

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Trapper Mountain/ Kleinschmidt Flat Land Banking Sale
Proposed Implementation Date:	March 2008
Proponent:	DNRC
Location:	E2 sec 36 T14N R11W, N2 & SW4 sec 34 T15N R11W, NE4 sec 26 T15N R11W
County:	Powell

I. TYPE AND PURPOSE OF ACTION

Offer for sale at public auction, 943.15 acres of state land currently held in trust for the benefit of Common Schools (303.15 acres) and Public Buildings (640 acres). Revenue generated from the sale of these parcels would be deposited in a special account used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income generation and potential for multiple use. The new parcel/parcels would then be held in trust for the benefit of Common Schools & Public Buildings. This proposed sale is being initiated through the Land Banking Program (Montana Code Annotated 77-2-361) that was approved by the Legislature in 2003. The purpose of this program is to allow the Department of Natural Resources and Conservation to dispose primarily of parcels that are isolated and produce low income and allow the Department to purchase land with legal public access that can support multiple uses and will provide a rate of return equal to or greater than the parcels that were sold. Additionally, this program allows for the Trust land portfolio to be diversified, by disposing of grazing parcels that make up a majority of the Trust land holdings and acquire other types of land, such as timberlands, which typically produce greater return on investment.

II. PROJECT DEVELOPMENT

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

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

A letter was distributed in September 2004 to all state surface lessees informing them of the Land banking Program and requesting nominations be submitted by lessees between October 1, 2004 and January 31, 2005.

A letter was sent to the three lessees of these three parcels on August 21, 2007 requesting them to respond by September 25, 2007 if they were interested in purchasing their respective parcels.

A public notice was published in the Missoulian on 10/21/07, Silver State Post on 10/24/07, and the Seeley Swan Pathfinder on 10/25/07 requesting comments be submitted by November 9, 2007.

A letter, requesting comments be submitted by November 9, 2007, was sent to interested parties including adjacent landowners, the Powell County Commissioners, Land Board members, legislators, government agencies, special interest groups and others. A complete list of the individuals contacted is included as an attachment to this EA.

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

None

3. ALTERNATIVES CONSIDERED:

Proposed Alternative A: Offer 943.15 acres of State Land for sale at public auction and subject to statutes addressing the sale of State Land found in M.C.A. 77-2-301 et seq. Proceeds from the sale would be deposited in the Land Bank Fund to be used in conjunction with proceeds from other sales for the purchase of other State

Land, easements, or improvements for the beneficiaries of the respective trusts, in this case the Common School and Public Buildings. If a sale is consummated, the State would not be able to control the type of future development or activities that could occur on the surface estate. However, per M.C.A. 77-2-304 the State would retain the subsurface mineral rights.

Proposed Alternative B: Offer any combination of these three parcels for sale at public auction per alternative A.

No Action Alternative: Defer inclusion of these tracts in the Land Banking Program.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

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

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

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

No sites with unique geology or unstable slopes were identified on the shallow to moderately deep soils within the parcels proposed for sale. Soils on the Kleinschmidt flat parcels (within sections 26 & 34, T15N R11W) are mainly well drained gravelly loams from deep alluvium on gentle slopes with low to moderate erosion potential. On the Trapper Mtn. parcel section 36 T14N R11W, soils are shallow to moderately deep gravelly loams derived from limestone colluvium. Historic management has been grazing. There are no cumulative effects of past timber harvest. No soil disturbing activities are planned as part of this action.

There would be low risk of direct, indirect and cumulative impacts to geology and soil quality, stability and moisture as a result of implementing the proposed alternatives A & B.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

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

Section 34 has a perennial stream named, Rock Creek, flowing through the SW1/4. Historically there have been grazing impacts throughout the Rock Creek watershed across ownerships. This stream is a, "Bull trout recovery stream", and has had a great deal of work done on stream reconstruction, planting and fencing to restore spawning areas for Bull Trout. On the State land, the stream has been fenced, to prevent over utilization by livestock and some willows have been planted along the stream bed to provide shade to the stream, improve channel stability and moderate water temperatures.

There are few roads on the parcels proposed for sale and there would be no perceptible change in soil stability or water quality with both the action and no-action alternatives. No measurable impacts to large woody debris, shade, sediment delivery, nutrient supply, channel stability and flow regimes are expected to occur under the proposed action. Water quality in Rock Creek is on an improving trend.

Section 36 has a spring with a spring development for livestock drinking water located in the NE1/4 of the section. This spring provides water throughout most summers and into the early fall. The discontinuous stream below the spring does not support fish.

The parcel in section 26 has no surface water.

There are few existing roads on the parcels proposed for sale and no measurable impacts to large woody debris, shade, sediment delivery, nutrient supply, channel stability and flow regimes are expected to occur under

the proposed action. Thus, there is low risk of direct, indirect or cumulative effects to water quality anticipated with both the action and no-action alternatives.

6. AIR QUALITY:

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

The parcels of land are located approximately 8-10 miles east to southeast of Ovando Montana. We do not expect any direct or cumulative effects to air quality would occur as a result of the sale of these parcels.

7. VEGETATION COVER, QUANTITY AND QUALITY:

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

The primary vegetation type on these parcels is native grasses. Livestock grazing is the principal land use. We expect that whoever would buy the parcels would continue to graze livestock at the current stocking levels. Some timber exists on the North end of section 36. The quality of this timber is low and it is located on a steep slope and therefore hard to manage. We don't expect any direct or cumulative effects would occur to vegetation as a result of the proposal.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

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

Section 36 is on the side of Trapper Mountain and is used by a resident herd of elk that reside on and around this mountain. Some large mule deer bucks have been seen on this parcel and because of the difficulty in accessing the parcel, it no doubt provides good habitat as well as escape cover for both elk and deer. This parcel may see limited use by Columbian Sharp-tailed grouse, a sensitive grassland species with known leks located within 5 miles.

Sections 26 & 34 are flat open and easily accessible and provide some grazing for big game species. These parcels may also see limited use by Columbian Sharp-tailed grouse. Due to the uncertainty regarding potential purchasers, and their planned activities, it is difficult to ascertain the effects of the proposed actions on these species. Should traditional activities (grazing, timber harvesting, and hunting) continue post-sale, changes to the affected species would likely be minimal.

Only the section 34 parcel includes a stream segment of cold water fish habitat on a ½ mile segment of Rock Creek. Rock creek is approximately 9 miles long and is on the DEQ 303d list for sedimentation, streamside cover and low flow alterations. Rock Creek provides habitat for cold water fish including Bull trout and restoration efforts are considered to be part of an ever growing success story for the stream. Bull trout are rare (Mfish 2008), yet brown trout have increased in recent years, due in part to efforts to improve stream stability and shading. This stream has been restored to improve water quality and fisheries habitat across ownerships. The riparian restoration projects completed on upper and lower Rock Creek have excluded cattle from parts of the streamside zone, restored stream channels and greatly reduced the chronic erosion problems of the past.

Under no-action alternative, no change in effects to species over existing conditions is anticipated. Under the action alternatives, all future actions would be required to meet applicable laws and rules. DNRC will inform the new owners of the restoration activities completed on the DNRC parcel and the importance of continuing management to maintain and improve fish habitat. No timber harvest, road construction or new stream crossings are planned adjacent to or within the SMZ of the Class I streams supporting a fishery. Therefore, no direct, indirect or cumulative effects to cold water fisheries habitat are expected to result from the proposed actions.

There is low risk of direct, indirect or cumulative effects to terrestrial, avian, or aquatic life including fish with both the action and no-action alternative on these parcels.

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

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

Grizzly bears occasionally use sections 26 and 34, particularly along Rock Creek. The principal draw for this species are the chokecherries and other riparian berries along the creek. Due to the uncertainty with who potential purchasers may be, and what activities might occur on these parcels post-sale, it is difficult to ascertain the effects of the proposed actions on grizzly bears. Should traditional activities (grazing, timber harvesting, and hunting) continue post-sale, changes to the affected species would likely be minimal. However, should residential development occur, it may be possible that unnatural food attractants (e.g., garbage, bird feeders, dog food, etc.) could attract grizzly bears and require removal of problem bears from the population. At this time, no residential development is planned. Powell County planning rules only allow one residence per 160 acres in the north portion of the county. Thus, there would likely be minimal risk of direct, indirect, or cumulative effects to grizzly bears as a result of the proposed actions.

Rock Creek supports cold-water fisheries. Fish species include westslope cutthroat trout, bull trout, brown trout, brook trout, and a number of other species (MFISH 2007 and FWP). Bull trout are a threatened species and Westslope cutthroat trout are a sensitive species. The creek receives some recreational fishing use, and that is likely to continue in the future. Under no-action alternative, no change in effects to species over existing conditions is anticipated. No direct, indirect and cumulative impacts to Bull trout or WCT are expected to occur under the proposed action (see Section 8 – Fisheries for more information regarding potential impact to Bull trout and WCT).

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

A Class III intensity level inventory of cultural resources was completed in August of 2007 on the three parcels proposed for sale. No Heritage Properties as defined by the Montana State Antiquities Act were identified during the course of inspection. As such, no additional archaeological investigative work is recommended for these properties.

11. AESTHETICS:

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

No direct or cumulative impact to aesthetics is anticipated as a result of this proposal.

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

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

This 943.15 acres of school trust land represents a fraction of the 5.2 million acres of trust land statewide. State law and administrative rules, limit the sale of trust land to a maximum of 20,000 acres prior to purchasing replacement lands. The potential sale of these parcels would affect an extremely small percentage of the school trust lands if replacement land was not purchased before the statute expires and even less impact if replacement land is purchased as anticipated.

The potential transfer of ownership would not have any impact or demands on environmental resources of land, water, air or energy.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

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

Grazing lease range evaluations have been conducted on these parcels and are in the Department files. Some of the adjacent land has conservation easements that would conserve wildlife habitat.

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

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

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur as a result of this proposal.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

All of these parcels are currently being grazed by livestock. The total number of AUM's is 264 with little potential to increase.

Timber harvest potential is low with only one opportunity existing on section 36. Existing timber is hard to get to and of poor quality making its value very low.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

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

The proposal would have no effect on quality and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

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

Currently the parcels are not assessed taxes. Sale of this land would add additional property to the Powell county tax base, thus increasing revenue to the county.

18. DEMAND FOR GOVERNMENT SERVICES:

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

The proposed sale would not have an impact on government services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

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

The parcels are currently unzoned. The growth Policy land use designation is 1 dwelling unit per 160 acres. Ron Hansen, Powell County Planner, commented that since all parcels are currently 160 area or greater no issues exist with the Zoning & Development Regulations. Any proposal to develop these properties would be subject to review and approval under state and local regulations.

Some adjacent private lands are under conservation easements. The state parcels proposed for sale would not contain conservation easement restrictions.

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

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

These parcels of state land provide some recreational activities such as hunting. The section 36 (Trapper Mountain) is currently accessible through the immediately adjacent Nevada-Ogden Block Management Area. Under the Block management program, FWP contracts with private landowners to keep their land open for free public access for hunting. This BMA has been in existence since 1993 and it typically includes a group of 6 to 8 private landowners signing annual contracts to be part of this BMA. Hunter numbers are currently limited to 15 per day. In 2006 an estimated 97 individual hunters utilized this BMA for 261 total hunter days.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

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

The potential sale of these parcels would not require additional housing or change population. It is unknown what land uses would occur under new ownership. Any future proposal to develop the property would be subject to review under state and local regulations.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

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

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

The potential sale of the state land will not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership changes.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

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

The parcels currently have a Grazing Competitive Bid for 264 Animal Unit Months at a rate of \$6.94/AUM x 189 AUM's and \$12.51/AUM x 75 AUM's generating an income of \$ 2,249.91 annually or approximately \$2.38/acre in 2007. Based on the DNRC Annual Report for Fiscal Year 2007, the average income for the 4.3 million acres of grazing land was \$1.83/acre. Therefore these parcels are considered above average revenue per acre. There is no indication these parcels, if remaining in state ownership, would be used for purposes other than forestry and grazing and it is likely the future income would remain relatively stable.

Land Banking statute requires that land acquired as replacement property through Land Banking is "likely to produce more net revenue for the affected trust than the revenue that was produced from the land that was sold" (Section 77-2-364 MCA). Property considered for acquisition will include croppped or irrigated land, and/or

land with recreational, timber, or commercial potential. All these land classifications or uses presently produce a higher rate of return on State Trust land than the average parcel of State Trust grazing land.

This would indicate a higher return on asset value could be expected under the Proposed Alternative (Sale).

EA Checklist Prepared By:	Name: Stephen J. Wallace	Date: 1/8/08
	Title: Unit Manager	

V. FINDING

25. ALTERNATIVE SELECTED:

I have selected the proposed alternative A. If these parcels are sold, all future actions or changes in use would have to meet with all applicable laws and rules. I recommend the parcels receive preliminary approval for sale and continue with the Land Banking process.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the comments received and potential environment effects and have determined significant environmental impacts would not result from the proposed land sale. The parcels do not have any unique characteristics; critical habitat or environmental conditions indicating the parcel should necessarily remain under management by the Department of Natural Resources and Conservation.

Bull Trout habitat occurring in the restored segment of Rock Creek flowing through the SW1/4 of section 34 and noted in **# 8 Terrestrial, Avian and Aquatic Life and Habitats**, and **# 9 Unique, Endangered, Fragile or Limited Environmental Resources**, will be identified to potential purchasers as to the values of those habitats and the importance to protect the restored segment of the stream. Grizzly bear use of sections 26 and 34 as noted in **# 9 Unique, Endangered, Fragile or Limited Environmental Resources**, is not unique to these parcels but occurs throughout the Blackfoot drainage. Sale of these parcels will have minimal to no impact on grizzly bear use of and or distribution throughout the Blackfoot drainage. DNRC will advise potential purchasers of the property that grizzly bears inhabit the Blackfoot drainage and that they need to work with the Blackfoot Challenge in proactive management to minimize impact to grizzly bear and themselves.

I have reviewed the comments and believe that all concerns have been adequately addressed under the appropriate headings

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS
 More Detailed EA
 No Further Analysis

EA Checklist Approved By:	Name: Anthony L. Liane
	Title: Area Manager – Southwestern Land Office
Signature: /s/ Anthony L. Liane	Date: March 12, 2008