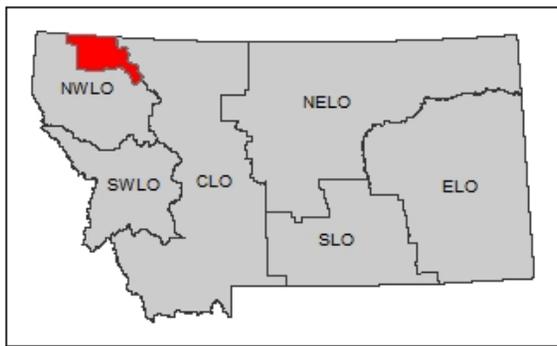
The director recommends the Land Board direct DNRC to sell the Jim Junction Timber Sale.

# State Trust Land Vicinity Map Stillwater Unit



**Project Name: Jim Junction  
Timber Sale**  
**Project Location: Trego, MT**  
**Section: 13, 24, 25, 36**  
**Township: 33N**  
**Range: 26W**  
**County: Lincoln**

## JIM JUNCTION VICINITY MAP



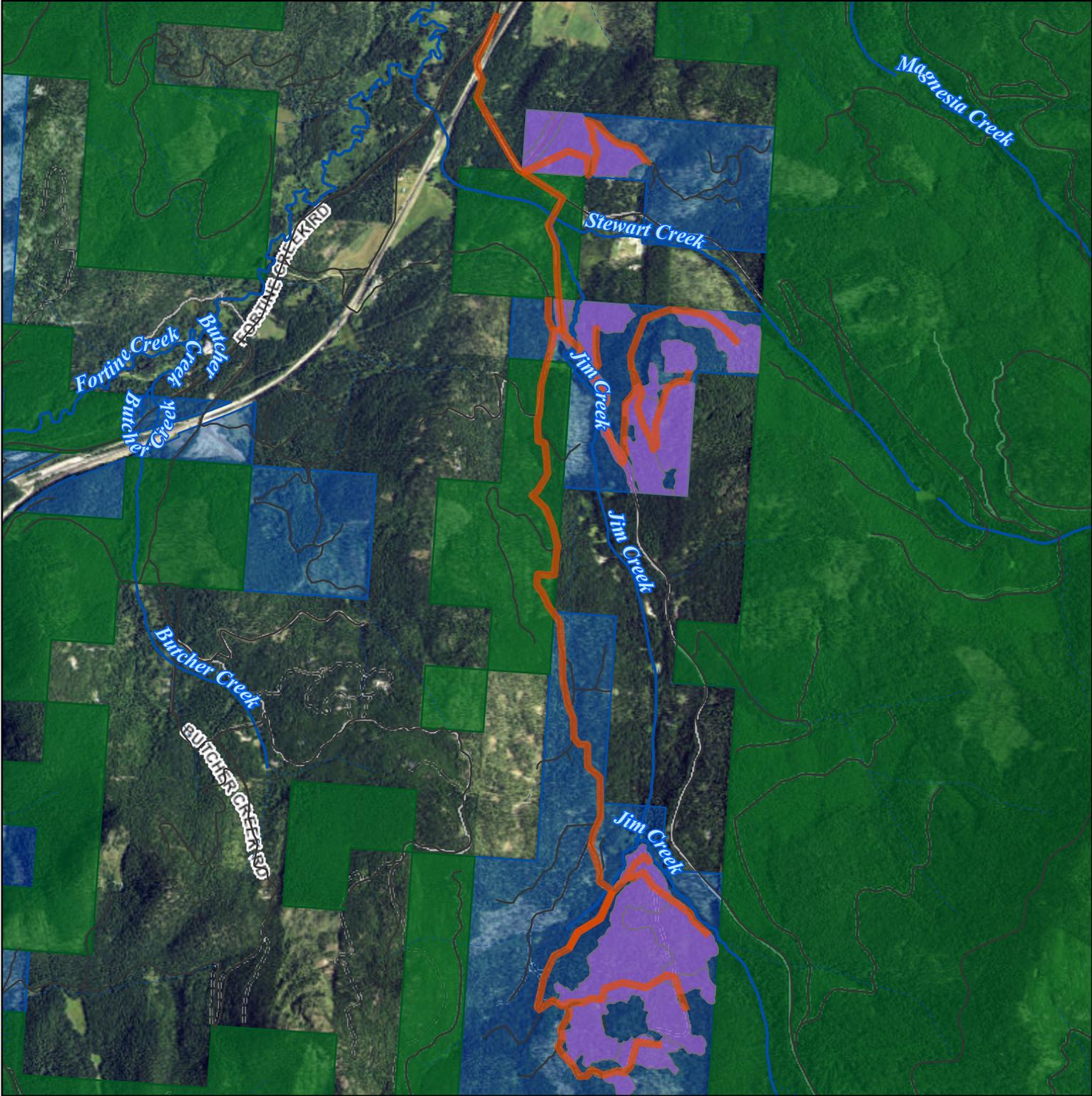
- Towns
- Major Roads
- Rivers
- County Lines
- Water Bodies
- State Trust Land

0 5 10 20 Miles



Produced by Montana Department of Natural Resources and Conservation 11/1/2019  
Datum: NAD 1983 StatePlane

# Jim Junction Haul Route and Harvest Units



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





# 1020-2

## CABIN AND HOME SITES: SET MINIMUM BID FOR SALE

A. Sanders County

B. Powell County

C. Missoula County

D. Flathead County



**Land Board Agenda Item  
October 19, 2020**

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

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

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 6 cabin sites nominated for sale in Sanders County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

<b>Sale No.</b>	<b>Acres</b>	<b>Legal Description</b>	<b>Nominator</b>	<b>Trust</b>
<b>1015</b>	1.661±	Lot 9, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Nora Jean Malinak	Common Schools
<b>1016</b>	2.647±	Lot 2, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Challis & Risa Crismore	Common Schools
<b>1017</b>	1.245±	Lot 3, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Don Eubank	Common Schools
<b>1018</b>	1.562±	Lot 4, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Wayne Crismore & Seth Reedy	Common Schools
<b>1019</b>	1.723±	Lot 6, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	Clifford H. & Shari D. Crismore	Common Schools
<b>1020</b>	1.110±	Lot 10, Fishtrap Creek, COS 3638, Section 16, T23N-R27W	William, Garnet, Sean, & Carla Kinney	Common Schools

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

**Economic Analysis:**

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

<b>Sale No.</b>	<b>Rate of Return</b>	<b>Sale No.</b>	<b>Rate of Return</b>
<b>1015</b>	1.848%	<b>1018</b>	2.175%
<b>1016</b>	2.286%	<b>1019</b>	2.210%
<b>1017</b>	3.282%	<b>1020</b>	2.280%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the

average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

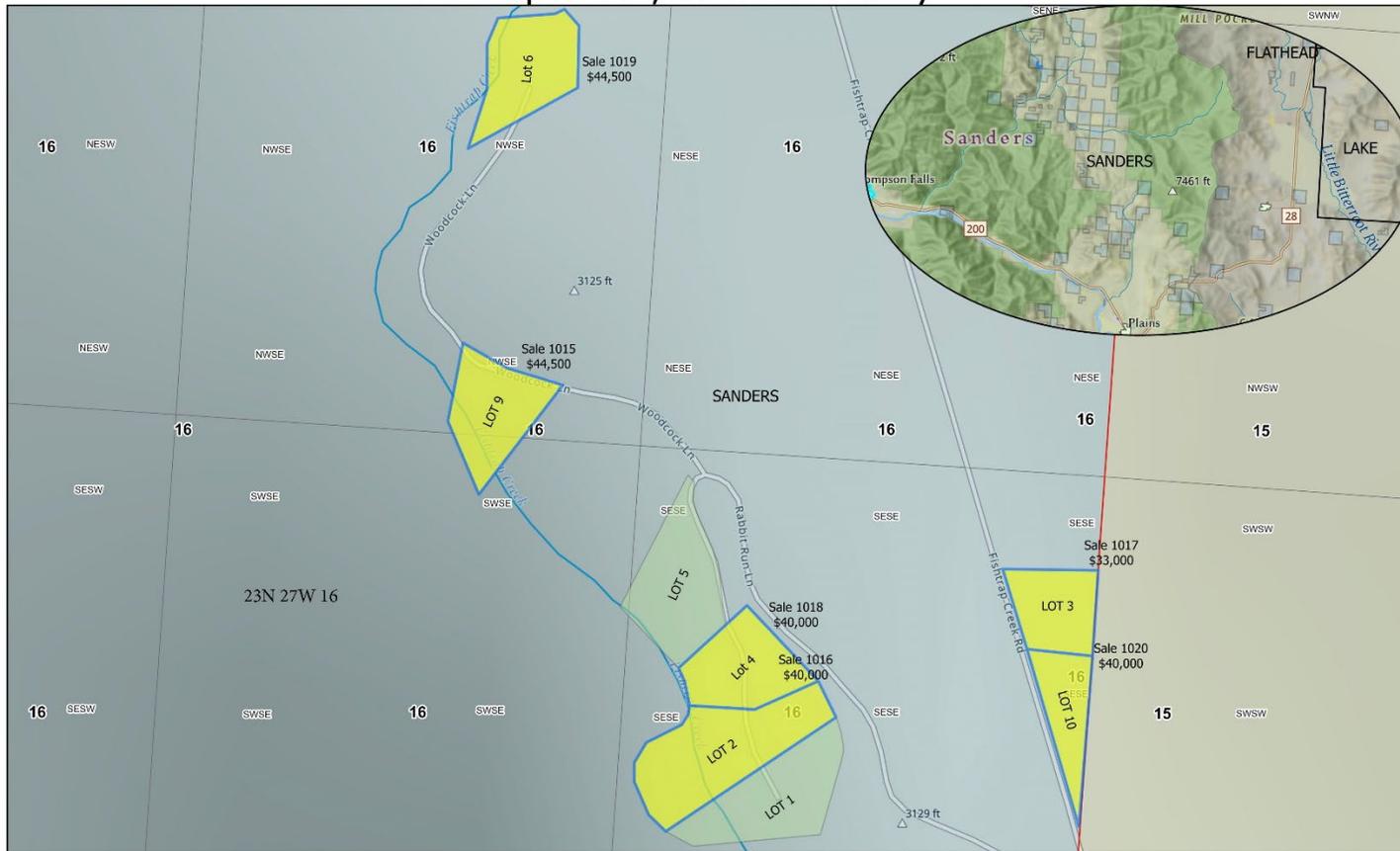
**Appraised Values of Land and Improvements:**

<b>Sale Nos.</b>	<b>Appraised Land Value</b>	<b>Appraised Improvements Value</b>
<b>1015</b>	\$44,500	\$151,000
<b>1016</b>	\$40,000	\$105,000
<b>1017</b>	\$33,000	\$105,000
<b>1018</b>	\$40,000	\$128,000
<b>1019</b>	\$44,500	\$130,000
<b>1020</b>	\$33,000	\$132,000

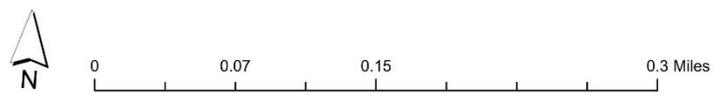
**DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

### Fishtrap Creek, Sanders County



- Active Sales
- LeaseStatus**
- Active
- Vacant
- County
- Trust Lands
- Montana Incorporated Cities/Towns



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



**Land Board Agenda Item  
October 19, 2020**

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

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

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 5 cabin sites nominated for sale in Powell County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

<b>Sale No.</b>	<b>Acres</b>	<b>Legal Description</b>	<b>Nominator</b>	<b>Trust</b>
<b>1087</b>	1.637±	Lot 3, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Diane M. McKay	Common Schools
<b>1088</b>	1.195±	Lot 5, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Timothy D. Hoag	Common Schools
<b>1089</b>	1.036±	Lot 6, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Macintosh Realty, LLC	Common Schools
<b>1090</b>	1.390±	Lot 7, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Robin Rau, et al.	Common Schools
<b>1091</b>	1.386±	Lot 8, Morrell Creek, COS 660RT, Section 36, T17N-R15W	Thomas & Sandra Knuchel	Common Schools

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

**Economic Analysis:**

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

<b>Sale No.</b>	<b>Rate of Return</b>
<b>1087</b>	7.294%
<b>1088</b>	6.295%
<b>1089</b>	6.280%
<b>1090</b>	5.783%
<b>1091</b>	7.011%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the

average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

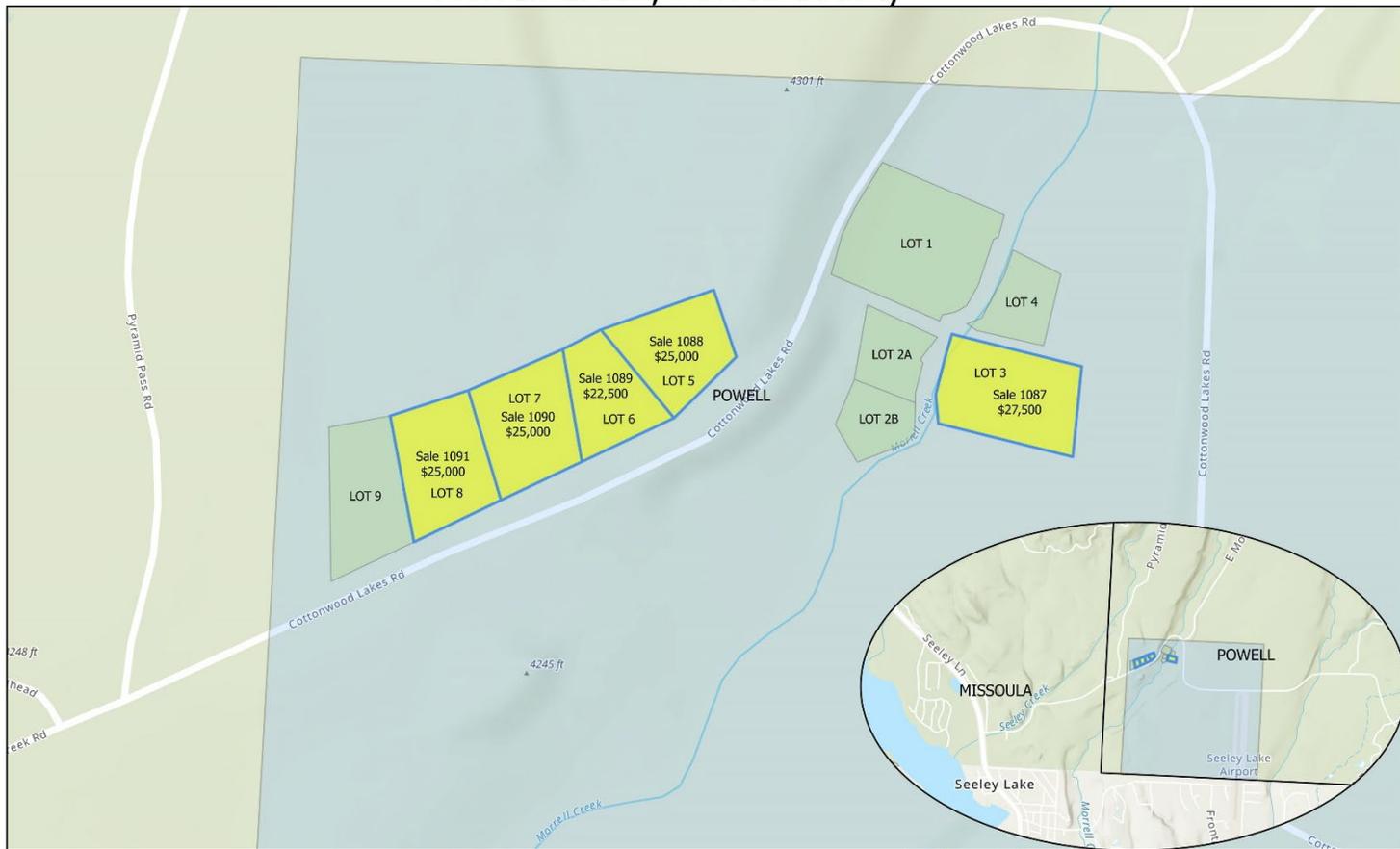
**Appraised Values of Land and Improvements:**

<b>Sale Nos.</b>	<b>Appraised Land Value</b>	<b>Appraised Improvements Value</b>
<b>1087</b>	\$27,500	\$144,000
<b>1088</b>	\$25,000	\$152,000
<b>1089</b>	\$22,500	\$162,000
<b>1090</b>	\$25,000	\$167,000
<b>1091</b>	\$25,000	\$49,000

**DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

### Morrell Creek, Powell County



- Active Sales
- LeaseStatus
  - Active
  - Vacant
- County
- Trust Lands



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



**Land Board Agenda Item  
October 19, 2020**

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

**Location:** Missoula County  
**Trust Benefits:** MSU 2<sup>nd</sup>  
**Trust Revenue:** \$368,000

**Item Summary**

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

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

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

**Economic Analysis:**

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return	Sale No.	Rate of Return
936	0.000%	1095	6.581%
1092	3.993%	1096	5.646%
1093	6.531%	1097	5.646%
1094	3.344%	1105	6.287%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

#### **Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

#### **Appraised Values of Land and Improvements:**

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

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

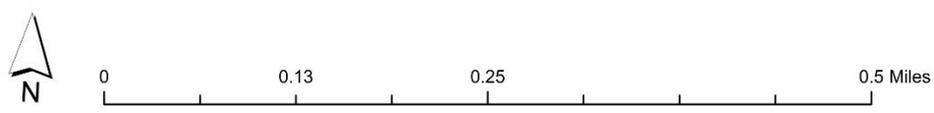
#### **DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

### Morrell Flats, Missoula County

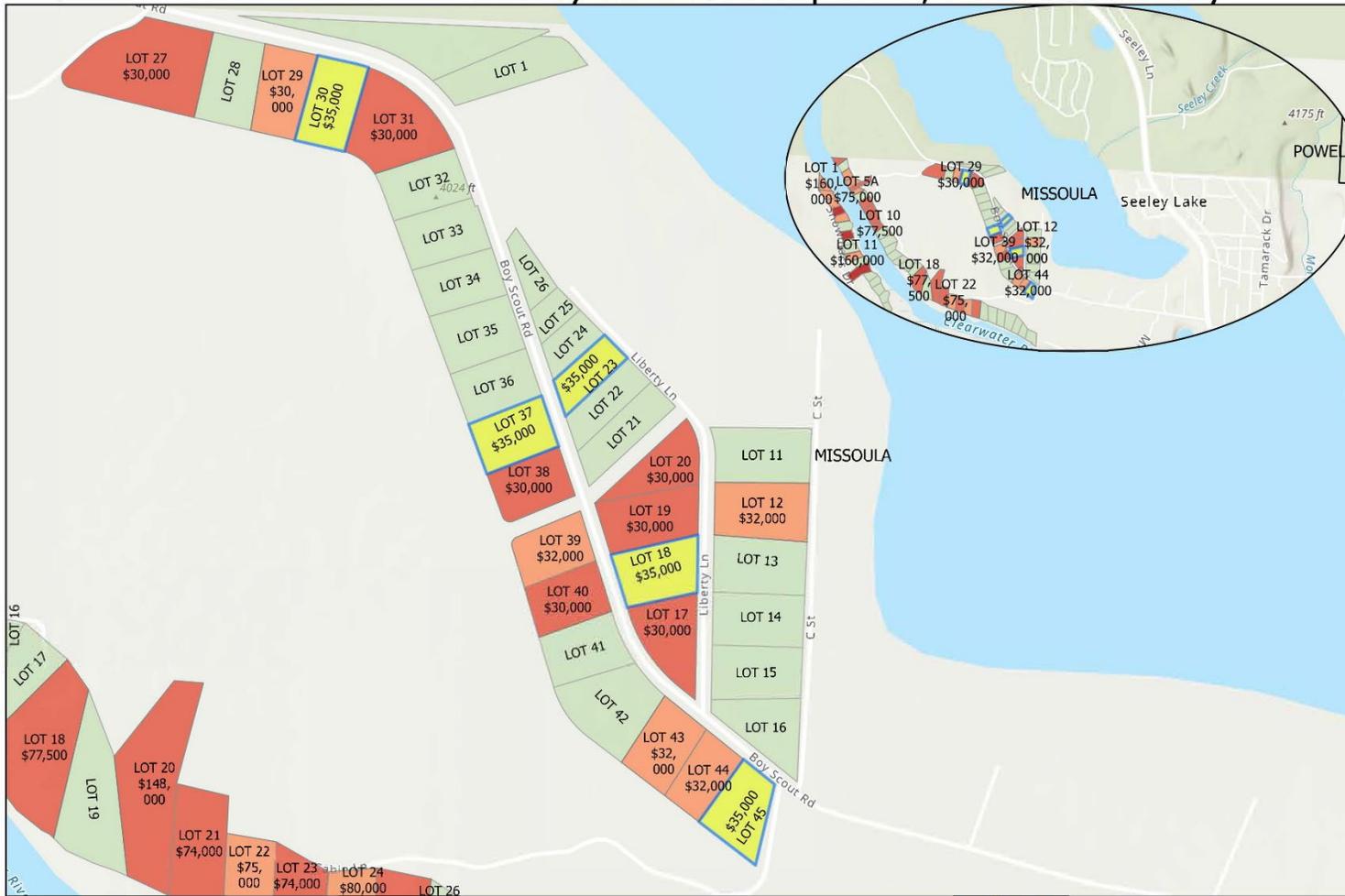


- Active Sales
- LeaseStatus**
- Active
- Vacant
- Sale Year**
- ≤2015
- 2016
- 2017
- 2018
- 2019
- 2020
- County
- Trust Lands



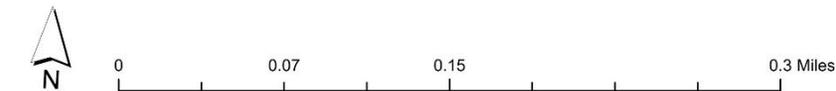
Trust Lands Cabin Site Sales  
 Map Created by REMB staff  
 October 2020

# Seeley Lake Development, Missoula County



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

### Seeley Lake North, Missoula County



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



**Land Board Agenda Item  
October 19, 2020**

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

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

**Item Summary**

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

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

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

**Economic Analysis:**

Short term – The average rates of return on these sale parcels are as follows. The parcels will continue to receive these returns if they remain in state ownership.

Sale No.	Rate of Return	Sale No.	Rate of Return
981	0.000%	1110	0.000%
982	0.000%	1112	0.000%
801	0.000%	949	0.000%
1108	0.000%	950	0.000%
1109	0.000%	1114	0.000%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

#### **Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for each of the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

#### **Appraised Values of Land and Improvements:**

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

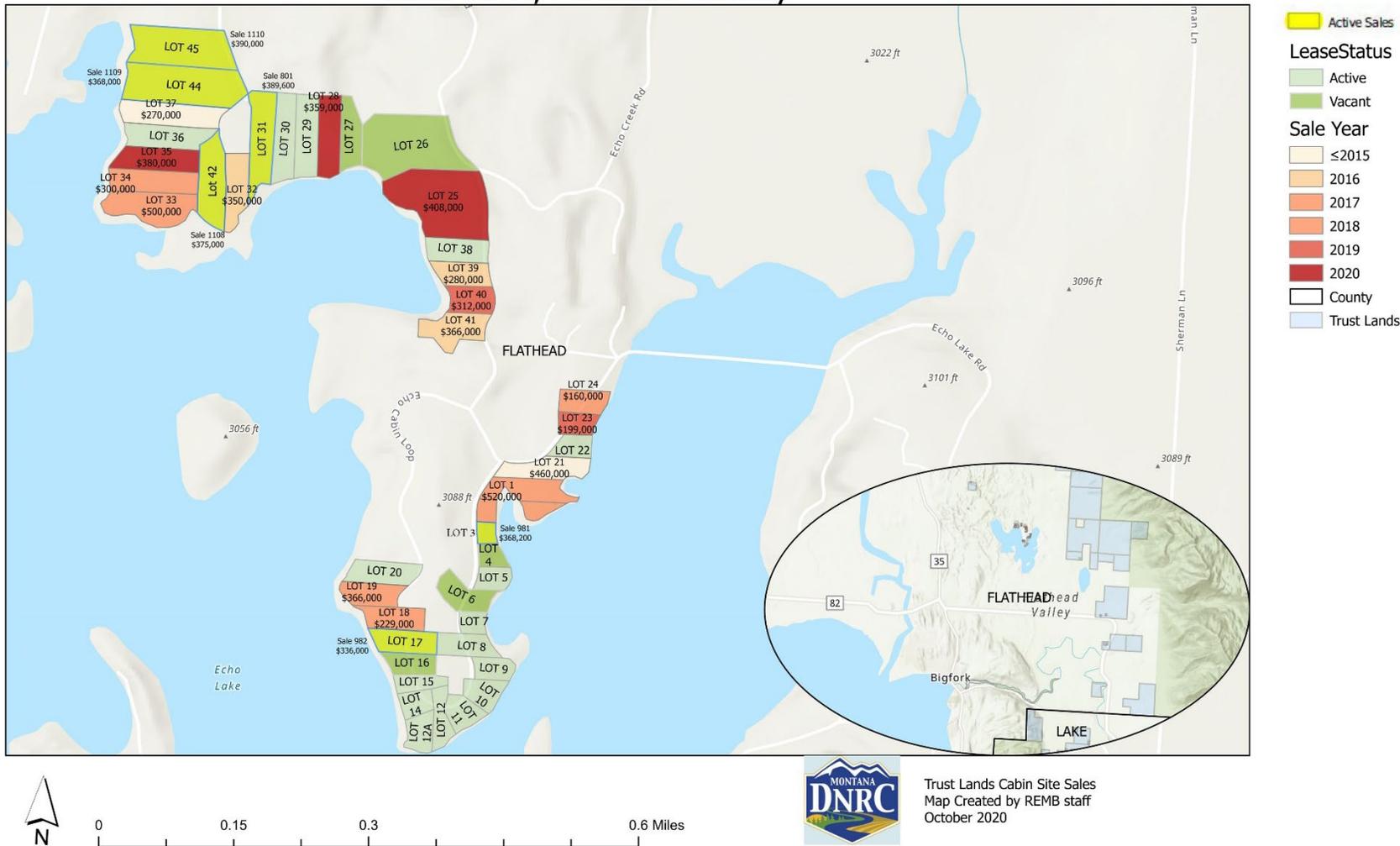
\*Sale Nos. 981, 801, 950, and 1114 currently have improvements valued at \$7,200, \$6,600, \$7,200 and \$7,000, respectively. DNRC owns these improvements, as per 77-2-314, MCA. As such, the appraised improvements values have been included in the appraised land values.

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

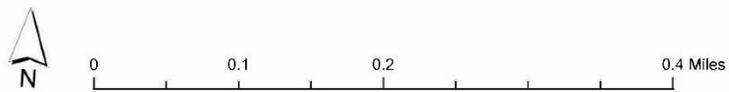
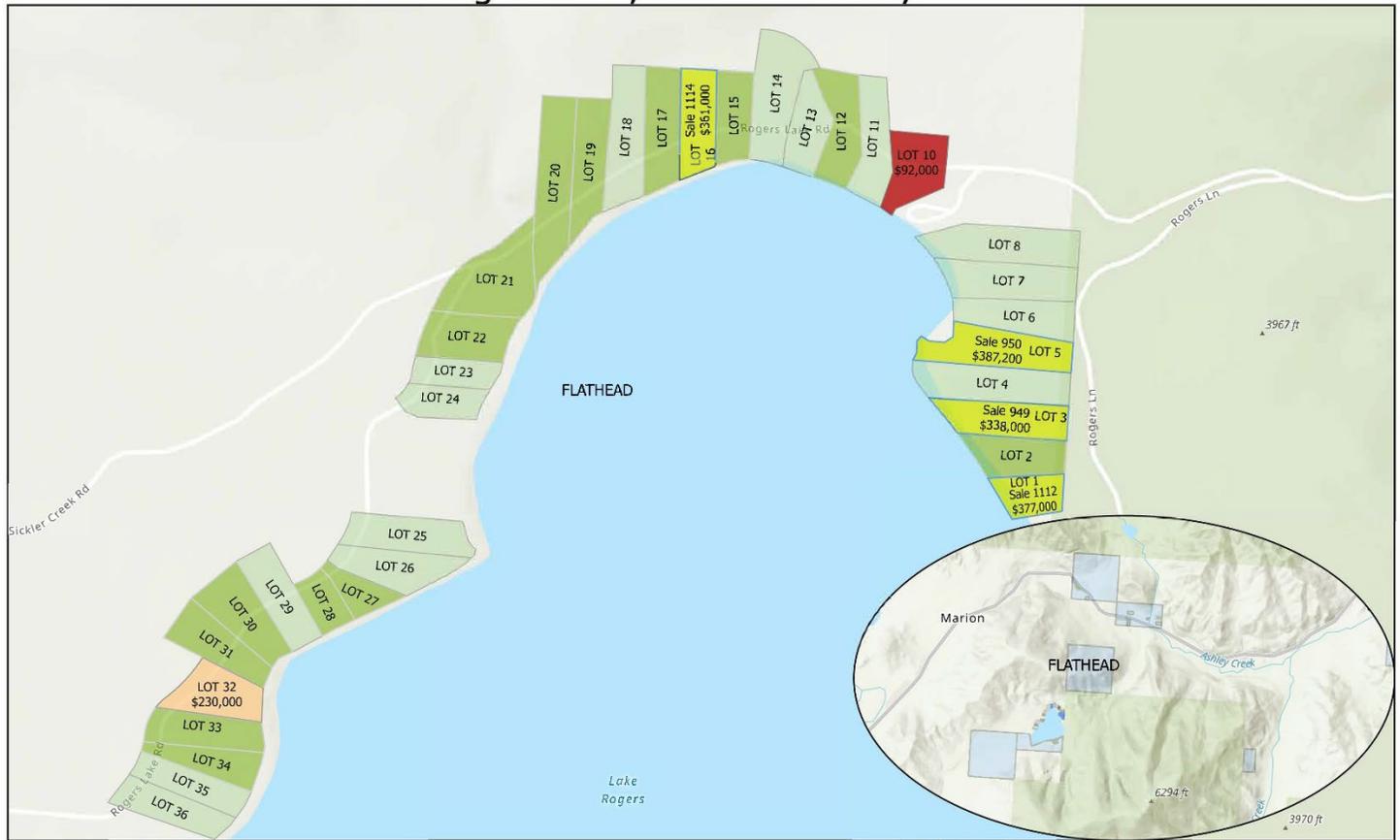
#### **DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for these cabin sites at the appraised land value and the maximum value of compensation for the improvements shown above.

# Echo Lake, Flathead County



### Rogers Lake, Flathead County



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

# 1020-3

CABIN AND HOME SITES: FINAL  
APPROVAL FOR SALE:



**Land Board Agenda Item  
October 19, 2020**

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

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

**Item Summary**

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

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

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

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

**Economic Analysis**

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

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources**

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures, and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. This sale will have no effect to state-owned heritage properties.

**Background**

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

<b>Sale No.</b>	<b>Appraised Land Value</b>	<b>Appraised Improvements Value</b>	<b>Final Sale Price</b>
<b>1022</b>	\$80,000	\$190,000	\$80,000

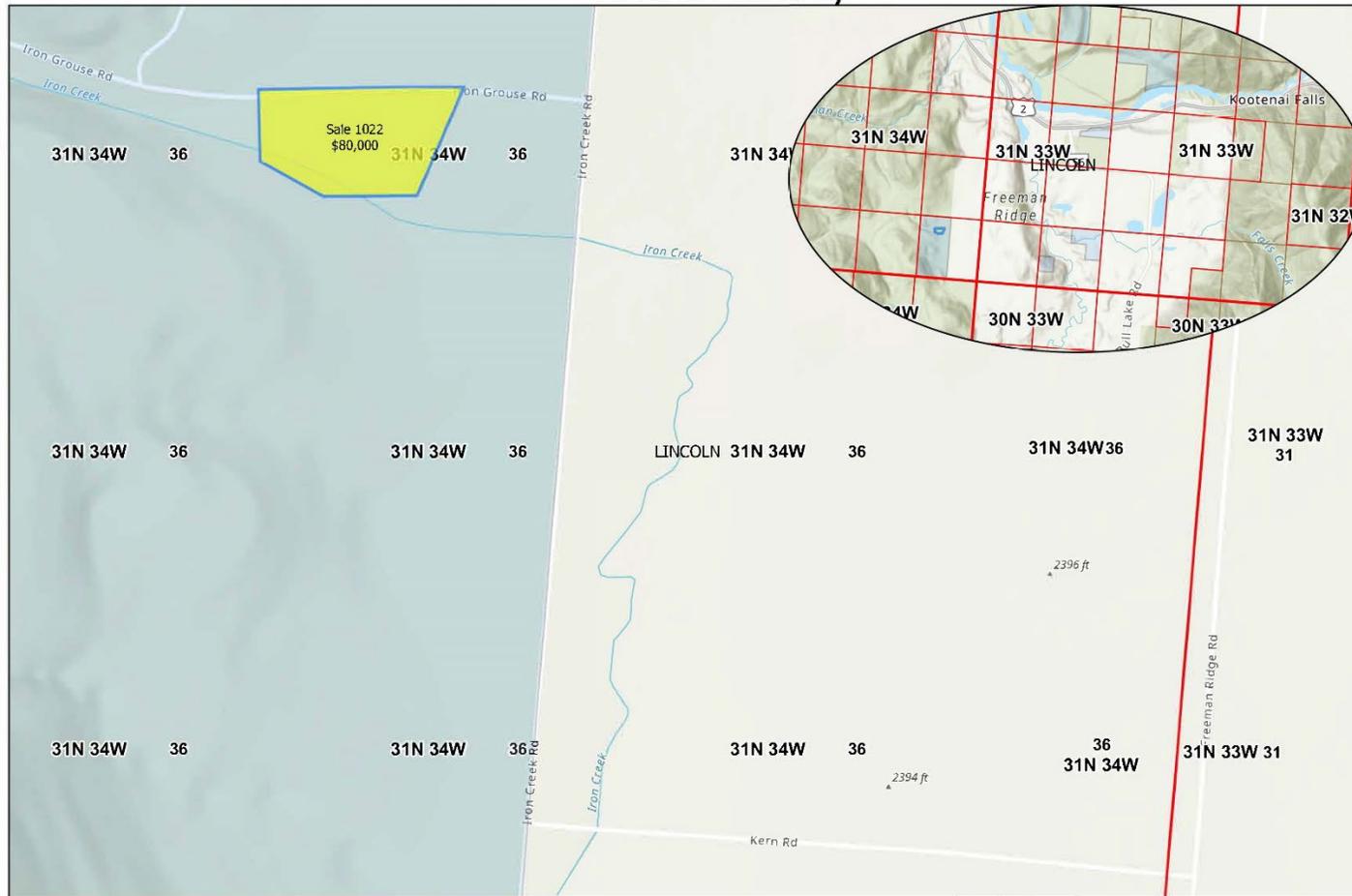
**Sale Price**

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

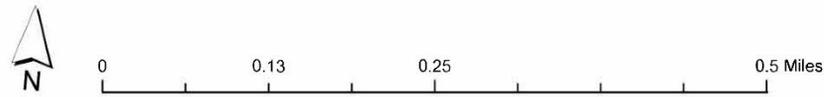
**DNRC Recommendation**

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

# Lincoln County



- Active Sales
- LeaseStatus
  - Active
  - Vacant
- Public Land Survey System
  - PLSS Township
  - Section
  - Protracted Block
  - County
  - Trust Lands



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



# 1020-4

LAND EXCHANGE: FINAL APPROVAL FOR  
MDC BOULDER LAND EXCHANGE



**Land Board Agenda Item  
October 19, 2020**

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

**Location: Jefferson County**

**Trust Benefits: School for the Deaf and Blind**

**Trust Revenue: N/A**

**Item Summary**

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

**Acres:**

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

**Location:** Jefferson County

**Beneficiary** School for the Deaf and Blind

**PUBLIC INVOLVEMENT PROCESS AND RESULTS**

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

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

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

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

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

### **EXCHANGE CRITERIA ANALYSIS**

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

#### **1. EQUAL OR GREATER VALUE**

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

*Meets Criteria*

#### **2. STATE LAND BORDERING ON NAVIGABLE LAKES AND STREAMS**

There are no navigable lakes or streams bordering on either the trust land or the exchange parcels.

*Meets Criteria*

#### **3. EQUAL OR GREATER INCOME TO THE TRUST**

The state trust land has not generated any income for the trust.

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

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

*Meets Criteria*

#### **4. EQUAL OR GREATER ACREAGE**

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

*Meets Criteria*

#### **5. CONSOLIDATION OF STATE LAND**

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

*Meets Criteria*

#### **6. POTENTIAL FOR LONG-TERM APPRECIATION**

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

*Meets Criteria*

#### **7. ACCESS**

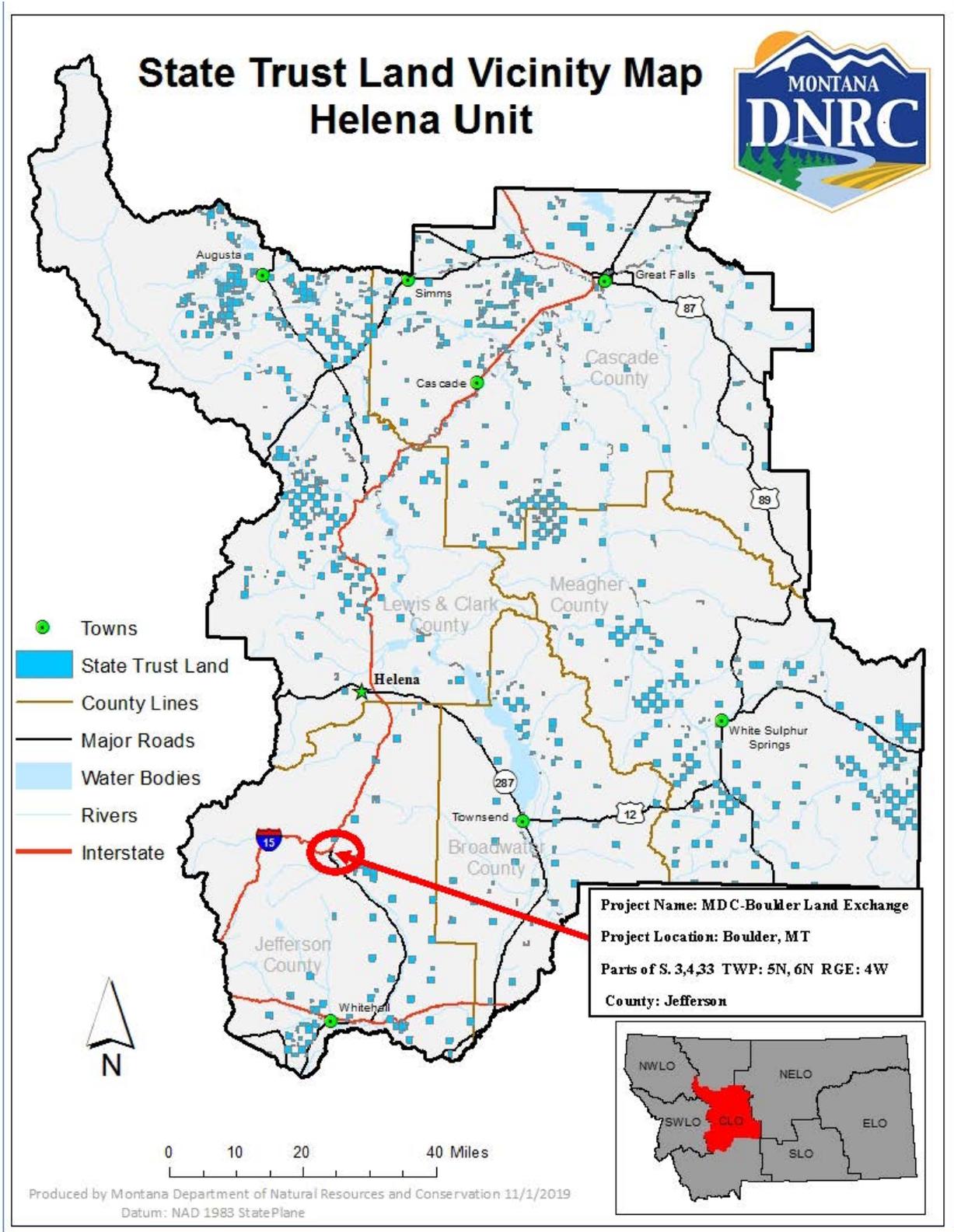
The State currently has legal access to the MDC Campus Site. This exchange would provide public access to the State Trust Lands to be acquired and will provide future recreational opportunities to the public on 155 acres when the existing agricultural lease expires December 31, 2024.

*Meets Criteria*

#### **AGENCY RECOMMENDATIONS**

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







# 1020-5

EASEMENTS:



**Land Board Agenda Item  
October 19, 2020**

**1020-5 Easements**

**Location:** Fallon, Fergus, Gallatin, Ravalli, Richland

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

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

**Item Table of Contents**

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

## APPLICANTS AND RIGHTS OF WAY INFORMATION

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

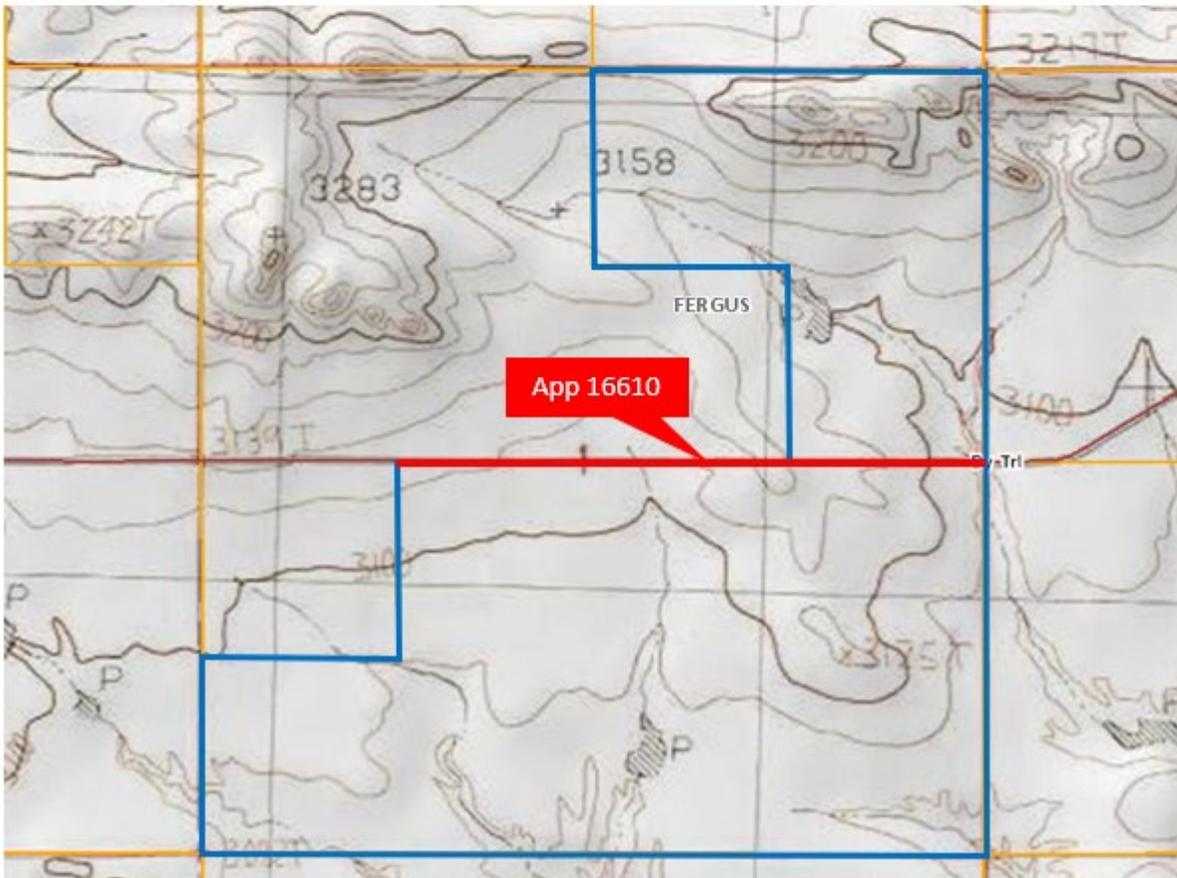
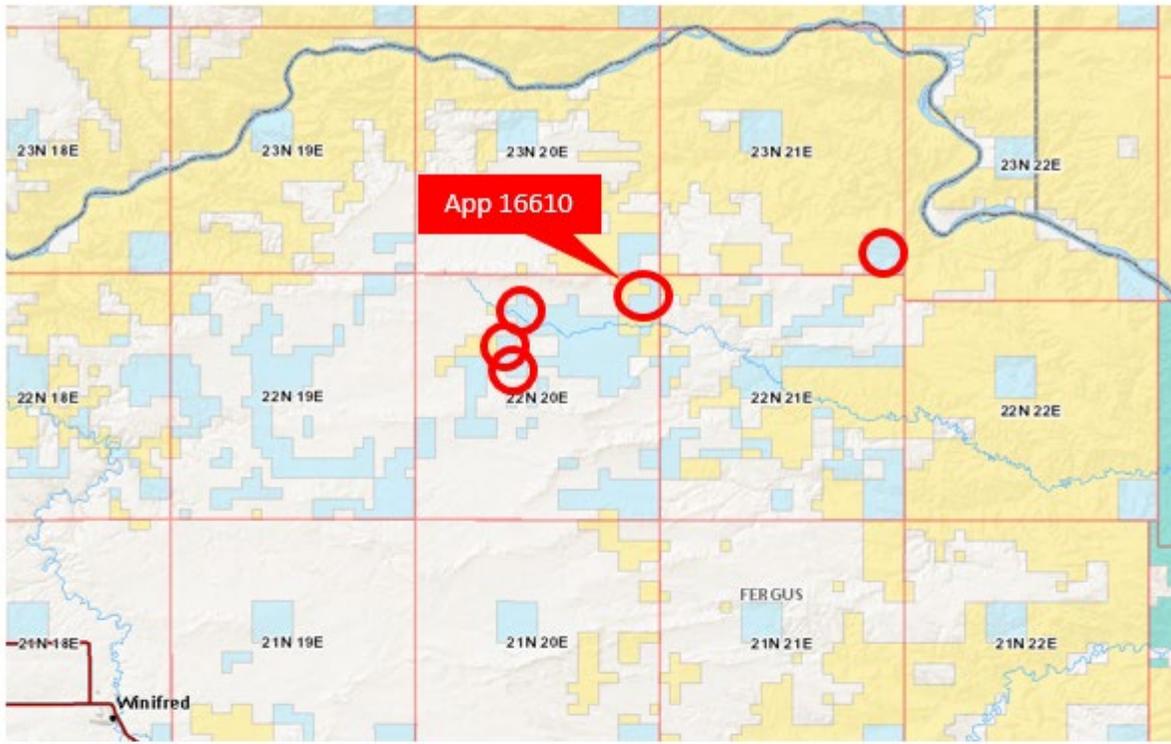
### Item Summary

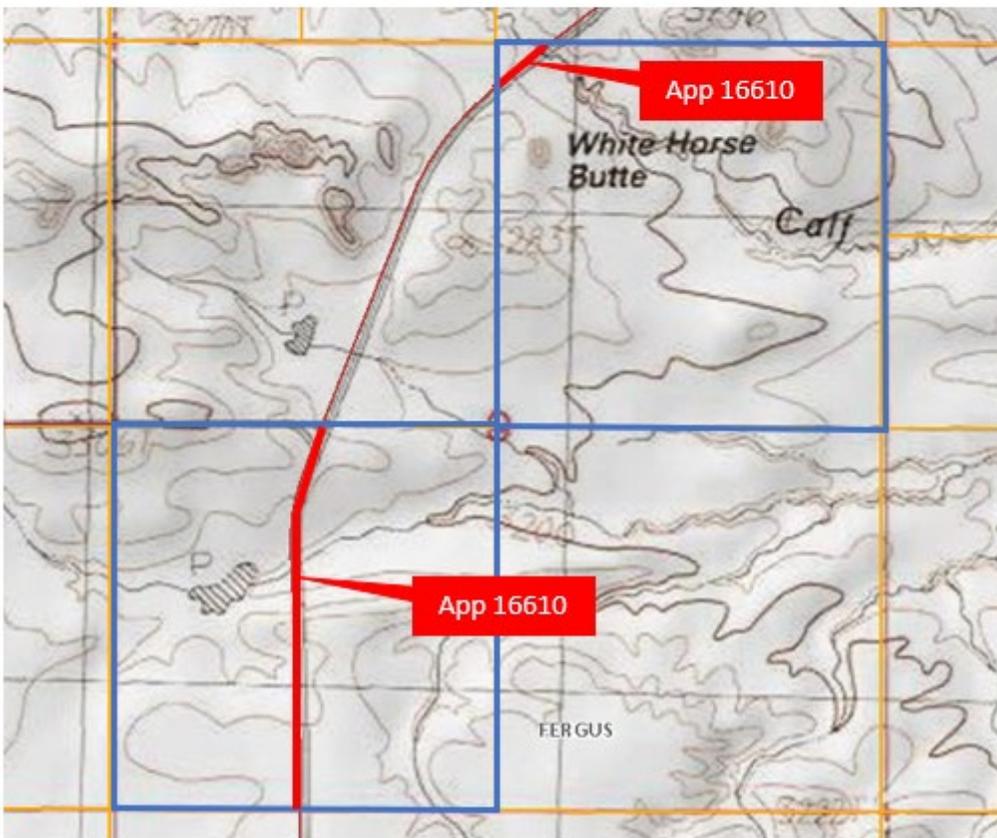
Fergus County has made application for this county road that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA the county is requesting recognition of this road as a historic right of way.

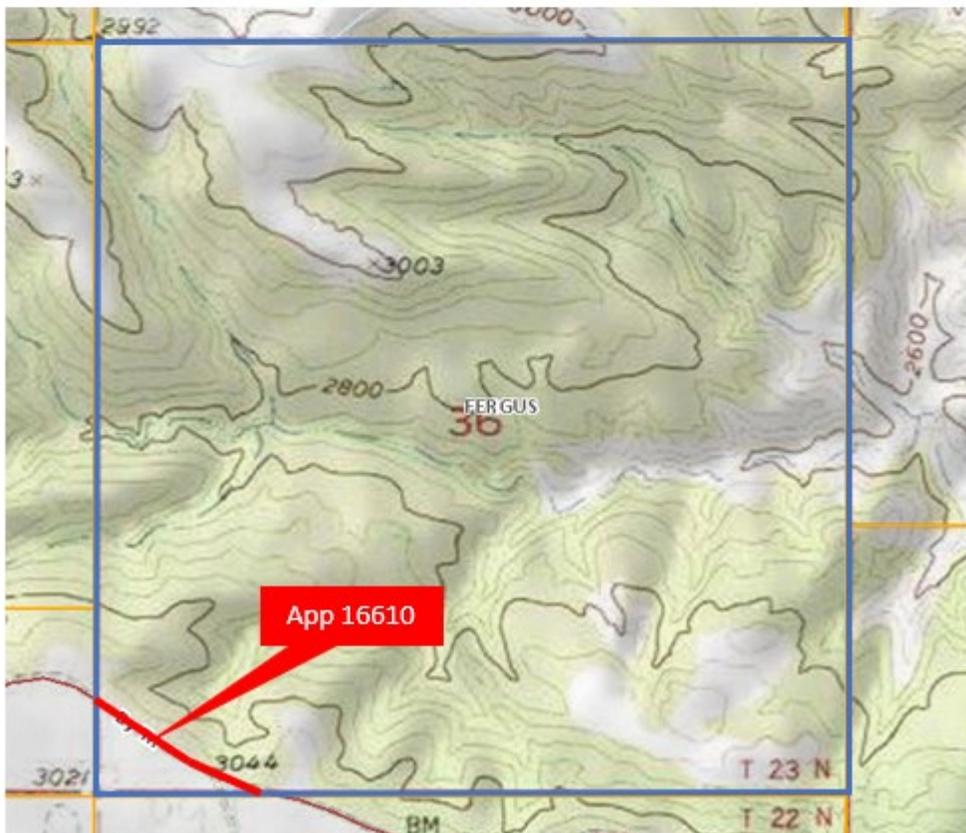
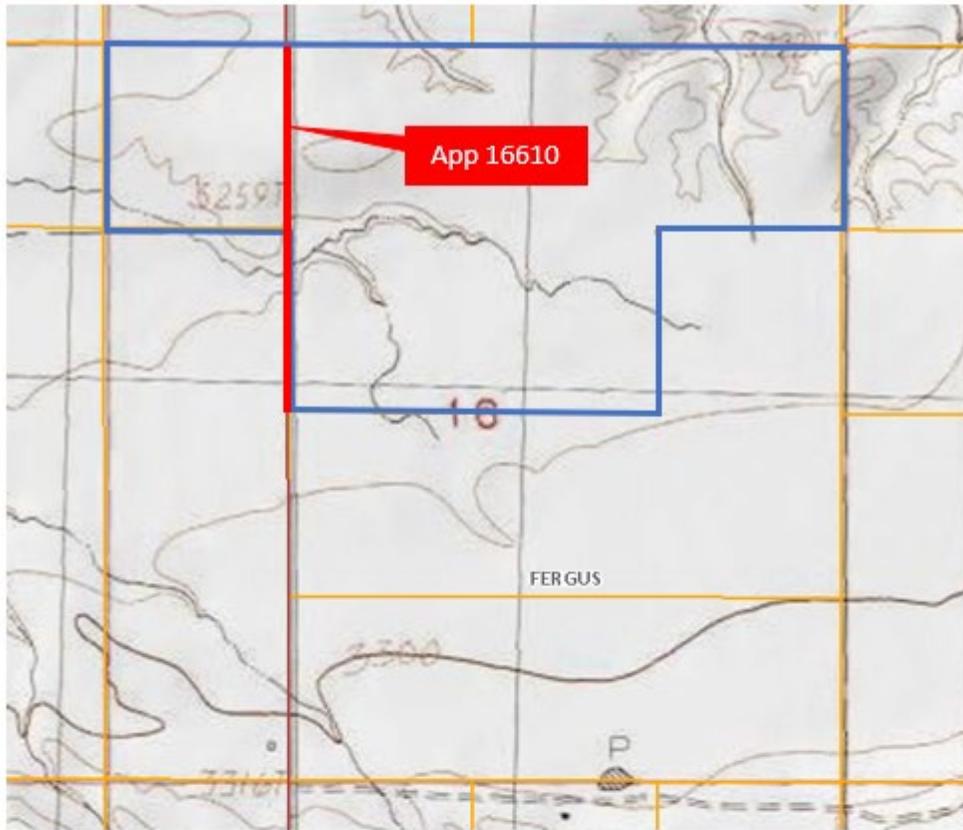
### DNRC Recommendation

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

R/W Application 16610







## APPLICANTS AND RIGHTS OF WAY INFORMATION

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

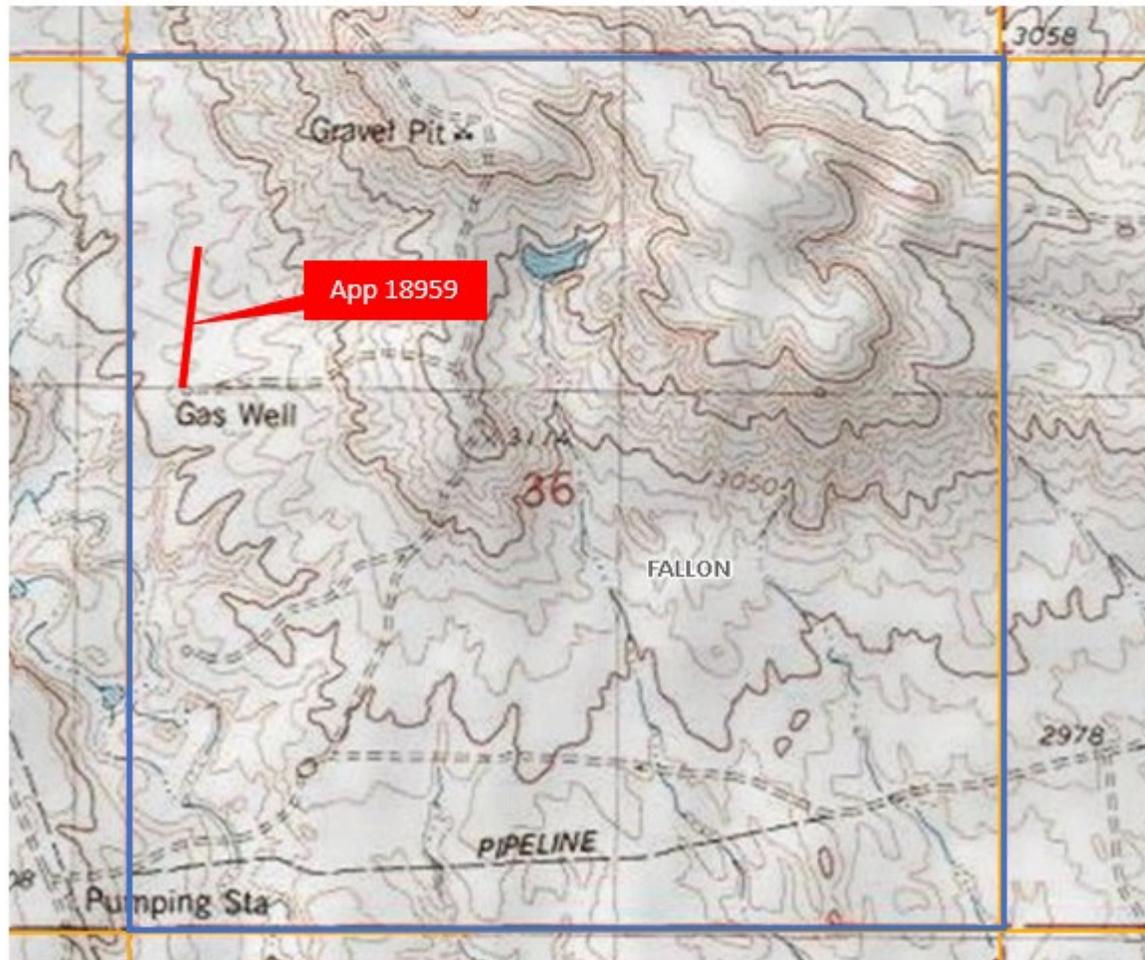
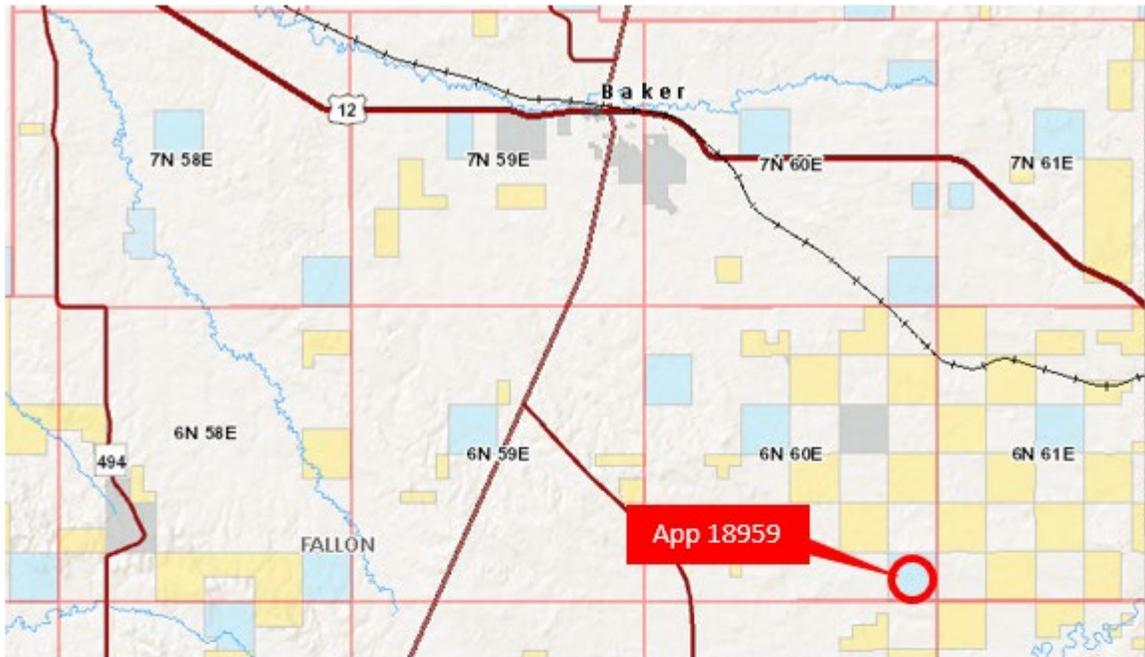
### Item Summary

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

### DNRC Recommendation

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

R/W Application 18959



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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

### Item Summary

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

### DNRC Recommendation

The director recommends approval of the Pfeil Acquisitions easement request

## APPLICANTS AND RIGHTS OF WAY INFORMATION

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

### Item Summary

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

### DNRC Recommendation

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



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: OneOk Rockies Midstream, LLC  
896 25th Street SE  
Sidney, MT 59270

Application No.: 18973  
R/W Purpose: a buried 8" natural gas pipeline  
Lessee Agreement: ok  
Acreage: 0.52  
Compensation: \$4,758.00  
Legal Description: 20-foot strip through NE4NE4, Sec. 36, Twp. 26N, Rge. 52E,  
Richland County  
Trust Beneficiary: Common Schools

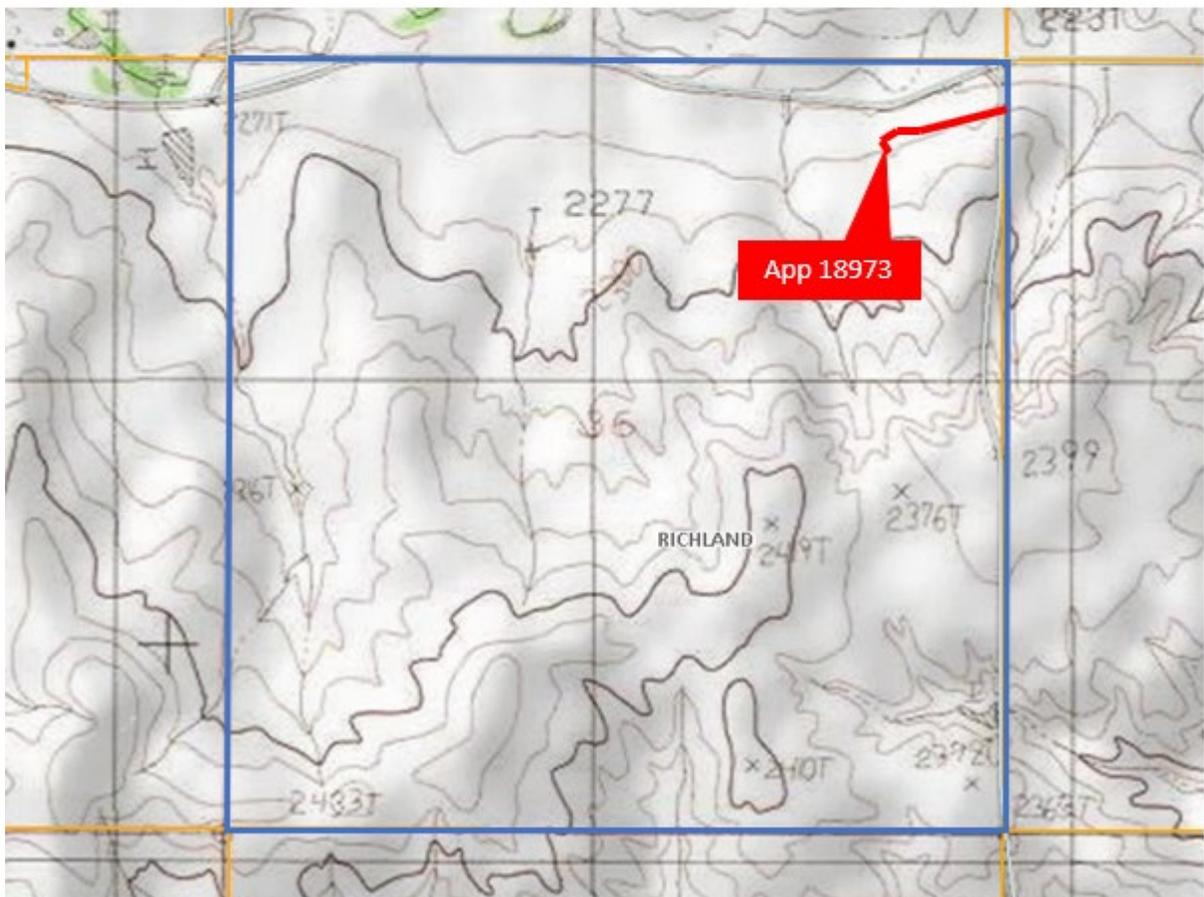
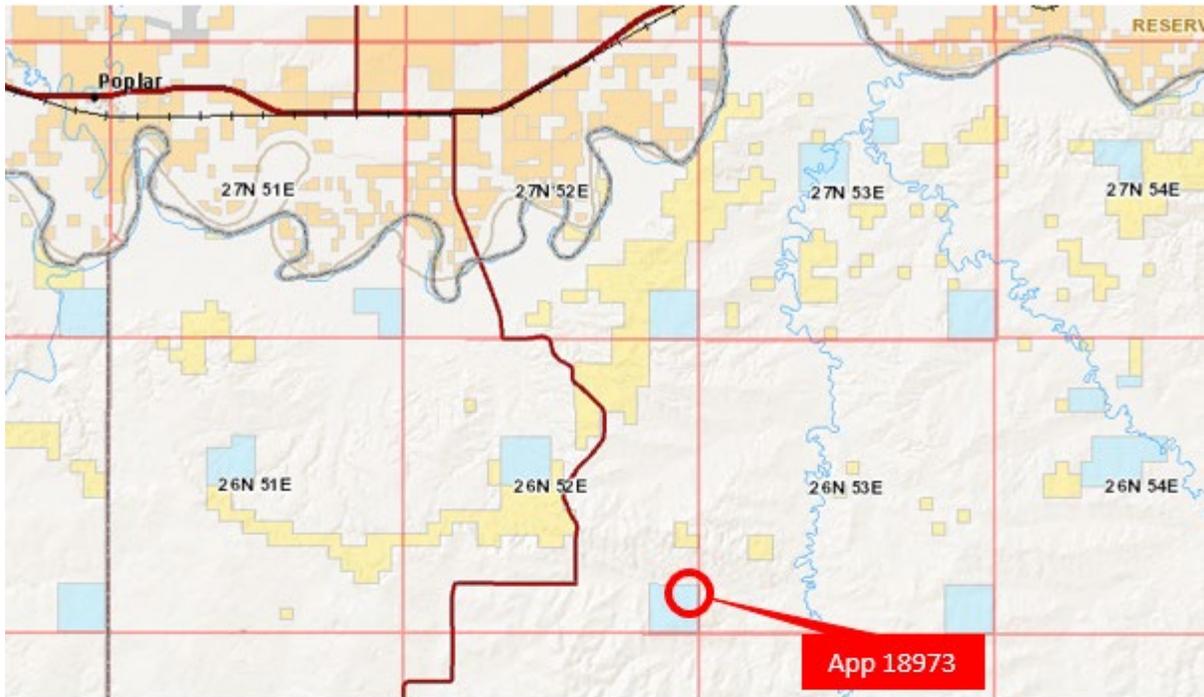
Item Summary

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

DNRC Recommendation

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

R/W Application 18973



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: OneOk Rockies Midstream, LLC  
896 25th Street SE  
Sidney, MT 59270

Application No.: 18974  
R/W Purpose: a buried 4" natural gas pipeline  
Lessee Agreement: needed  
Acreage: 0.28  
Compensation: \$2,545.00  
Legal Description: 20-foot strip through NE4NW4, Sec. 28, Twp. 25N, Rge. 57E,  
Richland County  
Trust Beneficiary: Common Schools

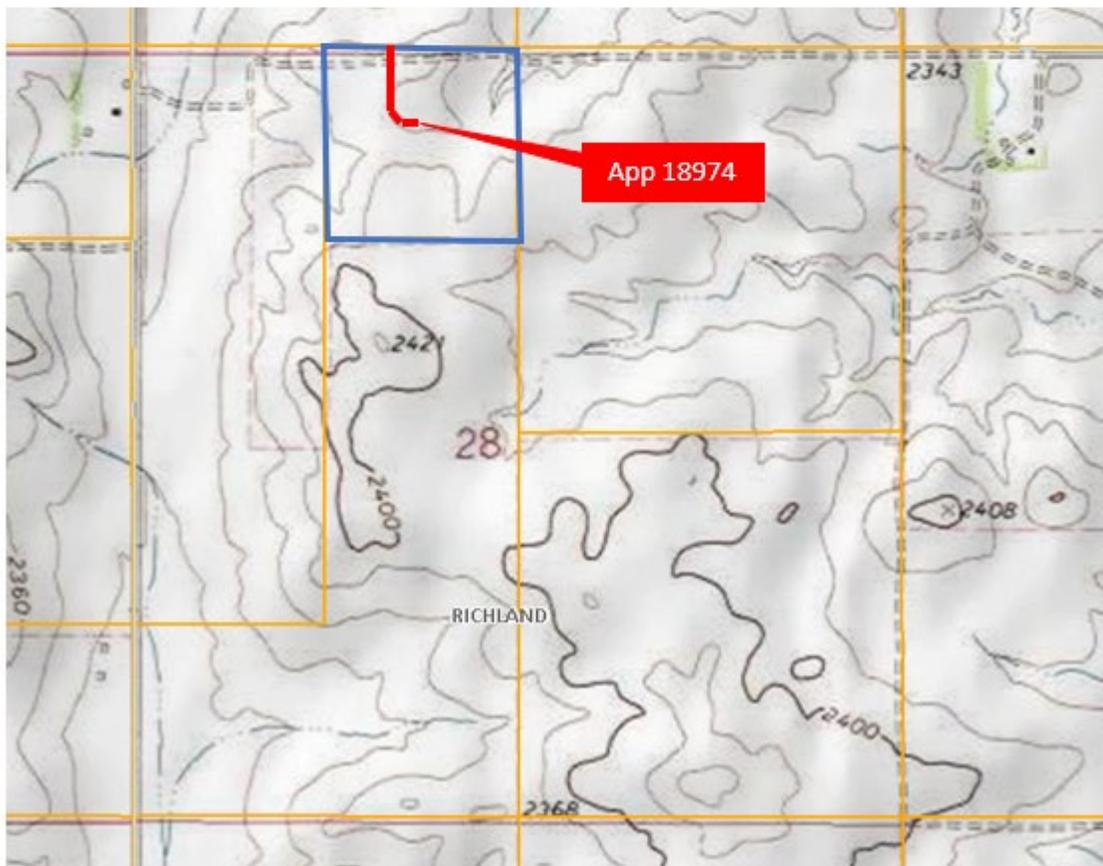
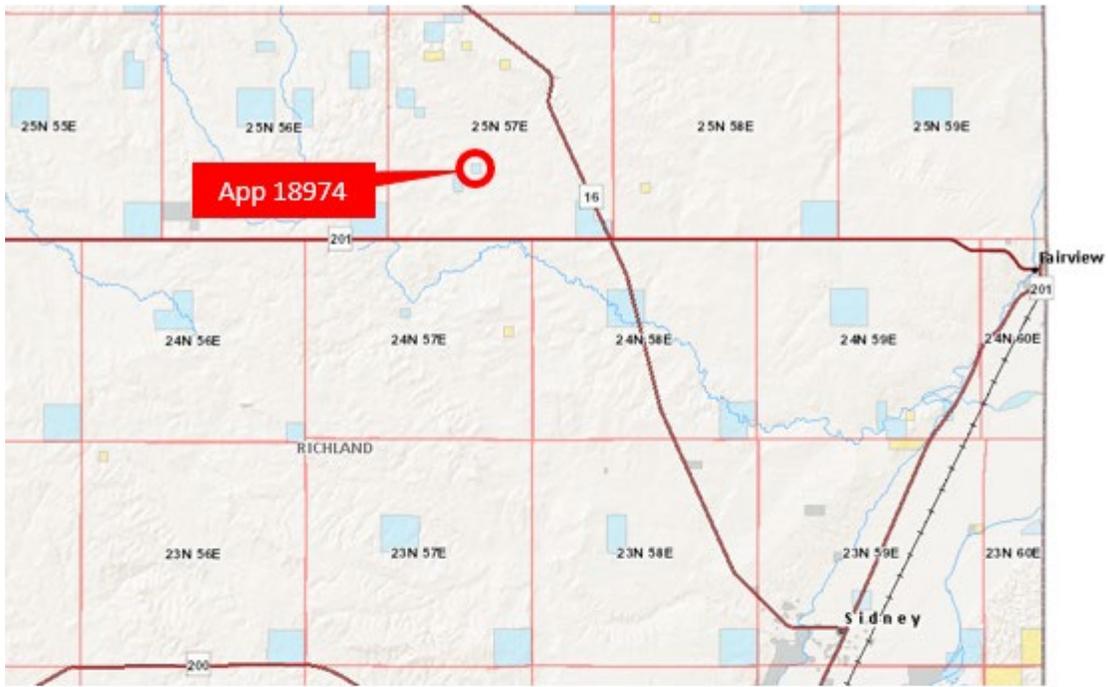
Item Summary

See summary on page 59

DNRC Recommendation

See recommendation on page 59

### R/W Application 18974



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: OneOk Rockies Midstream, LLC  
896 25th Street SE  
Sidney, MT 59270

Application No.: 18975  
R/W Purpose: a buried 6" natural gas pipeline  
Lessee Agreement: ok  
Acreage: 1.80  
Compensation: \$16,654.00  
Legal Description: 20-foot strip through N2NE4, NE4NW4, Sec. 16, Twp. 23N,  
Rge. 53E, Richland County  
Trust Beneficiary: Common Schools

Item Summary

See summary on page 59

DNRC Recommendation

See recommendation on page 59

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: OneOk Rockies Midstream, LLC  
896 25th Street SE  
Sidney, MT 59270

Application No.: 18976  
R/W Purpose: a buried 6" natural gas pipeline  
Lessee Agreement: ok  
Acreage: 0.86  
Compensation: \$7,953.00  
Legal Description: 20-foot strip through N2NW4, Sec. 16, Twp. 23N, Rge. 53E,  
Richland County  
Trust Beneficiary: Common Schools

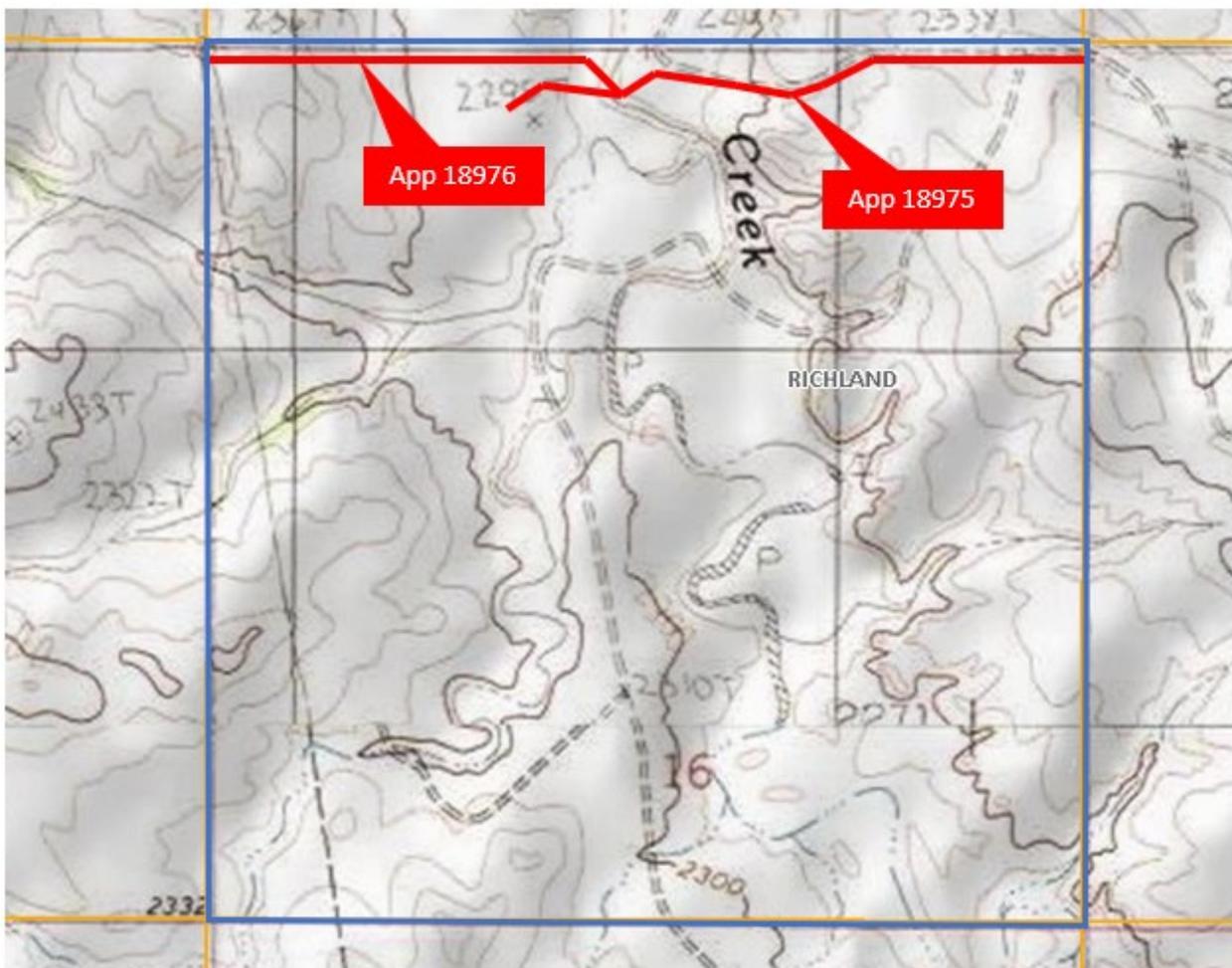
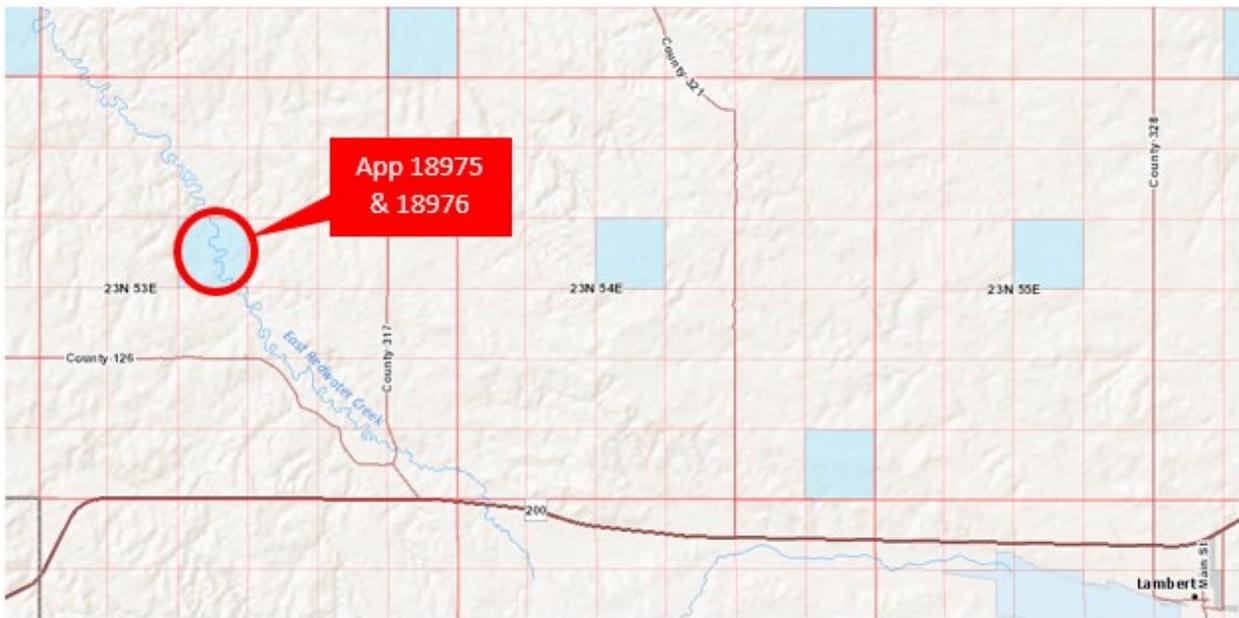
Item Summary

See summary on page 59

DNRC Recommendation

See recommendation on page 59

R/W Application 18975 & 18976



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: OneOk Rockies Midstream, LLC  
896 25th Street SE  
Sidney, MT 59270

Application No.: 18977  
R/W Purpose: a buried 6" natural gas pipeline to an  
easement

Lessee Agreement: ok  
Acreage: 1.20  
Compensation: \$11,046.00  
Legal Description: 20-foot strip through S2SW4, SW4SE4, Sec. 36, Twp. 26N,  
Rge. 54E, Richland County  
Trust Beneficiary: Common Schools

Item Summary

See summary on page 59

DNRC Recommendation

See recommendation on page 59



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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

### Item Summary

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

### DNRC Recommendation

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

R/W Application 18978

