

**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**AGENDA**  
**July 15, 2024, 9:00 a.m.**  
**Supreme Court Chambers, Mazurek Justice Building**  
**Helena, MT**

**ACTION ITEMS**

- 0724-1 Timber Sales: North Lake Timber Sale** Approved 3-0  
*Benefits: Montana State University-Eastern/University of Montana-Western and MSU 2<sup>nd</sup>*  
*Location: Flathead County*
- 0724-2 Cabin & Home Sites: Set Minimum Bid for Sale** Approved 2-1  
*Benefits: Common Schools*  
*Location: Valley County*
- 0724-3 Easements** Approved 3-0  
*Benefits: Common Schools and Public Land Trusts-Navigable Rivers*  
*Location: Fergus, Flathead, Granite, Hill, Powell, Richland, Stillwater & Valley Counties*
- 0724-4 Informational Item: Agriculture and Grazing Improvement Settlement Process**

**PUBLIC COMMENT**

# 0724-1

Timber Sales: North Lake Timber Sale

**Land Board Agenda Item  
July 15, 2024**

**Timber Sale: North Lake**

**Location: Flathead County  
Section 6 T31N R22W  
Section 31 T32N R22W**

**Trust Beneficiaries: Eastern College-MSU/Western College-UM (95%) and MSU  
2<sup>nd</sup> Grant (5%)**

**Trust Revenue: \$151,216 (estimated, minimum bid)**

**Item Summary**

**Location:** The North Lake Timber Sale is located approximately 7 miles northwest of Whitefish, Montana.

**Size and Scope:** The sale includes three harvest units (*75.3 acres*) of tractor logging.

**Volume:** The estimated harvest volume is 5,966 tons (*1.1 MMBF*) of sawlogs.

**Estimated Return:** The minimum bid is \$25.36 per ton, which would generate approximately \$151,216 for the Trusts and approximately \$29,318 in Forest Improvement fees.

**Prescription:** This sale would utilize salvage, shelterwood, and sanitation harvest prescriptions designed to remove merchantable salvage volume, initiate regeneration, and remove shade tolerant trees within the City of Whitefish Wildland Urban Interface (WUI).

**Road Construction/Maintenance:** The Department of Natural Resource and Conservation (DNRC) is proposing 2.1 miles of road maintenance.

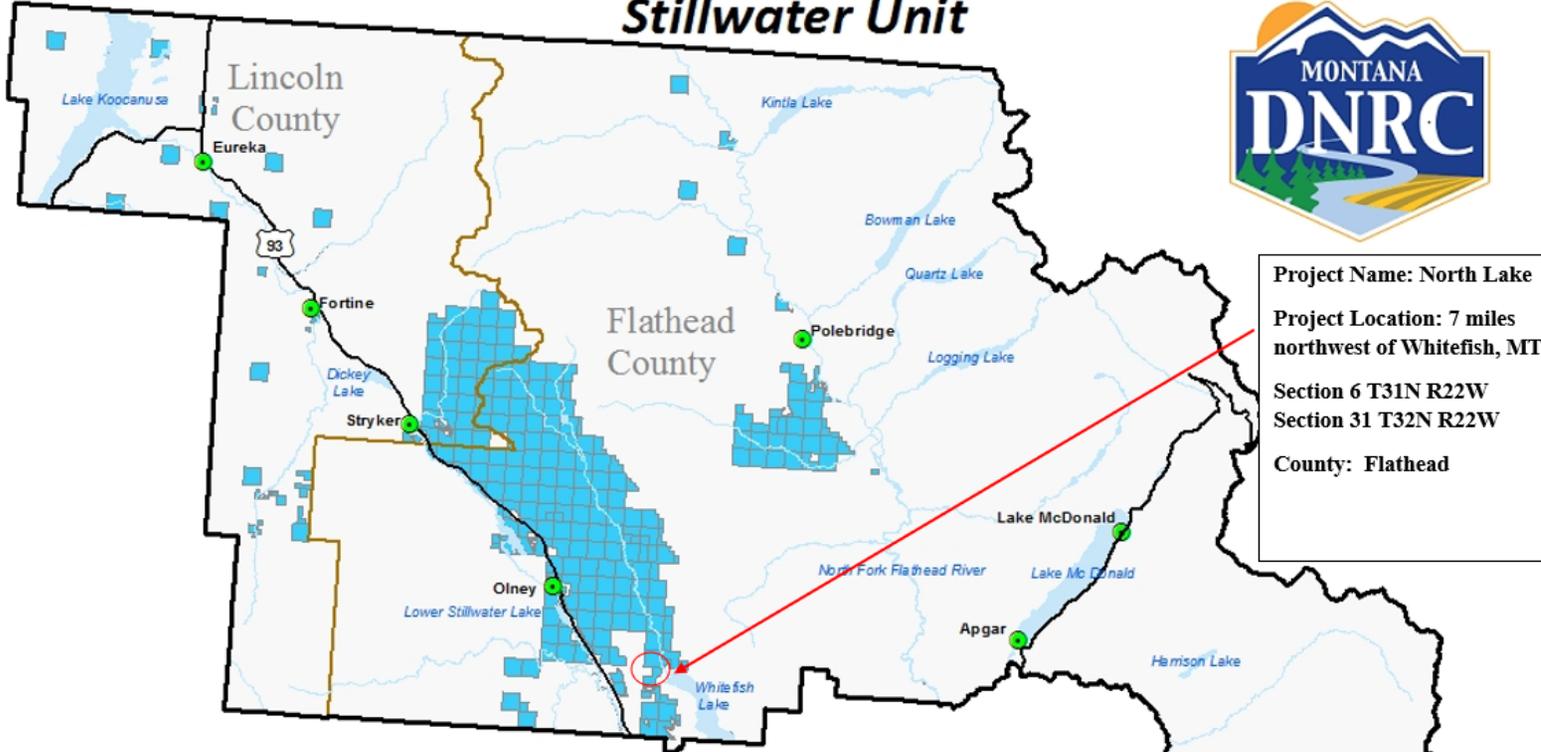
**Access:** Access is obtained through Southern Pine Plantations Temporary Road Use Permit (TRUP) and Lazy Creek Ranch TRUP.

**Public Comments:** Five public comments were received. Two comments were received from logging industry representatives expressing support for the project. One comment was received from Lincoln Electric Cooperative expressing concerns about powerline right-of-way maintenance. One comment from a local resident expressed noise and air quality concerns. One comment from Friends of the Wild Swan, a non-profit organization, expressed multiple concerns about vegetation, wildlife, water quality, fisheries, economics, cumulative effects, climate change and noxious weeds. All public concerns were addressed in the final Environmental Assessment document.

**DNRC Recommendation**

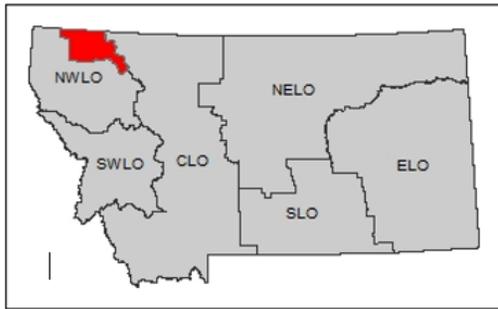
The DNRC recommends the Land Board direct DNRC to sell the North Lake Timber Sale.

# State Trust Land Vicinity Map Stillwater Unit

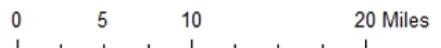


Project Name: North Lake  
 Project Location: 7 miles northwest of Whitefish, MT  
 Section 6 T31N R22W  
 Section 31 T32N R22W  
 County: Flathead

## NORTH LAKE TIMBER SALE VICINITY MAP

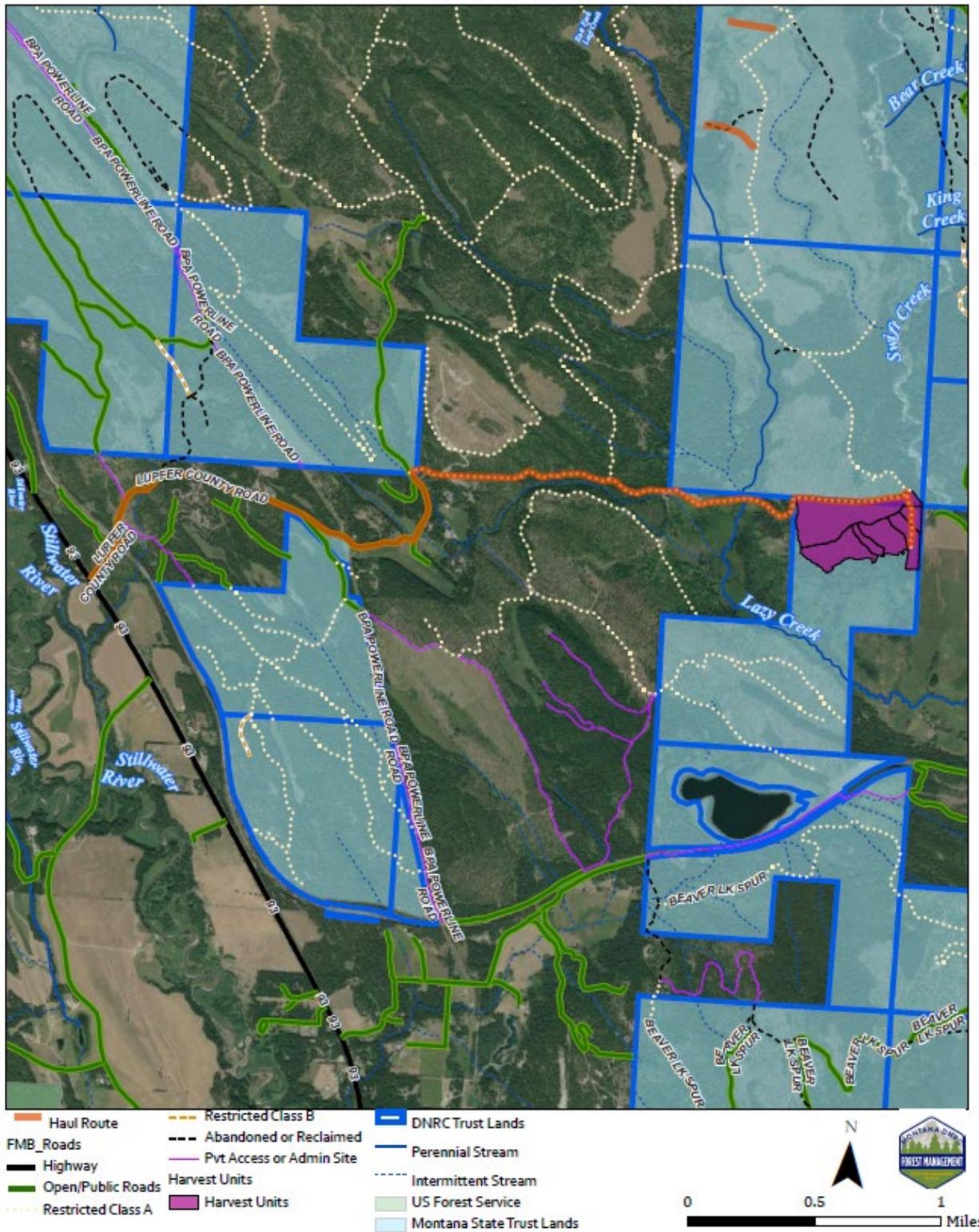


- Towns
- Major Roads
- Rivers
- County Lines
- Water Bodies
- State Trust Land



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

# North Lake Timber Sale Haul Route and Harvest Units



# 0724-2

**Cabin & Home Sites:**

**Set Minimum Bid for Sale**

**Land Board Agenda Item  
July 15, 2024**

**0724-2 Cabin and Home Sites: Set Minimum Bid for Sale**

**Location:** Valley County  
**Trust Benefits:** Common Schools  
**Trust Revenue:** \$115,000

**Item Summary:**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for one (1) home site nominated for sale in Valley County. This sale was nominated by the DNRC in conjunction with the 2022-2023 Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
2040	2.82±	TRACT 1 OF VALLEY COUNTY COS 484 Section 36, T28N-R41E	DNRC	Common Schools

**Background:**

Preliminary Land Board approval was granted in December of 2022 (Approved 4-1).

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for this 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.

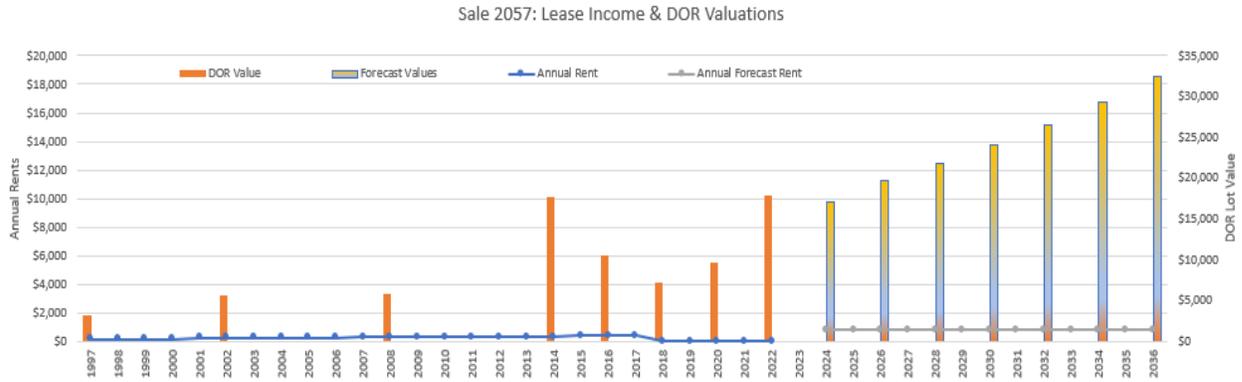
**Access/Recreational Use:**

As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by this sale will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

**Economic Analysis:**

Short term – The average rate of return on this sale parcel is 0.00%. The parcel will continue to receive this return if it remains in state ownership. Even if the home site lot were leased, the forecast income rate would likely not keep up with the property value appreciation, as shown in Figure 1 below.

**Figure 1: Sale 2040 - Review of Past Income and Values; Forecast Income & Values**



Forecast assumptions:  
 1. the average annual appreciation rate of the future DOR lot value used here is 4.71%, based on the FHFA House Price Index for Montana, 2000 - 2020.  
 2. lease contract terms provide for a 2% annual rent increase on the current contract template, starting from a base rent of 5% of the most recent DOR valuation.

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 3.28% on acquisitions with income generated from annual lease payments. However, the rate of return on land acquired within the last ten years has been higher at 3.65%.

**Appraised Values of Land and Improvements:**

The appraisal of this cabin site was prepared by Montana General Certified Appraisers J. Scott Crosby and Valerie Crosby of Crosby Analytics from Cowley, Wyoming.

Sale No.	Appraised Land Value	Appraised Improvements Value	Recommended Minimum Bid
2040	\$85,000	\$30,000	\$115,000

DNRC owns the improvements on Sale Number 2040, as per 36.25.1006, ARM. As such, the recommended minimum bid value includes both the appraised improvements value and the appraised land value.

**DNRC Recommendation:**

The DNRC recommends that the Land Board set the minimum bid for this home site at the value shown above.

# Cabin Site Sales Valley County Sale #2040

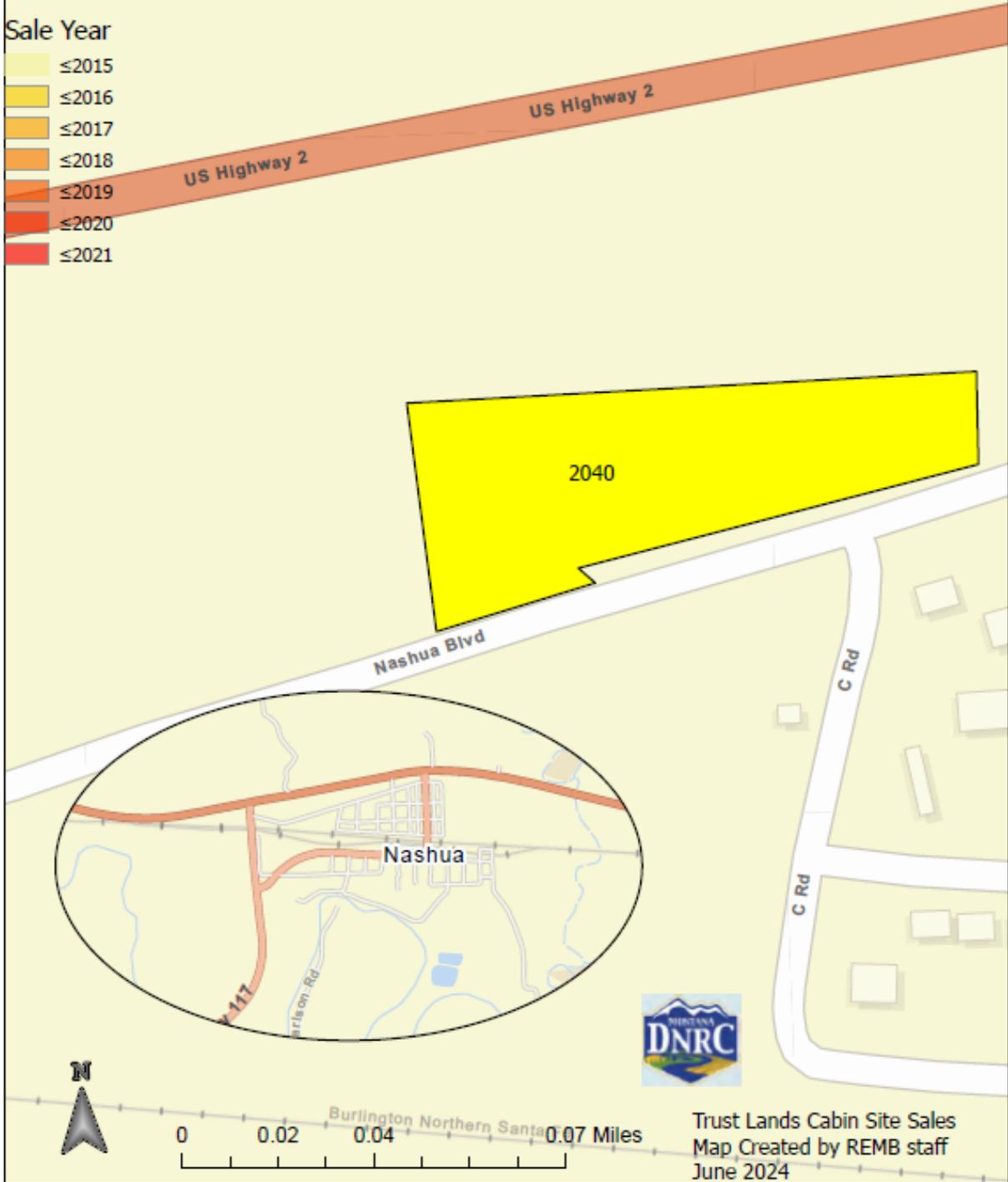
## SaleStatus

- 2024-2025
- 2022-2023

## Sold Lots

### Sale Year

- ≤2015
- ≤2016
- ≤2017
- ≤2018
- ≤2019
- ≤2020
- ≤2021



# 0724-3

**Easements**

**Land Board Agenda Item  
July 15, 2024**

**0724-3 Easements**

**Location: Fergus, Flathead, Granite, Hill, Powell, Richland, Stillwater & Valley Counties**

**Trust Benefits: Common Schools and Public Land Trust – Navigable Rivers**

**Trust Revenue: Common Schools - \$23,096  
Public Land Trust – Navigable Rivers - \$15,250**

**Item Table of Contents**

<b>Applicant</b>	<b>Right-of-Way Purpose</b>	<b>Term</b>	<b>Page(s)</b>
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Montana Department of Transportation	Highway Bridge Construction & Maintenance	Permanent	19-20
Holly Salsbury & Jeff Moore	Private Access	Permanent	21-22
Yellowstone Pipeline Company	Buried 8" Petroleum Pipeline	30 Years	23-24
Northwestern Corporation	Buried Electric Distribution Line	Permanent	25-26
Montana Department of Transportation & Fergus County	Highway Construction & Maintenance/County Road	Permanent	27-28
Montana Department of Transportation	Highway Construction & Maintenance	Permanent	29-30

## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Blackfoot Communications  
1221 North Russell Street  
Missoula, MT 59808

Application No.: 19642  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: N/A (Navigable River)  
Acreage: 0.05  
Compensation: \$100.00  
Legal Description: 20-foot strip under the Clark Fork River in NW4SW4, Sec. 25,  
Twp. 10N, Rge. 11W, Powell County  
Trust Beneficiary: Public Land Trust – Navigable River

### Item Summary

Blackfoot Communications is requesting an easement under the Clark Fork River to install a fiber optic telecommunications cable. The cable will be horizontally directional drilled a minimum of 10 feet below the bed of the river. This proposed new installation will replace existing aerial copper cables currently crossing the river and infrastructure related to those lines will be removed. The new fiber optic cable will provide quality fiber infrastructure for current and future subscribers in Powell County.

### DNRC Recommendation

The DNRC recommends approval of the application of Blackfoot Communications.

Application #19642



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Blackfoot Communications  
1221 North Russell Street  
Missoula, MT 59808

Application No.: 19643  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: N/A (Navigable River)  
Acreage: 0.05  
Compensation: \$100.00  
Legal Description: 20-foot strip under the Clark Fork River in NW4SE4, Sec. 31,  
Twp. 11N, Rge. 12W, Granite County  
Trust Beneficiary: Public Land Trust – Navigable Rivers

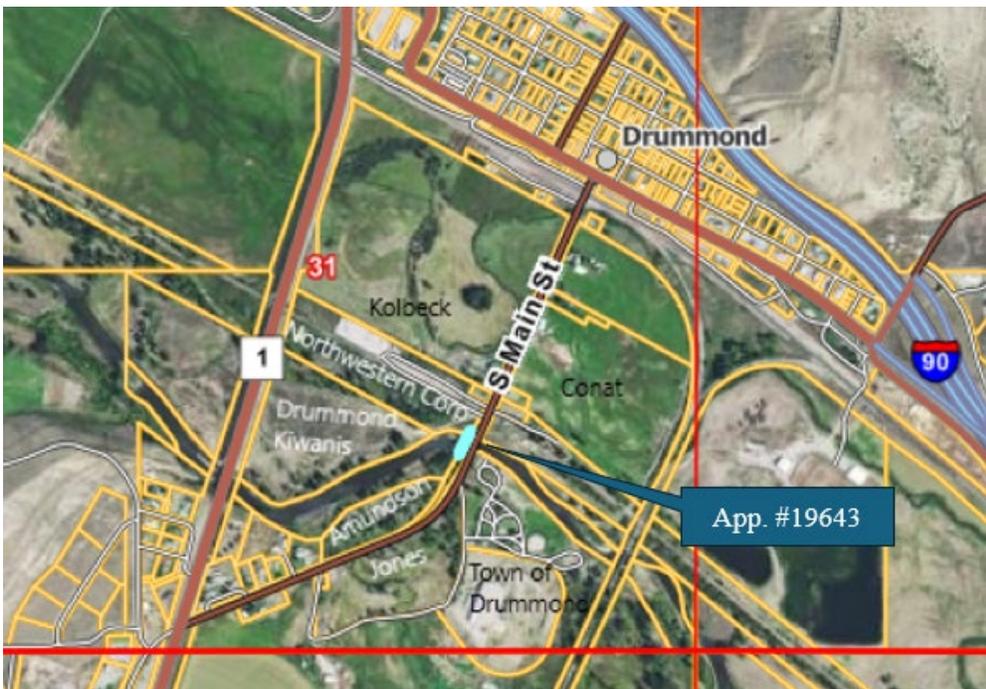
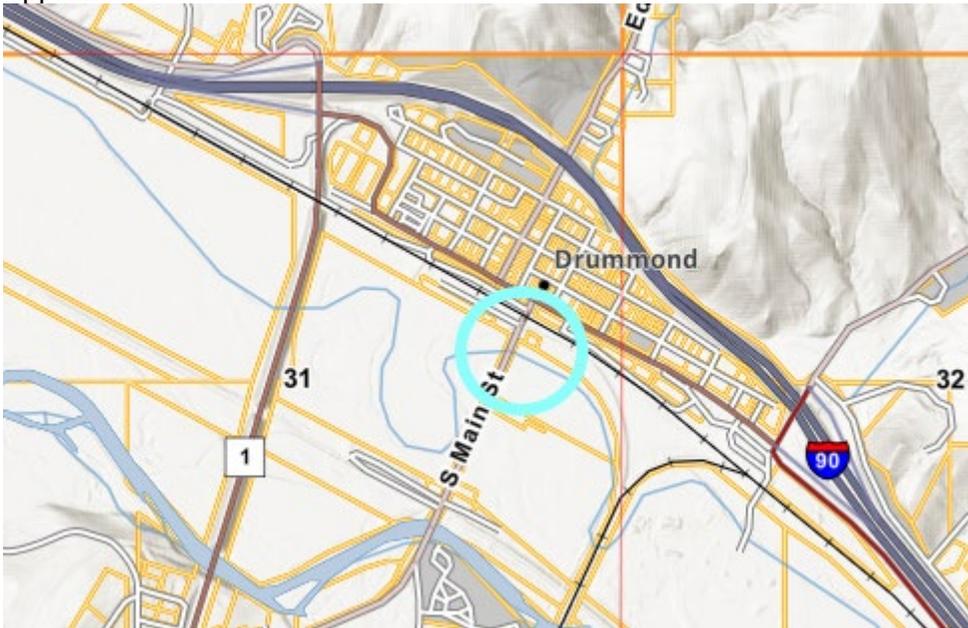
### Item Summary

Continuation of Blackfoot Communications applications.

### DNRC Recommendation

The DNRC recommends approval of the application of Blackfoot Communications.

Application #19643



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Montana Department of Transportation  
PO Box 201001  
Helena, MT 59620-1001

Application No.: 19644  
R/W Purpose: highway bridge construction and maintenance, including  
occupancy by utilities as defined in §69-4-101, MCA

Lessee Agreement: N/A (Navigable River)  
Acreage: 0.43  
Compensation: \$15,050.00  
Legal Description: tract of land across the Stillwater River in the SE4SW4 of  
Sec. 30 and NE4NW4 of Sec. 31, Twp. 29N, Rge. 21W,  
Flathead County

Trust Beneficiary: Public Land Trust – Navigable Rivers

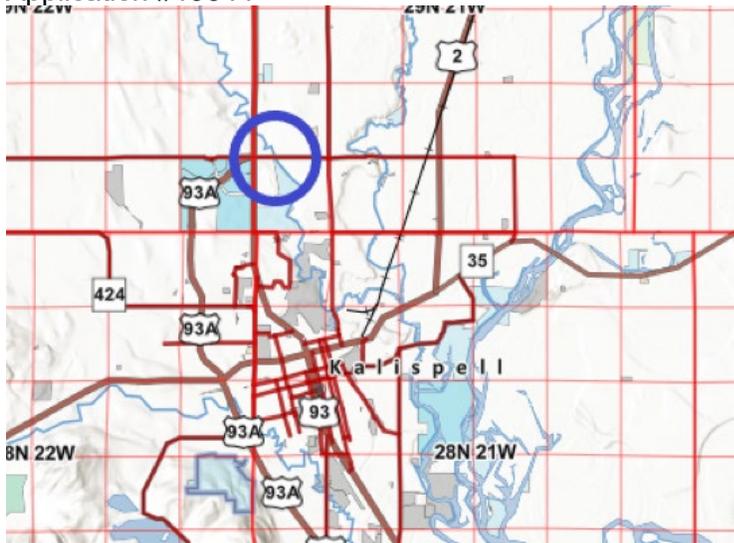
### Item Summary

The Department of Transportation is requesting an easement to replace and widen the existing bridge deck over the Stillwater River on Reserve Drive in Kalispell. The overall highway project includes widening the highway lanes to include dedicated turn lanes and re-designing the approach to the bridge. The bridge deck will be widened to provide for sidewalk and shared path for separated pedestrian and bicycle mobility and safety. The original bridge was constructed in the 1970's without authorization, thus this request will legitimize use of the Stillwater River for highway purposes.

### DNRC Recommendation

The DNRC recommends approval of the application of Montana Department of Transportation.

Application #19644



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Holly Salsbury & Jeff Moore  
11215 County Road 344  
Savage, MT 59262

Application No.: 19662  
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: 0.69  
Compensation: \$414.00  
Legal Description: 30-foot strip through NW4SW4, Sec. 32, Twp. 21N, Rge. 58E, Richland County  
Trust Beneficiary: Common Schools

### Item Summary

Holly Salsbury & Jeff Moore are requesting an easement for a private access road to their existing homesite and associated outbuildings. The access road is an improved, gravel road that intersects a public road on the State land section and has been in place for many years.

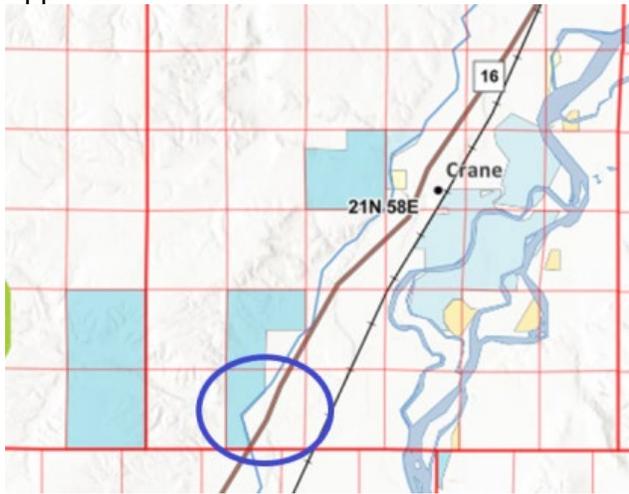
The private land being accessed is described as:

- NE4SE4 of Section 31, Township 21 North, Range 58 East.

### DNRC Recommendation

The DNRC recommends approval of the application of Holly Salsbury & Jeff Moore.

Application #19662



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Yellowstone Pipeline Company  
3960 East 5th Avenue  
Commerce City, CO 80022

Application No.: 19663  
R/W Purpose: a buried 8" petroleum product pipeline  
Lessee Agreement: N/A (Historic)  
Acreage: 6.00  
Compensation: \$3,900.00  
Legal Description: 50-foot strip through S2SW4 & S2SE4, Sec. 6, Twp. 1N,  
Rge. 19E, Stillwater County  
Trust Beneficiary: Common Schools

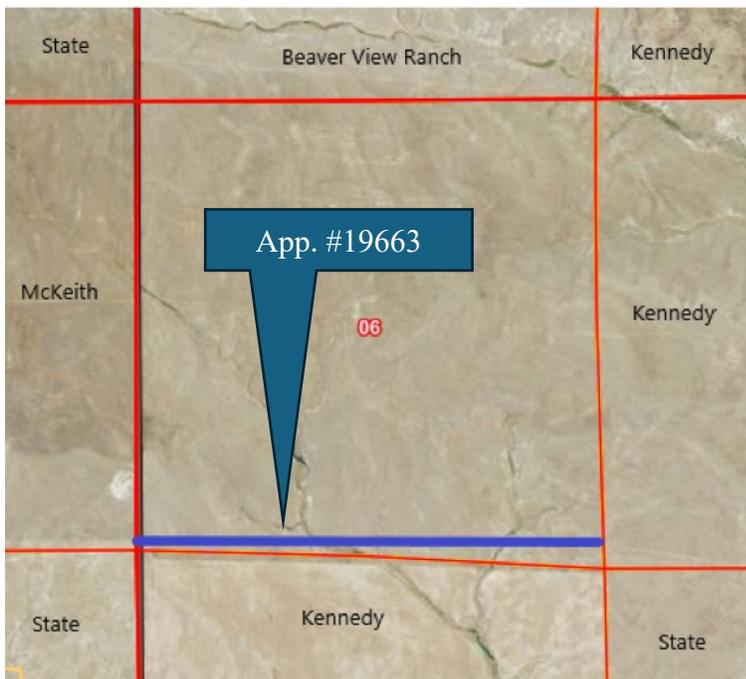
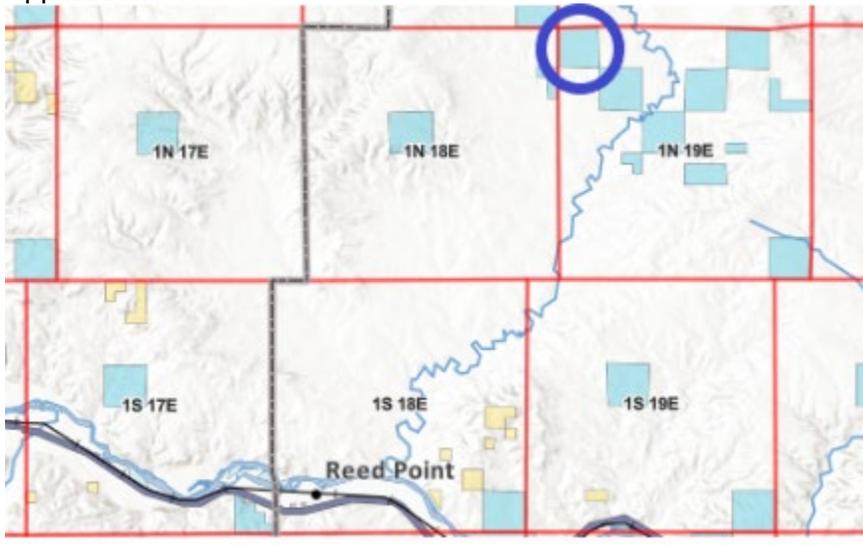
### Item Summary

Yellowstone Pipeline Company has requested an easement to authorize an existing 8" buried petroleum product pipeline that was installed without an easement in the 1950's along the southern section boundary. This trespass was recently discovered while Phillips 66 Company was performing routine maintenance and learned there was not a legal authorization for the pipeline.

### DNRC Recommendation

The DNRC recommends approval of the application of Yellowstone Pipeline Company for a 30-year term easement.

Application #19663



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Northwestern Corporation  
11 East Park Street  
Butte, MT 59701

Application No.: 19665  
R/W Purpose: a buried 7200 volt electric distribution line  
Lessee Agreement: ok  
Acreage: 4.18  
Compensation: \$1,672.00  
Legal Description: 20-foot strip through E2SE4, Sec. 7; W2SW4, Sec. 17; E2NE4, Sec. 18, all in Twp. 31N, Rge. 40E, Valley County  
Trust Beneficiary: Common Schools

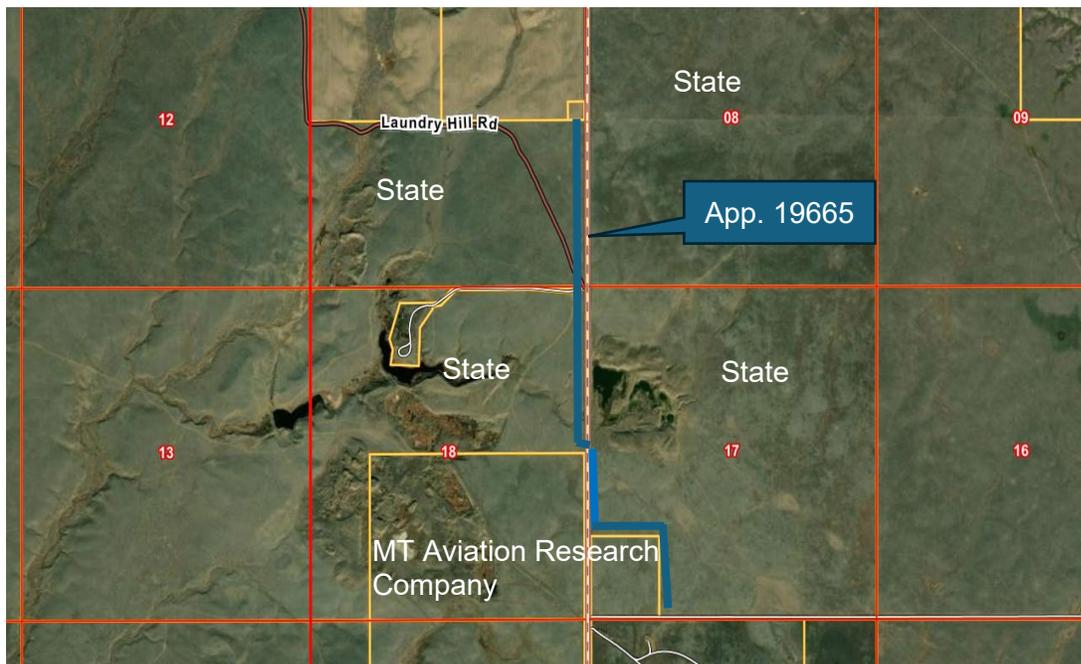
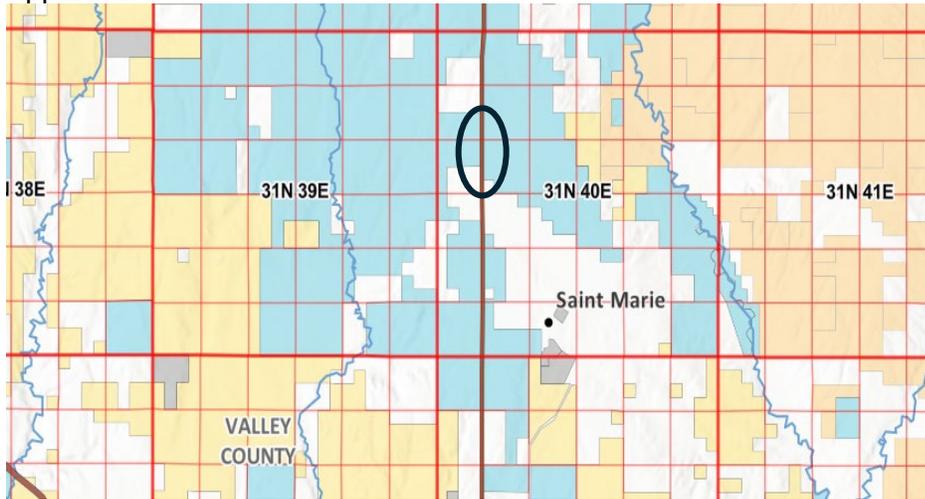
### Item Summary

NorthWestern Corporation has requested an easement to install a 7200 volt electric distribution line and associated junction cans across three contiguous State land sections. This proposed power line is requested by Dry Prairie Rural Water Authority to provide service to a water booster station associated with the water project. This booster station site is critical to their operation as they expand their services to customers in Valley County. Other alternatives were attempted, by pursuing an easement across private land; however, the request was denied by the landowner. The proposed route on State Trust land generally follows along the section lines and the State highway, therefore impacts from ground disturbance are minimal.

### DNRC Recommendation

The DNRC recommends approval of the application of Northwestern Corporation.

Application #19665



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Montana Department of Transportation and Fergus County  
PO Box 201001  
Helena, MT 59620-1001

Application No.: 19669 & 19670  
R/W Purpose: highway construction and mainenance, including occupancy by public utilities as defined in §69-4-101, MCA

Lessee Agreement: ok  
Acreage: 3.6 total (3.17 MDT; 0.43 Fergus County)  
Compensation: \$9,000.00  
Legal Description: a tract of land through N2SE4 and NW4SE4, Sec. 16, Twp. 15N, Rge. 20E, Fergus County  
Trust Beneficiary: Common Schools

### Item Summary

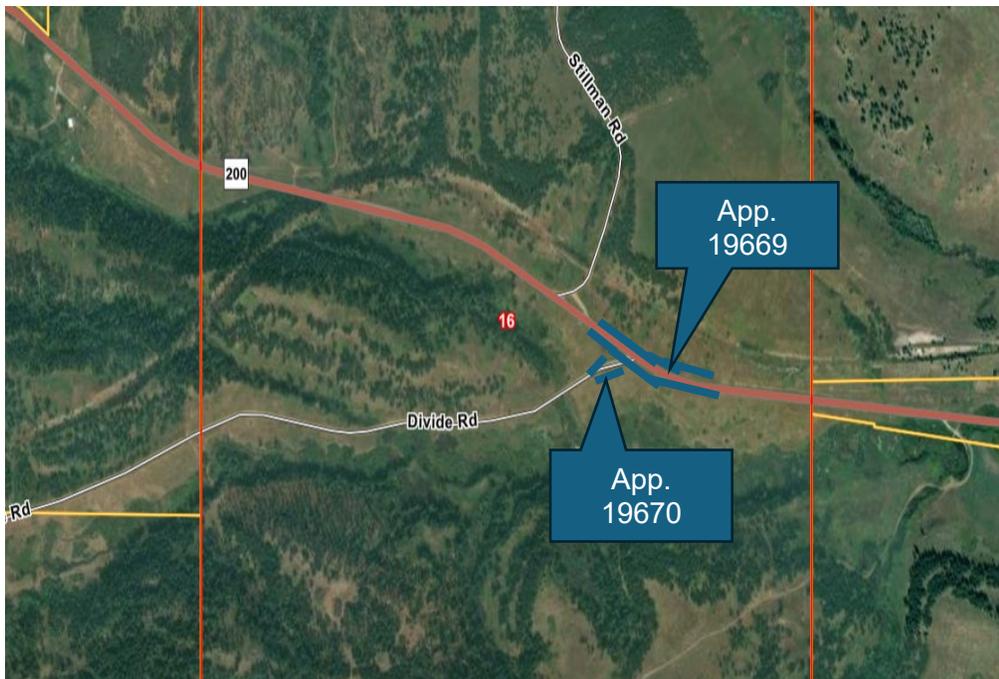
The Montana Department of Transportation is requesting an easement to improve the highway through this portion of state land. The proposed scope of work is to reconstruct curves to meet current highway standards, which will include widening those area so as to create 8-foot final shoulder widths for highway safety.

This project will also impact an existing alignment of a county road that intersects the highway that will result in an easement being issued to Fergus County as well. MDT has addressed this issue with Fergus County and will compensate the State for that portion of the value attributed to the Fergus County right of way.

### DNRC Recommendation

The DNRC recommends approval of the applications of Montana Department of Transportation and Fergus County.

Application #19669 & 19670



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Montana Department of Transportation  
PO Box 201001  
Helena, MT 59620-1001

Application No.: 19671  
R/W Purpose: highway construction and mainenance, including occupancy by public utilities as defined in §69-4-101, MCA

Lessee Agreement: ok  
Acreage: 8.11  
Compensation: \$8,110.00  
Legal Description: a tract of land through through SE4NW4, SW4NE4, NW4SE4, NE4SW4, SE4SW4, SW4SE4, Sec. 30; and SW4NE4, NW4NE4, NE4NW4, Sec. 31, Twp. 33N, Rge. 16E, Hill County

Trust Beneficiary: Common Schools

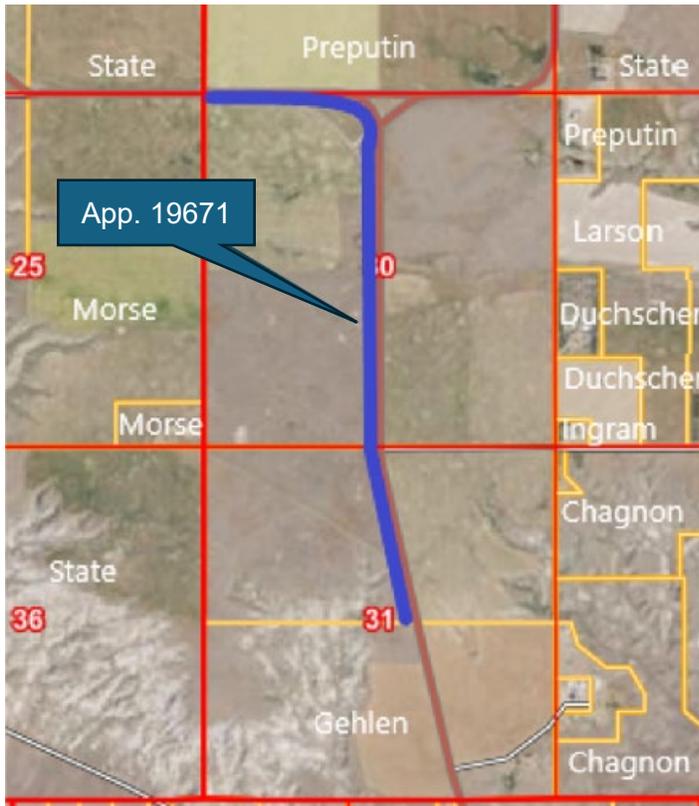
### Item Summary

The Montana Department of Transportation is requesting an easement to improve the highway through this portion of state land. The proposed scope of work includes reconstruction of the existing roadway and widening to accommodate additional width for shoulders, as well as updating the existing alignments to meet current design standards. The project will also improve drainage and provide culvert upgrades.

### DNRC Recommendation

The DNRC recommends approval of the application of Montana Department of Transportation.

Application #19671



# 0724-4

**Informational Item:**

**Agriculture and Grazing Improvement  
Settlement Process**

**Land Board Agenda Item  
July 15, 2024**

**0724-4 Informational Item – Department of Natural Resources and Conservation**

**Location:** State of Montana

**Trust Benefits:** N/A

**Trust Revenue:** N/A

**Item Summary:**

Informational Item: Agriculture and Grazing Improvement Settlement Process